
B.Braun Medical A/S

Dirch Passers Allé 27, 3, DK-2000 Frederiksberg

Annual Report for 2022

CVR No. 20 34 32 49

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 13/4 2023

Dr. Stefan Ruppert
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 Financial Statements of B.Braun Medical A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Frederiksberg, 13 April 2023

Executive Board

Michael Paul Shock
CEO

Board of Directors

Stefan Ruppert
Chairman

Jan-Helmut Eberhardt

Michael Paul Schock

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, 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, 13 April 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

mne32198

Company information

The Company	<p>B.Braun Medical A/S Dirch Passers Allé 27, 3 DK-2000 Frederiksberg</p> <p>Telephone: +45 33 31 31 41 Website: www.bbraun.dk</p> <p>CVR No: 20 34 32 49 Financial period: 1 January - 31 December Incorporated: 15 May 1997 Financial year: 25th financial year Municipality of reg. office: Frederiksberg</p>
Board of Directors	<p>Stefan Ruppert, chairman Jan-Helmut Eberhardt Michael Paul Schock</p>
Executive board	<p>Michael Paul Shock</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>

Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss before financial income and expenses	2,445	9,867	30,583	18,821	19,523
Profit/loss of financial income and expenses	-1,673	-663	676	-407	-75
Net profit/loss	509	6,728	24,329	14,229	15,005
Balance sheet					
Balance sheet total	154,355	129,665	141,898	104,849	70,868
Equity	34,869	34,360	46,224	26,895	27,666
Number of employees	36	36	36	36	36
Ratios					
Return on assets	1.6%	7.6%	21.6%	18.0%	27.5%
Solvency ratio	22.6%	26.5%	32.6%	25.7%	39.0%
Return on equity	1.5%	16.7%	66.5%	52.2%	58.5%

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. See the description under accounting policies.

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 health sector.

Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 509, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 34,869.

The Company has changed its accounting policy for the recognition of revenue from contracts with customers. This means that the Company applies IFRS 15 for recognition and measurement of revenue. The change of accounting policy has had no effect on revenue, net profit, total assets and equity.

In addition, the company has chosen to adopt IFRS 16 in the Financial Statements which requires lease contracts to be capitalised in the financial statements. The change implies a negative impact on the year's result for 2021 of TDKK 1,039. The equity per 1 January 2021 is increased by TDKK 1,407 and the equity per 31 December 2021 is increased by TDKK 369. The balance sheet per 31 December 2021 is increased by TDKK 6,148. Comparative figures for 2021 have been restated.

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

The financial year 2022 was still influenced by the CORONA but the emergency stock which was build up in 2021 was strongly reduced, and therefore the sales for pharmaceuticals visibly lower. The high sales in 2021 with pumps for intensive care treatment caused sales in this segment in 2022. Additional sales with instrument containers in the Aesculap division had also a big impact on the sales result in the FY 2022.

Special risks - operating risks and financial risks

There were no special or financial risks. To avoid an infection with CORONA and any other negative impact on the organization, the usage of employee home office was common practice during 2022.

Research and development

The Scandinavian logistic center in Denmark, is now in fully operational and still contributes positively for the three Scandinavian countries.

External environment

No major changes in the market development. The same structure remains in health care regions in 2022.

Intellectual capital resources

Participating in internal and external workshops and product trainings, mostly with digital tools, like TEAMS.

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 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022 have not been affected by any unusual events.

Income statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Gross profit		36,518	41,603
Staff expenses	1	-30,940	-28,530
Depreciation and impairment losses of property, plant and equipment		-3,133	-3,206
Profit/loss before financial income and expenses		2,445	9,867
Financial income	2	1,719	1,129
Financial expenses	3	-3,392	-1,792
Profit/loss before tax		772	9,204
Tax on profit/loss for the year	4	-263	-2,476
Net profit/loss for the year	5	509	6,728

Balance sheet 31 December

Assets

	Note	2022 TDKK	2021 TDKK
Land and buildings		2,599	4,348
Other fixtures and fittings, tools and equipment		2,789	2,788
Property, plant and equipment	6	5,388	7,136
Fixed assets		5,388	7,136
Finished goods and goods for resale		51,032	46,670
Prepayments for goods		0	45
Inventories		51,032	46,715
Trade receivables		43,117	45,682
Receivables from group enterprises		50,912	21,602
Other receivables		33	3,332
Deferred tax asset	7	49	0
Corporation tax		2,262	0
Prepayments	8	1,142	645
Receivables		97,515	71,261
Cash at bank and in hand		420	4,553
Current assets		148,967	122,529
Assets		154,355	129,665

Balance sheet 31 December

Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital		4,000	4,000
Retained earnings		30,869	30,360
Equity		34,869	34,360
Provision for deferred tax	7	0	28
Other provisions	9	480	480
Provisions		480	508
Lease obligations		2,160	3,533
Long-term debt	10	2,160	3,533
Credit institutions		728	6
Lease obligations	10	2,309	2,116
Trade payables		16,765	12,564
Payables to group enterprises		84,903	63,515
Corporation tax		0	367
Other payables		12,141	12,696
Short-term debt		116,846	91,264
Debt		119,006	94,797
Liabilities and equity		154,355	129,665
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	4,000	29,991	33,991
Net effect from change of accounting policy	0	369	369
Adjusted equity at 1 January	4,000	30,360	34,360
Net profit/loss for the year	0	509	509
Equity at 31 December	4,000	30,869	34,869

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
1. Staff Expenses		
Wages and salaries	28,210	25,359
Pensions	2,044	2,605
Other social security expenses	76	75
Other staff expenses	610	491
	<u>30,940</u>	<u>28,530</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>36</u>	<u>36</u>
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	2022	2021
	TDKK	TDKK
2. Financial income		
Interest received from group enterprises	33	0
Other financial income	9	0
Exchange adjustments	1,677	1,129
	<u>1,719</u>	<u>1,129</u>

	2022	2021
	TDKK	TDKK
3. Financial expenses		
Interest paid to group enterprises	35	25
Other financial expenses	152	396
Exchange adjustments, expenses	3,205	1,371
	<u>3,392</u>	<u>1,792</u>

Notes to the Financial Statements

4. Income tax expense

	2022 TDKK	2021 TDKK
Current tax for the year	340	2,355
Deferred tax for the year	-77	121
	263	2,476

5. Profit allocation

	2022 TDKK	2021 TDKK
Retained earnings	509	6,728
	509	6,728

6. Property, plant and equipment

	Land and buildings TDKK	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 January	7,294	10,052
Additions for the year	0	1,590
Disposals for the year	-230	-1,739
Cost at 31 December	7,064	9,903
Impairment losses and depreciation at 1 January	2,946	7,262
Depreciation for the year	1,542	1,591
Reversal of impairment and depreciation of sold assets	-23	-1,739
Impairment losses and depreciation at 31 December	4,465	7,114
Carrying amount at 31 December	2,599	2,789
Amortised over	7 years	3-15 years
Including assets under finance leases amounting to	2,599	2,200

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
7. Deferred tax asset		
Deferred tax asset at 1 January	-28	94
Amounts recognised in the income statement for the year	77	-122
Deferred tax asset at 31 December	49	-28

The Company has a deferred tax asset of DKK 49 thousand primarily relating to timing differences. The calculated tax asset is recognised by the portion expected to be utilised over the next 3-5 years

8. Prepayments

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

9. Other provisions

	2022	2021
	TDKK	TDKK
Balance at beginning of year	480	480
	480	480

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:

	2022	2021
	TDKK	TDKK
Lease obligations		
After 5 years	89	0
Between 1 and 5 years	2,071	3,533
Long-term part	2,160	3,533
Within 1 year	2,309	2,116
	4,469	5,649

Notes to the Financial Statements

11. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2022.

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 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2022 are presented in TDKK.

With effect for the financial year 1 January - 31 December 2022, the Company has chosen to apply the options cf. the Danish Financial Statements Act of applying IFRS 15, Revenue from contracts with customers, and IFRS 16, Leases, within the framework. Thus, the Company has changed its accounting policies, cf. below. The Company's accounting policies have been changed as it is Management's assessment that the changed accounting policies give a more true and fair view of the financial position and the results of the Company.

Changes in accounting policies

The Company has changed its accounting policy for the recognition of revenue from contracts with customers. This means that the Company applies IFRS 15 for recognition and measurement of revenue. The change of accounting policy has had no effect on revenue, net profit, total assets and equity.

The company has chosen to adopt IFRS 16 in the Financial Statements which requires lease contracts to be capitalised in the financial statements. The change implies a negative impact on the year's result for 2021 of TDKK 1,039. The equity per 1 January 2021 is increased by TDKK 1,407 and the equity per 31 December 2021 is increased by TDKK 369. The balance sheet per 31 December 2021 is increased by TDKK 6,148. Comparative figures for 2021 have been restated.

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

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Notes to the Financial Statements

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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

Net sales

The Company has chosen IFRS 15 as interpretation for revenue recognition. Revenue from contracts with customers is recognized on the basis of transfer of control, which according to IFRS 15 takes place at the time when control of the product delivered passes to the customer.

Control is considered passed to the customer when:

- a binding sales agreement has been made;
- delivery has been made before year end;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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. The item is net of refunds made by public authorities.

Notes to the Financial Statements

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.

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
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Land and buildings	7 years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 30,700 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.

Notes to the Financial Statements

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

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.

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 debts

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$