

# **Parexel Denmark A/S**

**Christianshusvej 189, 2970 Hørsholm**

**Company reg. no. 31 58 86 26**

## **Annual report**

**1 July 2019 - 30 June 2020**

The annual report was submitted and approved by the general meeting on the 30 November 2020.

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**Michael Francis Crowley, III**  
Chairman of the meeting

**Notes:**

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's report**

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Today, the board of directors and the managing director have presented the annual report of Parexel Denmark A/S for the financial year 1 July 2019 - 30 June 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2020 and of the company's results of activities in the financial year 1 July 2019 – 30 June 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hørsholm, 30 November 2020

### **Managing Director**

Heidi Malene Juncher-Benzon

### **Board of directors**

Michael Francis Crowley, III

Paul Joseph Armstrong

Luke Tristan Van Hengel

## **Independent auditor's report**

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### **To the shareholders of Parexel Denmark A/S**

#### **Opinion**

We have audited the financial statements of Parexel Denmark A/S for the financial year 1 July 2019 - 30 June 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2020 and of the results of the company's activities for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

## Independent auditor's report

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen V, 30 November 2020

### **BRANDT**

State Authorized Public Accounting Firm  
Company reg. no. 25 49 21 45

**Peter Arent Benkjer**

State Authorised Public Accountant  
mne35785

## Company information

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**The company**

Parexel Denmark A/S  
Christianshusvej 189  
2970 Hørsholm

Company reg. no. 31 58 86 26  
Financial year: 1 July - 30 June

**Board of directors**

Michael Francis Crowley, III  
Paul Joseph Armstrong  
Luke Tristan Van Hengel

**Managing Director**

Heidi Malene Juncher-Benzon

**Auditors**

BRANDT  
Statsautoriseret Revisionspartnerselskab  
Ved Vesterport 6, 5. sal  
1612 København V

## **Management commentary**

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### **The principal activities of the company**

As part of the Parexel International Group, a leading biopharmaceutical services company, Parexel Denmark A/S is providing a broad range of knowledge-based contract research, consulting and technology products and services to the worldwide pharmaceutical, biotechnology and medical device industries.

### **Development in activities and financial matters**

The Company's financial performance is considered satisfying.

### **Events occurring after the end of the financial year**

The company is aware of a possible effect in their activity from the COVID-19 Virus and they are ready to make necessary adjustments, provided it being a necessity.



## Accounting policies

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The annual report for Parexel Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

### Changes in the accounting policies

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## Accounting policies

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### Income statement

#### Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

#### Cost of sales

Cost of sales comprises costs concerning rechargeable travel costs etc. The costs are recognised in the same period as revenue.

#### Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

#### Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

#### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Statement of financial position

#### Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

## Accounting policies

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	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

### Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

## **Accounting policies**

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Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

### **Other provisions**

Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

### **Liabilities other than provisions**

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 July - 30 June

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All amounts in DKK.

<u>Note</u>	<u>2019/20</u>	<u>2018/19</u>
Revenue	32.671.950	41.377.022
Costs of sales	-3.264.781	-4.874.289
Other external costs	-6.408.183	-5.701.683
<b>Gross profit</b>	<b>22.998.986</b>	<b>30.801.050</b>
1 Staff costs	-22.121.769	-29.361.710
2 Depreciation and impairment of property, land, and equipment	-181.748	-222.147
<b>Operating profit</b>	<b>695.469</b>	<b>1.217.193</b>
Other financial income	1	31
Other financial costs	-61.946	-66.337
<b>Pre-tax net profit or loss</b>	<b>633.524</b>	<b>1.150.887</b>
3 Tax on net profit or loss for the year	-144.401	-263.344
<b>Net profit or loss for the year</b>	<b>489.123</b>	<b>887.543</b>
 <b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	489.123	887.543
<b>Total allocations and transfers</b>	<b>489.123</b>	<b>887.543</b>

## Statement of financial position at 30 June

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Other fixtures and fittings, tools and equipment	133.702	315.450
Total property, plant, and equipment	133.702	315.450
5 Other receivables	641.521	621.360
Total investments	641.521	621.360
<b>Total non-current assets</b>	<b>775.223</b>	<b>936.810</b>
<b>Current assets</b>		
Receivables from group enterprises	3.319.480	4.839.136
Deferred tax assets	303.235	86.000
Other receivables	309.143	442.233
Prepayments and accrued income	236.037	605.572
Total receivables	4.167.895	5.972.941
Cash on hand and demand deposits	13.910.662	11.286.744
<b>Total current assets</b>	<b>18.078.557</b>	<b>17.259.685</b>
<b>Total assets</b>	<b>18.853.780</b>	<b>18.196.495</b>

## Statement of financial position at 30 June

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All amounts in DKK.

<b>Equity and liabilities</b>		<u>2020</u>	<u>2019</u>
<u>Note</u>			
<b>Equity</b>			
	Contributed capital	505.000	505.000
	Retained earnings	9.362.709	8.873.586
	<b>Total equity</b>	<b><u>9.867.709</u></b>	<b><u>9.378.586</u></b>
<b>Provisions</b>			
	Other provisions	1.278.683	378.000
	<b>Total provisions</b>	<b><u>1.278.683</u></b>	<b><u>378.000</u></b>
<b>Liabilities other than provisions</b>			
	Trade payables	717.563	1.649.830
	Income tax payable	233.980	146.000
	Other payables	6.755.845	6.644.079
	Total short term liabilities other than provisions	<u>7.707.388</u>	<u>8.439.909</u>
	<b>Total liabilities other than provisions</b>	<b><u>7.707.388</u></b>	<b><u>8.439.909</u></b>
	<b>Total equity and liabilities</b>	<b><u>18.853.780</u></b>	<b><u>18.196.495</u></b>

**6 Contingencies**

**7 Related parties**

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 July 2018	505.000	7.986.043	8.491.043
Retained earnings for the year	<u>0</u>	<u>887.543</u>	<u>887.543</u>
Equity 1 July 2019	505.000	8.873.586	9.378.586
Retained earnings for the year	<u>0</u>	<u>489.123</u>	<u>489.123</u>
	<b><u>505.000</u></b>	<b><u>9.362.709</u></b>	<b><u>9.867.709</u></b>



## Notes

All amounts in DKK.

	<u>2019/20</u>	<u>2018/19</u>
<b>1. Staff costs</b>		
Salaries and wages	20.057.850	26.967.078
Pension costs	1.826.247	2.157.620
Other costs for social security	<u>237.672</u>	<u>237.012</u>
	<b><u>22.121.769</u></b>	<b><u>29.361.710</u></b>
Average number of employees	<u>31</u>	<u>36</u>
<b>2. Depreciation and impairment of property, land, and equipment</b>		
Depreciation of leasehold improvements	118.549	127.111
Depreciation of other fixtures and fittings, tools and equipment	<u>63.199</u>	<u>95.036</u>
	<b><u>181.748</u></b>	<b><u>222.147</u></b>
<b>3. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	361.636	267.344
Adjustment of deferred tax for the year	<u>-217.235</u>	<u>-4.000</u>
	<b><u>144.401</u></b>	<b><u>263.344</u></b>
<b>4. Other fixtures and fittings, tools and equipment</b>		
Cost 1 July 2019	3.460.542	3.302.792
Additions during the year	<u>0</u>	<u>157.750</u>
<b>Cost 30 June 2020</b>	<b><u>3.460.542</u></b>	<b><u>3.460.542</u></b>
Depreciation and writedown 1 July 2019	-3.145.092	-2.922.945
Amortisation and depreciation for the year	<u>-181.748</u>	<u>-222.147</u>
<b>Depreciation and writedown 30 June 2020</b>	<b><u>-3.326.840</u></b>	<b><u>-3.145.092</u></b>
<b>Carrying amount, 30 June 2020</b>	<b><u>133.702</u></b>	<b><u>315.450</u></b>

## Notes

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All amounts in DKK.

	<u>30/6 2020</u>	<u>30/6 2019</u>
<b>5. Other receivables</b>		
Cost 1 July 2019	621.360	601.786
Additions during the year	<u>20.161</u>	<u>19.574</u>
<b>Cost 30 June 2020</b>	<u><b>641.521</b></u>	<u><b>621.360</b></u>
<b>Carrying amount, 30 June 2020</b>	<u><b>641.521</b></u>	<u><b>621.360</b></u>
Deposits	<u>641.521</u>	<u>621.360</u>
	<u><b>641.521</b></u>	<u><b>621.360</b></u>

## 6. Contingencies

### Contingent liabilities

The company has operational leases with a total obligation of TDKK 1.273

The company has a rent contract with a total obligation of TDKK 1.384

## 7. Related parties

### Controlling interest

Parexel International Holding B.V.

Majority shareholder

### Consolidated financial statements

The company is included in the consolidated financial statements of Parexel International Corporation, USA, Massachusetts.