
IMS Health Technology Solutions Denmark A/S

Vandtårnsvej 83, DK-2860 Søborg

Annual Report for 1 January - 31 December 2015

CVR No 26 74 89 41

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2016

Ole Steen Hansen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of IMS Health Technology Solutions Denmark A/S for the financial year 1 January - 31 December 2015.

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 financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søborg, 31 May 2016

Executive Board

Ole Steen Hansen
CEO

Board of Directors

Alistair Roland Grenfell
Chairman

Mark Andrew Sherriff
Deputy Chairman

Stefan M. R. Janssens

Charlotte Langtved Christensen

Independent Auditor's Report on the Financial Statements

To the Shareholder of IMS Health Technology Solutions Denmark A/S

Report on the Financial Statements

We have audited the Financial Statements of IMS Health Technology Solutions Denmark A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Independent Auditor's Report on the Financial Statements

Qualification

Basis for Qualified Opinion

The deferred tax asset has in the balance sheet been stated at DKK 1,762k. The Company has not provided presumptive evidence of future earnings to eliminate the tax loss carryforward of DKK 6,964k based on which the tax asset is primarily calculated. Therefore, we are not able to express an opinion on the value of the tax asset. A write-down of the tax asset to DKK 0 (zero) would affect results for the year and equity negatively by DKK 1,762k.

Qualified Opinion

In our opinion, except for the potential effects of the matter described in the Basis for Qualified Opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 31 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Boje Andreassen

State Authorised Public Accountant

Company Information

The Company

IMS Health Technology Solutions Denmark A/S
Vandtårnsvej 83
DK-2860 Søborg

CVR No: 26 74 89 41

Financial period: 1 January - 31 December

Incorporated: 22 August 2002

Municipality of reg. office: Gladsaxe

Supervisory Board

Alistair Roland Grenfell, Chairman
Mark Andrew Sherriff
Stefan M. R. Janssens
Charlotte Langtved Christensen

Executive Board

Ole Steen Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Main activity

As in prior years, IMS Health Technology Solutions Denmark A/S Developed and rendered sales and marketing services to the pharmaceutical and the medical device industries in Denmark.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 681,167, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 5,176,351.

The past year and follow-up on development expectations from last year

On April 1st 2015 the company Cegedim Denmark A/S was acquired by IMS Health and subsequently changed name to IMS Health Technology Solutions Denmark A/S.

The management and staff remains the same as before, but our access to knowledge through consulting services and new products has increased. That means that we are now able to deliver a wider portfolio of products and services to our clients in the healthcare industry for the years to come. The Company's liquidity was improved significantly again during 2015. This is the 3rd. year in a row.

The Company's intercompany loans TDKK 2.263 were fully paid back in 2015.

The intercompany loan was in the end for year 2014 converted from a 6% loan in Norwegian Crowns to a 3% loan in Euro. Consequently, the company obtained the expected reduction in interest expenses in 2015 and this will also have a positive impact on 2016 and the future results.

Furthermore, the Danish managing Director has been appointed Nordic General Manager in the new combined organization, and Denmark will naturally be more important in the future given the fact that the big HQs in the industry (Novo Nordisk, Leo Pharma & Lundbeck) are located in Denmark. This should increase our local turnover in the future.

On July 1st 2015 The IMS group purchased Rehfeld Partners A/S. Rehfeld will continue as a separate legal Danish unit under our control. Both companies will continue as separate legal units, but will both benefit of their common knowledge and access to the customers and marked, which will increase our combined marked substantially in the years to come

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Gross profit/loss		10.066.182	10.232.878
Staff expenses	1	-8.971.250	-8.221.060
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-46.577	-269.508
Profit/loss before financial income and expenses		1.048.355	1.742.310
Financial income	3	77.323	460.541
Financial expenses	4	-250.659	-518.901
Profit/loss before tax		875.019	1.683.950
Tax on profit/loss for the year	5	-193.852	-379.039
Net profit/loss for the year		681.167	1.304.911

Distribution of profit

	2015 DKK	2014 DKK
Proposed distribution of profit		
Retained earnings	681.167	1.304.911
	681.167	1.304.911

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Other fixtures and fittings, tools and equipment		70.483	64.472
Property, plant and equipment	6	70.483	64.472
Other receivables (deposits)		690.748	670.629
Fixed asset investments		690.748	670.629
Fixed assets		761.231	735.101
Trade receivables		1.803.289	2.728.145
Receivables from group enterprises		5.777.104	3.516.727
Other receivables		24.958	36.195
Deferred tax asset	8	1.762.207	1.956.059
Prepayments		310.034	280.947
Receivables		9.677.592	8.518.073
Cash at bank and in hand		1.702.123	2.890.529
Currents assets		11.379.715	11.408.602
Assets		12.140.946	12.143.703

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Share capital		502.000	502.000
Retained earnings		<u>4.674.351</u>	<u>3.993.182</u>
Equity	7	<u>5.176.351</u>	<u>4.495.182</u>
Credit institutions		15.758	26.326
Prepayments received from customers		277.666	75.706
Trade payables		661.579	327.844
Payables to group enterprises		3.568.492	4.376.743
Other payables		<u>2.441.100</u>	<u>2.841.902</u>
Short-term debt		<u>6.964.595</u>	<u>7.648.521</u>
Debt		<u>6.964.595</u>	<u>7.648.521</u>
Liabilities and equity		<u>12.140.946</u>	<u>12.143.703</u>
Contingent assets, liabilities and other financial obligations	9		
Related parties and ownership	10		

Notes to the Financial Statements

	2015	2014
	DKK	DKK
1 Staff expenses		
Wages and salaries	8.343.853	7.659.788
Pensions	542.913	486.895
Other social security expenses	36.318	39.960
Other staff expense	48.166	34.417
	<u>8.971.250</u>	<u>8.221.060</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	0	227.621
Depreciation of property, plant and equipment	38.322	41.887
Gain and loss on disposal	8.255	0
	<u>46.577</u>	<u>269.508</u>

3 Financial income

Interest received from group enterprises	0	36.441
Other financial income	0	10
Exchange gains	77.323	424.090
	<u>77.323</u>	<u>460.541</u>

4 Financial expenses

Interest paid to group enterprises	0	156.273
Other financial expenses	31.350	3.871
Exchange loss	219.309	358.757
	<u>250.659</u>	<u>518.901</u>

Notes to the Financial Statements

	<u>2015</u> DKK	<u>2014</u> DKK
5 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	<u>193.852</u>	<u>379.039</u>
	<u>193.852</u>	<u>379.039</u>
 6 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January		1.529.189
Additions for the year		52.589
Disposals for the year		<u>-56.717</u>
Cost at 31 December		<u>1.525.061</u>
Impairment losses and depreciation at 1 January		1.464.717
Depreciation for the year		38.322
Reversal of impairment and depreciation of sold assets		<u>-48.461</u>
Impairment losses and depreciation at 31 December		<u>1.454.578</u>
Carrying amount at 31 December		<u>70.483</u>
Depreciated over		<u>3-5 years</u>

Notes to the Financial Statements

7 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	502.000	3.993.184	4.495.184
Net profit/loss for the year	0	681.167	681.167
Equity at 31 December	502.000	4.674.351	5.176.351

The share capital consists of 502 shares of a nominal value of DKK 1,000. No shares carry any special rights.

The share capital has developed as follows:

	2015 DKK	2014 DKK	2013 DKK	2012 DKK	2011 DKK
Share capital at 1 January	502.000	502.000	502.000	501.000	501.000
Capital increase	0	0	0	1.000	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	502.000	502.000	502.000	502.000	501.000

8 Provision for deferred tax

	2015 DKK	2014 DKK
Intangible assets	-128.000	-128.000
Property, plant and equipment	-77.000	-67.000
Holiday pay obligation	-26.000	-23.000
Tax loss carry-forward	-1.531.207	-1.738.059
Transferred to deferred tax asset	1.762.207	1.956.059
Deferred tax asset	0	0
Calculated tax asset	1.762.207	1.956.059
Carrying amount	1.762.207	1.956.059

Notes to the Financial Statements

	2015 DKK	2014 DKK
9 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	169.065	169.065
Between 1 and 5 years	<u>305.152</u>	<u>474.217</u>
	<u>474.217</u>	<u>643.282</u>
Lease obligations, period of non-terminability 1 months (2014: 13 months)	50.983	643.477

Under the tenancy agreements the company has 6 months' notice of termination to the end of a month. The lease obligation related to the lease constitutes approx. DKK 306 thousand

Notes to the Financial Statements

10 Related parties and ownership

	Basis
Controlling interest	
IMS Health Technology Solutions Norway AS	Parent Company

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

IMS Health Technology Solutions Norway AS, Trollåsen 4, 1414 Trollåsen, Norway.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company IMS Health Holdings.

The Group Annual Report of may be obtained at the following address:

www.imshealth.com

Accounting Policies

Basis of Preparation

The Annual Report of IMS Health Technology Solutions Denmark A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Accounting Policies

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale is recognised in the income statement when the delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise.

Financial income and expenses

Financial income and expenses comprise are recognised in the income statement at the amounts relating to the financial year and in addition to interest, the financial income and expenses include foreign exchange gains and losses.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Accounting Policies

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-5 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.