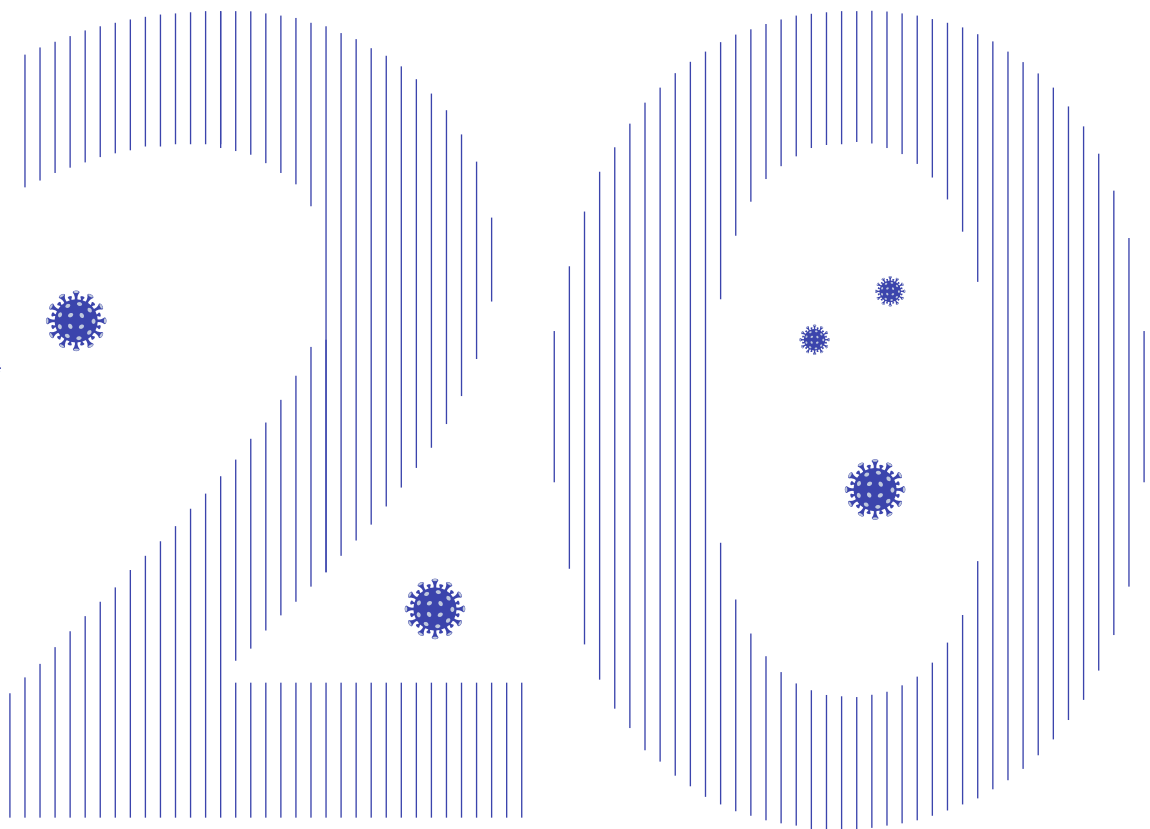


Infection Control

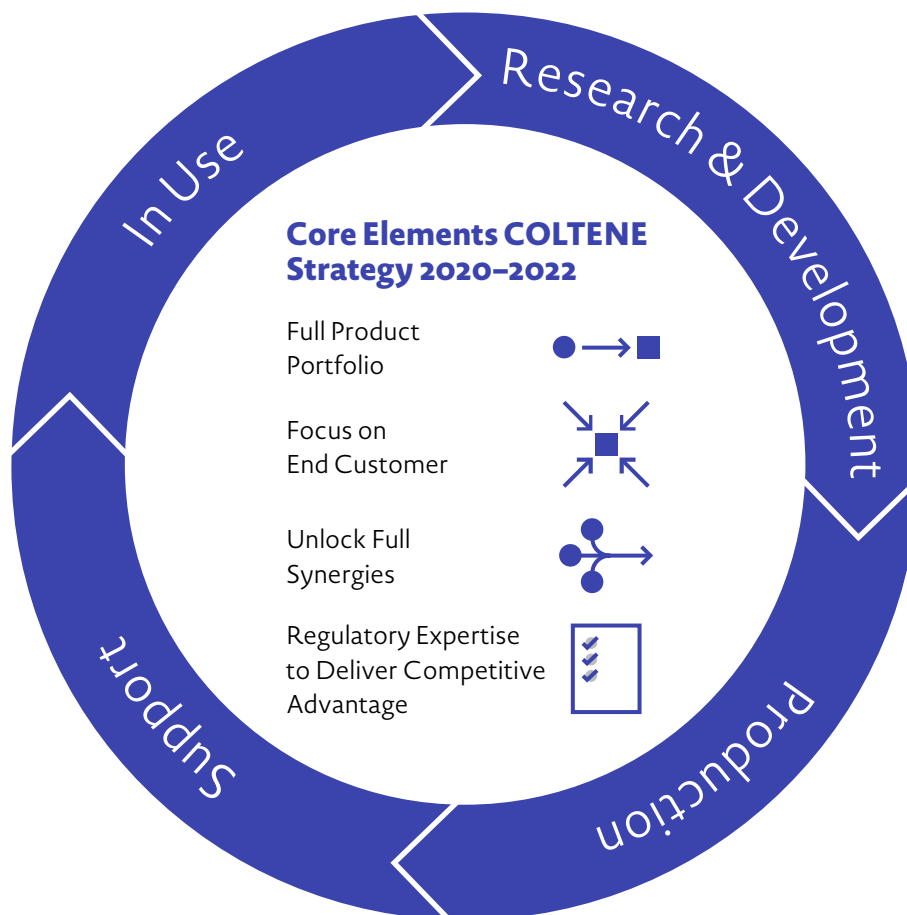
Annual Report 2020



COLTENE Emerges Stronger from the Pandemic

The healthcare market is one of the fastest growing sectors of the economy globally. Even so, the coronavirus pandemic had a bruising impact on the dental industry. COLTENE recorded a major slump in second-quarter demand as dental practices in nearly every part of the world were forced to halt most of their activities for several weeks. The extraordinary business environment of 2020 vindicated the strategy COLTENE rolled out in 2019, its four core elements being to provide a complete product portfolio, focus on the end customer, fully unlock synergies and build regulatory expertise. For more on how the Group realigned the strategy with the changing environment, see Focus on pages 16 to 21, which this year offers insights into Marketing, Sales and Research and Development.

This year's photo story showcases the "stars of the pandemic," providing an up-close look at a range of Infection Control products.



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Product Overview

The COLTENE Group divides its comprehensive product range into three product groups: Infection Control, Dental Preservation, and Efficient Treatment.

Infection Control

38 %

COLTENE offers cleaning, sterilization and disinfection products for reusable dental instruments and dental practice surfaces. Examples of its comprehensive range of products in Infection Control are state-of-the-art ultrasonic cleaning units and solutions, washers, thermal disinfection equipment and autoclaves, and premium disinfectant wipes for all dental practice surfaces.



Dental Preservation

Restoration, Endodontics

27 %

With its restorative and endodontic systems to conserve vital and non-vital tooth enamel, COLTENE offers a wide variety of products for lasting tooth preservation, from the crown to the root. Its attractive range of preservation products includes premium bonding solutions, composites, root canal instruments, irrigation solutions including auxiliaries, and materials for root canal obturation and sealing.



Efficient Treatment

Prosthetics, Rotary Instruments, Treatment Auxiliaries

35 %

The Efficient Treatment product group comprises a wide range of products and auxiliaries that enhance efficiency in dentistry. These range from high-precision impression materials and premium wound treatment solutions to dental cotton products, efficient aspirator tips, high-performance rotary instruments, and dental dams used to isolate teeth for treatment.



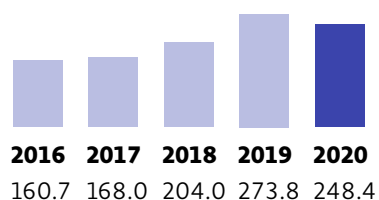
Facts and Figures

COLTENE is an internationally active developer, manufacturer, and seller of dental consumables and small equipment in the areas of Infection Control, Dental Preservation and Efficient Treatment. COLTENE has state-of-the-art production facilities in the US, Canada, Germany, France, and Switzerland as well as own distribution organizations in all major markets including North America, Europe, Japan, China, India, and Brazil. The COLTENE Group has 1189 employees around the world (December 31, 2020).

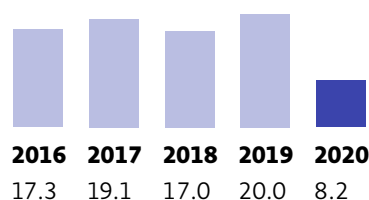
5-Year Overview 2016–2020 (in CHF mn)

2016–2017: IFRS, from 2018: Swiss GAAP FER

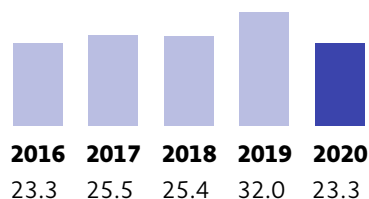
Net Sales



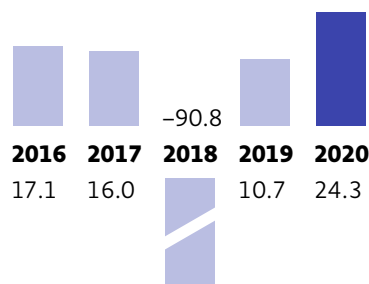
Net Profit



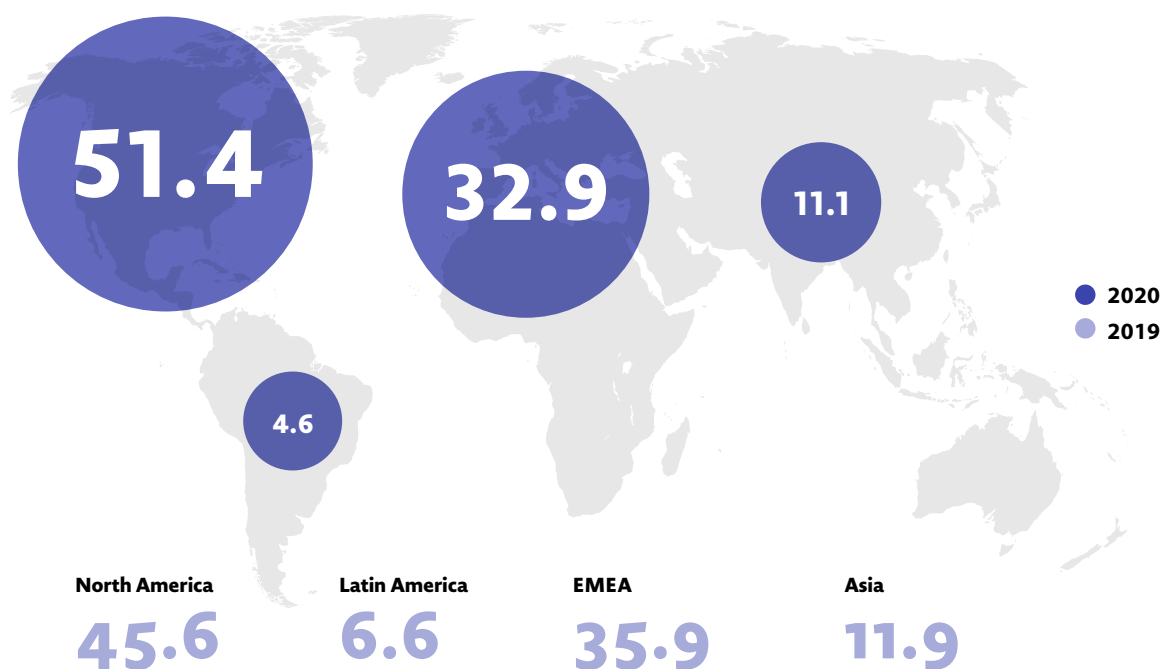
EBIT



Free Cash Flow



Net Sales by Region in %



Information about COLTENE Shares

Share Capital and Capital Structure

	2020	2019	2018	2017	2016
Par value per share (CHF)	0.10	0.10	0.10	0.10	0.10
Total registered shares	5 975 580	5 975 580	5 975 580	4 219 000	4 219 000
Cleared shares	12.50 %	13.34 %	29.20 %	14.00 %	16.30 %
Number of treasury shares	19	14	3 265	0	3 700
Number of dividend-bearing shares	5 975 561	5 975 566	5 972 315	4 219 000	4 215 300
Registered capital (CHF 1000)	598	598	598	422	422
Conditional capital (CHF 1000)	0	0	0	0	0
Authorized capital (CHF 1000)	0	7	7	0	0
Total voting rights	5 975 580	5 975 580	5 975 580	4 219 000	4 219 000

Key Stock Exchange Figures per Share

CHF	2020	2019	2018	2017	2016
Share price high	97.30	103.60	124.00	103.50	75.50
Share price low	56.10	72.00	80.00	74.50	57.00
Closing share price	86.00	88.80	84.30	94.90	74.05
Average volume per trading day (number of shares)	5 008	5 442	4 084	4 324	2 728
Market capitalization in CHF million (year-end)	514	531	504	400	312

Key Figures per Share¹

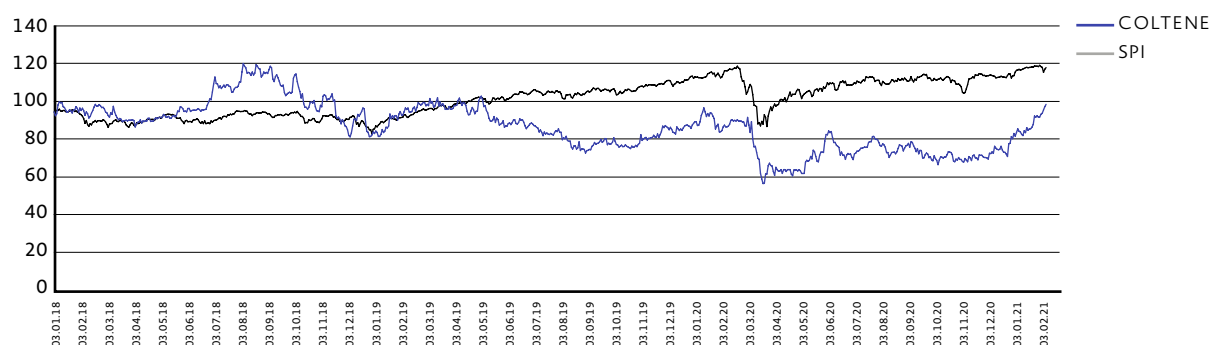
CHF	2020	2019	2018	2017	2016
Earnings per share – basic	1.38	3.35	3.61	4.52	4.10
Earnings per share – diluted	1.38	3.35	3.61	4.52	4.10
Operating cash flow per share	5.82	3.98	4.12	5.19	5.38
Free cash flow per share	4.06	1.79	-15.20	3.80	4.05
Dividend per share	3.00 ²	1.50	3.00	3.00	2.70
Equity per share	15.10	15.26	14.76	28.85	26.63

¹ 2016–2017: IFRS, from 2018: Swiss GAAP FER.

² Board of Directors' proposal to the Annual General Meeting on March 31, 2021: distribution of CHF 3.00 per share from capital contribution reserves with foreign reference and excluding treasury shares.

Share Price Performance (03.01.2018 to 03.02.2021¹)

CLTN registered shares/Swiss Performance Index (SPI) rebased



¹ In tables only, dates are given as day.month.year.

The COLTENE share price declined by 3.2 % from CHF 88.80 to CHF 86.00 in 2020. COLTENE paid a dividend of CHF 1.50 per share on April 8, 2020. The overall performance including the dividend for 2020 was -1.5 %. Effective February 1, 2021, COLTENE Holding AG shares are included in the two ESG indices of the SIX Swiss Exchange SPI ESG and SPI ESG Weighted.

Shareholder Structure¹

At December 31, 2020, there were 2204 shareholders (2203) entered in the share register. The following shareholders held 3 % or more of the outstanding share capital of COLTENE Holding AG at year-end:

	31.12.2020	31.12.2019
HUWA Finanz- und Beteiligungs AG	22.28 %	22.18 %
Arthur Zwingenberger	17.28 %	17.20 %
Rätikon Privatstiftung	10.18 %	10.18 %
Tweedy, Browne Company LLC	4.21 %	4.21 %
Robert Heberlein	4.02 %	3.46 %
Credit Suisse Asset Management Funds AG ²	n.a.	3.49 %
UBS Fund Management (Switzerland) AG ²	n.a.	3.26 %

¹ For more information, refer to page 39 in the Corporate Governance section of this Annual Report.

² Held less than 3 % of share capital at December 31, 2020

Contact

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Share Register

Sven Huber Trost
ShareCommService AG
Phone +41 79 245 11 09
E-Mail sven.huber@sharecomm.ch

Financial Calendar

Release of Annual Report and media and analyst conference on 2020 financial year	March 5, 2021
Annual General Meeting 2021	March 31, 2021
Release of Half-year Report and media and analyst conference on 2021 half-year results	August 6, 2021
Release of Annual Report and media and analyst conference on 2021 financial year	March 4, 2022
Annual General Meeting 2022	April 21, 2022
Release of Half-year Report and media and analyst conference on 2022 half-year results	August 5, 2022

Highlights 2020

35.5 %

Infection Control

Sales in the main strategic Infection Control product group benefited from the COVID-19 pandemic, achieving significant growth.

24.3 mn

Free cash flow

COLTENE achieved free cash flow of CHF 24.3 million, its highest ever.

95.9 %

Sales resilient at near-2019 levels

Sales in local currencies performed at near prior-year levels, despite the COVID-19 pandemic.

28 %

Women in leadership

Women held 28 % of leadership positions at the COLTENE Group, predominantly in scientific areas and in Sales and Marketing.

600 mn

OPTIM wipes

COLTENE sold over 600 million OPTIM wipes for safe surface disinfection in dental practices.

12.9 %

EBIT margin

COLTENE achieved a significantly higher EBIT margin before one-time effects compared to 2019.

Foreword

Dear Shareholders,

How quickly times change! In our Half-year Report 2020, we reported the steepest drop in net sales in COLTENE Group history and an 80 % decline in EBIT. The global pandemic had left its full impact on second-quarter sales. Undaunted, the COLTENE Group embraced the crisis as a challenge to take whatever action was necessary to mitigate the financial impact. For example, priorities were realigned across the Group, with Infection Control gaining more weight.

In the second half (H2) of 2020, dental markets worldwide recovered faster than expected and sales increased at disproportionately high rates. Year-on-year and at constant exchange rates, sales dropped 19.4 % in Dental Preservation and 18.2 % in Efficient Treatment but grew at an annualized rate of 35.5 % in Infection Control.

Recovery in H2 2020

For full-year 2020, the COLTENE Group reports net sales of CHF 248.4 million (previous year: CHF 273.8 million) thanks to above-average growth in the second half of the year. Net sales were only 4.1 % lower in local currency terms but reflected a 9.3 % decline in Swiss franc terms.

By region, COLTENE Group sales expanded in Switzerland and North America while contracting in most other markets. EBIT before the one-time charge from the disposal of Brazilian subsidiary Vigodent was CHF 32.1 million, exceeding expectations. This generated an EBIT margin of 12.9 %. At CHF 19.9 million, the reported net profit of the COLTENE Group before one-time effects was in line with the prior-year result (2019: CHF 20.0 million). EBIT reported for full-year 2020 was CHF 23.3 million (previous year: CHF 32.0 million), with net profit at CHF 8.2 million (previous year: CHF 20.0 million).

The impact of the pandemic on the COLTENE Group was successfully mitigated.

Disposal of Vigodent

Given the unstable economic and political environment in Brazil, the Board of Directors and Group Management decided to sell the Brazilian subsidiary Vigodent to local investors effective year-end 2020. The transaction resulted in a one-time non-cash charge of CHF 11.7 million. While reducing future COLTENE Group revenue by some CHF 7.3 million annually, the sale will have a favorable impact on the operating margin. Going forward, COLTENE will sell its products in Brazil directly via major dental vendors.

Integrated and Focused

The integration of SciCan and Micro-Mega continued making strides, notably boosted by the Group-wide rollout of uniform software systems and processes. These include SAP for enterprise resource planning (ERP)



Nick Huber, Chairman of the Board of Directors

Martin Schaufelberger, CEO

and systems for centralized product information (PIM) and customer relationship management (CRM). In 2020, all of Kenda's production relocated from Vaduz to Altstätten where it was integrated into the organization of Coltène/Whaledent AG.

Marketing and Sales swiftly adapted to the new reality despite significant cost reductions. These teams shifted entirely to online communications when trade shows and in-person meetings were discontinued. For example, they successfully used webinars to expand direct contact with end customers. They revamped the Group website, giving it a fresh design and a consistent, unified brand language. And they aligned Sales and Marketing activities more closely with Dental Service Organizations (DSOs) and wholesalers.

COLTENE Group sales increased in Switzerland and North America but declined in most other markets.

The strategic focus of COLTENE is on achieving above-average innovation-led growth in Infection Control. As a result of the coronavirus pandemic, Infection Control products have become far more important because they make dental practices safer and allow for dependable disinfection and compliance with the required hygiene standards.

For more on the 2020–2022 strategic priorities for the COLTENE Group, see Focus, pages 16 through 21.

Sustainable with a Focus on People

For COLTENE, not least because of the COVID-19 pandemic, sustainability in 2020 first and foremost meant protecting jobs and the health and safety of its people through a comprehensive set of measures, and ensuring the liquidity and profitability of its business. In Europe, short-time work was introduced wherever possible, which largely averted the need to eliminate jobs. The full integration of Kenda's manufacturing operations and staff in Altstätten delivered significant reductions in costs. In the US, roughly half of the 400-strong workforce was temporarily furloughed, with social insurance contributions continuing. Through these measures, the COLTENE Group was able to retain the know-how of its employees. COLTENE's sustainability focus will feature more extensively in our reporting, starting with this edition of our Annual Report. For more on this topic, we refer you to the chapter on Production and Environment, starting on page 28.

COLTENE further expands its sustainability reporting in the chapter on Production and Environment.

COLTENE Awarded Regional Business Forum Prize

On January 22, 2021, Altstätten-based Coltène/Whaledent AG was awarded the annual prize given by the regional business association Rheintaler Wirtschaftsforum. Presented in the form of a bronze statuette handcrafted by local sculptor Jürg Jenny, the award honors innovative, entrepreneur-minded companies whose investment history demonstrates their commitment to the St. Galler Rheintal region as a business location and whose products and services extend their profile beyond the region, inspiring others to follow their leadership. COLTENE Group CEO Martin Schaufelberger was pleased to accept the award in person during the Rheintaler Wirtschaftsforum event, which this year was held online.

Dividend

The Board of Directors will propose a dividend of CHF 3.00 per share for shareholder approval, to be funded from capital contribution reserves with foreign reference – making it tax-exempt for natural persons residing in Switzerland. The encouraging result of the year under review and the liquidity reserves allow the dividend to be doubled and thus return to the level of previous years.

Outlook

The COLTENE portfolio proved its value during the pandemic. As a strategy, focusing on and expanding the Infection Control product group has passed the litmus test, and so the cornerstones of this approach remain unchanged. The main priority is organic growth in key markets across all three product groups – Infection Control primarily, plus Dental Preservation and Efficient Treatment.

Our organization also showed its agility, moving swiftly to bring down costs and invest in Infection Control. The COLTENE Group is well positioned to meet challenges such as the fierce competitive market, accelerating digital business transformation, and new regulatory changes. The new EU Medical Device Regulation (MDR) comes into force in May 2021. COLTENE attained first MDR certification already in 2020, demonstrating the high quality standards of its products and processes.

The Group affirms its medium-term targets of a 15 % EBIT margin and sales growth modestly above the market. For 2021, demand is expected to recover to 2019 levels in Dental Preservation and Efficient Treatment.

The Group affirms its targets of a 15 % EBIT margin and sales growth modestly above the market.

Thank You

On behalf of the Board of Directors and Group Executive Management, we would like to thank all our employees for their hard work and valuable contribution in this challenging year.

We also wish to thank our customers, business partners, and shareholders for the confidence they place in our company and its leadership team. We remain fully committed to continue honoring this confidence in the future, and we firmly hope to gradually return to interacting in-person with all of you in the year ahead.



Nick Huber
Chairman of the Board of Directors



Martin Schaufelberger
CEO



OPTIM Wipes

Protecting Patients and Dental Practice Teams

SciCan's OPTIM products clean and disinfect surfaces in a single step. They are broad-spectrum and 100% effective against viruses. The wipes do not cause skin irritation and are the trusted choice for daily use for many customers.

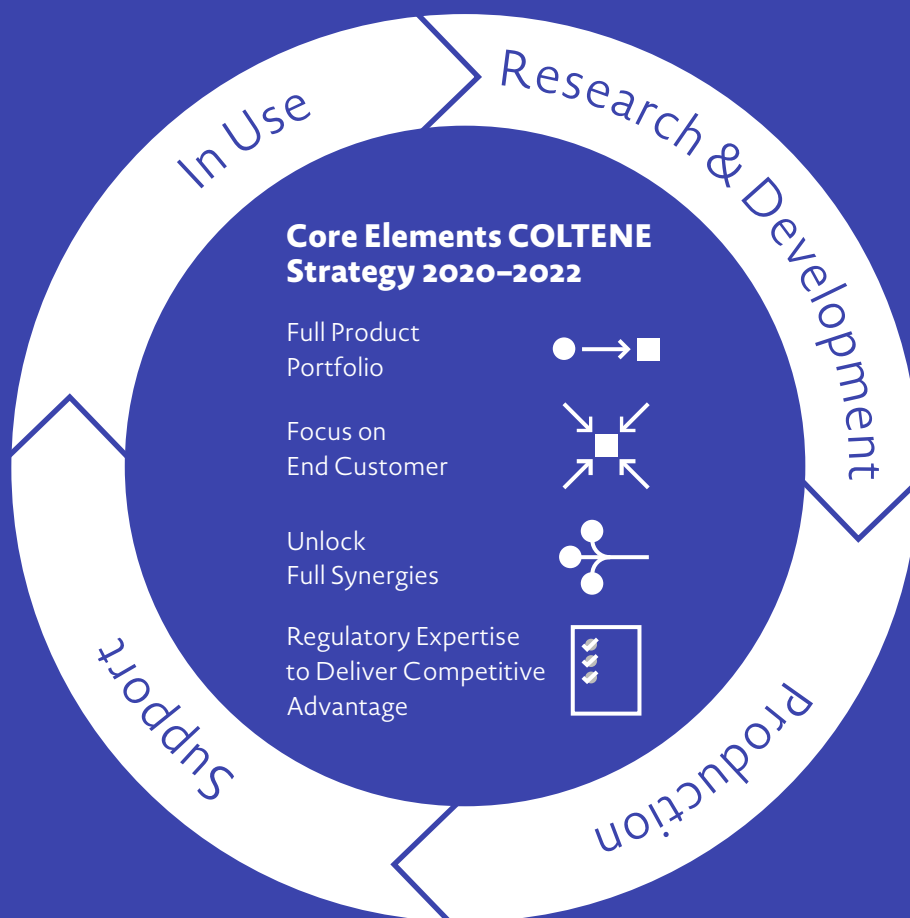


Focus

Since 2019, COLTENE has been positioning its brand increasingly as a solution provider with a full product portfolio for the key processes in dental practices and a clear focus on dentists as its end customers. These outward-facing strategic elements are supported by internal processes to unlock synergies and continue building regulatory expertise.

Focus

How were the four strategic elements implemented in 2020, and what is in the pipeline for 2021? Two members of Group Management answer these questions on the following pages. Dr. Werner Barth, Vice President Product Management/Group Marketing, sheds light on strategic elements from a branding and marketing perspective. Dr. Martin Schlüter, Vice President R&D/Innovation, reports from the research and development front.



Q&A



Dr. Martin Schlüter, Vice President R&D/Innovation of the COLTENE Group

Back in May 2020, the new EU Medical Device Regulation (MDR) came into force. Dr. Martin Schlüter explains what the MDR means for Research & Development, what the Internet of Things (IoT) means for COLTENE, and what innovation is all about.

What has been the impact of the MDR on research and development processes?

In the industry, we were early to achieve MDR certification in Altstätten, at the start of 2020. Now we get to reap the benefits of how far along we are on our learning curve in-house. The accelerating digital transformation in quality management and in research and development allows us to manage data more efficiently and standardize processes. These factors are critical to implementing the MDR worldwide.

How is COLTENE set up in Research and Development?

We have a local Research and Development department at every production site, each with different core competencies, and cross-site project teams. We have expanded cross-site collaboration during the pandemic. New agile and digital project management tools make it easier for us to work across countries and functions, as do standardized processes. In addition to designers and engineers, every development project also involves people from Product Management, Registration, and Production. This ensures that throughout the development process, we stay focused on market requirements, international product certifications, and production costs.

When it comes to its innovative drive, how does COLTENE measure up against the competition?

COLTENE works closely with universities and research institutions. Our website links to over 300 scientific publications that research our products and compare them against competing offerings. This tells us how we are doing compared to rivals but also how well we are meeting our own standards, and the independent results motivate us to raise the bar for ourselves and do even better.

How does COLTENE plan product life cycles?

In our product life cycles, too, we keep our customers' needs in mind. Some product ranges are based on established treatment processes, and that is true of consumables in particular. For these kinds of items, life cycles are typically longer; products are replaced continuously and changes are incremental. For devices, the innovation rate is more dynamic, which is why we put a great deal of work into the new digital platform for Infection Control devices. On that front, we are into the pilot phase, and we are optimistic about a 2021 market launch for our first product based on the new platform.

What about those up-and-coming digital services that are also known as Internet of Things (IoT) services?

The new digital platform offers customer-centric solutions for dental practices to meet ever more stringent quality and documentation requirements, perform simplified remote maintenance and have the option to sell additional services. In the future, we expect to see increased regulation of dental-practice processes, especially those concerned with cleaning and disinfection. This requires the ability to collect and store data and allocate it via system interfaces. The Internet of Things plays a major role in this in that it enables systems and their components to talk to each other and also interact with the user and the cloud. The aim is to ensure traceable documentation of all cleaning and disinfection processes in the dental practice and to steadily fine-tune systems using data analysis.

Is there a product group that is seeing particularly rapid advances right now?

Take any product that relates to or interfaces with digital transformation. This includes the device platform – with add-on e-services, and also any product that involves CAD/CAM technology, like BRILLIANT Crios, for example. In addition, we are stepping up the pace on pairing our devices with consumables. The new CanalPro Jeni root canal preparation system features preprogrammed motor drive cycles that are optimally adapted to our root canal files and endodontic consumables. This makes CanalPro Jeni safe and simple for specialists and practitioners to use in treating root canals, and it includes regular software updates.

What does COLTENE mean by innovation?

We never stop challenging the status quo at every level. Innovation for us does not end with our products but extends to how we do things generally and how we communicate with dentists. It is important to strike the right balance between creativity and regulatory requirements. Our approach is to be creative in generating ideas and efficient and agile in acting on ideas, and to standardize how we document what we do.

What advances and innovations in 2020 are a particular source of pride for you?

First of all, I would like to say that I am extremely proud of the entire team for the outstanding job they have done in challenging times. I also wish to mention the progress we made on cross-site collaboration and the standardization of processes, and of course the innovations in Endodontics with the CanalPro Jeni system and the new digital platform we developed in Infection Control. With these achievements in 2020, we have laid the foundations for further innovation and consistent growth.

Riding the Digital Transformation Wave



Dr. Werner Barth, Vice President
Product Management/Group
Marketing of the COLTENE
Group

The pandemic accelerated digital transformation at the COLTENE Group. When trade shows were being canceled and in-person meetings with customers were no longer a safe option, the COLTENE teams swiftly set up a system for webinars, launched a new landing page for the website, and shifted customer communication to digital platforms.

In 2020, COLTENE moved more of its advertising online and further developed its social media communities. More content was delivered using storytelling, initially through online posts on infection control in dental practices, the new CanalPro Jeni digital assistant for root canal preparation, and the BRILLIANT line of composites for dental restoration, its color palette extended to provide a wider range of shades. Internally, centralized systems were rolled out, enabling enhanced information and file sharing and leaner processes. In early 2021, moreover, Altstätten was the first manufacturing site to deploy the new product life cycle management (PLM) software.

Product Portfolio Extended

All surface disinfectants are now marketed under the OPTIM brand to strengthen the brand identity of this product line. The products in the OPTIM range are extremely popular. They are the superior choice for safe disinfection and effective cleansing, and they are easy to use and very easy on the environment, too. They are also very gentle on the skin. Demand remained stable at a high level through year-end 2020. In addition, COLTENE was able to complement the Infection Control product portfolio with automated instrument washer-disinfectors and autoclaves.

In endodontics, the brand portfolio has been fully extended with the addition of Micro-Mega products. Its new overall portfolio allows COLTENE to serve markets at every stage of development. The Micro-Mega portfolio strengthened the brand's presence in high-growth markets in particular.

The main high-tech innovation in 2020 was new CanalPro Jeni. This digital assistance system controls the file movement at millisecond intervals, continuously adapting the rotary motion to the individual root canal anatomy. This innovative device for root canal treatment opens up new target customer segments for COLTENE. For example, CanalPro Jeni makes root canal procedures safe and efficient to provide also for dentists not specialized in endodontics.

COLTENE's Sales and
Marketing teams
demonstrated their speed
and flexibility in 2020.

Regional trade shows will remain important for face-to-face contact.

COLTENE Umbrella Brand

Progress is continuing apace on positioning COLTENE as the umbrella brand. Presentations, courses, and workshops are particularly effective in familiarizing customers with the full COLTENE product portfolio. The Dental Management Academy gives COLTENE a powerful tool to deliver its core messaging, quality promise, and products to best effect. Some 40 international opinion leaders contribute to the Dental Management Academy as external lecturers. With very few in-person seminars feasible in 2020, webinar offerings were vastly extended instead.

The COLTENE brand is widely recognized among universities, dentistry schools, and opinion leaders, a fact demonstrated by the numerous requests for project partnerships and journal citations. The research and academic communities acknowledge COLTENE as a ground-breaking company that always embraces innovation and welcomes opportunities to partner on research and development projects.

Customer Focus

In North America, specialist teams have been deployed since 2020 to specifically address the needs of Dental Service Organizations (DSOs). In their sales talks with specialized buyers, the teams increasingly focus on add-on services and presentation along with shipping terms and pricing. In Europa as well, COLTENE is focusing more on DSOs and in 2020 deployed a specialist team to serve the endodontics market.

In an ongoing drive to raise brand awareness among dentists during the pandemic, COLTENE conducted more than 30 national and interregional webinars through its Dental Management Academy, which runs on the newly built webinar platform. Total webinar attendance exceeded 5000 participants and averaged 160 per session.

The new CanalPro Jeni simplifies root canal procedures.

Operational Review and Financial Commentary

After a strong first quarter with high growth and an above-average EBIT margin, sales plummeted in 2020 as the COVID-19 pandemic led governments to mandate the full or partial closing of most dental practices in the COLTENE Group's core markets. While sales declined in Dental Preservation and Efficient Treatment, Infection Control products were very well positioned as a result of stricter hygiene standards for dental practices and were able to compensate for a significant share of Group sales lost due to COVID-19.

Top Line Affected by COVID-19 and Strong Swiss Franc

For the 2020 financial year, the COLTENE Group posted net sales of CHF 248.4 million (2019: CHF 273.8 million), a 9.3 % decline in Swiss franc reporting currency terms. In addition to the weaker sales due to COVID-19, the stronger Swiss franc against USD, CAD, and EUR had a significant impact and reduced reported net sales by CHF 14.1 million (–5.2 %) compared to a year earlier. In local currency terms, sales were down only 4.1 % from the previous year.

Strong Growth in Infection Control

The immediate fallout from the COVID-19 pandemic also included changes in the sales per product group as a share of consolidated COLTENE sales in full-year 2020. For example, demand for Infection Control products was up 35.5 % from the previous year, at constant exchange rates, while for Dental Preservation and Efficient Treatment it was down 19.4 % and 18.2 %, respectively. Contributing 37.9 % (CHF 94.1 million) of Group sales in 2020, Infection Control was the top-performing product group, ahead of former leader Treatment Efficiency (35.4 % or CHF 87.9 million). Dental Preservation's share narrowed to 26.7 % (CHF 66.4 million). If not for the positive performance of Infection Control, which emerged visibly stronger from the SciCan Group acquisition, COLTENE Group sales would have declined 23 % (–19 % at constant exchange rates) in 2020 due to COVID-19. The pandemic underscored the strategic importance of the SciCan Group acquisition.

The pandemic underscored the strategic importance of the SciCan Group acquisition.

North America (NAM) Further Extends Lead as Top Sales Region

After generating 45.6 % of Group sales in 2019, the North American market continued to expand its position, boosted by robust demand for Infection Control products in SciCan's home market in particular. In 2020, sales in NAM were CHF 127.7 million, or 51.4 % of Group sales (2019: CHF 124.8 million, or 45.6 % of Group sales). In the EMEA region meanwhile, sales declined to CHF 81.8 million (2019: CHF 98.3 million), corresponding to 32.9 % (2019: 35.9 %) of Group sales. In Asia, COLTENE generated sales of CHF 27.6 million (2019: CHF 32.6 million), or 11.1 % (2019: 11.9 %) of Group sales, and in South America CHF 11.3 million (2019: CHF 18.1 million), or 4.6 % (2019: 6.6 %) of Group sales.

Sales were up 9.5 % from a year earlier in Canada and 5.9 % in Switzerland, despite the global pandemic. In the US, sales maintained their prior-year levels and in local currency terms even grew, by 6.2 %. In most other markets around the world, sales fell short of their 2019 performance, and especially in the Middle East, the UK, France, and Germany.

Sales in China recovered fairly quickly after the lockdown and were 4.2 % below prior-year levels in local currency terms, or 9.6 % lower in CHF reporting currency terms.

Costs Reduced, Priorities Realigned with New Realities

The government-mandated closing of dental practices was swiftly met with measures to protect jobs and employee health and safety. Further top priorities included rescaling production capacities in line with changing dental market demand and ensuring liquidity and profitability.

Sales were up 9.5 %
from a year earlier in
Canada and 5.9 %
in Switzerland,
despite the global
pandemic.

Short-time work was introduced wherever possible, and in NAM, some of the workforce was temporarily furloughed (with insurance contributions continuing). Consolidated payroll expenses were brought down by CHF 13.3 million (–13.6 %) compared to the previous year, with government short-time compensation received contributing about CHF 3.8 million. Thanks to dental markets recovering in the second half of 2020, COLTENE Group manufacturing sites returned to normal operating capacity by year-end, with staffing levels settling at 1189 FTEs, or about 9 % below prior-year levels (2019: 1302 FTEs, excluding subsidiary Vigodent sold in 2020).

By temporarily increasing and drawing credit lines as a precautionary measure, the Group was effective in ensuring liquidity worldwide at all times. By year-end, bank loans returned to 2019 levels, settling at CHF 59.9 million (2019: CHF 59.2 million), and net debt was in fact reduced, by 40.5 %, to CHF 21.9 million (2019: CHF 36.8 million).

In addition to ensuring liquidity, top priorities of Group Management included bringing costs down and swiftly aligning the organization with the changed circumstances. Notably, the pandemic brought major changes for Marketing and Sales activities. Most trade shows were either canceled or moved to digital platforms. Communication channels were swiftly shifted to online meetings, expanded webinar offerings, etc., to maintain open lines of information sharing with retailers, end customers, employees, and other stakeholders. The measures taken led to savings of about CHF 6.0 million (–46 %) in Marketing and Sales. Group-wide, travel expenses were reduced by some CHF 4.2 million (–51 %).

Sale of Vigodent SA Impacted EBIT

Given the unstable economic and political environment in Brazil, COLTENE sold the Brazilian subsidiary Vigodent to local entrepreneurs effective year-end 2020. The transaction resulted in a one-time non-cash charge of CHF 11.7 million. This charge arose mainly from the loss incurred in the disposal of Vigodent's net assets of CHF 4.8 million and the reallocation of goodwill previously offset against equity, and from exchange rate differences. The disposal's negative net effect on equity was CHF 4.0 million. The impact on EBIT was CHF 8.8 million and on net profit it was CHF 11.7 million. Excluding the negative effects from the Vigodent disposal, EBIT would have been CHF 32.1 million and the EBIT margin 12.9 %. Reported EBIT including the effects from the Vigodent disposal was CHF 23.3 million (2019: CHF 32.0 million) and the EBIT margin was 9.4 % (2019: 11.7 %). While reducing future COLTENE Group revenue by some CHF 7.3 million annually, the sale will have a favorable impact on the operating margin.

The disposal of Vigodent resulted in a one-time non-cash charge of CHF 11.7 million.

Financial Result and Tax Rate Impacted by One-Time Effects

COLTENE's financial result for 2020 was CHF -5.3 million and was impacted by a charge of CHF 2.8 million from the sale of Vigodent SA. This charge arises from the reallocation of accumulated foreign currency translation differences for intercompany loans of an equity nature. Excluding this charge, the financial result was CHF -2.4 million (2019: CHF -3.9 million). Tax expenses rose in 2020, to CHF 9.8 million (2019: CHF 8.1 million), due to strong operating income (before the charge from the disposal of Vigodent SA). The encouraging performance in NAM driven by robust sales in Infection Control generated higher profits for the subsidiaries in the region, which also attracted higher than average tax rates. By contrast, losses were incurred in Brazil and India that cannot be offset for tax purposes. The charge from the disposal of Vigodent SA led to non-tax deductible losses recognized primarily by COLTENE Holding AG. These effects resulted in a relatively high tax rate of 54.3 % in 2020 (2019: 28.8 %). Excluding the charge from the disposal of Vigodent, the tax rate would have been 33.0 %. Net profit reported for the COLTENE Group was CHF 8.2 million (2019: CHF 20.0 million). The charge from the Vigodent disposal reduced net profit by CHF 11.7 million. Excluding the disposal of Vigodent, the Group would have reported net profit of CHF 19.9 million in line with the prior-year result.

Strong Operating Cash Flow and Continuation of Investment Projects Despite COVID-19

In the 2020 financial year, cash flow from operating activities was CHF 34.8 million which was significantly (+46.3%) above the CHF 23.8 million reported in 2019, mainly reflecting reductions in tax paid and in net working capital. Investment projects were only temporarily suspended at the onset of the global pandemic.

COLTENE continuously updates its production facilities and regularly invests in its manufacturing methods and processes. Environmental sustainability criteria feature prominently in these decisions, along with patient safety, product quality, and efficiency. In the year under review, the COLTENE Group invested extensively in all of its manufacturing sites to optimize production costs, improve workflows, expand product portfolios, and reduce environmental impact.

Investment projects were only temporarily suspended at the onset of the global pandemic.

The COLTENE plant in **Langenau, Germany**, invested in various replacements and upgrades to its equipment, notably on the absorbent cotton and nonwovens production lines. These investments boosted site productivity and helped take product quality to an even higher level. Similarly, the newly acquired mixer for Hanel Occlusion Articulation Paper products helped improve cost efficiency while reducing energy use.

In **Altstätten, Switzerland**, COLTENE invested in various building alterations and modifications to incorporate Kenda's production operations and upgrade production processes. Investments in building technology and new efficient heating system components brought down both energy use and carbon emissions. Additional investments were made in various production facilities and new control systems to achieve productivity gains and reduce energy use. A significant allocation was made for the implementation of product life cycle management software.

In **Cuyahoga Falls, Ohio, USA**, plant investments notably included a new generation of CNC milling machines for making carbide burs, further raising quality standards and productivity levels. In logistics, a new freight elevator and two vertical storage systems were acquired for warehousing and picking small parts and consumables so as to make more efficient use of the space available. The repair center was moved internally to improve its processes and flows.

Similarly, SciCan in **Toronto, Canada**, invested in an efficient vertical storage system for its small-parts warehouse. The bulk of the investment budget at this location went into new products and Research and Development facility upgrades. The location also invested in modifying the production floor plan to improve manufacturing flows.

Micro-Mega in **Besançon, France**, invested in upgrading its existing milling machines to boost productivity and quality. For more efficient warehouse processes and flows, the location invested in physically separating inbound and outbound freight logistics. In addition, the plant and office building underwent a renovation.

COLTENE Group Management is confident that these investments and improvements make a significant contribution to ensuring environmentally sustainable manufacturing processes. COLTENE will continue optimizing those processes throughout the value chain, in an ongoing commitment to further mitigate environmental impact.

In total, investments in property and intangible assets came to CHF 9.7 million (2019: CHF 12.5 million).

Record Free Cash Flow as a Result

Thanks to the encouraging sales performance in H2, the swift cost reduction measures taken and the scaleback of net working capital, COLTENE generated free cash flow of CHF 24.3 million (2019: CHF 10.7 million), the highest ever in its history as a dental company. At the Annual General Meeting on March 31, 2021, the Board of Directors will propose a distribution of CHF 3.00 per share for shareholder approval.

Solid Balance Sheet and Low Net Debt

As of December 31, 2020, the consolidated equity of the COLTENE Group was CHF 90.2 million (2019: CHF 91.2 million). The shareholders' equity of COLTENE Holding AG was CHF 172.7 million (2019: CHF 187.5 million). Of this amount, CHF 142.9 million are capital contribution reserves (CCR/KER), which under current law is tax exempt for distribution to shareholders (natural persons residing in Switzerland). Of these capital contribution reserves, CHF 92.9 million are CCR/KER with foreign reference, which are approved for non-taxable distribution and not conditional on a coinciding payment of a matching, taxable dividend.

In total, investments
in property and
intangible assets came
to CHF 9.7 million.

Total assets as of December 31, 2020, were CHF 187.6 million (2019: CHF 189.8 million). The solid result achieved in spite of COVID-19 reduced net debt to CHF 21.9 million (2019: CHF 36.8 million). The leverage ratio before the one-time charge from the disposal of Vigodent SA (net debt divided by EBITDA) declined to 0.6 (2019: 1.0). The equity ratio at the balance sheet date was 48.1% (2019: 48.0%). These ratios are in compliance with the covenants of the credit line agreement.

Innovations and Projects

Even as the Group initially scaled back investments and operating costs to a minimum in the face of an uncertain situation, it proceeded with longer-term investments and focus projects such as integrating Micro-Mega into the Group-wide SAP system and achieving MDR certification across COLTENE locations. Research and Development activities were expanded, notably in Infection Control. Research and Development spending in 2020 was CHF 11.6 million (2019: CHF 9.3 million), of which CHF 2.1 million was capitalized (2019: CHF 1.2 million). In 2020, COLTENE successfully launched a new endodontic file (Remover) and the new endo motor CanalPro Jeni in the market. In addition to upgrades and advanced versions of well-established products, there is a pipeline of new designs and innovations in the IoT environment for various devices.

The key Group-wide projects currently underway relate to SAP implementation at the SciCan Group, process and cost optimization for manufacturing site certifications, and enhanced service offerings for our customers.

Positive Signals from Dental Markets

While the pandemic still has the world firmly in its grip at the start of the 2021 financial year, dental markets have been sending positive signals. Sales in January 2021 exceeded Group Management expectations. Demand for Infection Control products remains consistently strong.

Production, Environment, and Sustainability

COLTENE is committed to being a responsible global corporate citizen. The Group undertakes to be an attractive employer and provide dentists and patients with safe and reliable products. In addition, COLTENE pledges to promote awareness on sustainable business conduct across all levels of the organization, mitigate the environmental impact throughout the value chain and conserve natural resources. Effective February 1, 2021, COLTENE Holding AG shares are included in the two ESG indices of the SIX Swiss Exchange SPI ESG and SPI ESG Weighted. This affirms COLTENE's sustainability initiatives.

This chapter covers a range of non-financial reporting elements and presents COLTENE's Code of Conduct along with relevant developments in the year under review.

Production

COLTENE manufactures globally at five plants, each specializing in different products and technologies:

In **Langenau, Germany**, COLTENE develops and manufactures:

- Endodontic products for root canal cleansing, drying, and obturation under the Roeko, Hygenic, Luna, and Surgitip brands
- Products for wound care and moisture and infection control

In **Altstätten, Switzerland**, COLTENE operates a plant specialized in developing and manufacturing the following products:

- Dental impression materials including renowned C-Silicone and A-Silicone products
- Restorative products for innovative and proven esthetic filling restorations and a wide range of adhesives and bonding agents
- Diamond burs for use in the dental practice
- Dental diamond and silicone polishers
- Autoclavable polishers for use in the dental practice
- Polishers for dental lab technician use

In **Cuyahoga Falls, Ohio, USA**, COLTENE has its largest production facility. The plant specializes primarily in mechanical manufacturing processes and makes a range of products, including:

- Pins and posts like the ParaPost X system, carbide burs and root canal instruments
- Ultrasonic cleaning and disinfection devices for instruments used in dentistry

In **Besançon, France**, Micro-Mega makes the following portfolio of products:

- Root canal instruments for various applications
- Irrigation solutions for safe root canal preparation
- Obturation and sealing materials

And in **Toronto, Canada**, SciCan Ltd. makes disinfection and sterilization products:

- Cassette autoclaves (STATIM) and chamber autoclaves (BRAVO)
- Automated instrument washer-disinfectors (HYDRIM)
- Water distillers (AQUASTAT)
- Handpiece cleaning and maintenance units
- Cleaners and disinfectants for surfaces and dental instruments (OPTIM)

In North America and Germany, the COLTENE Group operates its own service centers for maintenance and repair of its dental products. In various other countries, these services are provided by certified third parties.






Environmental Data

COLTENE first reported on its sustainability performance in the 2014 financial year. Gathering the data and preparing the first report led to greater awareness of the topic within the organization. Since then, sustainability data has been collected and processed more broadly every year, and today COLTENE has a largely uniform process in place to gather and analyze relevant data. The conversion of energy into carbon emissions respects country-specific energy factors.


The environmental data reported for 2018 to 2020 is not driven by COLTENE's business activities alone. Consumption of the input factors oil, gas, and water is also determined by a host of external parameters such as weather conditions, customer behavior, and regulatory requirements.

Compared to the previous year, water use declined as did energy use across all energy sources, in some cases significantly so, in the 2020 financial year. This mainly reflected a slowdown in production and sales that was brought on by the COVID-19 pandemic. A case in point is the lower volumes reported for waste and recycling, largely as a function of the drop in manufacturing output. Energy conservation measures also helped use less electricity and fossil fuels. For example, COLTENE uses LED technology to replace the lighting systems in any building undergoing refurbishment. Similarly, the new heating system in Altstätten is more efficient. In 2020, Kenda AG's production unit was relocated from Liechtenstein to Altstätten and the Vigodent plant in Brazil was sold to local investors. As a result, these countries are no longer included in the table below.

Environmental data by COLTENE Group plant

Input	unit	2018	2019	2020	Delta 2020/2019		Output	unit	2018	2019	2020	Delta 2020/2019
Electricity	MWh	1127	1063	1020	-4 %	 Switzerland/FL	CO ₂	t	344	344	293	-15 %
Oil	t	45	46	35	-24 %		Recycling	t	75	92	50	-46 %
Gas	m ³	4	6	4	n.a.		Waste	t	90	113	117	3 %
Water	m ³	9 248	9 015	6 349	-30 %		Wastewater	m ³	9 248	8 125	6 349	-22 %
Electricity	MWh	893	919	834	-9 %	 Germany	CO ₂	t	872	862	806	-7 %
Oil	t	-	2	-	-100 %		Recycling	t	69	79	62	-22 %
Gas	m ³	109	96	99	2 %		Waste	t	30	30	34	12 %
Water	m ³	1337	1564	1934	24 %		Wastewater	m ³	1337	1564	1934	24 %
Electricity	MWh	2 702	2 604	2 884	11 %	 USA	CO ₂	t	2 103	1 971	2 147	9 %
Oil	t	-	-	-	n.a.		Recycling	t	51	41	49	19 %
Gas	m ³	121	97	94	-2 %		Waste	t	17	38	31	-18 %
Water	m ³	4 656	4 779	5 609	17 %		Wastewater	m ³	4 656	4 779	5 609	17 %
Electricity	MWh	1 109	1 240	1 065	-14 %	 Canada	CO ₂	t	552	621	548	-12 %
Oil	t	-	-	-	n.a.		Recycling	t	23	54	87	62 %
Gas	m ³	86	98	89	-9 %		Waste	t	241	286	382	33 %
Water	m ³	8 415	9 463	6 153	-35 %		Wastewater	m ³	8 415	9 463	6 153	-35 %
Electricity	MWh	1 521	1 264	1 072	-15 %	 France	CO ₂	t	378	346	286	-17 %
Oil	t	9	8	7	-3 %		Recycling	t	8	7	20	212 %
Gas	m ³	57	59	46	-22 %		Waste	t	27	26	16	-40 %
Water	m ³	1 829	1 428	1 465	3 %		Wastewater	m ³	1 829	1 428	1 465	3 %

Environmental data of all COLTENE Group plants combined

Input	unit	2018	2019	2020	Delta 2020/2019		Output	unit	2018	2019	2020	Delta 2020/2019
Electricity	MWh	7 351	7 090	6 875	-3 %	 COLTENE Group	CO ₂	t	4 250	4 144	4 079	-2 %
Oil	t	54	56	42	-24 %		Recycling	t	226	272	268	-2 %
Gas	m ³	377	355	332	-7 %		Waste	t	405	493	579	17 %
Water	m ³	25 485	26 249	21 510	-18 %		Wastewater	m ³	25 485	25 359	21 510	-15 %

Sustainability

Quality Management and Risk Management

In Europe, COLTENE is subject to the Medical Device Directive (MDD), now superseded by the Medical Device Regulation (MDR). In the US, COLTENE products are regulated by the Food and Drug Administration (FDA), and elsewhere, by the medical device regulations in each jurisdiction. COLTENE is certified to ISO 13485:2016 at every one of its manufacturing sites. Production adheres to standard operating procedures (SOP). These define sets of prescribed steps to follow in Production, Quality Management, and Research & Development. COLTENE relies on SOPs to ensure that each step in a production process and all components, raw materials and supplies meet applicable government and regulatory requirements, and that products are fully traceable. COLTENE maintains a quality management and a registration department at each manufacturing site it operates. These departments make sure that only duly certified medical devices enter the market. Quality management and risk management functions are represented at Group level and at every manufacturing site. At every site where dental devices are developed and produced, risk management for medical devices follows the ISO 14971:2012 standard.

The local teams enforce compliance with the quality systems and ensure that the latest versions are applied at all times. These same teams continuously monitor local applicable law for changes to requirements and implement these updates. In addition, the medical device regulations are the basis on which risk assessments are defined and performed for products and processes. Measures are defined and implemented for all high and elevated risks to mitigate them. Insurance policies are effected as necessary for any obligatory or reasonably insurable risks. So-called umbrella policies are in effect at Group level to cover significant risks and include commercial third-party liability and product liability insurance, property and marine insurance, and more. These policies insure against the relevant risks at Group level for all legal entities of the COLTENE Group. For more details on Group-level risk management, see the chapter on Corporate Governance.

Each production site is audited annually by an accredited notified body for full legal and regulatory conformity. Any non-conformities found are promptly rectified and their rectification is monitored by this notified body. This ensures that the COLTENE Group is compliant with the legal and regulatory requirements governing its products, services, and processes.

Research and Development

Research and development is where the operation, performance, safety, and usability of a product is evaluated throughout its design life cycle, from the earliest development stages to the finished item in use, its environmental impact and recycling and disposal. Packing is reduced to the absolute minimum and is made from biodegradable materials wherever possible. COLTENE adopts environmentally sustainable manufacturing processes and evaluates products for potential reuse, for example via sterilization processes for dental burs and root canal files.

End-customer needs and insights from interactions with customers are incorporated via the post-market surveillance process, feeding the product platform with data from sales and customer complaints, survey responses, and suggestions. This is complemented by regular competitor analyses, including through academic research. During the development process, clinical and biological specialists are involved as required, and product designs and technical data are audited by third parties.

New product development starts with idea generation based on new technologies and the product roadmap.

Sites where devices with electrical and electronic components are developed and manufactured are compliant with the EU directive restricting the use of certain hazardous substances in electrical and electronic equipment (RoHS).

Materials and Procurement Policy

Apart from its manufacturing and research activities, COLTENE's impact on the environment is minimal. COLTENE produces neither dental implants nor amalgam fillings. As such, it does not use any mercury or significant amounts of titanium metals, lead, manganese, or other heavy metals.

The main material product groups used in manufacturing processes are the following:

- Hygiene and treatment auxiliaries: Rubber, metal, textile fibers, cotton, cleaning solutions
- Endodontic products: Nickel titanium (NiTi) metal, rubber, paper
- Restorative materials: Polyamide matrix with glass filler
- Impression materials: Silicone oils
- Operating materials: Water, cleaning agents, galvanic bath solutions, paper

COLTENE strives to reduce its resource use year after year.

Full compliance is maintained with all local rules on the storage and disposal of toxic or hazardous material and untreated wastewater. In each country, this is handled by authorized specialist contractors. Metals and other materials are recycled wherever possible.

Some models of the dental burs COLTENE makes are plated with precious metals. Small quantities of gold and platinum are used for this purpose. The suppliers of these metals certify that they are able to trace their products throughout their supply chain and that they are members of the Responsible Minerals Initiative.

An onsite assessment of all COLTENE Group manufacturing sites in early 2021 reported no indication of child labor or forced labor practices. This assessment covered sourced materials, semifinished goods, and wholesale goods. COLTENE sources from established, reputable suppliers in Europe, North America and, to a minor extent, in Asia. COLTENE is committed to expanding its global supplier audits to include ethical criteria.

The ISO 13485:2016 standard requires a process to periodically assess suppliers. Major suppliers are reassessed at least once a year. In the year under review, the supply chain underwent no significant changes and the supplier audits revealed no material non-compliance issues.

Employees

At COLTENE, employee welfare and motivation are paramount. As an employer, COLTENE undertakes to follow best practice standards. New hires receive training on the Code of Conduct for the COLTENE Group. The Code of Conduct guides employee behavior internally and when dealing with external business partners. Refreshers are provided on a regular basis using internal communication tools.

Employees are empowered to report any violations of the Code of Conduct or of applicable law, either at Group level by notifying the CFO or within their local organization by contacting their line manager or HR. In addition, manufacturing sites in the US and Canada each provide a local whistleblower line. A single Code of Conduct violation was reported in 2020, at the Altstätten site, and appropriate measures were taken to address it.

Employee Statistics for the Five COLTENE Manufacturing Sites as of 31.12.2020

		Total	in %
Number of permanent employees – FTEs	Men	471.0	50
	Women	472.0	50
	Total	943.0	100
Number of temporary employees – FTEs	Men	20.3	64
	Women	11.4	36
	Total	31.7	100
Number of full-time employees – FTEs	Men	480.0	49
	Women	438.3	45
	Total	918.3	94
Number of part-time employees – FTEs	Men	11.3	1
	Women	45.1	5
	Total	56.4	6
Leadership-level employees	Men	95.0	72
	Women	36.8	28
	Total	131.8	100

The employee turnover rate across all five sites was about 15 % in 2020. The aim is to reduce this rate over the next few years.

Due to the COVID-19 pandemic, COLTENE Group Management was forced to take various personnel-related measures. As an immediate action, all but a few temporary employment contracts were terminated at the start of the second quarter. The rationale was to avoid eliminating any permanent positions while bringing production capacities into line with lower demand. In countries where short-time work arrangements are possible, reduced employee hours were requested for a five-month period. In the US, part of the workforce was placed on temporary layoff (furlough) to save on payroll, and in Canada, COLTENE claimed public subsidies during intermittent months to help cover some personnel expenses.

Diversity

On the COLTENE Group Board of Directors, the average age is 55.5 and two of seven members are women (29%). No women are currently represented in Group Management, which also numbers seven members. Within the COLTENE Group, however, women occupy nearly 30 % of leadership positions at team lead level or higher. In the overall workforce, men and women are represented in equal numbers.

For COLTENE, employee diversity and equal gender representation matter because diversity is high on the end customer side – that is, in dental practices – where the workforce increasingly skews female, a trend clearly tracking with the gender ratios seen in dentistry school enrollment. COLTENE is committed to honoring this reality through broad-based diversity across the Group.

At the Langenau site in Germany, this commitment is overseen by a gender equity officer. In France, where employment equity is monitored by law via the Gender Equality Index, Micro-Mega scored 90 out of 100 points (as of February 2020). The COLTENE site in Cuyahoga Falls in Ohio, USA, issued a Diversity, Equity, and Inclusion statement in 2020 and participates in events related to these topics. Similarly, COLTENE supports intergenerational diversity to promote knowledge sharing and learning among employees of different age groups.

Workplace Health and Safety

Official workplace safety regulations and inspections apply in every country in which COLTENE operates manufacturing sites. Each site appoints safety officers to coordinate and implement actions for compliance. These officers have received local training and certification in workplace safety.

In Altstätten, the site safety plan is audited twice a year. Any occupational accidents reported are reviewed to determine their cause, and appropriate measures are implemented.

In Toronto, workplace inspections take place monthly according to local requirements. Workplace health and safety meetings are held four times a year.

In Langenau, an external service provider has been contracted to enforce and monitor compliance with workplace safety regulations. Meetings and site visits are conducted on a regular basis. In addition, the employer's liability insurance fund (Berufsgenossenschaft, BG) acts in a supervisory and advisory capacity. At the Besançon site in France, employees benefit from a monthly workplace health and safety magazine and various measures and systems ranging from ergonomics to risk assessments and reports by the occupational health practitioner for the site.

Protection from the Coronavirus

COLTENE set up an internal crisis task force at the start of the pandemic. The task force at Group level was recruited from members of Group Management while at the local level it includes each site's general manager, safety officer, quality and regulatory manager, production manager, HR manager, and additional personnel as appropriate. These teams ensure that local official regulations are followed at all times and that site-specific measures are put in place. These same teams continuously reassess the situation and provide updates to the entire workforce via bulletin board notices and internal communication systems. Employees also receive prompt updates on important changes due to decisions by local authorities.

Coronavirus measures included, for instance:

- Social distancing rules, safety screens between work stations and office desks
- Face masks (including FFP2) and hand sanitizer issued to all employees
- All non-essential travel and internal gatherings and meetings suspended
- Additional hand sanitizer dispensers installed, disinfection protocols rolled out in high foot traffic areas and at work stations
- Home office (telework) policy updated, relevant IT infrastructure scaled up to support increased home office use
- Staggered shifts instituted, including changes to break times at Langenau, Altstätten and Besançon sites
- Tables and dining areas spaced farther apart in break rooms, seating limit per table reduced
- Touchless faucets, soap dispensers, and hand towel dispensers installed in Toronto, along with touchless automatic door systems
- Automated fever screening stations installed at entrances in Toronto and Besançon
- COVID-19 daily screening questionnaires (self-checklists) for onsite employees in Toronto
- Exhaust ventilation system installed in Langenau cafeteria

Accident Statistics

	Coltène/ Whaledent AG Altstätten, Switzerland	Coltène/ Whaledent GmbH + Co. KG Langenau, Germany	Coltène/ Whaledent Inc. Cuyahoga Falls, Ohio, USA	SciCan Ltd. Toronto, Canada	Micro-Mega S.A. Besançon, France	Total all plants
Occupational accidents 2019	10	2	3	3	2	20
Occupational accidents 2020	6	3	4	7	7	27

None of the accidents in the year under review resulted in lasting health issues or prolonged work absences. After any accident, the local workplace safety officers investigate whether additional prevention measures are required or work stations and processes can be modified to improve safety. All sites run awareness and training programs tailored to address the types of accidents they see most frequently.

Training and Development

COLTENE offers online modules and training programs for all employees Group-wide. Topics include health, safety, aggression, and harassment in the workplace, and the core internal policies and guidelines. These training offerings are overseen by HR. All new hires receive training tailored to their specific role. General training for new hires includes workplace safety, safety and security training, corporate governance, products and processes, basic IT tools, internal directives, and more. Role-specific training is managed by the relevant department and is assigned and documented via a training matrix. The training database is audited annually and HR monitors all entries made by departments.

Advanced training through third parties is determined in consultation with the employee's department head during annual performance reviews or as appropriate. The purpose of advanced training through third parties is employee development and skill improvement.

Customers

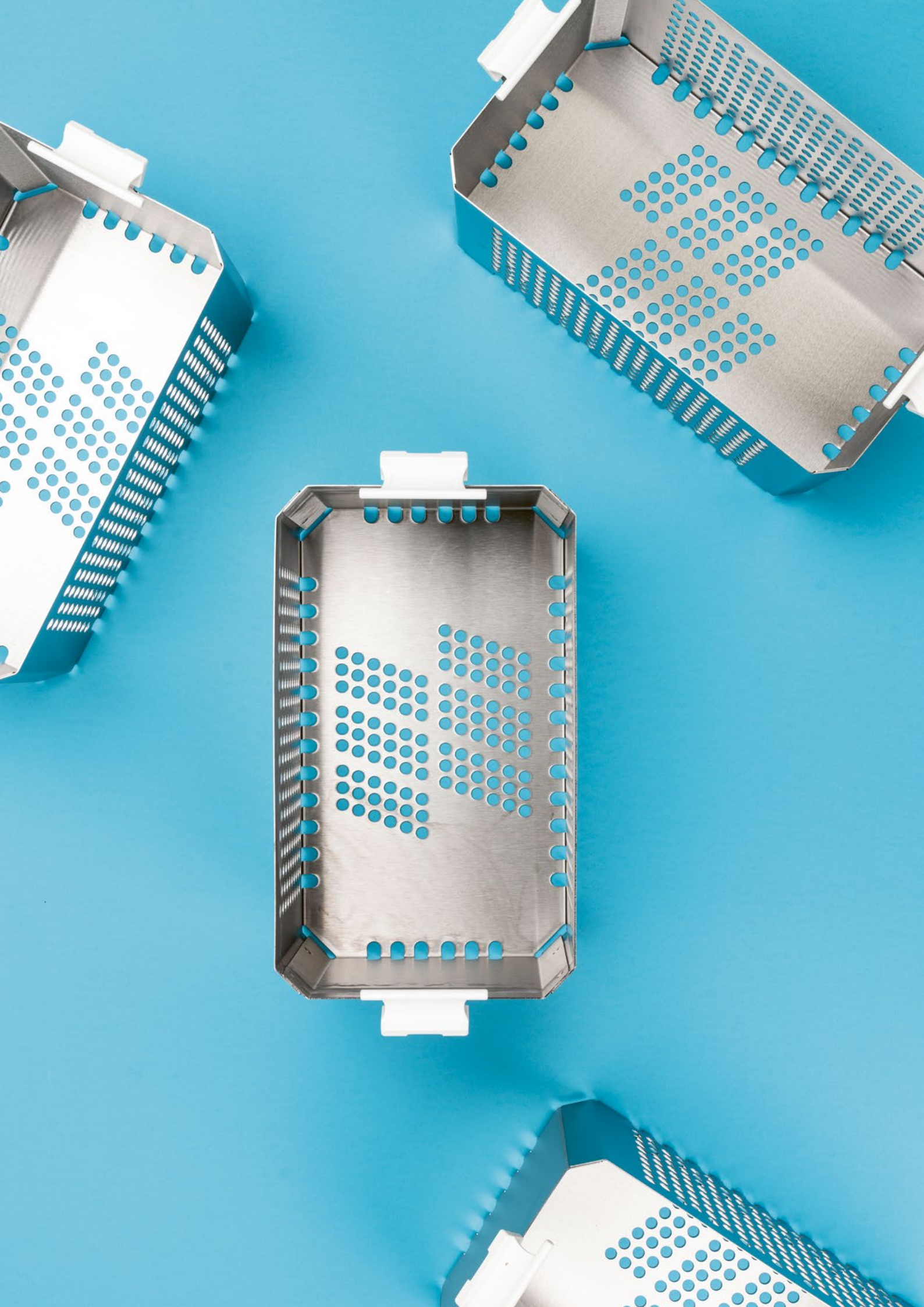
COLTENE caters to two groups of customers:

- Dental vendors, i.e. the direct buyers of COLTENE products
- Dental Service Organizations (DSOs) and
- Dentists as end customers

Relying on a vast system of touch points that includes research and development and academic communities, COLTENE is in constant contact with all its customer groups. End-customer feedback reaches COLTENE in one of two ways – either through the vendors and their sales network and the countless field visits their sales representatives pay to dental practices, or else from end customers directly at trade shows and sales events or rather, in 2020, via online events (webinars).

The post-market surveillance process involves analyzing complaints, handling suggestions, reviewing trade literature and articles on competing products, and analyzing market surveys and point of sale feedback. Further feedback results from contact with universities, opinion leaders in the industry, and medical consultants.

In the US, COLTENE requests feedback from vendors and end customers three times a year using a standardized questionnaire. SciCan in Toronto fields such surveys every six months. In 2020, negative customer feedback most commonly mentioned shipping delays, incomplete shipments, defective packing material, and too-slow responses to requests. Customers also asked about alternatives to discontinued products. Positive market feedback most often praised the high standards of quality versus the competition and the good value for money COLTENE products offer, and the innovative products with new and unique features that simplify life in dentistry. In further positive comments, COLTENE was noted as employing well-trained professionals with the expertise to educate dentists on products and how to use them.



BioSonic UC150

Next-Generation Ultrasonic Cleaning System

New BioSonic UC150 is COLTENE's complete ultrasonic cleaning system with enhanced user and safety features. The device is ultra-quiet to operate and permits data logging via a USB interface.



Corporate Governance

COLTENE Holding AG

The following chapter describes the principles of corporate governance applied at Group and Senior Management level within the COLTENE Group. The main elements are contained in the Articles of Incorporation and organizational regulations, and are based on the “Guidelines concerning information on corporate governance” published by SIX Swiss Exchange as well as on the guidelines and recommendations set out in the “Swiss Code of Best Practice for Corporate Governance” published by *economiesuisse*. The compensation report is published separately in this Annual Report on page 62 to 72. All information is valid as at December 31, 2020, unless otherwise stated. Significant changes that have occurred between that date and the publication date of this report have also been indicated as appropriate.

Whenever a reference is made in this Corporate Governance report to the Articles of Incorporation, they are available in German as well as in an unofficial translation in English on the website at:
<https://www.coltene.com/de/investoren-medien/corporate-governance/> (German version) and
<https://www.coltene.com/investor-relations/corporate-governance/> (English version).

Group Structure and Shareholders

Group Structure

Operative Group structure

COLTENE Group is targeting the markets for dental consumables and small equipment for dental practices, dental clinics, and dental laboratories. The Company evolved from the Health Care Division of the former Gurit-Heberlein AG (today Gurit Holding AG) and was incorporated as per December 15, 2005, under the former name Medisize Holding AG and listed as an independent company on June 23, 2006, on SIX Swiss Exchange. Medisize was operating with two segments in the dental and medical consumables markets. Effective as at April 30, 2008, the medical segment was sold to the Finnish Medifiq Group and the Company name was changed to COLTENE Holding AG. Since then, COLTENE Group is active in the dental market only and operates one segment in line with its management structure, the organizational setup, the reporting and the allocation of resources.

In October 2018, the COLTENE Group made a larger step with the strategic acquisition of the SciCan Group headquartered in Toronto, Canada, and Micro-Mega (held by DentalDrives GmbH) located in Besançon, France. The SciCan Group offers infection control equipment and hygiene products for surface disinfection. Micro-Mega is focused primarily on endodontic instruments.

End of May 2020, COLTENE bought the assets of Ackermann KG in Göppingen, Germany, the manufacturer of Adaco® steel separating strips. The additional annual turnover of these products are approximately CHF 0.4 million.

In August 2020, all operational activities of Kenda AG in Vaduz, Liechtenstein, were moved into the production facility of Coltène/Whaledent AG in Altstätten, Switzerland. The relocation will save costs significantly. It is planned to liquidate Kenda AG in the course of the current year.

On September 1, 2020, SciCan Inc., Pittsburgh, PA was merged into Coltène/Whaledent Inc. in Cuyahoga Falls, OH. This merger allows for the integration of both sales organizations for dental dealers in one legal entity in order to improve effectiveness and profitability.

On November 12, 2020, COLTENE do Brasil Ltda. was founded to distribute the products imported into Brazil in the future.

After reviewing its product portfolio, the COLTENE Group has decided to discontinue non-strategic products that are low-volume and have low EBIT margins. Based on this decision and due to the economic situation in Brazil, the Board of Directors and Management have decided to sell the Brazilian subsidiary Vigodent SA end of December 2020 to local entrepreneurs.

Legal structure of subsidiaries

Of all the companies consolidated, COLTENE Holding AG (the COLTENE Group's holding company) is the only one listed. It is headquartered in Altstätten/SG, Switzerland. COLTENE Holding AG's registered shares (security no. 2.534.325, ISIN CH0025343259, symbol CLTN) are quoted on SIX Swiss Exchange. On December 31, 2020, the market capitalization amounted

to CHF 513.9 million (prior year CHF 530.6 million). All Group companies are ultimately owned at 100 % by the Group's holding company.

Information on the companies belonging to the COLTENE Group, which are not listed, is shown on page 98 of the Financial Report.

Major Shareholders

On December 31, 2020, there were 2204 shareholders (previous year 2203) entered in the share register and the following shareholders held stakes equaling or exceeding the legal disclosure threshold of 3 % of the voting stock of COLTENE Holding AG:

HUWA Finanz- und Beteiligungs AG, Heerbrugg, Switzerland, held 1 331 467 registered shares. These equals voting rights of 22.28 %. HUWA Finanz- und Beteiligungs AG is representing the families of Ruedi Huber, Balgach, Switzerland, Helene Huber, Balgach, Switzerland, and Nick Huber, Balgach, Switzerland. Further details are available on the disclosure of shareholdings website of SIX Swiss Exchange. Nick Huber is Chairman of COLTENE Holding AG. He is neither the majority shareholder of HUWA nor does he have a decisive influence on the decision-making process at HUWA. In case of conflicts of interest, he has abstained from voting on board resolutions at HUWA level, e.g. on the question of how to vote with shares, which HUWA holds in a listed company where he is a member of the Board of Directors.

Arthur Zwingenberger, Luzern, Switzerland, held 1 032 501 registered shares. These equals voting rights of 17.28 %. Arthur Zwingenberger bought these shares from Arno Holding S.à.r.l., Luxemburg, Luxemburg, which he controlled and which was the former major shareholder of SciCan Ltd. and DentalDrives GmbH that was sold to the COLTENE Group on October 9, 2018. Arthur Zwingenberger is the father of Allison Zwingenberger, member of the Board of Directors of COLTENE Holding AG. Allison Zwingenberger has no business connection with Arthur Zwingenberger and no influence on his voting decisions in regard to COLTENE shares.

Rätikon Privatstiftung, Bludenz, Austria, held 608 493 registered shares. These equals voting rights of 10.18 %.

Rätikon Privatstiftung is under control of Franz Rauch, Laterns, Austria. Direct shareholder is ESOLA Beteiligungsverwaltungs GmbH, Rankweil, Austria. Franz Rauch is the father of Jürgen Rauch, member of the Board of Director of COLTENE Holding AG. Jürgen Rauch has no business connection with Rätikon Privatstiftung and ESOLA Beteiligungsverwaltungs GmbH and no influence on their voting decisions with regard to COLTENE shares.

Tweedy, Browne Company LLC, New York, USA, held 251 512 registered shares representing 4.21 % of the voting rights.

Robert Heberlein, Zumikon, Switzerland, held directly and indirectly through Burix Beteiligungen AG, Zürich, which he controls, 240 213 registered shares, representing 4.02 % of the voting rights.

All other shareholders held a stake of 42.03 % of the voting rights of COLTENE Holding AG.

The Company held 19 treasury shares amounting to 0.00 % (0.00 %) at the balance sheet date. Shares pending registration of transfer amounted to 12.52 % (13.34 %) of the total as at December 31, 2020.

Disclosure notifications pertaining to shareholdings are published on the electronic publication platform of SIX Swiss Exchange AG. The notifications can be accessed via the following link to the database of the disclosure office of SIX Swiss Exchange:
<https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html>

Cross-Shareholding

COLTENE Holding AG has no cross-shareholding arrangements with other companies.

Structure of Group Operations

Group Management of the reporting year

The COLTENE Group is operationally headed by Group Management. COLTENE Group Management, chaired by Martin Schaufelberger as CEO, consists of Gerhard Mahrle, CFO, who acts also as deputy CEO, Stefan Helsing, COO, Martin Schlüter (Vice President R&D/Innovation), Werner Barth, Vice President Product Management/Group Marketing, John Westermeier

(Vice President Sales/Marketing Communication of North America), and Christophe Loretan, Vice President Sales/ Marketing Communication of Europe and Rest of the World (ROW).

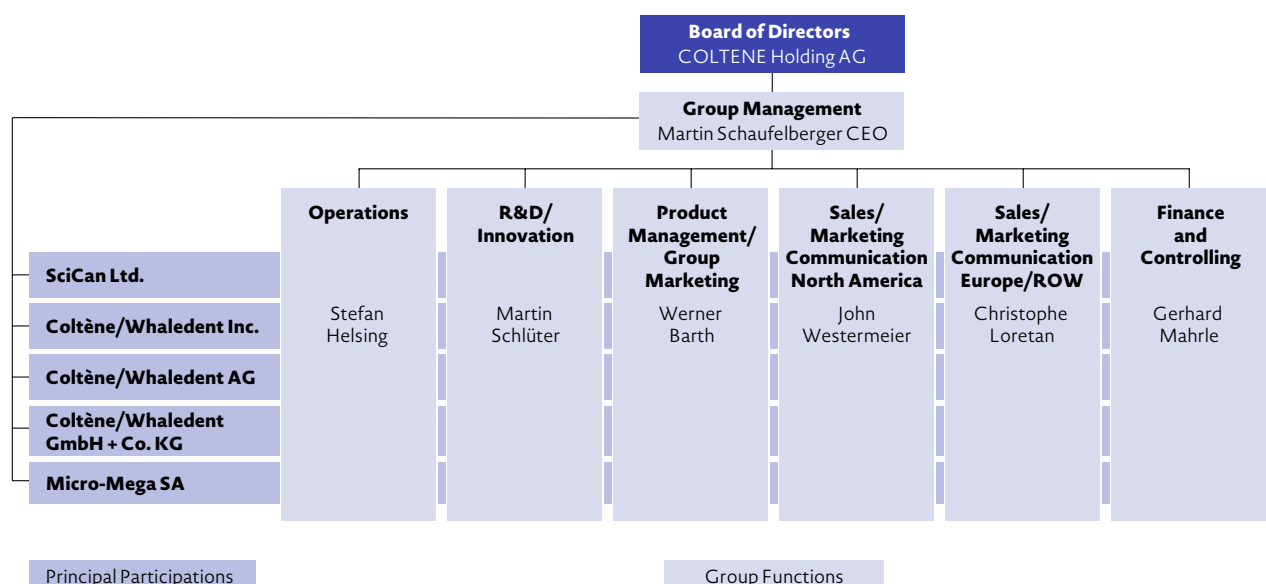
Changes of Group Management effective on January 1, 2020

On December 31, 2019, Werner Mannschedel, Vice President R&D, Quality Management and Regulatory Affairs, retired and on January 1, 2020, the Board of Directors nominated Martin Schlüter and John Westermeier as new members of Group Management team. Martin Schlüter, responsible for R&D/Innovation joined the COLTENE Group in 2010. In his former functions he managed the local R&D teams at the COLTENE production sites in Altstätten, Switzerland, and Langenau, Germany. John Westermeier, now responsible for Sales/ Marketing Communication of North America, the largest

single market of the COLTENE Group, was previously CEO and head of sales of the SciCan Group. He joined COLTENE in October 2018. Since January 1, 2020, Christophe Loretan is Vice President Sales/ Marketing Communication of Europe and Rest of the World (ROW) and Werner Barth became Vice President Product Management/Group Marketing.

Group Management is responsible for the operational management of the holding company and the COLTENE Group. The Group is managed by the Board of Directors through Group Management. The Board of Directors and Group Management are assisted in their work by central Group functions. The separation of responsibilities between the Board of Directors and Group Management is explained on page 44.

Group structure and management organization of the COLTENE Group as per January 1, 2021:



Capital Structure

Information about the capital structure can be found in COLTENE Holding AG's Articles of Incorporation, in the Financial Statements of COLTENE Holding AG as well as in the Investor Relations section on page 6 of this report.

Capital

Details on the capital are included in the COLTENE Holding AG's financial statements on pages 102 to 103.

Authorized or Conditional Capital

According to Paragraph 3 para. 9 of the Articles of Incorporation, the Board of Directors had the authorization to increase the share capital of COLTENE Holding AG in an amount not exceeding CHF 6842 (which corresponds to approximately 1.14 % of the current share capital) at any time until September 13, 2020, by way of issuance of up to 68 420 registered shares with a nominal value of CHF 0.10 each to be fully paid in. The authorized capital expired unused on the mentioned date. Following the expiry of the deadline set for the authorized capital, the Board of Directors decided at its meeting on February 25, 2021, to delete the corresponding article in the Articles of Incorporation of COLTENE Holding AG. The deletion of this article will be submitted to the Annual General Meeting of March 31, 2021, for approval in the context of further amendments to the Articles of Incorporation.

COLTENE Holding AG has no conditional capital.

Changes in Capital

The changes in equity of COLTENE Holding AG that occurred during the last three financial years are shown in the table below. Treasury shares are recognized at weighted average cost and deducted from shareholders' equity at the time of acquisition.

Changes in equity

In CHF 1000	31.12.2020	31.12.2019	31.12.2018
Share capital	598	598	598
Statutory reserves	120	84	84
Capital contribution reserve without foreign reference	49 983	49 983	67 907
Capital contribution reserve with foreign reference	92 913	101 877	101 876
Capital contribution reserve	142 896	151 860	169 783
Reserves for treasury shares	-2	-1	-303
Net income brought forward	29 061	34 915	30 037
Total	172 673	187 456	200 199

On September 27, 2018, COLTENE Holding AG completed an ordinary capital increase as the first of two capital increases to partially finance the acquisition of SciCan Ltd. and DentalDrives GmbH. The company issued 675 000 shares with a par value of CHF 0.10 each as part of a rights offering "at market" to existing and new shareholders at an offer price of CHF 104. COLTENE Holding AG generated gross proceeds of

CHF 70 200 000. This corresponds to net proceeds of CHF 69 546 000. The listing and first day of trading of the offer shares were set to September 28, 2018.

The payment of the offer price against delivery of offer shares was made on October 2, 2018. On the closing date of the transaction on October 9, 2018, to further finance the transaction, the company issued 1 081 580 consideration shares with a par value of CHF 0.10 each at an issue price of CHF 94.29 to the sellers of SciCan Ltd. and DentalDrives GmbH against contribution in kind of all shares in SciCan Ltd. in the course of a capital increase out of authorized share capital. After the completion of both capital increases, the share capital of COLTENE Holding AG amounts to CHF 597 558, divided into 5 975 580 registered shares with a par value of CHF 0.10 each.

Based on the Annual General Meeting's decision on April 2, 2020, the Company distributed a dividend of CHF 1.50 (previous year CHF 3.00) per share paid out to its shareholders on April 8, 2020, from capital contribution reserves with foreign reference. The total amount paid was TCHF 8963 (previous year TCHF 17 924).

Shares and Participation Certificates

COLTENE shares security no.: 2.534.325
ISIN: CH0025343259
Symbol: CLTN

The Company's share capital consists of 5 975 580 (previous year 5 975 580) registered shares with a par value of CHF 0.10 each (previous year CHF 0.10). All shares are fully paid up and entitled to dividends. They entitle the holder to one vote at the General Meeting. The right to apply the special rules concerning treasury shares held by the Company is reserved, particularly in relation to the exemption from the entitlement to dividends. There is no additional conditional or authorized capital.

Due the transition of the accounting standard from IFRS to Swiss GAAP FER in 2019, the shares of COLTENE Holding AG are traded in the Swiss Reporting Standard, effective as of July 1, 2019 (first trading day of the COLTENE shares in the Swiss Reporting Standard). Before that date the shares were traded in the International Reporting Standard. The

shares of COLTENE Holding AG will remain in the indices of the SPI family as well as in the two SXI-indices, SXI Life Sciences and SXI Bio+Medtech of the SIX Swiss Exchange. Since February 1, 2021, the shares of COLTENE Holding AG are part of both ESG indices of SIX Swiss Exchange SPI ESG and SPI ESG Weighted.

Profit-Sharing Certificates

COLTENE Holding AG has not issued any profit-sharing certificates.

Restrictions on Transferability of Shares and Nominee Registrations

According to Paragraph 4 of the Articles of Incorporation, only individuals who are registered in the share register may be recognized as the owners or beneficiaries of traded shares. Registration of ownership may be refused only in cases where the purchaser does not expressly declare that he has acquired the shares for his or her own account. The Board of Directors may cancel a registration of a shareholder or nominee in the share register, after hearing the respective parties, if the entry was made based on false declarations. The relevant party is to be immediately informed of this cancellation. The Board of Directors may define principles for the registration of fiduciaries or nominees and stipulate the necessary rules to guarantee compliance with the aforementioned principles.

Convertible Bonds and Warrants/Options

COLTENE Holding AG has no outstanding convertible bonds or options.

Board of Directors

Members of the Board of Directors

On December 31, 2020, the Board of Directors of COLTENE Holding AG consisted of seven members. The Articles of Incorporation stipulate a minimum of three.

All Board members are non-executive and none of the members of the Board of Directors was a member of the management of the Group or a Group company in the past three financial years. None of the Board members has a significant business relationship with COLTENE Holding AG or a Group company. In 2018, the law firm Lenz & Staehelin, Zürich, where Astrid Waser is partner, received CHF 790 000 (2019: CHF 13 000 and 2020: CHF 27 000) for legal advice. In 2018, Lenz & Staehelin acted as an advisor to the Board of Directors and Group Management during the transaction (due diligence, transaction agreement, capital increases, bank financing) with regard to the acquisitions of Kenda, SciCan Ltd. and DentalDrives GmbH. The fees paid in 2019 and 2020 were mainly for general legal advice in the course of ordinary business and in 2020 additionally for legal advice in connection with the sale of Vigodent SA.

The personal details together with the other activities and vested interests of individual members of the actual Board of Directors are listed on pages 46–50.

Election and Term of Office

The members of the Board of Directors are elected by the shareholders for a period of one year. At the end of their term of office, members may be re-elected. There is no limit to the period of office or age of members of the Board of Directors. The members of the Board of Directors are elected person by person. The Chairman of the Board of Directors is elected by the shareholders for a period of one year. In the event of incapacity of the Chairman, the Chairman of the Audit and Corporate Governance Committee will temporarily assume the role of the Vice Chairman of the Board of Directors.

Restrictions on Activities outside of COLTENE Group

Restrictions on activities outside of the COLTENE Group of the members of the Board of Directors are governed in Paragraph 18 of the Articles of Incorporation.

Internal Organization

Allocation of tasks within the Board of Directors

The Board of Directors is ultimately responsible for the management of the Company and the supervision of the persons in charge of the management. The Board of Directors represents the Company and takes care of all matters that are not delegated by law, the Articles of Incorporation, or the organizational regulations to another body.

The Board of Directors' main duties can be summarized as follows:

- Determination and formulation of the business strategy
- Purchase and sale of participations or establishment and liquidation of Group companies
- Approval of investments in and divestments of fixed assets exceeding CHF 200 000 in value
- Approval of intercompany loans in excess of CHF 400 000 per fiscal year per Group company
- Definition of COLTENE Group's finance strategy
- Determination of financial accounting and reporting, financial control, and financial planning
- Definition of COLTENE Group's organizational structure
- Appointment of the persons in charge of the management and their supervision
- Approval of the Auditor's report and Annual Report as well as preparation of the General Meeting of Shareholders and the execution of its resolutions

Membership of the Committees of the Board of Directors, their duties and responsibilities

The Board of Directors has delegated the operational management to Group Management headed by the Chief Executive Officer (CEO). The Chairman of the Board of Directors organizes and manages the work of the Board of Directors.

The permanent committees of the Board of Directors are composed as follows:

Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee has been set up by the Board as follows:

Chairman: Erwin Locher

Members: Jürgen Rauch and Astrid Waser

The Audit and Corporate Governance Committee

assists the Board of Directors in its supervisory duties and has to perform the following main tasks and duties:

- Approval of the auditing program and audit fees and form a judgment of the effectiveness of the external audits
- Review, amendment and approval of the risk management assessment and system as well as control of the fulfillment of defined measures
- Review and assessment of the functioning of the internal control system and control of the fulfillment of corrective actions
- Review of the consolidated financial statements as well as interim statements intended for publication
- Regular review of the principles concerning Corporate Governance
- Proposals to the Board of Directors of amendments to the Articles of Incorporation or internal regulations if necessary

Nomination and Compensation Committee

The Nomination and Compensation Committee is elected every year by the Annual General Meeting. The Nomination and Compensation Committee includes the following members:

Chairman: Matthew Robin

Members: Nick Huber, Roland Weiger

The Nomination and Compensation Committee carries out the following duties:

- Recommendation of the remuneration of the members of the Board of Directors
- Definition of the principles for the remuneration of the members of Group Management and submission of these to the Board of Directors for approval
- Definition of principles for the selection of candidates for election or re-election to the Board of Directors
- Preparation of the selection and assessment of the candidates for the position of the CEO
- Recommendation of appointments of members of Group Management
- Recommendation of the remuneration to be paid to Group Management
- Approval of the general guidelines for the Human Resources management of the Group
- Yearly elaboration of the compensation report to be presented to the AGM

Working methods of the Board of Directors and its Committees

The Board of Directors meets annually for at least six ordinary, mainly one-day meetings. Extraordinary meetings may be held as necessary. Every member of the Board of Directors is entitled to request an immediate meeting if he/she names its purpose. In 2020, the Board of Directors met ten times (previous year seven times). These meetings lasted in average four to eight hours. In one meeting, the Board of Directors discussed the Group Strategy together with the enlarged Group Management during a two-day workshop. On one occasion in 2020 (previous year also one), the circular method was used for decision-making.

The Audit and Corporate Governance Committee met four times (previous year three times) for usually a two- to three-hour meeting. The Nomination and Compensation Committee met four times (previous year three times) for a two-hour meeting.

Since March 2020, the meetings were held via video conferencing systems due to the personal meeting restrictions because of the COVID-19 pandemic.

Meetings are summoned in writing by the Chairman. An invitation together with a detailed agenda and documentation is sent to all participants normally seven days in advance of the date set for the meeting.

As a rule, the Chief Executive Officer and the Chief Financial Officer attend meetings of the Board of Directors as well as meetings of the committees. In order to ensure that the Board of Directors has sufficient information to make decisions, other members of Group Management team or other members of staff or third parties may also be invited to attend.

The Board of Directors is quorate if all members have been duly invited and the majority of its members take part in the decision-making process. Members may participate in deliberations and the passing of resolutions by telephone, by video conference, or other suitable electronic media if all participants are in agreement. The decisions of the Board of Directors are taken on the basis of the votes submitted. In the event of a tie, the Chairman has the casting vote. Decisions may also be made in writing.

Proposals may also be sent to all members and they are regarded as passed if the majority of members agree unconditionally and no member insists on discussion of the issues in question in a formal meeting. Members of the Board of Directors are obliged to leave meetings when issues are discussed that affect their own interests or the interests of persons close to them.

All proposals and decisions are entered in the minutes to the meeting of the Board of Directors and its committees. The minutes also contain a summary of important requests to speak and any deliberations.

Definition of Areas of Responsibility

The areas of responsibility between the Board of Directors and Group Management are defined in COLTENE Holding AG's organizational regulations and can be summarized as follows: with the exception of decisions which according to article 716a of the Swiss Code of Obligations are part of its inalienable and non-transferable duties, and those additional duties listed on pages 42 to 45, the Board of Directors has delegated the executive control of COLTENE Group and, with it, operational management of the entire COLTENE Group, to Group Management.

Information and Control Instruments vis-à-vis Group Management

As a rule, Group Management updates the Board of Directors on operations and COLTENE Group's financial position every month. In addition, the CEO and CFO report on business and all matters of relevance to the Board of Directors at each meeting of the Board of Directors. Every member of the Board of Directors has the right to ask any member of Group Management for information about matters within his remit, even outside meetings. The Chairman of the Board of Directors is also informed by the CEO about all businesses and issues of a fundamental nature or of special importance.

Risk Management

Based on an approved Risk Management policy by the Board of Directors, an extensive system for monitoring and controlling the risks linked to the business activities is in place. Group Management is responsible for the risk identification, analysis, controlling, reporting, and monitoring the implementation. The implementation is organized along the group's organizational areas with each member of Group Management heading the processes in their correspondent areas of responsibilities.

The Board of Directors reviews the risk management and the results of implemented corrective actions once a year, based on a detailed protocol. In 2020, a total of twenty-six risks have been assessed in a matrix along four stages of probability of occurrence and four stages of impact on net income. The protocol additionally compares the current assessment to the previous year. Seven out of the twenty-six risks have been classified as critical in terms of potential impact on net income and probability of occurrence. For example, tax risks and respective potential impact are considered to be low, in contrast to cyber threats. The analysis includes newly assessed risks such as a global pandemic.

The risks are assessed in the categories of Strategy, Operation and Reporting. The topics cover customers as a stakeholder group and range from the global market environment and sales management, to customer needs related to product groups, product and service quality, and flexibility in developing new online sales channels. Employees as another important stakeholder group are covered in the assessment of the image of COLTENE as an employer, career development as well as in their role in reputational processes towards other stakeholders. Regarding operations, general high-tech industry factors such as efficiency, adaptability, and trademark and brand awareness are weighed in. Leadership, internal and external reporting as well as compliance are also fields covered by the risk assessment. Financial risks are identified regarding currency exposures among other factors. The sale of Vigodent in Brazil, among other reasons also due to prolonged and increasing currency weakness of the BRL was the most impactful decision stemming from risk management processes in 2020.

Based on an approved Internal Control System policy by the Board of Directors, the internal control mechanisms are reviewed and documented. At least once a year a member of the Audit and Corporate Governance Committee reviews in detail the assessment of risk by Group Management as well as the corrective and mitigative actions implemented. The findings of the Committee are reviewed regularly by the Board of Directors.

Board of Directors

The Board of Directors of COLTENE has committed itself to maintaining the highest standards of integrity and transparency in its governance of the Company.



Matthew
Robin

Allison
Zwingenberger

Jürgen
Rauch

Nick
Huber

Astrid
Waser

Roland
Weiger

Erwin
Locher

Set out below are the names, position, age, year of first election, and committee memberships of the Board of Directors:

Membership of the Board of Directors

Members	Function Board of Directors	Born in	Year of first election	2020	
				Audit and Compliance Committee	Nomination and Compensation Committee
Nick Huber	Chairman	1964	2005		Member
Erwin Locher	Member	1953	2009	Chairman	
Jürgen Rauch	Member	1967	2016	Member	
Matthew Robin	Member	1965	2006		Chairman
Astrid Waser	Member	1971	2017	Member	
Roland Weiger	Member	1961	2013		Member
Allison Zwingenberger	Member	1970	2018		

Nick Huber

- Chairman of the Board of Directors
- Completion of the Stanford Executive Program
- Swiss citizen, born in 1964

Professional background (main stages)

- 1990–1995 IBM (Switzerland) AG, Zürich, Account Manager
- 1995–2016 SFS Group AG, Heerbrugg, different management positions

Other important activities and vested interests

- Member of the Board of Directors of SFS Group AG, Heerbrugg
- Member of the Board of Directors of Gurit Holding AG, Wattwil
- Member of the Board of Directors of HUWA Finanz- und Beteiligungs AG, Heerbrugg

Key knowledge and experience

- International and strategic management – many years of operational leadership experience in management positions in the SFS Group and longtime experience as member of the Board of international companies.
- Human resources – longtime operational responsibility of the human resources department of the SFS Group.
- Marketing and sales – operational management experience as divisional head of direct and indirect consumables business.

Matthew Robin

- Chairman of the Nomination and Compensation Committee
- M. Eng. in Chemical Engineering, Imperial College, University of London
- British and Swiss citizen, born in 1965

Professional background (main stages)

- 1987–1998 Lonza Fine Chemicals, Basel, various functions in the US and in Switzerland (last function: Business Director US Custom Manufacturing)
- 1998–2003 Disetronic Holding AG, Burgdorf, various Senior Management functions (last function: Head Disetronic Injection Systems)
- 2003–2006 Ypsomed Holding AG, Burgdorf, CEO
- 2007–2011 Tecan Holding AG, Männedorf, Divisional Head Liquid Handling & Robotics
- Since 2011 ELSA-Mifroma Group, Estavayer-le-Lac, CEO

Other important activities and vested interests

Matthew Robin has no other important activities and vested interests.

Key knowledge and experience

- International and strategic management – longtime operational and strategic leadership experience in the medical device and other regulated international businesses.
- Manufacturing, innovation, and human resources – many years of experience as business director and CEO of large producing companies.
- Medtech and digital innovation – know-how and active access to networks in technology and marketing.

Erwin Locher

- Chairman of the Audit and Corporate Governance Committee
- Economist, University of Basel, MBA, University of Toronto (Rotman)/University of St. Gallen
- Swiss citizen, born in 1953

Professional background (main stages)

- 1979–1982 Sandoz AG, Basel, Internal Auditor
- 1982–1986 Mibelle AG, Buchs (subsidiary of Migros), Head Logistics
- 1986–1987 Zellweger AG, Uster, Treasurer
- 1987–1991 Mibelle AG, Buchs (subsidiary of Migros), Vice President Finance
- 1991–1996 Allo Pro AG, Baar (subsidiary of Sulzer Medica), Vice President Finance, and then President
- 1996–2004 Mathys Medical AG, Bettlach, CEO and President Synthes Division

Other important activities and vested interests

- Chairman of the Board of Directors of Thommen Medical AG, Grenchen
- Member of the Board of Directors of Mathys Medical AG, Bettlach

Key knowledge and experience

- International and strategic management, marketing and sales – experience as former CEO of a global medical device company.
- Financial management, audit, and compliance – many years of experience as Vice President of finance in a national and international company.
- Dental industry – operational responsibility for the COLTENE Group as CEO ad interim in 2011/2012.

Roland Weiger

- Prof. Dr. med. dent., University of Tübingen, Germany
- German and Swiss citizen, born in 1961

Professional background (main stages)

- 2000–2002 University of Tübingen, Professor of Endodontology
- 2002–2011 Chairman of the Research Committee, European Society of Endodontology (ESE)
- Since 2002 University of Basel, Professor and Director, Clinic of Periodontology, Endodontology and Cariology
- 2012–2015 University of Basel, Director of the Department of Dental Medicine
- Since 2016 University Center of Dentistry (UZB), Basel, Director of the University Dental Clinics and member of the Executive Board

Other important activities and vested interests

- Member of the Expert Commission of the Swiss Society for Preventative, Restorative and Esthetic Dentistry (SSPRE)
- Member of the Board of the Swiss Society of Periodontology (SSP)
- Member of the Swiss Examining Board (federal exams in dentistry)

Key knowledge and experience

- Expertise in general dentistry and specialized conservative dentistry – longtime leadership experience as chairman of a dental department and higher-level clinical university institution.
- Experience in dental technology and dental market – profound expertise in research, teaching, and clinical procedures as professor in conservative dentistry and professional competence as practicing dentist specialized in endodontology and restorative dentistry.

Jürgen Rauch

- Business economist, University of Innsbruck
- Austrian citizen, born in 1967

Professional background (main stages)

- 1993–1994 Pittra Inc, New York, various Management functions
- 1994–2004 Rauch Hungaria Kft, Budapest, General Manager
- Since 2004 Rauch Fruchtsäfte GmbH & Co OG, Rankweil, CEO

Other important activities and vested interests

Jürgen Rauch has no other important activities and vested interests.

Key knowledge and experience

- Production and distribution – longlasting experience in building up and in general management of an international bottling company for liquid consumables.
- Marketing and branding – many years of experience in the positioning and marketing of an international renowned brand in the consumables industry.

Astrid Waser

- Dr. iur., attorney-at-law, LL.M., University of Lausanne
- Swiss citizen, born in 1971

Professional background (main stages)

- 2002–2011 Lenz & Staehelin, Zürich, Associate
- 2004 Foreign Associate, Brussels
- Since 2012 Lenz & Staehelin, Zürich, Partner

Other important activities and vested interests

Astrid Waser has no other important activities and vested interests.

Key knowledge and experience

- Legal affairs and compliance – proven expert in competition and procurement law and long-standing experience in counselling firms in the field of business law, in particular regarding internal and regulatory investigations and compliance matters.

Allison Zwingenberger

- DVM, University of Guelph
- Canadian and German citizen, born in 1970

Professional background (main stages)

- Since 2005 University of California, Davis, Professor of Veterinary Radiology
- 2006–2018 SciCan Ltd., Toronto, member of the Board of Directors
- 2015–2017 American College of Veterinary Radiology (ACVR), President CT/MRI Society
- 2016–2018 European College of Veterinary Diagnostic Imaging (ECVDI), President
- Since 2018 University of California, Davis, Cancer Center, Co-Director of the Translational Imaging Shared Resource
- Since 2020 Director of Diagnostic Imaging, Veterinary Medical Teaching Hospital, University of California, Davis

Other important activities and vested interests

Allison Zwingenberger has no other important activities and vested interests.

Key knowledge and experience

- Experience as a Board member of SciCan Ltd., specializing in infection control in the dental industry.
- Professor at a leading school of veterinary medicine with experience in leadership, healthcare, and education.
- Experience in biomedical science as an NIH-funded clinician researcher in translational imaging with a master's degree in Clinical Research.

Group Management

Group Management of COLTENE has committed itself to the highest principles of sustainability, integrity, and responsibility that build the foundation of COLTENE's corporate culture.



Christophe
Loretan

Stefan
Helsing

Gerhard
Mahrle

Martin
Schaufelberger

Martin
Schlüter

John
Westermeier

Werner
Barth

Martin Schaufelberger

- Chief Executive Officer COLTENE Group (since 2012)
- Electrical Engineer, Fachhochschule für Technik, Rapperswil
- MBA Marketing, City University of Seattle, Zürich and Seattle
- Swiss citizen, born in 1964

Professional background (main stages)

- 1988–1998 Zellweger Uster AG, Uster, various functions in Switzerland and Japan (last function: General Manager Strategic Marketing)
- 1998–2001 Kunststoff Schwanden AG, Schwanden, Head Marketing and Sales
- 2001–2007 Kunststoff Schwanden AG, Schwanden, Deputy CEO
- 2007–2012 Kunststoff Schwanden AG, Schwanden, CEO

Other important activities and vested interests

- Chairman of the Board of Directors of Zünd Systemtechnik AG, Altstätten
- Member of the Board of Directors of Toneatti Construction Companies, Bilten

Gerhard Mahrle

- Chief Financial Officer COLTENE Group (since 2014)
- lic. oec. HSG, University of St. Gallen
- Swiss citizen, born in 1957

Professional background (main stages)

- 1985–1992 Various senior positions in finance at the Galenica Group and the Hilti Group
- 1992–1998 Eugster/Frismag Group, Romanshorn, CFO
- 1998–2000 Batigroup Holding AG, Basel, CFO
- 2000–2009 sia Abrasives Holding AG, Frauenfeld, CFO
- 2009–2013 Kardex AG, Zürich, CFO

Other important activities and vested interests

Gerhard Mahrle has no other important activities and vested interests.

Stefan Helsing

- Chief Operating Officer COLTENE Group (since 2018)
- lic. oec. HSG, University of St. Gallen
- Swiss citizen, born in 1958

Professional background (main stages)

- 1985–1994 Management Zentrum St. Gallen and Indevo AB, Management Consultant
- 1994–2000 Swissair AG, Zürich, Network Management and CEO Balair-Airline
- 2000–2005 STA Travel Ltd., Zürich, CEO
- 2005–2008 Hotelplan Management AG, Glattbrugg, Production Management
- 2008–2018 Sanavis Group, Toronto and Leutkirch, Executive Chairman

Other important activities and vested interests

- General Manager and minor owner of Sycotec GmbH & Co. KG, Leutkirch
- Member of the Board of Directors of eMonitor AG, St. Gallen

Werner Barth

- Vice President Product Management/Group Marketing COLTENE Group
- Member of Group Management since 2015
- Dr. sc. techn. ETH, Zürich
- Swiss citizen, born in 1966

Professional background (main stages)

- 1999–2001 VOLPI AG, Schlieren, Head Business Unit Medical Products
- 2001–2004 HMT High Medical Technologies AG, Lengwil, Product and Sales manager
- 2005–2006 Ziemer Ophthalmic Systems AG, Port, Head Marketing & Sales
- 2006–2013 Ziemer Ophthalmic Systems AG (Ziemer Group), Port, Vice President Sales
- 2013–2015 Coltène/Whaledent AG, Altstätten, Global Director Marketing

Other important activities and vested interests

Werner Barth has no other important activities and vested interests.

Christophe Loretan

- Vice President Sales & Marketing Communication EMEA/ROW COLTENE Group
- Member of Group Management since 2015
- Dipl. sc. nat. ETH Zürich
- MBA University of Rochester, Bern
- Swiss citizen, born in 1970

Professional background (main stages)

- | | |
|-----------|---|
| 1998–2002 | Geistlich Pharma AG, Wolhusen,
Marketing Manager and Area Sales
Manager Division Biomaterials |
| 2002–2003 | Tillotts Pharma AG, Ziefen, Business
Development Manager Pharma/
Gastroenterology |
| 2003–2005 | Novozymes Switzerland AG, Dittingen,
Global Marketing Manager |
| 2006–2013 | Novozymes Switzerland AG, Dittingen,
Customer Solutions Director EMEA |
| 2013–2015 | Novozymes Switzerland AG, Dittingen,
Technical Service and Sales Director EMEA |
| 2015–2019 | Coltène/Whaledent Inc., Cuyahoga Falls,
Vice President Global Sales |

Other important activities and vested interests

Christophe Loretan has no other important activities and vested interests.

Martin Schlüter

- Vice President R&D/Innovation COLTENE Group
- Member of Group Management since 2020
- Dr. rer. nat., Dipl. Chem. Westfälische Wilhelms Universität, Münster
- German citizen, born in 1972

Professional background (main stages)

- | | |
|-----------|--|
| 2005–2007 | BEGO Bremer Goldschlägerei Wilhelm
Herbst GmbH & Co. KG, Bremen, Manager
R&D Department Dental Consumables |
| 2007–2009 | BEGO Bremer Goldschlägerei Wilhelm
Herbst GmbH & Co. KG, Bremen, Manager
of Business Unit Dental Consumables
& Ceramics |
| 2009–2010 | BEGO Bremer Goldschlägerei Wilhelm
Herbst GmbH & Co. KG, Bremen, Manager
R&D and Innovation Management |
| 2010–2018 | Director R&D EMEA, Coltène/Whaledent
AG, Altstätten |
| 2018–2019 | Director R&D/Innovation, COLTENE
Group, Altstätten |

Other important activities and vested interests

Martin Schlüter has no other important activities and vested interests.

John Westermeier

- Vice President Sales & Marketing Communication
North America COLTENE Group
- Member of Group Management since 2020
- B.A. Marketing & Communications Canisius College,
Buffalo, NY
- US citizen, born in 1965

Professional background (main stages)

- | | |
|-----------|---|
| 1992–2007 | KaVo America, Brea CA/USA, Director of
National Accounts, Regional Manager,
Sales Trainer |
| 2007–2010 | SciCan Inc., Pittsburgh PA, Director of New
Product Sales |
| 2010–2015 | SciCan Inc., Pittsburgh PA, President |
| 2015–2019 | SciCan Group, Toronto ON, CEO SciCan
Ltd. and Head of Sales |

Other important activities and vested interests

John Westermeier has no other important activities and vested interests.

Group Management

On January 1, 2021, COLTENE Holding AG's Group Management consisted of seven persons (in 2020 seven persons and in 2019 six persons): the CEO Martin Schaufelberger, the CFO Gerhard Mahrle, who also acts as deputy CEO, the COO Stefan Helsing, Werner Barth, Vice President Product Management/Group Marketing, Christophe Loretan, Vice President Sales/Marketing Communication Europe and Rest of the World (ROW), John Westermeier, Vice President Sales/Marketing Communication of North America, and Martin Schlüter, Vice President R&D/Innovation.

For further information regarding the changes in Group Management team see page 40 of this report.

Members of Group Management

The personal details together with the other activities and vested interests of individual members of the actual Group Management are listed on pages 51 to 55.

Management Contracts

No agreements pertaining to the provision of managerial services exist between COLTENE Holding AG and other companies or natural persons outside the COLTENE Group.

Restrictions on Activities outside of COLTENE Group

Restrictions on activities outside of the COLTENE Group of the members of Group Management are governed in Paragraph 18 of the Articles of Incorporation.

Principles on Compensation

Principles applicable to performance-related payments and to the allocation of equity securities, convertible rights, and options, as well as the additional amount for payments to members of Group Management appointed after the vote on the compensation at the General Meeting of Shareholders are governed in Paragraphs 22 et seq. of the Articles of Incorporation.

Loans, credit facilities, and post-employment benefits for members of the Board of Directors and Group Management are governed in Paragraph 28 of the Articles of Incorporation.

Regulations on the vote of the General Meeting of Shareholders on the compensation to members of the Board of Directors and Group Management are governed in Paragraphs 13.3 and 21 et seq. of the Articles of Incorporation.

Further information regarding the compensation of the Board of Directors and Group Management is available in the section of the compensation report on pages 62 to 72 of this Annual Report.

Shareholders' Participation Rights

Details of shareholders' participation rights can be found in the Articles of Incorporation. They are available in German as well as in an unofficial translation in English on the website at: <https://www.coltene.com/de/investoren-medien/corporate-governance/> (German version) and <https://www.coltene.com/investor-relations/corporate-governance/> (English version).

Voting Right Restrictions and Representation

The Articles of Incorporation contain no restrictions on voting rights. Every registered share represented at the General Meeting is entitled to one vote. A shareholder may vote his own shares or be represented at the General Meeting by way of a written proxy. Since the Annual General Meeting 2015, every shareholder can use also the online platform of ShareCommService AG ("Indirect Voting System – IDVS") in order to grant the independent proxy a power of attorney and to forward his instructions to such independent proxy.

Statutory Quorums

Unless otherwise determined by law, a General Meeting convened in accordance with the Articles of Incorporation is quorate regardless of the number of shareholders attending or the number of shares represented. To be valid and subject to legal or statutory provisions, resolutions require an absolute majority of the votes submitted.

Important decisions of the General Meeting as defined in article 704 Paragraph 1 of the Swiss Code of Obligations require at least two thirds of the votes present and the absolute majority of the par value of shares represented.

Convocation of the General Meeting of Shareholders

The ordinary General Meeting of Shareholders takes place annually within six months of the end of the Company's financial year. Extraordinary General Meetings can be called by decision of the General Meeting, the Board of Directors, at the request of the auditors, or if shareholders representing at least a tenth of the share capital submit a request in writing, stating the purpose to the Board of Directors.

The invitation to the General Meeting of Shareholders is published in the Swiss Official Commercial Gazette. All shareholders whose addresses are registered in the share register are notified by a letter or by e-mail at their choice.

Agenda

The Articles of Incorporation contain no regulations relating to agendas that differ from those set forth by the law.

Entries in the Share Register

Shareholders and/or beneficiaries of registered shares are entitled to vote if they are registered in the share register at the time of the General Meeting of Shareholders. The Board of Directors shall determine and indicate in the invitation to any General Meeting of Shareholders the relevant cut-off date for registrations in the share register that shall be relevant for the eligibility of any shareholder to participate in and vote at such General Meeting.

Changes of Control and Defense Measures

Public Purchase Offers

The Articles of Incorporation of COLTENE Holding AG do not stipulate an alleviation or exemption for the duty to submit a public offer according to articles 135 and 163 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA) (Bundesgesetz über die Finanzmarktinfrastrukturen und das Marktverhalten im Effekten- und Derivatehandel, FinfraG).

Clauses on Changes of Control

No change of ownership clauses are in effect at December 31, 2020, at COLTENE Group and Senior Management level.

Auditors

Duration of Mandate and Lead Auditor's Term of Office

The auditor of COLTENE Holding AG is elected by the Annual General Meeting for a term of one year. In the year under review, Ernst & Young AG (EY), listed as auditor in the commercial register of COLTENE Holding AG since June 25, 2012, served in this capacity. EY also serves as Group auditors. In accordance with legal requirements, the lead auditor is replaced after a maximum period of seven years. After the first seven-years period, Iwan Zimmermann became lead auditor in 2019.

Auditing Fees

The budget for the audit fees is proposed by the CFO and approved by the Audit and Corporate Governance Committee. The total sum charged during the year under review by EY amounted to CHF 303 000 (CHF 306 000 in previous year) and was related to audit services, which included the audit of the statutory financial statements of COLTENE Holding AG and of all major subsidiaries, as well as the audit of the consolidated financial statements.

Audit services are defined as the standard audit work performed each year in order to issue opinions on the Group companies in scope and the consolidated financial statements of the Group, to issue opinions relating to the existence of the Group's internal control system, and to issue reports on local statutory financial statements if required. Also included are audit services that are provided by the Group auditor, such as auditing of non-recurring transactions and implementation of new accounting policies, as well as audits of accounting infrastructure system controls.

Additional Fees

For non-audit-related services, EY was paid fees totaling CHF 6000 (CHF 60 000 in previous year). These amounts were mainly paid for services in connection with tax-related questions of restructuring projects. The execution or assistance of EY in the preparation of financial statements, the consolidated financial statements and related documents is not permitted.

Supervisors and Control Instruments Pertaining to the Auditors

As explained on page 43, the Board of Directors has established an Audit and Corporate Governance Committee to monitor the external auditors (statutory and COLTENE Group auditors). The Audit and Corporate Governance Committee, acting on behalf of the Board of Directors, is responsible for overseeing, monitoring and evaluating the activities of the auditors. The auditor participates regularly in the meetings of the Audit and Corporate Governance Committee, providing oral and written reports on the results of its reviews and audits. In 2020, the auditors participated in two meetings of the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee checks and evaluates the auditor and makes recommendations to the Board of Directors. The independence of the auditor is ensured by various measures. There is no explicit threshold for non-audit related fees, but they are not allowed to be significant in relation to the audit fees and must be approved by the CFO in order to assure that there is no potential conflict between the audit and non-audit services of the auditor. As part of his reporting for the consolidated and statutory financial statements, the auditor confirms its independence vis-à-vis COLTENE Holding AG.

The performance of the auditor is evaluated by the Audit and Corporate Governance Committee as well as by employees of COLTENE who are in regular contact with the auditor. The assessment is based on criteria such as the professional expertise and know-how, the understanding of the corporate structure and company specific risks, comprehensibility of the audit strategy proposed by the auditor, and diligence in the implementation of the proposed audit strategy, as well as the coordination of the auditor with the finance department of the COLTENE Group and the audited entities. In addition, the Audit and Corporate

Governance Committee reviews the results of the audit and particularly the comprehensive audit report for the consolidated annual financial statements. Based on the performance evaluation, the Audit and Corporate Governance Committee recommends to the Board of Directors whether EY should be proposed to the Annual General Meeting for re-election.

Information Policy

COLTENE Holding AG provides its shareholders with information in the form of the Annual Report and Half-year Report. At the publication date of the annual results, COLTENE informs at the annual press and analysts conference and later at the Annual General Meeting in detail about its business activity. At the publication date of the half-year results COLTENE informs about the business activity by means of a conference call. Important events are published immediately through press releases and/or letters to shareholders. Further information can be requested at the contact address indicated on page 7 and 110.

Internet

Shareholders and other interested parties can obtain information about the COLTENE Group on the Internet at www.coltene.com and subscribe to a news service.

Ad Hoc Publicity

COLTENE Holding AG maintains regular contact with the financial world in general and with important investors. At the same time, it abides by the legally prescribed principle of treating all parties equally as regards communication. Relevant new facts are published openly and are available to all interested parties. All press releases and ad hoc publications can be found as follows:
<https://global.coltene.com/de/investoren-medien/medienmitteilungen/> (German Version)
<https://www.coltene.com/investor-relations/media-releases/> (English version)

Financial Publications

<https://global.coltene.com/de/investoren-medien/finanzpublikationen/> (German Version)
<https://www.coltene.com/investor-relations/financial-publications/> (English version)

Articles of Incorporation

<https://global.coltene.com/de/investoren-medien/corporate-governance/> (German Version)
<https://www.coltene.com/investor-relations/corporate-governance/> (English version)

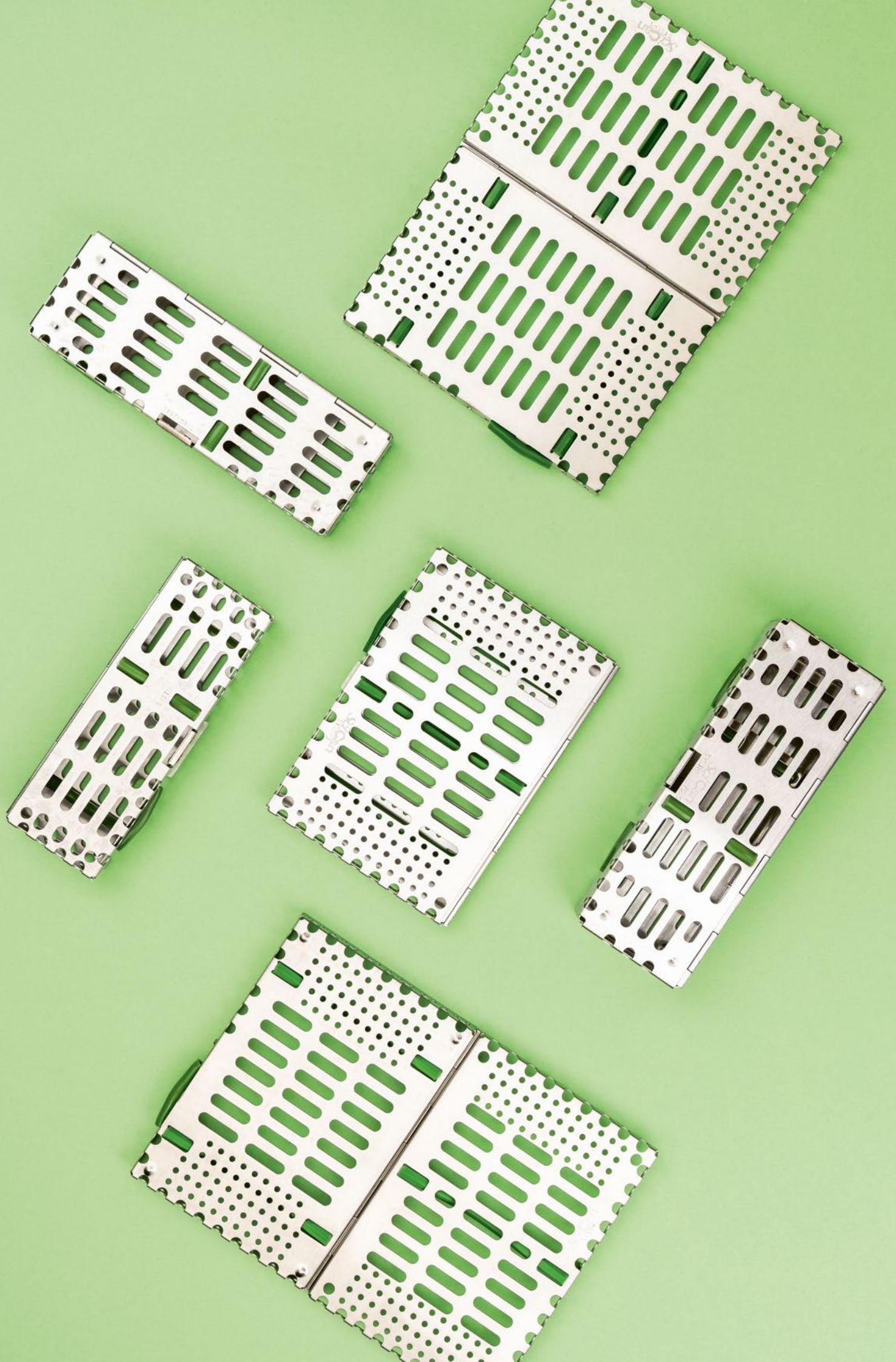
Corporate Communications and Investor Relations

COLTENE Holding AG
Corporate Communication/Investor Relations
Feldwiesenstrasse 20
9450 Altstätten, Switzerland
+41 71 7575 54 37
investor@coltene.com

For important dates of publications this year, the following year, and contact addresses refer to page 7.

Non-applicability/negative statement

It is explicitly declared that all statements that are not included or mentioned in this report are considered as either not applicable or negative statements according to the directive on information relating to Corporate Governance published by SIX Swiss Exchange AG or the associated commentary.



SciCan STATIM G4

Cassette Autoclave, Connected for Remote Access Convenience

The SciCan STATIM G4 Autoclave saves time by completing sterilization and cooling in shorter cycles. Maintenance reminders, instructions and the option for automatic software updates keep the autoclave in good working order.



Compensation Report

1 Introduction

This report provides an overview of COLTENE's compensation principles and practices. It provides information on the compensation of the Board of Directors and Group Management in 2019 and 2020. It explains the variable compensation systems and equity participation programs and discloses equity participations of Directors and Group Management in the Company.

These principles and practices are designed to:

- Align the interests of the leadership team and employees with those of our shareholders
- Support our attractiveness as a global employer, helping us to retain and recruit an engaged workforce
- Reward individuals according to clear targets
- Encourage entrepreneurship, above-market performance, accountability and value creation

We believe that our plan is balanced and in line with current best practices.

1.1 Reporting Standards

The compensation report is written in accordance with the Ordinance Against Excessive Compensation in Listed Companies (VegüV), the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse. The compensation paid or granted to Directors and Group Management is presented in our audited Financial Report (see pages 106).

1.2 Management Structure

Annual General Meeting
Board of Directors/Nomination and Compensation Committee
Group Management
Senior Management
Employees

Fig. 1: Management Structure

Information regarding the Board of Directors and the members of Group Management is available in the Corporate Governance report on pages 46 to 55.

1.3 Corporate Governance

The Board of Directors proposes candidates for the Nomination and Compensation Committee (NCC) to be elected annually by shareholders at the Annual General Meeting (AGM). Since the AGM 2016, the NCC is composed as follows:

Chair: Matthew Robin
Members: Nick Huber and Roland Weiger

The Board of Directors determines the NCC's responsibilities, and passes all resolutions on the Company's compensation system (see pages 42 to 44). The NCC is entrusted with the design of the compensation system that applies to Directors, Group Management and Senior Management. It reviews the principles and programs for compensation, and ensures that the compensation paid by the Company is based on market and performance related criteria. The NCC reports to the Board of Directors on compensation practices as well as on Group Management compensation at least once a year and proposes changes when necessary. Any recommendations made to the Board of Directors by the NCC are discussed, adjusted if required and formally approved by the Board of Directors. Among other duties, the NCC:

- Recommends the remuneration of the members of the Board of Directors
- Defines the principles for the remuneration and recommends the remuneration of the members of Group Management and submits these to the Board of Directors for approval
- Prepares the compensation report annually to be presented to the AGM

Recommendation and decision responsibilities with regard to compensation

Recipient	Recommendation	Decision	Approval
Chairman of the Board of Directors	NCC	BoD	AGM
Other members of the Board of Directors	NCC	BoD	AGM
CEO	NCC	BoD	AGM
Other members of Group Management	CEO	BoD	AGM
Senior Management		Group Management	Group Management

NCC: Nomination and Compensation Committee
BoD: Board of Directors
AGM: Annual General Meeting
CEO: Chief Executive Officer

This table describes the recommendation, decision and approval process of the COLTENE Group with regard to compensation of the Board of Directors, Group Management, and Senior Management (including the split in fixed and variable components and the approval of the maximum payout). According to the Ordinance Against Excessive Compensation in Listed Companies, effective since 2014, and the Articles of Incorporation of COLTENE Holding AG of October 9, 2018, the compensation payable to the Board of Directors and to Group Management has to be approved by the Annual General Meeting (AGM). COLTENE has chosen that the AGM approves the compensation for the following financial year. While the NCC recommends the remuneration packages, the Board of Directors decides on the compensation packages that are submitted to the AGM for approval. Group Management sets and approves the compensation for Senior Management within the guidelines set by the NCC. For all other employees, Group Management is responsible for setting the guidelines for compensation; these are implemented by Senior Management.

Up to now all approvals of compensation have been submitted for approval in advance by the AGM. At the AGM 2021, the Board of Directors will propose to the shareholders the following new approval process with regard to the compensation to Group Management:

- The fixed compensation for Group Management shall be approved for the next financial year

- The variable compensation for Group Management shall be approved retrospectively by the AGM following the respective financial year

At the same time the approval process of the remuneration of the Board of Directors will be changed as well. In future the remuneration of the Board of Directors will be approved by the AGM for the period of one year lasting from the actual AGM to the next AGM (instead of the financial year). These changes will come into force in several steps with the first step being the approval of the total compensation to the Board of Directors and the fixed amount of the compensation of Group Management at the AGM 2021 for 2022 as described above in line with the necessary amendments of the respective Articles of Incorporation of the Company.

2 Compensation Principles

2.1 Driving Values through Compensation

COLTENE believes that a compensation system based on value creation encourages sustainable performance, loyalty, and entrepreneurship is thus in the interests of management, employees, and shareholders. The Group is committed to compensating staff, management, and Directors in a way that is competitive and rewards sustainable, short-term and long-term performance with the objective of driving value.

It is COLTENE's view that the success of a company depends largely on the quality and engagement of its people. A modern compensation system is an important instrument for attracting, retaining, and motivating talented people. COLTENE's compensation system takes these factors into account in that it:

- Offers competitive salaries
- Fosters a high-performance culture that differentiates and rewards above-average individual performance, both in the short and long term
- Links variable long-term compensation to value generated by the Company over the long term based on shareholder expectations
- Provides employees with benefits based on good practices and regulations in local markets

The system is periodically reviewed by the NCC for effectiveness and adjusted if required.

2.2 Determination Procedure for Compensation

COLTENE's policy is to pay employees, management, and Directors a compensation according to their expertise, formal qualifications, skills, experience, and area of responsibility.

Key employees and employees with management functions receive a variable compensation component in addition to their fixed compensation. The main target of the variable pay is to share the economic success of the COLTENE Group with them.

Benchmark reviews for the remuneration of the Board of Directors and Group Management are conducted regularly by COLTENE, by using of independent specialists and/or external studies if appropriate. In the reporting year, a benchmark review based on nine listed companies was conducted with regard to the compensation of Group Management and the Board of Directors. The sample of the benchmark review consisted of Swiss listed companies comparable to COLTENE Holding AG that were selected according to one or more criteria such as industry, geographic location, and size. Compared with the selected benchmark, the compensation for the Chairman of the Board of Directors is in the lower quartile. For the entire Board of Directors, the CEO, and Group Management, the compensation is in the lower half of the peer group. The benchmark was made with the following companies: Straumann, IVF Hartmann, Basilea, Siegfried, Bachem, Dottikon ES, Arbonia, VAT Group, and Starrag.

2.3 Ethical, Fair Standards

COLTENE is committed to fair and equal treatment of all its employees and seeks to be in full compliance with the regional labor standards. Compensation is not influenced by gender or by non-performance-related criteria other than specific professional experience.

3 Total Compensation and Compensation Elements

Total compensation for all employees including management and Directors can be found in the financial section of the Annual Report on page 87.

The compensation of Group Management team members comprises fixed and variable components. The percentage of the variable component depends on the role of each member of Group Management and is proposed by the Nomination and Compensation Committee at its own discretion. For the CEO the maximum variable portion is 50 % of the total remuneration. For other Group Management members it varies from 15 % to 50 %. The Board of Directors approves the split. The variable compensation mix for Group Management includes a long-term variable remuneration element, which is paid in shares blocked for three years.

Directors receive a fixed annual cash fee and a fixed amount of money in shares, also blocked for three years. 100 % of Directors' compensation is fixed. Their pay includes no variable component. The Directors receive 80 % to 90 % of the fixed compensation in cash and the remaining 10 % to 20 % in shares valued at the volume-weighted average share price of the preceding month of the pay date.

The split of the total maximum compensation is set as follows:

Compensation Elements

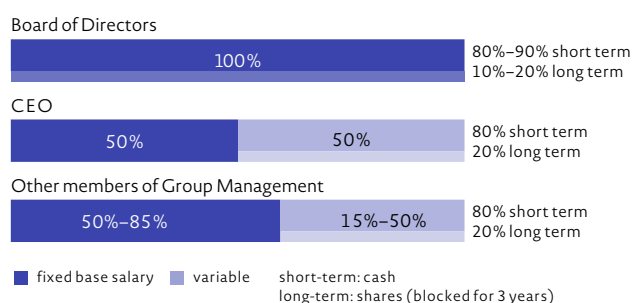


Fig. 2: Compensation elements

3.1 Fixed Compensation Elements

The fixed compensation elements of the remuneration of Group Management include the following components:

- Base salary
- Pension plan benefits¹ (subject to local practices and regulations)
- Other benefits (subject to local practices and regulations)

¹ The Board of Directors is not entitled to a pension plan under Swiss legislation (BVG).

Base salary

Group Management members receive a base salary in accordance with their role.

Other benefits

COLTENE's benefit programs including local pension benefits are an integral part of total compensation and are designed to enable the Company to compete effectively for talent and retain it. Benefits are structured to support COLTENE's overall business strategy, and are aligned with local legislation and practices. Group Management members and certain members of Senior Management, depending on their travel frequency, are entitled to a company car.

3.2 Variable Compensation Elements

The variable component of total compensation for each member of Group Management varies by function (role), seniority, and responsibility. Total variable compensation is based on one or several quantitative financial targets plus individual performance targets.

In 2020, net sales and results of the COLTENE Group were impacted by the COVID-19 pandemic. In the second quarter (Q2), the COVID-19 pandemic forced dental clinics and practices worldwide to scale back their business activities and demand for dental consumables dropped across nearly all product groups and lines. In many core markets, governments mandated the full or partial closing of most dental practices or they were restricted to treating emergency patients only. This lockdown was an extrinsic factor beyond the influence of Group Management. After Q2, sales and results started to recover. The Board of Directors therefore decided to measure the quantitative targets of Group Management not on a yearly basis as usual, but on a quarterly basis. For this purpose the annual quantitative

targets were broken down into quarterly targets according to monthly budgeted figures and measured on this basis but annual targets remained unchanged. In this way target achievement could better reflect the results of measures taken by Group Management to mitigate the COVID-19 pandemic. This change of procedure for the assessment of the quantitative targets of Group Management and hence of the determination of the variable compensation was a one-time issue and only applied to financial year 2020.

Quantitative targets

Quantitative targets are key performance indicators (KPIs) on which the individual member of Group Management has a direct impact. As a rule, each member of Group Management has two or three quantitative targets to meet. These quantitative targets are based on the budget approved by the Board of Directors for the financial year and are generally selected from the following key indicators:

- EBIT margin (operating margin before interest and tax) for the COLTENE Group
- Net sales for the COLTENE Group or for the region applicable to the member of Group Management
- Net sales for focus products
- Net sales for new products

In fiscal year 2020, the targets of Group Management included net sales of the COLTENE Group, net sales of focus products, and the operating margin before interest and tax (EBIT margin). The net sales targets as well as the EBIT target were based on the one-time quarterly view because of the COVID-19 pandemic impact partly not achieved and partly overshot.

Individual targets

Individual targets are agreed separately with each member of Group Management and approved by the Board of Directors. These targets measure the performance of each individual member of Group Management. As a rule, each member agrees to meet five individual targets of equal or different weighting. These targets are aligned with the role and responsibilities of each individual member of Group Management and with the Group strategic targets. For example, they may include delivery on specific individual projects, organizational restructurings or product launches or tool rollouts. At the end of the

financial year, the CEO reviews and rates the individual target achievements of the other members of Group Management and proposes these to the Compensation and Nomination Committee. The Board of Directors is responsible for reviewing and rating the individual targets of the CEO. Each member of Group Management can achieve a maximum of 100 points or 100 % by meeting the individual targets. If, for example, 80 points are achieved or 80 % of the individual targets are met, 80 % of the variable compensation agreed for this part of the variable compensation is paid out. Attainment of individual targets of each member of Group Management is finally approved by the Board of Directors at the end of the financial year.

The principle individual targets of COLTENE Group Management members for 2020 included market targets such as the improvement of the Endo business, the definition of a new pricing system and the integration of marketing communication into the sales organization, as well as operational targets such as the review and improvement of operational excellence and implementation of SAP at Micro-Mega. These individual targets were achieved in a range from 67 % to 86 %.

Weighting by variable compensation component

The variable compensation components are weighted as follows:

- Each quantitative target has a weighting of 25–50 %
- The individual or personal targets have a combined weighting of 20–35 %

The exact weighting of individual targets is set annually within these ranges and remains unchanged for the performance measurement period.

Weighting of quantitative criteria

The measurement scale for the achievement of quantitative financial targets (company performance and financial targets) extends from 0 % to a maximum of 120 % and is based on a line joining three points as explained in the illustration. Entitlement to variable compensation based on financial targets starts at a minimum of 80 % fulfillment of the defined target but it may start at a higher percentage than at 80 % of the defined target. An example for a target with a higher starting point, e.g. 90 % fulfillment, is net sales. This means that no variable compensation will be paid for this target until at least 90 % of the targeted net sales is achieved. The maximum payment made for the achievement of a single financial target is 150 % of the defined variable compensation for this single target.

Composition of Group Management compensation

	Fixed and variable percentage of total compensation		Quantitative and personal targets and their weighting			Long-term versus short-term variable compensation	
	Fixed percentage	Variable percentage	Net Sales Focus products New products	EBIT margin	Personal targets	Long-term variable compensation in CLTN shares (blocked for 3 years)	Short-term variable compensation paid in cash
CEO	50 %	50 %	25 %–35 %	40 %–50 %	20 %–30 %	20 %	80 %
CFO and COO	60 %–70 %	30 %–40 %	25 %–35 %	40 %–50 %	20 %–30 %	20 %	80 %
VP Sales/Marketing	60 %–80 %	20 %–30 %	45 %–55 %	25 %–35 %	25 %–30 %	20 %	80 %
VP R&D/Innovation	70 %–90 %	10 %–30 %	20 %–40 %	25 %–35 %	25 %–35 %	20 %	80 %

Fig. 3: Composition of Group Management compensation

Scale of Variable Compensation Elements

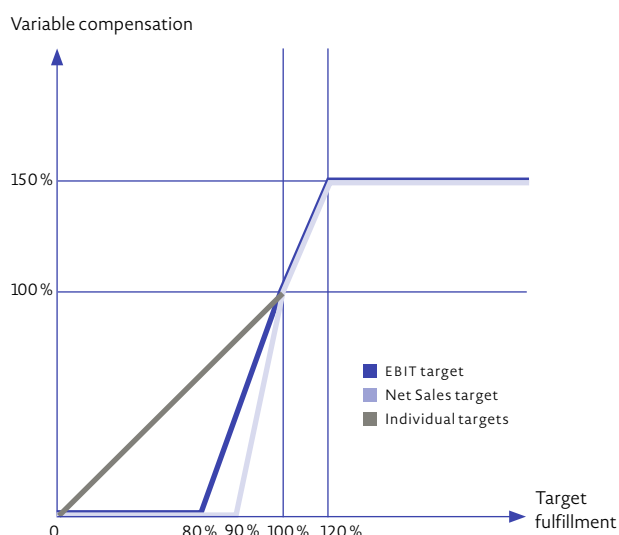


Fig. 4: Scale of variable compensation elements

Weighting of personal targets

The assessment scale for individual personal target achievement is linear and extends from 0% to 100%. 80% achievement of the personal targets means that 80% of the portion of the variable compensation related to the personal targets will be paid.

Total variable compensation and overachievement of quantitative targets

A quantitative financial target might be over 100% fulfilled and in this case, the portion of the variable compensation related to this target will be paid up to 150%, the maximum being achieved when the target fulfillment reached 120%. However, the total variable compensation which results from the sum of the result of all quantitative and personal targets is capped at the maximum variable compensation agreed with each member of the management and may in no case exceed the total fixed compensation as defined in section 3.1 on page 65 and illustrated in fig. 2. This means that overachievement of one or more quantitative targets may compensate underachievement of other quantitative or qualitative targets.

Long-term component versus short-term component

Currently for Group Management, 20% of the variable component is defined as long-term and is remunerated in the form of shares, which are blocked for three years. 80% of the variable component is paid in cash (short-

term portion). The split between long-term (20%) and short-term (80%) percentage of the total variable compensation of Group Management is decided periodically by the Board of Directors upon proposal of the Compensation and Nomination Committee at its own discretion.

The amount of the long-term portion of the variable compensation of each Group Management team member is divided by the grant price of the COLTENE shares. This results in the total number of shares that are granted for each Group Management team member for the reporting period. The calculation of the grant price is based on the Swiss Performance Index (SPI) of the SIX Swiss stock exchange. This calculation is defined so that if COLTENE shares outperform the SPI, Group Management members are rewarded with a larger amount of money in shares in proportion with the outperformance and in the case of underperformance are penalized by rewarding Group Management with a much lower amount of money in shares. The shares are granted at the SPI index price based on COLTENE's share price. The grant price for the reporting period is calculated based on the reference share price of the reporting period. Starting 2012, the reference price for COLTENE shares and for the SPI index are reset to the year-end share price of the prior year every four years forming the bases (SPI reference and reference share price) for the following four-year period. Based on the index price, the relative performance of the SPI is applied to calculate the grant price for COLTENE shares awarded to Group Management team members.

The following formula is applied annually to calculate the grant price and the number of shares awarded:

$$\text{Grant price} = (\text{CLTN reference share price}) \times (\text{SPI at December 31 of year of the reporting period}) / (\text{SPI reference})$$

For the reporting year 2020, the following values apply:

- CLTN reference share price is the year-end share price at December 31, 2019 (CHF 88.80)
- SPI at December 31 of the reporting period 2020 (13 328)
- SPI reference is the SPI at December 31, 2019 (12 838)
- Grant price: CHF 92.19

The remuneration plan contractually agreed to by all eligible employees dictates that all rights granted in respect of a variable payment shall be immediately, automatically, and definitively forfeited in the case of termination for cause.

The following diagram shows the impact of overperformance or underperformance of the COLTENE share price compared to the SPI as calculated above and illustrates the effectiveness of the system.

Changes foreseen with regard to compensation

The Board of Directors will propose to the AGM 2021 the respective changes of the Articles of Incorporation with regard to the compensation to the Board of Directors and to Group Management:

- Each member of the Board of Directors will in future receive as part of the total compensation a fixed number of shares instead of a fixed amount of money in shares for a one year period that will in future last from AGM to AGM. The Chairman will receive 400 shares and each other member of the Board of Directors will receive 200 shares every year.
- The total compensation to the Board of Directors shall in future be approved for the period from the actual AGM to the next AGM prospectively.

- Each member of Group Management will in future receive a predefined fixed number of shares as part of the variable compensation. The number of shares granted in future will be calculated for the first time as follows: As this new long-term incentive compensation will come into force in the financial year 2022, the basis for the calculation of the number of shares granted shall be the volume weighted average share price (VWAP) of COLTENE shares for the period from October 1, 2021 to December 31, 2021. Each member of Group Management is entitled to receive 20 % of the 2021 total variable compensation as a maximum in shares. This amount will be divided by the VWAP to calculate the maximum number of shares to be granted in future. This maximum number of shares shall then be fixed for a certain number of years. The actual allocation of the number of shares depends on the individual target achievement of Group Management member in the respective financial year (percentage of target achievement).
- The allotment of these shares shall be approved by the AGM retrospectively for the prior financial year.
- The Board of Directors has the authority to adjust the maximum number of shares for Group Management members.

Value of share portion in case of overperformance/underperformance

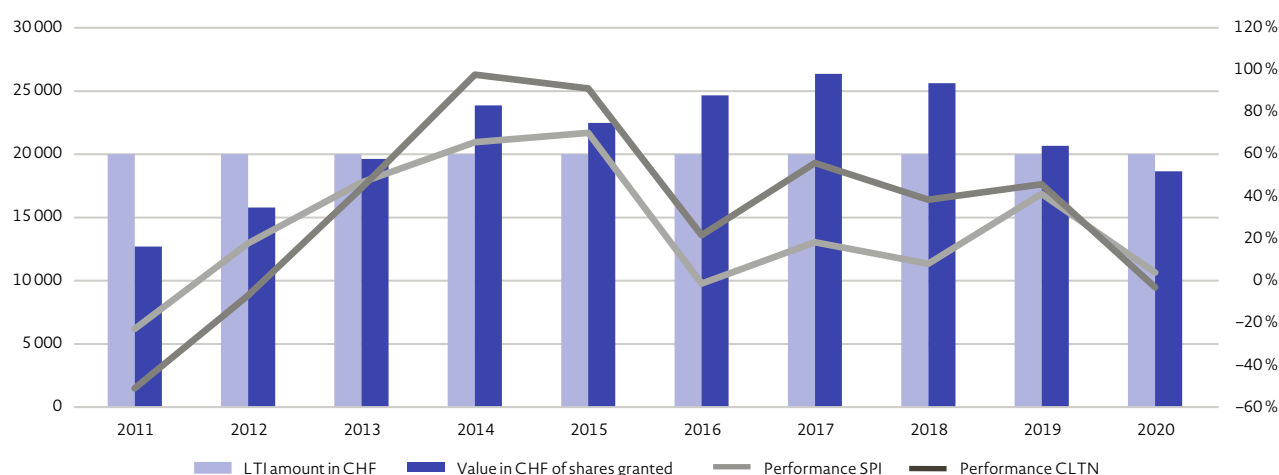


Fig. 5: Value of share portion of variable compensation

- The remaining 80 % of the variable compensation to Group Management members will be continued to be paid in cash.
- The fixed compensation to Group Management in cash shall be approved by the AGM in advance as today.

The new long-term incentive system is easy to handle and the Board of Directors and Group Management will be directly impacted positively or negatively in the case of changes of the share price like any other shareholder. Due to the changes of the long-term compensation system of Group Management the variable portion can be higher than the fixed portion of the compensation if the share price is high and the target achievement of Group Management member and COLTENE is high. Because of this reason the Articles of Incorporation must be amended.

3.3 Contract Duration and Notice Period

Duration of term of office of the members of the Board of Directors: Each member of the Board of Directors is elected every year at the AGM for one year of service until the next AGM. Notice period for members of Group Management: no member of Group Management has a notice period that exceeds twelve months.

3.4 Other Types of Payment

There are no severance payments, payments in advance, and no specific payments for change-of-control events. In the event of a change of control the Board of Directors decides whether there is full vesting under the long-term component of variable compensation or not.

4 Remuneration of Directors and Group Management

The tables below show the compensation paid to the members of the Board of Directors and of Group Management for the years 2019 and 2020.

Remuneration of the Board of Directors

In CHF

	Base remuneration		Other remuneration	Total ³
	in cash	in shares ¹	Social security ²	
2019				
Nick Huber	72 000	20 000	14 366	106 366
Erwin Locher	63 000	10 000	7 444	80 444
Jürgen Rauch	54 000	10 000	0	64 000
Matthew Robin	63 000	10 000	11 445	84 445
Astrid Waser	54 000	10 000	10 024	74 024
Roland Weiger	54 000	10 000	10 024	74 024
Allison Zwingenberger	54 000	10 000	8 893	72 893
Total	414 000	80 000	62 196	556 196
2020				
Nick Huber	76 667	20 000	12 509	109 176
Erwin Locher	67 083	10 000	6 193	83 276
Jürgen Rauch	57 500	10 000	0	67 500
Matthew Robin	67 083	10 000	9 977	87 060
Astrid Waser	57 500	10 000	8 737	76 237
Roland Weiger	57 500	10 000	8 737	76 237
Allison Zwingenberger	57 500	10 000	8 737	76 237
Total	440 833	80 000	54 890	575 723

¹ The number of shares granted in 2019 is calculated based on the weighted average share price of the month of March (2020: March) of the subsequent year.

² Company paid social security contributions incl. AHV, IV, and ALV.

³ As a response to the negative impacts of the COVID-19 pandemic, Group Management decided to introduce short-time work or furloughs (temporary layoffs) where feasible. In order to adjust production capacities in line with lower demand, the workforce was reduced by 10 %, or roughly 145 FTE. Most temporary employment contracts were terminated, and a hiring freeze was put in place. In the spirit of solidarity, the Board of Directors reduced their own remuneration in cash by 10% for the period of five months starting from the second quarter.

Remuneration of Group Management

In CHF

	Base remuneration	Variable remuneration ¹		Other remuneration		Total ⁴
	in cash	in cash	in shares ²	Social security ³	Other benefits	
2019						
Martin Schaufelberger	410 007	189 373	49 315	166 921	20 692	836 308
Other members	1 313 413	282 368	73 749	361 748	65 831	2 097 109
Total	1 723 420	471 741	123 064	528 669	86 523	2 933 417
2020						
Martin Schaufelberger	395 088	287 984	85 129	147 120	20 692	936 013
Other members	1 475 500	584 597	172 983	345 981	85 438	2 664 499
Total	1 870 588	872 581	258 112	493 101	106 130	3 600 512

¹ The variable remuneration, which includes cash bonus and shares, is not paid out in the reporting period. It is accrued for and paid out in the following year based on the decision of the Board of Directors.

² The value of shares granted is calculated based on the share price at closing of the grant date. For 2019, it was February 26, 2020, and the share price was CHF 89.50. For 2020, it was February 25, 2021, and the share price was CHF 109.00.

³ Company paid social security contributions incl. pension fund payments, AHV, IV, ALV, NBU, and KTG.

⁴ In 2020, the total compensation increased due to one more Group Management member that was appointed on January 1, 2020, despite the negative impact of the COVID-19 pandemic on the financial results of the COLTENE Group and hence on the variable compensation to Group Management and to the voluntary waiver of part of the fixed compensation.

Approved remuneration of the Board of Directors and Group Management by the AGM

On April 30, 2019, the AGM had to approve the remuneration for the Board of Directors and Group Management for the financial year 2020 based on the Ordinance Against Excessive Compensation in Public Corporations (VegüV) and the Articles of Incorporation of COLTENE Holding AG of October 9, 2018.

Approved remuneration of the Board of Directors for 2020

The AGM approved an aggregate remuneration of the members of the Board of Directors of CHF 620 000 for the financial year 2020. The division into cash and shares was not part of the approval. In total, the Board of Directors received as compensation CHF 495 723 in cash and CHF 80 000 in shares.

Compensation paid to the Board of Directors in 2020 in CHF

	Approved compensation	Actual compensation
Total compensation in cash	n/a	495 723
Total compensation in shares	n/a	80 000
Overall compensation	620 000	575 723

The remuneration of the Board of Directors for 2020 was within the overall approved amount.

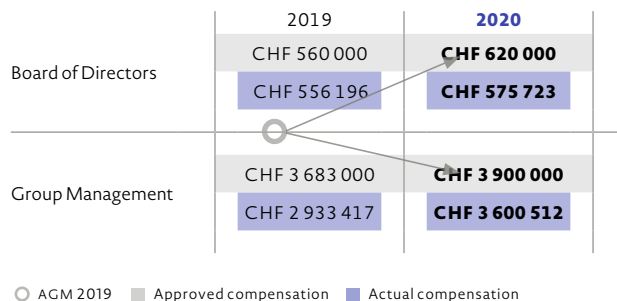
Approved remuneration of Group Management for 2020

The AGM approved an aggregate remuneration to Group Management of CHF 3 900 000 for the financial year 2020. In total, Group Management received as compensation CHF 3 600 512.

The approved amount for the fixed compensation was CHF 2 500 000 and the received amount was CHF 2 469 819. For the variable compensation CHF 1 400 000 were approved and CHF 1 130 693 were received. Group Management reduced their own fixed remuneration in the same way as the Board of Directors by 10 % for the period of five months starting from the second quarter.

The remuneration of Group Management for 2020 was within the approved amounts.

Compensation of the Board of Directors and Group Management



Loans

In the reporting period, no loans, advances, or credits were granted to any member of the Board of Directors or Group Management.

Number of shares held by the Board of Directors

	31.12.2020	31.12.2019
Nick Huber	20 095	14 557
Erwin Locher	3 936	5 492
Jürgen Rauch	547	407
Matthew Robin	5 505	5 365
Astrid Waser	367	227
Roland Weiger	1 468	1 328
Allison Zwingenberger	172	32
Total Board of Directors	32 090	27 408

Number of shares held by Group Management

	31.12.2020	31.12.2019
Martin Schaufelberger	12 350	11 799
Gerhard Mahrle	3 346	3 071
Werner Barth	1 648	1 540
Stefan Helsing	40 402	54 170
Christophe Loretan	756	624
Martin Schlüter ¹⁾	0	n.a.
John Westermeier ¹⁾	0	n.a.
Werner Mannschedel ²⁾	n.a.	2 413
Total Management	58 502	73 617

¹⁾ New members of Group Management appointed on January 1, 2020.

²⁾ Werner Mannschedel retired on December 31, 2019.

5 Approval of the Compensation Report

This compensation report provides comprehensive transparency with regard to the Company's general compensation principles and in particular to the compensation of Group Management and the Board of Directors. The Board of Directors took notice of the compensation report 2020 and approved it on the Board of Directors' meeting of February 25, 2021. It will be presented to the shareholders for consultative approval at the Annual General Meeting on March 31, 2021.

Report of the Statutory Auditor

To the General Meeting of COLTENE Holding AG, Altstätten
St. Gallen, February 25, 2021



Report of the Statutory Auditor on the Remuneration Report

We have audited the remuneration report of COLTENE Holding AG for the year ended December 31, 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables in chapter 4 on pages 70 to 71 of the remuneration report.

Board of Directors' Responsibility



The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility



Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion



In our opinion, the remuneration report for the year ended December 31, 2020, of COLTENE Holding AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Iwan Zimmermann
Licensed audit expert
(Auditor in charge)

Johannes Bachmann
Licensed audit expert



Dental Dam

A Must-Have Classic

Dental dams are elastic sheets used as a barrier to isolate the tooth from the surrounding oral cavity while it is undergoing a procedure. Dental dams have come into much more widespread use since the start of the pandemic. By significantly reducing exposure to airborne particles, dental dams provide an important safeguard to mitigate the risk of virus transmission.



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Consolidated Income Statement

In CHF 1000

	Ref.	2020	2019
Net sales	1	248 352	273 828
Other operating income		29	35
Changes in inventories of finished goods and work in progress		1 212	-656
Raw material and consumables used		-89 102	-85 399
Personnel expenses	2	-84 928	-98 244
Other operating expenses	4	-46 277	-51 456
Depreciation on tangible fixed assets	14	-5 395	-5 447
Amortization on intangible assets	16	-632	-653
Operating profit (EBIT)		23 259	32 008
Financial income and expenses	5	-5 231	-3 868
Net profit before tax		18 028	28 140
Income taxes	6	-9 796	-8 109
Net profit for the period	8	8 232	20 031
Earnings per share	8	CHF 1.38	CHF 3.35
Diluted earnings per share	8	CHF 1.38	CHF 3.35

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER.
The notes are part of COLTENE Group financial statements.

Consolidated Balance Sheet

In CHF 1000

	Ref.	31.12.2020	31.12.2019
Cash and cash equivalents		38 473	22 964
Trade accounts receivable	9	40 709	49 023
Prepaid expenses and deferred income	12	1 251	2 158
Other short-term receivables	11	3 147	5 001
Inventories	13	52 000	59 198
Current assets		135 580	138 344
Tangible fixed assets	14	47 235	47 453
Financial assets	10	355	390
Intangible assets	16	3 595	2 397
Deferred tax assets	7	866	1 245
Non-current assets		52 051	51 485
Total assets		187 631	189 829
Short-term financial liabilities	18	59 962	59 286
Trade accounts payable	19	7 690	11 888
Other short-term liabilities	20	9 079	5 680
Short-term provisions	23	1 158	1 464
Accrued liabilities and deferred income	21	13 122	14 865
Current liabilities		91 011	93 183
Long-term financial liabilities	18	377	510
Deferred tax liabilities	7	3 107	2 465
Long-term provisions	3,23	2 902	2 461
Non-current liabilities		6 386	5 436
Total liabilities		97 397	98 619
Share capital		598	598
Capital reserves		153 396	162 359
Treasury shares		-2	-1
Retained earnings		-63 758	-71 746
Total equity	24	90 234	91 210
Total liabilities and equity		187 631	189 829

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER.
The notes are part of COLTENE Group financial statements.

Consolidated Cash Flow Statement

In CHF 1000

	Ref.	2020	2019
Net profit for the period		8 232	20 031
Depreciation of tangible fixed assets and amortization of intangible assets ¹	14, 16	10 885	6 100
Change in provisions not affecting the fund		221	831
Other expenses and income not affecting the fund		17 421	11 195
Change in trade accounts receivable		3 893	2 389
Change in inventories		2 175	-4 242
Change of other short-term receivables, prepaid expenses, and deferred income		-733	2 876
Change in trade accounts payable		-3 280	3 582
Change in other short-term liabilities, accrued liabilities, and deferred income		542	-7 261
Interest paid		-784	-781
Interest received		22	32
Income tax paid		-3 788	-10 967
Cash flow from operating activities		34 806	23 785
Purchase of tangible fixed assets		-7 393	-11 988
Proceeds from sale of tangible fixed assets		83	44
Purchase of intangible assets		-2 077	-1 310
Proceeds from sale of financial assets		0	70
Acquisitions and disposals (net of cash)		-1 129	110
Cash flow from investing activities		-10 516	-13 074
Proceeds from financial liabilities		30 753	18 482
Repayments of financial liabilities		-29 652	-9 211
Dividends paid to shareholders	24	-8 963	-17 924
Proceeds/purchase of treasury shares	24	-220	302
Cash flow from financing activities		-8 082	-8 351
Effect of exchange rate changes on cash		-699	-297
Change in cash and cash equivalents		15 509	2 063
Cash and cash equivalents at beginning of year		22 964	20 901
Cash and cash equivalents at end of year		38 473	22 964

¹ In 2020, depreciation and amortization include also the effect from recycling of goodwill related to the disposal of Vigodent SA.
For further details, refer to note Acquisitions and Disposals on page 86.

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER.
The notes are part of COLTENE Group financial statements.

Consolidated Statement of Changes in Equity

In CHF 1000		Share capital	Capital reserves (Agio)	Treasury shares	Currency translation adjustments	Goodwill (offset)	Retained earnings	Total of retained earnings	Total equity
	Ref.								
1.1.2019		598	180 283	-303	-28	-230 380	138 031	-92 377	88 201
Net profit of the period		0	0	0	0	0	20 031	20 031	20 031
Capital increase		0	0	0	0	0	0	0	0
Equity transaction costs		0	0	0	0	0	0	0	0
Acquisition of treasury shares		0	0	-8	0	0	0	0	-8
Disposal of treasury shares		0	0	310	0	0	0	0	310
Dividends	24	0	-17 924	0	0	0	0	0	-17 924
Foreign currency differences		0	0	0	600	0	0	600	600
Goodwill offset		0	0	0	0	0	0	0	0
31.12.2019		598	162 359	-1	572	-230 380	158 062	-71 746	91 210
Net profit of the period		0	0	0	0	0	8 232	8 232	8 232
Acquisition of treasury shares		0	0	-220	0	0	0	0	-220
Share-based compensation		0	0	219	0	0	-22	-22	197
Dividends	24	0	-8 963	0	0	0	0	0	-8 963
Foreign currency differences		0	0	0	-4 728	0	0	-4 728	-4 728
Changes in consolidation group		0	0	0	0	4 859	0	4 859	4 859
Goodwill offset		0	0	0	0	-353	0	-353	-353
31.12.2020		598	153 396	-2	-4 156	-225 874	166 272	-63 758	90 234

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER.
The notes are part of COLTENE Group financial statements.

Notes to Group Financial Statements

General

The COLTENE Holding AG Board of Directors authorized these financial statements on February 25, 2021, for issue. The financial statements are subject to approval by the Annual General Meeting of Shareholders scheduled to take place on March 31, 2021.

Reporting Entity

COLTENE Holding AG, the holding company of the COLTENE Group ("the Group"), is a stock corporation according to the Swiss Code of Obligations. The Company's legal domicile is in Altstätten, Switzerland. COLTENE Holding AG was founded on December 15, 2005, and has been listed on SIX Swiss Exchange since June 23, 2006. The Group is active in the dental consumables and small dental equipment market.

Operating Segments and Products

The Group develops, manufactures, and sells mainly via distribution channels a broad and comprehensive range of disposables, tools, and equipment for dentists and dental laboratories.

Accounting Policies

Basis of Preparation

The Group financial statements are based on the individual financial statements of the Group companies. They have been prepared in accordance with all existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the following consolidation and accounting policies. The financial year-end date for COLTENE Holding AG, all subsidiaries and the Group financial statements is December 31. All amounts presented are denominated in CHF thousand (except otherwise noted). Swiss francs are the functional currency of the holding company as well as the presentation currency of the Group.

The preparation of financial statements requires the use of certain critical accounting estimates which could impact the assets, liabilities, and contingent liabilities at the balance sheet date as well as income and expenses of the reporting period. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. If subsequently such judgments and estimates made by management differ

from the actual circumstances, the original judgments and estimates made are changed for the year in which the respective circumstances have occurred.

Scope and Principles of Consolidation

The investments in subsidiaries are included in the Group financial statements as follows:

- All subsidiaries that COLTENE controls are fully consolidated. Control is usually presumed where the Group directly or indirectly owns more than 50 % of the voting rights of the subsidiaries. All of the assets and liabilities as well as the income and expenses of these companies are fully included. Minority interests in the consolidated equity and net income are shown separately. All intercompany transactions and balances as well as intercompany profits in inventory and other assets are eliminated on consolidation.
- Those companies purchased during the reporting year are included in the consolidation as at the date on which control was effectively transferred. From the date of transfer of control all previously recognized assets and liabilities as well as contingent liabilities of the Company are valued initially at fair value. Companies that have been divested during the reporting year are included in the consolidated financial statements until the date on which control ceased.
- Joint ventures and investments with voting rights between 20 % and 50 % are recognized using the equity method. They are recognized with the proportionate equity as per balance sheet date and reported under financial assets in the balance sheet and as equity investments in the notes. The proportionate share of net income is shown as income (expense) in the consolidated income statement.
- Capital consolidation is based on the purchase method (acquisition method). Acquisition costs comprise the consideration paid, including the proportion of the purchase price retained for contractual representations and warranties, transaction costs, and contingent consideration. The latter is recognized at fair value on the transaction date. The net assets acquired are revalued at the acquisition date and compared with the purchase price, only previously recognized assets are revalued. Any resulting goodwill is directly offset against equity. This approach is used for both positive and negative goodwill.

Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). Transactions conducted in foreign currencies are converted into the functional currency at the exchange rate applicable on the transaction date and retranslated at year-end, e.g. accounts receivable and payable as well as loans in foreign currencies are shown at the year-end exchange rates. Gains and losses are reported in the income statement.

The statement of balance sheet and income statement of foreign subsidiaries are converted into Swiss francs (presentation currency) upon consolidation at the rate applicable at year-end respectively at the average exchange rate for the year. Differences resulting from the conversion into the Group presentation currency are recognized in equity. In the event of a sale of a subsidiary, foreign currency differences are taken into account as part of the gain or loss resulting from the sale.

The most important exchange rates are listed below:

The most important exchange rates

	31.12.2020	Ø 2020	31.12.2019	Ø 2019
1 USD	0.8803	0.9384	0.9662	0.9937
1 EUR	1.0802	1.0705	1.0854	1.1125
1 CAD	0.6910	0.7001	0.7435	0.7489

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts are shown in current liabilities in the consolidated balance sheet.

Trade Accounts Receivable

Accounts receivable in respect of deliveries and services and other accounts receivable are generally due for settlement within 30 to 60 days and therefore are all classified as current. Trade receivables and other receivables are recognized initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at nominal value less impairment, if any.

Indications for impairment are: substantial financial problems of the customer, a declaration of bankruptcy, or a material delay in payment.

Inventories

Inventories are stated at the lower of weighted average cost and net realizable value. The cost of finished goods and work in progress comprises design costs, raw material, direct labor, other direct costs, and related production overheads (based on normal operating capacity). It excludes borrowing costs. Early payment discounts are treated as a deduction of the purchase price.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Value adjustments are made for obsolete and slow-moving items.

Tangible Fixed Assets

Property, plant, and equipment are stated on the balance sheet at the purchased or manufactured cost less accumulated depreciation. Depreciation is charged using the straight-line method over the estimated useful lives of the related assets. Land is not depreciated.

Leases in which the Company holds all significant risks and rewards of ownership are classified as financial leases. The respective assets are carried as property, plant, and equipment and are depreciated. The corresponding lease obligations are shown as financial liabilities. Leasing installments are allocated accordingly to capital repayments and interest expenses.

Class	Years
Land	no depreciation
Buildings	40 to 50
Building fixtures	10 to 20
Machinery	5 to 12
Office equipment and furniture	5 to 10
Vehicles, means of transportations	5 to 8
IT hardware	3 to 5
Other tangible fixed assets	3 to 5

Intangible Assets

Intangible assets contain software, patents, and others. They are stated at historical costs less amortization on a straight-line basis over the useful life. Intangible assets are amortized over the following periods:

Class	Years
Licences	5 to 20
Patents and technical know-how	5 to 20
Software	3 to 5
Development cost	3 to 10
Other intangible assets	individually

Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and the value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date except for goodwill, where a previously recorded impairment is not reversed in subsequent periods.

Financial Assets

Financial assets include loans. They are valued at nominal values less any value adjustments.

Trade Accounts Payables, Financial Liabilities, and Other Liabilities

Trade payables, financial liabilities, and other liabilities are recognized at nominal value.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources which can be reliably estimated will be required to settle the obligation. Such provisions are made to cover assurance type warranties and liability claims. Provisions for restructuring measures are made as soon as the corresponding decision is taken and communicated.

Cash-outflow may differ from the amount provided for as it is based on assumptions and estimates available at that time.

Off-Balance-Sheet Transactions

Contingent liabilities originate from past transactions or events. The reliability of estimation and the probability of the outflow of resources do not meet the requirements to be recognized as provisions. If contingent liabilities lead to a probable outflow of resources and a reliable estimation of the outflow is possible, a corresponding provision will be recognized.

Employee Benefit Obligations

Within COLTENE Group, pension plans for employees exist in accordance with the applicable country regulations. The economic impact of these pension plans on COLTENE Group is determined annually. For Swiss pension plans, economic benefits and/or economic obligations are determined on the basis of the annual financial statement prepared in accordance with Swiss GAAP FER 26. For foreign plans, the economic impact is determined according to country-specific methods.

An economic benefit is capitalized if it is permissible and intended to use the surplus of the pension fund for the Company's future pension expense. An obligation from a pension plan is recognized when the conditions for the recognition of a provision are met. Existing employer contribution reserves are recognized as a financial asset. Changes in the economic benefit or the economic obligation are recognized in the income statement as personnel expenses.

Share-Based Payments

All members of the Board of Directors receive a fixed amount in shares with a blocking period of three years without any vesting conditions. Group Management receives a variable remuneration. Part of the variable remuneration is paid in shares with a blocking period of three years without any vesting conditions. The valuation of the shares takes place at the grant date, the related expense is recognized immediately in the income statement. For further details, see pages 62 to 72 in the compensation report.

Income Taxes

All taxes payable on income for the financial year are provided for in full at the reporting date and in compliance with the applicable tax laws. According to the liability method, deferred income tax on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements at enacted or substantially enacted tax rates on the reporting date is provided in full.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that future taxable profit will be available to use tax losses carried forward and temporary differences.

Net Sales

COLTENE generates revenues mainly from sales of products. These revenues are recognized upon delivery to the customer. Revenue is recorded if risks and rewards of the sold products are transferred to the customer or, when the service has been performed, depending on the terms of the sales contract. Sales are shown as a net amount in the income statement. They represent the total value of invoices to third parties reduced by sales taxes, credits for returns, and reductions of revenue (primarily rebates and discounts).

Repair and Maintenance Costs

Repair and maintenance costs (included in other operating expenses) are recognized in the income statement when they occur.

Research and Development

Research costs are expensed in other operating expenses as incurred. Development costs are capitalized if they can be determined reliably and if it can be safely assumed that the project in question will be completed successfully and result in future benefits. Development costs capitalized are amortized on a straight-line basis over a maximum period of ten years.

Earnings per Share

Earnings per share are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of shares issued during the year excluding shares purchased by the Group and held as treasury shares.

Dividend and Capital Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, until paid out.

Acquisitions and Disposals

There were no significant acquisitions in the reporting year or the previous year.

On December 31, 2020, 100 % of the shares of Vigodent SA, the Group's manufacturing plant in Brazil, were sold to local entrepreneurs. The proceeds from the sale were TCHF 1. Net assets sold amounted to TCHF 4806. The disposal resulted in a loss of TCHF 11 681. Thereof TCHF 8846 were reported within other operating expenses and TCHF 2835 in the financial result. Equity was impacted by TCHF 3987.

Disposal of Vigodent SA

In CHF 1000

Net assets Vigodent SA	4 806
Effect from recycling of goodwill and currency translation adjustments ¹	4 021
Recycling of currency translation differences from the revaluation of equity loans ²	2 835
Costs incurred in connection with the disposal	20
Less proceeds received	-1
Result from disposal of Vigodent SA	11 681

¹ For details regarding theoretical goodwill refer to note 17.

² Currency translation differences arising on equity loans of Vigodent SA were previously reclassified from the financial result to equity as per Group Accounting Manual. In the course of the disposal of Vigodent SA, these currency translation differences on equity loans have been reclassified back to the financial result.

Significant Estimates and Judgments

The Group makes judgments and estimates concerning the future. The resulting accounting estimates therefore may not correspond to the actual results.

1 Group-Wide Information

Net Sales from Contracts with Customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major geographical regions and product lines:

Net sales by geographical regions

In CHF 1000	2020	2019
EMEA	81 812	98 252
North America	127 681	124 836
Latin America	11 333	18 089
Asia/Oceania	27 526	32 651
Net sales	248 352	273 828

Net sales by products and services

In CHF 1000	2020	2019
Infection Control	94 128	73 646
Dental Preservation	66 369	86 968
Efficient Treatment	87 855	113 214
Net sales	248 352	273 828

Net sales of TCHF 50 173 (previous year TCHF 58 825) corresponding to 20.2 % of Group net sales (previous year 21.5 %) were generated with one large distribution group. No other major customers exist.

In accordance with Swiss GAAP FER 31, the COLTENE Group has decided not to disclose detailed segment revenue. The disclosure of segment results would lead to considerable competitive disadvantages. COLTENE justifies its decision based on the following considerations:

- The main competitors of the COLTENE Group do not disclose segment results because they are either non-public companies or the dental businesses of large public companies are far too small for the disclosure of their sales or results. COLTENE would be the only player in the market providing such detailed information.
- The disclosure of segment information of the COLTENE Group would provide detailed information on margins, profitability of product groups, etc.
- Disclosing segment information would also provide information on product cost structures and pricing to competitors.

2 Personnel Expenses

The average workforce amounted to 1304 employees (previous year 1395). As per year-end 2020, 1189 FTEs were employed (2019: 1414 FTEs). Detailed information on personnel expenses:

Personnel expenses

In CHF 1000	2020	2019
Wages and salaries	71 894	81 216
Other personnel expenses	13 034	17 028
Total	84 928	98 244

Personnel expenses include TCHF 326 (previous year TCHF 310) for share-based payment transactions with the Board of Directors and Group Management.

In 2020, COLTENE Group was entitled to short-time work compensation of TCHF 3806 (previous year TCHF 0). Personnel expenses are presented net of such compensations.

3 Pension Liabilities

To complement the benefits provided by state-regulated pension schemes, COLTENE maintains additional employee pension plans for a number of subsidiaries. In accordance with local statutory requirements, COLTENE has no obligations to these pension plans beyond the amounts recognized as liabilities in the balance sheet and beyond the regulatory contributions and any recapitalization contributions that may become necessary.

The employee benefits expenditure stated only comprises contributions made to the benefit schemes at the expense of the Company. The pension plans with surplus cover are related to the staff pension scheme of Coltène/Whaledent AG in Switzerland. At December 31, 2020, the coverage rate amounted to 113.6% for the pension schemes in Switzerland.

Plan description (Switzerland)

Pension plans are regulated by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG). The pension solution adopted for employees in Switzerland is affiliated to legally independent collective foundations or occupational benefits solutions offered by insurance companies. Plan participants are insured against the financial consequences of old age, disability, and death. The benefits are financed through regular employer and employee contributions. Employees in Switzerland are members of a multi-employer pension institution (Sammelstiftungsanschluss). The most senior governing body of the pension plan is the Board of Trustees, which consists of an equal number of employer and employee representatives.

Plan description (France)

Pension plans are regulated by French Law on general social security scheme (RGSS). The main post-employment defined benefit plans as adopted for the French companies concern the retirement termination benefits. Employee benefits for retirement bonuses and the agreement are based on the rights accumulated at the balance sheet date, according to the scale set out in the collective agreement or the Company-wide agreement.

Economic benefit/economic obligation and pension benefit expenses

	Surplus/ deficit		Financial share of the organization	Change vs. prior year	Contributions in the period	Pension benefit expense as part of personnel expense	
In CHF 1000	31.12.2020	31.12.2020	31.12.2019	2020	2020	2020	2019
Pension funds without surplus/deficit	0	0	0	0	2 216	2 216	2 218
Pension funds without own assets	0	1 041	1 070	-29	20	-9	163
Total	0	1 041	1 070	-29	2 236	2 207	2 381

4 Other Operating Expenses

Other operating expenses

In CHF 1000	2020	2019
Production expenses	9 035	9 601
Marketing	7 077	13 101
Consulting	3 784	5 179
Selling and administration expenses	17 535	23 273
Other expenses ¹	8 846	302
Total	46 277	51 456

¹ In 2020, other expenses comprise the effects of the sale of Vigodent SA of TCHF 8846. For further details, refer to note Acquisitions and Disposals on page 86.

In 2020, TCHF 9465 (previous year TCHF 10 894) were spent on research and development and recorded as an expense in the income statement.

5 Financial Income and Expenses

Financial results

In CHF 1000	2020	2019
Interest income on cash and cash equivalents	22	32
Exchange rate differences and other financial income	6	170
Total financial income	28	202
Interest expenses for bank overdrafts and loans	-795	-781
Exchange rate differences and other financial expenses ¹	-4 464	-3 289
Total financial expenses	-5 259	-4 070
Total financial result	-5 231	-3 868

¹ In 2020, exchange rate differences and other financial expenses include effects from recycling of currency translation differences of TCHF 2835 that arose on equity loans of Vigodent SA. For further details, refer to note Acquisitions and Disposals on page 86.

6 Tax Expenses

Tax expenses comprise the following positions:

Tax expenses

In CHF 1000	2020	2019
Current taxes	8 324	7 141
Deferred taxes	1 472	968
Total	9 796	8 109

Tax expenses can be analyzed as follows:

Tax expenses

In CHF 1000	2020	2019
Net profit before tax expenses	18 028	28 140
Tax expenses at applicable tax rate of 29.0 % (22.2 %)	5 228	6 242
Effects of non-tax-deductible expenses	240	623
Effects of tax-exempt income/ income taxed at another rate	-369	-304
Effects of tax loss not capitalized in current year	3 990	716
Effects of tax loss used not capitalized in prior years	-193	0
Effects of change in tax rate on deferred taxes	256	-129
Effects of revaluation of DTAs	25	108
Tax adjustments prior years	378	-106
Withholding tax not refundable	468	869
Other impacts	-227	90
Actual tax expense	9 796	8 109
Effective tax rate in %	54.3 %	28.8 %

The applicable tax rate represents a weighted average rate based on all Group companies. Compared to last year, the applicable tax rate increased from 22.2 % to 29.0 %. This increase is mainly due to the weighting of earnings of entities with higher tax rates.

Tax expenses of TCHF 9 796 represent an effective tax rate of 54.3 % (previous year 28.8 %) of net profit before tax. For 2020, the difference between applicable and effective tax rate relates largely to effects from losses that do not qualify for future tax benefits. These losses are mainly related to effects from the disposal of Vigodent SA and from losses incurred in Group companies in Brazil and India.

The Group has the following tax-relevant losses to be carried forward:

Tax losses

In CHF 1000	2020	2019
Tax losses capitalized		
Expiration between 1 and 5 years	223	336
Expiration over 5 years	1 546	496
Total	1 769	832
Deferred tax assets of capitalized tax losses		
Expiration between 1 and 5 years	69	104
Expiration over 5 years	207	121
Total	276	225
Tax losses not capitalized		
Expiration between 1 and 5 years	0	0
Expiration over 5 years	13 595	20 050
Total	13 595	20 050
Estimated tax effect of not capitalized tax losses		
Expiration between 1 and 5 years	0	0
Expiration over 5 years	2 999	6 337
Total	2 999	6 337

Tax losses capitalized in 2020 are largely attributable to a Group company in Switzerland. Tax losses not capitalized are mainly attributable to Germany. The balance of tax losses not capitalized decreased due to the disposal of the Group company in Brazil. It is not probable that these losses can be utilized and were therefore not capitalized in accordance with Group policy.

7 Deferred Taxes

Deferred tax assets and liabilities are based on the valuation differences between Group valuation and tax valuation in the following financial position. For the calculation of deferred income taxes in the consolidated balance sheet, the expected tax rate per tax subject is applied.

Deferred tax details

In CHF 1000	2020		2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Receivables and accruals	259	334	166	256
Inventories	1 387	353	1 763	396
Property, plant, and equipment	0	2 608	0	2 366
Intangible assets	130	49	0	46
Provisions	255	48	591	71
Deferred taxes from losses carried forward	276	0	225	0
Deferred taxes on equity reserves	0	1 156	0	830
Offset of deferred assets and liabilities	-1 441	-1 441	-1 500	-1 500
Total	866	3 107	1 245	2 465

8 Earnings per Share

Net profit amounts to TCHF 8232 (previous year TCHF 20 031). Earnings per share (EPS) are calculated as follows:

Earnings per share

	2020	2019
Weighted number of shares issued at 31.12. ¹	5 975 354	5 974 802
Earnings per share (based on net profit for the period)	CHF 1.38	CHF 3.35
Diluted earnings per share (based on net profit for the period)	CHF 1.38	CHF 3.35

¹ The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions.

9 Trade Accounts Receivable

Trade accounts receivable

In CHF 1000	2020	2019
Trade accounts receivable from third parties (gross)	41 530	50 126
Allowance	-821	-1 103
Total trade accounts receivable (net)	40 709	49 023

Trade accounts receivable (gross) by maturity

In CHF 1000	2020	2019
Not due	31 308	35 852
Past due 1 to 30 days	6 474	8 987
Past due 31 to 60 days	1 304	1 869
Past due 61 to 90 days	754	345
Past due 91 to 120 days	152	361
Past due over 120 days	1 538	2 712
Total	41 530	50 126

Trade accounts receivable by maturity including allowance

In CHF 1000	2020	2019
Not due	31 085	35 615
Past due 1 to 30 days	6 448	8 976
Past due 31 to 60 days	1 295	1 867
Past due 61 to 90 days	749	332
Past due 91 to 120 days	145	338
Past due over 120 days	987	1 895
Total	40 709	49 023

As per December 31, 2020, no trade accounts receivable are pledged (previous year also none).

10 Financial Assets

Financial assets

In CHF 1000	2020	2019
Loans to third parties	355	390
Total financial assets	355	390

11 Other Short-Term Receivables

Other short-term receivables

In CHF 1000	2020	2019
Net VAT/Tax receivables	1 327	3 600
Wage and T&E expenses advances	107	112
Prepayments for suppliers	174	432
Deposits	355	485
Other short-term receivables	1 184	372
Total	3 147	5 001

12 Prepaid Expenses and Deferred Income

Prepaid expenses and deferred income

In CHF 1000	2020	2019
Prepaid personnel expenses	83	53
Prepaid insurance costs	97	241
Prepaid license fees	468	351
Prepaid exhibition and marketing expenses	111	726
Other prepaid expenses and deferred income	492	787
Total	1 251	2 158

13 Inventories

Inventories are as follows:

Inventories (net)

In CHF 1000	2020	2019
Raw materials	21 734	24 561
Work in progress	10 962	13 713
Finished goods	19 774	19 596
Trade merchandise	9 905	10 654
Prepayments to suppliers	656	880
Total inventories gross	63 031	69 404
Allowances	-11 031	-10 206
Total inventories net	52 000	59 198

No inventories are pledged as of December 31, 2020 and 2019.

14 Tangible Fixed Assets

Gross values

In CHF 1000

	Machinery and equipment	Land	Buildings (incl. inst.)	Assets under construction	Total
Value 31.12.2018	49 801	4 185	46 365	11 893	112 244
Additions	3 202	0	5 756	2 382	11 340
Disposals	-3 000	0	-1 504	-25	-4 529
Currency effects	-909	-26	-583	-61	-1 579
Reclassification	1 127	-877	11 222	-11 471	1
Value 31.12.2019	50 221	3 282	61 256	2 718	117 477
Change in consolidation scope	-887	-95	-1 110	0	-2 092
Additions	2 660	311	1 689	2 918	7 578
Disposals	-1 102	0	-577	-28	-1 707
Currency effects	-2 564	-44	-1 706	-125	-4 439
Reclassification	1 546	35	1 573	-2 973	181
Value 31.12.2020	49 874	3 489	61 125	2 510	116 998

Accumulated depreciation

In CHF 1000

	Machinery and equipment	Land	Buildings (incl. inst.)	Assets under construction	Total
Value 31.12.2018	39 020	879	29 893	0	69 792
Depreciation	2 843	0	2 604	0	5 447
Disposals	-2 815	0	-1 383	0	-4 198
Currency effects	-686	8	-339	0	-1 017
Reclassification	-41	-866	907	0	0
Value 31.12.2019	38 321	21	31 682	0	70 024
Change in consolidation scope	-665	0	-437	0	-1 102
Depreciation	2 709	8	2 678	0	5 395
Disposals	-1 102	0	-550	0	-1 652
Currency effects	-1 942	0	-940	0	-2 882
Reclassification	-669	31	618	0	-20
Value 31.12.2020	36 652	60	33 051	0	69 763

Net values

In CHF 1000

	Machinery and equipment	Land	Buildings (incl. inst.)	Assets under construction	Total
Value 31.12.2019	11 900	3 261	29 574	2 718	47 453
Thereof in finance lease value 31.12.2019	615	0	0	0	615
Value 31.12.2020	13 222	3 429	28 074	2 510	47 235
Thereof in finance lease value as of 31.12.2020	452	0	0	0	452

Contractual Commitments

As per December 31, 2020, no significant contractual commitments to acquire fixed assets were entered into apart from short-term commitments assumed in the normal course of business.

Finance Lease

The carrying value of plant and machinery held under finance leases and hire purchase contracts at December 31, 2020, was TCHF 452. Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Pledged Assets

No other property, plant, and equipment are pledged as of December 31, 2020 and 2019.

15 Operating Leasing

Operating leasing and rental commitments not recognized in the balance sheet are as follows:

Leasing

In CHF 1000	2020	2019
Not later than 1 year	2 493	2 622
1 to 5 years	6 112	8 434
Later than 5 years	1 335	2 115
Total	9 940	13 171
Total later than 1 year	7 447	10 549

For 2020, lease expenses amounted to TCHF 3489 (previous year TCHF 3882).

16 Intangible Assets

Gross values

In CHF 1000	Software	Patents and technical know-how	Licences	Trademarks and publishing rights	Development cost ¹	Other intangible assets	Total
Value 31.12.2019	8 430	263	292	277	1 833	236	11 331
Additions	1 115	0	0	0	997	0	2 112
Disposal	-57	-33	0	0	0	0	-90
Currency effects	-36	-28	-27	-25	-129	-3	-248
Reclassification	138	0	-87	0	-220	0	-169
Value 31.12.2020	9 590	202	178	252	2 481	233	12 936

Accumulated amortization

In CHF 1000	Software	Patents and technical know-how	Licences	Trademarks and publishing rights	Development cost	Other intangible assets	Total
Value 31.12.2019	7 456	223	286	223	510	236	8 934
Amortization	375	13	0	24	217	3	632
Disposal	-56	-19	0	0	0	0	-75
Currency effects	-27	-42	-26	-18	-34	-6	-153
Reclassification	110	-25	-82	0	0	0	3
Value 31.12.2020	7 858	150	178	229	693	233	9 341

Net values

In CHF 1000	Software	Patents and technical know-how	Licences	Trademarks and publishing rights	Development cost	Other intangible assets	Total
Value 31.12.2019	974	40	6	54	1 323	0	2 397
Value 31.12.2020	1 732	52	0	23	1 788	0	3 595

¹ Development cost charged from third parties.

No impairment was recognized for the periods presented.

17 Theoretical Goodwill

The goodwill of a purchased consolidated company is offset with equity at the date of the acquisition. The theoretical amortization of the goodwill is over the useful life of five years. A theoretical capitalization of the goodwill would have the following impact on the consolidated financial statements:

Theoretical goodwill

In CHF 1000	2020	2019
Value as of 1.1.	230 380	230 380
Additions from acquisitions	353	0
Disposals ¹	-4 859	0
Cost (gross) as of 31.12.	225 874	230 380
Accumulated translation adjustments	-16 102	-3 671
Value as of 31.12.	209 772	226 709

In CHF 1000	2020	2019
Accumulated amortization as of 1.1.	-85 905	-47 908
Amortization	-38 038	-37 997
Disposal	4 859	0
Accumulated amortization as of 31.12.	-119 084	-85 905

Theoretical book values net

In CHF 1000	2020	2019
As of 1.1.	140 804	174 468
As of 31.12.	90 688	140 804

Effect on income statement

In CHF 1000	2020	2019
Net profit	8 232	20 031
Amortization of goodwill	-38 038	-37 997
Theoretical net profit/loss(-) incl. amortization of goodwill	-29 806	-17 966

Theoretical book values net

In CHF 1000	2020	2019
Equity according to balance sheet	90 234	91 210
Theoretical capitalization of net book value of goodwill	90 688	140 804
Theoretical equity incl. net book value of goodwill	180 922	232 014

¹ Changes in theoretical goodwill from disposals refer to page 86.

18 Financial Liabilities

The following tables show details of current bank loans as well as of non-current bank loans. Book values represent nominal values.

Financial liabilities

In CHF 1000	2020	2019
Bank loans	59 771	59 005
Leasing liabilities	191	281
Total current financial liabilities	59 962	59 286
Bank loans	93	153
Leasing liabilities	284	357
Total non-current financial liabilities	377	510
Total financial liabilities	60 339	59 796

Remaining life of leasing liabilities

In CHF 1000	2020	2019
<1 year	191	281
1-5 years	284	357
Total leasing liabilities	475	638

Current bank loans

In CHF 1000	Maturity	Currency	Interest rate	2020
29.01.2021	unsecured	USD	1.10 %	880
18.03.2021	unsecured	USD	1.17 %	880
31.03.2021	unsecured	USD	1.07 %	1 320
02.04.2021	unsecured	USD	1.08 %	1 012
30.04.2021	unsecured	USD	1.09 %	617
31.03.2021	unsecured	USD	1.02 %	617
08.01.2021	unsecured	CHF	0.80 %	50 000
10.07.2021	unsecured	EUR	1.35 %	3
31.12.2021	unsecured	EUR	0.70 %	32
31.12.2021	unsecured	EUR	0.30 %	54
20.07.2021	unsecured	EUR	1.35 %	35
10.07.2021	unsecured	EUR	0.00 %	4 321
Total				59 771

Non-current bank loans

In CHF 1000	Maturity	Currency	Interest rate	2020
13.06.2022	unsecured	EUR	0.70 %	33
17.07.2022	unsecured	EUR	0.30 %	58
20.07.2022	unsecured	EUR	1.35 %	2
Total				93

Current bank loans

In CHF 1000

Maturity		Currency	Interest rate	2019
29.01.2020	unsecured	USD	2.56 %	2 417
19.02.2020	unsecured	USD	2.54 %	966
31.01.2020	unsecured	USD	2.65 %	1 449
03.02.2020	unsecured	USD	2.65 %	1 111
31.01.2020	unsecured	USD	2.60 %	676
29.01.2020	unsecured	USD	2.82 %	676
31.01.2020	unsecured	BRL	2.35 %	48
31.01.2020	unsecured	BRL	2.40 %	12
06.03.2020	unsecured	CHF	0.70 %	50 000
06.01.2020	unsecured	CHF	0.72 %	1 500
01.07.2020	unsecured	EUR	1.35 %	18
31.12.2020	unsecured	EUR	0.70 %	32
31.12.2020	unsecured	EUR	0.30 %	54
31.12.2020	unsecured	EUR	1.35 %	36
31.03.2020	unsecured	EUR	0.00 %	10
Total				59 005

Non-current bank loans

In CHF 1000

Maturity		Currency	Interest rate	2019
13.06.2022	unsecured	EUR	0.70 %	49
17.07.2022	unsecured	EUR	0.30 %	83
20.07.2021	unsecured	EUR	1.35 %	21
Total				153

Total uncommitted credit lines amount to TCHF 163 628 (previous year TCHF 150 811) of which 37 % are used (previous year 39 %). Covenants exist for selected bank loans. Covenants were met for both periods.

Total committed credit lines amount to TCHF 75 000 (previous year 75 000) of which TCHF 50 000 are used (previous year 50 000). Covenants were met for both periods.

A Group company in France has drawn a COVID-19 credit of EUR 4.0 million (secured by the state). The loan bears interest at 0.0 %. The company intends to repay the COVID-19 loan in 2021. For the duration of the drawdown of the COVID-19 loan, the Group company in France may not distribute dividends.

The Group intends to repay the bank loans of TCHF 59 771 within less than twelve months and to finance cash needs by renewing existing bank loans and by additional bank loans out of existing credit lines.

19 Trade Accounts Payable

Trade accounts payable

In CHF 1000	2020	2019
Trade accounts payable from third parties	7 690	11 888
Total trade accounts receivable (net)	7 690	11 888

All accounts payable to suppliers fall due and will be paid within 120 days.

20 Other Short-Term Liabilities

Other short-term liabilities

In CHF 1000	2020	2019
Net VAT obligations	429	1 271
Current income tax obligations	4 259	1 185
Prepayments from customers	614	271
Reclassification of accounts receivables	696	713
Other short-term liabilities	3 081	2 240
Total	9 079	5 680

21 Accrued Liabilities and Deferred Income

Accrued liabilities and deferred income

In CHF 1000	2020	2019
Accrued bonus, vacations, payroll taxes	5 437	6 608
Accrued sales bonus	1 471	1 586
Accrued social security	1 175	937
Accrued outstanding invoices	215	894
Other accrued liabilities and deferred income	4 824	4 840
Total	13 122	14 865

22 Derivative Financial Instruments

Derivative financial instruments

In CHF 1000	Market value 2020		Market value 2019	
	Negative	Positive	Negative	Positive
Currency-related instruments				
Fair value (included in other accounts payable and accruals)	0	0	-19	39

Forward exchange rate

contracts by currencies	2020	2019
EUR	0	6 305
GBP	0	-386
USD	0	871

The tables show the contract or underlying principal amounts and fair values of derivative financial instruments analyzed by type of contract at December 31, 2020 and 2019. The fair values are determined by reference to market prices or standard pricing models that used observable market inputs at December 31, 2020 and 2019.

23 Provisions

The column “Provision for guarantees, and other provisions” mainly contains provisions for estimated guarantees for product repairs or product replacement based on past experience for guarantee claims that cannot be insured and are based on the assessment of specific cases. The column “Provision for legal cases” covers the risk of litigation and employment contract termination benefits. For short-term provisions, a capital outflow is expected within one year. A capital outflow from long-term provisions is expected in the next one to five years.

Provisions are as follows:

Provisions

In CHF 1000	Provision for guarantees, and other provisions	Provision for employee benefit obligations	Provision for legal cases	Total
31.12.2018	1 877	957	378	3 212
Additions	766	252	134	1 152
Reversals	-57	-101	-55	-213
Used	-108	0	0	-108
Currency effects	-73	-38	-7	-118
Reclassification	162	0	-162	0
31.12.2019	2 567	1 070	288	3 925
Additions	564	45	344	953
Reversals	-167	-59	-298	-524
Used	-66	-10	-126	-202
Currency effects	-64	-5	-23	-92
Reclassification	-513	0	513	0
31.12.2020	2 321	1 041	698	4 060

Provision by maturity

In CHF 1000	Provision for guarantees, and other provisions	Provision for employee benefit obligations	Provision for legal cases	Total
Short-term provisions	1 228	0	236	1 464
Long-term provisions	1 339	1 070	52	2 461
31.12.2019	2 567	1 070	288	3 925
Short-term provisions	677	0	481	1 158
Long-term provisions	1 644	1 041	217	2 902
31.12.2020	2 321	1 041	698	4 060

24 Equity

The share capital represents the capital of COLTENE Holding AG. Treasury stock on December 31, 2020, included 19 shares (previous year 14).

Treasury shares

in CHF	2020		
	Number	Transaction price (Ø)	Acquisition costs
As of 1.1.	14	93.36	1 307
Acquisitions	2 500	87.87	219 679
Disposals	0	0.00	0
Share-based compensation	-2 495	79.04	-219 286
As of 31.12.	19	89.46	1 700

in CHF	2019		
	Number	Transaction price (Ø)	Acquisition costs
As of 1.1.	3 265	92.90	303 324
Acquisitions	80	99.10	7 928
Disposals	0	0.00	0
Share-based compensation	-3 331	93.94	-309 944
As of 31.12.	14	93.36	1 307

The outstanding capital consists of 5 975 580 (previous year 5 975 580) registered shares of CHF 0.10 (previous year CHF 0.10) par value per share. All shares are issued and fully paid. There is no conditional or authorized capital.

The distribution of CHF 3.00 per share will be proposed to the General Meeting on March 31, 2021.

The non-distributable reserves in group equity amounted to TCHF 1509 as at December 31, 2020.

Based on the General Meeting decision on April 2, 2020, the Company paid out from capital contribution reserves CHF 1.50 (previous year CHF 3.00 paid out from capital contribution reserves) per share to its shareholders on April 8, 2020. The total amount paid was TCHF 8963 (previous year TCHF 17 924).

25 Transactions with Related Parties

Related parties (persons and companies) are Board members, members of Group Management, pension funds, important shareholders and companies controlled by them. Transactions with related parties are generally conducted based on usual market conditions.

Relationships with Related Parties

General Disclosures

Group Management

In the reporting period and the prior year period, the members of Group Management received no other payments or remuneration except the ordinary remuneration as explained in the compensation report on pages 62 to 72 and in the notes to the closing of COLTENE Holding AG on page 106. In the years under review, the members of Group Management and related persons did not receive any other compensation for additional services for COLTENE Holding AG or one of its subsidiaries.

Board of Directors

In the reporting period and the prior year period, the members of the Board of Directors received no other payments and remuneration except the ordinary remuneration as explained in the compensation report on pages 62 to 72 and in the notes to the closing of COLTENE Holding AG on page 106. All Board members are non-executive and have no material business interest with the COLTENE Group. In 2020, the law firm Lenz & Staehelin, Zürich, where Astrid Waser is partner, received CHF 27 000 (2019: CHF 13 000). Lenz & Staehelin acted as an advisor to the Board of Directors and Group Management.

In the years under review, the members of the Board of Directors and related persons did not receive any compensation for additional services for COLTENE Holding AG or one of its subsidiaries.

Loans to Directors and Group Management

In the years under review, COLTENE Holding AG or its subsidiaries did not grant any loans, credits, guarantees, or advances to the members of the Board of Directors, Group Management, or related persons to them.

Pension funds

Depending on the local legislation in the countries of the COLTENE Group companies, various pension schemes are in place. In the periods under review, there were no extraordinary transactions between the pension funds and the related Group companies except the payments of the ordinary annual contributions.

Tax claim

A tax audit conducted in 2019 at Micro-Mega SA led to a tax liability from the years prior to the acquisition by COLTENE. The sellers of Micro-Mega are liable for this tax liability. Therefore Coltène/Whaledent AG (buyer of Micro-Mega) booked a claim against the sellers of which one is a major shareholder of COLTENE Holding AG in the amount of TCHF 372 in 2019.

Business Relationships with Related Parties

Business transactions with other related parties in the year under review and the prior year were as follows:

Rent of production, warehouse and office buildings

The COLTENE Group rented production, warehouse and office space from companies that are controlled by a major shareholder of COLTENE Holding AG. The rent includes also additional services provided by the lessor, such as accounting and administrative services.

In CHF 1000	2020	2019
Rent of production and office buildings	841	1 002

The conditions of the leasing contracts are based on usual market conditions. The rental agreement for the production and office building in Toronto ends on December 31, 2026. The total duration is ten years and the annual rent will increase in average by 2.1% until the expiry of the rental agreement.

Loans

In 2019, a COLTENE Group company paid back a loan to a company held by a major shareholder of COLTENE Holding AG. The interest paid was the same that the receiving company paid for the same loan from a bank. Therefore, the conditions were at arm's length.

In CHF 1000	2020	2019
Interest paid	0	28
Loan repayments	0	4 094
Loan balance due at the end of the reporting period	0	0

Suppliers

A COLTENE Group company maintains a business relationship with a company held by a major shareholder of COLTENE Holding AG. COLTENE buys parts from the respective supplier at market conditions that other suppliers can provide also.

In CHF 1000	2020	2019
Annual purchase value	3 096	2 619
Payables	157	17

26 Subsequent Events

As per the release date of this Annual Report, the Board of Directors and the Executive Management were not aware of any further important events subsequent to the reporting date.

27 Group Companies

Company	Activity	Currencies	Registered capital	Group ownership 2020	Group ownership 2019	Consolidation principles ⁵
COLTENE Holding AG, Altstätten CH	⁴	CHF	597 558	n.a.	n.a.	F
Coltène/Whaledent AG, Altstätten CH	¹	CHF	1 600 000	100 %	100 %	F
Coltène/Whaledent Vertriebsservice und Marketing GmbH, Altstätten CH	²	CHF	20 000	100 %	100 %	F
Coltène/Whaledent GmbH + Co. KG, Langenau DE	¹	EUR	1 850 000	100 %	100 %	F
Dentalia Kft., Bicske HU	¹	HUF	3 000 000	100 %	100 %	F
ROEKO Verwaltungs GmbH, Langenau DE	⁴	EUR	30 000	100 %	100 %	F
Coltène/Whaledent Ltd., Burgess Hill GB	²	GBP	200 000	100 %	100 %	F
Coltène/Whaledent S.à.r.l., Lezennes FR	²	EUR	503 000	100 %	100 %	F
Coltène Italy S.r.l., Milano IT	²	EUR	10 000	100 %	100 %	F
Coltène Iberia S.L., Madrid ES	²	EUR	10 000	100 %	100 %	F
Coltene Turkey Diş Sağlığı Ürünleri Ltd. Şti, Istanbul TR	²	TRY	20 000	100 %	100 %	F
Coltène/Whaledent Dental Materials & Equipment Trading Co. Ltd, Beijing CN	³	CNY	10 000 000	100 %	100 %	F
Coltène/Whaledent Private Limited, Mumbai IN	³	INR	64 800 000	100 %	100 %	F
Coltene Japan LLC, Tokyo JP	³	JPY	1 400 000	100 %	100 %	F
Coltene Australia Pty Ltd., Sydney AU	³	AUD	15 000	100 %	100 %	F
DentalDrives GmbH, Leutkirch DE	⁴	EUR	100 000	100 %	100 %	F
Micro-Mega International, Besançon FR	⁴	EUR	419 700	100 %	100 %	F
Micro-Mega SA, Besançon FR	¹	EUR	2 900 000	100 %	100 %	F
Coltène/Whaledent Inc., Cuyahoga Falls US	¹	USD	8 400 000	100 %	100 %	F
Diatech Inc., Mount Pleasant US	³	USD	100 000	100 %	100 %	F
SciCan Inc., Canonsburg US	⁶	USD	100	0 %	100 %	F
Vigodent SA Indústria e Comércio, Rio de Janeiro BR	⁷	BRL	54 677 752	0 %	100 %	F
Coltene do Brasil Ltda, Rio de Janeiro BR	²	BRL	10 000	100 %	0 %	F
Kenda AG, Vaduz FL	¹	CHF	50 000	100 %	100 %	F
SciCan Medtech AG, Zug CH	³	CHF	100 000	100 %	100 %	F
SciCan Ltd., Toronto CAN	¹	CAD	729	100 %	100 %	F
SciCan GmbH, Leutkirch DE	³	EUR	25 564	100 %	100 %	F
SciCan Real Estate, Leutkirch DE	⁶	EUR	25 564	0 %	100 %	F

¹ Production and sales of dental specialties

² Sales services and marketing of dental specialties

³ Sales of dental specialties

⁴ Holding company

⁵ F = Full consolidation

⁶ Company dissolved or merged in 2020

⁷ Company disposed in 2020

Non-Swiss GAAP FER Measures as Defined by COLTENE Group

COLTENE Group uses certain non-Swiss GAAP FER metrics when measuring performance, especially when measuring current-year results against prior periods, including core results, constant currencies, free cash flow, and net debt. Despite the use of these measures by management in setting goals and measuring the Group's performance, these are non-Swiss GAAP FER measures that have no standardized meaning prescribed by Swiss GAAP FER. As a result, such measures have limits in their usefulness to investors. Because of their non-standardized definitions, the non-Swiss GAAP FER measures (unlike Swiss GAAP FER measures) may not be comparable to the calculation of similar measures of other companies. These non-Swiss GAAP FER measures are presented solely to permit investors to more fully understand how the Group's management assesses underlying performance. These non-Swiss GAAP FER measures are not, and should not be viewed as, a substitute for Swiss GAAP FER measures. As an internal measure of Group performance, these non-Swiss GAAP FER measures have limitations, and the Group's performance management process is not solely restricted to these metrics.

Growth Rate Calculation

For ease of understanding, COLTENE Group uses a sign convention for its growth rates such that a reduction in operating expenses or losses compared to the prior year is shown as a positive growth.

Free Cash Flow

Free cash flow is presented as additional information because management believes it is a useful supplemental indicator of the Group's ability to operate without reliance on additional borrowing or use of existing cash. Free cash flow is a measure of the net cash generated that is available for debt repayment and for returning to shareholders. Free cash flow is a non-Swiss GAAP FER measure, which means it should not be interpreted as a measure determined under Swiss GAAP FER. Free cash flow is not intended to be a substitute measure for cash flow from operating activities as determined under Swiss GAAP FER.

COLTENE Group's definition of free cash flow includes cash flow from operating activities and cash flow from investing activities.

Net Debt

Net debt is presented as additional information because management believes it is a useful supplemental indicator of the Group's ability to pay dividends, to meet financial commitments, and to invest in new strategic opportunities, including strengthening its balance sheet. Net debt is a non-Swiss GAAP FER measure, which means it should not be interpreted as a measure determined under Swiss GAAP FER.

COLTENE Group defines net debt as current and non-current financial debt less cash and cash equivalents, current investments, and derivative financial instruments.

EBITDA

COLTENE Group defines earnings before interest, tax, depreciation, and amortization (EBITDA) as operating income from continuing operations excluding depreciation of property, plant, and equipment (including any related impairment charges), and amortization of intangible assets (including any related impairment charges).

Leverage Factor

The COLTENE Group relates interest-bearing debt to EBITDA to determine the leverage factor. A leverage ratio is any one of several financial measurements that look at how much capital comes in the form of debt (loans), or assesses the ability of a company to meet its financial obligations. The leverage ratio is important given that companies rely on a mixture of equity and debt to finance their operations and knowing the amount of debt held by a company is useful in evaluating whether it can pay its debts off as they come due.

Report of the Statutory Auditor

To the General Meeting of COLTENE Holding AG, Altstätten
St. Gallen, February 25, 2021



Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the consolidated financial statements of COLTENE Holding AG, which comprise the consolidated income statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and notes to Group financial statements (pages 78 to 98), for the year ended December 31, 2020.

Board of Directors' Responsibility



The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility



Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial

statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion



In our opinion, the consolidated financial statements for the year ended December 31, 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on Key Audit Matters Based on the Circular 1/2015 of the Federal Audit Oversight Authority



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibility section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the

procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of Inventory

Area of Focus

The total balances of inventory and inventory allowance as of December 31, 2020 amount to CHF 52.0 million and CHF 11.0 million, respectively, as described in note 13. We focused on this position because the gross inventory and related allowance are material to the financial statements, involve a level of judgment and are subject to uncertainty due to market demand changes.

Our Audit Response

We assessed the process, method and assumptions used to identify slow moving, excess or obsolete items and to calculate the related allowance. We completed procedures to assess the amount of the allowance including a comparison of management's calculations for consistency against those used in the prior year. We tested the underlying data used by management to calculate the inventory allowance, typically an aged inventory analysis with the latest movements, by re-performing the ageing calculation determined by the ERP-system. We also tested the accuracy of the calculation by assessing the calculation criteria. Furthermore, we compared the net realizable value with the carrying value for a sample of products.

Our audit procedures did not lead to any reservations relating to the method and the assumptions used to calculate the valuation of inventory.

Report on Other Legal Requirements



We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Iwan Zimmermann
Licensed audit expert
(Auditor in charge)

Johannes Bachmann
Licensed audit expert

Income Statement COLTENE Holding AG

In CHF	2020	2019
Dividend income	8 543 948	14 288 920
Other financial income	259 617	554 080
Total income	8 803 565	14 843 000
Financial expenses	-694 110	-677 029
Personnel expenses	-574 733	-665 125
Other operating expenses	-721 664	-583 733
Impairment loss on investments	-12 051 781	-7 600 000
Tax expenses	-580 028	-438 565
Total expenses	-14 622 316	-9 964 452
Profit/loss(-) of the year	-5 818 751	4 878 548

Balance Sheet COLTENE Holding AG

In CHF	31.12.2020	31.12.2019
Cash and cash equivalents	2 831 910	846 298
Other accounts receivable from third parties	19 613	5 906
Other accounts receivable from subsidiaries	8 469 414	3 217 284
Current assets	11 320 937	4 069 488
Long-term receivables from subsidiaries	22 036 381	36 781 083
Investments in subsidiaries	205 152 796	206 912 462
Non-current assets	227 189 177	243 693 545
Total assets	238 510 114	247 763 033
Trade accounts payable to third parties	10 025	1 730
Current interest-bearing liabilities to third parties	55 325 755	58 794 585
Other accounts payable to third parties	18 143	18 563
Other accounts payable to subsidiaries	9 953 305	1 201 122
Accrued liabilities and deferred income to third parties	241 072	202 765
Short-term provisions	288 746	88 746
Current liabilities	65 837 046	60 307 511
Share capital	597 558	597 558
Legal reserves from retained earnings	119 512	84 380
Capital contribution reserves without foreign reference	49 983 127	49 983 127
Capital contribution reserves with foreign reference	92 913 167	101 876 508
Voluntary reserves from retained earnings	34 880 125	30 036 709
Treasury shares	-1 670	-1 308
Profit/loss(-) of the year	-5 818 751	4 878 548
Total equity	172 673 068	187 455 522
Total liabilities and equity	238 510 114	247 763 033

Statements of Changes in Equity COLTENE Holding AG

In CHF	Share capital	Statutory reserves	Capital contribution reserves	Treasury shares	Net income brought forward	Total
31.12.2018	597 558	84 380	169 783 747	-303 324	30 036 709	200 199 069
Distribution to shareholders	0	0	-17 924 112	0	0	-17 924 112
Capital increase	0	0	0	0	0	0
Change in treasury shares	0	0	0	302 016	0	302 016
Profit/loss(-) of the year	0	0	0	0	4 878 548	4 878 548
31.12.2019	597 558	84 380	151 859 635	-1 308	34 915 257	187 455 522
Distribution to shareholders	0	0	-8 963 342	0	0	-8 963 342
Allocation to the legal reserves	0	35 132	0	0	-35 132	0
Change in treasury shares	0	0	0	-362	0	-362
Profit/loss(-) of the year	0	0	0	0	-5 818 751	-5 818 751
31.12.2020	597 558	119 512	142 896 294	-1 670	29 061 374	172 673 068

Notes to COLTENE Holding AG

Principals

The financial statements of COLTENE Holding AG, Altstätten, were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the Company's going concern, the Company's financial statements may be influenced by the creation and release of hidden reserves.

Financial Assets

Financial assets include long-term loans. Loans granted in foreign currencies are translated at the rate at the balance sheet date.

Treasury Shares

Treasury shares are recognized at weighted average cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

Investments

Investments include securities with a long-term holding period and are valued individually at their acquisition cost adjusted for impairment losses. Investments are tested on an annual base for impairment needs.

Foregoing a Cash Flow Statement and Additional Disclosures in the Notes

As COLTENE Holding AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement and a management report in accordance with the law.

Full-Time Equivalents

COLTENE Holding AG has no employees.

Contingent liabilities

Investments in Subsidiaries

The major investments in subsidiaries are listed in note 27 on page 98 of this Annual Report.

Impairment Loss on Investments

On December 31, 2020, 100 % of the shares of Vigodent SA, the Group's manufacturing plant in Brazil, were sold to local entrepreneurs. The disposal resulted in an impairment loss of CHF 12.1 million in the reporting period (2019: CHF 7.6 million).

Subsequent Events

As per the release date of this Financial Statement, the Board of Directors and the Executive Management were not aware of any further important events subsequent to the reporting date.

	31.12.2020	31.12.2019
Joint and several liability from group taxation for current and future value-added tax liabilities of Coltène/Whaledent AG and Coltène/Whaledent Vertriebservice und Marketing GmbH	p. m.	p. m.

Treasury shares

	Average rate of transactions in CHF	Quantity
Inventory as of 1.1.2019		3 265
Acquisitions	99.10	80
Share-based compensation	93.05	-3 331
Inventory as of 31.12.2019		14
Acquisitions	87.87	2 500
Share-based compensation	79.04	-2 495
Inventory as of 31.12.2020		19

Significant shareholders¹

	31.12.2020	31.12.2019
HUWA Finanz- und Beteiligungs AG, Heerbrugg	22.28 %	22.18 %
Arthur Zwingenberger, Luzern	17.28 %	17.20 %
Rätikon Privatstiftung, Bludenz/Austria	10.18 %	10.18 %
Tweedy, Browne Company LLC, New York/USA	4.21 %	4.21 %
Robert Heberlein, Zumikon	4.02 %	3.46 %
Credit Suisse Asset Management Funds AG, Zürich ²	n.a.	3.49 %
UBS Fund Management (Switzerland) AG, Zürich ²	n.a.	3.26 %

¹ The Company is aware of the following registered shareholders who own over 3 % of the shares. For more details see page 39.

² Ownership at December 31, 2020, <3 %

Number of shares held by Board of Directors

	31.12.2020	31.12.2019
Nick Huber, Chairman	20 095	14 557
Erwin Locher, member	3 936	5 492
Jürgen Rauch, member	547	407
Matthew Robin, member	5 505	5 365
Astrid Waser, member	367	227
Roland Weiger, member	1 468	1 328
Allison Zwingenberger, member	172	32
Total	32 090	27 408

Number of shares held by Executive Management

	31.12.2020	31.12.2019
Martin Schaufelberger, CEO	12 350	11 799
Gerhard Mahrle, CFO	3 346	3 071
Werner Barth, Vice President Marketing	1 648	1 540
Stefan Helsing, COO	40 402	54 170
Christophe Loretan, Vice President Sales	756	624
Martin Schlüter ¹	0	n.a.
John Westermeier ¹	0	n.a.
Werner Mannschedel, Vice President QM & RA ²	n.a.	2 413
Total	58 502	73 617

¹ New members of Group Management appointed on January 1, 2020.

² Werner Mannschedel retired on December 31, 2019.

Remuneration of the Board of Directors

In CHF

	Base remuneration		Other remuneration	Total ³
	in cash	in shares ¹	Social security ²	
2019				
Nick Huber	72 000	20 000	14 366	106 366
Erwin Locher	63 000	10 000	7 444	80 444
Jürgen Rauch	54 000	10 000	0	64 000
Matthew Robin	63 000	10 000	11 445	84 445
Astrid Waser	54 000	10 000	10 024	74 024
Roland Weiger	54 000	10 000	10 024	74 024
Allison Zwingenberger	54 000	10 000	8 893	72 893
Total	414 000	80 000	62 196	556 196
2020				
Nick Huber	76 667	20 000	12 509	109 176
Erwin Locher	67 083	10 000	6 193	83 276
Jürgen Rauch	57 500	10 000	0	67 500
Matthew Robin	67 083	10 000	9 977	87 060
Astrid Waser	57 500	10 000	8 737	76 237
Roland Weiger	57 500	10 000	8 737	76 237
Allison Zwingenberger	57 500	10 000	8 737	76 237
Total	440 833	80 000	54 890	575 723

¹ The number of shares granted in 2019 is calculated based on the weighted average share price of the month of March (2020: March) of the subsequent year.

² Company paid social security contributions incl. AHV, IV, and ALV.

³ As a response to the negative impacts of the COVID-19 pandemic, Group Management decided to introduce short-time work or furloughs (temporary layoffs) where feasible. In order to adjust production capacities in line with lower demand, the workforce was reduced by 10%, or roughly 145 FTE. Most temporary employment contracts were terminated, and a hiring freeze was put in place. In the spirit of solidarity, the Board of Directors reduced their own remuneration in cash by 10 % for the period of five months starting from the second quarter.

Remuneration of Group Management

In CHF

	Base remuneration	Variable remuneration ¹		Other remuneration		Total ⁴
	in cash	in cash	in shares ²	Social security ³	Other benefits	
2019						
Martin Schaufelberger	410 007	189 373	49 315	166 921	20 692	836 308
Other members	1 313 413	282 368	73 749	361 748	65 831	2 097 109
Total	1 723 420	471 741	123 064	528 669	86 523	2 933 417
2020						
Martin Schaufelberger	395 088	287 984	85 129	147 120	20 692	936 013
Other members	1 475 500	584 597	172 983	345 981	85 438	2 664 499
Total	1 870 588	872 581	258 112	493 101	106 130	3 600 512

¹ The variable remuneration, which includes cash bonus and shares, is not paid out in the reporting period. It is accrued for and paid out in the following year based on the decision of the Board of Directors.

² The value of shares granted is calculated based on the share price at closing of the grant date. For 2019, it was February 26, 2020, and the share price was CHF 89.50. For 2020, it was February 25, 2021, and the share price was CHF 109.00.

³ Company paid social security contributions incl. pension fund payments, AHV, IV, ALV, NBU, and KTG.

⁴ In 2020, the total compensation increased due to one more Group Management member that was appointed on January 1, 2020, despite the negative impact of the COVID-19 pandemic on the financial results of the COLTENE Group and hence on the variable compensation to Group Management and to the voluntary waiver of part of the fixed compensation.

Proposed Appropriation of Disposable Profit and Dividend Distribution

In CHF	2020	2019
Allocation of the profit of the year		
Net income carried forward from prior year	34 878 816	29 733 384
Profit/loss(-) of the year	-5 818 751	4 878 548
Transfer to reserves for treasury stocks	-362	302 016
Allocation to the legal reserves	0	-35 132
Total amount at the disposal of the AGM	29 059 703	34 878 816
Dividend distribution	0	0
Balance to be carried forward	29 059 703	34 878 816
Distribution out of reserves from capital contributions		
Available reserves from capital contributions without foreign reference	49 983 127	49 983 127
Available reserves from capital contributions with foreign reference	92 913 167	101 876 508
Total available capital contribution reserves	142 896 294	151 859 635
Distribution to shareholders of CHF 3.00 per share without treasury shares from capital contribution reserves without foreign reference	0	0
Distribution to shareholders of CHF 3.00 per share without treasury shares* from capital contribution reserves with foreign reference	-17 926 740	-8 963 342
Available capital contribution reserves after distribution		
without foreign reference	49 983 127	49 983 127
with foreign reference	74 986 427	92 913 167
Total capital contribution reserves	124 969 554	142 896 294

* Amount will be adapted according to the number of treasury shares.

Report of the Statutory Auditor

To the General Meeting of COLTENE Holding AG, Altstätten
St. Gallen, February 25, 2021



Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the financial statements of COLTENE Holding AG, which comprise the income statement, balance sheet and notes (pages 102 to 107), for the year ended December 31, 2020.

Board of Directors' Responsibility



The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility



Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal

control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion



In our opinion, the financial statements for the year ended December 31, 2020, comply with Swiss law and the company's articles of incorporation.

Report on Key Audit Matters Based on the Circular 1/2015 of the Federal Audit Oversight Authority



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibility section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of Investments

Area of Focus

The valuation of investments in accordance with the provisions of the Swiss Code of Obligations is important to our statutory audit as it represents a significant judgment area. Investments as at balance sheet date represent 86.0 % of the total assets of COLTENE Holding AG. In performing the impairment testing for investments, the company used various assumptions in respect of future market and economic conditions, market share, revenue growth and margin development.

Our Audit Response

Our audit procedures included an assessment and test of the assumptions, methodology, the weighted average cost of capital and other data used by the company, for example by comparing them to external data, such as expected inflation rates, external market growth expectations and by analyzing sensitivities in COLTENE's valuation model. Furthermore, we included in our team a valuation specialist to assist us with these procedures. We specifically focused on the sensitivity by evaluating whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We also assessed the historical accuracy of the Board of Management's estimates.

Our audit procedures did not lead to any reservations relating to the used assumptions, the methodology and the weighted average cost of capital and the other data used.

Report on Other Legal Requirements



We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Iwan Zimmermann
Licensed audit expert
(Auditor in charge)

Johannes Bachmann
Licensed audit expert

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Disclaimer

The information made available in this Annual Report may include forward-looking statements that reflect intentions, beliefs or current expectations and projections of the COLTENE Group about future results of operations, financial conditions, liquidity, performance, and similar circumstances. Such statements are made on the basis of assumptions and expectations which may prove to be erroneous, although the COLTENE Group believes them to be reasonable at this time.

The extract of the reporting section of the Annual Report 2020 in German is the governing text.