

Tjellesen Max Jenne A/S

Ole Lippmanns Vej 2
2630 Taastrup
CVR No. 79091812

Annual report 01.04.2021 - 31.03.2022

The Annual General Meeting adopted the
annual report on 27.06.2022

Philip Rye

Philip Rye
Chairman of the General Meeting

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Entity details

Entity

Tjellesen Max Jenne A/S

Ole Lippmanns Vej 2

2630 Taastrup

Business Registration No.: 79091812

Registered office: Høje Taastrup

Financial year: 01.04.2021 - 31.03.2022

Board of Directors

Tilo Albrecht Koester, Chairman

Graham Anthony Dowling

Simona Lucia Jipa

Executive Board

Marianne Timm, Managing Director

Kristian Kjærsgaard, IT and Logistic Director

Preben Møller Jørgensen, Procurement Director

Anne Gabriele Rhomberg, Finance Director

José Pedro Gomes Pereira, Director of Operations

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Tjellesen Max Jenne A/S for the financial year 01.04.2021 - 31.03.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2022 and of the results of its operations for the financial year 01.04.2021 - 31.03.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Høje Taastrup, 27.06.2022

Executive Board



Marianne Timm
Managing Director



Kristian Kjærsgaard
IT and Logistic Director



Preben Møller Jørgensen
Procurement Director



Anne Gabriele Rhomberg
Finance Director




José Pedro Gomes Pereira
Director of Operations

Board of Directors



Tilo Albrecht Koester
Chairman



Graham Anthony Dowling



Simona Lucia Jipa

Independent auditor's report

To the shareholder of Tjellesen Max Jenne A/S

Opinion

We have audited the financial statements of Tjellesen Max Jenne A/S for the financial year 01.04.2021 - 31.03.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.03.2022 and of the results of its operations for the financial year 01.04.2021 - 31.03.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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. 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 judgement 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 27.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Financial highlights

	2021/22	2020/21	2019/20	2018/19	2017/18
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	3,909,125	3,790,756	3,853,943	3,526,109	3,262,127
Gross profit/loss	148,696	149,297	160,723	138,576	129,843
Operating profit/loss	17,650	26,097	48,321	34,205	31,383
Net financials	(732)	(824)	(3,439)	(4,314)	(3,697)
Profit/loss for the year	13,360	19,857	34,397	22,705	22,002
Total assets	1,806,974	1,628,927	1,622,621	1,311,899	1,260,562
Equity	739,803	726,443	706,586	672,189	649,492
Average number of employees	230	227	214	209	202
Ratios					
Gross margin (%)	3.80	3.94	4.17	3.93	3.98
Net margin (%)	0.34	0.52	0.89	0.64	0.67
Return on equity (%)	1.82	2.77	4.99	3.44	3.45
Equity ratio (%)	40.94	44.60	43.55	51.24	51.52
Revenue per employee	16,996	16,699	16,477	15,609	17,052

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Revenue per employee:

Revenue

Average number of employees

Primary activities

The primary activity of Tjellesen Max Jenne A/S (TMJ) is distribution of pharmaceuticals from wholesale warehouses in Taastrup and Vejle.

Development in activities and finances

Revenue for 2021/2022 amounts to DKK 3,909 million, an increase of 3.12% compared to 2020/2021.

The financial year 2021/2022 continued to experience a noticeable effect from the modernization of the Danish pharmacy market in 2015. The steep increase in the number of pharmacy units has resulted in rising inventory handling and transportation costs. However, we are also seeing an increased revenue in pharmacies as well as in hospitals with market growth coming back to pre-Covid levels. This growth could in parts compensate for some of the increasing costs of Operations. Operating profit is lower than the profit for 2020/2021; including a one-time separation cost of DKK 3.4 million.

The Company's income statement for 2021/2022 shows a post-tax profit of DKK 13 million. On 31 March 2022, equity amounts to DKK 740 million with a solvency ratio of 40.9%.

Management considers the Company's results satisfactory under the special situation.

Profit/loss for the year in relation to expected developments

The profit of the year is as expected.

Uncertainty relating to recognition and measurement

In addition, recognition and measurement in the annual report have not been subject to any uncertainty.

The Company is not exposed to any special risks, other than those common for the industry in which it operates.

Outlook

In 2021/2022 and the years to follow, the Company expects to continue investing significantly in additional capacity and new technology. Thus, the Company will continue to appear as a modern and efficient logistics partner for pharmacies as well as manufacturers. On this, Management expects results for 2022/2023 to be above 2021/2022 – (excluding one time cost for separation).

Environmental performance

In order to reduce carbon footprint, the Company has defined a number of different initiatives, which have been further developed in 2021/2022. All with the purpose of becoming more sustainable and limiting our impact on the environment.

The Company has initiated an environmental working group - "Go Neutral" - with representatives from different departments.

Furthermore, the Company's new high-technological logistic centre and HQ in Copenhagen was built according to the newest and most eco-friendly standards (solar cells, high level of insulation, energy-efficient etc.).

One of the initiatives the Company has initiated in the journey towards becoming carbon neutral is purchasing electricity from renewable energy sources (Danish wind turbines).

Another initiative relates to delivering medicines by electric vehicle(s) in the Triangle Region in Denmark, which the Company started as a pilot project in 2021. The project was so successful that it has been decided to make it permanent. In Fiscal Year 2023, the Company will explore the possibility of scaling up the project by adding more electric vans and new routes.

As a part of our sustainability strategy, the Company has also installed electric car chargers at its headquarters in Copenhagen.

Statutory report on corporate social responsibility

Regarding section 99a of the Danish Financial Statements Act, the Company has no written policies for corporate social responsibility, including policies on human rights, environment, and climate.

Statutory report on the underrepresented gender

The Company wants to promote diversity and create opportunities for all persons, regardless of gender, age, ethnicity, religious or political conviction.

The Company's existence is dependent on skilled employees, and the Company strives to employ the most qualified people in all positions.

The Company strives to have at least 33% female board members. The current status is 33%.
The Company's Executive Board and management team already meet the intentions of diversity.

Events after the balance sheet date

On June 15th, McKesson Europe AG, the parent of Admenta Denmark A/S, has entered into a binding agreement to sell Admenta Denmark A/S (as well as its two Danish subsidiaries Tjellesen Max Jenne A/S and A/S Tødin) to Erhvervsinvest (TM48 Investment A/S) a Danish private equity fund. The transaction is expected to close in the next 3 month, subject to customary closing conditions.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021/22

	Notes	2021/22 DKK'000	2020/21 DKK '000
Revenue	2	3,909,125	3,790,756
Other operating income		19,355	26,758
Cost of sales		(3,687,600)	(3,579,532)
Other external expenses		(92,184)	(88,685)
Gross profit/loss		148,696	149,297
Staff costs	3	(116,164)	(112,297)
Depreciation, amortisation and impairment losses		(14,882)	(10,903)
Operating profit/loss		17,650	26,097
Other financial income		524	38
Other financial expenses	4	(1,256)	(862)
Profit/loss before tax		16,918	25,273
Tax on profit/loss for the year	5	(3,558)	(5,416)
Profit/loss for the year	6	13,360	19,857

Balance sheet at 31.03.2022

Assets

	Notes	2021/22 DKK'000	2020/21 DKK'000
Acquired licences		4,251	6,575
Intangible assets	7	4,251	6,575
Land and buildings		43,843	47,120
Other fixtures and fittings, tools and equipment		54,596	64,256
Property, plant and equipment in progress		7,133	3,126
Property, plant and equipment	8	105,572	114,502
Fixed assets		109,823	121,077
Manufactured goods and goods for resale		406,248	442,629
Inventories		406,248	442,629
Trade receivables		994,459	839,001
Receivables from group enterprises		89,685	75,194
Other receivables		30,555	11
Prepayments	9	6,294	5,696
Receivables		1,120,993	919,902
Cash		169,910	145,319
Current assets		1,697,151	1,507,850
Assets		1,806,974	1,628,927

Equity and liabilities

	Notes	2021/22 DKK'000	2020/21 DKK'000
Contributed capital		52,200	52,200
Retained earnings		687,603	674,243
Equity		739,803	726,443
Deferred tax	10	4,552	4,118
Provisions		4,552	4,118
Mortgage debt		0	157,143
Non-current liabilities other than provisions		0	157,143
Trade payables		993,880	675,280
Payables to group enterprises		33,545	33,742
Tax payable		3,124	1,910
Other payables		32,070	30,291
Current liabilities other than provisions		1,062,619	741,223
Liabilities other than provisions		1,062,619	898,366
Equity and liabilities		1,806,974	1,628,927
Events after the balance sheet date	1		
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Group relations	14		

Statement of changes in equity for 2021/22

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	52,200	674,243	726,443
Profit/loss for the year	0	13,360	13,360
Equity end of year	52,200	687,603	739,803

Notes

1 Events after the balance sheet date

On June 15th, McKesson Europe AG, the parent of Admenta Denmark A/S, has entered into a binding agreement to sell Admenta Denmark A/S (as well as its two Danish subsidiaries Tjellesen Max Jenne A/S and A/S Tødin) to Erhvervsinvest (TM48 Investment A/S) a Danish private equity fund. The transaction is expected to close in the next 3 month, subject to customary closing conditions.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Revenue

	2021/22 DKK'000	2020/21 DKK'000
Denmark	3,802,141	3,715,769
Other EU-countries	20,609	21,521
Other non EU-countries	86,375	53,466
Total revenue by geographical market	3,909,125	3,790,756

3 Staff costs

	2021/22 DKK'000	2020/21 DKK'000
Wages and salaries	101,146	97,743
Pension costs	8,799	8,548
Other social security costs	523	570
Other staff costs	5,696	5,436
	116,164	112,297
Average number of full-time employees	230	227

	Remuneration of Management 2021/22 DKK'000	Pension liabilities 2021/22 DKK'000	Remuneration of Management 2020/21 DKK'000	Pension liabilities 2020/21 DKK'000
Executive Board	9,276	347	7,450	369
	9,276	347	7,450	369

4 Other financial expenses

	2021/22	2020/21
	DKK'000	DKK'000
Financial expenses from group enterprises	14	0
Other financial expenses	1,242	862
	1,256	862

5 Tax on profit/loss for the year

	2021/22	2020/21
	DKK'000	DKK'000
Current tax	3,124	1,910
Change in deferred tax	434	3,506
	3,558	5,416

6 Proposed distribution of profit and loss

	2021/22	2020/21
	DKK'000	DKK'000
Retained earnings	13,360	19,857
	13,360	19,857

7 Intangible assets

	Acquired licences DKK'000
Cost beginning of year	78,023
Additions	782
Cost end of year	78,805
Amortisation and impairment losses beginning of year	(71,449)
Amortisation for the year	(3,105)
Amortisation and impairment losses end of year	(74,554)
Carrying amount end of year	4,251

8 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	62,371	89,909	3,126
Additions	109	555	4,152
Disposals	0	(1,824)	(145)
Cost end of year	62,480	88,640	7,133
Depreciation and impairment losses beginning of year	(15,251)	(25,653)	0
Depreciation for the year	(3,386)	(8,391)	0
Depreciation and impairment losses end of year	(18,637)	(34,044)	0
Carrying amount end of year	43,843	54,596	7,133

9 Prepayments

Prepayments include prepaid licenses and rent.

10 Deferred tax

	2021/22 DKK'000
Changes during the year	
Beginning of year	1,046
Recognised in the income statement	3,506
End of year	4,552

11 Unrecognised rental and lease commitments

	2021/22 DKK'000	2020/21 DKK'000
Liabilities under rental or lease agreements until maturity in total	26,825	26,758

12 Related parties with controlling interest

Below-listen companies, performing a management function and/or have a controlling interest as of 31 March 2022

Ultimate Parent:

McKesson Corporation
6535 N. State Highway 161
Irving, Texas 75039
USA

Intermediate Parents:

McKesson Europe AG
Stockholmer Platz 1
70173 Stuttgart
Germany

Admenta Denmark ApS
Ole Lippmanns Vej 2
DK-2630 Taastrup
Denmark

13 Non-arm's length related party transactions

In the financial statements only transactions with the related parties that are not carried out on arm's length basis are described. Such transactions did not take place in the financial year.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
McKesson, 6535 N. Sate Highway 161., Irving TX-75039, USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
McKesson Europe AG, Stockholmer Platz 1, 70173 Stuttgart, Germany

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

The annual report is presented in DKK.

According to section 96(3) of the Danish Financial Statement Act, fees to auditors appointed at the general meeting is not disclosed.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, interest income from other receivables, currency translation adjustments and foreign currency transactions.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and foreign currency transactions.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise appropriations for software.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Intellectual property rights are amortised over the economical life, which is 3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-50 years
Other fixtures and fittings, tools and equipment	4-7 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

According to section 86(4) of the Danish Financial Statements Act, a cash flow statement has not been prepared.