
B.Braun Medical A/S

Dirch Passers Allé 27, 3, DK-2000 Frederiksberg

Annual Report for 2023

CVR No. 20 34 32 49

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 23/4 2024

Roman Kübler
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of B.Braun Medical A/S for the financial year 1 January - 31 December 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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 23 April 2024

Executive Board

Mia Ulrika Eklund
CEO

Board of Directors

Roman Kübler
Chairman

Mia Ulrika Eklund

Patricia Buchegger

Independent Auditor's report

To the shareholder of B.Braun Medical A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of B.Braun Medical A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Hellerup, 23 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Rebin Menmi
State Authorised Public Accountant
mne49873

Company information

The Company	B.Braun Medical A/S Dirch Passers Allé 27, 3 DK-2000 Frederiksberg Telephone: +45 33 31 31 41 Website: www.bbraun.dk CVR No: 20 34 32 49 Financial period: 1 January - 31 December Incorporated: 15 May 1997 Financial year: 26th financial year Municipality of reg. office: Frederiksberg
Board of Directors	Roman Kübler, chairman Mia Ulrika Eklund Patricia Buchegger
Executive Board	Mia Ulrika Eklund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss of primary operations	8,076	2,445	9,867	30,583	18,821
Profit/loss of financial income and expenses	-1,374	-1,673	-663	676	-407
Net profit/loss for the year	5,124	509	6,728	24,329	14,229
Balance sheet					
Balance sheet total	133,690	154,355	129,665	141,898	104,849
Equity	33,493	34,869	34,360	46,224	26,895
Number of employees	41	36	36	36	36
Ratios					
Return on assets	6.0%	1.6%	7.6%	21.6%	18.0%
Solvency ratio	25.1%	22.6%	26.5%	32.6%	25.7%
Return on equity	15.0%	1.5%	16.7%	66.5%	52.2%

In connection with changes to accounting policies, the comparative figures for 2021 has been restated. The comparative figures for 2020 and 2019 have not been restated.

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

The Company's primary object is to sell pharmaceuticals, the medicinal utensils and equipment produced by the Group to the Danish healthcare sector.

Development in the year

The income statement of the Company for 2023 shows a net profit of TDKK 5,124, and at 31 December 2023 the balance sheet of the Company shows positive equity of TDKK 33,493.

The past year and follow-up on development expectations from last year

The financial year 2023 was returning to a stable level with no extra impacts from the corona years. Hospital Care division saw a slight positive development in sales while Aesculap division saw a decrease as the big container projects were finalized in 2022. We continued our digitalization projects and made big leaps in order processing and cross-country integration. The 2023 result was in line with expectations.

Expectation for 2024

We expect company's market position will remain stable. We expect an increase of 10% in revenues for the coming year. The company's result before tax is expected to remain on the same level.

Special risks - operating risks and financial risks

There were no special or financial risks.

External environment

No major changes in the market development. The same structure remains in health care regions in 2023.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Gross profit		44,698	36,518
Staff expenses	1	-33,537	-30,940
Depreciation and impairment losses of property, plant and equipment		-3,085	-3,133
Profit/loss before financial income and expenses		8,076	2,445
Financial income	2	2,852	1,719
Financial expenses	3	-4,226	-3,392
Profit/loss before tax		6,702	772
Tax on profit/loss for the year	4	-1,578	-263
Net profit/loss for the year	5	5,124	509

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Land and buildings		1,075	2,599
Other fixtures and fittings, tools and equipment		2,450	2,789
Property, plant and equipment	6	3,525	5,388
Fixed assets		3,525	5,388
Finished goods and goods for resale		52,356	51,032
Inventories		52,356	51,032
Trade receivables		38,135	43,117
Receivables from group enterprises		38,409	50,912
Other receivables		30	33
Deferred tax asset	7	98	49
Corporation tax		632	2,262
Prepayments	8	505	1,142
Receivables		77,809	97,515
Cash at bank and in hand		0	420
Current assets		130,165	148,967
Assets		133,690	154,355

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		4,000	4,000
Retained earnings		29,493	30,869
Equity		33,493	34,869
Other provisions	9	480	480
Provisions		480	480
Lease obligations		1,264	2,160
Long-term debt	10	1,264	2,160
Credit institutions		856	728
Lease obligations	10	1,716	2,309
Trade payables		4,511	16,765
Payables to group enterprises		76,128	84,903
Other payables		15,242	12,141
Short-term debt		98,453	116,846
Debt		99,717	119,006
Liabilities and equity		133,690	154,355
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	4,000	30,869	34,869
Extraordinary dividend paid	0	-6,500	-6,500
Net profit/loss for the year	0	5,124	5,124
Equity at 31 December	4,000	29,493	33,493

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
1. Staff Expenses		
Wages and salaries	30,022	28,210
Pensions	2,699	2,044
Other social security expenses	94	76
Other staff expenses	722	610
	<u>33,537</u>	<u>30,940</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u>41</u>	<u>36</u>
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	2023	2022
	TDKK	TDKK
2. Financial income		
Interest received from group enterprises	347	33
Other financial income	10	9
Exchange adjustments	2,495	1,677
	<u>2,852</u>	<u>1,719</u>

	2023	2022
	TDKK	TDKK
3. Financial expenses		
Interest paid to group enterprises	766	35
Other financial expenses	126	152
Exchange adjustments, expenses	3,334	3,205
	<u>4,226</u>	<u>3,392</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	1,618	340
Deferred tax for the year	-49	-77
Adjustment of tax concerning previous years	9	0
	<u>1,578</u>	<u>263</u>
	2023	2022
	TDKK	TDKK
5. Profit allocation		
Extraordinary dividend paid	6,500	0
Retained earnings	-1,376	509
	<u>5,124</u>	<u>509</u>
6. Property, plant and equipment		
	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	7,064	9,903
Additions for the year	0	1,223
Disposals for the year	0	-625
Cost at 31 December	<u>7,064</u>	<u>10,501</u>
Impairment losses and depreciation at 1 January	5,989	7,115
Depreciation for the year	0	1,561
Reversal of impairment and depreciation of sold assets	0	-625
Impairment losses and depreciation at 31 December	<u>5,989</u>	<u>8,051</u>
Carrying amount at 31 December	<u>1,075</u>	<u>2,450</u>
Amortised over	7 years	3-15 years
Including assets under finance leases amounting to	<u>1,075</u>	<u>2,111</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
7. Deferred tax asset		
Deferred tax asset at 1 January	49	-28
Amounts recognised in the income statement for the year	49	77
Deferred tax asset at 31 December	<u>98</u>	<u>49</u>

8. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
9. Other provisions		
Balance at beginning of year	480	480
	<u>480</u>	<u>480</u>

10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Lease obligations

After 5 years	60	89
Between 1 and 5 years	1,204	2,071
Long-term part	<u>1,264</u>	<u>2,160</u>
Within 1 year	1,716	2,309
	<u>2,980</u>	<u>4,469</u>

Notes to the Financial Statements

11. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

12. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
B. Braun Melsungen AG, Carl-Braun-Strasse 1, 34212 Melsungen, Germany	Controlling shareholder

Transactions

There have not been transactions with related parties which have not been made under normal market conditions.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

B. Braun Melsungen AG, Carl-Braun-Strasse 1, 34212 Melsungen, Germany

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
B. Braun SE	Melsungen, Germany

Carl-Braun-Strasse 1
34212 Melsungen
Germany

13. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

14. Accounting policies

The Annual Report of B.Braun Medical A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Company has chosen to apply the options of the Danish Financial Statements Act of applying IFRS 15, Revenue from contracts with customers, and IFRS 16, Leases, within the framework.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of B.Braun SE, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

A lease asset and a lease liability is recognized in the balance sheet when, pursuant to a lease agreement relating to a specific identifiable asset, the Company is provided with the lease asset during the lease period, and when the Company obtains the right to substantially all of the economic benefits from the use of the identified asset and the right to to decide on the use of the identified asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is measured at amortized cost under the effective interest method. The lease liability is recalculated when there are changes in the underlying contractual cash flows from changes in an index or an interest rate, if there are changes in the group's estimate of a residual value guarantee, or if the group changes its assessment of whether a purchase, extension or termination option with reasonable probability is expected to be utilized.

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for materials and consumables comprise the materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-15 years
Land and buildings	7 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$