

## **SYNLAB Medical Digital Services A/S**

Storhaven 12  
7100 Vejle  
CVR No. 32645534

### **Annual report 2020**

The Annual General Meeting adopted the annual report on 04.05.2021

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**Lars Henrik Andreasen**

Chairman of the General Meeting

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# Entity details

## Entity

SYNLAB Medical Digital Services A/S

Storhaven 12

7100 Vejle

CVR No.: 32645534

Registered office: Vejle

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Lars Henrik Andreasen

Thomas Evans

Henriette Jakobsen

## Executive Board

Henriette Jakobsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of SYNLAB Medical Digital Services A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 04.05.2021

## Executive Board

**Henriette Jakobsen**

## Board of Directors

**Lars Henrik Andreasen**

**Thomas Evans**

**Henriette Jakobsen**

# Independent auditor's report

## To the shareholders of SYNLAB Medical Digital Services A/S

### Opinion

We have audited the financial statements of SYNLAB Medical Digital Services A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 the management commentary.

Kolding, 04.05.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Morten Almtoft Lund**

State Authorised Public Accountant

Identification No (MNE) mne41365

# Management commentary

## Primary activities

The company's purpose is to conduct trading, manufacturing, service and consultancy and other related services at the discretion of the Board of Directors.

## Description of material changes in activities and finances

The result for the year is a profit of DKK 26.183k against a profit of DKK 6.793k in the previous financial year. Management considers the result for the year to be extremely satisfactory.

## Development in activities and finances

The outbreak and spread of Covid-19 in the beginning of 2020 reduced requisitions by 40% and normalizing thought the end of 2020 but had no significant effect on primarily WebReq as earnings are user-based. The demand for general development requirements increased and the company has launched new COVID-19 related initiatives that increased revenue essentially. Hence the management estimates that the outbreak and spread of Covid-19 only have positive significant effect on the profit in 2020.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



# Income statement for 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>48,498,927</b>	<b>19,232,336</b>
Staff costs	1	(14,315,118)	(10,348,504)
Depreciation, amortisation and impairment losses	2	(709,459)	(298,043)
<b>Operating profit/loss</b>		<b>33,474,350</b>	<b>8,585,789</b>
Other financial income	3	119,255	143,960
Other financial expenses		(27,970)	(23,348)
<b>Profit/loss before tax</b>		<b>33,565,635</b>	<b>8,706,401</b>
Tax on profit/loss for the year	4	(7,382,271)	(1,913,434)
<b>Profit/loss for the year</b>		<b>26,183,364</b>	<b>6,792,967</b>
<b>Proposed distribution of profit and loss</b>			
Extraordinary dividend distributed in the financial year		0	3,000,000
Retained earnings		26,183,364	3,792,967
<b>Proposed distribution of profit and loss</b>		<b>26,183,364</b>	<b>6,792,967</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	2,051,909	1,107,601
<b>Intangible assets</b>	5	<b>2,051,909</b>	<b>1,107,601</b>
Other fixtures and fittings, tools and equipment		621,928	1,038,175
<b>Property, plant and equipment</b>	7	<b>621,928</b>	<b>1,038,175</b>
Deposits		19,500	19,500
<b>Financial assets</b>	8	<b>19,500</b>	<b>19,500</b>
<b>Fixed assets</b>		<b>2,693,337</b>	<b>2,165,276</b>
Trade receivables		10,667,803	1,363,912
Receivables from group enterprises		38,839,271	7,500,061
Other receivables		30,000	129,375
Prepayments		568,047	0
<b>Receivables</b>		<b>50,105,121</b>	<b>8,993,348</b>
<b>Cash</b>		<b>2,224,944</b>	<b>3,962,060</b>
<b>Current assets</b>		<b>52,330,065</b>	<b>12,955,408</b>
<b>Assets</b>		<b>55,023,402</b>	<b>15,120,684</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		500,000	500,000
Reserve for development expenditure		1,600,489	863,929
Retained earnings		32,439,380	6,992,576
<b>Equity</b>		<b>34,539,869</b>	<b>8,356,505</b>
Deferred tax		428,953	264,421
<b>Provisions</b>		<b>428,953</b>	<b>264,421</b>
Other payables		843,421	321,524
<b>Non-current liabilities other than provisions</b>	9	<b>843,421</b>	<b>321,524</b>
Bank loans		0	35,599
Trade payables		3,005,109	65,000
Payables to group enterprises		1,534,332	0
Joint taxation contribution payable		7,217,739	1,534,332
Other payables	10	7,453,979	4,543,303
<b>Current liabilities other than provisions</b>		<b>19,211,159</b>	<b>6,178,234</b>
<b>Liabilities other than provisions</b>		<b>20,054,580</b>	<b>6,499,758</b>
<b>Equity and liabilities</b>		<b>55,023,402</b>	<b>15,120,684</b>
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		

# Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	863,929	6,992,576	8,356,505
Transfer to reserves	0	736,560	(736,560)	0
Profit/loss for the year	0	0	26,183,364	26,183,364
<b>Equity end of year</b>	<b>500,000</b>	<b>1,600,489</b>	<b>32,439,380</b>	<b>34,539,869</b>

# Notes

## 1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	10,042,424	8,535,556
Pension costs	1,308,632	1,055,302
Other social security costs	147,102	188,305
Other staff costs	2,990,000	1,300,000
	<b>14,488,158</b>	<b>11,079,163</b>
Staff costs classified as assets	(173,040)	(730,659)
	<b>14,315,118</b>	<b>10,348,504</b>
Average number of full-time employees	16	14

## 2 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	293,212	18,773
Depreciation of property, plant and equipment	416,247	279,270
	<b>709,459</b>	<b>298,043</b>

## 3 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	119,255	126,687
Fair value adjustments	0	17,273
	<b>119,255</b>	<b>143,960</b>

## 4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	7,217,739	1,663,736
Change in deferred tax	164,532	249,698
	<b>7,382,271</b>	<b>1,913,434</b>

## 5 Intangible assets

	<b>Completed development projects DKK</b>
Cost beginning of year	1,126,374
Additions	1,237,520
<b>Cost end of year</b>	<b>2,363,894</b>
Amortisation and impairment losses beginning of year	(18,773)
Amortisation for the year	(293,212)
<b>Amortisation and impairment losses end of year</b>	<b>(311,985)</b>
<b>Carrying amount end of year</b>	<b>2,051,909</b>

## 6 Development projects

The development projects consist primarily of development on WebReq and WebPatient. To consolidate SYNLAB's solutions, WebReq is in the process of being transferred to PLASMA. WebPatient is developed especially for specialist medical practice.

The biggest development task in 2020 has been further development of WebReq and WebBooking for a requisition and booking of PCR tests in coronaprover.dk and WebBooking is also used for advanced vaccination booking.

WebBooking is further implemented around DK as a spin-off of the reservation in coronaprover.dk and

## 7 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	2,107,427
<b>Cost end of year</b>	<b>2,107,427</b>
Depreciation and impairment losses beginning of year	(1,069,252)
Depreciation for the year	(416,247)
<b>Depreciation and impairment losses end of year</b>	<b>(1,485,499)</b>
<b>Carrying amount end of year</b>	<b>621,928</b>

## 8 Financial assets

	<b>Deposits DKK</b>
Cost beginning of year	19,500
<b>Cost end of year</b>	<b>19,500</b>
<b>Carrying amount end of year</b>	<b>19,500</b>

## 9 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2020 DKK</b>
Other payables	843,421
	<b>843,421</b>

## 10 Other payables

	<b>2020 DKK</b>	<b>2019 DKK</b>
VAT and duties	3,788,908	1,476,362
Wages and salaries, personal income taxes, social security costs, etc payable	45,241	275,120
Holiday pay obligation	608,558	1,016,601
Other costs payable	3,011,272	1,775,220
	<b>7,453,979</b>	<b>4,543,303</b>

## 11 Unrecognised rental and lease commitments

	<b>2020 DKK</b>	<b>2019 DKK</b>
Liabilities under rental or lease agreements until maturity in total	320,196	128,040

## 12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where SYNLAB Holding Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.



**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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

**Joint taxation contributions payable or receivable**

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.