



INTERNATIONAL TESTING AGENCY
Financial Statements
As of December 31, 2022

BALANCE SHEET AS OF 31 DECEMBER 2022

	<u>31.12.2022</u>	<u>31.12.2021</u>
ASSETS	CHF	CHF
1.0) Cash and cash equivalents	12'333'158	8'956'358
1.1) Account receivables	1'645'833	3'011'725
1.1) Provision for doubtful debts	-260'287	-150'586
1.2) Other current receivables	956'643	880'651
1.3) Accrued income and prepaid expenses	956'589	502'396
Total current assets	15'631'937	13'200'544
<i>AS % OF TOTAL ASSETS</i>	<i>90%</i>	<i>92%</i>
Deposits guarantees	380'773	161'145
Other tangible fixed assets	541'027	261'731
Intangible fixed assets	771'687	754'535
1.4) Total non-current assets	1'693'486	1'177'411
<i>AS % OF TOTAL ASSETS</i>	<i>10%</i>	<i>8%</i>
TOTAL ASSETS	17'325'423	14'377'955
	<u>31.12.2022</u>	<u>31.12.2021</u>
EQUITY AND LIABILITIES	CHF	CHF
1.5) Account payables	3'487'929	2'689'448
1.6) Other current liabilities	248'718	454'958
1.7) Deferred income and accrued expenses	2'902'675	2'638'052
Provision for untaken holidays	418'000	303'606
Other short term provisions	81'010	216'737
2.4) Current provisions	9'687'092	7'575'154
Total current liabilities	16'825'423	13'877'955
<i>AS % OF TOTAL LIABILITIES</i>	<i>97%</i>	<i>97%</i>
Total liabilities	16'825'423	13'877'955
<i>AS % OF TOTAL LIABILITIES</i>	<i>97%</i>	<i>97%</i>
Undesignated Reserve	500'000	500'000
Net income/loss for the year	-	-
Total equity	500'000	500'000
<i>AS % OF TOTAL LIABILITIES</i>	<i>3%</i>	<i>3%</i>
TOTAL EQUITY AND LIABILITIES	17'325'423	14'377'955

INCOME STATEMENT 2022

INCOME STATEMENT	2022	2021
	CHF	CHF
2.0) Sales Service Fees & Third party fees recharged	23'483'928	22'285'153
2.0) Cost of services recharged	-14'378'520	-13'218'520
Gross Margin	9'105'408	9'066'633
<i>GROSS MARGIN AS % OF REVENUE</i>	<i>39%</i>	<i>41%</i>
2.1) Personnel expenses	-8'684'561	-8'095'103
2.2) Other operating expenses	-3'048'650	-2'211'109
Communication	-125'197	-84'046
Office Rent + Cleaning	-461'829	-353'171
General & Administrative Costs	-642'886	-640'282
Professional Services Fee	-1'366'276	-886'156
Travel & Accommodation Costs	-241'263	-43'045
Bad debts	-174'985	-193'755
Other expenses	-36'215	-10'655
Earnings before interest & depreciation (EBITDA)	-2'627'803	-1'239'579
<i>EBITDA AS % OF REVENUE</i>	<i>-11%</i>	<i>-6%</i>
1.4) Depreciation of non-current assets	-712'608	-440'264
Earnings before interest and tax (EBIT)	-3'340'411	-1'679'843
<i>EBIT AS % OF REVENUE</i>	<i>-14%</i>	<i>-8%</i>
2.3) Financial cost	-282'831	-26'052
2.3) Financial income	385'823	183'843
Operating Results before taxes	-3'237'420	-1'522'052
<i>OPERATING RESULTS AS % OF REVENUE</i>	<i>-14%</i>	<i>-7%</i>
2.3) Non-operating income	5'564'397	3'780'754
Other Loss	-1'399	-1'421
2.4) Attribution/Dissolution of Provision for upcoming costs	-2'325'579	-2'257'280
Net Income before attribution to Undesignated Reserve	-	-
<i>NET INCOME/LOSS IN % OF REVENUE</i>	<i>0%</i>	<i>0%</i>

CAFH FLOW STATEMENT 2022

CASH FLOW STATEMENT	2022	2021
	CHF	CHF
Net Income before Olympic Movement Contribution and after allocation to undesignated reserves	-5'000'000	-3'500'000
Depreciation of non-current assets	712'608	440'264
Change in Net Working Capital		
Change in Trade receivables	1'365'892	-2'261'984
Change in Provision for doubtful debts	109'700	106'877
Change in Other receivables	-75'992	-8'122
Change in Accrued income and Prepaid expenses	-454'193	-143'458
Change in Trade payables	798'480	1'412'825
Change in Other payables	-206'240	236'737
Change in Provision for untaken holidays	114'394	155'005
Change in Other short term provisions	-135'727	131'875
Change in Deferred income and Accrued expenses	50'983	553'141
Change in Current Provision	2'325'579	2'257'280
Cash flow from Operating activities	-394'516	-619'559
Investments in tangible fixed assets	-1'009'055	-624'922
Investments in financial assets	-219'628	-
Cash flow from Investing activities	-1'228'683	-624'922
Cash flow from Financing activities	-	-
Change in net cash and Cash equivalents excl. Contribution	-1'623'200	-1'244'481
Olympic Movement Contribution	5'000'000	3'500'000
Change in net cash and Cash equivalents	3'376'800	2'255'519
CHANGE IN NET CASH AND CASH EQUIVALENTS		
As of 1 January	8'956'358	6'700'839
As of 31 December	12'333'158	8'956'358
Change in net cash and Cash equivalents	3'376'800	2'255'519

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

ORGANIZATION

The International Testing Agency (ITA) is an international organization constituted as an independent not-for-profit Swiss foundation, located in Lausanne (Switzerland). It manages anti-doping programs for International sports Federations (IFs), Major Event Organizers (MEOs) and Anti-Doping Organizations (ADOs) that wish to delegate their anti-doping activities to a body that implements high quality anti-doping programs with increased transparency and independence.

ITA's mission is to reinforce the fight against doping by bringing together expertise and helping IFs and MEOs fulfil their duties under the World Anti-Doping Code.

Foundation Number: 7349

Last Status: 05.12.2019

FOUNDATION BOARD

NAME	POSITION	ROLE
Fourneyron Valérie	Board President	Independent Chair
Brunner Chantal	Board Member	Independent Member
Chen Peijie	Board Member	Independent Member
Coventry Kirsty	Board Member	Athlete representative
Erdener Ugur	Board Member	IOC representative
Jackson Roger	Board Member	Independent Member
Ricci Bitti Francesco	Board Member	International Federation representative
Cohen Benjamin	Board Secretary	Director General

STATUTORY AUDITOR

The Foundation Board reelected Ernst & Young as auditing body of the Foundation on December 8th 2022.

SUMMARY OF ACCOUNTING POLICIES

The financial statements of the ITA were prepared according to the provisions of the Swiss Code of Obligations (CO 957-963). For comparison purposes, some prior year figures might have been reclassified.

FOREIGN CURRENCIES

In the Income Statement, the transactions in foreign currencies were posted at the average exchange rate of the month published by the Swiss Tax Authorities (AFC).

In the Balance Sheet, the balances were calculated using the exchange rates from the AFC as of December 31, 2022.

The foreign currencies exchange rates against CHF on December 31, 2022:

	<u>31.12.2022</u>	<u>31.12.2021</u>
USD/CHF	0.925228	0.911141
EUR/CHF	0.987450	1.03615
GBP/CHF	1.112933	1.234099

1.0) CASH

Cash consists of cash held in bank accounts in CHF, USD and EUR.

1.1) ACCOUNT RECEIVABLES

The account receivables consist of invoiced third party costs, which are expenses paid by ITA on behalf of its partners to cover testing activities including but not limited to laboratory analysis, sample collection and shipment, and contractual ITA Management fees. The management assessed to post a provision on doubtful debtors of 5% at year end.

Aging Analysis (in days)	2022	2021
0-30	CHF 884'387	CHF 2'785'625
31-60	CHF 85'768	CHF 6'532
61-90	CHF 220'352	CHF 74'436
>90	CHF 455'325	CHF 145'132

1.2) OTHER CURRENT RECEIVABLES

Other current receivables are made of advance payments regarding social charges for employees' pension (LPP).

1.3) ACCRUED INCOME AND PREPAID EXPENSES

The account is composed of Accrued income for third-party costs and ITA Management fees (CHF 646K) and Prepaid expenses mainly related to insurance and rent expenses (CHF 311K).

1.4) NON-CURRENT ASSETS

Non-current assets are composed of a deposit guarantee for the rental of ITA's office and other tangible fixed assets including the office furniture, IT equipment and Software as shown in the tables below.

Furniture, IT equipment, software and leasehold improvements owned by ITA are recorded at cost.

Depreciation is charged using the straight-line method based on estimated useful lives of the assets generally estimated at 3 years for IT Equipment and software and 5 years for leasehold improvements and furniture.

	Leasehold improvements	Office Equipment	IT Equipment	Software	Total
Costs					
Balance on 31 December 2020	77'706	359'917	217'130	561'642	1'216'396
Acquisitions	2'417	-	65'962	556'542	624'922
Disposals / write-off	-	-	-	-	-
Balance on 31 December 2021	80'124	359'917	283'092	1'118'184	1'841'317
Acquisitions	194'901	168'482	148'144	497'528	1'009'055
Disposals / write-off	-	-	-	-	-
Balance on 31 December 2022	275'024	528'400	431'236	1'615'712	2'850'373
Accumulated Depreciation					
Balance on 31 December 2020	-37'802	-155'801	-115'556	-75'627	-384'787
Depreciation for the year	-15'783	-71'983	-64'476	-288'022	-440'264
Disposals / write-off	-	-	-	-	-
Balance on 31 December 2021	-53'585	-227'785	-180'032	-363'649	-825'051
Depreciation for the year	-47'557	-97'720	-86'955	-480'376	-712'608
Disposals / write-off	-	-	-	-	-
Balance on 31 December 2022	-101'142	-325'505	-266'987	-844'025	-1'537'659
Net Book Value					
On 31 December 2020	39'904	204'116	101'573	486'015	831'609
On 31 December 2021	26'538	132'133	103'060	754'535	1'016'266
On 31 December 2022	173'882	202'895	164'249	771'687	1'312'713

1.5) ACCOUNT PAYABLES

Account Payables mainly consist of payable testing costs such as sample collection fees and laboratory analysis fees.

1.6) OTHER CURRENT LIABILITIES

Other current liabilities include personnel costs.

1.7) DEFERRED INCOME AND ACCRUED EXPENSES

Deferred income and accrued expenses consist of deferred 2023 revenues perceived in 2022 related to Third-party variable costs.

2.0) INCOME STATEMENT ANALYSIS

	2022	2021	Var vs PY
2.01) Sales Service Fees & Third party fees recharged	CHF 23'483'928	CHF 22'285'153	CHF 1'198'775
2.02) Cost of services recharged	-14'378'520	-13'218'520	-1'160'000
Gross margin	CHF 9'105'408	CHF 9'066'633	CHF 38'775

2.01) Sales Service Fees & Third party fees recharged represent ITA's revenue which consist of Management Fees for services performed by ITA employees and Third party fees recharged such as sample collection costs and laboratory analysis fees. Sales Service Fees in 2022 are composed of CHF 7.6mio IF Contracts and CHF 1.5mio MEOs versus CHF 6.4mio IF Contracts and CHF 2.7mio MEOs in 2021.

2.02) The Cost of services recharged are mainly composed of sample collection costs and laboratory analysis costs.

2.1) PERSONNEL EXPENSES

	2022	2021	Var vs PY
Salaries	-7'105'607	-6'597'101	-508'506
Social security costs	-646'047	-596'003	-50'045
Pension costs - defined benefit plans	-473'522	-424'920	-48'602
Other personnel costs	-459'384	-477'080	17'695
Total Personnel Expenses	CHF -8'684'561	CHF -8'095'103	CHF -589'458

Personnel expenses reflect the cost of salaries and social charges for ITA employees which have significantly increased due to the expansion of the organisation and the creation of new positions. On December 31, 2022 the ITA employed 67 employees (65.7 Full Time Employees) versus 63 last year. The average FTE by month is shown in the table below and represent an average FTE of 60.2 for 2022 versus 58.7 for 2021.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
61.9	63.8	66.9	65.1	65.9	64.1	63.1	62.4	65.7	66.7	66.7	65.7	60.2

2.2) OTHER OPERATING EXPENSES

	2022	2021	Var vs PY
Communication	-125'197	-84'046	-41'152
Office Rent + Cleaning	-461'829	-353'171	-108'658
General & Administrative Costs	-642'886	-640'282	-2'603
2.21) Professional Services Fee	-1'366'276	-886'156	-480'120
Travel & Accommodation Costs	-241'263	-43'045	-198'218
Bad debts	-174'985	-193'755	18'770
Other expenses	-36'215	-10'655	-25'560
Total Other Operating Expenses	CHF -3'048'650	CHF -2'211'109	CHF -837'541

Due to the expansion of its activities and the creation of the Budapest branch office, the ITA incurred higher operating expenses.

2.21) The Professional Services Fee are mainly composed of:

- CHF 876K – ITA Experts
- CHF 280K – IT & Cybersecurity Consultant
- CHF 210K – ITA Budapest Branch Office

2.3) NON-OPERATING INCOME & EXPENSES

	2022	2021	Var vs PY
Olympic Movement Contribution	5'000'000	3'500'000	1'500'000
Other Income - Re invoicing	16'087	29'411	-13'324
Sponsorship	335'000	110'955	224'045
Prior Period Income	175'927	-	175'927
Various other income	37'383	140'388	-103'005
Non-operating income	CHF 5'564'397	CHF 3'780'754	CHF 1'783'643
Foreign exchange gains	385'823	183'843	201'980
Foreign exchange losses	-282'831	-26'052	-256'779
Other Income/Expenses	CHF 102'992	CHF 157'791	CHF -54'799

ITA benefited from a contribution from the Olympic Movement that covers the running costs for 2022 and higher sponsoring income. Prior Period Income relate to the Tokyo 2020 and Paris 2024 Olympic Games. Overall, the ITA endured a foreign exchange gain which is mainly due to favorable EUR/CHF exchange rate during the year.

2.4) PROVISION FOR UPCOMING COSTS

	2022	2021
Net Income/Loss before attribution to Provision	CHF 2'325'579	CHF 2'257'280
Dissolution/Attribution to Provision for upcoming costs	- 2'325'579	- 2'257'280
Net Income after attribution to Provision	-	-

The Foundation Board decided to allocate CHF 2'325'579 to Provision for upcoming costs as a measure to ensure the long-term prosperity of the Foundation.

USE AND ALLOCATION OF PROVISION

Provision	Opening balance 01.01.2022	Constitution	Ending Balance 31.12.2022
Undesignated Provision	7'575'154	2'325'579	9'900'733
TOTAL CURRENT PROVISIONS	CHF 7'575'154	CHF 2'325'579	CHF 9'900'733

The ITA started 2022 with an undesignated provision of CHF 7'575'154 and attributed an additional CHF 2'325'579 for upcoming costs.

RISK MANAGEMENT

The ITA operates across multiple countries and conducts business transactions denominated in various foreign currencies, mainly in Euro (EUR) and in United States Dollar (USD). Consequently, the ITA faces foreign exchange risk due to fluctuations in exchange rates.

To manage its foreign currency exposures, the ITA utilizes derivative financial instruments, specifically forward contracts. These instruments are employed as hedging mechanisms to mitigate the potential impact of adverse movements in exchange rates. The forward contracts allow the ITA to lock in predetermined exchange rates for future transactions, reducing the uncertainty associated with currency fluctuations.

The ITA's hedge position on 31.12.2022 can be summarized as follow:

Forward contract on EUR/USD

- Amount to be sold: USD 1'000'000
- Exchange rate: EUR/USD 0.990700
- Maturity date: 19.04.2023

NON-CANCELLABLE DEBTS

The non-cancellable debts within 12 months following 31.12.2023 (excluding 2023) are composed of the office rental lease for a total amount of CHF 1'496'600.

<u>Due dates for future payments</u>	<u>Value in CHF</u>
2024	448'980
2025	448'980
2026	448'980
2027	149'660
TOTAL COMMITMENT	CHF 1'496'600

TAX-EXEMPT STATUS

The tax authorities have granted the ITA a tax exemption from income and capital taxes on a communal, cantonal, and federal level.

SUBSEQUENT EVENTS

The ITA evaluated subsequent events from December 31, 2022 through June 29rd, 2023 the date on which the financial statements were available to be issued. The ITA is expecting a negative price impact on shipping costs due to the geopolitical situation between Russia and Ukraine as well as higher sample collection costs and analyses fees due to the continuous high inflation rate.

The Foundation Board certifies that the accounts' annexes are compliant and complete.

Location & Date: Lausanne, 28.06.2023

Authorized Signatory: 

Location & Date: Lausanne, 28.06.2023

Authorized Signatory: 