

# Olympus Danmark A/S

Knud Højgaards Vej 2, 2860 Søborg

CVR no. 16 31 62 96

## Annual report

for the year 1 April 2022 - 31 March 2023

Approved at the Company's annual general meeting on 18 August 2023

Chair of the meeting:

.....  
Per Jonas Torsten Holm

## Contents

|   |    |
|---|----|
| Statement by the Board of Directors and the Executive Board | 2  |
| Independent auditor's report                                | 3  |
| Management's review   | 5  |
| Financial statements 1 April 2022 - 31 March 2023           | 10 |
| Income statement  | 10 |
| Balance sheet   | 11 |
| Statement of changes in equity                              | 13 |
| Cash flow statement   | 14 |
| Notes to the financial statements                           | 15 |

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Olympus Danmark A/S for the financial year 1 April 2022 - 31 March 2023.

The annual report is prepared in accordance with 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 March 2023 and of the results of the Company's operations and cash flows for the financial year 1 April 2022 - 31 March 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Søborg, 18 August 2023  
Executive Board:

.....  
Lars Georg Rust

Board of Directors:

.....  
Carl Constantin  
Zangemeister  
Chairman

.....  
Lars Georg Rust

.....  
Joanna Szwiec

## Independent auditor's report

To the shareholder of Olympus Danmark A/S

### Opinion

We have audited the financial statements of Olympus Danmark A/S for the financial year 1 April 2022 - 31 March 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 financial position of the Company at 31 March 2023 and of the results of the Company's operations as well as the cash flows for the financial year 1 April 2022 - 31 March 2023 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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.

### 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 as to 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 the 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 Company's internal control.

## Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 18 August 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Thomas Bruun Kofoed  
State Authorised Public Accountant  
mne28677

Anders Knudsen  
State Authorised Public Accountant  
mne49064

## Management's review

### Company details

|                            |  |
|----------------------------|--|
| Name                       | Olympus Danmark A/S  |
| Address, Postal code, City | Knud Højgaards Vej 2, 2860 Søborg  |
| CVR no.                    | 16 31 62 96  |
| Established                | 1 August 1992  |
| Registered office          | Søborg   |
| Financial year             | 1 April 2022 - 31 March 2023   |
| Website                    | <a href="http://www.olympus.dk">www.olympus.dk</a>                         |
| Board of Directors         | Carl Constantin Zangemeister, Chairman<br>Lars Georg Rust<br>Joanna Szwiec |
| Executive Board            | Lars Georg Rust  |
| Bankers                    | Danske Bank<br>Holmens Kanal 2, 1092 København K                           |

## Management's review

### Financial highlights

| DKK'000 | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---------|---------|---------|---------|---------|---------|
|---------|---------|---------|---------|---------|---------|

#### Key figures

|                       |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|
| Revenue               | 276,531 | 262,580 | 346,280 | 347,015 | 331,797 |
| Gross profit          | 78,859  | 67,322  | 73,192  | 71,855  | 76,829  |
| Operating profit/loss | -5,636  | 2,102   | 20,198  | 19,809  | 3,344   |
| Net financials        | 800     | -818    | 14      | -10     | -59     |
| Profit for the year   | 14,657  | 11,780  | 16,969  | 16,988  | 19,125  |

|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Total assets                                 | 153,485 | 167,832 | 175,485 | 150,854 | 171,529 |
| Investments in property, plant and equipment | -4,622  | -2,946  | -6,691  | -4,109  | -2,057  |
| Equity                                       | 63,874  | 53,067  | 58,256  | 66,287  | 56,799  |

#### Financial ratios

|                  |        |        |        |        |        |
|------------------|--------|--------|--------|--------|--------|
| Return on assets | -3.5%  | 1.2%   | 12.4%  | 12.3%  | 2.2%   |
| Current ratio    | 158.6% | 138.3% | 140.6% | 174.7% | 149.8% |
| Equity ratio     | 41.6%  | 31.6%  | 33.2%  | 43.9%  | 33.1%  |
| Return on equity | 25.1%  | 21.2%  | 27.3%  | 27.6%  | 35.6%  |

|                                       |    |    |    |    |    |
|---------------------------------------|----|----|----|----|----|
| Average number of full-time employees | 69 | 60 | 59 | 62 | 67 |
|---------------------------------------|----|----|----|----|----|

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

The key figures for 2021/22 is affected by the sale of the Scientific Solutions Division completed on 1 April 2022, hence presented separately as discontinued operations. Refer to note 7.

In 2022/23, the Company made changes to the classification of specific accounting items. Please refer to Note 1 for further description. Comparative figures in the financial statements as well as the key figures have been adjusted.

## Management's review

### Business review

The main activities of Olympus Danmark A/S are sales and distribution of medical devices from entities within the Olympus Europe Group. In the year, the Company maintained its position as a leading supplier to the Danish market.

### Financial review

The income statement for 2022/23 shows a profit of DKK 14,657 thousand against a profit of DKK 11,780 thousand last year, and the balance sheet at 31 March 2023 shows equity of DKK 63,874 thousand.

Profit for the year is in line with the outlook for the year. Management considers the financial performance satisfactory in the light of the market situation, and the economic climate eg. regards to inflation and energy prices.

On 31 March 2022, the Company entered a Business Transfer Agreement regarding the Company's Scientific Solutions Division. Consequently, the Scientific Solutions Division is classified as discontinued operations in the financial year 2021/22. The sale was completed in 2022/23.

In 2022/23, the Company made changes to the classification of specific accounting items. Please refer to Note 1 for further description. Comparative figures in the financial statements as well as the key figures have been adjusted.

### Investments

In 2022/23, the Company invested in IT, demo, loan equipment and operating equipment. Total net investments amounted to DKK 4.871 thousand against DKK 997 thousand in 2021/ 22.

### Capital structure

Olympus Danmark A/S is a financially sound business. The equity ratio is 41.6 % (2021/22: 31.6 %) based on equity at 31 March 2023 of DKK 63,874 thousand (2021/22: DKK 53,067 thousand).

The Company's financial resources amounted to DKK 8,575 thousand at the financial year end, of which DKK 575 thousand are cash and cash equivalents and the remaining amount consists of undrawn credit facilities with the Company's bankers.

### Financial risks and use of financial instruments

The Company's main operating risk relates to its ability to maintain its strong market position in Denmark. Also, it is essential that the Company stays in tune with technological developments.

### Financial risks

Thanks to its strong equity ratio and ample financial resources, the Company's vulnerability to interest rate changes is limited.

The Company's invoicing currency is DKK, while a minor share of purchases is made in EUR. Due to DKK's peg to EUR, the Board of Directors does not consider it necessary to hedge this currency exposure.

The Company is not exposed to any major risks relating to individual customers or cooperation partners. Under the Company's credit risk policy, all major customers and cooperation partners are credit rated on a current basis.

## Management's review

### Statutory CSR report

Statutory reporting on corporate responsibility, cf. §99a

The statement below constitutes Olympus Danmark A/S' statutory reporting on corporate responsibility, cf. §99a of the Danish Financial Statement Act.

#### *Business model*

The main activities of Olympus Danmark A/S are sales and distribution of medical devices from entities within the Olympus Europe Group. In the year, the Company maintained its position as a leading supplier to the Danish market.

#### *Human rights*

We strive to identify, prevent, or mitigate adverse human rights impacts directly linked with our operations and business activities. We have not identified any material risk in our value chain, but Olympus commits to proactively avoid causing or contributing to adverse human rights impacts and to address such impacts when they occur. We work to regularly assess potential impacts on human rights in all of our business activities, identify areas of concern and act appropriately to prevent or mitigate them. Olympus commits to continually update its human rights approach for continuous improvement. Every year all of our employees have to complete a human rights training and in 2022 all of our employees completed this training.

#### *Anticorruption*

Information security is integrated into our business plan as a major risk, hereunder the use of information for corruption purposes. The Olympus Group will never engage in actions that could be deemed to be bribery in its dealings with any of its business partners, such as government officials, and employees of government agencies (including international agencies), or any other parties. Besides that, we also follow the four eye principles which decreases the risk of corruption. Every year all of our employees have to complete an anticorruption training and in 2023 all of our employees completed this training.

#### *Environmental and climate issues*

The Olympus Group endeavors to reduce the environmental impact from the entire value chain. The most significant, but small risk regarding environmental and climate issues stems from the use of transportation. In 2021 we offered our new employees to choose cars, where it was endeavored by the management to choose electric or hybrid cars. In 2022 44% of our employees chose an electric or hybrid car. In 2023 we will continue our focus on transportation and encourage our employees to choose an electric or hybrid car.

#### *Social and employee conditions*

We take proactive steps to prevent stress related illnesses at work, which we consider as a risk. Occupational health and safety are a major priority. All new employees who use cars as a means of transport are trained to drive on ice and in heavy rain. This training is also offered for employees who want to take the training again. Also, we want our employees to work in an ergonomic and work-friendly environment. At Olympus, we promote good health and wellness. We focus on stress and have a stress related policy we follow. Regularly people who might need it are offered to have a conversation about their wellbeing, where special stress training, a psychologist etc. are offered. Employee surveys and workplace surveys are regularly conducted and based on the results of the surveys initiatives are made to accommodate our employees wishes and suggestions. Results from the latest employee survey showed a very high level of engagement and enablement within Olympus Danmark A/S. Among the highest within the region and even in EMEA. We will continue to conduct surveys and focus on employees who might need an extra focus on their wellbeing.

## Management's review

### Account of the gender composition of Management

The statement below constitutes Olympus Danmark A/S' statutory reporting on gender distribution in management, cf. §99b.

The Company's Board of Directors consist of 1 woman and 2 men, which is considered an equal gender composition of Management. The other managerial positions, which is leaders with employee responsibilities, consists of 6 men and 4 women. Olympus adopts gender equality in employment opportunities, employee promotions, and salary increases. We also actively appoint highly skilled and ethical people to appropriate positions. When hiring we focus on diversity within the team, but our main focus is to find the right candidate. If we have two equal candidates, we will hire the candidate who is among the underrepresented gender.

### Data ethics

The Company does not consider it relevant to establish a data ethics policy. In this connection, the company emphasizes that they only collect and processes data to a limited extent and does not use new technologies as part of the company's main activity, and does not itself or via external suppliers carry out specific data analyses, evaluations or segmentations.

The Company will continuously assess the relevance of a data ethics policy.

### Outlook

Management forecasts increasing demand for the Company's medical products and expects its continuous innovation efforts to help secure its leading market position.

Olympus Danmark A/S anticipates a revenue for the fiscal 2023/24 in the range of 290-300 MDKK and a profit before tax in the range of 18-20 MDKK.

## Financial statements 1 April 2022 - 31 March 2023

### Income statement

| Note | DKK'000  | 2022/23  | 2021/22  |
|------|--|----------|----------|
| 3    | Revenue  | 276,531  | 262,580  |
|      | Cost of sales                                      | -182,297 | -176,580 |
|      | Other operating income                             | 23,680   | 14,306   |
|      | Other external expenses                            | -39,055  | -32,984  |
|      | Gross profit                                       | 78,859   | 67,322   |
| 4    | Staff costs  | -57,825  | -47,996  |
|      | Depreciation                                       | -2,991   | -2,918   |
|      | Profit before net financials                       | 18,043   | 16,408   |
| 5    | Financial income                                   | 815      | 110      |
|      | Financial expenses                                 | -15      | -928     |
|      | Profit from continuing operations before tax       | 18,843   | 15,590   |
| 6    | Tax for the year                                   | -4,186   | -7,038   |
|      | Profit for the year from continuing operations     | 14,657   | 8,552    |
| 6,7  | Profit/loss after tax from discontinued operations | 0        | 3,228    |
|      | Profit for the year                                | 14,657   | 11,780   |

## Financial statements 1 April 2022 - 31 March 2023

### Balance sheet

| Note | DKK'000  | <u>2022/23</u> | <u>2021/22</u> |
|------|--|----------------|----------------|
|      | ASSETS   |                |                |
|      | Fixed assets                                     |                |                |
| 8    | Property, plant and equipment                    |                |                |
|      | Other fixtures and fittings, tools and equipment | 9,884          | 9,668          |
|      | Leasehold improvements                           | 151            | 219            |
|      |  | <u>10,035</u>  | <u>9,887</u>   |
| 9    | Investments                                      |                |                |
|      | Deposits   | 2,284          | 1,528          |
|      |  | <u>2,284</u>   | <u>1,528</u>   |
|      | Total fixed assets                               | <u>12,319</u>  | <u>11,415</u>  |
|      | Non-fixed assets                                 |                |                |
|      | Inventories                                      |                |                |
|      | Finished goods and goods for resale              | 7,272          | 7,741          |
|      |  | <u>7,272</u>   | <u>7,741</u>   |
|      | Receivables                                      |                |                |
|      | Trade receivables                                | 28,883         | 60,814         |
|      | Receivables from group entities                  | 101,435        | 84,281         |
| 10   | Deferred tax assets                              | 17             | 159            |
|      | Income taxes receivable                          | 1,818          | 1,126          |
|      | Other receivables                                | 73             | 58             |
| 11   | Prepayments                                      | 1,093          | 387            |
|      |  | <u>133,319</u> | <u>146,825</u> |
|      | Cash   | 575            | 1,331          |
| 7    | Assets relating to discontinued operations       | 0              | 520            |
|      | Total non-fixed assets                           | <u>141,166</u> | <u>156,417</u> |
|      | TOTAL ASSETS                                     | <u>153,485</u> | <u>167,832</u> |

## Financial statements 1 April 2022 - 31 March 2023

### Balance sheet

| Note | DKK'000   | 2022/23               | 2021/22               |
|------|---|-----------------------|-----------------------|
|      | EQUITY AND LIABILITIES                          |                       |                       |
|      | Equity  |                       |                       |
| 12   | Share capital                                   | 2,000                 | 2,000                 |
|      | Retained earnings                               | 47,217                | 47,217                |
|      | Dividend proposed for the year                  | 14,657                | 3,850                 |
|      | Total equity                                    | <u>63,874</u>         | <u>53,067</u>         |
|      | Provisions                                      |                       |                       |
|      | Other provisions                                | 628                   | 1,493                 |
| 13   | Total provisions                                | <u>628</u>            | <u>1,493</u>          |
|      | Liabilities other than provisions               |                       |                       |
|      | Current liabilities other than provisions       |                       |                       |
|      | Trade payables                                  | 3,701                 | 2,569                 |
|      | Payables to group entities                      | 66,328                | 83,656                |
|      | Income taxes payable                            | 0                     | 2,981                 |
|      | Other payables                                  | 16,030                | 15,075                |
| 14   | Deferred income                                 | 2,924                 | 8,810                 |
|      |   | <u>88,983</u>         | <u>113,091</u>        |
| 7    | Liabilities relating to discontinued operations | 0                     | 181                   |
|      | Total liabilities other than provisions         | <u>88,983</u>         | <u>113,272</u>        |
|      | TOTAL EQUITY AND LIABILITIES                    | <u><u>153,485</u></u> | <u><u>167,832</u></u> |

- 1 Accounting policies
- 2 Events after the balance sheet date
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Appropriation of profit

## Financial statements 1 April 2022 - 31 March 2023

### Statement of changes in equity

| Note | DKK'000                                 | Share capital | Retained earnings | Dividend proposed for the year | Total  |
|------|---|---------------|-------------------|--------------------------------|--------|
|      | Equity at 1 April 2022                  | 2,000         | 47,217            | 3,850                          | 53,067 |
| 18   | Transfer, see "Appropriation of profit" | 0             | 0                 | 14,657                         | 14,657 |
|      | Dividend distributed                    | 0             | 0                 | -3,850                         | -3,850 |
|      | Equity at 31 March 2023                 | 2,000         | 47,217            | 14,657                         | 63,874 |

## Financial statements 1 April 2022 - 31 March 2023

### Cash flow statement

| Note | DKK'000   | 2022/23 | 2021/22 |
|------|---|---------|---------|
|      | Profit for the year                                   | 14,657  | 11,780  |
| 19   | Adjustments   | 7,216   | 10,451  |
|      | Cash generated from operations (operating activities) | 21,873  | 22,231  |
| 20   | Changes in working capital                            | -7,537  | 4,667   |
|      | Cash generated from operations (operating activities) | 14,336  | 26,898  |
|      | Interest paid, etc.                                   | -1      | -784    |
|      | Income taxes paid                                     | -7,717  | -7,378  |
|      | Cash flows from operating activities                  | 6,618   | 18,736  |
|      | Additions of property, plant and equipment            | -4,576  | -3,020  |
|      | Disposals of property, plant and equipment            | 1,442   | 2,023   |
|      | Additions of financial assets                         | -756    | 0       |
|      | Cash flows to investing activities                    | -3,890  | -997    |
|      | Dividends distributed                                 | -3,850  | -16,969 |
|      | Cash flows from financing activities                  | -3,850  | -16,969 |
|      | Net cash flow   | -1,122  | 770     |
|      | Cash and cash equivalents at 1 April                  | 1,702   | 996     |
|      | Foreign exchange adjustments                          | -5      | -64     |
|      | Cash and cash equivalents at 31 March                 | 575     | 1,702   |

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Olympus Danmark A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

##### Material misstatements

In the annual report for 2022/23, the Company has made changes to the classification for income and expenses relating to re invoiced staff costs for administrative work performed for and by affiliated companies. Income relating to re invoiced staff costs for administrative work performed for affiliated companies will be presented as Other operating income. Expenses relating to re invoiced staff costs for administrative work performed by affiliated companies will be presented as Other external expenses.

Previously, income and expenses for these were presented net in staff costs.

Following the change, other operating income are increased by DKK 13,528 thousand for 2021/22. Other external expenses are increased by DKK 5,470 thousand for 2021/22 and Staff costs are increased by DKK 8,058 thousand for 2021/22.

These changes have been made to reflect the Company's increasing level of intra-group administrative services. The change has no effect on the Company's result and equity. Comparative figures in the financial statements as well as the key figures have been adjusted accordingly.

Other than this, the Company's classification and accounting policy remain unchanged compared to last year.

##### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

##### Income statement

###### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Income from the supply of services is recognised on a continuing basis. Income that has not been recognised at the balance sheet date is recognised as 'Deferred income'.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities. It primarily relates to invoiced staff costs for administrative work performed for affiliated companies and gains or losses on the sale of fixed assets.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Cost of sales also includes indirect costs relating to freight, customs and insurance as well as warranty expenses.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

|  |            |
|--|------------|
| Other fixtures and fittings, tools and equipment | 3-10 years |
| Leasehold improvements                           | 7 years    |

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contractual obligations and contingencies, etc."

##### Impairment of fixed assets

Property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for groups of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Inventories

Inventories are measured at cost in accordance with the weighted average cost method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash at hand and in bank comprise cash and bank balances.

Balances in the Group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under 'Receivables from group entities'.

##### Discontinued operations

Assets relating to discontinued operations comprise fixed assets expected to be sold in connection with the discontinued operations and disposal groups, which are defined as a group of assets which are to be disposed of together as a group in a single transaction. Liabilities associated with assets relating to discontinued operations are liabilities directly associated with these assets and which are to be transferred in the transaction. Assets are classified as assets relating to discontinued operations where their carrying amount will be recovered principally through a sale within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups relating to discontinued operations are measured at the lower of the carrying amount at the date of the reclassification as "discontinued operations" and the fair value less costs to sell.

Discontinued operations comprise a separate, major line of business whose activities are clearly distinguishable, operationally and for financial reporting purposes, from the Company's other lines of business and where the line of business has either been disposed of or separated as held for sale and the sale is expected to be effected within one year in accordance with a formal plan. Discontinued operations also include entities which are classified as "held for sale" in connection with the acquisition.

The profit/loss from discontinued operations and value adjustments after tax of related assets and liabilities and gains and losses on disposal are presented as a separate line item in the income statement, and comparative figures are restated accordingly. Revenue, expenses, value adjustments and tax relating to discontinued operations are disclosed in the notes. Assets and relating liabilities in respect of discontinued operations are presented as separate line items in the balance sheet without restatement of comparative figures, and the main items are specified in the notes.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Provisions

Provisions comprise guarantee commitments of expected cost of repairs within the guarantee period of 1-2 years recognised based on previous experience with work performed under guarantees.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Other payables

Other payables are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

|                       |  |
|-----------------------|--|
| Operating profit/loss | Profit/loss before net financials +/-<br>Other operating income and other operating expenses |
| Return on assets      | $\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$      |
| Current ratio         | $\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$                        |
| Equity ratio          | $\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$   |
| Return on equity      | $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$                      |

#### 2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

| DKK'000                                   | <u>2022/23</u> | <u>2021/22</u> |
|---|----------------|----------------|
| 3 Segment information                     |                |                |
| Breakdown of revenue by business segment: |                |                |
| Medical Systems Division                  | <u>276,531</u> | <u>262,580</u> |
|   | <u>276,531</u> | <u>262,580</u> |

On 31 March 2022, the Company entered a Business Transfer Agreement regarding the Scientific Solutions Division. Consequently, the Scientific Solutions Division is classified as discontinued operations in the financial year 2021/22 as disclosed in note 7.

| DKK'000                               | <u>2022/23</u> | <u>2021/22</u> |
|---------------------------------------|----------------|----------------|
| 4 Staff costs                         |                |                |
| Wages/salaries                        | 52,923         | 43,891         |
| Pensions                              | 4,441          | 3,660          |
| Other social security costs           | <u>461</u>     | <u>445</u>     |
|                                       | <u>57,825</u>  | <u>47,996</u>  |
| Average number of full-time employees | <u>69</u>      | <u>60</u>      |

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed for the current year.

Total remuneration to Management 2021/22 in DKK'000: 1,399.

No remuneration was paid to the Board of Directors during the year.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

| DKK'000   | 2022/23      | 2021/22      |
|---|--------------|--------------|
| 5 Financial income  |              |              |
| Interest receivable, group entities                                     | 796          | 25           |
| Exchange gain   | 19           | 0            |
| Other financial income  | 0            | 85           |
|   | <u>815</u>   | <u>110</u>   |
| 6 Tax for the year  |              |              |
| Estimated tax charge for the year                                       | 4,045        | 3,463        |
| Deferred tax adjustments in the year                                    | 141          | 99           |
| Tax adjustments, prior years  | 0            | 3,476        |
|   | <u>4,186</u> | <u>7,038</u> |
| 7 Profit from discontinued operations                                   |              |              |
| Profit from discontinued operations is broken down on main items below: |              |              |
| DKK'000   | 2022/23      | 2021/22      |
| Revenue   | 0            | 81,624       |
| Expenses  | 0            | -77,327      |
| Tax for the year  | 0            | -1,069       |
| Profit after tax from discontinued operations                           | <u>0</u>     | <u>3,228</u> |
| Cash flow regarding discontinued operations 2022/23                     |              |              |
| DKK'000   | 2022/23      | 2021/22      |
| Inventories   | 0            | 102          |
| Other fixtures and fittings, tools and equipment                        | 0            | 46           |
| Cash  | 0            | 371          |
| Assets relating to discontinued operations                              | <u>0</u>     | <u>519</u>   |
| Deferred income   | 0            | 181          |
| Liabilities relating to discontinued operations                         | <u>0</u>     | <u>181</u>   |
| Net assets relating to discontinued operations                          | <u>0</u>     | <u>338</u>   |

On 31 March 2022, the Company entered a Business Transfer Agreement regarding the Company's Scientific Solutions Division. Consequently, the Scientific Solutions Division is classified as discontinued operations in the financial year 2021/22. The sale was completed in 2022/23.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 8 Property, plant and equipment

| DKK'000  | Other fixtures<br>and fittings, tools<br>and equipment | Leasehold<br>improvements | Total                |
|--|--|---------------------------|----------------------|
| Cost at 1 April 2022   | 34,489   | 929                       | 35,418               |
| Exchange adjustment  | 45   | 0                         | 45                   |
| Additions in the year  | 4,871  | 0                         | 4,871                |
| Disposals in the year  | -5,990   | 0                         | -5,990               |
| Cost at 31 March 2023  | <u>33,415</u>  | <u>929</u>                | <u>34,344</u>        |
| Impairment losses and depreciation at<br>1 April 2022                | 24,821   | 710                       | 25,531               |
| Amortisation/depreciation in the year                                | 2,992  | 68                        | 3,060                |
| Reversal of amortisation/depreciation and<br>impairment of disposals | -4,282   | 0                         | -4,282               |
| Impairment losses and depreciation at<br>31 March 2023               | <u>23,531</u>  | <u>778</u>                | <u>24,309</u>        |
| Carrying amount at 31 March 2023                                     | <u><u>9,884</u></u>                                    | <u><u>151</u></u>         | <u><u>10,035</u></u> |

#### 9 Investments

| DKK'000                          | Deposits            |
|----------------------------------|---------------------|
| Cost at 1 April 2022             | 1,528               |
| Additions in the year            | 756                 |
| Cost at 31 March 2023            | <u>2,284</u>        |
| Carrying amount at 31 March 2023 | <u><u>2,284</u></u> |

#### 10 Deferred tax assets

Deferred tax assets primarily relate to temporary differences in respect of property plant and equipment. There are no unrecognised deferred tax assets, and all deferred tax assets are expected to be reversed and offset against positive taxable income within the next 3-5 years.

#### 11 Prepayments

Prepayments include accrual of expenses related to subsequent financial years.

| DKK'000   | <u>2022/23</u> | <u>2021/22</u> |
|---|----------------|----------------|
| 12 Share capital                                  |                |                |
| Analysis of the share capital:                    |                |                |
| 2,000 A shares of DKK 1,000.00 nominal value each | 2,000          | 2,000          |
|   | <u>2,000</u>   | <u>2,000</u>   |

All shares carry the same voting rights.

The Company's share capital has remained DKK 2,000 thousand over the past 5 years.

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 13 Provisions

Provisions comprise warranty commitments of DKK 628 thousand. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The obligation is expected to be settled over the warranty period which is two years.

#### 14 Deferred income

Deferred income comprises payments relating to the sale, which will not be recognised as income until in the subsequent financial year once the recognition criteria is satisfied.

#### 15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

| DKK'000                    | 2022/23 | 2021/22 |
|----------------------------|---------|---------|
| Rent and lease liabilities | 13,480  | 8,221   |

Rent and lease liabilities include rent obligations totalling DKK 8,038 thousand (2021/22: DKK 2,702 thousand) relating to contracts that are non-cancellable for 15 months and obligations relating to operating leases for cars and IT equipment totalling DKK 5,442 thousand (2021/22: DKK 5,519 thousand) with remaining terms of 1-3 years.

#### 16 Collateral

The Company has not provided any security or other collateral in assets at 31 March 2023.

#### 17 Related parties

Olympus Danmark A/S' related parties comprise the following:

Parties exercising control

| Related party  | Domicile         | Basis for control      |
|--|------------------|------------------------|
| Parent of Olympus Danmark A/S,<br>Olympus Europa SE & Co. KG       | Hamburg, Germany | Participating interest |
| Parent of Olympus Europa SE & Co. KG,<br>Olympus Europa Holding SE | Hamburg, Germany | Participating interest |

#### Information about consolidated financial statements

| Parent   | Domicile | Requisitioning of the parent company's consolidated financial statements  |
|--|----------|---|
| Parent Company, Olympus Europa SE & Co. KG<br>Ultimate parent company, Olympus Corporation |          | <a href="https://www.olympus-europa.com/">https://www.olympus-europa.com/</a><br>The consolidated financial statements may be obtained from the ultimate parent company |

## Financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 17 Related parties (continued)

##### Related party transactions

Olympus Danmark A/S was engaged in the below related party transactions:

| DKK'000   | <u>2022/23</u> | <u>2021/22</u> |
|---|----------------|----------------|
| Purchase of goods and services from related parties | 206,241        | 270,213        |
| - of this, Parent Company                           | 173,623        | 234,031        |
| Sale of goods and services to related parties       | 24,871         | 15,033         |
| - of this, Parent Company                           | 84             | 672            |
| Financial income                                    | 796            | 25             |
| Payables to group entities                          | 66,328         | 83,656         |
| Receivables from group entities                     | 101,435        | 84,281         |

Olympus Danmark A/S trades products with related parties in the Olympus Group as a normal part of the business.

##### Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

| DKK'000   | <u>2022/23</u> | <u>2021/22</u> |
|---|----------------|----------------|
| 18 Appropriation of profit                      |                |                |
| Recommended appropriation of profit             |                |                |
| Proposed dividend recognised under equity       | 14,657         | 3,850          |
| Retained earnings                               | 0              | 7,930          |
|   | <u>14,657</u>  | <u>11,780</u>  |
| 19 Adjustments                                  |                |                |
| Amortisation/depreciation and impairment losses | 2,991          | 2,946          |
| Gain/loss on the sale of fixed assets           | 41             | -788           |
| Tax for the year                                | 4,186          | 8,107          |
| Other adjustments                               | -2             | 186            |
|   | <u>7,216</u>   | <u>10,451</u>  |
| 20 Changes in working capital                   |                |                |
| Change in inventories                           | 571            | 1,153          |
| Change in receivables                           | 14,056         | 6,236          |
| Change in trade and other payables              | -22,164        | -2,722         |
|   | <u>-7,537</u>  | <u>4,667</u>   |