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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

WELLSPECT APS

MAGLEBJERGVEJ 10, 2800 KONGENS LYNGBY

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 11 June 2024

Christopher Francis Schlenk

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 42 71 27 44

CONTENTS

COMPANY DETAILS

Company	Wellspect ApS Maglebjergvej 10 2800 Kongens Lyngby	
	CVR No.:	42 71 27 44
	Established:	28 September 2021
	Municipality:	Lyngby-Taarbæk
	Financial Year:	1 January - 31 December
Board of Directors	Christopher Francis Schlenk, chairman Carl Henric Olson Jörg Franz Nosek	
Executive Board	Jörg Franz Nosek	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Wellspect ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Kongens Lyngby, 11 June 2024

Executive Board

Jörg Franz Nosek

Board of Directors

Christopher Francis Schlenk Chairman	Carl Henric Olson	Jörg Franz Nosek

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Wellspect ApS

Conclusion
We have performed an extended review of the Financial Statements of Wellspect ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position 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 extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Extended Review of the Financial Statements
Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary
Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management Commentary 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 the Management Commentary.

Copenhagen, 11 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

MANAGEMENT COMMENTARY

Principal activities
The principal activities comprise trade in medical equipment for the healthcare sector as well as companies that are associated with the sector.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		**11.951.235**	**5.044.943**
Staff costs	1	-4.568.658	-2.481.535
Depreciation, amortisation and impairment losses		-2.470.000	-1.572.383
OPERATING PROFIT		**4.912.577**	**991.025**
Other financial income		360.927	16.153
Other financial expenses	2	-505.305	-167.113
PROFIT BEFORE TAX		**4.768.199**	**840.065**
Tax on profit/loss for the year	3	-930.897	0
PROFIT FOR THE YEAR		**3.837.302**	**840.065**

PROPOSED DISTRIBUTION OF PROFIT

Retained earnings		3.837.302	840.065
TOTAL		**3.837.302**	**840.065**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Goodwill		14.826.214	17.296.214
Intangible assets	4	**14.826.214**	**17.296.214**
NON-CURRENT ASSETS		**14.826.214**	**17.296.214**
Trade receivables		7.326.259	6.141.243
Receivables from group enterprises		1.958.452	1.013.090
Other receivables		258.868	88.091
Prepayments		73.877	79.364
Receivables		**9.617.456**	**7.321.788**
Cash and cash equivalents		**15.160.931**	**11.404.627**
CURRENT ASSETS		**24.778.387**	**18.726.415**
ASSETS		**39.604.601**	**36.022.629**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital		40.000	40.000
Other reserves		7.500.000	7.500.000
Retained earnings		4.677.367	840.065
EQUITY		**12.217.367**	**8.380.065**
Bank debt		138.916	18.386
Trade payables		124.854	129.362
Debt to Group companies		20.988.217	22.898.977
Corporation tax payable		523.856	0
Other liabilities		5.611.391	4.595.839
Current liabilities		**27.387.234**	**27.642.564**
LIABILITIES		**27.387.234**	**27.642.564**
EQUITY AND LIABILITIES		**39.604.601**	**36.022.629**
Contingencies etc.	5		

EQUITY

	Share Capital	Other reserves	Retained earnings	Total
Equity at 1 January 2023	40.000	7.500.000	840.065	8.380.065
Proposed profit allocation			3.837.302	3.837.302
Equity at 31 December 2023	**40.000**	**7.500.000**	**4.677.367**	**12.217.367**

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	9	3	
Wages and salaries	4.074.826	2.223.068	
Pensions	387.065	189.113	
Social security costs	91.118	60.124	
Other staff costs	15.649	9.230	
	4.568.658	**2.481.535**	
Other financial expenses			2
Group enterprises	504.718	166.742	
Other interest expenses	587	371	
	505.305	**167.113**	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	930.897	0	
	930.897	**0**	

Intangible assets		4
	Goodwill	
Cost at 1 January 2023	18.868.597	
Cost at 31 December 2023	**18.868.597**	
Amortisation at 1 January 2023	1.572.383	
Amortisation for the year	2.470.000	
Amortisation at 31 December 2023	**4.042.383**	
Carrying amount at 31 December 2023	**14.826.214**	

NOTES

Note

Contingencies etc. 5

The Company has liabilities relating to a short-term lease contracts.

Contingent liabilities

	2023	2022
	DKK	DKK
Lease liabilities (operating leases), the payment is due:		
Within 1 year	237.153	0
Within 1-5 years	0	579.981
	237.153	**579.981**

Joint liabilities
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of DENTSPLY IH A/S, which serves as management Company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of Wellspect ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 15 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

ACCOUNTING POLICIES

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Impairment of fixed assets
The carrying amount of intangible fixed assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

ACCOUNTING POLICIES

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.