Registered number: 10734197

CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED

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CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED

COMPANY INFORMATION

Directors	J L Guinn P L D Maillet N Gizzi
Company secretary	Corporation Service Company (Uk) Limited
Registered number	10734197
Registered office	C/O Corporation Service Company (Uk) Limited 5 Churchill Place 10th Floor London United Kingdom E14 5HU
Trading address	Wiltron House Rutherford Close Stevenage Hertfordshire SG1 2EF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road Watford Hertfordshire WD17 1JJ
Bankers	Citibank NA Citigroup Centre Canary Wharf 33C London E14 5LB

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report of Carestream Dental Technology Topco Limited (the "Company") for the year ended 31 December 2021.

The Company was created in April 2017 and started trading on 1 September 2017, following the purchase of Carestream Health Inc dental business by CD&R.

The Company is part of Carestream Dental group of companies ("Group").

The principal activities of the Company are the development, manufacturing, sale and support of imaging equipment products.

The Company has a manufacturing toll agreement with one of the Group entities (located in France) to develop and manufacture the imaging equipment products.

The Company's strategy is to grow market share of imaging products by offering a full range of products and services and excellent customer service.

The Company sells the products globally, directly to end user or third-party dealers and indirectly through other group entities.

In December 2021, the Group signed an agreement with Envista Corporation to sell its intra-oral scanning business. The sale completed on 20 April 2022. The scanning business represented 15% of the Company revenue in 2021.

Business review

The profit for the financial year, after taxation, amounted to €27,668,305 an increase of €42,096,635 versus the prior year loss of €14,428,330.

The net assets of the Company as on 31 December 2021 were €38,254,686 (2020: €160,475,727).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are considered to relate to the dental industry environment and competition.

As the Company sells in a variety of markets, the risk associated with the industry environment would be mitigated. To manage the risk associated with the competition, the Company continue investing intensively in research and development.

The dental industry as whole is growing globally with some more mature markets like the US and some developing market like Asia.

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. Following the pandemic of COVID-10 in 2020, the level of economic activity in the dental industry around the world, improved significantly in the last quarter of 2020 and throughout 2021 when most practices and economies were reopened.

Furthermore, in response to the pandemic, the Company reduced its operating cost structure through 2020 to improve productivity and reduced other operating expenses such as travel and contractor spending. The cost reduction continued throughout 2021 even though sales were at a higher rate than pre-pandemic levels.

Principal risks and uncertainties (continued)

Management believes that the risks associated with the COVID-19 pandemic are significantly reduced as compared to 2020 and is no more a significant risk.

In relation to the war in Ukraine, the Company has one distributor there which represent about €1.5M of sales a year and so considered immaterial. Further we have performed some sourcing and supply chain analysis and we have limited 3rd tier suppliers which are not currently critical in our manufacturing process. However the war in Ukraine could have indirect implication on the global market. The Company is monitoring on a regular basis the impact of the war on our market.

Financial key performance indicators

Given the nature of the business, the Company's directors are of the opinion that the analysis of the key KPIs of turnover and operating profit is adequate to understand the performance and development of the business.

The revenue for 2021 is €182,052,818 vs €104,637,492 in 2020, a growth of 74.0%.

The operating profit for 2021 is €27,412,021 vs a loss of €19,245,667 in 2020.

The increase in revenue and increase in operating profit versus 2020 is mostly due to the market recovery after COVID-19 impact in 2020, a growing market and gaining market share in Europe mainly.

Energy and carbon reporting

Considering that Carestream Dental Technology Topco Limited has a subcontracting agreement with a related party for its manufacturing, is using third parties for transport and warehousing activities and uses an office of a related party for its place of business. The directors are of the belief that the Company's usage is below the threshold of 40,000 kWh and therefore exempt from full disclosure.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term.
- interests of the Company's employees.
- need to foster the Company's business relationships with suppliers, customers and others.
- impact of the Company's operations on the community and environment.
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

Carestream Dental Technology Topco Limited is committed to act in a responsible manner towards all its respective stakeholders, be they employees, customers, suppliers or shareholders.

- **likely consequences of any decisions in the long-term**

  As is normal for large, private companies, authority for day-to-day management of the Company is delegated to executives with management being responsible for setting, approving, and overseeing execution of the business strategy and related policies. Monitoring of this is conducted through regular business review meetings. Decisions that may have long term impact, such as large sales contracts and investments pass through a rigorous approval process involving controllers, lawyers and global management of the Carestream Dental Group. For example, a large deal with the Government Health Board in Saudi Arabia went through multiple business case and legal reviews and progress continues to be monitored by Carestream Dental Group global management.

Section 172(1) statement (continued)

- **interests of the Company's employees**

  The Company has over 1,000 employees and the Board is committed to promoting a diverse and inclusive workplace, that is reflective of the communities in which it does business. Senior Management are responsible for ensuring that the Company's purpose, vision, and values are effectively communicated to employees. Strategy and results are also regularly communicated. This is achieved through formal and informal meetings, a mandatory code of conduct and town hall meetings (global, regional, and local). We also have a global employee intranet; The Hub where resources, policies and communication updates can be found.

  Employees are actively encouraged to provide feedback and report any concerns with a confidential hotline available to them if required.

  Many significant decisions relating to COVID were made by the leadership team. Medical guidance and the corporate return to work policy were reviewed and the decision was taken for the office to remain closed during the financial year until 1 August 2022. Employees were encouraged and supported to work from home. The decision to continue with a hybrid working policy was made following an employee survey.

  Employee wellbeing during remote working has been a priority with many initiatives put in place such as regular meetings with local leadership, encouraged mangers to have weekly one on one with their direct reports and the use of video calls. The Company has also given access to online mental health, and we have also provided employees with training to ensure a good working environment in their homes and resources to support mental wellbeing.

  The level of support and regular communication has been well received by employees.

  During the financial year, the Company did not furlough any employees and ensured that customers were well supported.

- **need to foster the Company's business relationships with suppliers, customers, and others**

  We bring the stakeholder voice into the boardroom through information provided by senior management and by direct engagement with stakeholders themselves, where appropriate. During Monthly Business Reviews, senior management provide feedback on the priorities of customers, their views on our products as well as the ways in which they would like us to improve our offering. We also survey customers on a regular basis to capture their satisfaction with our services.

  We have regular one-on-one meetings with our suppliers, and this has been increasingly important to ensure continuity of supply, particularly of parts and components for our manufacturing teams.

  The Company policies on suppliers' payment terms have remained unchanged during the pandemic. Some specific agreements were made between the Company and some suppliers to delay few payments, some other specific actions were taken to support some suppliers with difficulties.

- **impact of the company's operations on the community and environment**

  The directors recognise the role that the Company must play in society and its local teams are enthusiastic about supporting their communities. In the UK, they have supported collections for foodbanks and healthcare workers. Regarding environmental responsibility the Company, at a global Carestream Dental Group level, has recently increased the focus on reduction of environmental impact of the business. Initial focus is on distribution modes (from air to sea) and waste reduction and recycling, both in manufacturing and at local sites.

Section 172(1) statement (continued)

- **desirability of the Company maintaining a reputation for high standards of business conduct**

  The Carestream Dental Group Code of Business Conduct covers many areas, the following being key examples:

  - The responsibilities of employees and business partners
  - Whistleblowing and violation guidelines
  - Promoting a positive work environment for our employees
  - Conflict of interest
  - Prevention of bribery and corruption
  - Prevention of fraud and theft
  - Financial and accounting integrity
  - Information security
  - Privacy
  - Environmental Health & Safety
  - Relationships with customers and business partners

  On-line training followed by testing is rolled out to ALL employees on an annual basis.

This report was approved by the board and signed on its behalf by:

J L Guinn
Director

Date: 12 August 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and the audited financial statements of Carestream Dental Technology Topco Limited (the "Company") for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is the manufacture and distribution of dental equipment and service.

Results and dividends

The profit for the financial year amounted to €27,668,305 (2020: loss €14,428,330).

The Company paid a dividend of €149,889,346 (2020: €Nil) during the financial year. The directors do not recommend a final dividend (2020: €Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

J L Guinn
P L D Maillet
N Gizzi

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Future developments

The Company will continue to operate in the same markets and focussing on growth and innovation. There is no significant development planned for the Company in the near future. In December 2021, the Carestream Dental Group signed an agreement with Envista corporation to sell its intra-oral scanning business. The sale completed on 20 April 2022. The scanning business represented 15% of the Company's revenue in 2021 and its sale will result in reduction of revenue and profitability of the Company.

Financial risk management

The Company is financed by the Group, as headed by the Company's ultimate parent undertaking Carestream Dental Alpha Limited, and follows the Group management policies.

The Company's activities expose it to a variety of financial risks: liquidity risk, market and capital risk.

The following activities are performed by the management of Carestream Dental Technology Parent Limited for the group as a whole (the "Group") and shared with relevant stakeholders.

Risk management is carried out under policies approved by the Board of Directors. The Group identifies and evaluates financial risks in close co-operation with the operations teams. The Board provides principles for overall risk management such as, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

Cash flow forecasting is performed in the operating subsidiaries of the Company. The Group monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans and compliance with internal Statement of Financial Position ratio targets.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk. The Company is not exposed to other price risk such as commodity price risk or to cash flow interest rate risk as all its borrowings are fixed rate borrowings. The Company is also not exposed to foreign exchange risk as all the borrowings are denominated in USD.

Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Research and development activities

The Company continues to invest in both the improvement of our existing products and in the development of new imaging equipment and services targeted at the dental industry. The directors regard the investment as essential in order to maintain the Company's position in the dental market and to provide business growth.

Matters covered in the Strategic Report

The following matters have been covered on page 3 of the Strategic Report:

- Energy and carbon reporting;
- Statement on performance of statutory duties in accordance with S172(1) Companies Act 2006;
- Financial key performance indicators; and
- Principal risk and uncertainties.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

J L Guinn
Director

Date: 12 August 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Carestream Dental Technology Topco Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED (CONTINUED)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Reviewing legal expenses both during the financial year and up to the date of signing the financial statements to identify any potential contingent liabilities in relation to non compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Fong Johnson

Fong Johnson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

Date: 12 August 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2020 €
Turnover	4	**182,052,818**	104,637,492
Cost of sales		**(115,256,546)**	(78,167,705)
Gross profit		**66,796,272**	26,469,787
Administrative expenses		**(41,327,628)**	(49,310,021)
Other operating income	5	**1,943,377**	3,594,567
Operating profit/(loss)	6	**27,412,021**	(19,245,667)
Income from shares in group undertakings	10	**3,604,838**	4,332,443
Interest receivable and similar income	11	**276,628**	361,673
Interest payable and similar expenses	12	**(245,610)**	(80,306)
Profit/(loss) before taxation		**31,047,877**	(14,631,857)
Tax (charge)/credit on profit/(loss)	13	**(3,379,572)**	203,527
Profit/(loss) for the financial year		**27,668,305**	(14,428,330)
Total comprehensive income/(expense) for the financial year		**27,668,305**	(14,428,330)

The notes on pages 16 to 37 form part of these financial statements.

CARESTREAM DENTAL TECHNOLOGY TOPCO LIMITED
REGISTERED NUMBER: 10734197

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 €		2020 €
Fixed assets					
Intangible assets	15		**24,185,099**		45,147,898
Tangible assets	16		**583,996**		760,254
Investments	17		**38,716,233**		39,418,808
			63,485,328		85,326,960
Current assets					
Stocks	18	**13,380,961**		15,573,543	
Debtors: amounts falling due after more than one year	19	**7,681,733**		8,469,115	
Debtors: amounts falling due within one year	19	**48,810,986**		117,201,063	
Cash at bank and in hand	20	**6,354,366**		8,225,618	
		76,228,046		149,469,339	
Creditors: amounts falling due within one year	21	**(66,921,642)**		(70,661,369)	
Net current assets			**9,306,404**		78,807,970
Total assets less current liabilities			**72,791,732**		164,134,930
Creditors: amounts falling due after more than one year	22		**(34,106,072)**		(3,213,648)
Provisions for liabilities					
Other provisions	24		**(430,974)**		(445,555)
Net assets			**38,254,686**		160,475,727
Capital and reserves					
Called up share capital	25		**2**		1
Share premium account	26		**-**		-
Capital contribution reserve	26		**108,001**		208,560,546
Profit and loss account	26		**38,146,683**		(48,084,820)
Total shareholders' funds			**38,254,686**		160,475,727

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements on pages 12 to 37 were approved and authorised for issue by the board and were signed on its behalf by:

J L Guinn
Director

Date: 12 August 2022

The notes on pages 16 to 37 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	€	€	€	€	€
At 1 January 2020	1	-	208,560,546	(33,656,490)	174,904,057
Comprehensive expense for the financial year					
Loss for the financial year	-	-	-	(14,428,330)	(14,428,330)
Total comprehensive expense for the financial year	-	-	-	(14,428,330)	(14,428,330)
At 31 December 2020 and 1 January 2021	1	-	208,560,546	(48,084,820)	160,475,727
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	27,668,305	27,668,305
Total comprehensive income for the financial year	-	-	-	27,668,305	27,668,305
Contributions by and distributions to owners					
Shares issued during the year (note 25)	1	208,452,544	(208,452,545)	-	-
Conversion of share premium into distributable reserve	-	(208,452,544)	-	208,452,544	-
Dividends: Equity capital	-	-	-	(149,889,346)	(149,889,346)
Total transactions with owners	1	-	(208,452,545)	58,563,198	(149,889,346)
At 31 December 2021	2	-	108,001	38,146,683	38,254,686

The notes on pages 16 to 37 form part of these financial statements.

1. General information

Carestream Dental Technology Topco Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is C/O Corporation Service Company (Uk) Limited, 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.

The principal activity of the Company is the manufacture and distribution of dental equipment and service.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 as applicable for companies using FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency is Euros.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2.3 Consolidated financial statements

The Company is a wholly owned subsidiary of Carestream Dental Alpha Limited and is included in their consolidated financial statements which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2.4 Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and borrowings. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the over its useful economic life.

2. Accounting policies (continued)

2.6 Intangible assets (continued)

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Developed technology	-	5 to 8 years straight line
Goodwill	-	5 years straight line
Trade-marks / trade names	-	9 to 10 years straight line
Customer relationships	-	6 years straight line

2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Manufacturing equipment	-	3 years straight line
IT hardware	-	3 years straight line
IT development	-	3 years straight line
Demos equipment	-	3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is the Euros and rounded to the nearest Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Statement of Comprehensive Income within 'administrative expenses'.

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The fair value hierarchy consists of three levels to prioritise the inputs used in valuations, as defined below:

Level 1 Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Observable quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices included within Level 1.

Level 3 Unobservable inputs for the asset or liability.

Financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities are recorded on the Balance Sheet at their respective net carrying values, which approximate fair value due to their short-term nature or other circumstances.

2. Accounting policies (continued)

2.21 Current taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.22 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

The items in the financial statements where these judgments and estimates have been made include:

3.1 Critical management judgement in applying accounting policies

In the process of applying the Company's accounting policies management has made no judgements which they consider to be critical in terms of the effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year:

(a) Determining net realisable value of inventories

In determining the net realisable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. Evidence may change after the reporting year and hence this could lead to a different assessment.

(b) Estimating useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment cased on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Based on management's assessment as at 31 December 2021, there is no change in estimates useful lives of those assets in use during the year.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

	2021	2020
	€	€
United Kingdom	**8,208,869**	3,788,082
Rest of the world	**173,843,949**	100,849,410
	182,052,818	104,637,492

5. Other operating income

	2021 €	2020 €
Commissions receivable - intercompany	**1,943,377**	3,594,567

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2021 €	2020 €
Research & development charged as an expense	**16,759,894**	13,228,948
Depreciation of tangible assets	**259,867**	229,962
Amortisation of intangible assets	**20,962,799**	20,962,797
Exchange (gain)/loss	**(7,900,938)**	8,011,452

7. Auditors' remuneration

	2021 €	2020 €
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	**216,182**	166,068

Fees payable to the Company's auditors in respect of:

	2021 €	2020 €
Other non audit services	**2,252**	2,037

The audit fees of €258,884 (2020: €216,182) includes group audit fees of €77,004 (2020: €61,155).

8. Employees and directors

Staff costs, including directors' remuneration, were as follows:

	2021 €	2020 €
Wages and salaries	**797,219**	313,153
Social security costs	**139,192**	35,965
Company contributions to defined contribution pension scheme	**10,969**	9,815
	947,380	358,933

One director is employed by the Company as detailed in note 9.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 Number	2020 Number
Selling and distribution	**1**	1
Administration	**2**	2
	3	3

9. Directors' remuneration

	2021 €	2020 €
Directors' emoluments	**1,777,957**	384,055

During the year no retirement benefits were accruing to directors (2020: none) in respect of defined contribution pension schemes.

The remuneration of N Gizzi is paid by Carestream Dental Germany GmbH, a subsidiary incorporated in Germany, and his costs have been recharged to the Company. Accordingly, the above details include his remuneration.

The remuneration of J L Guinn is paid by the Company, and recharged to Carestream Dental LLC, a fellow subsidiary incorporated in Georgia, USA. J L Guinn provides services to the Company and to a number of subsidiaries in the Group. Her remuneration is deemed to be attributable to her services provided to the Company and the subsidiaries and accordingly, the above details include her remuneration.

The remuneration of P L D Maillet is paid by Trophy SAS, a subsidiary incorporated in France. Costs have not been recharged to the Company and the value of his services are deemed to be €Nil (2020: €Nil), Accordingly, the above details do not include his remuneration.

9. Directors' remuneration (continued)

Highest paid director

The highest paid director's emoluments were as follows:

	2021 €	2020 €
Director's remuneration	**951,193**	196,712

10. Income from shares in group undertakings

	2021 €	2020 €
Dividend received from group companies		
Dividend received from CSD France	**3,101,614**	3,404,995
Dividend received from CSD Italy	**212,268**	487,326
Dividend received from CSD Spain	**290,956**	440,122
	3,604,838	4,332,443

11. Interest receivable and similar income

	2021 €	2020 €
Interest receivable from group undertakings	**276,628**	361,673

12. Interest payable and similar expenses

	2021 €	2020 €
Interest payable to group undertakings	**245,610**	80,306

13. Tax charge/(credit) on profit/(loss)

	2021 €	2020 €
Corporation tax		
Current tax on profit/(loss) for the financial year	**3,589,708**	-
Adjustments in respect of prior years	**304,132**	(203,527)
Total current tax charge/(credit)	**3,893,840**	(203,527)
Deferred tax		
Origination and reversal of timing differences	**(38,803)**	-
Effect of tax rate change on opening balance	**(53,171)**	-
Adjustments in respect of prior years	**(422,294)**	-
Total deferred tax credit	**(514,268)**	-
Total tax charge/(credit)	**3,379,572**	(203,527)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 €	2020 €
Profit/(loss) before taxation	**31,047,877**	(14,631,857)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**5,899,097**	(2,780,053)
Effects of:		
Expenses not deductible for tax purposes	**1,163,958**	(823,164)
Unrecognised deferred tax	**-**	3,603,217
Adjustments in relation to prior periods	**304,132**	(203,527)
Adjustments in relation to prior periods - deferred tax	**(422,293)**	-
Utilsation of tax losses	**(1,812,464)**	-
Group relief	**(1,699,687)**	-
Other tax differences	**(53,171)**	-
Total tax charge/(credit) for the financial year	**3,379,572**	(203,527)

The Company has utilized all loss carry forwards and expects to generate profit going forward, therefore has recognized net deferred tax assets in 2021.

13. Tax charge/(credit) on profit/(loss) (continued)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

14. Dividends

	2021 €	2020 €
Dividends paid	**149,889,346**	-

15. Intangible assets

	Developed technology €	Trade-marks / trade names €	Customer relation-ships €	Goodwill €	Total €
Cost					
At 1 January 2021	**62,619,550**	**5,081,387**	**2,784,853**	**46,715,592**	**117,201,382**
At 31 December 2021	**62,619,550**	**5,081,387**	**2,784,853**	**46,715,592**	**117,201,382**
Accumulated amortisation					
At 1 January 2021	**36,539,323**	**1,695,000**	**1,547,140**	**32,272,021**	**72,053,484**
Charge for the year	**10,961,797**	**508,500**	**464,142**	**9,028,360**	**20,962,799**
At 31 December 2021	**47,501,120**	**2,203,500**	**2,011,282**	**41,300,381**	**93,016,283**
Net book value					
At 31 December 2021	**15,118,430**	**2,877,887**	**773,571**	**5,415,211**	**24,185,099**
At 31 December 2020	26,080,227	3,386,387	1,237,713	14,443,571	45,147,898

16. Tangible assets

	Manufacturing equipment €	IT hardware €	IT development €	Demos equipment €	Total €
Cost					
At 1 January 2021	**542,682**	**34,164**	**388,788**	**430,183**	**1,395,817**
Additions	**-**	**-**	**-**	**84,356**	**84,356**
Disposals	**-**	**-**	**-**	**(6,976)**	**(6,976)**
At 31 December 2021	**542,682**	**34,164**	**388,788**	**507,563**	**1,473,197**
Accumulated depreciation					
At 1 January 2021	**218,322**	**20,891**	**80,998**	**315,352**	**635,563**
Charge for the year	**53,748**	**8,468**	**129,596**	**68,055**	**259,867**
Disposals	**-**	**-**	**-**	**(6,229)**	**(6,229)**
At 31 December 2021	**272,070**	**29,359**	**210,594**	**377,178**	**889,201**
Net book value					
At 31 December 2021	**270,612**	**4,805**	**178,194**	**130,385**	**583,996**
At 31 December 2020	324,360	13,273	307,790	114,831	760,254

17. Investments

	Investments in subsidiary companies €
Cost	
At 1 January 2021	**39,418,808**
At 31 December 2021	**39,418,808**
Accumulated impairment	
At 1 January 2021	-
Charge for the year	**702,575**
At 31 December 2021	**702,575**
Net book value	
At 31 December 2021	**38,716,233**
At 31 December 2020	39,418,808

The investment in Korea has been fully impaired. Korea entity is loss making and future recoverability seem doubtful. Business growth seems very unlikely considering most of it was based on the scanning business which has now been sold.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Carestream Dental Italy S.r.l*	Via Mario Idiojmi 3/3, Assago 20090 (MI)	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental Brasil Participacoes Ltda.*	Rua Pequetita, 215, 3rd floor, suite 31, room RIS, Edifício Atrium VII, Vila Olímpia, Zip Code 04552-060, São Paulo, Brazil	Holding company	Ordinary	99%
Carestream Dental Brasil EIRELI*	Rua Pequetita, 215, 3rd floor, suite 31, room RIS, Edifício Atrium VII, Vila Olímpia, Zip Code 04552-060, São Paulo, Brazil	Distribute dental imaging equipment	Ordinary	99%

17. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Trophy Radiologie Japan Inc.*	11-17 Fuyuki, Koto-ku,Tokyo 135-0041	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental Canada, Inc.*	79 Wellington Street West, 30th Floor, TD South Tower, Toronto, Ontario, M5K 1N2	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental Australia Pty Limited*	Suite 403, Level 4, 18-20 Orion Road Lane Cove NSW 2066 - Sydney (TSA)	Develop and sells practice management software	Ordinary	100%
Carestream Dental Korea YCH*	#511, 139, Yeoksam-ro, Gangnam-gu, Seoul, Republic of Korea 06244	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental SRL*	Splaiul Unirii no. 223, 3rd floor, 3rd district, postal code 030136, Romania, Bucharest	Group services	Ordinary	95%
Carestream Dental Germany GmbH*	Carestream Dental Germany GmbH, Hedelfinger Str. 60 70327 Stuttgart, Germany	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental de Mexico Comercio, S de R.L de C. V.*	Privada de Constituyentes # 1056, Letra B. Colonia Lomas Altas, Delegacion Miguel Hidalgo C.P. 11950, Ciudad de Mexico	Holding company	Ordinary	90%
Carestream Dental India Private Limited*	Unit No. F-1601 & F-1602, Lotus Corporate Park, Off Western Express Highway, Goregaon (East), Mumbai-400063, Maharashtra, India.	Distribute dental imaging equipment	Ordinary	99.7%
Carestream Dental France SAS*	8 rue François Villon, 75015 Paris, France	Development and sale of practice management software and dental imaging equipment	Ordinary	100%

17. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Carestream Dental Sweden AB*	Carestream Dental AB, Östra Järnvägsgatan 27 plan 6 111 20 Stockholm Sweden	Holding company	Ordinary	100%
Carestream Dental Singapore Pte. Ltd.*	One Marina Boulevard #28-00 Singapore 018989	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental Spain, S.L.U*	Lexington Center, Paseo de la Castellana, 79- Plantas 6 y 7 Madrid 28046	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental Technology (Shanghai) Co. Ltd*	27 Xin Jin Qiao Road, Jin Qiao Research Park, Pudong, Bld 10	Distribute dental imaging equipment	Ordinary	100%
Carestream Dental Middle East Limited*	C/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Distribute dental imaging equipment	Ordinary	100%
Trophy SAS**	4, rue Fernand Pelloutier 77437 Croissy-Beaubourg 77435 Marne la Vallee Cedex 2, France	Development and manufacturing of dental imaging equipment	Ordinary	100%
Carestream Dental AB**	Carestream Dental AB, Östra Järnvägsgatan 27 plan 6 111 20 Stockholm Sweden	Development and sale of practice management software	Ordinary	100%
Carestream Dental Equipment Trading Middle East LLC**	Business Bay, Aspect Tower, Floor # 13, Office Number 1302, Dubai UAE	Group services	Ordinary	49%
Carestream Dental Technology Limited*	C/O Orega Stockley Park 4 Longwalk Road, Stockley Park, Uxbridge, Middlesex, UB11 1FE	Distribute dental imaging equipment - dormant	Ordinary	100%

*Directly held
**Indirectly held

18. Stocks

	2021 €	2020 €
Finished goods and goods for resale	**13,380,961**	15,573,543

Stock recognised in cost of sales during the year as an expense was €94,042,694 (2020: €57,405,830).

An impairment loss of €1,736,468 (2020: €346,958) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The value of stocks on the Balance Sheet is not materially different to their replacement cost.

19. Debtors

	2021 €	2020 €
Due after more than one year		
Amounts owed by group undertakings	**7,681,733**	8,469,115

	2021 €	2020 €
Due within one year		
Trade debtors	**12,164,300**	12,424,719
Amounts owed by group undertakings	**29,992,584**	102,081,730
Other debtors	**5,106,917**	2,694,614
Prepayments and accrued income	**95,261**	-
Tax recoverable	**937,656**	-
Deferred taxation	**514,268**	-
	48,810,986	117,201,063

Included in amounts owed by group undertakings due after more than one year are loans of €5,361,733 (2020: €5,361,733) which is repayable on 1 September 2024, €2,320,000 (2020: €2,320,000) which is repayable on 3 April 2025 and €Nil (2020: €787,382) which is repayable on 3 January 2022 and 17 January 2022. Interest is receivable on these loans at rates ranging from 3.34% to 5.64% per annum.

Amounts owed by group undertakings due within one year are unsecured, interest free and repayable on demand.

20. Cash at bank and in hand

	2021 €	2020 €
Cash at bank and in hand	**6,354,366**	8,225,618

21. Creditors: amounts falling due within one year

	2021	2020
	€	€
Trade creditors	**12,883,260**	12,195,532
Amounts owed to group undertakings	**48,658,734**	54,280,240
Accruals and deferred income	**5,379,648**	4,185,597
	66,921,642	70,661,369

Included in amounts owed to group undertakings for 2021 is a loan of €1,727,629 (2020: €1,727,629) which attracts interest at 3.98% and is repayable on demand.

The rest of the balance is unsecured, interest free and repayable on demand.

22. Creditors: amounts falling due after more than one year

	2021	2020
	€	€
Amounts owed to group undertakings	**30,859,571**	-
Accruals and deferred income	**3,246,501**	3,213,648
	34,106,072	3,213,648

Deferred income relates to warranty and service fees in relation to future years.

Included in amount owed to group undertakings is a loan of €30,859,571 which attract interest at 5.25% and is repayable on 1 of September 2024.

23. Deferred taxation

	2021 €
At beginning of year	-
Credited to the Statement of Comprehensive Income	514,268
At end of year	**514,268**

The deferred tax asset is made up as follows:

	2021 €	2020 €
Accelerated capital allowances	(85,508)	-
Short term timing difference	322,808	-
Intangible assets	276,968	-
	514,268	-

The amount of deferred tax expected to reverse in 2022 is the full amount being the reversal of short term timing differences and capital allowances.

24. Other provisions

	Warranty €
At 1 January 2021	445,555
Credited to profit or loss	(14,581)
At 31 December 2021	**430,974**

25. Called up share capital

	2021 €	2020 €
Allotted, called up and fully paid		
2 (2020: 1) Ordinary shares of £1 (2020: £1) each	2	1

26. Reserves

Share premium account

The share premium account represents amounts raised on the initial allotment of share capital in excess of the nominal value of shares issued, less any costs directly attributable to the issue of that share capital.

Capital contribution reserve

On 1 September 2017, the parent company paid in €208,452,544 to fund the acquisition by the Company, of the assets and liabilities of the dental business from Carestream Health, Inc. A further contribution of €24,999 was made during 2018. A further contribution of €83,003 was made during 2019. The amount was to be used to subscribe for shares in the Company.

On 17 November 2021, the board approved a capital reduction of share capital premium by €208,452,544.

Profit and loss account

The profit and loss account includes all current and prior year retained losses.

27. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were no unpaid contributions at the year end. The pension costs charge represents contributions payable by the Company to the scheme and amounted to €10,969 (2020: €9,815).

28. Related party transactions

As a wholly owned subsidiary of Carestream Dental Parent Limited the Company has taken advantage of the exemption under FRS 102 Section 33 from disclosing related party transactions with other entities which are wholly owned group on the grounds that a set of consolidated financial statements are publicly available.

29. Subsequent events

On 22 December 2021, the Carestream Dental Group entered into a definitive Stock and Asset Purchase Agreement ("SAPA") to sell the scanning product line ("Scanning business"), a component of the equipment reporting business, for a purchase price of $447.9 million on a cash free, debt free basis. Under the terms of the SAPA, certain entities in the Group (including the Company) will transfer certain intellectual property and other intangible assets, and various tangible assets relating to the Scanning business, including but not limited to, inventory, demonstration units, intangible assets, and various customer contracts. The buyer will also be assuming certain liabilities related to the Scanning business, including future service obligations related to warranty contracts, employee related liabilities for employees being transferred. The transaction closed on 20 April 2022.

30. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Carestream Dental Technology Parent Limited, a company incorporated in the United Kingdom. Carestream Dental Alpha Limited is the parent of the smallest and largest group to consolidate these financial statements and these consolidated financial statements can be obtained from C/o Corporation Service Company (Uk) Limited, 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.

The Company's ultimate parent company is Carestream Dental Alpha Limited, registered office C/O Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the Company's ultimate controlling party is CD&R Cobra Holdings, L.P.

Carestream Dental Alpha Limited

Consolidated Financial Statements
December 31, 2021 and 2020

THESE ACCOUNTS
FORM PART OF THE
GROUP ACCOUNTS
OF COMPANY
No. 10734197

Carestream Dental Alpha Limited
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Report of Independent Auditors

To the Board of Directors of Carestream Dental Alpha Limited

Opinion

We have audited the accompanying consolidated financial statements of Carestream Dental Alpha Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive loss, of shareholders' equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance pwc

and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Atlanta, GA
August 2, 2022

Carestream Dental Alpha Limited
Consolidated Balance Sheets
December 31, 2021 and 2020

(in thousands of dollars)	**2021**	**2020**
Assets		
Current assets		
Cash and cash equivalents	$ 45,273	$ 70,731
Accounts receivable, net	64,517	57,344
Inventories, net	27,629	27,706
Other current assets	22,994	14,997
Assets held for sale - current	116,967	-
Total current assets	277,380	170,778
Property, plant and equipment, net	11,258	17,856
Goodwill	375,726	496,583
Intangible assets, net	144,198	194,949
Other long-term assets, net	1,821	2,312
Deferred income tax assets	5,305	5,090
Total assets	$ 815,688	$ 887,568
Liabilities and Shareholders' (Deficit) Equity		
Current liabilities		
Trade accounts payable	$ 25,947	$ 23,982
Accrued liabilities		
Employee related	33,136	21,412
Income taxes	7,315	3,239
Other taxes	5,569	7,560
Warranty	1,256	1,615
Other	15,819	12,265
Contract liabilities	25,582	32,218
Current portion of long-term debt	17,192	1,285
Current portion of pension liability	945	791
Liabilities held for sale - current	12,675	-
Total current liabilities	145,436	104,367
Long-term debt, less current portion	915,874	515,357
Other long-term liabilities	28,238	21,451
Deferred income tax liabilities	15,668	22,195
Pension	17,353	19,914
Total liabilities	1,122,569	683,284
Commitments and contingencies		
Shareholders' (deficit) equity		
Contributed capital	-	317,633
Additional paid in capital	272	7,606
Accumulated deficit	(295,509)	(130,720)
Accumulated other comprehensive (loss) income	(11,644)	9,765
Total shareholders' (deficit) equity	(306,881)	204,284
Total liabilities and shareholders' (deficit) equity	$ 815,688	$ 887,568

The accompanying notes are an integral part of these consolidated financial statements.

Carestream Dental Alpha Limited
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2021 and 2020

(in thousands of dollars)	2021	2020
Sales, net	$ 470,388	$ 338,166
Cost of goods sold	190,199	146,456
Gross profit	280,189	191,710
Selling, general and administrative	142,712	113,257
Amortization of intangibles	47,719	48,226
Research and development	27,112	23,675
Operating income	62,646	6,552
Interest expense, net	35,481	35,776
Other loss, net	456	1,796
Income (loss) before income taxes	26,709	(31,020)
Provision for (benefit from) income taxes	5,999	(86)
Net income (loss)	20,710	(30,934)
Other comprehensive (loss) income, net of tax		
Foreign currency translation adjustments, net	(22,135)	24,362
Defined benefit pension plan, net	726	(115)
Total other comprehensive (loss) income, net of tax	(21,409)	24,247
Comprehensive loss	$ (699)	$ (6,687)

The accompanying notes are an integral part of these consolidated financial statements.

Carestream Dental Alpha Limited
Consolidated Statements of Shareholders' Equity (Deficit)
Years Ended December 31, 2021 and 2020

(in thousands of dollars)	Contributed Capital	Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balances at December 31, 2019	$ 312,447	$ 10,443	$ (14,482)	$ (99,786)	$ 208,622
Net (loss)	-	-	-	(30,934)	(30,934)
Foreign currency translation adjustment, net of tax expense of $0	-	-	24,362	-	24,362
Defined benefit plan, net of tax expense of $13	-	-	(115)	-	(115)
Stock buy backs from directors and employees	-	(109)	-	-	(109)
Stock compensation expense	-	2,458	-	-	2,458
Balances at December 31, 2020	312,447	12,792	9,765	(130,720)	204,284
Net income	-	-	-	20,710	20,710
Foreign currency translation adjustment, net of tax expense of $0	-	-	(22,135)	-	(22,135)
Defined benefit plan, net of tax expense of $311	-	-	726	-	726
Dividends paid to shareholders	(312,447)	(15,083)	-	(167,470)	(495,000)
Stock buy backs from directors and employees		(932)	-	-	(932)
Stock option modification	-	-	-	(18,029)	(18,029)
Stock compensation expense	-	3,495	-	-	3,495
Balances at December 31, 2021	$ -	$ 272	$ (11,644)	$ (295,509)	$ (306,881)

The accompanying notes are an integral part of these consolidated financial statements.

Carestream Dental Alpha Limited
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

(in thousands of dollars)	2021	2020
Cash flows from operating activities		
Net income (loss)	$ 20,710	$ (30,934)
Adjustments to reconcile net income (loss) to cash provided by by operating activities		
Depreciation	7,672	10,050
Amortization of intangibles	47,719	48,226
Amortization of debt issuance costs	3,079	2,724
Debt extinguishment costs	1,929	-
Allowance for doubtful accounts	(671)	56
Provision for excess and obsolete inventory	143	803
(Gain) loss on the disposal of property, plant and equipment	(564)	144
Foreign currency exchange (gain) loss	(4,523)	1,198
Stock compensation expense	3,495	2,458
Deferred income taxes	(7,052)	(3,101)
Change in operating assets and liabilities		
Accounts receivable	(3,826)	9,391
Inventories	(7,159)	4,584
Other current assets	(8,746)	2,006
Trade accounts payable	2,895	(338)
Accrued liabilities	21,565	(4,476)
Contract liabilities	4,750	3,999
Other	3,299	192
Total adjustments	64,005	77,916
Net cash provided by operating activities	84,715	46,982
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,602)	(2,775)
Net cash used in investing activities	(2,602)	(2,775)
Cash flows from financing activities		
Repayment of long-term debt	(68,750)	(3,750)
Borrowings on long-term debt	495,000	-
Debt issuance costs	(14,449)	-
Borrowings on revolving credit facility	-	79,500
Repayment of revolving credit facility	-	(79,500)
Dividends paid to shareholders	(495,000)	-
Director and employee stock buy backs	(932)	(109)
Stock option modification	(18,029)	-
Net cash used in financing activities	(102,160)	(3,859)
Effect of exchange rate changes on cash and cash equivalents	(5,411)	3,503
Net (decrease) increase in cash and cash equivalents	(25,458)	43,851
Cash and cash equivalents		
Beginning of year	70,731	26,880
End of year	$ 45,273	$ 70,731
Supplemental disclosures		
Cash paid for interest	$ 30,505	$ 33,281
Cash paid for income taxes	9,882	1,554

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands of dollars except share amounts)

1. Introduction and Background

Carestream Dental Alpha Limited ("Dental" or "the Company") sells digital products, including, intra-oral cameras and imaging equipment, intra-oral x-ray generators, extra-oral imaging systems, CAD/CAM restorations, practice management software products and equipment aftermarket services. Dental's products are manufactured in China and France and are marketed and sold globally.

Dental is a Cayman Island legal entity formed on April 18, 2017, by an affiliate of Clayton Dubilier & Rice, LLC ("CD&R") to acquire the dental digital business of Carestream Health, Inc. ("Health"). CD&R owns 75% of the Company and 25% is owned by HCare CSD Holdings Ltd. ("HCare"), which is owned by Hillhouse Fund III and CareCapital. CD&R and HCare represent the owners of the Company as it relates to equity contributions and distributions and control of the business.

Dental, a private limited company incorporated under the laws of the Cayman Islands, issued 50,000 ordinary shares of $1 in the capitalization of the Company to Carestream Dental Alpha Limited LP.

2. Significant Accounting Policies

Basis for Presentation of the Consolidated Financial Statements

These consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States ("GAAP"), and consolidate all assets, liabilities, revenues and expenses of the Company and its wholly owned subsidiaries, majority-owned subsidiaries over which the Company exercises control, and entities in which the Company has a controlling financial interest or is deemed to be the primary beneficiary. All material intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at year end, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less at the date of acquisition. Cash equivalents are stated at amortized cost, which approximates fair value. The Company limits its credit exposure to any one institution.

Foreign Currency

For certain operations outside the U.S., the local currency is the functional currency. The financial statements for these operations are translated into U.S. dollars as follows: assets and liabilities at year-end exchange rates; income, expenses and cash flows at average exchange rates; and contributed shareholders' equity at historical exchange rates. For these operations, the resulting translation adjustment is recorded as a component of accumulated other comprehensive income (loss) in the accompanying Consolidated Balance Sheets.

(in thousands of dollars except share amounts)

Monetary assets and liabilities not in functional currency are re-measured at year-end exchange rates, while the related revenue, expense, and gain and loss accounts are re-measured at average exchange rates. Nonmonetary assets and liabilities, and the related revenue, expense, and gain and loss accounts not in functional currency are re-measured at historical rates. Remeasurement of the assets and liabilities of these operations are included in net loss in the accompanying Consolidated Statements of Comprehensive Loss.

Foreign exchange gains (losses) arising from transactions denominated in a currency, other than the functional currency of the entity involved, were $4,523 and ($1,198) for years ended December 31, 2021 and 2020, respectively. Foreign exchange gains (losses) are included in sales, general and administrative costs and other (income) loss, net in the accompanying Consolidated Statements of Comprehensive Loss for the years ended December 31, 2021 and 2020, respectively.

Fair Value Measurements
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The fair value hierarchy consists of three levels to prioritize the inputs used in valuations, as defined below:

Level 1 Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Observable quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices included within Level 1.

Level 3 Unobservable inputs for the asset or liability.

Financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities are recorded on the balance sheet at their respective net carrying values, which approximate estimated fair value due to their short-term nature.

Debt is measured and presented at amortized cost on the Consolidated Balance Sheets.

The plan assets and benefit obligation of the Defined Benefit plans are subject to fair value measurement. The plan sponsor performs an analysis of these assets and liabilities on a recurring basis to assess the nature of the inputs used to determine estimated fair value.

Concentration of Credit Risk and Significant Customers
Financial instruments that potentially subject Dental to significant concentrations of credit risk consist principally of receivables. Such receivables arise from sales to numerous customers in a variety of markets and geographies around the world. Receivables arising from these sales are generally not collateralized. The Company performs ongoing credit evaluations of its customers' financial conditions and maintains reserves for potential credit losses.

(in thousands of dollars except share amounts)

There were no customers who represented more than 10% of the Company's total revenue for the years ended December 31, 2021 and 2020. There were no customers who represented more than 10% of the Company's net trade receivables at December 31, 2021, while there was one customer who represented approximately 10% of the Company's net trade receivables at December 31, 2020.

Inventories
Inventories are stated at the lower of cost or net realizable value. The cost of Dental's inventories is determined by the average cost method. The carrying value of inventories are reduced for excess, obsolete or slow-moving inventories based on changes in customer demand, technology developments or other economic factors.

Property, Plant and Equipment, Net
Property plant and equipment are recorded at cost, net of accumulated depreciation. Dental calculates depreciation expense using the straight-line method over the assets' estimated useful lives, which are as follows:

	Years
Machinery and equipment	3–6
Leasehold improvements	7–11

Maintenance and repairs are expensed as incurred. Upon sale or other disposition, the applicable amounts of asset cost and accumulated depreciation are removed from the accounts and the net amount, less proceeds from disposal, is recorded in earnings from operations.

Intangible Assets
Intangible assets are recorded net of accumulated amortization. Dental calculates amortization expense using the straight-line method over the assets' estimated useful lives, which are as follows:

	Years
Customer relationships	6–12
Trademarks/tradenames	3–20
Developed technology	4–9

Impairment of Long-Lived Assets
Dental reviews the carrying value of long-lived assets, other than goodwill, for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Dental assesses the recoverability of the carrying value of long-lived assets by first grouping its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (the "asset group") and, secondly, by estimating the undiscounted future cash flows directly associated with and which are expected to arise from the use of, and eventual disposition of, such asset group.

(in thousands of dollars except share amounts)

If the carrying value of the asset group exceeds the estimated undiscounted cash flows, Dental records an impairment charge to the extent the carrying value of the long-lived asset exceeds its estimated fair value. Dental determines estimated fair value through quoted market prices in active markets or, if quoted market prices are unavailable, through the performance of internal analyses of discountedcash flows or external appraisals.

In connection with the assessment of recoverability of long-lived assets and ongoing strategic review of the business and operations, Dental continually reviews the remaining useful lives of its long-lived assets. If this review indicates the remaining useful life of a long-lived asset has been reduced, Dental will adjust the depreciation on that asset to facilitate full cost recovery over its revised estimated remaining useful life. Refer to Note 3 for impairment considerations related to assets held for sale.

Goodwill
Goodwill represents the excess of purchase price over the estimated fair value of net assets acquired. Goodwill is not amortized but is assessed for impairment each year at October 1 and when events or circumstances change in a way to indicate there has been a potential decline in the estimated fair value of a reporting unit. Dental has the option to perform a qualitative assessment to determine if it is more likely than not the estimated fair value of a reporting unit has declined below carrying value. This assessment considers various financial, macroeconomic, industry, and reporting unit specific qualitative factors. A reporting unit is defined as an operating segment or one level below an operating segment. Dental has two reporting units, consisting of software services and equipment. Based on the results of reviews performed, no impairment loss was recognized in the results of operations for the years ended December 31, 2021 and 2020. Refer to Note 3 for impairment considerations related to assets held for sale.

Defined Benefit Retirement Plans
Dental sponsors several defined benefit plans around the world. Information included in Note 14 reflects the eight largest plans, which make up substantially all of the defined benefit plan obligations, while the smaller plans are accounted for on a cash basis, as the difference to apply the accrual method is insignificant. The most significant plans are a Support Fund plan in Germany and the Top Hat and Retirement Indemnity Trophy plans in France. The majority of the smaller plans are termination indemnity plans or statutorily required plans. Retirement benefits are generally based on contractual agreements that provide for benefit formulas using years of service and/or compensation prior to retirement. Dental's funding policy is to contribute amounts sufficient to meet minimum funding standards based upon local law.

Dental recognizes a liability only for any required contributions to the Plans that are accrued and unpaid at the balance sheet date in accordance with GAAP. Dental does not record an asset or liability to recognize the funded status of the Plans.

Lease Obligations
Dental evaluates each lease for classification as either a capital lease or an operating lease. The Company performs this evaluation at the inception of the lease and upon any significant modification impacting the terms and conditions. For arrangements classified as capital leases, the Company records a capital asset for the leased equipment along with a corresponding capital lease obligation in an amount equal to the lesser of the present value of the minimum lease payments to be made over the life of the lease at the beginning of the lease term, or the fair value of the leased property.

(in thousands of dollars except share amounts)

Once placed in service, the capital asset is amortized on a straight-line basis as a charge to expense over the lesser of the lease term or the economic life of the leased property. Operating lease arrangements are recorded to expense as incurred on a straight-line basis.

Revenue
Revenue is recognized when the Company:

- Identifies the contract(s) with a customer;
- Identifies the performance obligations in the contract;
- Determines the transaction price;
- Allocates the transaction price to the performance obligations in the contract; and
- Recognizes revenue when, or as, the entity satisfies a performance obligation.

The Company generates revenue from the sale of dental equipment, extended equipment warranties and practice management software products and services. Provisions for discounts, rebates to customers, customer returns and other variable consideration are included in the transaction price at contract inception by estimating the most-likely-amount based upon historical data and estimates provided for in the period in which the related sales are recognized. The Company does not have any transactions that include a material financing component.

Revenue generated from the sale of equipment is recognized when control transfers to the customer. Depending on the terms of the contract, this may occur at the time of delivery or shipment. Revenue generated from the sale of extended warranties is recognized straight-line over the contract term, which range from one to five years.

Revenue generated from the sale of software licenses is recognized when products are shipped to customers or made available electronically. Revenue derived from post-contract customer support, including annual support and/or training, is generally recognized over time using time elapsed as the input method that best depicts the transfer of control to the customer. Revenue generated from the sale of software as a service contract is recognized on a straight-line basis over the contract term, which generally range from one to three years.

Revenue generated from other sources including equipment repairs and related services is recognized when the related product revenue is recognized or when the services are provided. The Company applies the practical expedient to treat shipping and handling activities performed after the customer obtains control as fulfillment activities, rather than a separate performance obligation in the contract.

Sales taxes, value add taxes and other taxes collected concurrent with revenue-producing activities are excluded from revenue.

Certain revenue is generated from bundled arrangements that include multiple distinct performance obligations which are accounted for separately. When software products are sold together with related services (i.e., training and technical support), revenue is allocated based on the relative stand-alone selling prices of the goods or services ('SSP"). Other bundled arrangements also

(in thousands of dollars except share amounts)

include elements that consist primarily of equipment and the related services. If an observable selling price is not available (i.e., the goods or services are not sold separately), the Company uses the adjusted market approach or cost-plus approach to estimate the standalone selling price.

There is no specific hierarchy for the use of these methods, but the estimated selling price reflects management's best estimate of what the selling prices of each deliverable would be if it were sold regularly on a standalone basis taking into consideration the cost structure of the business, technical skills required, customer location and other market conditions.

Accounts Receivable and Allowance for Doubtful Accounts
Accounts receivable consist principally of trade receivables from customers and are generally uncollateralized and due within 30 days. The Company maintains an allowance for doubtful accounts for accounts receivable deemed uncollectible. In assessing the adequacy of the allowance for doubtful accounts, management considers a number of factors, including the aging of the accounts receivable balances, collection experience, and each customer's individual ability to meet its financial obligations to the Company. If the financial condition of the Company's customers were to deteriorate, resulting in an inability to make payments, additional allowances may be required. Bad debt expense related to allowances for doubtful accounts is included in selling, general and administrative expenses in the Consolidated Statements of Comprehensive Loss.

Contract Liabilities
Contract liabilities are comprised of advance payments and upfront payments for service arrangements provided over time. Contract liabilities are transferred to revenue once the performance obligation has been satisfied. The Company's contract liability balance as of December 31, 2021 and 2020 was $45,631 and $48,643, respectively. Obligations expected to be fulfilled in twelve months of the balance sheet date are included in contract liabilities and obligations beyond twelve months of the balance sheet date are included in other long-term liabilities on the Consolidated Balance Sheets.

Warranties
Dental offers standard warranties in connection with the sale of equipment. The standard warranty period for most equipment is one to two years. Warranty obligations are estimated and recorded as an accrued liability at the time of sale. Warranty obligations expected to be settled in twelve months of the balance sheet date are included in accrued liabilities and obligations beyond twelve months of the balance sheet date are included in other long-term liabilities on the Consolidated Balance Sheets.

Cost of Goods Sold
Cost of goods sold represents the costs incurred to provide the Company's goods and services to customers. The costs of goods are principally comprised of materials, labor and overhead costs related to manufacturing of dental equipment and distribution costs. The costs of services primarily include labor for repairs and maintenance of hardware and equipment, as well as various customer support for users of the Company's software products and related licenses. Additionally, depreciation related to machinery and equipment used in the production of inventory and customer support efforts is included as a component of cost of goods sold on the Consolidated Statements of Comprehensive Loss.

(in thousands of dollars except share amounts)

Shipping and Handling Costs
For the years ended December 31, 2021 and 2020, approximately $5,123 and $4,304, respectively, of shipping and handling costs include transportation to customers, duty and brokerage, and are included in selling, general and administrative expenses in the accompanying Consolidated Statements of Comprehensive Loss.

Interest Expense, Net
Interest expense, net is comprised of interest expense incurred on the Company's debt and capital leases, amortization of debt issuance costs and debt discounts, and interest earned on the Company's cash and cash equivalents

Research and Development Costs
Research and development costs, which include costs in connection with new product development, fundamental and exploratory research, process improvement, product use technology and product accreditation, are charged to operations in the period in which they are incurred.

Advertising
Advertising costs are expensed as incurred and included in selling, general and administrative expenses in the accompanying Consolidated Statements of Comprehensive Loss. Advertising expenses amounted to $7,323 and $5,055, respectively, for the years ended December 31, 2021 and 2020.

Income Taxes
Deferred income tax assets and liabilities are recognized for the income tax consequences attributable to operating loss carryforwards, tax credit carryforwards, and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which temporary differences are expected to be recovered or settled. Valuation allowances are recorded against deferred tax assets when there are not expected sources of future taxable income sufficient to conclude it is more likely than not that the benefit of the deferred tax assets will be realized. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in income in the period that includes the enactment date.

Dental reports a liability or reduction of deferred tax assets for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. Related interest and penalties, if any, are recognized in income tax expense.

Dental has recorded deferred income and withholding taxes (net of tax credits, as applicable) on outside basis differences in foreign operations. Other than for the US jurisdiction, and for other basis differences in all jurisdictions, Dental has determined the unremitted earnings of its operations outside of the UK are not indefinitely reinvested and accordingly, has recognized corresponding deferred tax liabilities on the underlying taxable temporary differences.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which results in the removal of certain exceptions to the general principles of ASC 740 and simplifies other aspects of the accounting for income taxes. For private Companies this ASU is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Dental is still assessing the impact of this guidance on its consolidated financial statements.

(in thousands of dollars except share amounts)

3. Assets Held for Sale and Divestitures

On December 22, 2021, the Company entered into a definitive Stock and Asset Purchase Agreement ("SAPA") to sell the scanning product line ("Scanning business"), a component of the equipment reporting unit, for a purchase price of $600 million on a cash free, debt free basis. Under the terms of the SAPA, the Company will transfer certain intellectual property and other intangible assets, and various tangible assets relating to the Scanning business, including but not limited to, inventory, demonstration units, intangible assets, and various customer contracts. The Buyer will also be assuming certain liabilities related to the Scanning business, including future service obligations related to warranty contracts, employee related liabilities for employees being transferred, and accounts payable, which will be transferred via stock sales. The transaction closed on April 20, 2022.

In contemplation of the transaction noted above, certain net assets have met the held for sale criteria as of December 31, 2021. The carrying value of assets held for sale consists of the following:

		2021
Assets		
Accounts receivable, net	$	623
Inventories, net		4,282
Other current assets		206
Property, plant and equipment, net		1,010
Goodwill		110,726
Other long-term assets, net		120
Assets held for sale	$	116,967
Liabilities		
Trade accounts payable	$	494
Accrued liabilities		
Employee related		4,472
Other		172
Contract liabilities		7,045
Other long-term liabilities		22
Pension		470
Liabilities held for sale	$	12,675

In December 2021, in conjunction with the classification of certain assets held for sale and the allocation of a portion of the equipment reporting unit goodwill to the Scanning business based on relative fair value, Dental reassessed the carrying value of its long-lived assets and goodwill for impairment. The estimated fair value of the Scanning business, less costs to sell, exceeded the carrying value of the business as of December 31, 2021, including the goodwill allocated to the Scanning business, indicating no impairment. Goodwill not allocated to assets held for sale remains in the equipment reporting unit.

(in thousands of dollars except share amounts)

4 Revenue from Contracts with Customers

Disaggregation of Net Sales

The following tables disaggregate the Company's net sales by major product lines and by timing of revenue recognition.

	Year Ended December 31, 2021		
	Equipment	Software	Total
Point in time	$ 335,625	$ 26,102	$ 361,727
Over time	23,800	84,861	108,661
	$ 359,425	$ 110,963	$ 470,388

	Year Ended December 31, 2020		
	Equipment	Software	Total
Point in time	$ 216,345	$ 21,923	$ 238,268
Over time	21,132	78,766	99,898
	$ 237,477	$ 100,689	$ 338,166

5. Accounts Receivable

Trade receivables as of December 31, 2021 and 2020 were $64,517 and $57,344, net of allowance for doubtful accounts of $2,630 and $3,301, respectively. Included in the total net receivable balances are $5,042 and $3,282, respectively, for customer rebates expected to be settled through customer deductions in lieu of cash payments as of December 31, 2021 and 2020. The accounts receivable balance at December 31, 2021, excludes amounts reclassified to assets held for sale (Note 3).

6. Inventories

	December 31,	
	2021	2020
Finished goods	$ 17,729	$ 12,903
Work in process	3,102	3,259
Raw materials	6,798	11,544
Total inventories	$ 27,629	$ 27,706

Aggregate reductions in the carrying value related to excess, obsolete or slow-moving inventory or that had a carrying value in excess of market were $4,924 and $4,781 at December 31, 2021 and 2020, respectively. The inventory balance at December 31, 2021, excludes amounts reclassified to assets held for sale (Note 3).

(in thousands of dollars except share amounts)

7. Property, Plant and Equipment, net

	December 31, 2021	December 31, 2020
Machinery and equipment	$ 28,078	$ 35,742
Leasehold improvements	8,389	9,140
Construction-in-progress	204	121
	36,671	45,003
Accumulated depreciation	(25,413)	(27,147)
Property, plant and equipment, net	$ 11,258	$ 17,856

Depreciation expense for Dental was $7,672 and $10,050 for the years ended December 31, 2021 and 2020, respectively, and is included in cost of goods sold and selling, general and administrative expenses on the Consolidated Statements of Comprehensive Loss. The property, plant and equipment balance on the Consolidated Balance Sheets at December 31, 2021, excludes amounts reclassified to assets held for sale (Note 3).

8. Goodwill and Other Intangible Assets, net

Total goodwill and change in the carrying amount of goodwill for the years ended December 31, 2021 and 2020 were as follows:

Balance at December 31, 2019	$ 482,738
Currency translation adjustment	13,845
Balance at December 31, 2020	496,583
Currency translation adjustment	(10,131)
Reclassified to assets held for sale	(110,726)
Balance at December 31, 2021	$ 375,726

The goodwill balance remaining for the equipment reporting unit was tested for impairment at December 31, 2021 following the goodwill reallocation for the sale of the Scanning business. The estimated fair value of the equipment reporting unit exceeded the carrying value of the business as of December 31, 2021, indicating no impairment.

(in thousands of dollars except share amounts)

A schedule of activity for the definite lived intangible assets by major category is as follows:

	Customer Relationships	Developed Technology	Trademark/ Trade Names	Total
Balances at December 31, 2019	$ 115,483	$ 106,797	$ 15,399	$ 237,679
Amortization	(15,088)	(32,184)	(954)	(48,226)
Currency translation	1,292	3,601	603	5,496
Balances at December 31, 2020	101,687	78,214	15,048	194,949
Amortization	(15,088)	(31,695)	(936)	(47,719)
Currency translation	(686)	(1,948)	(398)	(3,032)
Balances at December 31, 2021	$ 85,913	$ 44,571	$ 13,714	$ 144,198
Weighted avg remaining amortization years	7.04	2.74	15.87	

Amortization expense related to intangible assets was $47,719 and $48,226 for the years ended December 31, 2021 and 2020, respectively.

Estimated future amortization expense related to intangible assets at December 31, 2021 is as follows:

2022	$ 41,317
2023	22,360
2024	17,173
2025	16,720
2026	11,577
Thereafter	35,051
	$ 144,198

9. Debt

On September 1, 2017, the Company executed a First Lien Credit Agreement (the "First Lien Credit Agreement") which provides the Company with access to an $80,000 revolving credit facility (the "First Lien Revolving Facility") and a $375,000 term loan facility (the "First Lien Term Loans"). The Company also executed a Second Lien Credit Agreement dated September 1, 2017 (the "Second Lien Credit Agreement") which provides the Company with access to a $165,000 term loan facility (the "Second Lien Term Loans"). There are no third-party guarantors of the Company's debt holdings. Additionally, the Company was in compliance with all debt covenant requirements as of December 31, 2021 and 2020.

The obligations under the First Lien Credit Facility are collateralized by substantially all of the assets of Carestream Dental Technology Parent Limited and the subsidiary guarantors and the capital stock of Carestream Dental Technology Parent Limited held by Carestream Dental Technology Holdings 2 Limited. The First Lien Credit Facility is senior to all junior lien debt. The obligations under the Second Lien Credit Facility are collateralized by substantially the same collateral as under the First Lien and the liens are subordinated to the liens collateralizing the First Lien Obligations, subject to the provisions of the Base Intercreditor Agreement. The Obligations under the Second Lien Credit Facility are senior to the Borrower's junior lien debt.

(in thousands of dollars except share amounts)

On November 23, 2021, the Company executed an amendment to the First Lien Credit Agreement and the Second Lien Credit Agreement. The Company received $335,000 and $160,000 in a Tranche B First Lien Term Loan and a Tranche B Second Lien Term Loan, respectively. The Company also increased its First Lien Revolving Facility by $20 million, from $80 million to $100 million. The Trance B First Lien and Second Lien Term Loans were issued at original issue discounts ("OID") of 99.0% and 98.5%, respectively. The Company incurred approximately $14,900 in debt issuance costs and First Lien Revolving Facility fees (including $5,800 in OID), which were recorded to long-term debt and other current assets in the Consolidated Balance Sheets, respectively, resulting in net cash proceeds of $480,551. The Company wrote-off $1,929 in Second Lien Term Loan OID and deferred financing costs in relation to a prepayment of the Second Lien Term Loan totaling $65,000 during 2021, which were recorded to interest expense, net in the Consolidated Statement of Comprehensive Loss. The net cash proceeds, along with operating cash flows, were used to pay a dividend to the Company's shareholders in the amount of $495,000.

Revolving Credit Facility
The First Lien Revolving Facility matures on June 2, 2024. Any loans under the facility can be Eurodollar Loans, ABR Loans, BA Equivalent Loans, or Canadian Primate Rate Loans. Each Eurodollar Loan bears interest at a per annum rate equal to the Adjusted LIBOR Rate plus the Applicable Margin (initially equal to 4.25% per annum). Each ABR Loan bears interest at a per annum rate equal to the Alternate Base Rate plus Applicable Margin (initially equal to 3.25% per annum). Each BA Equivalent Loan bears interest at a per annum rate equal to the BA Rate plus Applicable Margin (initially equal to 4.25% per annum). Each Canadian Prime Rate Loan bears interest at a per annum rate equal to the Canadian Prime Rate plus applicable Margin (initially equal to 3.25% per annum). As of December 31, 2021 and 2020, there were no outstanding borrowings under the revolving line of credit.

First Lien Term Loan
The First Lien Term Loan matures on September 1, 2024. Any loans under the facility can be Eurodollar Loans or ABR Loans. Each Eurodollar Loan bears interest at a per annum rate equal to the Adjusted LIBOR Rate plus the Applicable Margin (initially equal to 3.25% per annum). Each ABR Loan bears interest at a per annum rate equal to the Alternate Base Rate plus Applicable Margin (initially equal to 2.25% per annum). Upon execution, the Company drew down the full amount on the term loan facility under the First Lien Credit Agreement.

Tranche B First Lien Term Loan
The Tranche B First Lien Term Loan matures on September 1, 2024. Any loans under the facility can be Eurodollar Loans or ABR Loans. Each Eurodollar Loan bears interest at a per annum rate equal to the Adjusted LIBOR Rate plus the Applicable Margin (initially equal to 4.50% per annum). Each ABR Loan bears interest at a per annum rate equal to the Alternate Base Rate plus Applicable Margin (initially equal to 3.50% per annum). Upon execution, the Company drew down the full amount on the term loan facility under the Tranche B First Lien Credit Agreement.

Second Lien Term Loan
The Second Lien Term Loan matures on September 1, 2025. Each Eurodollar Loan bears interest at a per annum rate equal to the Adjusted LIBOR Rate plus Applicable Margin (equal to 8% per annum) and each ABR Rate Loan bears interest at a per annum rate equal to the Alternate Base Rate plus Applicable Margin (equal to 7% per annum). Upon execution, the Company drew down the full amount on the term loan facility under the Second Lien Credit Agreement.

(in thousands of dollars except share amounts)

Tranche B Second Lien Term Loan
The Tranche B Second Lien Term Loan matures on September 1, 2025. Each Eurodollar Loan bears interest at a per annum rate equal to the Adjusted LIBOR Rate plus Applicable Margin (equal to 8% per annum) and each ABR Rate Loan bears interest at a per annum rate equal to the Alternate Base Rate plus Applicable Margin (equal to 7% per annum). Upon execution, the Company drew down the full amount on the term loan facility under the Tranche B Second Lien Credit Agreement.

Debt Issuance Costs
Debt issuance costs associated with the revolver were $720 and $654 at December 31, 2021 and 2020, respectively, and are recorded in other long term-assets on the Consolidated Balance Sheets. These costs are amortized using the straight-line method. Amortization of revolver issuance costs is included in interest expense, net on the Consolidated Statements of Comprehensive Loss and was $385 and $393 for the years ended December 31, 2021 and 2020, respectively.

Debt issuance costs associated with the term loans are amortized using the effective interest rate method, over the term of the related debt and are reflected as a direct reduction of long-term debt on the Consolidated Balance Sheets. Debt issuance costs net of amortization were $20,997 and $11,171 at December 31, 2021 and 2020, respectively. Amortization of debt issuance costs is included in interest expense, net on the Consolidated Statements of Comprehensive Loss and was $2,694 and $2,331 for the years ended December 31, 2021 and 2020, respectively.

Long-term debt as of December 31, 2021 and 2020 was comprised of the following:

	2021	2020
First Lien term loan - Tranche A	$ 359,063	$ 362,813
First Lien term loan - Tranche B	335,000	-
Second Lien term loan - Tranche A	100,000	165,000
Second Lien term loan - Tranche B	160,000	-
Carrying value of long-term debt	954,063	527,813
Unamortized debt issuance costs on First Lien term loans	13,239	5,936
Unamortized debt issuance costs on Second Lien term loans	7,758	5,235
Less: Total unamortized debt issuance costs	20,997	11,171
Current portion of debt - principal	22,100	3,750
Current portion of debt - debt issuance costs	(4,908)	(2,465)
Less: Total current portion	17,192	1,285
Long term debt	$ 915,874	$ 515,357
Debt issuance costs - First Lien revolver	$ 720	$ 654

(in thousands of dollars except share amounts)

Aggregate minimum principal maturities on long-term debt as of December 31, 2021 were as follows:

	Minimum Principal Maturities		
	First Lien Term Loans	Second Lien Term Loans	Total
2022	$ 22,100	$ -	$ 22,100
2023	7,100	-	7,100
2024	664,863	-	664,863
2025	-	260,000	260,000
	$ 694,063	$ 260,000	$ 954,063

10. Operating Leases

Rent expense, including operating expenses, totaled $3,441 and $3,847 for the years ended December 31, 2021 and 2020, respectively. Minimum lease commitments, based on contractually required cash payments, under noncancelable leases as of December 31, 2021 are as follows:

	Amount
2022	$ 3,296
2023	2,896
2024	2,265
2025	1,750
2026	1,519
Thereafter	4,178

The Company has no lease commitments beyond 2029.

11. Commitments and Contingencies

Legal and Regulatory Matters
Dental is involved in a variety of claims, suits, investigations and proceedings that arise from time to time in the ordinary course of its business, including actions with respect to contracts, intellectual property, product liability and employment.

Many of Dental's products are subject to regulation by governmental authorities in the U.S. and other markets. These authorities, including the U.S. Food and Drug Administration, require extensive testing of new products prior to sale and have jurisdiction over the safety, efficacy and manufacturing of products, as well as product labeling and marketing. In most cases, significant resources must be spent to bring a new product to market in compliance with these regulations. The regulation of medical devices, both in the U.S. and in other markets, has historically been subject to change. Delays in the regulatory approval process may result in delays in coming to market with new products and extra costs to satisfy regulatory requirements.

(in thousands of dollars except share amounts)

There are no matters pending representing contingent losses that Dental expects to be material in relation to Dental's business, financial position, results of operations or cash flows.

Other Commitments and Contingencies
Dental has unconditional purchase obligations with several companies, which provide the Company with products and services to be used in its normal operations. Contractually required total future commitments as of December 31, 2021 are as follows:

		Amount
2022	$	15,968
2023		7,256
	$	23,224

The Company entered into compensation arrangements with a former owner of Swissmeda which provides future cash payments contingent upon maintaining two years of employment and Swissmeda reaching certain future revenue levels. For the year ended December 31, 2021, $2,500 was recorded in accrued employee related liabilities related to these arrangements. The potential maximum future cash payments under the arrangements are $3,230 for the years 2022 through 2024.

12. Indemnifications

Dental issues indemnifications in certain instances and in the ordinary course of business with its customers, suppliers, service providers and business partners. The Company believes any potential costs incurred to settle claims related to these indemnifications are immaterial to Dental's financial position, results of operations and cash flows. There were no accruals arising from indemnifications as of December 31, 2021 or 2020.

13. Income Taxes

The components of income/(loss) before income taxes for the years ended December 31, 2021 and 2020, and the related provision for income taxes were categorized by jurisdictions as follows:

		2021		2020
Income/(losses) before provision for income taxes				
United Kingdom	$	38,824	$	(13,754)
Outside United Kingdom		(12,115)		(17,266)
	$	26,709	$	(31,020)

(in thousands of dollars except share amounts)

The provision for (benefit from) income taxes for the years ended December 31, 2021 and 2020, was categorized by jurisdiction as follows:

	2021	2020
Expense/(benefit) from provision for income taxes		
Current		
United Kingdom	$ 6,655	$ (714)
Outside United Kingdom	6,396	3,729
	13,051	3,015
Deferred		
United Kingdom	(269)	(75)
Outside United Kingdom	(6,783)	(3,026)
	(7,052)	(3,101)
Total expense/(benefit) from income taxes	$ 5,999	$ (86)

Dental is legally formed in the United Kingdom ("UK") and is therefore subject to a statutory rate of 19 percent. The reconciling items between income tax computed at the UK statutory rate and the (provision for) or benefit from income taxes for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
UK statutory rate	19.0 %	19.0 %
Foreign rate differential	(2.8)	0.4
Tax on remitted and unremitted earnings	3.7	0.0
Valuation allowance	9.3	(24.5)
Stock compensation	(11.0)	0.0
Changes in tax law	1.4	(0.4)
Provision to return adjustments	0.8	2.1
R&D credit	(1.2)	0.4
Other	3.3	3.3
Effective tax rate	22.5 %	0.3 %

Dental operates in locations outside the UK, including the US and France, which have higher statutory rates than the UK, resulting in a benefit to the income tax provision of 2.8 percent and 0.4 percent for the years ended December 31, 2021 and 2020, respectively.

Dental recognized income tax expense due to distribution of profits as part of the $495,000 dividend, discussed further in Note 9, as well as recording deferred income tax expense on unremitted earnings in China where the Company could no longer make an indefinite reinvestment assertion, resulting in a detriment of 3.7 percent for the year ended December 31, 2021.

(in thousands of dollars except share amounts)

As a result of the make whole payment for vested options, discussed further in Note 15, the Company recognized a benefit to the income tax provision of 11.0 percent for the year ended December 31, 2021. Amounts related to stock compensation in prior years were not material and are recorded in "Other" or "Provision to return adjustments" in the effective tax rate reconciliation.

Loss and interest related carryforwards in certain jurisdictions, predominantly one of the two US filing jurisdictions, are not currently benefited through the recording of valuation allowance, as it is more likely than not the associated deferred tax asset will not be realized in the foreseeable future.

The significant components of deferred income tax assets and liabilities at December 31, 2021 and 2020 were as follows:

	2021	2020
Deferred tax assets		
Net operating loss carryforward	$ 2,602	$ 4,756
Interest related carryforward	19,594	16,119
Property, plant and equipment	996	854
Deferred compensation	3,034	1,914
Other	3,816	1,762
Intangibles	1,038	786
Contract liabilities	3,121	3,068
Pension related liabilities	5,310	5,908
Total deferred tax assets	39,511	35,167
Valuation allowance	(29,417)	(26,919)
Net deferred tax assets	10,094	8,248
Deferred tax liabilities		
Intangibles	(18,598)	(23,532)
Other	(1,859)	(1,821)
Total deferred tax liabilities	(20,457)	(25,353)
Net deferred tax liabilities	$ (10,363)	$ (17,105)

Dental subsidiaries in the US contributed their operating assets and liabilities to a captive partnership in 2018, including the related tax basis differences for those assets, which are included in the deferred tax table above.

Dental UK is expected to use all operating loss carryforwards in 2021. Dental has non-UK operating losses of $8,886 for which $4,946 do not expire and $3,940 expire starting in 2028. Losses incurred in certain jurisdictions, are not currently benefited, as it is more likely than not the associated deferred tax asset will not be realized in the foreseeable future.

(in thousands of dollars except share amounts)

Dental has performed an assessment of positive and negative evidence with respect to the realization of deferred tax assets. This assessment included an evaluation of taxable income in prior carryback years, expected reversals of deferred income tax assets and liabilities, tax planning strategies, and estimates of projected future taxable income. In 2021 due to increased profitability Dental released the valuation allowance for the UK. Dental's valuation allowance, predominantly related to loss and interest carryforwards, was $29,417 and $26,919 as of December 31, 2021 and 2020, respectively.

Unrecognized Tax Benefits
As of December 31, 2021 and 2020, no uncertain tax positions have been recorded. Interest and penalties related to the settlement of uncertain tax positions, if any, will be reflected in income tax expense. The Company did not recognize any interest or penalties associated with unrecognized tax benefits in the accompanying consolidated financial statements. The Company does not expect any material changes to the unrecognized benefits within 12 months of the balance sheet date.

Dental files income tax returns in the UK and in numerous jurisdictions outside of the UK. Dental is subject to HMRC and non-UK tax authority examination by tax authorities for the periods ending December 31, 2015 through December 31, 2020. At December 31, 2021 and 2020 there were no ongoing tax authority examinations.

Effects of the US Tax Cuts and Jobs Act
The Tax Act revised and broadened the existing interest expense limitation rules within Section 163(j), as modified for tax years beginning after December 31, 2017, to generally limit net business interest expense deductions to 30% of adjusted EBITDA. The Company has significant net interest expense in the US filing groups that is subject to Section 163(j) limitation resulting in deferred tax assets which were subject to a full valuation allowance as the Company expected to be in this limitation for the foreseeable future. For one US Group the Company reassessed the ability to realize the assets in 2019 and released the valuation allowance. For the years ended December 31, 2021 and 2020 the Company had valuation allowances of $16,516 and $13,904, respectively, related to interest expense limitations under Section 163(j).

Dental assessed other significant provisions of the Tax Act including Global Intangible Low-Taxed Income (GILTI) and base erosion anti-abuse tax ("BEAT"), concluding that these do not have a material impact based on the current structure.

Effects of Tax Legislation in 2021
The UK enacted from April 1, 2023, an increase from 19% to 25% in the main rate of corporation tax which resulted in the Company recording a net increase to deferred tax liabilities of approximately $400 with corresponding increased to tax expense.

Effects of Tax Legislation in 2020 related to COVID-19
Dental treated tax legislation passed in 2020 related to COVID-19 pandemic as a subsequent event (conditions that did not exist at the date of the balance sheet in 2019) and thus did not include the impacts in the 2019 financial statements. There were significant changes related to the UK and US that were recorded in the 2020 tax amounts. The UK Budget in March 2020 suspended the scheduled reduction in the corporate tax rate from 19% to 17% indefinitely which resulted in the Company recording an increase to deferred tax liabilities of approximately $219 with corresponding increased to tax expense. The US enacted the Coronavirus Aid, Relief, and

(in thousands of dollars except share amounts)

Economic Security ("CARES") Act in response to the COVID-19 pandemic, which includes changes to net operating loss use and carryback as well as modifying the Section 163(j) limitation to 50% of adjusted EBITDA through 2020. The Company recorded the benefit from this through the provision to return adjustment in 2020, by reducing the current US tax payable by approximately $1,609, and increasing the deferred tax liability by approximately $1,223, with the difference being a change in the valuation allowance.

14. Retirement Plans

Certain of Dental's employees outside of the U.S. participate in defined benefit pension plans (the "Plans") sponsored by Dental.

The measurement date used to determine the pension obligation is December 31. Information regarding the funded and unfunded status is as follows:

	2021	2020
Change in benefit obligation		
Projected benefit obligation at beginning of period	$ 22,140	$ 19,527
Service cost	718	655
Interest cost	136	169
Net transfers	76	-
Benefit payments	(177)	(73)
Actuarial gain	(1,080)	(103)
Foreign currency exchange rate changes	(1,696)	1,965
Projected benefit obligation at end of period	20,117	22,140
Liabilities held for sale reclassification	(470)	-
Projected benefit obligation at end of period	19,647	22,140
Change in plan assets		
Fair value of plan assets at beginning of period	1,435	1,271
Actual return on plan assets	48	41
Employer contributions	154	69
Benefit payments	(177)	(73)
Foreign currency exchange rate changes	(111)	127
Fair value of plan assets at end of period	1,349	1,435
Funded status at end of period	$ 18,298	$ 20,705

(in thousands of dollars except share amounts)

The following is a schedule of all pension related activity reflected in accumulated other comprehensive loss for 2021 and 2020:

	2021	2020
Accumulated other comprehensive loss at beginning of period	$ (1,392)	$ (1,264)
Changes in accumulated other comprehensive income (loss)		
Actuarial gain (loss) - current year	1,083	(20)
Reclassifications out of accumulated other comprehensive income (loss)		
Amortization of prior service cost	(817)	(719)
Amortization of actuarial gain	714	611
Total change in other comprehensive loss	980	(128)
Currency adjustment	57	-
Accumulated other comprehensive loss at end of period	$ (355)	$ (1,392)
Amount recognized in accumulated other comprehensive loss		
Actuarial loss	$ 2,368	$ 3,413
Prior service expense	(2,723)	(4,805)
Total accumulated other comprehensive loss at end of period	$ (355)	$ (1,392)
Amounts recognized in the consolidated balance sheets		
Current liabilities	$ 945	$ 791
Noncurrent liabilities	17,353	19,914
Funded status at end of period	$ 18,298	$ 20,705

The accumulated benefit obligation as of December 31, 2021 and 2020 was as follows:

	2021	2020
Accumulated benefit obligation	$ 17,937	$ 19,523

The weighted-average assumptions used to determine the accrued benefit obligation amounts as.of the end of 2021 were as follows:

Discount rate	1.08 %
Salary increase rate	1.89 %

(in thousands of dollars except share amounts)

The components of net periodic pension expense for the Dental Plans in 2021 and 2020 were as follows:

	2021	2020
Operating - service cost	$ 718	$ 655
Nonoperating		
Interest cost	136	169
Expected return on plan assets	(44)	(38)
Amortization of prior service cost	(817)	(719)
Net actuarial losses	714	611
Net periodic pension cost	$ 707	$ 678

The nonoperating components of net periodic pension expense have been included as part of other (income) loss in the Consolidated Statements of Comprehensive Loss.

The estimated actuarial loss that will be amortized from accumulated other comprehensive loss into net periodic pension expense over the next fiscal year is $419. The prior year service credit that will be amortized from accumulated other comprehensive loss into net periodic pension expense over the next fiscal year is $783.

The weighted-average assumptions used to determine net periodic pension expense were as follows:

Discount rate	0.67 %
Salary increase rate	1.89 %
Expected long-term rate of return on plan assets	3.43 %

The expected return on plan assets for Dental Plans was 3.43% and 0.87% for 2021 and 2020, respectively. In evaluating the expected return on plan assets, the Company considered its historical assumptions compared with actual results, an analysis of current market conditions, asset allocations and the views of advisors.

The asset allocations and expected return on plan assets are individually set to provide for benefits included in the projected benefit obligation within each country's legal investment constraints. Due to the diverse nature of the Dental Plans, there are no target allocations. All of the plan assets are with insurance companies to provide for the long-term liabilities while maintaining sufficient liquidity to pay current benefits.

Insurance contracts are designed to fund participants' expected benefits, and in certain circumstances provide a return if the performance of underlying assets exceed a benchmark. Valuations are obtained from the insurance brokers, which typically represents significant unobservable data. As such, these investments are classified as Level 3 assets within the fairvalue hierarchy.

Additional contributions of $1,040 are expected to be made to the Dental Plans in 2022.

(in thousands of dollars except share amounts)

The following pension benefit payments, which reflect expected future service, are expected to be paid:

		Amount
2022	$	959
2023		586
2024		611
2025		790
2026		1,180
2027-2032		4,258

Defined Contribution Plans
Dental also maintains defined contribution savings plans in various countries. The total matching and discretionary contribution expense to Dental related to the plans for the years ended December 31, 2021 and 2020 was $1,904 and $1,484, respectively.

15. Stock-Based Compensation Plans

Carestream Dental Alpha Limited Equity Incentive Plan
On March 20, 2018, the Board of Directors (the "Board") of the Company approved the Carestream Dental Alpha Limited Equity Incentive Plan ("MEP") and approved various grant options. The MEP is offered to certain employees of Dental selected by the Board and certain nonemployee board members of Carestream Dental Holdings Limited, the parent of the Company("Holdings Board"). The Company issued a total of 4,321,631 shares of common stock under the MEP.

The MEP allows for the granting of employee stock purchase plan ("ESPP") awards, which represent the right for an employee to purchase a pre-approved number of shares of the Company, and stock options. Grants of equity-based awards under the MEP and approval for key employees or certain Holdings Board members to receive stock-based compensation are both approved in advance by the Board, and are subject to such terms and conditions as the Board may determine, including in respect of vesting and forfeiture, subject to certain limitations provided in the MEP. Equity-based awards under the MEP may carry dividend equivalent rights, pursuant to which notional dividends accumulate on unvested equity awards and are paid, in cash, upon vesting.

During the years ended December 31, 2021 and 2020, the Company awarded stock options and ESPP awards to its employees and Holdings Board directors under the MEP. ESPP awards granted are set with a purchase price equal to the most recent equity valuation approved by the Board. The shares are of the same class held by Carestream Dental Alpha, LP in which the Investors, affiliates of CD&R and Hillhouse, hold equity. The exercise price of options is also set with the same values as purchased shares. Except under certain termination conditions, including change in control provisions, options granted to key employees will have the vesting period of five years with the vesting of 20% on the anniversaries of the Grant Date. Options that have not vested prior to an employee's termination of employment will be cancelled and forfeited. The options have 10-year term and expire on the 10th anniversary of the date granted.

If an award under the MEP is forfeited, expired, terminated or otherwise lapses, the related shares of the Company common stock underlying that award will again become available for issuance.

(in thousands of dollars except share amounts)

Shares withheld by the Company to pay employee taxes, or which are withheld by or tendered to the Company to pay exercise price of stock options (or are repurchased from an option holder by the Company with proceeds from the exercise of stock options) are available for reissuance.

Nonemployee Director and Consultant Incentive Plan
The Company offers equity-based awards to Holdings Board nonemployee directors and to consultants under the MEP. During the years ended December 31, 2021 and 2020, 4,367 and 3,997 restricted stock units were awarded to a nonemployee director, respectively. These restricted stock units vest equally over a three year period from the grant date. During the year ended December 31, 2021, 8,500 restricted stock units were awarded to a consultant, which vest equally over a five year period from the grant date.

Stock Options
Stock options are offered to certain management employees and Holdings Board nonemployee directors. Stock options are vested over five years from the grant date. The fair value of stock options was estimated using the Black-Scholes option pricing model. The following is a summary of the average assumptions used in this model for the stock options granted in 2020. There were no stock options granted in 2021.

		2020
Summary of assumptions		
Volatility (as a percentage)		65.10 %
Expected term (in years)		4.000
Strike price	$	11.16
Risk-free interest rate		0.98 %
Expected dividend yield		-
Weighted average estimated fair value	$	6.12

The vesting of stock options is contingent upon the employee's continued employment. As of December 31, 2021, the Company assumed for purposes of the award's fair value that such conditions would be met in full prior to such date. The Company utilized the simplified method for the expected term calculations. At the time of grant, the Company did not have historical exercises on which to base its own estimate. Additionally, exercise data relating to employees of comparable companies was not easily obtainable. Furthermore, because the Company did not have historical stock prices for a period at least equal to the expected term, the Company estimated volatility using an average mean consisting of historical peer group volatility. The contractual term for exercising the options is ten years.

(in thousands of dollars except share amounts)

The following table summarizes stock option activity.

	Number of Options	Weighted Average Exercise Price		Fair Value
December 31, 2019	2,414,852	$ 10.05		$ 12,015
Granted	1,118,634	11.59		6,612
Exercised	(112,644)	10.00		(598)
Forfeited	(105,300)	10.00		(500)
December 31, 2020	3,315,542	10.58		17,529
Granted	-	-		-
Exercised	(25,680)	10.00		(129)
Forfeited	(77,453)	11.54		(452)
December 31, 2021	3,212,409	$ 4.40	*	$ 16,948

* See stock option modification description below for revaluation of exercise price.

The number of options vested as of December 31, 2021 and 2020 was 1,805,178 and 1,381,748, respectively. The cumulative total grant date fair value of options vested for the year ended December 31, 2021 was $10,001.

The total future compensation cost related to nonvested awards as of December 31, 2021 is $6,947. The future compensation cost is expected to be recognized over 3 years on a weighted average basis.

Stock Option Modification
As a result of the $495,000 dividend (refer to Note 9), and the resulting decrease in the estimated equity value of the Company, stock option holders experienced a reduction in the estimated value of their stock options issued under the MEP. The Company calculated a pre-dividend and post-dividend valuation of the Company to quantify the impact of the dividend payment on the estimated equity value of the Company. The Board approved the pre-dividend and post-dividend equity values, which decreased the Company's equity value per share from $33.30 per share prior to paying the dividend, to $17.61 per share subsequent to paying the dividend, a $15.69 per share reduction. The Company made a "make whole" payment for vested options to each stock option holder for $15.69 per share in December 2021 totaling $18,029. There was no additional compensation expense recorded as a result of the make whole payment for vested options. For unvested stock options, a deferred cash payment will be made, only payable upon change of control, for $15.69 multiplied by the number of unvested stock options as measured in December 2021. Total deferred compensation related to the unvested portion of stock options amounts to $13,300. At December 31, 2021, the Company assessed the probability of change of control as remote. As a result of the stock option modification, all outstanding stock options were revalued with an exercise price of $4.40 in December 2021.

(in thousands of dollars except share amounts)

Stock Purchase Plan
The Company offers ESPP under the MEP for key Dental employees pre-approved by the Board that allows the purchase of shares.

The following table summarizes stock purchase plan activities under the MEP for the period indicated:

	2021	2020
Weighted average price per share	$ -	$ 10.00
MEP shares purchased	-	10,000
MEP shares repurchased	-	(27,500)
	-	(17,500)

16. Accumulated Other Comprehensive Income (Loss)

The components of Accumulated Other Comprehensive Income (Loss) as of December 31, 2021 and 2020 were as follows:

	2021	2020
Foreign currency translation adjustment	$ (11,377)	$ 10,758
Defined benefit plan, net of tax expense of $311 and $13	(267)	(993)
	$ (11,644)	$ 9,765

17. Related Party Transactions

The Company has entered into a consulting agreement with CD&R, whereby CD&R provides various support and consulting services to enhance the operational and financial performance of the Company. The fees and expenses paid for these services were $1,678 and $1,237 for the years ended December 31, 2021 and 2020, respectively.

18. Subsequent Events

Management has evaluated events occurring subsequent to December 31, 2021 through August 2, 2022, which is the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no items identified for recognition or disclosure except for the following:

Debt transactions
On March 31, 2022, the Company made regularly scheduled amortization payments of $937 and $837 on the Tranche A First Lien Term Loan and Tranche B First Lien Term Loan, respectively.

On April 19, 2022, the Company made a principal prepayment of $15,000 on the Tranche B First Lien Term Loan.

(in thousands of dollars except share amounts)

On April 22, 2022, in conjunction with the closing of the sale of the Scanning business, the Company made mandatory principal payments of $99,507 and $88,681 on the Tranche A First Lien Term Loan and Tranche B First Lien Term Loan, respectively. The resulting remaining outstanding principal balance of the Tranche A First Lien Term Loan and Tranche B First Lien Term Loan was $258,618 and $230,481, respectively.

Scanning Business Sale
On April 20, 2022, as discussed in Note 3, the sale of the Scanning business closed in accordance with the SAPA.

CareCapital Transaction
On March 31, 2022, the Company entered into an asset and liability transfer agreement with CareCapital (a related party) to purchase certain imaging assets and liabilities from Carestream Dental Technology Shanghai Co., Ltd. for a purchase price of RMB 10,000. On April 1, 2022, the Company also entered into a Memorandum or Understanding, Distribution Agreement and Service Agreement with CareCapital for the related party to become a distributor for imaging equipment in China.

Shareholders Dividends
On May 27, 2022, the Company paid a dividend to shareholders in the amount of $300,000. As a result of the dividend the Company made a "make whole" payment for vested options to option holders for the impact on equity related to the aforementioned dividend totaling $14,718.