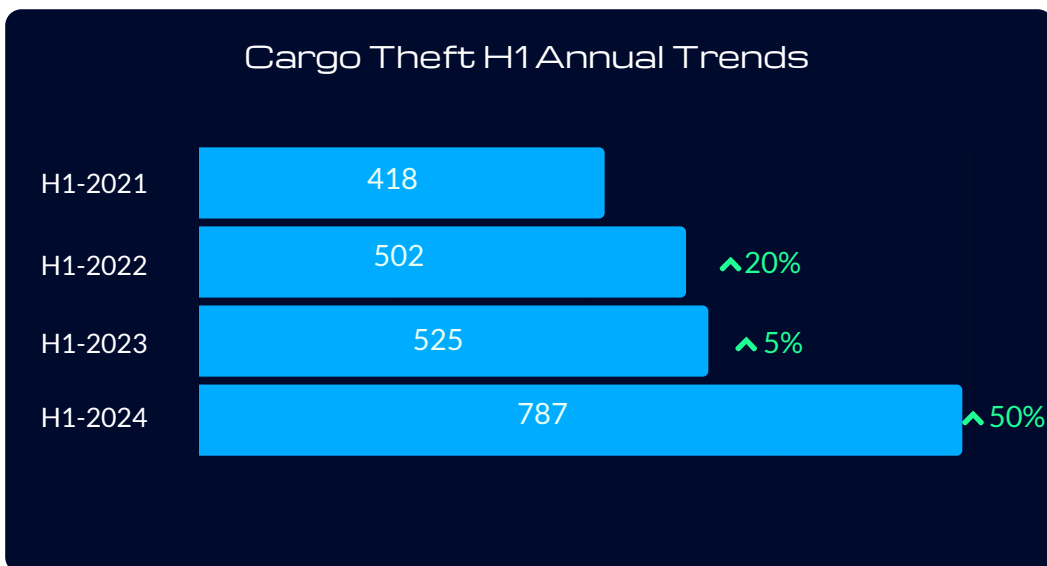
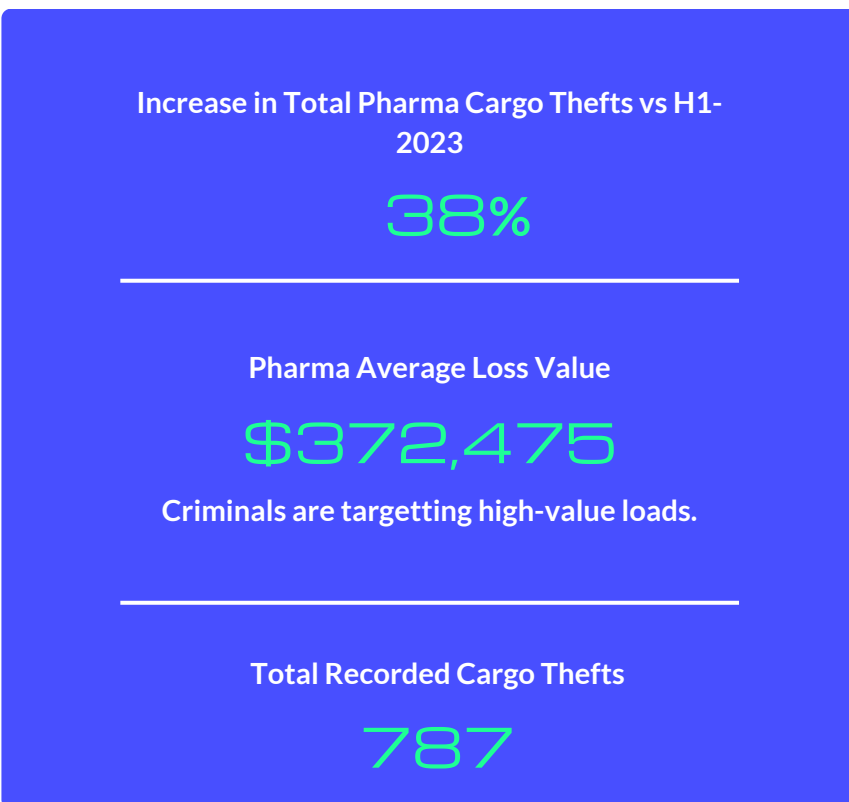




H1-2024 PHARMA TRENDS - US



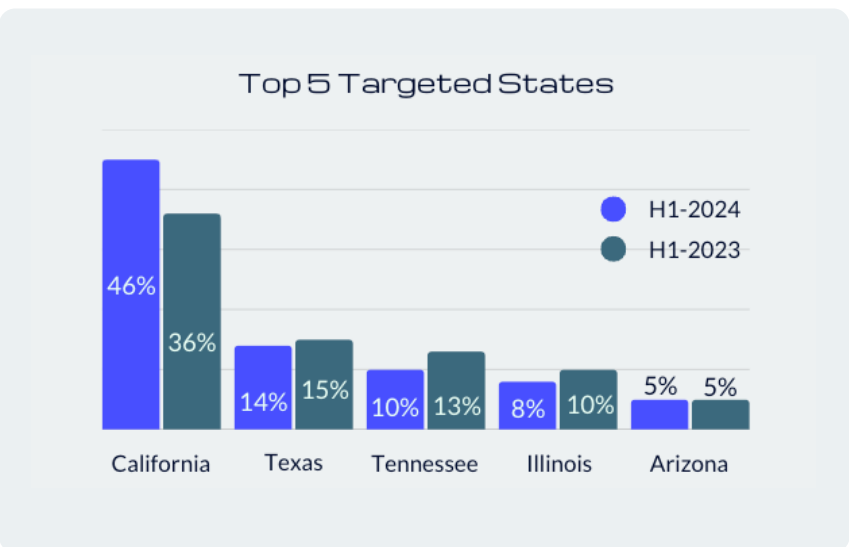
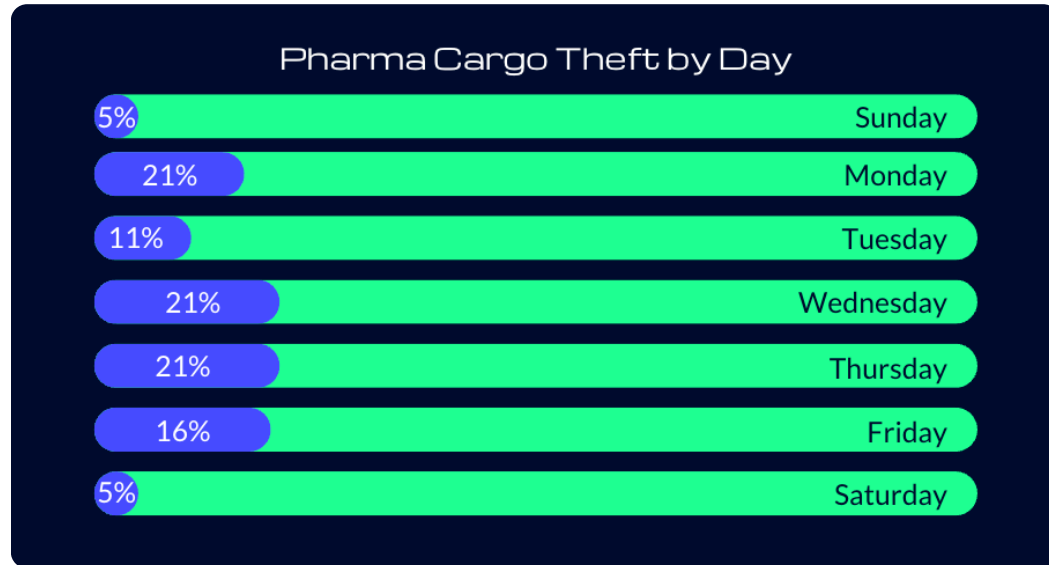
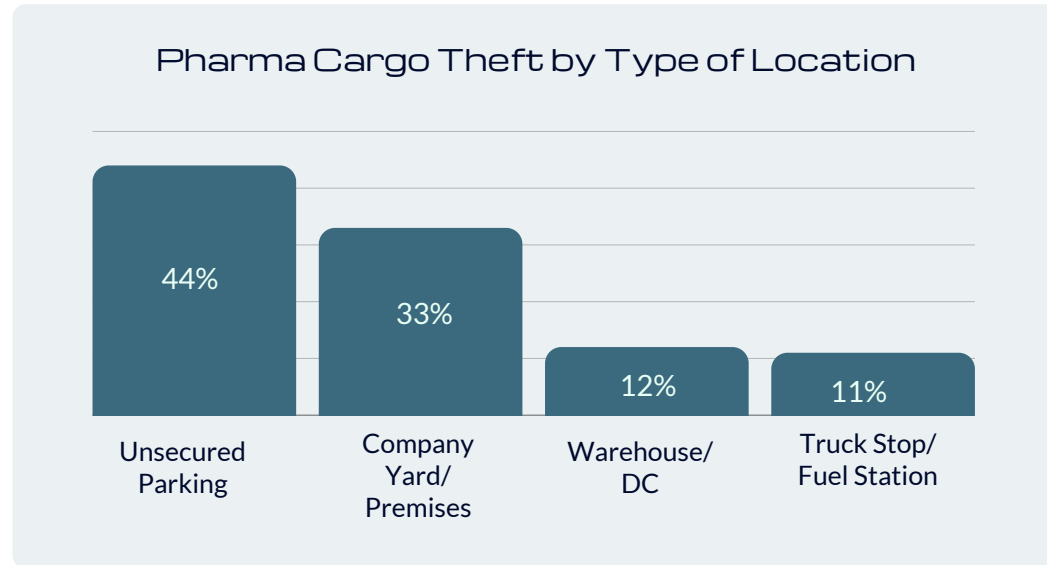
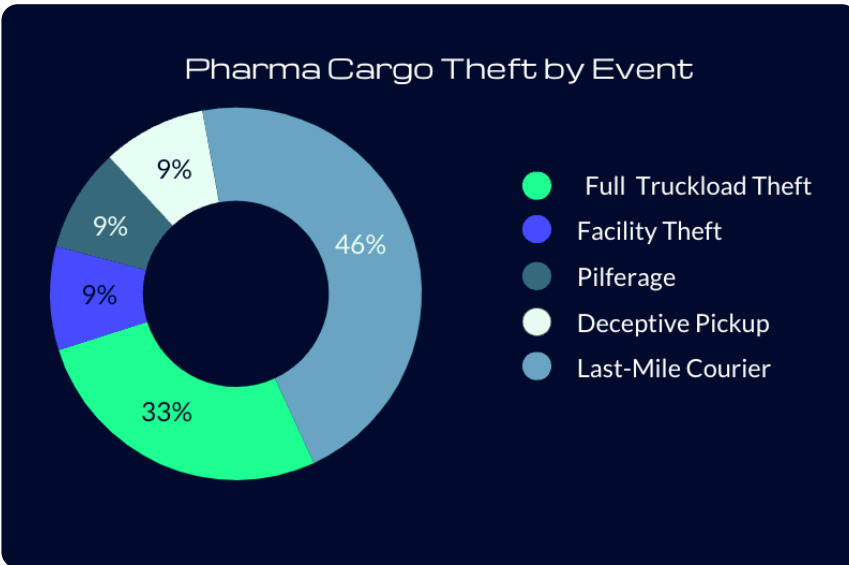
Patient Safety Risk

Pharmaceutical theft is a significant concern within the healthcare industry, not only because of the financial implications but also due to the grave risks it poses to patient safety. When medications are stolen, there's a high likelihood that they may re-enter the market through unauthorized and unregulated channels with diverted and stolen pharmaceutical goods accounting for 10% of global sales (WHO, 2021).

"All you need is an unscrupulous wholesaler, who would sell the shipment to a slightly less unscrupulous wholesaler, who would sell it back onto mainstream shelves." (Fortune Business Insights, 2019-20)

Temperature control is crucial for maintaining the efficacy of cold chain pharmaceuticals, and any deviation from required conditions during transport can render medications ineffective or even dangerous. Even if temperature issues are identified upon receipt of the shipment, the delay in getting these vital medications to patients can be detrimental, especially for those requiring timely treatment for chronic or severe conditions.

If a shipment's temperature deviation is detected mid-transit, companies have the opportunity to mitigate the impact by immediately arranging to send replacement products. However, discovering these issues only after arrival not only extends the time patients must wait for their medications but also incurs additional costs for pharmaceutical companies to manage returns and send out new shipments.



Cold Chain Spoilage

Cold chain spoilage represents a significant challenge in the pharmaceutical industry, where maintaining specific temperature conditions is crucial for preserving the efficacy and safety of medications.

Financially, the impact is substantial, with cold chain spoilage costing the pharmaceutical industry approximately \$35 billion annually.

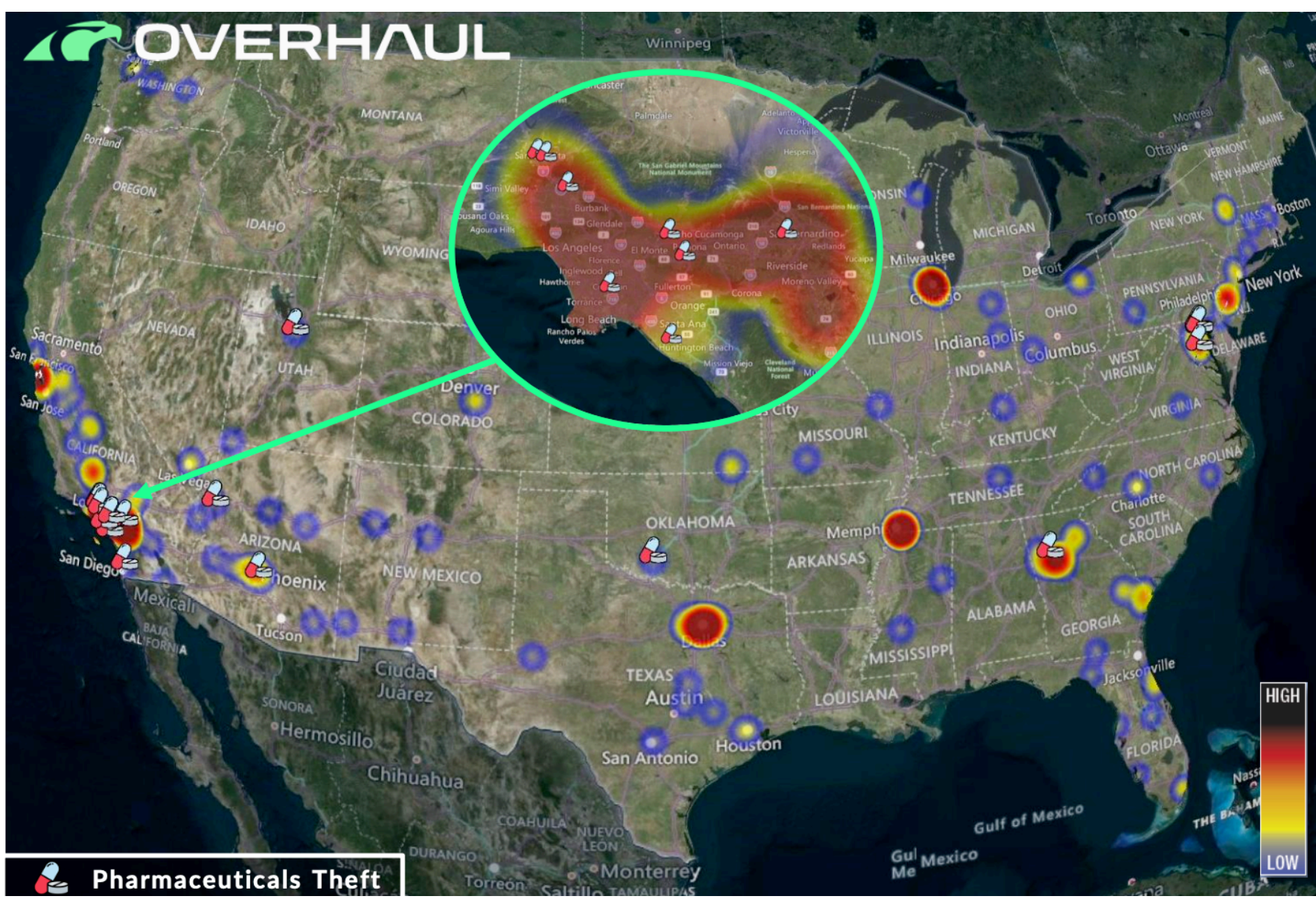
The consequences of cold chain spoilage are severe, including the loss of valuable medications, increased costs due to waste and replacement, potential health risks to patients relying on these pharmaceuticals, and loss of trust from consumers and regulatory scrutiny

How Overhaul can help:

- Streamline chain of custody audits and CAPA investigations
- Confirm temperature compliance in-transit and at destination without comprising your cargo
- Compare logistics providers SLAs with reality for negotiations
- Save on the costs of temperature sensitive logistics
- Combine your logistics, security and quality data

How Overhaul has helped others in the cold chain sector:

- 30% reduction in temperature-controlled shipping costs for a vaccine distributor
- 99% perfect order deliver with zero spoilage for a global cold chain distributor
- 60% average increase in in-transit compliance



With locations in densely populated and high-theft areas in the U.S., Cardinal Health faces an increased risk of criminal activity. This exposure could impact their reputation, customer loyalty, profits, and the profits of their customers.

Riskiest Over the Road Lanes in the U.S.:

- Torrance, CA - Phoenix, AZ. represents 32% of cargo theft
- Torrance, Ca. - Albuquerque, NM. represents 31% of cargo theft
- Torrance, CA - Sacramento, CA. represents 22% of cargo theft

Top 3 States with the highest Theft Rates:

- California accounts for 46% of all theft in the U.S. (Number of Cardinal Health locations in California - approx. 101)
- Texas accounts for 14% of all theft in the U.S. (Number of Cardinal Health locations in Texas - approx. 85)
- Tennessee accounts for 10% of all theft in the U.S. (Number of Cardinal Health locations in Tennessee - approx. 36)

Cardinal Health locations are are vulnerable due to their use of the riskiest lanes in the U.S., combined with operating in states with the highest levels of cargo theft.

What Overhaul provides to diminish this risk:

- 80% reduction in theft attempts
- 96% recovery rate of stolen goods

Overhaul Intelligence:

- In Texas, a state which accounts for 14% of cargo theft, a criminal organization is having success in their operations targeting cargo through strategic and fraudulent means

Q1-2024 CARGO THEFT TRENDS - US

Increase in Total Cargo Thefts vs Q1-2023

38%

Average Loss Value

\$210,597

Criminals are targetting high-value loads.

Average Cargo Thefts per Day

4.12

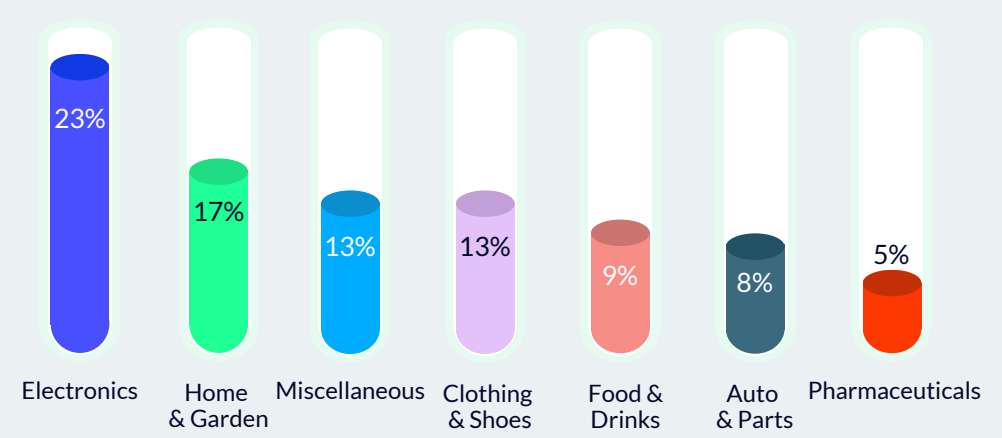
Total Recorded Cargo Thefts

371

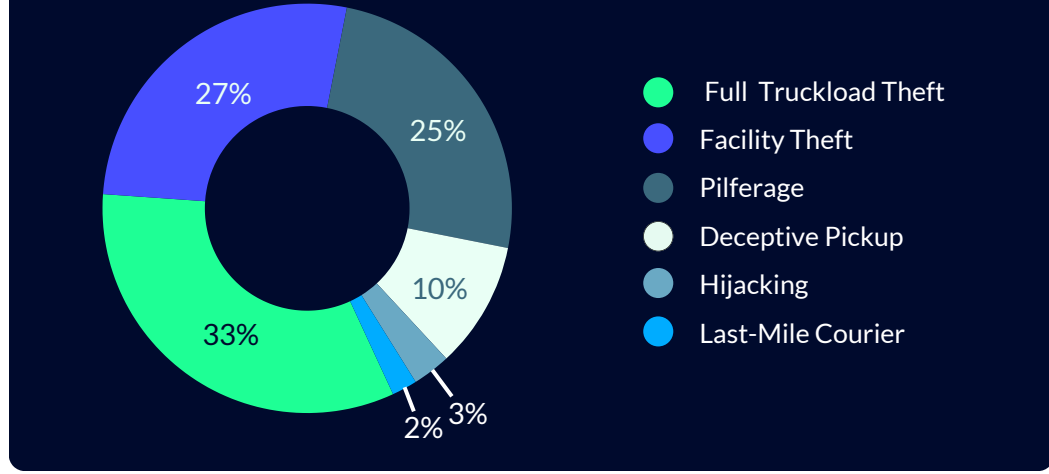
Average Cargo Thefts per Month

124

Cargo Theft by Product Type



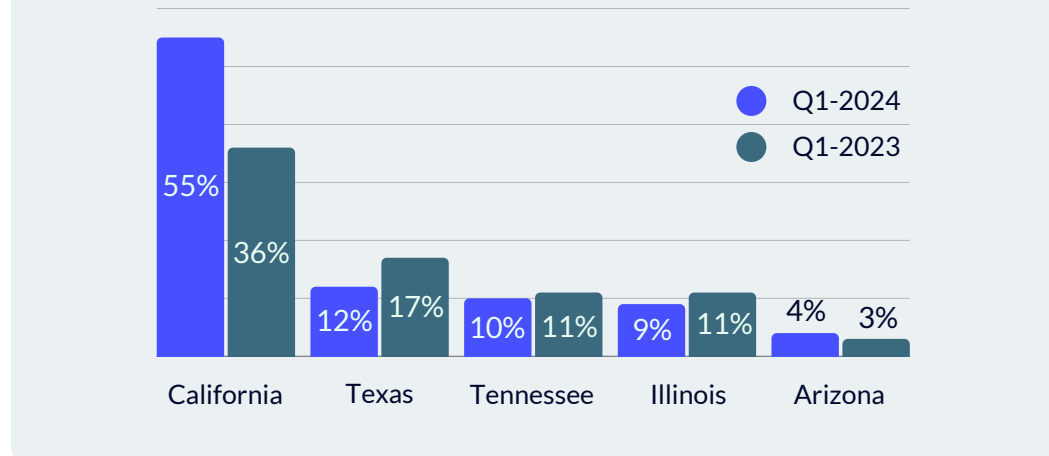
Cargo Theft by Event



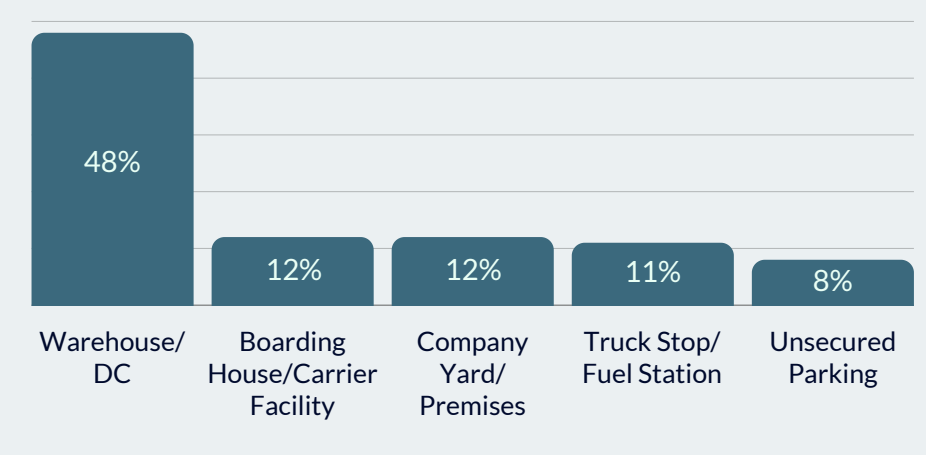
Cargo Theft by Day



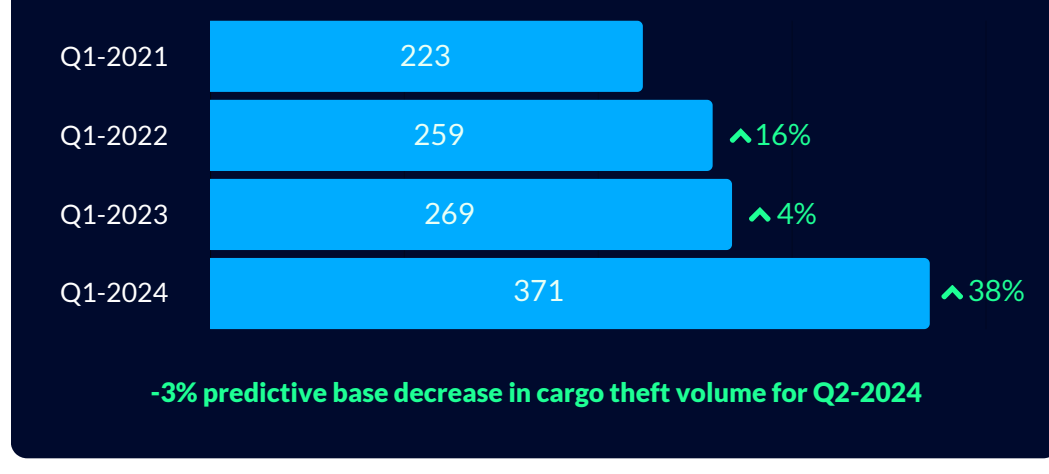
Top 5 Targeted States



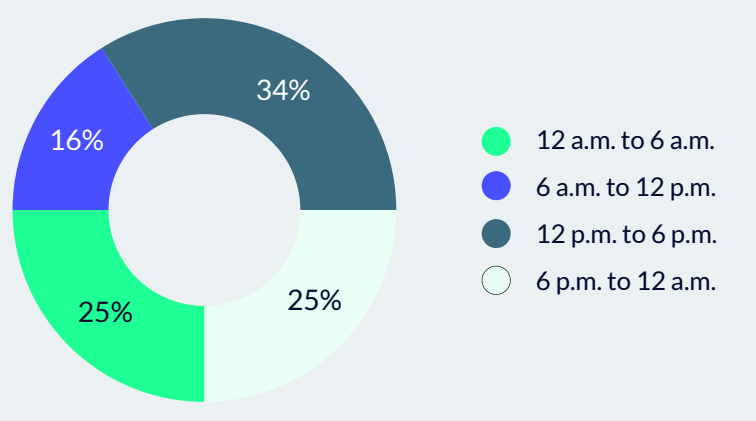
Cargo Theft by Type of Location



Cargo Theft Q1 Annual Trends



Cargo Theft by Hours



Highlight - Recovery Case

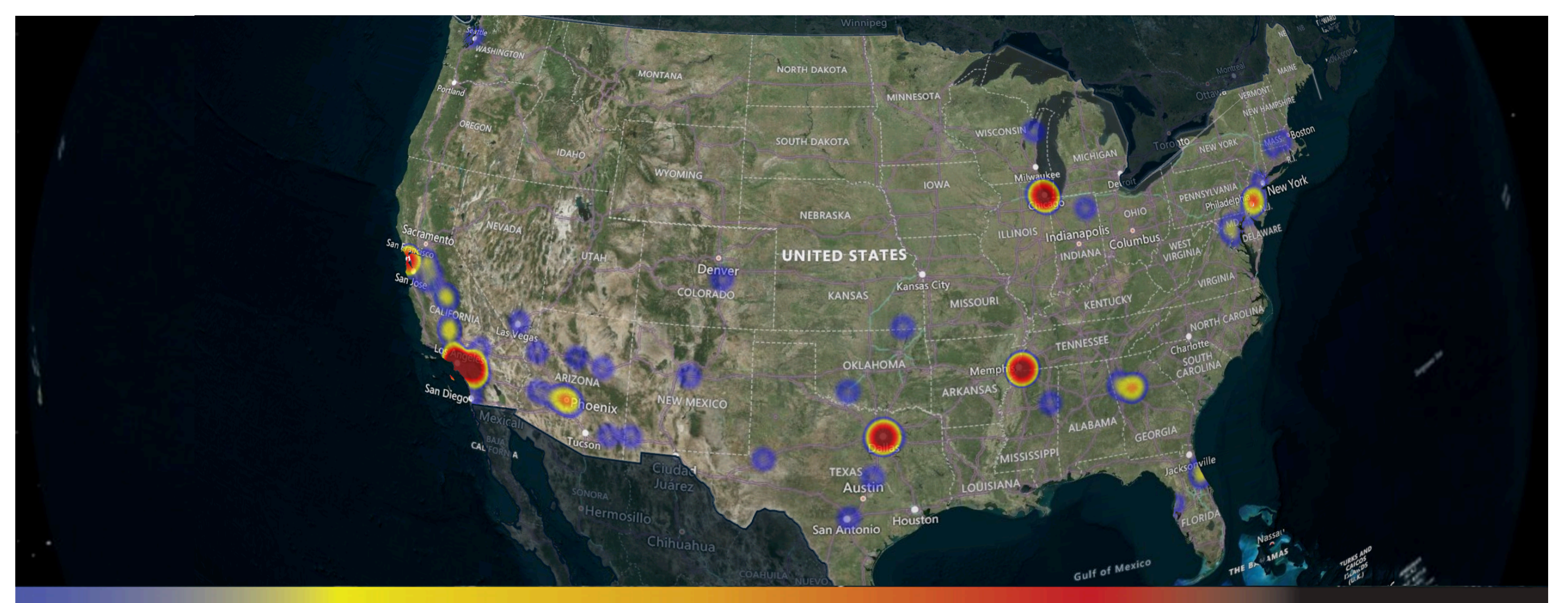
Stanton, California | Electronics | March, 24

Overhaul's GSOC and LE Connect recently played a crucial role in the successful recovery of a shipment of electronics in Southern California. The shipment was detected by Overhaul's GSOC as deviating from its established route and heading towards SOCAL, where it stopped at a warehouse in Stanton, CA. The LE Connect Team was immediately activated and contacted the California Highway Patrol for assistance.

Upon arrival, the officers witnessed electronics being unloaded at the location. However, they were unable to enter the warehouse without a warrant.

The next morning, the California Highway Patrol had the warehouse under surveillance and observed a tractor-trailer arrive and more unknown product being unloaded. Once they obtained the warrant, they locked down the warehouse and detained all suspects.

Upon inspection of the trailer, it was discovered that it was empty and the suspects were in the process of loading the electronics into the newly arrived tractor-trailer. Thanks to the quick actions of Overhaul's GSOC and LE Connect, the cargo was secured and taken back to its origin, preventing any potential loss for the client. This successful recovery is a testament to the effectiveness of Overhaul's logistics risk management software and services in preventing cargo theft and other issues while in transit.



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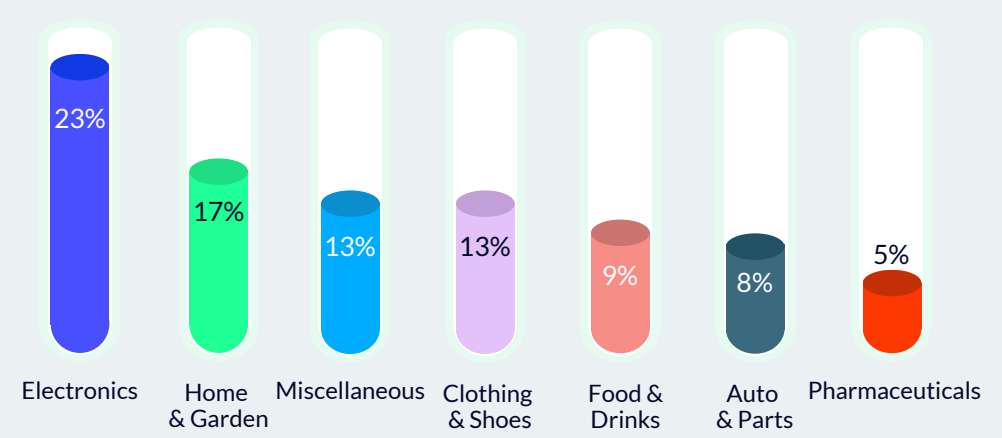
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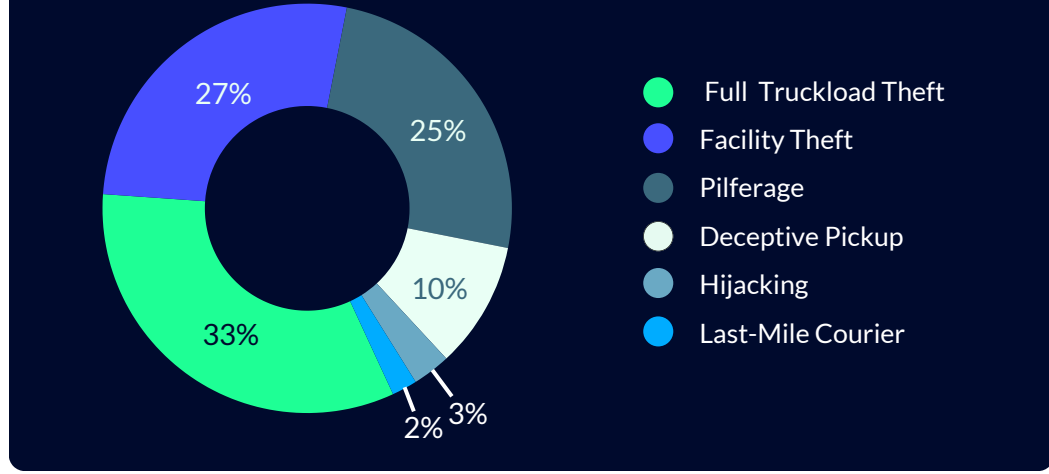
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Cargo Theft by Product Type



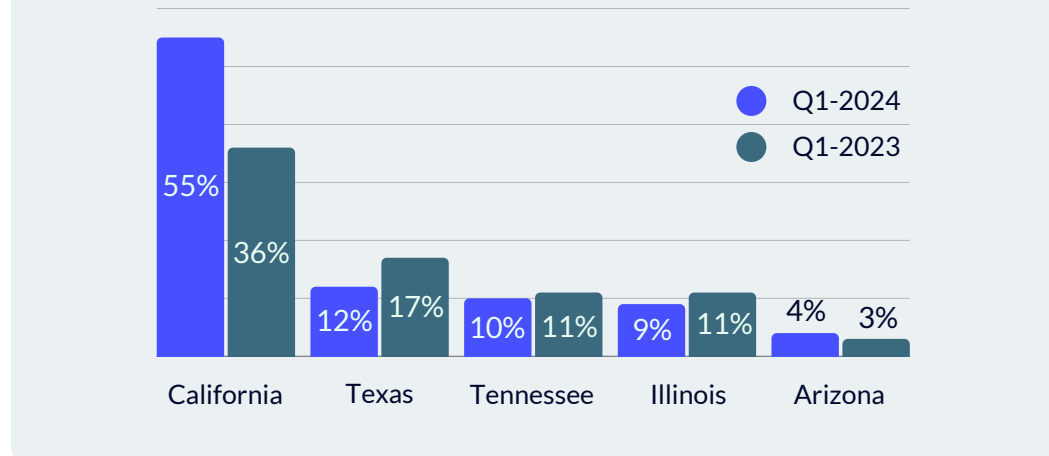
Cargo Theft by Event



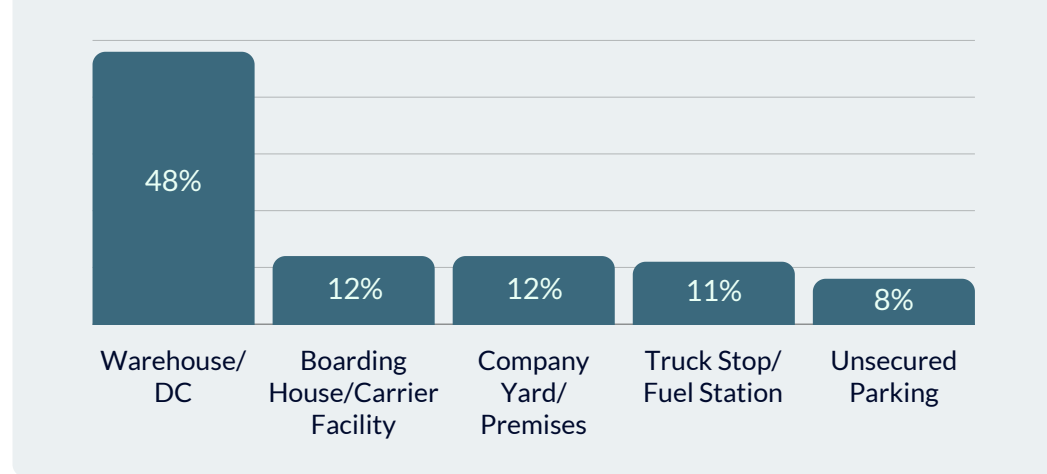
Cargo Theft by Day



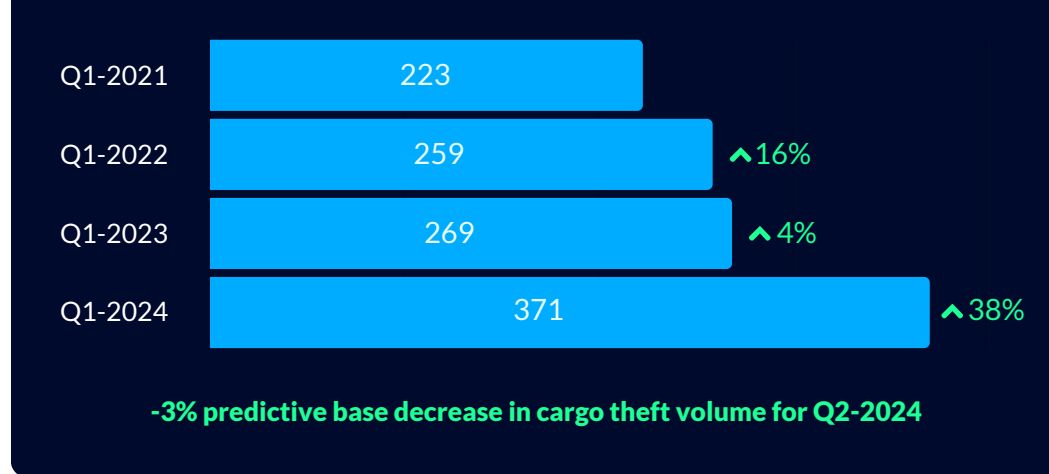
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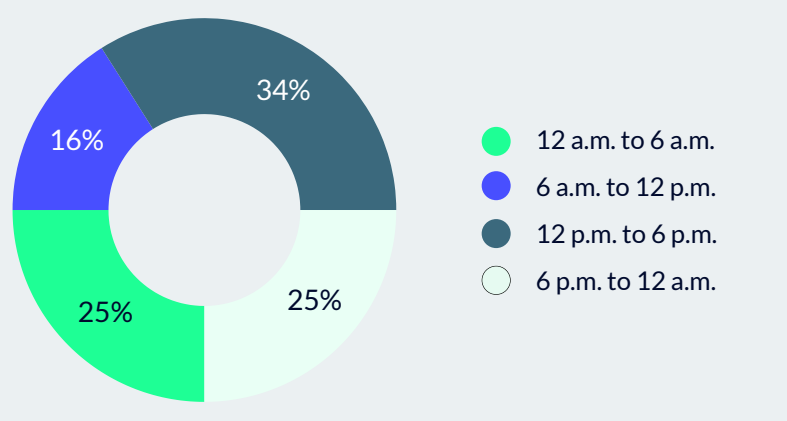
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Cargo Theft Q1 Annual Trends



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