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Edelweiss Holdings ApS

Nymøllevej 50, 2800 Kongens Lyngby

Company reg. no. 28 89 95 05

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 21 July 2021.

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Maria Lusia Caggiula

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 EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the executive board has presented the annual report of Edelweiss Holdings ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

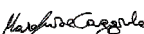
We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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


Copenhagen, 21 July 2021

Executive board

Maria Lusía Caggiula

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Independent auditor's report

To the shareholders of Edelweiss Holdings ApS

Opinion

We have audited the financial statements of Edelweiss Holdings ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 21 July 2021

EY Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28



Henrik Kronborg Iversen
State Authorized Public Accountant
mne24687



Rasmus Bloch Jespersen
State Authorized Public Accountant
mne35503

Company information

The company	Edelweiss Holdings ApS Nymøllevej 50 2800 Kongens Lyngby Company reg. no. 28 89 95 05 Established: 20 July 2005 Domicile: Lyngby-Taarbæk Financial year: 1 January - 31 December
Executive board	Maria Lusia Caggiula Dewis Luciano Mario Bernasconi
Auditors	EY Godkendt Revisionspartnerselskab
Parent company	Ormco B.V. Basicweg 20 3821BR Amersfoort Holland
Subsidiary	PaloDEx Group Oy, Tuusula, Finland

Management commentary

The principal activities of the company

Like previous years, the objectives of the company are to carry on commercial and manufacturing business as well as financing and investment.

The Companys principal activity comprise of holding investments in group enterprises.

Development in activities and financial matters

The company's financial performance is considered satisfying.

Events occurring after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Other external costs	-11.527	-18.770
Gross profit	-11.527	-18.770
Pre-tax net profit or loss	-11.527	-18.770
1 Tax on net profit or loss for the year	-4.003	4.104
Net profit or loss for the year	-15.530	-14.666
Proposed appropriation of net profit:		
Allocated from retained earnings	-15.530	-14.666
Total allocations and transfers	-15.530	-14.666

Statement of financial position at 31 December

All amounts in EUR.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets		
2 Equity investments in group enterprises	167.556.450	167.556.450
Total investments	<u>167.556.450</u>	<u>167.556.450</u>
Total non-current assets	<u>167.556.450</u>	<u>167.556.450</u>
Current assets		
Receivables from group enterprises	14.897.606	15.096.740
Tax receivables from group enterprises	2.674	4.104
Total receivables	<u>14.900.280</u>	<u>15.100.844</u>
Total current assets	<u>14.900.280</u>	<u>15.100.844</u>
Total assets	<u>182.456.730</u>	<u>182.657.294</u>
Equity and liabilities		
Equity		
Contributed capital	12.979	12.979
Retained earnings	<u>182.435.551</u>	<u>182.451.081</u>
Total equity	<u>182.448.530</u>	<u>182.464.060</u>
Liabilities other than provisions		
Trade payables	8.200	18.770
Other payables	<u>0</u>	<u>174.464</u>
Total short term liabilities other than provisions	<u>8.200</u>	<u>193.234</u>
Total liabilities other than provisions	<u>8.200</u>	<u>193.234</u>
Total equity and liabilities	<u>182.456.730</u>	<u>182.657.294</u>
3 Contingencies		
4 Related parties		

Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	12.979	182.465.747	182.478.726
Retained earnings for the year	<u>0</u>	<u>-14.666</u>	<u>-14.666</u>
Equity 1 January 2020	12.979	182.451.081	182.464.060
Retained earnings for the year	<u>0</u>	<u>-15.530</u>	<u>-15.530</u>
	<u>12.979</u>	<u>182.435.551</u>	<u>182.448.530</u>

Notes

All amounts in EUR.

	<u>2020</u>	<u>2019</u>
1. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-2.551	-4.104
Adjustment of tax for previous years	6.554	0
	<u>4.003</u>	<u>-4.104</u>
2. Equity investments in group enterprises		
Cost 1 January 2020	<u>167.556.450</u>	<u>167.556.450</u>
Carrying amount, 31 December 2020	<u>167.556.450</u>	<u>167.556.450</u>

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

	Equity interest	Equity	Results for the year	Carrying amount, Edelweiss Holdings ApS
PaloDEx Group Oy, Tuusula, Finland	100 %	<u>133.126.760</u>	<u>-3.302.986</u>	<u>167.556.450</u>
		<u>133.126.760</u>	<u>-3.302.986</u>	<u>167.556.450</u>

Management has identified indicators of impairment of equity investments in group enterprises. Consequently, management has prepared an impairment test and thereby calculated the recoverable amount of the Company's investment in group enterprises at 31 December 2020. The calculation of the recoverable amount is based on the value in use of the investments applying a discounted cash flow model (DCF). Expected net future cash flows are determined on basis for budgets for the period 2021-2025 followed by a terminal period. The applied discount factor and inflation rates are estimated by management. Annual revenue and profitability in the model is based on management's visibility of future earnings.

Annual revenue growth varies from 0% to 7% and a growth rate of 2% has been applied for the terminal period. A WACC after tax of 8% has been applied as a discount factor.

As result of the impairment test the equity investment the recoverable amount is higher than the carrying amount and hence no writedown for impairment has been performed.

Notes

All amounts in EUR.

3. Contingencies

Joint taxation

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

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

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

4. Related parties

Controlling interest

Ormco B.V., Basicweg 20, 3821BR Amersfoort, Holland

Majority shareholder

Consolidated financial statements

The company is included in the consolidated financial statements of Company Envista Holdings Corporation 200 S. Kraemer Blvd., Building E, Brea, California.

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

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

Accounting policies

The annual report for Edelweiss Holdings ApS 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 the previous year, and the annual report is presented in euro (EUR).

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Edelweiss Holdings ApS and its group enterprises are included in the consolidated financial statements for Envista Holdings Corporation, Brea, California, reg. no. 83-2206728.

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

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. 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 writedown 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

Other external costs

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

Results from equity investments in group enterprises and associates

Dividend from equity investments 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.

Accounting policies

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 og associates 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.

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

Investments

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

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.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accounting policies

Liabilities other than provisions

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