

Scanorto A/S


Nymøllevej 50, 2800 Kgs. Lyngby

Company reg. no. 12 68 76 48

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 8 August 2022.

DocuSigned by:

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Steven Schwarz
Chairman of the meeting

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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 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Scanorto A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company 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 true and fair review of the matters discussed in the Management's review.

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

Kgs. Lyngby, 8 August 2022

Managing Director

Steven Schwarz

Board of directors

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Torben Nielsen
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Torben Nielsen

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Steven Schwarz
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Steven Schwarz

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Maria Luisa Caggiula
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Maria Luisa Caggiula

Independent auditor's report

To the Shareholders of Scanorto A/S

Opinion

We have audited the financial statements of Scanorto A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 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 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.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 8 August 2022

Grant Thornton

Statsautoriseret Revisionsaktieselskab
Company reg. no. 34 20 99 36



Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

Company information

The company

Scanorto A/S
Nymøllevej 50
2800 Kgs. Lyngby

Company reg. no. 12 68 76 48
Established: 1 January 1989
Domicile: Kgs. Lyngby
Financial year: 1 January - 31 December

Board of directors

Torben Nielsen
Steven Schwarz
Maria Luisa Caggiula

Managing Director

Steven Schwarz

Auditors

Grant Thornton Statsautoriseret Revisionsaktieselskab
Stockholmsgade 45
2100 København Ø

Parent company

Nobel Biocare Danmark A/S, Milnersvej 43A, 3400 Hillerød

Management's review

The principal activities of the company

The Company's activities consist of trade with dental and hospital items.

Uncertainties about recognition or measurement

Recognition and measurement in the annual report have not been subject to any significant uncertainty.

Development in activities and financial matters

The gross profit for the year totals DKK 12.741.359 against DKK 6.732.834 last year. Income or loss from ordinary activities after tax totals DKK 532.464 against DKK 732.626 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for Scanorto 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 last year, and the annual report is presented in DKK.

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.

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, other operating income, and external costs.

Accounting policies

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 comprises costs concerning purchase of raw materials and consumables less discounts.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables etc..

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.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

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

Accounting policies

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
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.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Balances in group's pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under "Receivables from group enterprises" or "Payables to group entities" as applicable.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Scanorto A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	12.741.359	6.732.834
1 Staff costs	-11.987.807	-5.711.459
2 Depreciation and impairment of property, land, and equipment	-51.402	-51.402
Operating profit	702.150	969.973
3 Other financial expenses	-7.066	-28.123
Pre-tax net profit or loss	695.084	941.850
4 Tax on net profit or loss for the year	-162.620	-209.224
Net profit or loss for the year	532.464	732.626
Proposed appropriation of net profit:		
Transferred to retained earnings	532.464	732.626
Total allocations and transfers	532.464	732.626

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
5 Other fixtures and fittings, tools and equipment	218.805	270.207
Total property, plant, and equipment	<u>218.805</u>	<u>270.207</u>
6 Deposits	107.700	159.840
Total investments	<u>107.700</u>	<u>159.840</u>
Total non-current assets	<u>326.505</u>	<u>430.047</u>
Current assets		
Trade receivables	3.215.545	4.901.389
Receivables from group enterprises	11.969.618	11.152.871
Other receivables	43.529	46.776
Prepayments	110.174	102.229
Total receivables	<u>15.338.866</u>	<u>16.203.265</u>
Cash and cash equivalents	<u>233</u>	<u>3.111</u>
Total current assets	<u>15.339.099</u>	<u>16.206.376</u>
Total assets	<u>15.665.604</u>	<u>16.636.423</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	500.000	500.000
Retained earnings	6.561.589	6.029.125
Total equity	7.061.589	6.529.125
Provisions		
Provisions for deferred tax	35.346	35.900
Total provisions	35.346	35.900
Liabilities other than provisions		
Other payables	0	606.923
Total long term liabilities other than provisions	0	606.923
Trade payables	119.788	395.506
Payables to group enterprises	3.230.558	3.425.703
Income tax payable	368.104	168.630
Income tax payable to subsidiaries	163.174	199.474
Other payables	4.687.045	5.275.162
Total short term liabilities other than provisions	8.568.669	9.464.475
Total liabilities other than provisions	8.568.669	10.071.398
Total equity and liabilities	15.665.604	16.636.423

7 **Contingencies**

8 **Related parties**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	500.000	5.296.499	5.796.499
Retained earnings for the year	0	732.626	732.626
Equity 1 January 2021	500.000	6.029.125	6.529.125
Retained earnings for the year	0	532.464	532.464
	500.000	6.561.589	7.061.589

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	11.170.108	5.235.061
Pension costs	745.447	418.485
Other costs for social security	<u>72.252</u>	<u>57.913</u>
	<u>11.987.807</u>	<u>5.711.459</u>
Average number of employees	<u>13</u>	<u>10</u>
2. Depreciation and impairment of property, land, and equipment		
Depreciation of other fixtures and fittings, tools and equipment	<u>51.402</u>	<u>51.402</u>
	<u>51.402</u>	<u>51.402</u>
3. Other financial expenses		
Other financial costs	<u>7.066</u>	<u>28.123</u>
	<u>7.066</u>	<u>28.123</u>
4. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	163.174	199.474
Adjustment of deferred tax for the year	<u>-554</u>	<u>9.750</u>
	<u>162.620</u>	<u>209.224</u>
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	<u>433.510</u>	<u>433.510</u>
Cost 31 December 2021	<u>433.510</u>	<u>433.510</u>
Depreciation and writedown 1 January 2021	-163.303	-111.901
Amortisation and depreciation for the year	<u>-51.402</u>	<u>-51.402</u>
Depreciation and writedown 31 December 2021	<u>-214.705</u>	<u>-163.303</u>
Carrying amount, 31 December 2021	<u>218.805</u>	<u>270.207</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
6. Deposits		
Cost 1 January 2021	107.700	155.535
Additions during the year	<u>0</u>	<u>4.305</u>
Cost 31 December 2021	<u>107.700</u>	<u>159.840</u>
Carrying amount, 31 December 2021	<u>107.700</u>	<u>159.840</u>

7. Contingencies

Contingent liabilities

	<u>DKK in thousands</u>
Lease liabilities	<u>1.185</u>
Total contingent liabilities	<u>1.185</u>

Joint taxation

With Nobel Biocare Danmark A/S, company reg. no 28293364 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

8. Related parties

Consolidated financial statements

The company is included in the Group Annual Report for the Ultimate Parent Company:

Envista Holdings Corporation
200 S. Kraemer Blvd.,
Building E, Brea, California 92821
USA

The consolidated financial statement for Envista Holdings Corporation group can be acquired at the following link:

<https://investors.envistaco.com/home>