

# **Nobel Biocare Danmark A/S**

**Milnersvej 43A, 3400 Hillerød**


**Company reg. no. 28 29 33 64**

## **Annual report**

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 15 June 2023.

DocuSigned by:



A47200AE552C485...

**Harrieth Eva Elisabeth Sundaes**

Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the Board of Directors and the Managing Director have approved the annual report of Nobel Biocare Danmark A/S for the financial year 1 January - 31 December 2022.

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

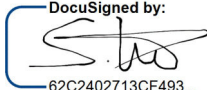
We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

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

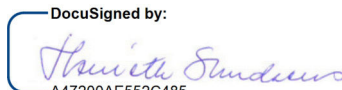
Hillerød, 15 June 2023

### Managing Director

DocuSigned by:  
  
62C2402713CF493  
Stefan Fabian Lieb

### Board of directors

DocuSigned by:  
  
1862BC22BC3143A  
Magnus Karl Andreas Pettersson    Stefan Fabian Lieb

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Harrieth Eva Elisabeth Sundaeus

## **Independent auditor's report**

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### **To the Shareholders of Nobel Biocare Danmark A/S**

#### **Opinion**

We have audited the financial statements of Nobel Biocare Danmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

## **Independent auditor's report**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on Management's Review**

Management is responsible for Management's Review.

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

## **Independent auditor's report**

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 15 June 2023

### **Grant Thornton, statsautoriseret revisionspartnerselskab**

Company reg. no. 34 20 99 36



**Michael Beuchert**

State Authorized Public Accountant  
mne32794

## Company information

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**The company**

Nobel Biocare Danmark A/S  
Milnersvej 43A  
3400 Hillerød

Company reg. no. 28 29 33 64  
Established: 24 November 2004  
Domicile: Hillerød  
Financial year: 1 January - 31 December

**Board of directors**

Magnus Karl Andreas Pettersson  
Stefan Fabian Lieb  
Harrieth Eva Elisabeth Sundaeus

**Managing Director**

Stefan Fabian Lieb

**Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab

**Parent company**

Nobel Biocare AB

**Subsidiary**

Scanorto A/S, Lyngby-Taarbæk

## **Management's review**

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### **The principal activities of the company**

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

### **Uncertainties about recognition or measurement**

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

### **Development in activities and financial matters**

The gross profit for the year totals DKK 3.338.235 against DKK 4.267.743 last year. Income or loss from ordinary activities after tax totals DKK -488.865 against DKK 267.699 last year. Management considers the net profit or loss for the year satisfactory.

### **Strategy**

The Company's strategy is to resell products within the dental and hospital segment.

### **Targets and expectations for the year ahead**

The outbreak of the COVID-19 virus has had a negative impact on the global economy, and Nobel Biocare Danmark A/S continues to expect a somewhat negative impact on the company's activity in 2022, but at this time it is not possible to estimate the expected effect.

### **Risks and Uncertainties**

The extent of the further impact of the COVID-19 pandemic on the Company's business is somewhat uncertain and difficult to predict because of the dynamic and evolving nature of the crisis. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a material local and/or global economic slowdown or global recession. Such economic disruption could have a material adverse effect on the Company as the Company's customers curtail and reduce capital and overall spending. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remains uncertain.

In addition, Russia's invasion of Ukraine and the global response to this invasion, including sanctions imposed by the U.S. and other countries, could have an adverse impact on the Company's business, by creating disruptions in the global supply chain, and by potentially having an adverse impact on the global economy, financial markets, energy markets, currency rates and otherwise..

The Company's future results of operations and liquidity could be adversely impacted by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions and uncertain demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by its customers. As of the date of issuance of the Financial Statement, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations is uncertain.



## Management's review

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### Subsequent events

The Company is subject to risks and uncertainties as a result of the novel coronavirus ("COVID-19") pandemic. The extent of the impact of the COVID-19 pandemic on the Company's business is highly uncertain and difficult to predict because of the dynamic and evolving nature of the crisis. In response to COVID-19 many dental associations recommended that dental practices delay elective procedures and only perform emergency procedures. As a result, there were widespread temporary closures of dental practices around the world due to the pandemic, except to perform emergency procedures, thereby preventing the Company's end customers from conducting most or all business activities and significantly adversely impacting the Company's sales. During the quarter ended July 3, 2020, dental practices in the markets in which the Company operates started to reopen and as of October 2, 2020, the majority of dental practices were open. Despite the increased prevalence of COVID-19 and related U.S. and foreign government actions to mitigate the spread of COVID-19 during the quarter ended December 31, 2020, the majority of dental practices continued to remain open, however, patient volumes continued to be below pre-COVID-19 levels. A worsening of the pandemic or impacts of new variants of the virus may lead to further temporary closures of dental practices in the future. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a material local and/or global economic slowdown or global recession. Such economic disruption could have a material adverse effect on the Company as the Company's customers curtail and reduce capital and overall spending. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remains uncertain.

The severity of the impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including, but not limited to, the scope and duration of the pandemic, the extent and severity of the impact on the Company's customers, the measures that have been and may be taken to contain the virus (including its various mutations) and mitigate its impact, U.S. and foreign government actions to respond to the reduction in global economic activity, the ability of the Company to continue to manufacture and source its products, the impact of the pandemic and associated economic downturn on the Company's ability to access capital if and when needed and how quickly and to what extent normal economic and operating conditions can resume, all of which are uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, the Company may continue to experience materially adverse impacts on the Company's financial condition and results of operations.

The Company's future results of operations and liquidity could be adversely impacted by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions and uncertain demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by its customers. As of the date of issuance of these Consolidated and Combined Financial Statements, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations is uncertain.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross profit</b>	<b>3.338.235</b>	<b>4.267.743</b>
1 Staff costs	-3.281.093	-3.343.880
<b>Operating profit</b>	<b>57.142</b>	<b>923.863</b>
Other financial income from group enterprises	301.120	614.255
2 Other financial expenses	-943.106	-1.204.281
<b>Pre-tax net profit or loss</b>	<b>-584.844</b>	<b>333.837</b>
3 Tax on net profit or loss for the year	95.979	-66.138
<b>Net profit or loss for the year</b>	<b>-488.865</b>	<b>267.699</b>
<b>Proposed distribution of net profit:</b>		
Transferred to retained earnings	0	267.699
Allocated from retained earnings	-488.865	0
<b>Total allocations and transfers</b>	<b>-488.865</b>	<b>267.699</b>

## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Investments in group enterprises	16.204.727	16.204.727
Total investments	16.204.727	16.204.727
<b>Total non-current assets</b>	<b>16.204.727</b>	<b>16.204.727</b>
<b>Current assets</b>		
Raw materials and consumables	535.410	498.740
Total inventories	535.410	498.740
Trade receivables	1.163.251	3.101.568
Receivables from group enterprises	728.765	288.244
Tax receivables from subsidiaries	105.086	199.474
Prepayments and accrued income	8.475	10.000
Total receivables	2.005.577	3.599.286
Cash on hand and demand deposits	42.223.270	41.914.977
<b>Total current assets</b>	<b>44.764.257</b>	<b>46.013.003</b>
<b>Total assets</b>	<b>60.968.984</b>	<b>62.217.730</b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Retained earnings	-130.754	358.111
<b>Total equity</b>	<b><u>369.246</u></b>	<b><u>858.111</u></b>
<b>Liabilities other than provisions</b>		
Prepayments received from customers	201.521	467.396
Trade payables	895.228	174.322
Payables to group enterprises	58.588.210	59.131.725
Income tax payable to subsidiaries	0	120.247
Other payables	914.779	1.465.929
Total short term liabilities other than provisions	<u>60.599.738</u>	<u>61.359.619</u>
<b>Total liabilities other than provisions</b>	<b><u>60.599.738</u></b>	<b><u>61.359.619</u></b>
<b>Total equity and liabilities</b>	<b><u>60.968.984</u></b>	<b><u>62.217.730</u></b>

**5 Contingencies**

**6 Related parties**

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	500.000	-1.909.588	-1.409.588
Retained earnings for the year	0	267.699	267.699
Subsidy from parent company	0	2.000.000	2.000.000
Equity 1 January 2022	500.000	358.111	858.111
Retained earnings for the year	0	-488.865	-488.865
	<b>500.000</b>	<b>-130.754</b>	<b>369.246</b>

## Notes

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All amounts in DKK.

	<u>2022</u>	<u>2021</u>
<b>1. Staff costs</b>		
Salaries and wages	2.992.872	3.071.866
Pension costs	236.668	227.971
Other costs for social security	51.553	44.043
	<u><b>3.281.093</b></u>	<u><b>3.343.880</b></u>
 Average number of employees	 <u>3</u>	 <u>3</u>
<b>2. Other financial expenses</b>		
Financial costs, group enterprises	871.191	1.171.716
Other financial costs	71.915	32.565
	<u><b>943.106</b></u>	<u><b>1.204.281</b></u>
<b>3. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	-97.086	101.376
Adjustment of deferred tax for the year	0	2.750
Adjustment of tax for previous years	1.107	-37.988
	<u><b>-95.979</b></u>	<u><b>66.138</b></u>

## Notes

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All amounts in DKK.

### 4. Investments in group enterprises

Cost 1 January 2022	21.292.586	21.292.586
<b>Cost 31 December 2022</b>	<b>21.292.586</b>	<b>21.292.586</b>
Revaluations, opening balance 1 January 2022	-5.087.859	-5.087.859
<b>Write-down 31 December 2022</b>	<b>-5.087.859</b>	<b>-5.087.859</b>
<b>Carrying amount, 31 December 2022</b>	<b>16.204.727</b>	<b>16.204.727</b>

### Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Nobel Biocare Danmark A/S
Scanorto A/S, Lyngby-Taarbæk	100 %	7.922.388	860.799	16.204.727
		<b>7.922.388</b>	<b>860.799</b>	<b>16.204.727</b>

### 5. Contingencies

#### Contingent liabilities

##### Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of TDKK 95. The leases have 40 months to maturity and total outstanding lease payments total TDKK 126.

#### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

## Notes

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All amounts in DKK.

### 6. Related parties

#### **Consolidated financial statements**

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

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

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

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



## **Accounting policies**

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The annual report for Nobel Biocare Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Nobel Biocare Danmark A/S and its group enterprises are included in the consolidated financial statements for Envista Holdings Corporation, 200 S Kraemer Blvd., Brea, California 92821, USA, reg. no. 001-39054.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

## **Accounting policies**

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Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

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

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

### **Income statement**

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

## **Accounting policies**

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### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### **Financial income and expenses**

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

### **Results from investments in group enterprises**

Dividend from investments in group enterprises is recognised in the financial year in which the dividend is declared.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

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

## **Statement of financial position**

### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

## **Accounting policies**

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Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Investments**

#### **Investments in group enterprises**

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### **Receivables**

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

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

### **Prepayments and accrued income**

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

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

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

## **Accounting policies**

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### **Income tax and deferred tax**

As administration company, Nobel Biocare Danmark A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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

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

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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

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

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

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

### **Liabilities other than provisions**

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