IQVIA PARTNERS A/S
Blegdamsvej 104 C
København Ø

Annual report for 2019

Adopted at the annual general meeting on
16 September 2020

Kenneth Arthur Mikkelsen
chairman

CVR-nr. 21 33 26 07

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MAZARS
STATSAUTORISERET REVISIONSPARTNERSELSKAB

TABLE OF CONTENTS

COMPANY DETAILS

The company	IQVIA Partners A/S Blegdamsvej 104 C København Ø	
	CVR no.:	21 33 26 07
	Reporting period:	1 January - 31 December 2019
	Domicile:	Copenhagen
Board of Directors	Imran Hasan Mecci, chairman Ditlev Paul Casper Moltke Kenneth Arthur Mikkelsen	
Board of Executives	Kenneth Arthur Mikkelsen	
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø	

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of IQVIA Partners A/S for the financial year 1 January - 31 December 2019.

The annual report is 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 financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 16 September 2020

Board of Executives

Kenneth Arthur Mikkelsen

Board of Directors

Imran Hasan Mecci chairman	Ditlev Paul Casper Moltke	Kenneth Arthur Mikkelsen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of IQVIA Partners A/S

Opinion

We have audited the financial statements of IQVIA Partners A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 requirements. 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 the 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 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 judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- 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 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.

INDEPENDENT AUDITOR'S REPORT

Statement on management's review
Management is responsible for management's review.

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

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 16 September 2020

MAZARS
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Kurt Christensen
Statsautoriseret revisor
(State-authorised public accountant)
MNE no. mne26824

MANAGEMENT'S REVIEW

Business review
IQVIA Partners purpose is to do business with the development and sale of computer programs as well as providing consultancy services, market research services and IT services.

Financial review
The company's income statement for the year ended 31 December 2019 shows a profit of DKK 2.091.266, and the balance sheet at 31 December 2019 shows equity of DKK 5.871.210.

It has been discovered that the development projects was recognized as tangible assets in the 2018 Financial Statements. This has been corrected in 2019 and comparison figures have been ammended to reflect the change. We refer to the section under accounting policies for additional information.

Significant events occurring after the end of the financial year
No events have occurred after the balance sheet date which could significantly affect the company's financial position.

ACCOUNTING POLICIES

The annual report of IQVIA Partners for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Correction of significant errors in prior years financial statements
Intangible assets recognized as tangible assets
It has been concluded that part of the carrying value recognized under tangible assets was concerning software. This has been adjusted in the Annual Report to correctly reflect the position of the assertions intangible assets and tangible assets. The comparison figures have been restated to reflect this reducing tangible assets by 1.283 KDKK and increasing intangible assets by 1.283 KDKK.

Basis of recognition and measurement
Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised 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 measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Gross profit
In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

ACCOUNTING POLICIES

Revenue
Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Other operating income
Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other operating expenses
Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

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

Tax on profit/loss for the year
Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

ACCOUNTING POLICIES

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	5	years

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

ACCOUNTING POLICIES

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments
Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to 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 crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities
Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income
Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

ACCOUNTING POLICIES

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to equity.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019	2018
		DKK	TDKK
Gross profit		**13.773.554**	**5.239**
Staff costs	1	-12.064.415	-18.785
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-389.637	-350
Profit/loss before net financials		**1.319.502**	**-13.896**
Financial income		408.169	336
Financial costs		-136.405	-293
Profit/loss before tax		**1.591.266**	**-13.853**
Tax on profit/loss for the year	2	500.000	-297
Profit/loss for the year		**2.091.266**	**-14.150**

Recommended appropriation of profit/loss

	2019	2018
Retained earnings	2.091.266	-14.150
	2.091.266	**-14.150**

BALANCE SHEET 31 DECEMBER

	Note	2019	2018
		DKK	TDKK
ASSETS			
Completed development projects		2.211.020	1.283
Intangible assets		**2.211.020**	**1.283**
Other fixtures and fittings, tools and equipment		41.117	82
Tangible assets		**41.117**	**82**
Deposits		718.283	713
Fixed asset investments		**718.283**	**713**
Total non-current assets		**2.970.420**	**2.078**
Trade receivables		3.210.129	2.944
Contract work in progress		1.069.810	300
Receivables from group companies		14.330.728	16.223
Deferred tax asset		500.000	0
Prepayments		400.126	185
Receivables		**19.510.793**	**19.652**
Cash at bank and in hand		**4.757.205**	**2.674**
Total current assets		**24.267.998**	**22.326**
Total assets		**27.238.418**	**24.404**

BALANCE SHEET 31 DECEMBER

	Note	2019	2018
		DKK	TDKK
EQUITY AND LIABILITIES			
Share capital		545.504	546
Reserve for development expenditure		2.211.020	1.282
Retained earnings		3.114.686	1.956
Equity		**5.871.210**	**3.784**
Other payables		256.337	0
Total non-current liabilities		**256.337**	**0**
Prepayments received from customers		33.200	251
Trade payables		2.442.940	1.433
Payables to group companies		17.261.711	13.294
Other payables		1.373.020	5.642
Total current liabilities		**21.110.871**	**20.620**
Total liabilities		**21.367.208**	**20.620**
Total equity and liabilities		**27.238.418**	**24.404**
Contingent liabilities	3		
Related parties and ownership structure	4		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2019	545.504	1.282.186	1.952.254	3.779.944
Transfers, reserves	0	928.834	-928.834	0
Net profit/loss for the year	0	0	2.091.266	2.091.266
Equity at 31 December 2019	545.504	2.211.020	3.114.686	5.871.210

NOTES

		2019	2018
		DKK	TDKK
1	**STAFF COSTS**		
	Wages and salaries	11.229.239	17.561
	Pensions	756.268	971
	Other social security costs	78.908	253
		12.064.415	18.785
	Average number of employees	15	21
2	**TAX ON PROFIT/LOSS FOR THE YEAR**		
	Adjustment of tax concerning previous years	-500.000	297
		-500.000	297
3	**CONTINGENT LIABILITIES**		
	Lease obligations under operating leases total future lease patments	787.500	603.024
		787.500	603.024

The company is jointly taxed with the group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest.

4 RELATED PARTIES AND OWNERSHIP STRUCTURE

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

IMS AG, Dorfplatz 4, CH-6330 Cham, Switzerland

Consolidated financial statements

The company is reflected in the group report as the parent company IQVIA Holdings Inc., USA

The group report of can be obtained at the following address:

www.iqvia.com
4820 Emperor BlvdDurham
NC 27703, USA