

# **IDEXX Laboratories Danmark ApS**

c/o Harbour House  
Sundkrogsgade 21  
2100 Copenhagen  
CVR nr. 26 99 62 79

Annual Report for 1 January - 31 December 2021  
(18<sup>th</sup> year)

The annual report is presented and approved at the Annual  
General Meeting 03/06/2022

Chairman

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## Statement by the Executive Board

The Executive Board have today discussed and approved the annual report of IDEXX Laboratories Danmark ApS for the financial year 1 January - 31 December 2021.

The annual report has been 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 assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 3 June 2022

Executive Board:

Jeffery Donn Chadbourne

Lily Joann Lu

Willard R. Blanche Jr.

# Independent auditor's report

## To the shareholders of IDEXX Laboratories Danmark ApS

### Opinion

We have audited the financial statements of IDEXX Laboratories Danmark ApS for the financial year 1 January – 31 December 2021, comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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' 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 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 that 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.

# Independent auditor's report

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 the Management's review

Management is responsible for the Management's review.

Our opinion 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 audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 3 June 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Christian Engelbrecht Friis  
State Authorised Public Accountant  
mne44180

## Management's review

### ***Company details***

IDEXX Laboratories Danmark ApS  
c/o Harbour House  
Sundkrogsgade 21  
DK-2100 Copenhagen

CVR no.:	26 99 62 79
Registered office:	Copenhagen
Date of incorporation:	30 December 2003
Financial year:	1 January - 31 December

### **Executive board**

Jeffery Donn Chadbourne  
Lily Joann Lu  
Willard R. Blanche Jr.

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

## **Management's review**

### ***Main Activities***

The objects of the company are analytics/research, interpretation of laboratory results as well as advising in veterinary medical issues (clinical chemistry, virology, hematology, microbiology, histology, etc.)

### ***Development in activities and financial affairs***

Net profit amounts to kr. 1,602,667

Equity amounts to kr. 13,959,867

### ***Events after balance sheet date***

After balance sheet date, no events have occurred that would materially affect the company's financial position.

### ***Expected development***

The company expects a profitable result as in 2021 for the financial year 2022



## Financial statements 1 January - 31 December

### Income Statement

	Notes	2021	2020
GROSS PROFIT		8,442,997	6,486,720
Personnel costs	2	(6,734,581)	(5,086,895)
Depreciation		(15,160)	(15,953)
PROFIT BEFORE FINANCIAL ITEMS		1,693,256	1,383,872
Financial Expenses	3	(91,719)	(86,603)
PROFIT BEFORE TAXES		1,601,537	1,297,269
Corporate Income taxes		1,130	(136,927)
PROFIT FOR THE YEAR		1,602,667	1,160,342
Proposed profit appropriation			
<i>Proposed dividends for the financial year</i>		(0)	(0)
<i>Retained earnings</i>		1,602,667	1,160,342

## Financial statements 1 January - 31 December

### Balance Sheet

#### TOTAL ASSETS

	Notes	2021	2020
FIXED ASSETS:			
Property, plant and equipment:			
Equipment and furniture		255,199	204,117
TOTAL FIXED ASSETS		255,199	204,117
Long-term prepayments and deferred costs		1,752,278	1,544,510
TOTAL NON-CURRENT ASSETS		2,007,477	1,748,627
CURRENT ASSETS			
Receivables:			
Trade receivables		13,119,814	7,040,513
Receivables from affiliates		50,000	211,083
Prepayments and deferred costs		578,320	441,868
Cash and cash equivalents		11,595,847	12,973,038
TOTAL CURRENT ASSETS		25,343,981	20,666,503
TOTAL ASSETS		27,351,458	22,415,131

## Financial statements 1 January - 31 December

### Balance Sheet

#### TOTAL LIABILITIES AND EQUITY

	Notes	2021	2020
EQUITY			
Share Capital		125,000	125,000
Retained earnings		13,834,867	12,232,201
TOTAL EQUITY	4	13,959,867	12,357,201
PROVISIONS			
Provision for deferred taxes		(1)	(0)
TOTAL PROVISIONS		(1)	(0)
LIABILITIES			
Current liabilities other than provisions			
Deferred Revenue		360,550	433,591
Trade payables		3,966,943	396,128
Corporate Income tax payable		97,144	53,338
Other Payables		3,308,253	3,175,024
Payable to affiliates		5,658,703	5,999,849
Total Short Term Liabilities		13,391,593	10,057,930
TOTAL LIABILITIES		13,391,592	10,057,930
TOTAL LIABILITIES AND EQUITY		27,351,458	22,415,131

## Statement of Changes in Equity

	1/1/2021	Proposal for result appropriation	12/31/2021
Share Capital	125,000	—	125,000
Retained earnings	12,232,200	1,602,667	13,834,867
Total Equity	12,357,200		13,959,867

## Notes

### 1. Accounting policies

The annual report of IDEXX Laboratories Danmark ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option from certain provisions applying to reporting class C entities.

#### ***Recognition and measurement***

The financial statements are prepared following the historical cost value principle.

Income is recognized in the income statement as it is earned. All costs incurred to generate the year's earnings, including depreciation, amortization, provisions and reversals due to changed accounting estimates of amounts previously recognized in the income statement are also recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the asset can be measured reliably.

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

Certain financial assets and liabilities are measured at amortized cost, implying the recognition of a constant effective interest rate to maturity. Amortized cost is calculated as original cost less principal payments and plus / less the accumulated amortization of the difference between cost and nominal amount.

Capital losses and gains are allocated over the term.

Recognition and measurement consider predictable losses and risks that arise before the end of the fiscal year and that confirm or invalidate matters existing at the balance sheet date.

The functional currency used DKK. All other currencies are considered foreign currencies.

#### ***Foreign currencies***

Translation in/from foreign currencies are made using the rate at the transaction date. Exchange differences arising between the transaction date and the date of payment are recognized in the income statement as a financial item.

Receivables, liabilities and other monetary items in foreign currencies that have not been settled at the balance sheet date are evaluated using the rate applicable at the balance sheet date.

Fixed assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## ***Income statement***

### ***Net Sales***

Revenue comprises invoiced sales of goods and services as well as non-invoiced income regarding outstanding ongoing service delivery, recognized in the income statement if delivery and transfer of risk to the buyer has taken place before year end. Revenue is recognized excluding VAT and net of discounts relating to sales.

### ***Other operating incomes and expenses***

Other operating incomes and expenses comprise items of a secondary nature relative to the company's main business, including gains and losses on disposal of intangible and tangible fixed assets.

### ***Other external costs***

Other external expenses include expenses for distribution, sale, advertising, administration, premises and operating leases, etc.

### ***Financial income and expenses***

Financial items include interest income and expenses, realized and unrealized gains and losses on securities, debt and transactions in foreign currencies, amortization of mortgage loans, surcharges and allowances under the tax.

### ***Income tax expenses***

Income tax expense, which consists of current tax and deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and directly in equity with the portion attributable to equity transactions. The tax recognized in the income statement are classified as tax on ordinary activities and tax on extraordinary items.

Changes in deferred tax due to changes in tax rates is recognized in the income statement.

## ***Balance Sheet***

### ***Tangible assets***

Plant and machinery, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. The basis for depreciation is cost less estimated residual value after useful life.

Cost includes the purchase price and costs directly attributable to the acquisition until the asset is ready to be used.

Depreciation, calculated at cost less any residual value, is distributed linearly over the assets estimated useful lives, as follows:

Operating time

Equipment and furniture ..... 3-5 years

The residual value of property, plant and equipment is reassessed on an ongoing basis.

Gains or losses on disposal of fixed assets are calculated as the difference between the selling price less selling costs and the carrying amount at the time of sale. Gains and losses are recognized in the income statement under other income or expenses.

### ***Impairment of fixed assets***

The carrying value of tangible fixed assets is reviewed annually to determine whether there is any indication of impairment in addition to the depreciation. In this case, an impairment test to determine whether the recoverable amount is lower than the book value and the asset is written down to its recoverable amount. Recoverable amount is the higher value between the net selling price and the usage value. As it is not possible to determine a recoverable amount of an individual asset, the assets are assessed in the smallest group of assets where overall measurement may provide a reliable recoverable amount.

### ***Receivables***

Receivables are measured at amortized cost or net realizable value. Impairment losses are calculated based on an individual assessment of the receivables and trade receivables also with a collective impairment, based on its experience from previous years.

### ***Prepayments***

Prepayments recognized in assets comprise costs to be incurred concerning subsequent financial years.

### ***Dividends***

Proposed dividend for the financial year are recognized as a separate component of equity. Proposals are recognized as a liability at the time of adoption at the general meeting.

### ***Provisions***

Provisions are recognized when, because of an event occurred before or on the balance sheet date, a legal or constructive obligation arises and it is probable that economic benefits follow to settle the obligation.

### ***Current tax receivables and liabilities***

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income, adjusted for tax on prior years' taxable income and for prepayments. Tax receivables and liabilities are offset to the extent that there are legal set-off and the items are expected to be settled net or simultaneously.

### ***Deferred tax assets and liabilities***

Deferred tax is measured using the balance sheet liability method on temporary differences between accounting and tax values of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets including the tax value of tax loss carryforwards are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realizable value. Deferred tax is measured based on the tax rules and tax rates at the balance sheet law will be in effect when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates is recognized in the income statement. For the current year, a tax rate of 22%. Deferred tax assets and liabilities are offset within the same legal tax entity.

***Other liabilities***

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



## 2. Personnel costs

	2021	2020
Average number of full-time employees	9	7
Salaries and wages	5,983,558	4,542,193
Pension	572,442	482,178
Other personnel expenses (to gross profit)	178,581	62,524
Total Personnel Costs	6,734,581	5,086,895

## 3. Financial expenses

	2021	2020
Unrealized exchange loss	179	3,074
Exchange loss on intercompany balances	3,892	4,465
Interest expenses	87,648	79,064
Total financial expenses	91,719	86,603

#### **4. Equity**

Share capital is divided as follows:	2021	2020
125 shares, each of nominal value of kr. 1.000	125,000	125,000

No capital increase or decrease occurred in the previous 5 years

#### **5. Contractual obligations**

##### *Leases obligations*

The company has entered operating leases at the following amount: 635,502 DKK

The remaining term of leases is 24 months with an average of monthly lease payment of 26,479 DKK.

#### **6. Related parties**

The Company is owned by Vet Med Labor GmbH. The Company is part of the consolidated financial statements of IDEXX Laboratories, Inc. located on One IDEXX Drive, Westbrook, ME 04092, which can be obtained on <https://www.idexx.com/files/10k2021.pdf>.