

Edelweiss Holdings ApS

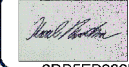
c/o Scanorto A/S, Nymøllevej 50, 2800 Kongens Lyngby

Company reg. no. 28 89 95 05

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 16 July 2024.

DocuSigned by:

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Karel Budka
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 statement

Today, the Executive Board has approved the annual report of Edelweiss Holdings ApS for the financial year 1 January - 31 December 2023.

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

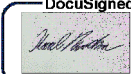
We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.


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.

Copenhagen, 16 July 2024

Executive board

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Karel Budka

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Juraj Janosko

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 2023, 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 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.

Basis for conclusion

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.

Independence

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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

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

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, 16 July 2024

EY Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28



Hans B. Vistisen

State Authorised Public Accountant
mne23254



Mads Obei Knøsgaard

State Authorised Public Accountant
mne49041

Company information

The company

Edelweiss Holdings ApS
c/o Scanorto A/S
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

Karel Budka
Juraj Janosko

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Parent company

Ormco B.V.
Basicweg 20
3821BR Amersfoort
Holland

Subsidiary

PaloDEx Group Oy, Tuusula, Finland

Management's review

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 Company's principal activity comprise of holding investments in group enterprises.

Development in activities and financial matters

The income statement for the period 1 January - 31 December 2023 shows a profit of EUR 63.523.415 against EUR 1.003 for the period 1 January - 31 December 2022. The balance sheet shows an equity of EUR 137.957.593.

The company's financial performance is considered satisfying.

Unusual matters

In 2023, the Company has received an extraordinary dividend from its subsidiary PaloDEX Group Oy of EUR 117,006,931.

In 2023, following the distribution of the extraordinary dividend from its subsidiary PaloDEX Group Oy, the Company has performed an impairment test over the valuation of the investment in group enterprises, due to the chosen accounting policy on this topic, please refer to page 15.

As a result of the impairment test, an impairment of EUR 50.495.750 has been recognized.

Other than the event mentioned above, the Company's financial position at 31 December 2023 and the results of its operation for the financial year ended 31 December 2023 are not affected by unusual matters.

Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Other external costs	-21.124	-14.076
Operating profit	-21.124	-14.076
2 Income from equity investments in group enterprises	117.006.931	0
Other financial income from group enterprises	158.384	15.579
Impairment of financial assets	-53.590.592	0
Pre-tax net profit or loss	63.553.599	1.503
3 Tax on net profit or loss for the year	-30.184	-500
Net profit or loss for the year	63.523.415	1.003
 Proposed distribution of net profit:		
Extraordinary dividend distributed during the financial year	117.006.931	0
Transferred to retained earnings	0	1.003
Allocated from retained earnings	-53.483.516	0
Total allocations and transfers	63.523.415	1.003

Balance sheet at 31 December

All amounts in EUR.

Assets		2023	2022
<u>Note</u>			
Non-current assets			
4	Investments in group enterprises	117.060.700	167.556.450
5	Other financial investments	15.905.158	10.000.000
	Total investments	132.965.858	177.556.450
	Total non-current assets	132.965.858	177.556.450
Current assets			
6	Receivables from group enterprises	5.035.184	4.897.924
	Total receivables	5.035.184	4.897.924
	Total current assets	5.035.184	4.897.924
	Total assets	138.001.042	182.454.374

Balance sheet at 31 December

All amounts in EUR.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	12.979	12.979
Retained earnings	137.944.614	182.428.130
Total equity	<u>137.957.593</u>	<u>182.441.109</u>
Liabilities other than provisions		
Trade payables	12.935	12.935
Income tax payable to subsidiaries	30.514	330
Total short term liabilities other than provisions	<u>43.449</u>	<u>13.265</u>
Total liabilities other than provisions	<u>43.449</u>	<u>13.265</u>
Total equity and liabilities	<u>138.001.042</u>	<u>182.454.374</u>

- 1 Special items**
- 7 Disclosures on fair value**
- 8 Contingencies**
- 9 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 2022	12.979	182.427.127	182.440.106
Retained earnings for the year	<u>0</u>	<u>1.003</u>	<u>1.003</u>
Equity 1 January 2023	12.979	182.428.130	182.441.109
Retained earnings for the year	0	63.523.415	63.523.415
Distributed extraordinary dividend adopted during the financial year	0	-117.006.931	-117.006.931
Cash contribution	<u>0</u>	<u>9.000.000</u>	<u>9.000.000</u>
	<u>12.979</u>	<u>137.944.614</u>	<u>137.957.593</u>

Notes

All amounts in EUR.

	<u>2023</u>	<u>2022</u>
1. Special items		
Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities. Special items may comprise expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company's primary operating activities and that are deemed not to be recurring.		
As disclosed in the Management's review, the profit/loss for the year is affected by a number of matters that Management does not consider part of the operating activities.		
Special items for the year are specified below, indicating where they are recognised in the income statement.		
Income:		
Extraordinary dividend received from PaloDEx Group Oy. Recognized in the income statement as income from equity investments in group enterprises	117.006.931	0
	<u>117.006.931</u>	<u>0</u>
Expenses:		
Impairment of current assets exceeding the usual write-down for impairment	50.495.750	0
	<u>50.495.750</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Income from equity investments in group enterprises	117.006.931	0
Impairment of financial assets	-50.495.750	0
Profit of special items, net	<u>66.511.181</u>	<u>0</u>
2. Income from equity investments in group enterprises		
Dividends, group enterprises	117.006.931	0
	<u>117.006.931</u>	<u>0</u>

Notes

All amounts in EUR.

	<u>2023</u>	<u>2022</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	30.184	330
Adjustment of tax for previous years	<u>0</u>	<u>170</u>
	<u>30.184</u>	<u>500</u>

	<u>31/12 2023</u>	<u>31/12 2022</u>
4. Investments in group enterprises		
Cost 1 January 2023	<u>167.556.450</u>	<u>167.556.450</u>
Cost 31 December 2023	<u>167.556.450</u>	<u>167.556.450</u>
Write-down of the year	<u>-50.495.750</u>	<u>0</u>
Writedown 31 December 2023	<u>-50.495.750</u>	<u>0</u>
Carrying amount, 31 December 2023	<u>117.060.700</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>30.322.693</u>	<u>-10.821.361</u>	<u>117.060.700</u>
		<u>30.322.693</u>	<u>-10.821.361</u>	<u>117.060.700</u>

In 2023, management carried out an impairment test of the carrying amount of investment in group enterprises. The recoverable amount in form of the value in use is deemed to be lower than the carrying amount. The value in use is calculated based on the expected net cash flows in PaloDEX Group Oy, which are based on budgets for the period 2024 - 2028 as approved by management, and a discount factor before tax of 10.5%. As a conclusion of the test, management has decided to recognize an impairment of EUR 50.495.750 in 2023.

Notes

All amounts in EUR.

	<u>31/12 2023</u>	<u>31/12 2022</u>
5. Other financial investments		
Cost 1 January 2023	10.000.000	0
Additions during the year	<u>9.000.000</u>	<u>10.000.000</u>
Cost 31 December 2023	<u>19.000.000</u>	<u>10.000.000</u>
Impairment loss for the year	<u>-3.094.842</u>	<u>0</u>
Writedown 31 December 2023	<u>-3.094.842</u>	<u>0</u>
Carrying amount, 31 December 2023	<u>15.905.158</u>	<u>10.000.000</u>

6. Receivables from group enterprises

The company is part of the cash-pool corporate scheme. Consequently the cash position of EUR 5.035.184 (2022: EUR 4,897,924) is presented as a receivable from group enterprises in the balance sheet.

7. Disclosures on fair value

	<u>Unlisted securities and equity investments</u>	<u>Investments in group enterprises</u>
Fair value at 31 December 2023	<u>15.905.158</u>	<u>117.060.700</u>
Unrealised change in fair value of the year recognised in the statement of financial activity	<u>-3.094.842</u>	<u>-50.495.750</u>

Fair value based on generally accepted valuation methods and reasonable estimates based on non-observable market information (level 3 in the fair value hierarchy).

8. 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.

Notes

All amounts in EUR.

8. Contingencies (continued)

Joint taxation (continued)

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.

9. 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

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.

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.

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.

Income statement

Other external costs

Other external costs comprise costs incurred for administration.

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, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, 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.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Accounting policies

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 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.

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

Equity investments in group entities are measured at cost. Cost includes the consideration measured at fair value plus direct acquisition costs. Where cost exceeds the recoverable amount, write-down is made to this lower value. In case of indication of impairment, an impairment test is conducted. Equity investments are written down to the lower of the carrying amount and the recoverable amount.

Distributions of dividend where the dividend exceeds the profit/loss for the year or where the carrying amount of the Company's equity investments exceed the consolidated carrying amounts of the group entity's net asset value and the equity interest will be evidence of impairment, meaning that an impairment test must be conducted.

Accounting policies

Other equity investments

Other unlisted equity are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost. The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Cash on hand and demand deposits

Considering the nature of the scheme, account balances relating to the Group's cash pool scheme are not considered cash and cash equivalents, but are included in the financial statement item receivables from group enterprises.

Income tax and deferred tax

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"

According to the rules of joint taxation, Edelweiss Holdings ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

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

The Company has chosen IAS 39 Financial instruments: Recognition and measurement as interpretation for recognition and measurement of liabilities

Accounting policies

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

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

- Level 1: Value based on the fair value of similar assets/liabilities in an active market.
- Level 2: Value based on generally accepted valuation methods on the basis of observable market information.
- Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.