



# RSM

**RSM Danmark**

Statsautoriseret  
Revisionspartnerselskab

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# **Parexel Denmark A/S**

**Agern Alle 5A, 2970 Hørsholm**

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

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 3 May 2022.

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

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement**

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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 January - 31 December 2021.

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 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management's review presents a fair account of the matters to which the review relates.

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

Hørsholm, 3 May 2022

### **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 January - 31 December 2021, which comprise a summary of significant 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 31 December 2021 and of the results of the company's activities 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 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 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.

#### **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's Review

Management is responsible for the Management's Review.

Our opinion on 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management's Review 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's Review.

Copenhagen V, 3 May 2022

### **RSM Denmark**

Statsautoriseret Revisionspartnerselskab  
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  
Agern Alle 5A  
2970 Hørsholm

Company reg. no. 31 58 86 26  
Financial year: 1 January - 31 December

**Board of directors**

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

**Managing Director**

Heidi Malene Juncher-Benzon

**Auditors**

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

## Management's review

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

Parexel Denmark A/S is part of Parexel International, Inc. which is a leading biopharmaceutical outsourcing services company, providing a broad range of expertise in clinical research, clinical logistics, medical communications, consulting, commercialization, and advanced technology products and services to the worldwide pharmaceutical, biotechnology, and medical device industries.

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

The operations of the company during 2021 resulted in a profit of 2.203.155. Management considers the net profit for the year satisfactory.

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

After end of the financial year, no events have occurred that will change the company's financial position.



## 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.

The accounting policies are unchanged from the previous year, and the annual report is presented in DKK.

The comparative figures in the income statement comprise the six month period 1 July 2020 - 31 December 2020.

### 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 the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account 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

Property is measured at cost plus revaluations and 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:

Useful life

## Accounting policies

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Other fixtures and fittings, tools and equipment

3-5 years

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 fixed assets 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 the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

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 and on hand.

### **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.

### **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

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2021</u>	<u>1/7 - 31/12 2020</u>
Revenue	39.806.402	16.993.624
Costs of sales	-6.258.629	-3.160.105
Other external expenses	-6.128.407	-2.579.281
<b>Gross profit</b>	<b>27.419.366</b>	<b>11.254.238</b>
1 Staff costs	-24.334.104	-10.935.498
2 Depreciation and impairment of property, land, and equipment	-153.979	-86.216
<b>Operating profit</b>	<b>2.931.283</b>	<b>232.524</b>
Other financial income	161	35
3 Other financial expenses	-93.639	-32.105
<b>Pre-tax net profit or loss</b>	<b>2.837.805</b>	<b>200.454</b>
4 Tax on net profit or loss for the year	-634.650	-44.404
<b>Net profit or loss for the year</b>	<b>2.203.155</b>	<b>156.050</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	2.203.155	156.050
<b>Total allocations and transfers</b>	<b>2.203.155</b>	<b>156.050</b>

## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
5 Other fixtures and fittings, tools and equipment	552.198	186.039
Total property, plant, and equipment	552.198	186.039
6 Other receivables	809.727	641.521
Total investments	809.727	641.521
<b>Total non-current assets</b>	<b>1.361.925</b>	<b>827.560</b>
<b>Current assets</b>		
Receivables from group enterprises	8.800.635	4.055.376
Deferred tax assets	434.818	301.093
Other receivables	1.825.548	974.926
Prepayments	74.535	156.182
Total receivables	11.135.536	5.487.577
Cash on hand and demand deposits	13.841.118	12.705.415
<b>Total current assets</b>	<b>24.976.654</b>	<b>18.192.992</b>
<b>Total assets</b>	<b>26.338.579</b>	<b>19.020.552</b>

## Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	505.000	505.000
Retained earnings	11.721.914	9.518.759
<b>Total equity</b>	<b>12.226.914</b>	<b>10.023.759</b>
<b>Provisions</b>		
Other provisions	1.825.686	1.288.908
<b>Total provisions</b>	<b>1.825.686</b>	<b>1.288.908</b>
<b>Long term liabilities other than provisions</b>		
Bank loans	0	7.494
Trade payables	1.154.226	702.274
Payables to group enterprises	4.903.040	31.637
Income tax payable	484.528	148.562
Other payables	5.744.185	6.817.918
Total short term liabilities other than provisions	12.285.979	7.707.885
<b>Total liabilities other than provisions</b>	<b>12.285.979</b>	<b>7.707.885</b>
<b>Total equity and liabilities</b>	<b>26.338.579</b>	<b>19.020.552</b>

7 Contingencies

8 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 2020	505.000	9.362.709	9.867.709
Retained earnings for the year	<u>0</u>	<u>156.050</u>	<u>156.050</u>
Equity 1 January 2021	505.000	9.518.759	10.023.759
Retained earnings for the year	<u>0</u>	<u>2.203.155</u>	<u>2.203.155</u>
	<b><u>505.000</u></b>	<b><u>11.721.914</u></b>	<b><u>12.226.914</u></b>



## Notes

All amounts in DKK.

	1/1 - 31/12 2021	1/7 - 31/12 2020
<b>1. Staff costs</b>		
Salaries and wages	22.033.601	9.958.384
Pension costs	2.082.791	935.163
Other costs for social security	217.712	41.951
	<b>24.334.104</b>	<b>10.935.498</b>
Average number of employees	31	29
<b>2. Depreciation and impairment of property, land, and equipment</b>		
Depreciation of leasehold improvements	74.427	59.275
Depreciation of other fixtures and fittings, tools and equipment	79.552	26.941
	<b>153.979</b>	<b>86.216</b>
<b>3. Other financial expenses</b>		
Other financial costs	93.639	32.105
	<b>93.639</b>	<b>32.105</b>
<b>4. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	761.288	42.262
Adjustment of deferred tax for the year	-133.725	2.142
Adjustment of tax for previous years	7.087	0
	<b>634.650</b>	<b>44.404</b>

## Notes

All amounts in DKK.

### 5. Other fixtures and fittings, tools and equipment

Cost 1 January 2021	2.945.431	3.460.542
Additions during the year	520.138	138.552
Disposals during the year	0	-653.663
<b>Cost 31 December 2021</b>	<b>3.465.569</b>	<b>2.945.431</b>
Depreciation and writedown 1 January 2021	-2.759.392	-3.326.840
Amortisation and depreciation for the year	-153.979	-86.215
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	653.663
<b>Depreciation and writedown 31 December 2021</b>	<b>-2.913.371</b>	<b>-2.759.392</b>
<b>Carrying amount, 31 December 2021</b>	<b>552.198</b>	<b>186.039</b>

### 6. Other receivables

Cost 1 January 2021	641.521	641.521
Additions during the year	168.206	0
<b>Cost 31 December 2021</b>	<b>809.727</b>	<b>641.521</b>
<b>Carrying amount, 31 December 2021</b>	<b>809.727</b>	<b>641.521</b>
Der specificeres således:		
Deposits	809.727	641.521
	<b>809.727</b>	<b>641.521</b>

### 7. Contingencies

#### Contingent liabilities

The company has entered into operational leases with an average annual lease payment of TDKK 1.279. The operational leases have a remaining term between 2-36 months.

The company has rent contracts with a total obligation of TDKK 1.217. The rent contracts can be terminated with 6 month notice but not until 1. september 2023 for the current domicile.

## Notes

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All amounts in DKK.

### 8. 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 Inc., USA, Massachusetts.