

Patient Safety

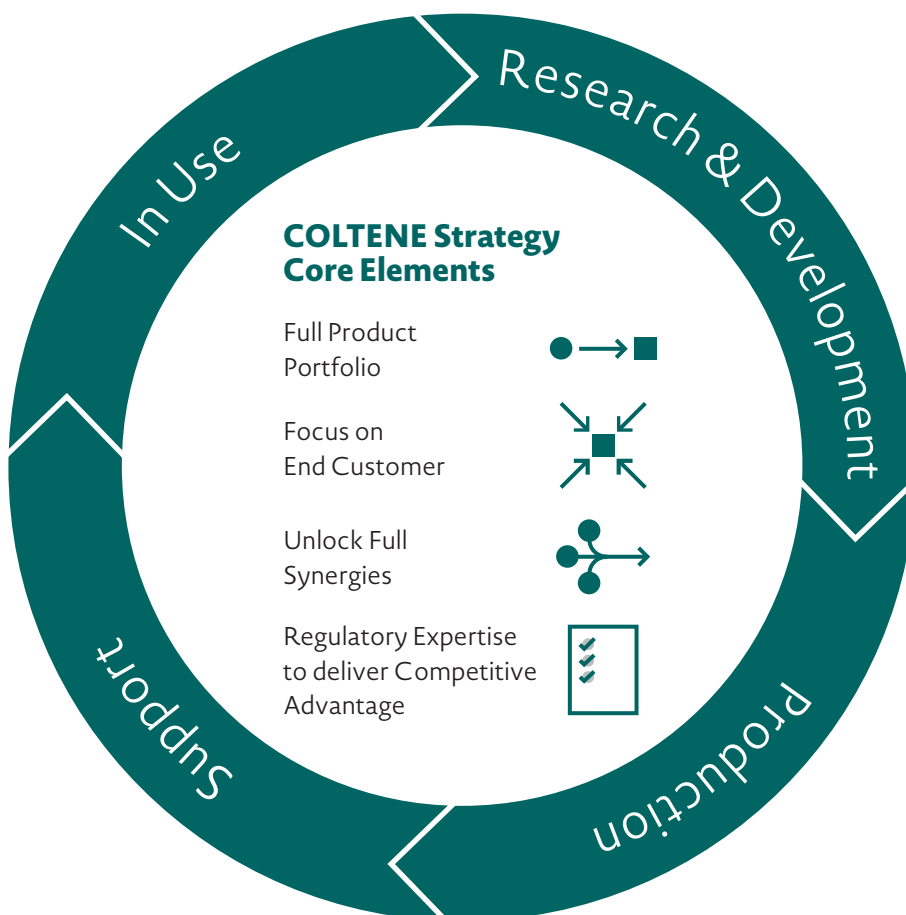
Annual Report 2023

23

Safety for our patients

At COLTENE, patient safety comes first. All innovations and other processes along the value chain are based on this concept. During the 2023 financial year, COLTENE successfully launched products that significantly contribute to patient safety, while taking further steps toward digitalization at the same time. In particular, these include the IC-Track, which can be used to digitally document the tracking of all instrument reprocessing steps, including patient allocation. Based on the myCOLTENE platform, both COLTENE's own products as well as devices from other manufacturers can be included in this process.

This year's photo story illustrates the Patient Safety factor from various phases in our value chain – in development, regulation, training, and finally in application with patients in the dental practice.



Contents

Product overview	4
Facts and figures	5
Information about COLTENE shares	6
Highlights 2023	8
Foreword	10
Patient safety in the workflow	14
Operational review and financial commentary	18
Report on non-financial matters	26
Corporate Governance	66
Compensation Report	92
Financials	107
Important addresses	142

Product overview

COLTENE Group divides its comprehensive product range into the categories: Infection Control, Dental Preservation, and Efficient Treatment.

Infection Control

Instrument reprocessing and surface disinfection

34%

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

28%

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

Prothetics, Rotary Instruments, Treatment Auxiliaries

38%

The Treatment Efficiency 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.

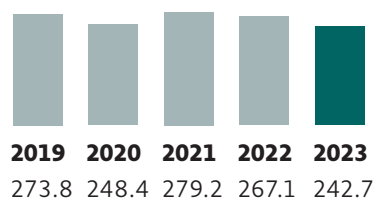


Facts and figures

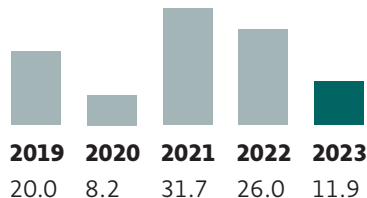
COLTENE is an internationally active developer, manufacturer, and seller of dental consumables and small equipment in the areas of Infection Control, Dental Preservation, and Efficient Treatment. The Group has state-of-the-art production facilities in the USA, Canada, Germany, France, and Switzerland, as well as its own sales organizations in all important key markets including North America, Europe, Japan, China, India, and Latin America. COLTENE Group has 1183 employees around the world (31 December 2023).

5-year overview 2019–2023 (in CHF million)

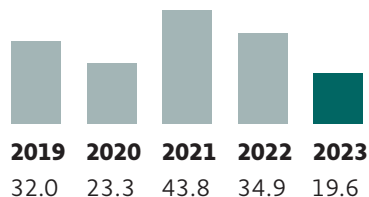
Net sales



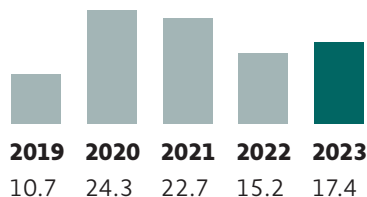
Net profit



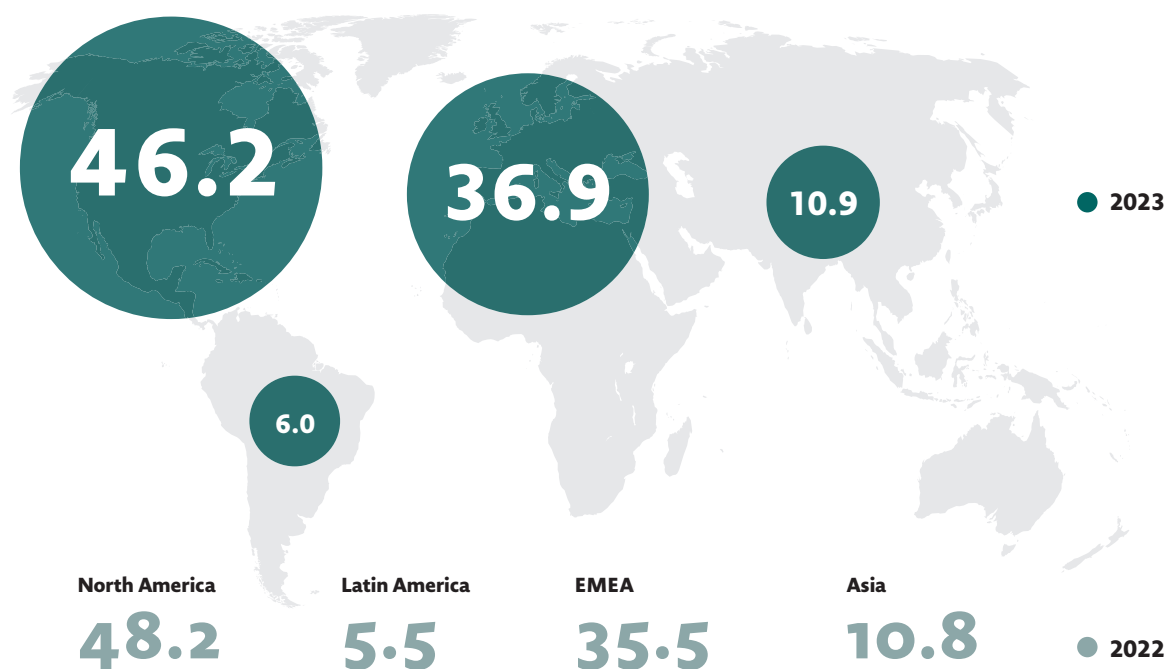
EBIT



Free cash flow



Net sales by region in %



Information about COLTENE shares

Share capital and capital structure

	2023	2022	2021
Par value per share (CHF)	0.10	0.10	0.10
Total registered shares	5 975 580	5 975 580	5 975 580
Cleared shares	12.69%	14.97%	16.91%
Number of treasury shares	86	568	84
Number of dividend-bearing shares	5 975 494	5 975 012	5 975 496
Registered capital (CHF 1 000)	598	598	598
Conditional capital (CHF 1 000)	0	0	0
Authorized capital (CHF 1 000)	0	0	0
Total voting rights	5 975 580	5 975 580	5 975 580

Key stock exchange figures per share

CHF	2023	2022	2021
Share price high	80.90	112.80	133.40
Share price low	62.00	74.30	82.50
Closing share price	71.60	76.20	112.40
Average volume per trading day (number of shares)	2 688	2 512	4 338
Market capitalization in CHF million (year-end)	428	455	672

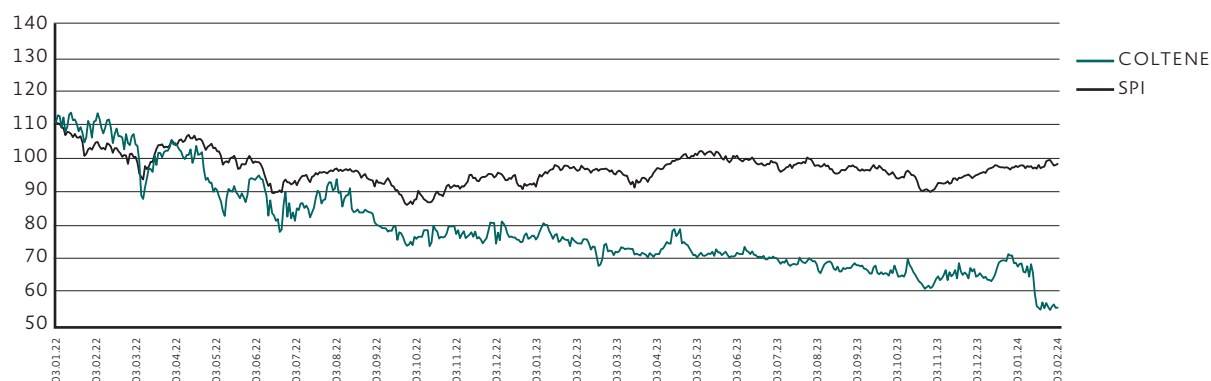
Key figures per share

CHF	2023	2022	2021
Earnings per share - basic	2.00	4.35	5.31
Earnings per share - diluted	2.00	4.35	5.31
Operating cash flow per share	4.35	3.92	5.44
Free cash flow per share	2.91	2.55	3.80
Dividend per share	2.00 ¹	3.30	3.30
Equity per share	16.21	18.77	17.97

¹ Board of Directors' proposal to the General Meeting of 17 April 2024: Distribution of CHF 2.00 per share from capital contribution reserves with foreign reference and excluding treasury shares.

Share price performance (03.01.2022 to 03.02.2024)

CLTN registered shares / Swiss Performance Index (SPI) rebased



The COLTENE share price dropped 6.0% in 2023 from CHF 76.20 to CHF 71.60. COLTENE paid a dividend of CHF 3.30 per share on 25 April in the reporting year. The overall performance including the dividend for 2023 was -1.7%. Effective 1 February, 2021, COLTENE Holding AG shares are included in the two ESG indices of the SIX Swiss Exchange SPI ESG and SPI ESC Weighted.

Shareholder structure¹

On 31 December 2023, there were 2 517 shareholders (31.12.2022: 2 185) entered in the share register. The following shareholders held 3 % or more of the outstanding share capital of COLTENE Holding AG at year-end:

	31.12.2023	31.12.2022
HUWA Finanz- und Beteiligungs AG	22.46 %	22.42 %
Arthur Zwingenberger	17.28 %	17.28 %
Rätikon Privatstiftung	12.30 %	12.30 %
Robert Heberlein	4.15 %	4.15 %
Credit Suisse Asset Management Funds AG	2.77 %	3.23 %
UBS Fund Management (Switzerland) AG	3.22 %	3.18 %

¹ For more information, please refer to the Corporate Governance section.

Contact

Markus Abderhalden, CFO
COLTENE Holding AG
Feldwiesenstrasse 20
9450 Altstätten
Switzerland
Phone +41 71 757 54 80
E-mail investor@coltene.com

Share register

Philipp Baumgartner
sharecomm ag
Phone +41 79 370 62 29
E-mail philipp.baumgartner@sharecomm.ch

Financial calendar

Release of Annual Report and media and analyst conference on 2023 financial year	8 March 2024
Annual General Meeting 2024	17 April 2024
Release of Half-year Report and media and analyst conference on 2024 half-year results	8 August 2024
Release of Annual Report and media and analyst conference on 2024 financial year	7 March 2025
Annual General Meeting 2025	23 April 2025
Release of Half-year Report and media and analyst conference on 2025 half-year results	8 August 2025

Highlights 2023

242.7 million

Sales in CHF

Sales fell primarily due to the strengthening of the Swiss franc and the reduction of stock levels at our dealers.

15

Innovation projects

15 key projects with focus on digitalization, new materials and services were in the pipeline in 2023.

70%

Renewable materials

Of the secondary packaging used, 70% was in renewable materials.

+14.6 %

Recovery in China

The important Chinese market recovered from pandemic-related restrictions and grew by 14.6 % (in local currency).

17.4 million

Free cash flow in CHF

Thanks to the further optimization of the net working capital and in particular the stock levels, free cash flow increased by 14.4 %.

2.8 %

Dividend yield

The proposed dividend offers a solid yield of 2.8 %.

Foreword

Dear shareholders,

During the 2023 financial year, COLTENE was able to successfully launch new products, while taking further steps toward digitalization at the same time. The challenges of supply chain problems and the delivery backlogs were also overcome. However, there were certain factors which had a negative effect on the operating result. Altogether, the result of the 2023 financial year for COLTENE is below expectations.

Continuing challenges in the dental market

One deciding factor in the decline in sales was the currency effects due to the strengthening of the Swiss franc. In 2023, COLTENE generated sales of CHF 242.7 million (-9.1% year on year, or -4.6% in local currency). During the first half of the year, the backlogs resulting from delivery bottlenecks could be cleared, but at the same time the economic environment with its high interest rates, particularly in North America, suppressed demand for dental equipment and consumables. We were also confronted with a slight decrease in patient volume at dental offices. In addition, dealers made further unexpected stock reductions at the end of the year. The extent of these could not be foreseen.

The North American market therefore deteriorated significantly compared with 2022, while sales in other regions were closer to the previous year's level, adjusted for currency effects. The Infection Control business (-7.8% in CHF) recorded a solid performance compared with the previous period (-1.9% in local currency). However, demand for devices dropped due to more expensive financing costs for customers. The areas of Dental Preservation and Efficient Treatment decreased by -10.4% (-6.4% in local currency) and -9.3% (-5.6% in local currency) compared to 2022. The main reason for this was, as mentioned, the reduction in stock. Altogether, the temporary lower sales in the Dental Preservation and Efficient Treatment businesses led to a change in the product mix, which, together with the lower sales base, unfavorably affected the operating margin. Despite strict control of the operating expenses, the EBIT margin achieved 8.1% (2022: 13.1%). The operating profit was thus CHF 19.6 million (previous year CHF 34.9 million).

The continued strength of the Swiss franc reduced sales by 4.5%

Patient safety

The topic of patient safety at COLTENE, as a manufacturer and seller of products for the dental market, covers the entire value chain. Innovations and developments are very strongly oriented towards the safety of patients. This is supported by intensive training of dentists in the use of COLTENE products.



Nick Huber, Chairman of the Board of Directors

Martin Schaufelberger, CEO (up to 31 December 2023)

During the 2023 financial year, COLTENE was able to launch important products which significantly contributed to patient safety. These included the launch of STATIM 6000B in Europe, a device for instrument reprocessing, as well as the IC-Track. This device enables digital tracking and allocation during all reprocessing steps of the instruments used on a patient. IC-Track can be used both for COLTENE products as well as for other manufacturers' products. By connecting the devices to the platform myCOLTENE using IoT (Internet of Things) technology, the company is taking a further important step in the direction of digitalizing the processes and devices – a milestone in terms of patient safety. You can read about which other products further contribute to patient safety in the Instrument Reprocessing, Endodontics, and Dental Restoration workflows in the focus section of the Annual Report.

In 2023, COLTENE
launched products which
significantly contributed
to patient safety.

Further expansion of sustainability projects and reporting

During the 2023 financial year, COLTENE established key performance indicators (KPIs) and goals in the area of sustainability. Additional measures were also defined and initiated. You can find out details of these measures in the report on non-financial matters of the Annual Report. This has been expanded and newly restructured as part of the requirements. COLTENE continues to be well prepared for the transition to the new European Medical Device Regulation (MDR) from the traditional product registration standard Medical Device Directive (MDD). The transition should be completed in this financial year. As a result, the completion of this major project will tie up fewer resources, which will now be available for developing innovations.

Changes in Group Management and the Board of Directors

The Board of Directors announced in September that Martin Schaufelberger would step down at the end of the year and that Dominik Arnold would replace him as Chief Executive Officer. In Dominik Arnold, an entrepreneur with lengthy experience and deep expertise in the global medical technology sector has been identified to succeed him. In his previous position as CEO of the medtech company Belimed, he profitably expanded the service business, drove digitalization forward and organized the operative business more efficiently.

In April 2023, Gregor Picard took over from the retiring Chief Operating Officer, Stefan Heising. Christophe Loretan stepped down from his position as Vice-President of Sales & Marketing Europe/RoW. The search for his successor is in progress.

Roland Weiger has decided to resign from the Board of Directors at the upcoming Annual General Meeting on 17 April 2024 and will not be standing for re-election. In his place, Edgar Schönbächler will be proposed to shareholders for election to the Board of Directors. Edgar Schönbächler was the long-standing CEO of Bien-Air Dental and thus has extensive industry and management experience in the dental and medical industry.

In addition, Nick Huber, long-standing Chairman of the Board of Directors, informed the company that he will no longer stand for re-election at the Annual General Meeting in spring 2025. During his period as Chairman of the Board, Nick Huber had a significant impact on the development of COLTENE. The Board of Directors thanks Nick Huber for his strong commitment and the lasting contribution he made. Matthias Altendorf,

With its products,
COLTENE is committed to
the long-term preservation
of natural teeth and thus for
the global promotion of
health.

member of the Board of Directors of COLTENE since 2023, will be proposed to take over from him in spring 2025. As already reported, Martin Schaufelberger will be proposed to shareholders at the Annual General Meeting 2025 for election to the Board of Directors.

Outlook


We remain cautiously optimistic for the 2024 financial year and expect business performance to improve. In the medium-term, COLTENE is sticking to its goal of organic sales growth above the market average and an EBIT margin of 15%. The payout ratio for future dividends will remain unchanged at a target rate of 70%. The Board of Directors will propose a dividend of CHF 2.00 to the shareholders for the 2023 financial year (2.8% dividend yield as at 31 December 2023) per share (2022 CHF 3.30 per share, or 4.2% yield as at 31 December 2022). This represents a 100% pay out ratio which is above the target rate. Here, we take into account that the negative effects on 2023 profits were primarily of a temporary nature and the prospects of success for COLTENE are intact. The dividend is to be completely paid out from capital contribution reserves with foreign reference and as such remains tax-exempt for natural persons residing in Switzerland.

COLTENE is looking to the future with optimism and is sticking to its medium-term target of organic sales growth above the market average.

Thank you

On behalf of the Board of Directors and Group Executive Management, we would like to thank all our employees for their active commitment in a challenging financial year. The professionalism and dedication of our team play a crucial role, as our activities and measures are consistently implemented in a challenging environment and our goals are achieved in the longterm.

Special thanks also go to our customers, as well as to our business partners and shareholders for the trust they place in us.



Nick Huber
Chairman of the Board of Directors

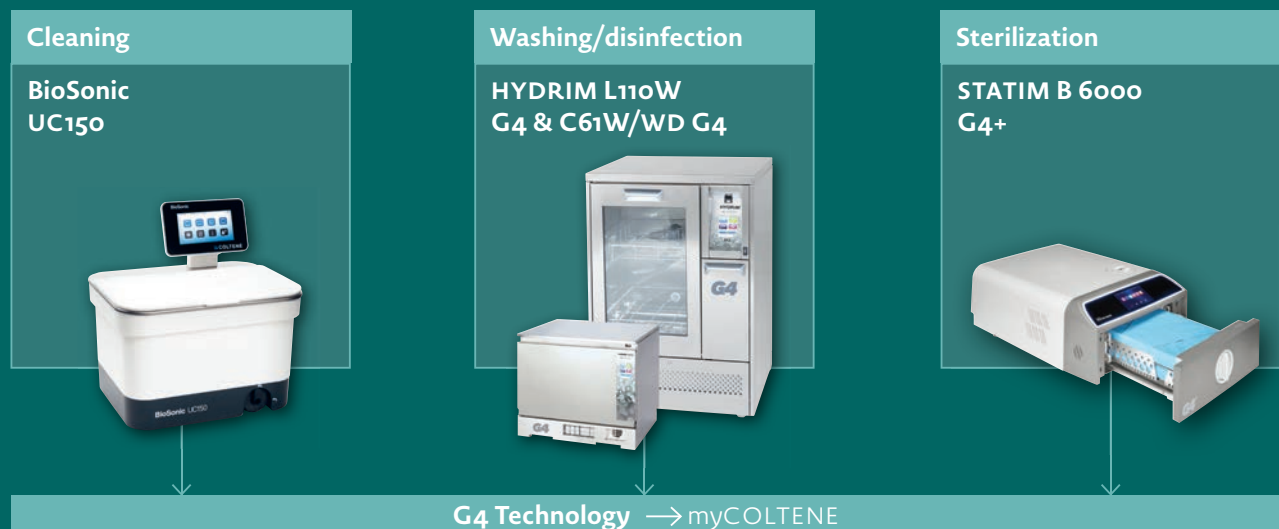


Martin Schaufelberger
CEO (up to 31.12.2023)

Patient safety in the workflow

Our Infection Control, Endodontics, and Restoration workflows are focused on the needs of very different stakeholders – dentists, assistants, researchers, and developers, as well as of those working in sales and marketing. All three workflows are fully focused on patient safety. This is our top priority and guides us in each step along the way, with innovative products and services to guarantee our patients the best possible care.

Workflow Infection Control



In a dental practice, infections can move from patient to patient due to inadequate sterilization of devices and instruments or improper surface disinfection. From cleaning and washing to sterilizing and beyond, COLTENE’s Infection Control products contribute to patient safety by breaking the chain of infection along the infection control workflow. At the same time, COLTENE’s advanced instrument reprocessing equipment provides smart technology and documentation features that give dental offices the tools to follow Infection Control best practices. Mounting pressure from infection control regulators around the world arises to ensure dental offices keep more stringent records. COLTENE’s digitization features, myCOLTENE and IC-TRACK, use the data captured by the G4 equipment and organizes it in a useful way. The customer-focused myCOLTENE web portal provides the digital environment that streamlines important infection control data in one place, while also providing instructional videos, operational manuals and troubleshooting guides to assist a dental office and technician. IC-TRACK instrument tracking service with RFID technology brings further integration of a dental office’s instrument reprocessing workflow, both for COLTENE as well as third-party equipment. This enables the team to follow instruments through every stage of reprocessing, contributing to enhanced patient safety.

“Our portfolio on Infection Control increases patient safety by breaking the chain of infection.”

Alana Ross, Director Business Unit Infection Control

Workflow Root Canal Treatment

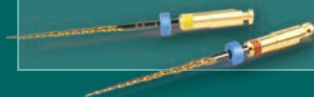
Training dentists

Reliability



Processing root canal

Hyflex EDM OGSF



User guidance

CanalPro Jeni Motor



Root canal treatment requires maximum precision when working in the smallest spaces with low visibility. This poses a challenge for dentists in a workflow where the success of each step depends on the previous one. Patient safety thus starts with the first step of training dentists and continues in innovative products. This is most critical when root canals have to be precisely prepared using files and motors. COLTENE is increasing patient safety in three respects. Precisely coordinated products are used throughout the workflow. Innovative material and manufacturing procedures such as the new HyFlex EDM OGSF sequence files increase flexibility, simplify handling and improve breaking strength compared with conventional files by up to 700 %. The CanalPro Jeni Motor ensures patient safety during the steps by using intelligent user guidance.

“Innovation ensures better safety for everyone.”

Barbara Müller, Senior Head of Endodontics

Workflow Restoration

Bonding agent

ONE COAT 7
UNIVERSAL



Composite filling

Brilliant Bulk Fill Flow



Polish

ShapeGuard



Restoration means a visible result of treatment for patients. While aesthetics is playing an ever more important role, it is the safe, long-term care which forms the basis of success of treatment. In restoration, the perfect interaction of various materials plays an important role in patient safety, which is why COLTENE aligned its products for all steps in the workflow. The complete offer from a single source guarantees that all products harmonize with each other. When a new product is launched, the dentist can thus be sure that it will provide the best possible result with all other COLTENE products involved in the process. Such was also the case with the sealing material BRILLIANT Bulk Fill Flow, recently launched, which not only provides significant advantages as a product but also integrates perfectly into the workflow with COLTENE's bonding and polishing range.

“A harmonized offer from a single source is always the safest.”

Carina Bürkle, Director Product Management

Operational Review and Financial Commentary

The global economic development also increasingly influenced COLTENE over the course of the financial year 2023. In particular, the strong Swiss franc had a negative effect on consolidated sales. Subsequently, high interest rates prompted our dealers in North America, in particular, to significantly reduce their inventory stocks. In addition, demand for equipment was slightly lower, and there was a slight decline in patient traffic in the second half of the year. The operating margin suffered from the lower sales volume as well as the one-off change in the product mix. At 8.1%, the EBIT margin was considerably lower than the previous year, despite the strict cost discipline. The free cash flow, on the other hand, recorded a positive result due to the optimization of the net working capital.

Sales impaired by the strong Swiss franc

Sales of CHF 242.7 million in the past financial year are below the result of 2022 and fell by 9.1% overall. With constant exchange rates, sales would have been around CHF 12.2 million higher. In local currency, the decline was thus 4.6%. The majority of the currency-adjusted decline in sales came from North America (NAM), where some of the dealers significantly reduced their stocks due to high financing costs so as to optimize net working capital. On the other hand, the general economic situation noticeably reduced the demand for equipment. In addition, a slight decline in patient volume was observed in the second half of the year.

The exchange rate effects reduced sales by around CHF 12 million.

Inventory reduction at dealers slows down Efficient Treatment and Dental Preservation

The Infection Control business suffered particularly from the declining demand for equipment, after benefiting from catch-up effects from delivery backlogs in the first half of the year. Accordingly, the decline in this area was the lowest, at 7.8% and 1.9% in local currency. With sales of CHF 82.6 million, the Infection Control business contributed 34.0% to total sales. The largest segment with sales of CHF 91.1 million and a share of 37.6% was still the area of Efficient Treatment. Here, sales declined by 9.3% compared to 2022, or by 5.6% in local currency. With a sales volume of CHF 69.0 million, the Dental Preservation business was the smallest and contributed 28.4% to total sales. However, the decline in sales in this business was the highest at 10.4%. In local currency, the decline was 6.4%. The decline in inventories at the dealers as well as the slight decline in patient traffic was strongly felt in the last two areas.

Positive development in Latin America and Asia

The markets in Europe, the Middle East, and Africa (EMEA) as well as North America posted a decline in sales in the reporting currency and in the local currency. Conversely, the two regions Asia and Latin America (LATAM) developed positively in local currency.

With sales of CHF 112.2 million (2022: CHF 128.9 million), North America (NAM) is still COLTENE's largest market. Sales in North America were disproportionately affected by the reduction in stock by large dealers. Due to our strong market position in the Infection Control business, this region was also most affected by the declining demand for more economically sensitive devices. In local currency, sales thus decreased by 7.9% (13.0% in reporting currency).

EMEA, the second largest region, likewise had a negative performance. Sales fell in reporting currency by 5.5% to CHF 89.5 million (2022: CHF 94.8 million). In local currency, the decline was 3.0%. The biggest decline was in the CIS region, Germany, United Kingdom, and France. The Italian region, on the other hand, developed positively with a very solid double-digit percentage growth in local currency.

The Asia and Latin America regions recorded positive development in local currency.

With a share in sales of 6.0%, the smallest region of Latin America continued to develop positively with sales of CHF 14.5 million (2022: CHF 14.7 million), despite a very strong previous year. In Swiss francs, however, the result was a decline in sales of 1.2%. Whereas, in local currency, this corresponds to a growth of 1.9%.

Asia contributed 10.9% to Group sales. Sales for the region as a whole fell by 7.8% from CHF 28.8 million in 2022 to CHF 26.5 million in 2023. However, in local currency, this corresponds to a growth of 1.7%. In particular, the market developed positively in the important Chinese market (+14.6% in local currency). India also recorded solid growth with a plus of 11.9% in local currency. Conversely, the regions of Australia and Japan showed a negative trend.

Optimization of cost base

Thanks to further optimizations, operating expenses (OPEX) were reduced to CHF 129.5 million (2022: CHF 136.6 million). However, these savings could not compensate for the decline in sales. EBIT came in at CHF 19.6 million (2022: CHF 34.9 million), corresponding to an EBIT margin of 8.1% (2022: 13.1%).

Costs were reduced in all areas. The largest reduction was realized in personnel expenses of CHF 3.8 million. The reduction can be attributed to the lower average workforce of 1 202 (previous year: 1 223). The currency effects also had a positive impact.

Other operating expenses declined CHF 3.4 million or around 7.7% year on year. A large amount of the savings were derived from freight costs. This decline is directly related to the lower sales volume. The costs in the area of product registration were also reduced. This was due in particular to the elimination of costs in conjunction with the Medical Device Regulation (MDR) certification, which heavily impacted the previous year.

Higher tax rates

The financial result in 2023 was above the previous year, with expenses of CHF 3.5 million (2022: CHF 2.0 million). The main driver of financial expenses were exchange rate differences on balance sheet items in EUR and USD.

At 20.7%, the expected tax rate is below the previous year (22.7%). The effective tax ratio was 25.9% (2022: 21.1%). In particular, the main reason for the higher tax ratio was non-recoverable withholding tax on dividends from subsidiaries.

Positive free cash flow

In 2022, ensuring delivery capacity was a priority due to unfavorable conditions in procurement for critical components, but in 2023 stock levels were once again optimized while ensuring delivery capacity. Together with further optimizations in the net working capital, the free cash flow increased, despite a lower result, by 14.4% to CHF 17.4 million (2022: CHF 15.2 million)

At CHF 8.7 million, the investments were comparable with the previous year (CHF 8.2 million).

Financial debt decreased year on year from CHF 47.1 million to CHF 45.0 million. The reduction of financial liabilities had a correspondingly negative effect on cash flow from financing, which shows a cash outflow of around CHF 6.0 million higher than in the previous year.

At the Annual General Meeting on 17 April 2024, the Board of Directors will propose the distribution of a CHF 2.00 dividend per share, representing a solid 2.8% dividend yield based on the year-end closing price.

In 2023, the stock levels were optimized while ensuring delivery capability.

Investments in upgrading and optimizing production sites

COLTENE is continuously upgrading its production facilities and is also investing in its manufacturing processes and methods. In 2023, COLTENE Group made various investments to optimize the work processes and production costs as well as product developments. A special focus was on investments in the area of sustainability.

In **Altstätten, Switzerland**, investments were primarily in energy efficiency. This included the roof refurbishment of the old building and expansion of the photovoltaic system. As a result, the power production capacity increased from 145 MWh to around 370 MWh. The Altstätten site can now cover around 40 % of its energy demand through solar energy. Further investments were in the area of Product Life Cycle Management (PLM) software. Thanks to this investment, COLTENE is ideally equipped for the regulatory challenges of the future.

At the factory in **Cuyahoga Falls, Ohio, USA**, investments were made mainly to modernize the infrastructure and machinery, as well as in consolidating the value chain. A new filling system for cleaning liquids was purchased, and the company invested in milling machines. The goal is to reduce dependencies and eliminate supply bottlenecks by manufacturing parts in-house that were previously produced externally. Altogether, this increases flexibility.

The COLTENE site in **Langenau, Germany**, made a large part of its investments in expanding the logistics infrastructure, for example, by purchasing additional LOGIMAT® storage systems. In addition, the infrastructure was modernized. This included the installation of a photovoltaic system.

SciCan Ltd. invested in **Toronto, Canada**, primarily in developing new products in cooperation with external partners. The developments are focused on further digitalizing instrument reprocessing, specifically the platform for offering digital services.

Micro-Mega SA in **Besançon, France**, made investments with a view to increasing its efficiency and expanding its capacities by purchasing additional milling machines to produce endodontic files.

These investments will enable COLTENE to improve its production processes and capacities and create opportunities for innovative product solutions. The company regularly optimizes the processes throughout the value chain, while reducing the environmental burden at the same time.

From 2024, the Altstätten site will be able to cover around 40 % of its energy requirements with solar energy.

In total, net investments in property and intangible assets came to CHF 8.7 million in 2023 (2022: CHF 8.2 million).

Balance sheet remains solid

The consolidated equity of the COLTENE Group at 31 December 2023 was CHF 96.9 million (2022: CHF 112.2 million). The shareholders' equity of COLTENE Holding AG was CHF 145.4 million (2022: CHF 145.8 million). Of this amount, CHF 85.5 million are capital contribution reserves (CCR), which under current law are tax exempt for distribution to shareholders (natural persons residing in Switzerland). Of this, CHF 35.6 million are CCR with foreign reference, which can be distributed tax exempt, not conditional to a taxable dividend in the same amount having to be paid out at the same time. The consolidated total assets as at 31 December 2023 were CHF 175.4 million (2022: CHF 190.6 million). Net debt increased year on year from CHF 22.8 million to CHF 26.6 million. The net debt ratio (net debt divided by EBITDA) increased accordingly from 0.55 to 1.01. The equity ratio at the balance sheet date was 55.2% (2022: 58.9%).

With an equity ratio of 55.2%, the balance sheet is solidly positioned.

Milestones for ongoing strategic and operative projects

Important milestones were reached in 2023 in strategic and operative projects. First, digitalization of instrument reprocessing moved forward successfully. Based on the platform myCOLTENE, a process was developed to connect the devices and collect and evaluate their data. myCOLTENE is a digital platform which automatically evaluates the data generated by the COLTENE/SciCan devices and documents them in compliance with regulatory requirements. This brings operative and regulatory efficiency benefits for the dental practices, while at the same time increasing patient safety. The instruments used during treatment can be tracked across all reprocessing steps, right up to the patient. In addition, data stored in the cloud helps technicians with servicing and maintaining the equipment. The innovative systems enables older devices and equipment from other manufacturers to be incorporated, while giving users a seamless overall view of the workflow.

The transition to the Medical Device Regulation (MDR) is also very far advanced. A large part of the product documentation has been reworked and new approvals have been granted, making it possible to complete the extensive project this year. This will also make it possible to channel the freed-up resources increasingly into developing new products. However, licensing requirements have become more stringent in general and tend to lead to higher costs in the industry.

In non-financial reporting, COLTENE has carried out the next steps based on work during financial year 2022 (materiality analysis, introduction of new project organization). Goals, relevant KPIs, and measures for reaching goals have been defined in workshops. In addition, a new reporting system for data collection of non-financial reporting has been introduced and, where already possible, the respective data processed. COLTENE is thus ideally poised to meet the new statutory requirements for non-financial reporting.

Recovery thanks to the elimination of one-time effects and positive effects

Several factors contributed to the negative sales trend in the 2023 financial year. Some of these were temporary and are unlikely to play a role in the 2024 financial year. They include inventory reduction at dealers, in particular in the North American market. The mood in the markets is also showing positive signs with regard to interest rates and inflation. This should spur demand for capital goods and positively effect the Infection Control business. In terms of profitability, we also reckon with a positive effect due to an expected change in the product mix.

While geopolitical and economic factors continue to cast uncertainty over the outlook, the elimination of non-recurring effects coupled with a higher visibility in the investment market and important development projects by COLTENE are reasons for optimism.

Digitalization of the instrument reprocessing steps has been launched successfully.

Development



Safety through digitalization

Digitalization is the response to increasingly stringent requirements for product and process safety. The myColtene platform monitors device statuses and documents the process steps for cleaning and sterilization. This web interface makes it possible to download the latest software onto the devices and enables technicians to provide support via remote access. Furthermore, digitalization helps to document and improve the smooth functioning of instrument reprocessing devices and thus further ensures patient safety.

Dr. Benjie Ezeh, Manager R&D Endodontics
reprocessing an instrument with Statim 6000B G4+

Report on non-financial matters

Dear shareholders,

With its products, the COLTENE Group is committed to the long-term preservation of natural teeth and thus to promoting health worldwide. In doing so, it aims to achieve sustainable growth. Fair career development of our employees and careful treatment of the environment across our value creation chain are core values. As a globally operating dental company, we are committed to actively supporting the transformation to a more sustainable economy and making our contribution.

In 2022, we laid the organizational and content-related foundation for this by introducing a project structure and conducting a materiality assessment for the first time. For 2023, we have now scrutinized the individual sub-areas of sustainability to further advance our sustainability strategy and to optimize and expand our activities in the areas of environment, social responsibility, and sustainable corporate governance. As a basis, we have defined key performance indicators (KPIs) for the material topics and assigned specific targets. These define the measures with which we want to achieve our own corporate transformation towards CO₂ neutrality.


At the same time, we have implemented concrete plans. For example, this includes the installation of further photovoltaic systems. This enabled us to again increase the share of green energy in 2023. We have also launched various initiatives to reduce the consumption of resources. We have developed a Supplier Code of Conduct for our suppliers, which will become an integral part of the direct business relationships with our existing and new suppliers. The Supplier Code of Conduct is an important step towards ensuring that the values of the COLTENE Group are also complied with in the supply chain. In view of their increasing relevance, our intensified activities and training in the areas of data and cyber security in 2023 should also be mentioned.

COLTENE thus contributes to protecting its stakeholder groups against negative consequences and to raising awareness for the careful use of resources in day-to-day business. All actions are subject to regular monitoring. We will document and report on progress towards the sustainability goals and adjust the actions as necessary.

The introduction of the Supplier Code of Conduct is an important step towards ensuring that our values are also practiced in the supply chain.

We have also revised and expanded our report as part of the new obligations to report on non-financial matters. The COLTENE Group has been publishing environmental data since 2015. Our Scope 1 and Scope 2 emissions were recorded for the first time in accordance with the Greenhouse Gas Protocol (GHG). The Report was also prepared with reference to the Global Reporting Initiative (GRI) reporting standard.

In the new financial year, a top priority remains the sustainable development of the COLTENE Group, the reduction of our ecological footprint as well as the appropriate inclusion of the needs of our stakeholders so that the positive influences of our actions will have an impact both within our organization as well as on our global activities.



Nick Huber
Chairman of the Board of Directors



Martin Schaufelberger
CEO (until 31.12.2023)

Sustainability at COLTENE

Sustainability has formed an important part of the COLTENE corporate culture and strategy for many years. The products contribute to tooth preservation and hence to a sustainable solution in dental treatment. Healthy teeth and a radiant smile are hallmarks of quality of life and well-being.

COLTENE stands for innovative products and services which are used in professional, safe, and efficient dental treatment processes. The company's success is based on its employees. The Group recruits and encourages motivated and competent employees with the aim of employing them on a long-term basis.

The sustainability efforts of COLTENE are based on the goals set for Switzerland by the federal government, the Sustainable Development Goals (SDG) of the United Nations, and Switzerland's commitment to the Paris Climate Agreement to become climate-neutral by 2050. In addition, COLTENE is guided by local, national and international laws as well as internationally recognized standards in its operational business and when setting sustainability targets and measures.

The COLTENE Group-wide Code of Conduct, Supplier Code of Conduct and Supply Chain Policy reflect laws, guidelines, and initiatives such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Labor Standards, and the principles of the UN Global Compact. This covers topics such as legal compliance, competition, corruption, human rights, forced and child labor, data protection, the environment, health, and dealing with suppliers. All employees receive training on the Code of Conduct. For new suppliers, the Code is a binding part of COLTENE Holding's General Terms and Conditions of Purchase. This will be progressively extended globally to existing suppliers. This is to ensure that all COLTENE employees worldwide follow the above-mentioned guidelines in their operational business and that the supply chain is included.

As a medical technology company, we have a great responsibility to society in matters of health and have a positive influence on the well-being of many people. Patients place their trust in the fact that only tested and registered products are used for treatment and that these are used correctly by the practitioner. COLTENE complies with the regulatory requirements at all locations. In addition, the COLTENE Group holds the necessary certifications (ISO 13485:2016, MDSAP, MDD, MDR) and complies with the relevant risk management standards (ISO 14971:2019).

This report on non-financial matters provides information on the most important issues for the COLTENE Group with regard to environmental, employee and social topics as well as governance topics for the period from 1 January to 31 December 2023. It was prepared in reference to the GRI reporting standard. The report covers the five production sites (Switzerland, Germany, France, USA, Canada), which together account for 93% of total assets. Some KPIs for employee topics include the entire Group. This is indicated as appropriate. As of 2024, all data will be extended to the entire Group.

2022 has been redefined as the base year for future comparisons, as the data collection in this report has been restructured and expanded in reference to the GRI and OR 964. All data are collected at the production sites and processed and checked centrally.

Data collection will be developed further in the current year. This includes the risk assessment according to TCFD for climate topics as well as the recording of Scope 3 emissions. In addition, we will continue to advance reporting to become in line with the GRI standard.

The report on non-financial matters was approved by the Board of Directors at its meeting on 4 March 2024 and will be submitted to the Annual General Meeting on 17 April 2024 for approval. The report was published on 8 March 2024 together with the Annual Report 2023.

Overview of sustainability goals

Strategic goal	KPI	Basis 2022	Value 2023	Target value
Environmental topics				
No direct GHG emissions (Scope 1)	t CO ₂ e per million CHF turnover	3.6	3.8	2040: -80%
No indirect GHG emissions (Scope 2)	t CO ₂ e per million CHF turnover	4.8	4.9	2040: -80%
No other indirect GHG emissions (Scope 3)	t CO ₂ e per million CHF turnover	n/a	n/a	Net zero by 2050
All production facilities are environmentally certified (e.g. ISO 14001)	Percentage of certified companies	0%	0%	2028: 100%
Employee topics				
The teams enjoy working for COLTENE and are dedicated to their work.	Percentage of unwanted departures in total departures (COLTENE Group)	n/a	8.4%	2027: <6%
Promotion of equal opportunities	Percentage of female and male employees (COLTENE Group)	48% 52%	46% 54%	Ongoing: approx. 50:50
Internal recruitment for key positions	Percentage of internal appointments to key positions	n/a	Program under development	2028: >50%
Social topics				
The suppliers meet the social requirements and criteria of COLTENE.	Percentage of new suppliers with signed or own code of conduct	n/a	27%	as from 2024: 100%
	Percentage of existing suppliers with signed or own code of conduct	n/a	15%	2025: 80% 2030: 100%
Assuring a high level of customer satisfaction	Complaint rate	n/a	Under development	2025: <0.5%
Governance				
Protection of customer data	Employee training	n/a	78%	2024: 100%

Our contribution to the UN Sustainable Development Goals



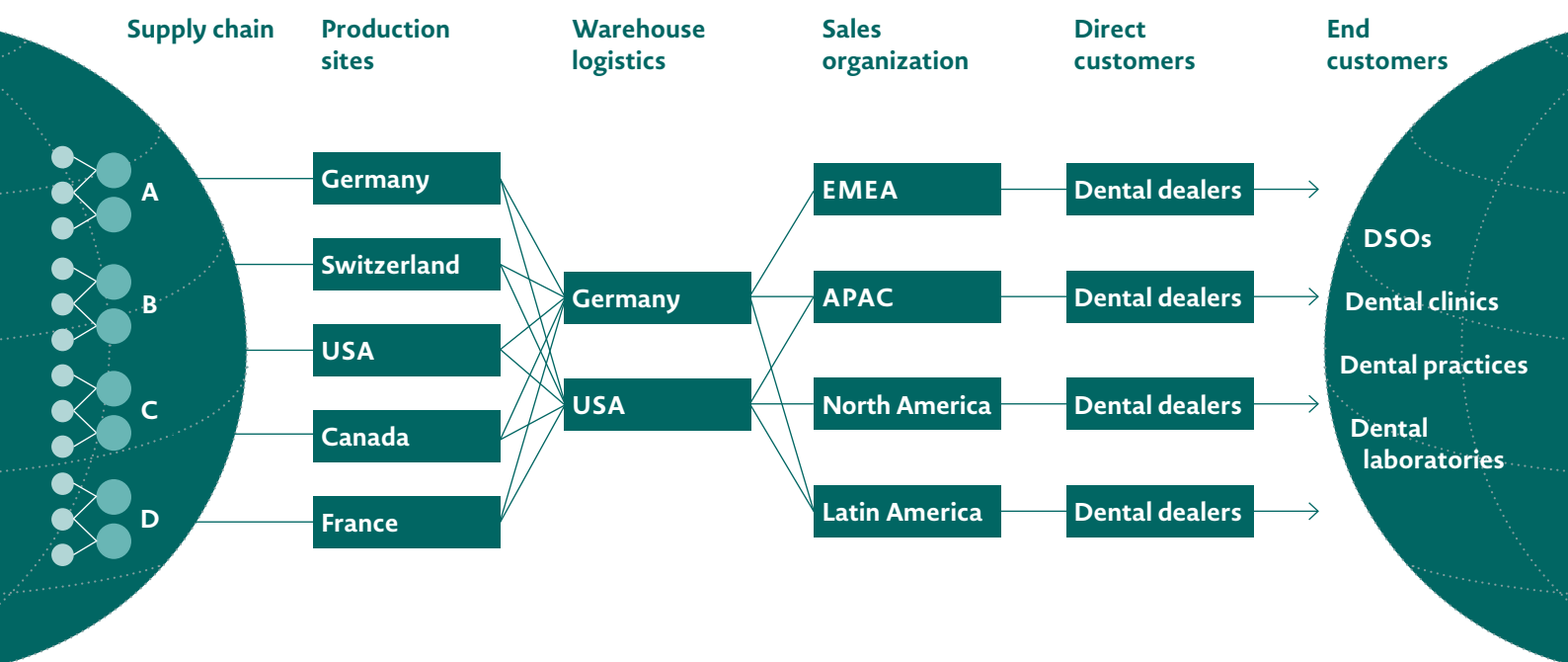
Business model, value creation chain and economic performance

The COLTENE Group is headquartered in Altstätten, Switzerland, and operates exclusively in the dental market. COLTENE develops, produces, and distributes dental consumables and small devices for dental practices, DSOs, dental clinics, and dental laboratories. The Group develops and produces at five modern locations in Europe and North America, has 15 sales companies and over 300 sales employees worldwide. Worldwide, COLTENE employs 1183 people, 973 of whom work in the production companies. In 2023, COLTENE generated sales of CHF 242.7 million (2022: CHF 267.1 million) and an EBIT and net profit of CHF 19.6 million and CHF 11.9 million respectively (2022: CHF 34.9 million and CHF 26.0 million). Free cash flow amounted to CHF 17.4 million (2022: CHF 15.2 million). Details of the business performance and results for the 2023 reporting period are described in detail in the operating review and financial commentary in the Annual Report 2023.

COLTENE products can be grouped into the main areas of infection control, tooth preservation, and treatment efficiency. They cover a wide spectrum of indications ranging from tooth restoration to root canal and cosmetic treatment.

Furthermore, they support dentists in instrument reprocessing and hygiene in the treatment rooms. Part of the comprehensive product range provides efficient workflows for a wide range of dental procedures and treatments. The COLTENE Group sells its products to dental dealers all over the world. These are supplied from warehouses in the USA and Germany. The end customers ultimately purchase the products for their needs from dental dealers worldwide.

COLTENE operates its own repair and service centers in Europe and North America, which are responsible for the maintenance and repair of the devices (mainly devices for ultrasonic cleaning, cleaning, and the sterilization of instruments). In various other countries, these services are provided by certified third parties. The sales organization of the company visits and trains dentists in their practices, in its own training facilities or at various venues worldwide to ensure proximity and contact with end users. Universities and dental schools are also visited to establish contact with future dental professionals.



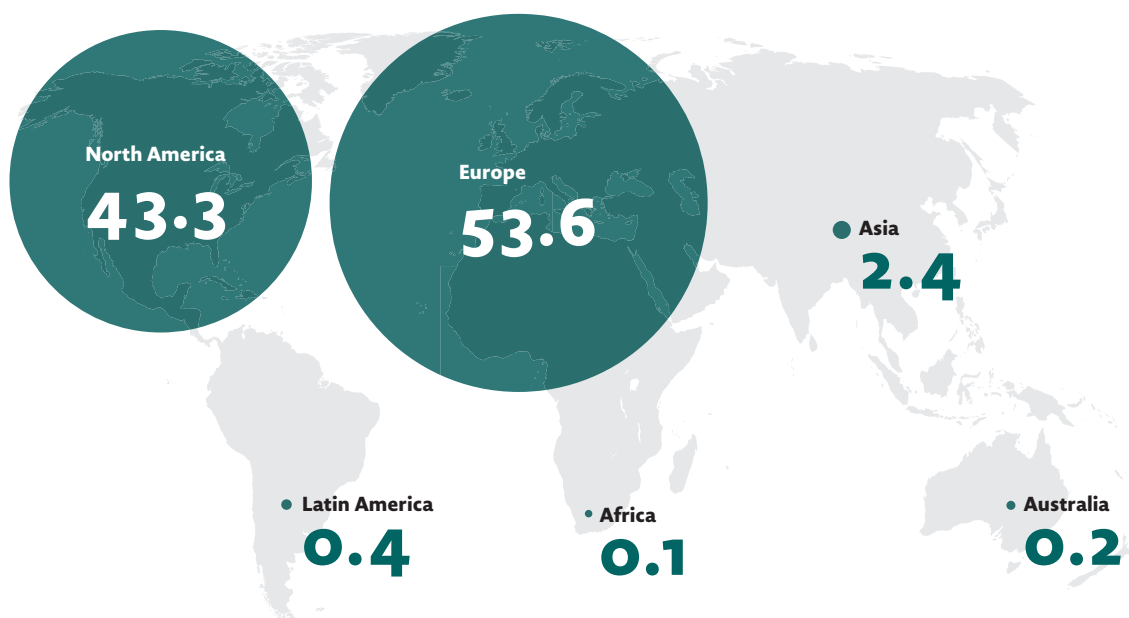
Supply chain

COLTENE maintains a worldwide network of around 3,000 suppliers. Again, COLTENE attaches great importance to sustainable and long-term partnerships with this stakeholder group. The main purchased goods include packaging, plastic and metal parts, electronic components, and harmless chemicals. Raw materials of the COLTENE Group also include small quantities of gold and platinum as well as insignificant quantities of titanium metals.

Mercury is not used. The production of activators for C-silicones requires larger quantities of raw materials containing tin compounds. Approximately 3 tons of tin were used for their production in 2023.

Geographically, the number of suppliers is mainly distributed across Europe and North America (around 54 % and 43 %, respectively, in 2023).

Number of suppliers by region in %



Further information on the management concept of supplier relationships and the social assessment of suppliers, in particular child labor and conflict minerals, can be found in the section on social topics.

Production

COLTENE operates five production sites worldwide, all of which have research and development departments. The individual locations specialize in different technologies and products and are managed via a matrix organization within the Group (see also the Corporate Governance section in the Annual Report). This ensures that synergies are utilized and that information can be exchanged successfully between departments.

The production facility in Altstätten, Switzerland, specializes in the development and manufacture of the following products:

- Dental impression materials including C-silicone and A-silicone products
- Restoration products for innovative and proven esthetic restorative therapy as well as a wide range of adhesive and luting materials
- Diamond drills for dental treatments
- Dental diamond and silicone polishers

The COLTENE facility in Langenau, Germany, develops and produces:

- Endodontic products for cleaning, drying, and obturating root canals

- Products for wound care, moisture and infection control
- Rubber dam products for isolating the treatment area
- Products for occlusal testing

COLTENE has its largest production facility in Cuyahoga Falls, Ohio, USA. The facility specializes primarily in mechanical production processes and, among others, manufactures the following products:

- root canal posts, carbide drills, and root canal instruments
- devices for ultrasonic cleaning of instruments in the dental practice
- polymerization lamps
- ultrasonic cleaners for dental hygiene

SciCan Ltd. operates a production facility in Toronto, Canada, for cleaning, disinfection and sterilization products:

- cassette autoclaves and volume autoclaves
- cleaning and thermal disinfection devices
- surface disinfectant wipes

The product range of Micro-Mega SA, with production facilities in Besançon, France, includes:

- root canal instruments for various applications
- irrigation solutions for safe root canal preparation
- obturation and sealing materials

Medical indications for use

According to the EU Medtech Regulation, COLTENE products are to be assigned to Classes 1, 2a, and 3.

- Class 1 products such as absorbent cotton products are non-invasive products which have no effect on the human body and pose a low risk to patients.
- Class 2a products pose a medium risk, as some of them remain in the tooth following treatment. The great majority of products manufactured and distributed by COLTENE belong to Class 2a. Examples of products in this class are composites or filling materials, gutta percha, paper points, diamond and carbide drills or, as a new addition according to the MDR, also impression materials.

- Products with a higher risk for patients are classified as Class 3. These products are of significant importance for human health or pose a particularly high methodical risk of illness or injury. For example, these include sponges with absorbable, well-tolerated preparations for hemostasis and disinfection after tooth extractions.

Depending on the classification, the requirements for approval as well as for the technical documentation of the products vary. All COLTENE Group locations hold the necessary certifications and all products fulfill the registration conditions required depending on the market. The Group thus ensures the compliant distribution and safe use of its products for patients worldwide in accordance with the requirements of authorities and regulations.

Market

The market relevant to COLTENE is approximately CHF 6 billion in volume (2020 estimate) and is more resistant to regional crises and economic fluctuations than other sectors. Market growth is estimated at approx. 2-3 % per annum. The areas of infection control, endodontics, and restoration are served by a large number of competitors with varying market shares. COLTENE is positioned in the respective markets with products of outstanding quality. In terms of consumables, the demand side of the market consists of larger customers with high volumes. The market for devices is characterized by higher investments and a greater need for advisory services as well as service. The entry barriers for new players are relatively high due to the medical technology and regulatory requirements.

The most influential market trends currently include digitization, stricter regulations, consolidation among manufacturers, globalization and e-commerce, increasingly larger organizations on the end customer side (e.g. practice networks), higher aesthetic demands and, in part, vertical integration.

Risks

Risks and opportunities are identified by Group Management. A comprehensive risk assessment is conducted with the Board of Directors at least once a year. Here, the relevant risks are systematically classified according to their probability of occurrence and the severity of their impact, and actions to mitigate these risks are reviewed and initiated. Risk management is an ongoing process in which the choice of topics is expanded and adapted in line with changing circumstances. A more detailed description of the risk management process can be found in the Corporate Governance section of the Annual Report.

Risks relating to business activities, business relationships, products and services as well as across the supply chain and with regard to environmental matters are included equally in this process. They were also examined in detail as part of the double materiality assessment by Group Management, the Board of Directors and the companies. In particular, they relate to risks in connection with data security, product safety, the environment, client satisfaction, and employees. These are discussed in more detail in the sections on the material topics.

Sustainability strategy

After the COLTENE Group introduced a new project organization for sustainability topics in 2022, the Management, together with the Core Team and the Board of Directors, worked on the development of a sustainability strategy. Taking into account international agreements and guidelines and in the context of COLTENE as a player in the dental market, the sustainability strategy was defined with four cornerstones. These relate to the environment, society, people and sustainable business practices. They each pursue specific goals and actions. The strategic priorities are based on the key topics defined by the double materiality assessment.

The sustainability vision leads the way here: with its products, the COLTENE Group is committed to the long-term preservation of natural teeth and thus to promoting health worldwide. We strive for sustainable growth and place emphasis on importance to promoting employees regardless of sexual orientation or cultural affiliation. In addition, we pursue the use of resource-preserving processes and environment-friendly measures across the entire value creation chain to minimize the environmental impact of the COLTENE Group.

Reviewing the strategy is an ongoing process. This is evaluated annually by Group Management and the Board of Directors. With the newly introduced project organization and the strategic priorities, COLTENE aims to make the best possible contribution to the Sustainable Development Goals of the United Nations. The strategic priorities in the area of sustainability are illustrated in the “House Strategy” figure below. The most important long-term goal is to reduce the CO₂ emissions of the COLTENE Group in line with the Swiss federal government’s net-zero targets.

COLTENE

Vision

With its products, the COLTENE Group is committed to the long-term preservation of natural teeth and thus to promoting health worldwide.

Here, we strive for sustainable growth and place emphasis on importance to promoting our employees regardless of sexual orientation or cultural affiliation. In addition, we pursue the use of resource-preserving processes and environment-friendly measures across the entire value creation chain to minimize our environmental impact.

Mission

Environment

Society

People

Business policy

Material topics

Environmental protection & energy

Customer satisfaction & sustainability training

Attractiveness for employees & recruitment

Protection of digital data

Product life cycle

Product quality & safety

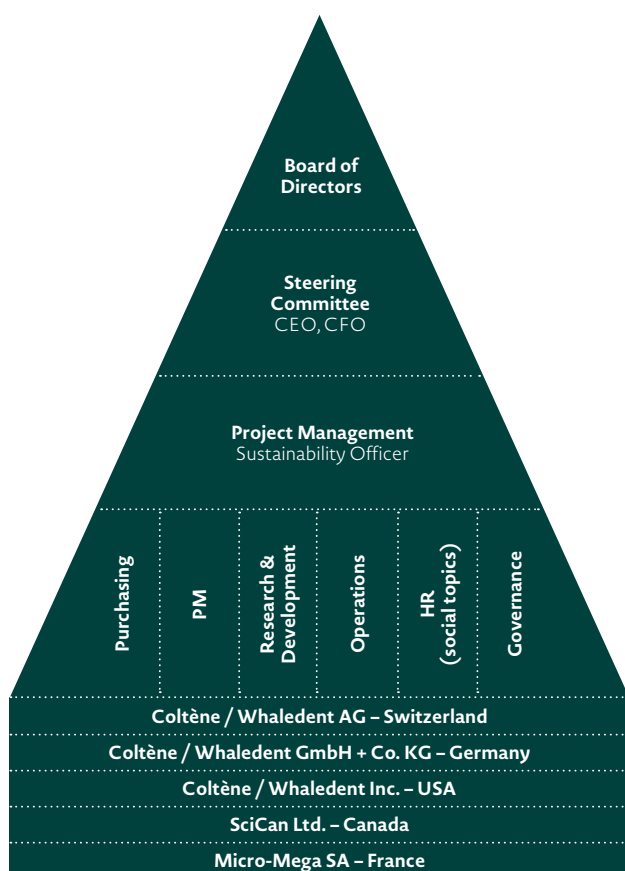
Talent management & successor planning

Supply chain & human rights

Organization and responsibilities

Management approach

To strengthen the structural development of the sustainability function, a new sustainability organization was introduced in 2022, which strategically anchors sustainability issues at Group level and incorporates them in the locations.



The full Board of Directors is responsible for strategy development and its implementation in close cooperation with the Steering Committee consisting of representatives of Group Management (incl. CEO, CFO). They are responsible for defining the objectives and the necessary actions. The key sustainability issues for COLTENE are on the agenda of the Board of Directors several times a year and ensure that the actions taken are evaluated. The Sustainability Officer ensures opera-

tional implementation in the Group functions with the involvement of stakeholders at all production sites and reports to the Steering Committee. If required, expertise and support are obtained from external partners. This enables COLTENE to anchor the strategic priorities in the area of sustainability throughout the Group and to implement them operationally in all Group facilities. In terms of communication, the process is supported by the Marketing & Communication Department.

This set-up ensures that sustainability issues are addressed in a targeted manner, that COLTENE complies with legal requirements and that non-financial reporting is developed further accordingly.

The national companies are strategically guided by the project structure for the sustainable topics that are important for COLTENE and are supported selectively in implementation by project management at Group level. Specifically, this also promotes awareness within the company.

Central guidelines and elimination of negative effects

COLTENE applies the precautionary principle at all levels. Decision-makers take precautions in the event of reasonable suspicion of negative effects and take the interests of all stakeholders into account.

The central global guidelines at Group level are the Articles of Association of the holding company, the Organizational Regulations, the Code of Conduct, the Supplier Code, the Accounting Manual, and the Signature and Competence Regulations. These are supplemented by local provisions as well as country-specific directives and regulations at the individual companies.

The Board of Directors, Group Management, and every manager within the COLTENE Group have the duty to ensure that the rules of the COLTENE Group are complied with and that violations are appropriately sanctioned. To this purpose, all employees receive training on the Code of Conduct.

Violations of these guidelines will be sanctioned and may lead to termination of the employment relationship. Employees can report violations of the guidelines or suspected violations anonymously and Group-wide at any time. A web-based solution was established for this purpose, which is also available to external stakeholders, such as customers or suppliers, for all topics on the Group website (wbs.sycodocs.app). Violations can also be reported directly to the CFO or to the respective supervisor or HR department within the local organization. Reported violations are always followed up and the relevant facts investigated. Remedial action will be taken if indicated. A case is opened in the web-based solution and then closed again once the remedial actions have been successfully completed. This ensures that a reported case is processed.

Code of Conduct

COLTENE operates a Code of Conduct throughout the Group. Every new employee who joins the company undergoes training on the Code of Conduct. The training documents are available in all the main languages spoken in the COLTENE Group.

Compliance training is decentralized and strictly implemented. Compliance training covers all relevant risk areas and includes the following topics in particular:

- *Compliance with regulations and laws – ethical behavior*: all employees are trained to respect and comply with local legal and regulatory requirements and to respect other cultures, religions, and skin colors and to protect the privacy and personal freedom of all employees. Discrimination or harassment will not be tolerated under any circumstances.
- *Anti-corruption and compliance with competition law*: these two topics represent an important area of training. As part of the Code of Conduct training, employees receive specific training on anti-corruption and compliance with competition law and are sensitized to the topic.

- *Disclosure and record keeping*: the Code of Conduct requires employees to record all business transactions such that they comply with applicable law and the local accounting principles specified by COLTENE.
- *Confidentiality, data protection and protection of intellectual property*: internal information must be treated confidentially. Among other things, this applies to business secrets and business activities, copyrighted information, technologies, intellectual property, the financial situation, customers, suppliers, business partners, and contracts. The obligation to maintain confidentiality exists both externally and internally and applies beyond the end of the employment relationship. Employees are also made aware of the issue of data protection and the relevant local regulations.
- *Environmental protection, health and safety at work*: all sites are committed to the health and safety of employees and to environmental protection and comply with the relevant external laws and regulations as well as internal directives.
- *Sustainability in dealing with suppliers*: employees are trained to consider the issue of sustainability in their dealings with suppliers when making procurement decisions, paying particular attention to the aspects of economic efficiency, technologies and processes, social and ecological aspects, protection of human rights, the fight against corruption as well as environmental protection.

Materiality assessment

Stakeholder and stakeholder interaction

In 2021, COLTENE identified the relevant stakeholder groups and conducted targeted surveys on the topic of sustainability with these. Stakeholders who are strongly affected by the business activities of COLTENE or who have a strong influence on the business activities of the COLTENE Group (“double materiality”) were considered to be relevant here. The regular involvement of stakeholders ensures that relevant issues are addressed continuously on the basis of all stakeholders and that all potentially negative effects are identified. This continues to take place through surveys, direct contact as well as through the anonymous whistleblower system, which is open to all stakeholders (see table below).

The most important stakeholder groups for COLTENE include employees, direct and end customers, patients, investors, suppliers, regulators, associations, and local communities. COLTENE interacts with the individual stakeholder groups on sustainability topics on a global and local basis in different ways. The stakeholders and the nature of their interactions with COLTENE are summarized below:

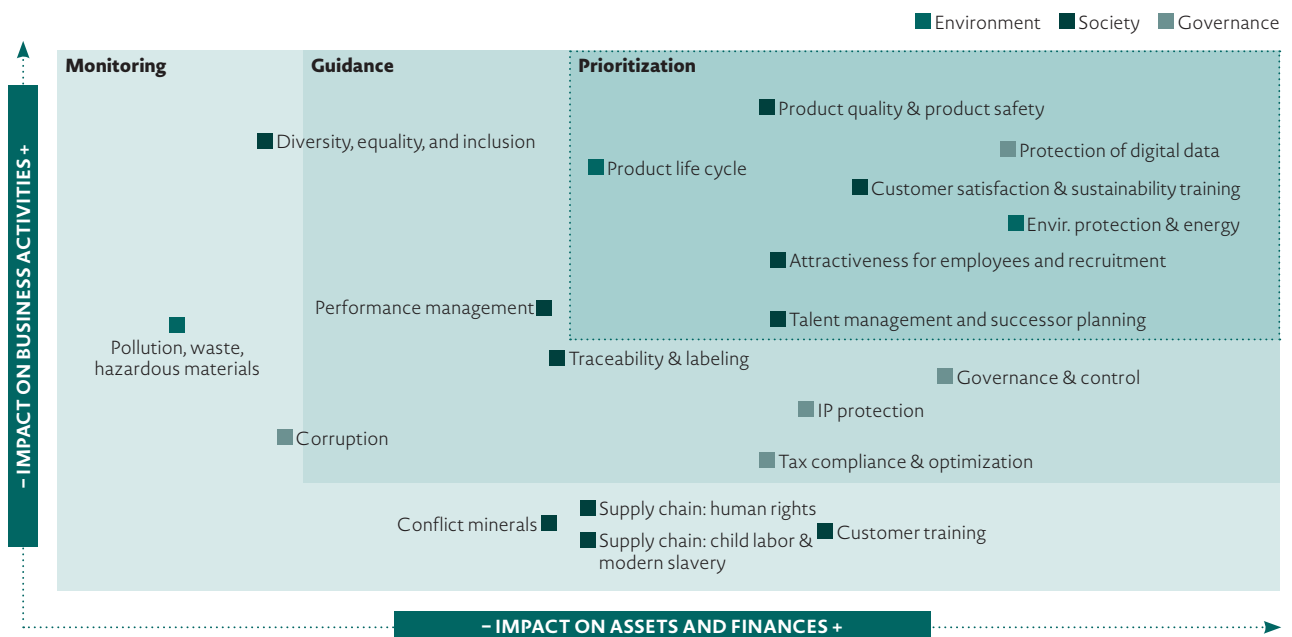
Stakeholders	Potential ESG topics	Interaction channels
Employees	<ul style="list-style-type: none"> - Employee topics - Environmental topics - Economic performance 	<ul style="list-style-type: none"> - Training incl. Code of Conduct - Annual reviews with employees - Employee surveys (facility level) - Human Resources Commission - Intranet - Information events for employees - Events for employees - MBO processes (Management by Objectives)
Direct customers: dental dealers	<ul style="list-style-type: none"> - Social topics - Economic performance - Governance 	<ul style="list-style-type: none"> - Personal contact and visits - Internet portal - Newsletter and social media - Trade fairs - Trade journals
End customers: dentists, dental practices, and dentist chains	<ul style="list-style-type: none"> - Social topics - Economic performance 	<ul style="list-style-type: none"> - Personal contact - Trade fairs - Social media - Customer service - Customer events - Trade journals - Cooperation with key opinion leaders - Courses and training - Surveys - CRM
Patients	<ul style="list-style-type: none"> - Social topics 	<ul style="list-style-type: none"> - Patient surveys - Patient safety procedures
Investors	<ul style="list-style-type: none"> - Economic performance - Governance 	<ul style="list-style-type: none"> - Annual General Meeting - Annual media conferences and semi-annual conference calls - Attending conferences - Investor meetings - Direct discussions with investors, analysts, and proxy advisors - Lunch meetings with analysts and investors - Journalist days
Suppliers	<ul style="list-style-type: none"> - Economic performance - Environmental topics - Social topics - Governance 	<ul style="list-style-type: none"> - Code of Conduct - Supplier assessments, development meetings, and audits - Regular contact via purchasing departments - Exchanges at industry events and trade fairs
Regulators and associations, interest groups	<ul style="list-style-type: none"> - Social topics - Environmental topics - Economic performance - Governance 	<ul style="list-style-type: none"> - Discussions, consultations - Visits / audits - Audit reports - Presentations - Events, congresses - Discussions
Local communities	<ul style="list-style-type: none"> - Social and environmental topics 	<ul style="list-style-type: none"> - Presentations in schools - Open days - Guided tours - Partner network with universities and training centers - Commitment and philanthropy (provision of free products for volunteer work by students in third-world countries) - Support for social institutions instead of customer gifts

Materiality assessment

The starting point for the sustainability strategy is the materiality assessment, in which the potential sustainability issues for COLTENE were identified in the context of the business model and the relevant market for COLTENE. The materiality assessment was conducted in 2022 based on the results of various stakeholder interactions together with an external partner (BDO): while numerous sustainability topics affect the COLTENE Group, the prioritization of a long list of topics was reduced to a shortlist of 20 topics by the core team in collaboration with the external consultant, taking into account the various stakeholder groups, and then divided into clusters (monitor, manage, and prioritize). The opportunities and risks of the 20 selected topics were assessed by applying double materiality according to the influence COLTENE has on the topic (inside-out view) and how the business activity is influenced by the topic (outside-in view). The topics listed under “Prioritize” were classified as being mate-

rial and form the basis for actions and reporting. In 2023, the key topics were reviewed and adjustments made where appropriate. Two employee-relevant topics have now been combined into a single topic. In addition, topics that are already well advanced and institutionalized in the company were classified under “Monitor” (diversity, equality, and inclusion). They are part of the Code of Conduct and belong to the topic of good corporate governance. In a next step in 2023, COLTENE identified opportunities and risks for the defined material topics in workshops, formulated strategic objectives, and defined actions as well as KPIs (see section on topics).

Overall, this analysis allows COLTENE to better understand the impact of its business activities on its stakeholders and of ESG issues on the company and provides for better management of the sustainability areas in terms of performance, opportunities, and risks with the aid of KPIs.



The following topics were classified as material:

Environmental topics

- Product life cycle
- Environmental protection & energy

Employee topics

- Attractiveness for employees and recruitment
- Talent management and successor planning

Social topics and governance

- Product quality & product safety
- Customer satisfaction & sustainability training
- Protection of digital data

In accordance with the new regulations in the Swiss Code of Obligations (OR 964), reviews were also conducted in connection with human rights, child labor, the supply chain, corruption, and conflict minerals. No incidents or suspicious circumstances were identified. The COLTENE Group does not engage in any supplier relationships that are located in a high-risk country according to the UNICEF country ranking. The threshold values for materials, in accordance with the Swiss Ordinance on Due Diligence and Transparency (VSoTr), are substantially undercut. Following an in-depth analysis, the topics child labor, conflict minerals, and corruption were therefore classified under “Monitor”. Nevertheless, special attention is paid to these topics in the course of non-financial reporting in accordance with the Swiss Code of Obligations.

Environmental topics

Dealing with environmental topics forms an integral part of the COLTENE Code of Conduct and the Supplier Code. All employees are trained accordingly. Relevant environmental topics are incorporated into the daily work of every employee with the aim of saving resources and improving the environmental footprint of the COLTENE Group and thus ultimately avoiding a negative impact on stakeholders. COLTENE also encourages and requires its existing suppliers and potential suppliers to reduce the negative environmental impact of their actions, products, and services to a minimum. In doing so, COLTENE aims to make a contribution to a more sustainable future across the entire supply and value creation chain. The environmental

burden of COLTENE is generally low, particularly with regard to production and research activities. In addition, COLTENE endeavors to reduce its consumption of resources year by year. All local regulations on the storage and disposal of toxic or hazardous substances as well as contaminated waste water are complied with. Specialist companies have been commissioned to perform this task in the respective locations (Switzerland, Germany, France, USA, and Canada). Metals, paper, and plastics are recycled as far as possible.

Environmental compatibility and disposal are already taken into account in the research and development of the products. Wherever possible, packaging materials are standardized and minimized and consist largely of biodegradable materials. However, due to the regulations governing the storage or use of medical devices, it is not always possible to use the most environment-friendly packaging materials. COLTENE selects environment-friendly manufacturing processes and tests products for their recyclability. Wherever possible, COLTENE offers multi-use products.

With regard to the positive and negative effects on environmental topics, COLTENE has classified the use of materials and product life cycle management as well as climate and energy protection as significant in the materiality assessment. At the same time, the long-term aim of COLTENE is to counteract the risk of higher energy and raw material prices due to climate change by using alternative sources.

COLTENE has published environmental data since 2015. The data are collected and evaluated using a largely standardized procedure. The conversion of energy into CO₂ emissions was based on country-specific energy factors. In 2023, the carbon footprint was calculated in accordance with the GHG Protocol for the first time. The data reported to date are therefore only comparable to a limited extent.

All measures relating to environmental topics are implemented operationally in the Group functions with the involvement of stakeholders at all production sites and reviewed periodically for their effectiveness.

The results are presented to Group Management and the Board of Directors in accordance with the initially described organization and, if necessary, corrective measures are requested and initiated. Another important cornerstone of the sustainability strategy is the environmental certification of all COLTENE facilities (e.g. ISO 14001, EMAS). Furthermore, a risk assessment is planned for 2024 as part of the reporting on climate topics (TCFD).

Important projects were realized at the individual locations in 2023. To give some examples, these include measures in the areas of energy (photovoltaic systems and energy-related measures), paper consumption (digitization of processes), and replacement investments with more efficient machinery. Overall, energy consumption in 2023 was slightly lower than in 2022, resulting in a slight reduction in CO₂ emissions.

Product life cycle – materials

As a manufacturer of dental products, the consumption of resources is important at COLTENE. The major material groups in the production process include:

- Hygiene and treatment aids: plastics, metals, textile fibers, cotton, cleaning solutions
- Endodontic products: NiTi metal, plastics, paper
- Restorative materials: polyamide matrix with glass filler
- Impression-taking materials: silicone oils, fillers
- Rotary instruments: steel, NiTi metal, diamonds
- Operating resources: water, cleaning agents, solutions for electroplating baths, paper

Depending on local hygiene regulations, disposable products and packaging play a major role for medical devices. Due to the increased amount of waste, these pollute the climate on the one hand, and on the other hand there is also the risk that they will lead to higher compensation costs in the future.

COLTENE is addressing the already noticeable and potentially negative effects by optimizing the use of resources wherever possible and integrating the rules of the circular economy into its processes – all within the context of the regulatory options available for the manufacturing and packaging of medical devices. Through improved resource management – in particular through Group purchasing of packaging – it is also intended to save costs in the long term and meet customer demand for sustainability.

Targets for product life cycle and materials

Strategic targets	KPI*	Base value 2022	2023	Target value
Sustainable secondary packaging in all entities (renewable, recycled or recyclable)*	Percentage of renewable materials	67%	70%	2030: >80%
	Percentage of recycled materials	51%	46%	

Overview of actions

- Switch from non-renewable to renewable, recyclable or recycled materials (e.g. from foil to cardboard) for existing products where possible
- Evaluate and – if economically viable – select at least one option for renewable secondary packaging in the case of new products
- Focus on global purchasing for secondary packaging with the aim of purchasing more efficiently and sustainably
- Analysis of other types of packaging and action plan
- Continuation of the “eIFU” project (electronic Instructions for Use)

As a first step, the measures to optimize the use of resources focus on sustainable secondary packaging for existing and new product lines, on extending the product life cycle, particularly for small devices, and on reducing paper consumption by switching to digital processes. In 2023, COLTENE therefore started to identify those products and materials which are suitable for more sustainable secondary packaging and the circular economy. A project team was formed to raise awareness of circular thinking across the entire value creation chain. This will continuously support and monitor specific projects to improve the consumption of resources in order to increase the proportion of renewable, recyclable, and recycled materials. For example, this includes switching from foil to cardboard for packaging.

In addition, the digitization of standardized information and processes also plays an important role. Where possible, new devices should be connected to the myCOLTENE digital platform. This allows services to

be provided digitally and thus save on resources.

A working group is investigating in which markets the regulatory conditions allow switching to electronic Instructions for Use. Wherever possible, we are constantly switching to digital solutions for internal processes. Examples include the consistent use of electronic signatures for documents or the switch to digital time tracking systems as well as electronic payroll accounting for employees.

The development of the KPIs is reviewed annually and presented to Group Management and the Board of Directors so that the actions for the Group and in the national companies can be adjusted if necessary. In 2023, the share of renewable materials could be increased. For the current year, the actions will be continued and – where possible – extended to primary packaging. The proportion of recycled materials has declined compared to the base year 2022. This is largely due to a change in the product mix.

* Packaging material is classified as being “renewable materials” or “recycled materials” if at least two of the following three criteria are met to at least 80%: recyclability, production from recycled materials, and use of renewable resources. To assess the sustainability of secondary packaging materials, the material properties are requested from the respective suppliers in accordance with defined sustainability criteria and then consolidated. In addition, the weight per unit and the consumption in relation to the items used in production are determined to calculate the consumption per material property.

Water

At COLTENE, water is primarily used in production as an operating resource. All the wastewater from the COLTENE facilities is discharged via wastewater treatment plants. This means that the amount of wastewater output is equal to the consumption of clean water. None of the COLTENE facilities are located in areas with water shortages. COLTENE continuously analyzes and monitors the situation at the facility sites to ensure that local regulations are complied with and that negative impacts are avoided.

The water treatment system installed in the electroplating shop in 2018/2019 as part of the new building in Altstätten has proven itself. This is a closed cycle which does not produce any waste water. The waste produced is distilled and processed externally as a concentrate and reused for production in the context of the circular economy. Water consumption was also reduced in silicone production with a new pump installed in 2022 to replace a water ring pump. COLTENE continuously invests in measures that save resources while carefully weighing up economic efficiency. The options are reviewed within the scope of the periodic investment processes and realized if necessary. In 2023, COLTENE was able to reduce water consumption by over 15 % compared to 2022, from 33,913 m³ to 28,322 m³.

Environmental protection & energy

A reliable and economical energy supply at all locations is of great importance to COLTENE as a manufacturer. COLTENE continuously optimizes the consumption of all energy sources used, such as electricity, gas, and oil. For this reason, investments in renewable or proprietary energy sources are also reviewed on a regular basis. These should be economical and at the same time minimize the risk of bottlenecks in production. After all, these investments contribute to the Swiss and global goal of being CO₂ neutral by 2050.

With the introduction of the sustainability organization, environmental topics were strategically anchored in the company. The measures pertaining to the environment are implemented in the national companies. COLTENE has already implemented numerous conversions in recent years.

The direct and indirect emissions from purchased electricity (Scope 2) are mainly related to production and infrastructure (heating, servers, administration) as well as the use of the buildings at the sites. However, as with most companies, the majority of emissions are Scope 3 emissions. In 2023, the focus was initially placed on data collection for Scopes 1 and 2. From 2025, COLTENE will determine the data for Scope 3.

Energy in kWh	2022	2023
Self-generated energy	163 892	141 768
Consumed energy	7 455 412	7 112 257
Sold energy	2 589	3 006

Data collection CO₂ emissions

The cumulated greenhouse gas emissions are reported per location and cumulatively as CO₂ equivalents. The latter are also reported in relation to turnover (in CHF) to illustrate output in relation to current business performance (see table below). They are recorded in accordance with the requirements of the GHG Protocol as a measure of the company's environmental impact. The energy procurement of each production site includes gas and heating oil as well as the mileage traveled by company vehicles (Scope 1). The electricity procurement (Scope 2) does not include district heating or district cooling. The balance includes the greenhouse gas carbon dioxide (CO₂). To calculate the greenhouse gas emissions resulting from energy consumption (Scopes 1, 2), the emission factors differentiated according to energy source and production location are used. Determination is based on local standards. Updating is performed periodically. The carbon footprint for the reporting period is calculated and totaled according to the respective emission types on the basis of the data collected and recorded.

Targets for energy and environmental protection

Strategic targets	KPI	Base value 2022	2023	Target value
The COLTENE Group supports and contributes to the Swiss and global net zero target for greenhouse gas emissions.	Direct GHG emissions (Scope 1)			
	t CO ₂ e cumulated	969	918	2040: -80%
Emissions (Scopes 1 and 2) are to be reduced by 80% by 2040 (basis 2022).	t CO ₂ e cumulated / turnover million CHF	3.6	3.8	
	t CO ₂ e per location			
We are aiming for CO₂ neutrality by 2050 .	Switzerland	168	183	
	Germany	354	362	
	France	51	42	
	USA	219	155	
	Canada	177	176	
	Indirect GHG emissions (Scope 2)			
t CO ₂ e cumulated	1275	1198	2040: -80%	
Emissions (Scopes 1 and 2) are to be reduced by 80% by 2040 (basis 2022).	t CO ₂ e cumulated / turnover million CHF	4.8	4.9	
	t CO ₂ e per location			
We are aiming for CO₂ neutrality by 2050 .	Switzerland	21	19	
	Germany	193	198	
	France	17	14	
	USA	1018	935	
	Canada	27	33	
	Other indirect GHG emissions (Scope 3)	n/a	n/a	2050: Net zero
Environmental certification of all locations (e.g. ISO 14001)	0%	0%	2028: 100%	

Overview of most important actions:

- Photovoltaic systems on all roofs (possibly with prior roof renovation) by 2030
- All fossil fuel heating systems (oil and gas) to be replaced by heat pumps
- Utilization of heat recovered from process heat
- Replacement of all company vehicles with electric vehicles by 2030
- Replacement of old production plants and lighting systems with more energy-efficient equipment
- Additional photovoltaic systems on other available areas
- Renewable energy certificates for the remainder of the electricity requirements

COLTENE procures the electricity, gas and oil required for its business activities on the open market. COLTENE strategically invests in plants and projects to make its own energy mix more sustainable, reduce consumption and become less dependent on the public electricity grid.

A solar system was already installed on the roof of the facility in Altstätten in 2021. It generates approximately 150 MWh of electricity per annum and was able to cover approximately 15-20 % of the facility's energy requirements. Further installations followed in 2023. Thus, from 2024, Altstätten will cover up to 40 % of its energy requirements with its own electricity. Self-generated energy decreased slightly in 2023 compared to 2022 due to the weather. In Germany, a newly installed photovoltaic system will cover up to 25 % of the site's electricity requirements from spring 2024.

The construction of a photovoltaic plant is also planned for 2024 in Canada. Solar panels are also planned for the French and US sites over the next two to five years. In addition, energy-saving investments were made in buildings and equipment (e.g. roof insulation and renovation, new cooling systems and air compressors) and CO₂-neutral procurement of electricity was agreed for 2024. Further planned investments are aimed at reducing gas and oil consumption, for example with replacement investments in heating, ventilation, and air conditioning systems (HVAC systems) for regulating temperature and humidity as well as air purity in the buildings.

In 2023, the measures mentioned above reduced Scope 1 and Scope 2 emissions by a total of 128 tons. This equates to a reduction of 5 % for Scope 1 and 6 % for Scope 2 emissions. The intensities (per million CHF in turnover) increased from 3.6 to 3.8 for Scope 1 and from 4.8 to 4.9 for Scope 2 due to the lower sales base. This is mainly due to the unfavorable currency effects. Without these, slight improvement would have been resulted to 3.6 and 4.7 respectively. The comparatively high Scope 2 emissions in the USA are due to energy-intensive production (injection molding) and the building structure. Furthermore, the conversion factor for emissions corresponding to local energy generation is very high. Measures to improve the building structure (roof insulation) are already being planned for 2024/2025. In 2025, we will start recording Scope 3 data and draw up a staged plan to reduce emissions involving all our local entities. The objective is to reduce Scope 1 and 2 emissions by 80 % by 2040 and achieve net zero by 2050. Here, compensation is to be used for the part where a reduction is no longer possible.

Waste

During the past few years, COLTENE has been able to continuously reduce the amount of waste thanks to various measures. The measures to reduce waste are being continued as part of an ongoing process. New measures will be launched according to technical feasibility and economic viability. In 2023, the amount of waste was reduced by over 20 % and amounted to 267 tons. Reduction measures were effective here, but the slightly lower capacity utilization in production also added to reduction. This indirectly reduced the amount of recycled materials by 8 %.

Employee topics

As an employer, the COLTENE Group has a responsibility towards its more than 1000 employees worldwide. Both within the company and in the supply chain, the local labor laws and global guidelines on employee health and safety, compliance with human rights, and the prevention of child labor and modern slavery, are observed.

It is also very important for the company to be perceived as a responsible and attractive employer. This is particularly true with regard to the current and future challenges of recruiting and retaining talent and specialists in an increasingly competitive labor market. COLTENE is dependent on specialist staff, as the development, manufacture, and approval of innovative medical devices and services requires creative and professional employees. COLTENE is therefore well positioned with its selected measures to improve its attractiveness as an employer and offer all employees a secure environment with scope for professional and personal advancement. Highly qualified and enthusiastic employees are the key to success. Furthermore, COLTENE is committed to the respective locations. COLTENE strives to preserve local jobs and create new jobs and apprenticeships.

In 2022, COLTENE conducted a survey among all facilities in which employees confirmed the importance of sustainable corporate governance. It is important to employees that COLTENE acts in an environmentally sustainable manner and monitors, controls, and promotes environmental sustainability criteria across the entire value creation chain.

In addition, the employees were in favor of COLTENE investing in reducing its ecological footprint. The utilization of renewable energies, the reduction of waste and material consumption, the promotion of recycling, and the investment in more sustainable materials in production, were named as desirable measures. It is equally important to the employees surveyed that COLTENE acts in a socially sustainable way. Flexible working hours, the promotion of continuing education and training, individual freedom of action, interesting work content, participation in decision-making, and equal pay between the genders were identified as relevant points. In the course of developing the materiality matrix, the topics of employee attraction and recruitment, talent development, and succession planning were confirmed as being material. Employees are periodically informed about these topics as well as the course of business, strategy as well as operational and social issues. Here, all employees are given the opportunity to exchange information with Management and also to report grievances or suspected cases anonymously via the whistleblower system. The latter is also open to external stakeholders, for example suppliers.

Satisfied employees through an attractive working environment and the systematic promotion of employees to fill key positions is an ongoing process subject to the oversight of supervisors and Management. KPI reporting is submitted to Group Management and the Board of Directors via the Human Resources Department. All KPIs reported on employee topics relate to the production sites. Exceptions to this are marked and relate to the COLTENE Group.

Attractiveness for employees & recruitment

In each of the national companies, local labor law regulations apply to cooperation with employees. They define minimum standards for e.g. remuneration, working hours and rest periods, vacation, disciplinary and dismissal procedures, maternity protection as well as occupational health and safety.

In addition, cooperation between employees and the company is defined by the Code of Conduct. Additional, country-specific and local agreements and benefits extend the regulations. The latter are aimed at recruiting competent and motivated employees, promoting and advancing them and thus offering an attractive, diverse and inclusive working environment at the respective locations. For example, charging stations for electric vehicles are available free of charge or at least partially subsidized at all locations, and various events are held annually for all employees to promote interaction, communication, socializing, and sporting activities outside the workplace.

The COLTENE Group thus secures its competitiveness, which is largely dependent on its employees, and at the same time bears responsibility towards society as a local employer in the respective countries. Negative effects on stakeholders are thus minimized and any resulting damage to reputation is prevented as a precaution.

National company	Additional social and retirement benefits
Coltène/Whaledent AG – Switzerland	<ul style="list-style-type: none"> - Exemption from premiums for non-occupational accident insurance and daily sickness benefits insurance - Better mandatory pension insurance than by law - Additional vacation days depending on age - Service anniversary gifts
Coltène/Whaledent GmbH – Germany	<ul style="list-style-type: none"> - Support with company pension schemes and capital-forming benefits - Employer support in building up savings for various purposes - Supplementary company health insurance
Coltène/Whaldedent Inc. – USA	<ul style="list-style-type: none"> - Payment by employer for life insurance - Discounts on health and dental insurance - Support for payments into a pension fund - Additional vacation days depending on seniority
SciCan Ltd. – Canada	<ul style="list-style-type: none"> - Discounts on health and dental insurance - Support for payments into a pension fund - Additional vacation days depending on seniority - Subsidized meals in the canteen
Micro-Mega SA - France	<ul style="list-style-type: none"> - Partial assumption of health insurance costs - Pension insurance financed 100% by the company for long absences due to illness and life insurance in the event of death - Partially company-financed pension insurance and supplementary pension

Parental leave

All production sites grant employees parental leave in accordance with the locally applicable regulations for women, men or both. In 2023, 25 employees took parental leave, of which 17 were women and 8 were men. 12 women have since returned to work (men: 6).

The sites that develop and produce devices with electrical and electronic components comply with the RoHS guidelines (Restriction of Hazardous Substances). The RoHS guidelines restrict the use of certain hazardous substances in electrical and electronic equipment.

Occupational safety

All production facilities are subject to government regulations and occupational safety checks. Safety officers are appointed at each plant to coordinate and implement associated matters internally. They have completed local occupational safety training courses and are certified accordingly.

In Altstätten, the safety concept is audited twice a year. If occupational accident reports are received, the causes are analyzed and action is taken. Regular training courses are also held with the involvement of external advisory bodies such as SUVA (the Swiss National Accident Insurance Fund) to improve occupational safety. In Cuyahoga Falls, all workplace accidents are reviewed and reported. Safety training is held regularly

and employees are encouraged to make suggestions for improving safety. In Toronto, the workplaces are inspected monthly according to local specifications. Meetings on health and safety in the workplace are held four times a year. In Langenau, Germany, an external service provider has been commissioned to ensure compliance with and review occupational safety. Meetings and inspections take place regularly. In addition, the Employers' Liability Insurance Association monitors and advises on relevant occupational safety issues. In Besançon, a monthly magazine on health and safety at work is published locally, and a range of measures and

systems are applied, from ergonomics and risk assessment to the report of the occupational physician in charge.

There were a total of 40 work accidents at the production sites in 2023 (2022: 31). These mainly involved minor injuries, which is why none of the accidents in the reporting year resulted in permanent damage or longer absences from work. After every accident, the local occupational safety officers check whether further preventive measures are necessary or whether workplaces and processes can be adapted to increase safety.

New hires in 2023

Men	CH	DE	USA	CAN	FR	73.3
under 30 y.	2	3	5	7	7	24
30–50 y.	10.8	1	14	8	3	36.8
over 50 y.	2	2	5	2.5	1	12.5
Frauen	CH	DE	USA	CAN	FR	46.9
under 30 y.	1.8	1	5	0	3	10.8
30–50 y.	7.4	8.1	13	0	5	33.5
over 50 y.	0	1	1	0	0.6	2.6

Targets for employee attractiveness

Strategic targets	KPI	Base value 2022	2023	Target value
The employees enjoy working for COLTENE and are dedicated to their work.	Employee fluctuation (COLTENE Group)	n/a	8.4%	2027: <6%
Vacant positions can be filled within a reasonable period of time with the required qualifications.	Employee survey score	-	Under development	Every 2 years as from 2024

Overview of most important actions:

- Employee surveys
- Development of an effective onboarding concept
- Introduction of mentoring programs
- Promotion of part-time work

In 2023, fluctuation in the COLTENE Group amounted to 8.4% (number of employees leaving voluntarily in relation to headcount). The objective is to further reduce the number of voluntary departures over the next few years so that the fluctuation rate is generally less than 6%. A total of 120 new employees were hired at the production sites in 2023. The majority of new employees are male, work in North America, and are between 30 and 50 years old.

Various measures are aimed at recruiting new employees and increasing employee satisfaction. A newly designed global employee survey conducted every two years serves as the basis for the measures. This determines employee satisfaction and provides information on individual topics. The employee survey enables new measures for employee satisfaction to be taken or existing ones to be refined and adapted. A survey was conducted in December 2022. Various measures were decided on the basis of this survey in 2023. For example, this includes the selective rewarding of performance to increase the appreciation of employees, the development of a talent management concept (see following section), the introduction of a mentoring program and the promotion of part-time work, and the option of home office working.

In the area of sustainability, this resulted in measures such as promoting commuting by public transport through a company contribution (from 2024), a bike-to-work initiative and the installation of recycling collection points.

Training and continuing education – talent management and successor planning

The last employee survey confirmed that continuing education and training are important topics for employees with regard to job satisfaction. Training and continuing education of employees is also material for COLTENE as an employer to strengthen its competitiveness and position itself as an attractive employer. All companies in the Group therefore support employees in their professional development and regularly offer in-house training or provide financial support for external training.

Training and continuing education are provided on the topics of health, occupational safety, violence and harassment in the workplace as well as internal guidelines (e.g. Code of Conduct). Specialist training courses are also held. Individually agreed training courses are managed locally by the responsible department and assigned and documented using a training matrix. The training database is part of the annual quality management audit.

In addition, employees conduct an annual performance appraisal with their line manager based on qualitative criteria. In some cases, individual targets are also defined. These are in line with the Group strategy and provide incentives to achieve the overarching goals of the company and the individual employees.

Targets for training and continuing education and talent management and succession planning

Strategic targets	KPI	2023	Target value
Supporting employees according to their potential. Internal staffing of key positions.	Average number of hours of training per year per employee	Under development	Under development
	Percentage of employees who have received a performance appraisal	n/a	2024: 100%
	Percentage of internal staffing of key positions	Under development	2028: >50%

Talent management and succession planning

As of 2024, COLTENE will support the strategic objectives in the area of talent development and succession planning with targeted measures throughout the Group. The strategic objectives include the specific development of employees, taking into account their potential, and the filling of key positions with internal employees on the basis of structured succession planning.

For this purpose, COLTENE designed a talent management and succession planning process in 2023. This

defines key positions and potential candidates. Through targeted continuing education and training, the latter are groomed to potentially take on key positions. This ensures that employees with a high potential are promoted and retained within the company. In combination with the performance management process also designed for 2024, which provides for quantitative targets at Group and individual level with an annual assessment, this will create a coordinated system which will show employees with a high potential structured prospects and thus retain talent. The processes are accompanied by a corresponding reporting system to monitor their success.

Talent management and succession planning

Continuous assessment by the Management			
Talent management <ul style="list-style-type: none"> - Development of employees taking into account their potential - Retention of high potentials 	Succession planning <ul style="list-style-type: none"> - Identification of key positions - Identification of potential candidates - Developing potential candidates 	Performance management <ul style="list-style-type: none"> - Quantitative goals - Individual goals - Incentives in line with the strategy 	Measurement & reporting <ul style="list-style-type: none"> - Proportion of key positions filled internally - Male vs. female managers - Number of training hours - Fluctuation rate - Absenteeism

Diversity and equal opportunities

COLTENE wants to be a secure workplace with equal opportunities for all employees. Any kind of discrimination, for example based on gender, skin color, nationality, religion, individuality, disabilities or other individual characteristics, is not acceptable. The Code of Conduct and the Supplier Code regulate the issues for employees and suppliers at Group level. Country-specific additional regulations that are adapted to the local labor market and circumstances (e.g. quota regulations for Group Management and the Board of Directors) supplement these.

Equal opportunities and diversity are important aspects for potential employees when assessing an employer. By communicating clear rules and advocating zero tolerance of any form of discrimination and inequality, as well as promoting equal opportunities (Equal Treatment Policy), COLTENE positions itself as an attractive employer on the labor market and expands the pool of potential, innovative specialists. At the Langenau site, an Equal Opportunities Officer is tasked with addressing and penalizing discrimination issues. In France, monitoring via the Gender Equality Index is mandatory. Here, Micro-Mega SA achieved 92 out of 100 points (status February 2022). The Cuyahoga Falls site in the USA introduced a statement on diversity, equality, and inclusion in 2020 and continuously participates in

events related to this topic. In 2021, the mandatory equal pay analysis was performed at the Altstätten site. The salaries of 196 employees were analyzed, 111 (56.6%) of whom were women and 85 (43.4%) men. Coltène/ Whaledent AG passed the equal pay analysis. It is planned to prepare and present the equal pay analysis periodically for all production sites.

Equal opportunity grievances can be reported via an anonymous whistleblower system or raised directly with local management and supervisors. Measures to remedy shortcomings follow the local regulations in line with the organizational structure described at the beginning.

Key indicators employees (FTE per 31 December 2023)

The COLTENE Group employed 1,183.2 employees (FTE) as at 31 December 2023 (2022: 1,221.6 FTE). Of these, 46% were women and 54% men (2022: 48% and 52%). The proportion of part-time employees was 5.6% (2022: 4%), of which 72% were women and 28% men. COLTENE counted 219.7 employees in its Swiss location as at 31 December 2023 (2022: 215.0 FTE), and 170.8 (170.3) and 102.6 (134.8) in Germany and France respectively. In the USA and Canada, 297.0 and 182.5 employees were employed in 2023 (2022: 307.5 and 179.5).

	CH	D	USA	Canada	F	Others	Total
All employees	219.7	170.8	297.0	182.5	102.6	210.6	1183.2
under 30 years	33.1	21.6	31.0	30.0	21.7	n/a	n/a
30–50 years	116.5	70.9	140.0	65.5	39.5	n/a	n/a
over 50 years	70.1	78.3	126.0	87.0	41.4	n/a	n/a
Men	115.0	60.5	170.0	119.3	56.8	121.3	642.9
Women	104.7	110.3	127.0	63.2	45.8	89.3	540.3
Employees with a management function	40.0	15.0	54.0	25.0	14.0	31.0	179.0
Men	36.0	9.0	35.0	20.0	4.0	21.0	125.0
Women	4.0	6.0	19.0	5.0	10.0	10.0	54.0

Social topics

COLTENE is aware of its responsibility towards all stakeholders. Social topics are regulated at Group level by the Code of Conduct and the Supplier Code. The competencies and responsibilities are defined by the sustainability organization.

The impact of business activities on stakeholders is taken into account in all strategic decisions and the operational business. As a medical technology company, our main focus is on the needs of patients, dental practices, and medical professionals. Together, they guarantee the safe and effective use of the dental products and continuously improve the quality of the COLTENE product range and services through their feedback. In addition, this interaction promotes tooth preservation as the first choice of treatment. Furthermore, COLTENE employs approximately 300 sales staff, most of whom visit practices and dental clinics as well as universities and dental schools on a daily basis. Their feedback, which is collected and evaluated internally, also provides valuable information for Research & Development to improve products and services.

COLTENE also maintains various types of partnerships with local universities and technical colleges. For example, Micro-Mega SA maintains a partnership with Lorraine University (Faculty of Endodontics in Nancy) in France. This way, different stakeholders are included in social topics (see also stakeholder analysis).

As part of the materiality assessment, COLTENE, together with the stakeholders, defined the topics of quality and product safety as well as customer satisfaction and training as being material. In addition, it is important to check the supply chain and suppliers regarding social criteria to ensure that they comply with global standards in terms of child labor, human rights, and conflict minerals. Social topics are handled with the necessary diligence at COLTENE. On the one hand to protect patients, and on the other to avoid any damage to our reputation. Customer satisfaction and safety are fundamental drivers for the success of the COLTENE Group and are essential for the successful development of the company in the long term.

Quality & product safety

The registration process and quality management for medical devices follow strict standards. COLTENE maintains a Quality Management Department and a Registration Department at each production site. These ensure that medical devices are only placed on the market in compliance with the mandatory approval. Quality and risk management is established at Group level as well as at each production site. All COLTENE Group production sites comply with the ISO 13485:2016 standards as they develop and manufacture classified medical devices. At all locations where dental devices are developed and produced, risk management for medical devices follows the ISO 14971:2019 standard.

In Europe, COLTENE is subject to the Medical Device Regulation (MDR), in the USA to the Food and Drug Administration (FDA), and in all countries to the respective medical device regulations. Production follows Standard Operating Procedures (SOP). These are binding descriptions of the processes in Production, Quality Assurance and Registration, but also in Research & Development and in support processes such as, for example, Human Resources. This way, COLTENE ensures that every step of the manufacturing process and every component, raw material, and auxiliary material complies with regulatory and legal requirements and that the products are fully traceable.

The local teams ensure that the quality management systems are adhered to and are always kept up to date. They continuously review the changes in local legal requirements and implement them. In addition, risk assessments for products and processes are created and evaluated via the medical device regulations. Actions are defined and implemented to mitigate all high and upgraded risks. After being placed on the market, the products and their use on the market are continuously monitored (post-market surveillance).

This allows information and conclusions to be collected for the ongoing improvement of products, which in turn are incorporated into internal processes.

Appropriate insurance policies have been taken out to cover risks for which insurance is mandatory or expedient. So-called umbrella policies exist at Group level to cover significant risks, such as public and product liability insurance or property and transport insurance. These insurance policies cover the corresponding risks at Group level for all legal entities of the COLTENE Group.

The production sites are inspected annually by an accredited Notified Body for compliance with all legal and regulatory requirements. Any resulting non-conformities are dealt with promptly and implementation is monitored by said Notified Body. This ensures that the COLTENE Group complies with the legal and regulatory requirements for its products, services, and processes.

However, safety and quality is also an ongoing responsibility. COLTENE places the highest priority on the well-being of patients. An important aspect here is the feedback following visits to dentists and medical professionals by the dental dealers. Information on the use and quality of the products is recorded in a CRM system and is incorporated into the continuous improvement process. By complying with and constantly monitoring the products, COLTENE ensures that negative health effects are avoided. Product recalls or indeed damaging effects of products represent an enormous reputational risk which, depending on the product, could have a drastic impact on the economic performance of COLTENE. Grievances can be reported anonymously both internally and externally through the COLTENE whistleblower system. There are prescribed processes at both site and Group level for remedying grievances relating to products and their use.

Targets for quality & product safety

Strategic targets	KPI	Base value 2022	2023	Target value
The products and services do not harm the end customers	Percentage of product and service categories reviewed for impact on health and safety	100%	100%	Ongoing: 100%

Overview of most important actions:

- Risk analysis for each product group
- Post-market surveillance
- Product training for customers

The most important measure in terms of product quality and safety is the institutionalized risk analysis for each product group as required by the Medical Device Regulation. These risk analyses, which assess potential patient and user risks, are revised periodically. If necessary, the product design is adapted or, if this is not possible, the instructions for use are supplemented with information on safe use.

After being placed on the market for the first time, the safety of the products is checked annually in accordance with the mandatory “Post-market surveillance” process for medical devices. For this purpose, internal and external databases are analyzed for complaints and damage reports.

A further important aspect is full traceability of the products, both in terms of the raw materials used as well as the product batch. As part of the transition from the Medical Device Directive (MDD) to the Medical Device Regulation (MDR) in Europe, COLTENE is in the process of adapting batch data and documentation to a Data Matrix Code, which in some cases leads to new or post-registrations. COLTENE is well on track to completing this work during the transitional period and thus continuing to guarantee complete labeling.

A further part is product training for customers (specialists such as dentists, hygienists or technicians). All COLTENE Group products are marketed in such a manner that professionals can use them safely and correctly without training, based on their qualifications and the instructions for use. With our product training courses, we make an additional contribution to increasing the safety and quality of the products in use, thereby ensuring the long-term, successful treatment of patients.

In the 2023 reporting year, all product and service groups were reviewed for quality and safety as described above. No negative health effects or safety aspects were identified. Equally, no incidents were reported in which patients were harmed. The existing processes for ensuring product quality and safety form an integral part of quality management, so that the high standards will also be ensured in 2024.

Customer satisfaction and customer training

Customer satisfaction has a fundamental influence on the best possible treatment of patients. A high level of customer satisfaction through safe products and by meeting the needs of users and patients is therefore of great economic importance to COLTENE. When creating and developing products and services further, COLTENE always focuses on the needs of these stakeholders. This is where customer feedback following visits by sales staff to dentists or medical professionals or direct feedback from customers plays a key role. In surveys of dentists and patients, a large majority were in favor of more sustainable products in the dental industry.

This was particularly evident in the patient category under the age of 40, who would generally prefer dental practices with more sustainable materials if they were given the choice. It was also found that this stakeholder group has a desire to learn more about the sustainability of dental products.

Through interaction with customers as outlined in the stakeholder analysis, COLTENE ensures that feedback on satisfaction is recorded and evaluated. The knowledge gained passes directly into the customer service processes and into the development and maintenance of products. The development of more sustainable products and product packaging as well as customer training to raise awareness of sustainability issues is thus integrated into the processes as a recognized customer need.

Targets customer satisfaction and customer training

Strategic targets	KPI	2023	Target value
Ensuring a high level of customer satisfaction to protect and increase the customer base.	Complaint rate (in relation to the number of products sold)	Under development	<0.5%
	Customer satisfaction survey	Under development	Annually as from 2024
	On-time delivery rate	Under development	95%
Raising customer awareness of sustainability issues.	Inclusion of sustainability topics in customer training courses	Under development	As from 2025: 100%

Overview of most important actions:

- Preparing a globally consolidated complaints reporting system (under development)
- Conducting an annual customer survey (as from 2024)
- Integration of sustainability topics in customer training courses (dentists) and questionnaires

The central customer service center introduced in 2022 will be further expanded to monitor and increase customer satisfaction. Customer information is shared with the sales force and technicians via a CRM database. This enables employees to deal better with end customers and respond to their inquiries more specifically and efficiently – even in the event of complaints. A global complaints reporting system is currently being set up so that complaints can be analyzed throughout the Group and the findings can then be used for continuous optimization. In addition, customer satisfaction is evaluated by means of an annual survey. In general, personal customer contact is of enormous importance to COLTENE, be it in the dental practice, at one of the many workshops or at trade fairs.

The development of more sustainable products, as well as more sustainable and efficient workflows, was recognized as a relevant topic in the course of the analysis. The integration of sustainability in the presentation documents is intended to sensitize customers to the topic. In future, sustainability aspects will also be discussed at customer workshops to emphasize their importance.

Assessment of suppliers and human rights

The social assessment of suppliers is an important prerequisite for achieving sustainability goals and preventing human rights violations, child labor, conflict minerals, and modern slavery. By assessing suppliers with a risk and suspicion check, COLTENE reduces the reputational risk in relation to the above-mentioned violations and thus a negative impact on economic performance. Furthermore, it strengthens trust in the company. Compliance with the values and international social standards on the part of suppliers is governed by the Code of Conduct, the Supplier Code of Conduct introduced in 2023 as well as the Supply Chain Policy, and due diligence obligations. Assessment of the suppliers follows a clearly defined process. All employees, particularly in Purchasing, are trained in the guidelines and processes. The Supply Chain Policy informs suppliers on how COLTENE evaluates suppliers and assists them in complying with or making progress with regard to due diligence requirements in the supply chain.

The Supplier Code of Conduct is based on the following principles and conventions:

- the United Nations Universal Declaration of Human Rights (www.un.org/en/universal-declaration-human-rights)
- the UN Convention on the Rights of the Child (www.unicef.org)
- the fundamental conventions and international labor standards of the ILO (International Labour Organization) (www.ilo.org)
- the principles of the United Nations Global Compact (www.unglobalcompact.org)
- the principles of the Swiss Supply Chain Act, BMZ (Ministry of Economic Cooperation and Development)
- Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict Areas and Child Labor (www.fedlex.admin.ch/eli/oc/2021/847/de)

It currently covers the following areas: legal compliance, human rights protection, child labor, occupational health and safety, compensation, labor law, environmental protection, conflict minerals and conflict metals, diamonds, and integrity. The latter includes intellectual property rights, bribery and privileges, and also free competition.

Compliance with the Supplier Code of Conduct introduced in 2023 will form a mandatory component of all business relationships between COLTENE and its suppliers. Since October 2023, 100 % of all suppliers of products and materials for new projects must be qualified before the contract is awarded. Preference is given to suppliers who are qualified according to ISO9001, ISO13485, ISO 14001, and ISO50001.

Grievances relating to the above-mentioned areas, such as for example, the protection of human rights, child labor or safety in the workplace as well as conflict minerals, are reported internally and externally via the whistleblower system (wbs.sycodocs.app) to the line manager or Group Management, namely the CFO as the global compliance office, and subsequently investigated. If necessary, the supplier shall grant COLTENE or an external party the right to audit and assess the company in question and to demand corrective actions in the event of violations. Serious violations can lead to the termination of the business relationship.

Targets for social assessment of suppliers

Strategic targets	KPI	Base value 2022	2023	Target value
Suppliers should fulfill COLTENE's social criteria.	Percentage of new suppliers assessed for social criteria (as from 1 October 2023)	n/a	27%	As from 2024: 100%
COLTENE identifies and analyzes the risk of materials that are classified as "critical".	Percentage of existing suppliers assessed for social criteria	n/a	15%	2025: 80% 2030: 100%
	Negative effects and actions taken	n/a	None	Ongoing

Overview of most important actions:

- Overview of most important actions
- Signature of Supplier Code of Conduct by all new suppliers or submission of their own code of conduct for review
- Signature of Supplier Code of Conduct by all existing suppliers or submission of their own code of conduct for review
- Implementation of ISO standards 14001 (Environmental Management System) and ISO 50001 (Energy Management)
- Giving preference to suppliers that meet ISO 14001 and 50001 (or similar) standards and discussing/ asserting supplier compliance

COLTENE newly introduced its Supplier Code of Conduct in October 2023. All suppliers worldwide are currently being contacted as a matter of priority in accordance with the UNICEF country list and asked to sign the Supplier Code of Conduct or alternatively to disclose their own code of conduct for review. In 2023, 15% of existing suppliers signed the Code of Conduct or have informed us of their own code of conduct. This process should be completed by 2025 so that 100% of existing suppliers are compliant.

Over the financial year as a whole, 27% of new suppliers signed the Supplier Code of Conduct. In the third quarter of 2023, this accounted for 100% of new suppliers.

There were no significant changes in the supply chain last year. Similarly, there was no reasonable suspicion of child labor in 2023 and no violations of human rights or child labor were identified. This was verified as part of a suspicion check based on the priorities of the UNICEF country list with a desk check and direct contact with the suppliers. Suspected cases are recorded internally via the whistleblower system. This ensures that these are analyzed and that suitable measures are defined and monitored by the Compliance Office.

Conflict minerals

Conflict minerals are considered separately within the supply chain. COLTENE is aware of the possible negative consequences of mineral extraction, trade, transshipment, and export from conflict and high-risk areas and is committed to the guidelines of the internal Supply Chain Policy (docs.coltene.com/general-terms-and-conditions). Depending on country and product group-specific risks as well as other criteria such as, for example, the volume of goods purchased by COLTENE, the supplier must fulfill its due diligence obligations, which oblige it to comply with the regulations of the Supply Chain Policy. The supplier must establish due diligence obligations in accordance with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" for the following raw materials: tin, tungsten, tantalum, and gold (so-called 3TG) from conflict-affected and high-risk areas (so-called UNICEF country list CAHRAs).

COLTENE manufactures products that are partially coated with precious metals. Small amounts of gold are used. We also use tin, tungsten, and diamonds in production. The annual quantities of the relevant materials used at COLTENE are significantly below the limit specified in the Annex to the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (VSoTR). Furthermore, COLTENE does not source these from countries that would qualify them as conflict minerals under the Annex to VSoTR. The quantities and origin of the materials are checked and documented annually.

COLTENE aims for a zero-tolerance policy with regard to conflict minerals. The Supplier Code of Conduct is used for implementation here to prevent negative effects in the sourcing countries and at the same time to avoid reputational damage or legal consequences for the company. All natural diamond suppliers and the suppliers of gold and tin signed the Supplier Code of Conduct in 2023.

At the same time, COLTENE relies on new resource-preserving materials and processes.

Governance topics

Acting responsibly towards all stakeholders forms the basis for successful long-term corporate development. As a manufacturer of medical devices and products, ethical management and responsible business practices are of particular importance. In particular towards patients, but also towards local communities, employees, investors, and all other stakeholders. On the one hand, complying with and living ethical corporate governance is the best basis for actively avoiding reputational damage to the company and negative effects on stakeholders. On the other, it also guides us in having a positive impact on society by promoting people's health and making sustainable decisions for shareholders and other stakeholders.

In governance topics, the relationship with regulators, associations, and stakeholders is an important factor. The group of regulators includes government agencies such as health, tax and environmental authorities. Next to compliance with the law, adherence to safety and environmental standards is a top priority for COLTENE worldwide. COLTENE refrains from active lobbying and works through associations and interest groups to ensure that the market environment is as unrestricted as possible. This means reducing trade barriers and avoiding new trade barriers. Both the COLTENE Group as well as the individual companies are members of various associations and groups of stakeholders in the field of dentistry worldwide.

The principles of good corporate governance topics are contained in the Articles of Association and the Code of Conduct. They are binding for all employees throughout the Group. Compliance is monitored in line with the previously described organization for sustainability and the correspondingly described responsibilities in the national companies, Group Management as well as the Board of Directors. The protection of customer data and efforts to combat corruption are of importance to COLTENE. Further aspects of governance and detailed information on corporate management and the control mechanisms between the company bodies are described in the section on Corporate Governance of the Annual Report 2023.

Protection of customer data

COLTENE respects privacy and takes appropriate measures to ensure the security of personal data collected, stored, processed, and disseminated in accordance with the OECD Guidelines for Multinational Enterprises. The COLTENE data protection declarations explain further details on the protection of customer data. They comply with the applicable legal provisions, in particular Swiss and EU law (Swiss Federal Act on Data Protection, DSG, and EU General Data Protection Regulation, GDPR) as well as the Personal Information Protection and Electronic Documents Act (PEPIDA, Canada) and the Ohio Data Protection Act (DPA, USA).

To protect customer privacy, COLTENE limits the collection of personal data, conducts data collection in accordance with the law and discloses how the data are collected, used, and protected. COLTENE does not

pass on personal customer information for purposes other than those agreed. Any changes to the privacy policy or measures are communicated directly to customers. Data are collected and processed by COLTENE employees and external service providers, in particular in Switzerland or in the EU. The COLTENE Data Protection Policy provides for various technical and organizational measures. These include issuing instructions and training, IT and network security solutions, access controls and restrictions, the encryption of data carriers, and transmissions and regular inspections.

The protection of digital data is of material importance in view of the increasing digitization of business activities in the industry and the rise in hacking and attempted fraud. Targeted measures to prevent attacks on COLTENE data contribute to data security. In addition, the aim is to reduce the likelihood of business interruptions due to attacks, which would entail enormous financial consequences.

Responsibility for the protection of customer data and cybersecurity lies with the Global Compliance Office and the CFO. Misuse or abuse can be reported directly or via the anonymous whistleblower system (wbs.sycodocs.app).

Targets for the protection of digital data and customer data

Strategic targets	KPI	Base value 2022	2023	Target value
COLTENE proactively prevents the risk of data hacks through a secure infrastructure environment and a high level of employee awareness.	Participation rate in training courses (with test)	n/a	78%	As from 2024: 100%
	Number of external complaints relating to breaches of customer data protection	0	0	Ongoing: 0

Most important actions to protect data:

- Frequent phishing campaigns
- Introduction of compulsory training for all employees
- Additional training for employees who have not passed the phishing tests
- Introduction of End Point Response
- Introduction of two-factor authentication
- Frequent security checks and implementation of countermeasures
- Implementation of a Business Continuity Plan and execution of an annual Disaster Recovery Test

During the reporting year 2023, COLTENE did not receive any complaints from external parties or supervisory authorities regarding a breach of customer data protection. Several phishing campaigns were successfully conducted and security concepts were continuously improved, for example through the introduction of two-factor authentication or the installation of end-point response software on critical devices. These measures will be refined and continued in 2024. Furthermore, additional security measures, such as intensified training or the implementation of a disaster recovery test, are planned to continue to meet the target values.

Anti-corruption

Combating corruption is regulated in the COLTENE Code of Conduct. This serves to establish clear rules in relation to combating corruption and thus reduce the risks associated with corruption. The national companies are checked for corruption risks by applying UNICEF's national screening.

As a preventive measure, every employee attends the anti-corruption section as part of their training on the Code of Conduct, so that permitted and prohibited behavior towards customers, suppliers, authorities, and other stakeholders is known and regulated. Trends and regulatory changes are monitored and evaluated in parallel on an ongoing basis.

Neither the company nor employees may offer business partners an unjustified monetary or other benefit. Cash gifts are prohibited in all cases and contracts with business partners (for example suppliers, customers or consultants) may not be used to conduct payments which circumvent the prohibition of corruption and bribery. Employees may not demand or accept payment, personal gifts or hospitality which affect business transactions or are uncommon.

Misconduct or suspicions can be reported internally directly to the supervisor or the CFO as the Compliance Office. In addition, the completely anonymous whistleblower platform is available for internal and external reporting as described earlier (wbs. sycodocs. app). In the event of misconduct by an employee, the Code of Conduct regulates the corresponding personnel measures and sanctions as well as steps to rectify the misconduct. The observations are recorded in a report.

No cases of corruption were reported in the 2023 financial year and no suspected cases of corruption were identified. No employees were dismissed or warned due to cases of corruption and no supplier contracts were terminated due to cases of corruption. Similarly, no public law proceedings were initiated in connection with corruption.

GRI index of contents

Statement of use	COLTENE has reported the information specified in this GRI index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Reference / Remarks
GRI 2: General disclosures	
2-1 Organization profile	a. COLTENE Holding AG b. Public limited company c. Altstätten, Switzerland d. Page 5, 129 in the Annual Report 2023
2-2 Entities included in the organization's Report on non-financial matters	Production sites as per page 28; exceptions exist for KPIs of employee matters (entire Group). From 2024, all data will be extended to the entire Group.
2-3 Reporting period, reporting frequency and contact point	1 January - 31 December 2023, annually, publication: 8 March 2024; Contact: Markus Abderhalden, CFO
2-4 Correction or restatement of information	No correction of information for the reporting period (first report with reference to the GRI Standards, base year 2022); Page 28
2-5 External audit	No external audit
2-6 Activities, value creation chain and other business relationships	Page 30-32
2-7 Employees	Page 51
2-9 Governance structure and composition	Page 68-78
2-10 Nomination and selection of the highest governance body	Page 70
2-11 Chair of the highest governance body	Page 70, 74-75
2-12 Role of the highest governance body in monitoring the impact	Page 33-35, 41, 46, 52, 60
2-13 Delegation of responsibility for managing impacts	Page 33-35, 67, 70, 72
2-14 Role of the highest governance body in sustainable reporting	Page 28, 35
2-15 Conflicts of interest	Page 75-84, 101
2-16 Procedure for communicating critical topics	Page 35-36
2-17 Collective knowledge of the highest governance body	Page 35
2-18 Evaluation of the performance of the highest governance body	Page 28, 35, 73
2-19 Remuneration policy	Page 92-100
2-20 Determination of remuneration	Page 92-100
2-22 Statement on sustainable development strategy	Page 26-29, 33-34
2-23 Policy commitments	Page 35-36
2-24 Embedding policy commitments	Page 28
2-25 Procedure for eliminating negative impacts	Page 35-36
2-26 Procedure for obtaining advice and reporting topics	Page 35-36
2-27 Compliance with laws and regulations	Page 35-36, 59
2-28 Membership in associations and interest groups	Page 75-84, 101
2-29 Approach to stakeholder engagement	Page 37-38, 59

GRI 3: Material topics 2021	
3-1 Procedure for determining material topics	Page 37–40
3-2 List of material topics	Page 40
3-3 Management of material topics	Page 26–28, 33, 35–36, 40–41, 43, 45–47, 49–50, 52, 54, 56, 59–61
GRI 301: Materials 2016	
301-1 Materials used	Page 41–42
301-2 Recycled materials used	Page 41–42
GRI 305: Emissions 2016	
305-1 Scope 1	Page 29, 43–45
305-2 Scope 2	Page 29, 43–45
305-3 Scope 3	Page 29, 43–45
305-4 Intensity of GHG emissions	Page 29, 43–45
GRI 401: Employment 2016	
401-1 New hires and fluctuation	Page 29, 48–49
401-2 Company benefits only offered to full-time but not part-time employees	Page 47
401-3 Parental leave	Page 47
GRI 404: Training and education 2016	
404-2 Programs to improve the skills of employees	Page 49–50
GRI 416: Customer health and safety 2016	
416-1 Assessment of the impact of products and services on health and safety	Page 52–54
416-2 Incidents in connection with the impact of products and services on health and safety	Page 54
Own standards	
Customer satisfaction and sustainability training	Page 54–56
Protection of digital data	Page 60–61

Regulation



Safety and Compliance

The requirements for regulatory processes are increasing steadily. At the same time, they guarantee patient safety over the entire lifetime of a product. The efficient fulfillment of these requirements is therefore essential – for patients, for COLTENE as the manufacturer, and for dental practices as users. While regulatory challenges may seem to be bureaucratic hurdles, they also drive innovation and creative thinking in product development by critically questioning the status quo. This in turn benefits patient safety.

Corporate Governance

COLTENE Holding AG

This chapter describes the principles of corporate governance applied at Group and Senior Management level within the COLTENE Group. Good corporate governance safeguards the sustainable development and performance of the company. COLTENE is committed to openness and transparency and provides information on structures and processes, areas of responsibility and decision procedures, as well as rights and obligations of various stakeholders. The main elements are contained in the Articles of Incorporation and organizational regulations, and are based on the SIX Swiss Exchange guidelines. The Compensation Report is published separately in this Annual Report. All information is valid as at 31 December 2023, 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

The 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.

COLTENE Holding AG, headquartered in Altstätten, Switzerland, is the only listed company of the COLTENE Group. COLTENE Holding AG's registered shares (security no. 2.534.325, ISIN CH0025343259, symbol CLTN) are quoted on SIX Swiss Exchange. On 31 December 2023, the market capitalization amounted to CHF 427.9 million (previous year CHF 455.3 million). All Group companies are ultimately owned at 100 % by COLTENE Holding AG.

Information on the companies belonging to the COLTENE Group, which are not listed, is shown on page 129 of the financial report.

Major shareholders

As of 31 December 2023, there were 2 517 shareholders (previous year: 2 185) entered in the share register and COLTENE received notification that 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 1 342 059 registered shares. These correspond to voting rights of 22.46 %. Huwa Finanz- und Beteiligungs AG represents 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 correspond to voting rights of 17.28 %. 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 with regard to COLTENE shares.

Rätikon Privatstiftung, Bludenz, Austria, held 735 138 registered shares. These equals voting rights of 12.30 %. Rätikon Privatstiftung is under control of Franz Rauch, Laterns, Austria. The 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.

Robert Heberlein, Zumikon, Switzerland, held directly and indirectly through Burix Beteiligungen AG, Zurich, which he controls, 248 143 registered shares, representing 4.15 % of the voting rights.

UBS Fund Management (Switzerland) AG, Zurich, Switzerland, held 192 433 registered shares or 3.22 % of the voting rights.

All other shareholders held a stake of 40.63 % of the voting rights of COLTENE Holding AG. The Company held 86 treasury shares amounting to 0.00 % (previous year: 0.01 %) at the balance sheet date. Shares pending registration of transfer amounted to 12.69 % (previous year 14.97 %) of the total as at 31 December 2023.

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.ser-ag.com/en/resources/notifications-market-participants/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, consisted of Markus Abderhalden, CFO, who also acted as deputy CEO, Gregor Picard, COO, Martin Schlüter (Vice President R&D/Innovation), Werner Barth, Vice President Product Management/Group Marketing, and Paul Frey (Vice President Sales & Marketing Communication of North America).

Changes of Group Management

Martin Schaufelberger, Chief Executive Officer of the COLTENE Group since 2012, stepped down from Group management on 31 December 2023. Dominik Arnold (age 51), a Swiss citizen, took up his position as CEO of the COLTENE Group on 1 January 2024. He brings extensive knowledge in the life science and medtech industries and is an experienced leader. He joined COLTENE from Belimed AG where he was CEO. Belimed is a company with a similar size, global presence, and portfolio consisting of consumables, equipments and services for Infection Control.

Gregor Picard (born in 1970 and a German citizen), was appointed to succeed Stefan Helsing as Chief Operating Officer of the COLTENE Group from 1 April 2023. He possesses extensive expertise in overseeing operational functions within the dental industry and has recently transitioned to COLTENE from KAVO, a previous subsidiary of Danaher, where he held the role of Vice President of Operations.

With effect from 19 October 2023, Christophe Loretan, Vice President Sales & Marketing Communication of Europe and Rest of the World (ROW), decided to step down from his responsibilities and Group Management.

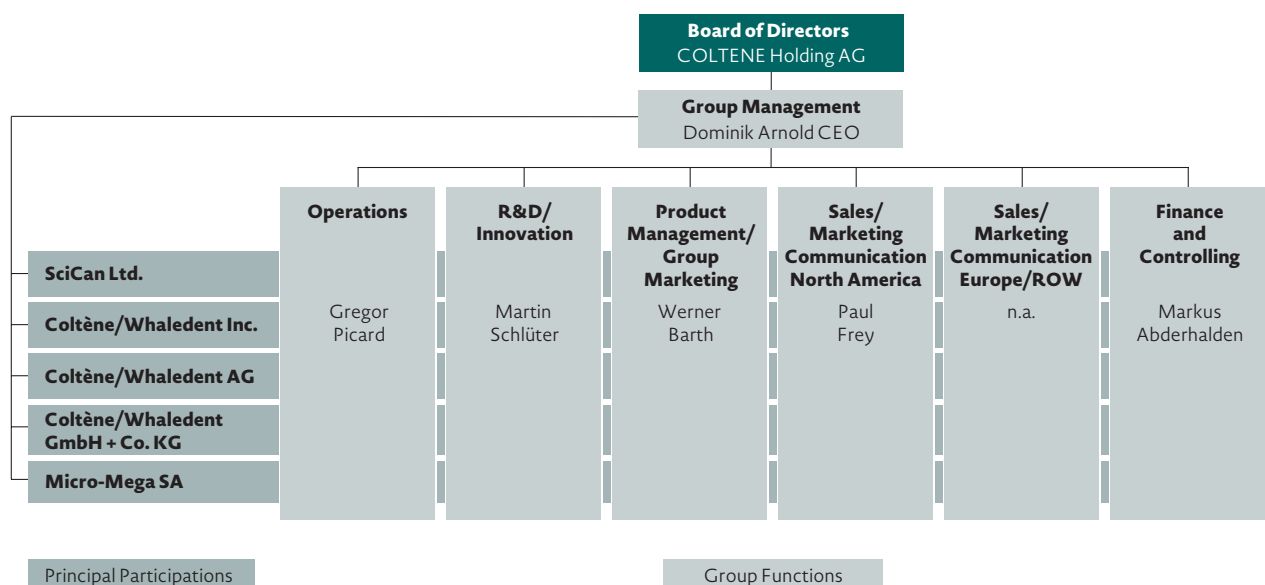
Group structure and Group Management organization

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 in this report.

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 to 7 of this report.

Group structure and management organization of the COLTENE Group as per 1 January 2024:



Capital

Details on the capital are included in the COLTENE Holding AG's financial statements on pages 134 and 135.

Authorized or conditional capital

COLTENE Holding AG has no authorized or 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.

Changes in equity

In CHF 1000	31.12.2023	31.12.2022	31.12.2021
Share capital	598	598	598
Statutory reserves	120	120	120
Capital contribution reserve without foreign reference	49 983	49 983	49 983
Capital contribution reserve with foreign reference	35 563	55 273	74 988
Capital contribution reserve	85 546	105 256	124 971
Reserves for treasury shares	-6	-45	-8
Net income carried forward	59 100	39 823	36 639
Total	145 357	145 752	162 320

Based on the Annual General Meeting's decision on 19 April 2023, the Company distributed a dividend of CHF 3.30 (previous year CHF 3.30) per share paid out to its shareholders on 25 April 2023, from capital contribution reserves with foreign reference. The total amount paid was TCHF 19 711 (previous year TCHF 19 716).

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.

The shares of COLTENE Holding AG are traded in the Swiss Reporting Standard and are part of the indices of the SPI family as well as of the SXI Life Sciences and SXI Bio+Medtech index at the SIX Swiss Exchange in Zürich. Since 1 February 2021, the shares of COLTENE Holding AG have been 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/she 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 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.

The Board of Directors shall register nominees as shareholders with voting rights in the share register up to a maximum of 3 % of the total share capital outstanding at the time. Above this limit of 3 %, the Board of Directors decides on a case-by-case basis, provided such nominee declares that it will disclose the names, addresses, nationalities, and shareholdings of the persons for which it holds 0.5 % or more of the total share capital outstanding at the time. In 2023, the Board of Directors has not registered any nominees with voting rights exceeding 3 %.

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 31 December 2023, the Board of Directors of COLTENE Holding AG consisted of seven members. The Articles of Incorporation stipulate a minimum of five and a maximum of nine members.

The General Meeting of shareholders elected at the meeting of 19 April 2023, Matthias Altendorf and Daniel Bühler as members of the Board for the first time. They replace Erwin Locher and Matthew Robin, who did not stand for re-election after many years of service on the Board.

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 2023, the law firm Lenz & Staehelin, Zurich, where the board member Astrid Waser is partner, received CH 17 000 (2022: CHF 12 000 and 2021: CHF 43 000) for legal advice. In 2023, the main part of the fee was related to general legal advice related to the Annual General Meeting and partner agreements. Astrid Waser as member of the Board of Directors was not involved in any of the aforementioned services during the course of the financial year.

The personal details together with the other activities and vested interests of individual members of the actual Board of Directors are listed on pages 74 to 78.

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
- The filing of an application for a debt restructuring moratorium and notifying the court in the event that the company is overindebted
- The preparation of the remuneration report

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:

Chair: Astrid Waser (previously Erwin Locher)

Members: Matthias Altendorf, Daniel Bühler

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 has been composed as follows:

Chair: Jürgen Rauch (previously Matthew Robin)

Members: Nick Huber, Roland Weiger, Allison Zwingenberger

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 2023, the Board of Directors met eight times (previous year eight times). These meetings lasted on average four to eight hours. In one meeting, the Board of Directors discussed the Group Strategy together with the enlarged Group Management during a one-day workshop.

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

In 2023, a member of the Board of Directors was excused from one Board of Directors meeting and one Nomination and Compensation Committee meeting. Another member of the Board of Directors was excused from one Board of Directors meeting and one Audit and Corporate Governance Committee meeting and one member of the Board of Directors was excused from one Board of Directors meeting. In the previous year, a member of the Board of Directors was excused from one Board of Directors meeting. Prior to

the respective meetings, the Chair of the meeting obtained the opinions and the voting decisions of the absent members of the Board in a personal conversation. After each meeting, the CEO informed the absent Board members about the decisions taken and the votes cast.

Attendance rates at meeting of	2023	2022
Board of Directors	95%	98%
Audit and Corporate Governance Committee	89%	100%
Nomination and Compensation Committee	92%	100%

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 the 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 page 70, 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 2023, a total of twenty-seven risks were 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. Five out of the twenty-seven 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 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 captured regarding currency exposures among other factors.

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. The external audit firm audits the internal control system of the COLTENE Group annually as part of their audit of the Group's risk management.

Self-evaluation of the Board of Directors

In 2023, the Board of Directors conducted a self-evaluation. It was prepared by the Chairman of the Board of Directors and discussed with each member of the Board of Directors in a personal meeting.

Board of Directors

Group structure and management organization of the COLTENE Group as per 1 January 2024.

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



Daniel
Bühler

Allison
Zwingenberger

Jürgen
Rauch

Nick
Huber

Astrid
Waser

Roland
Weiger

Matthias
Altendorf

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 2023

Members	Function on Board of Directors	Born in	Year of first election	Audit and Compliance Committee	Nomination Compensation Committee
Nick Huber	Chair	1964	2005		Member
Jürgen Rauch	Member	1967	2016		Chair
Astrid Waser	Member	1971	2017	Chair	
Roland Weiger	Member	1961	2013		Member
Allison Zwingenberger	Member	1970	2018		Member
Matthias Altendorf	Member	1967	2023	Member	
Daniel Bühler	Member	1966	2023	Member	

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, various management positions

Other important activities and vested interests

See chapter 5 in the section Compensation Report of this Annual Report.

Key knowledge and experience

- International and strategic management – many years of operational leadership experience in management positions in the SFS group and extensive experience as member of the board of international companies.
- Human resources – many years of 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.

Matthias Altendorf

- Physics degree, Science College, Isny
- Several Leadership programs at MIT, LBS, Stanford University and University St. Gallen
- German citizen, born in 1967

Professional background (main stages)

- 1991 – 2005 Endress+Hauser Flowtec AG, Reinach, various functions (last function: Director Marketing, R&D and Member of the Management Board)
- 2006 – 2013 Endress+Hauser GmbH+Co KG, Maulburg, Managing Director
- 2009 – 2023 Endress+Hauser Group, Basel Member of the Executive Board, Innovation & Technology
- 2014 – 2023 Endress+Hauser Group, Basel, Chief Executive Officer

Other important activities and vested interests

See chapter 5 in the section Compensation Report of this Annual Report.

Key knowledge and experience

- Leadership experience: Leading, scaling and building up of a large international organization
- Enabling global Innovation, product and technology management
- Sales: International multi-channel distribution management
- Manufacturing: Setting up global manufacturing and supply chain networks
- Broad experience in the global process and factory automation market

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

None.

Key knowledge and experience

- Production and distribution – extensive 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 internationally renowned brand in the consumables industry.

Daniel Bühler

- Executive MBA, Stanford University Graduate School of Business
- Dr. sc. techn. (Mechanical Engineering), Swiss Federal Institute of Technology, ETH Zurich
- MSc in Physics, Swiss Federal Institute of Technology, ETH Zurich
- Swiss citizen, born in 1966

Professional background (main stages)

- 2000–2001 Sulzer Medica AG, Baar und Münsingen, Director Sales, Marketing & Development
- 2001–2004 Centerpulse Inc., Baar und Winterthur, Vice President, Fracture Care Division
- 2004–2006 Zimmer Inc., Warsaw, Global Director Development
- 2006–2007 Zimmer Inc., Warsaw, Global Vice President Research & Development
- 2008–2010 Zimmer GmbH, Winterthur, Vice President Quality Assurance & Regulatory
- 2010–2011 Gambro AB, Lund, Vice President Quality Assurance & Regulatory Affairs,
- 2011–2017 Biotronik, Bülach, Chief Executive Officer and President Vascular Intervention
- 2017–2022 Biotronik, Berlin, Executive Managing Director and President CRM, EP and Neuro
- Since 2022 Röchling Medical, Mannheim, Chief Executive Officer

Other important activities and vested interests

See chapter 5 in the section Compensation Report of this Annual Report.

Key knowledge and experience

- Recognized Medical Device and Pharma industry manager with a blend of technical and business education
- Expertise in strategic and general management with in-depth knowledge in R&D, Clinical and Quality & Regulatory Affairs
- Many years of operational leadership responsibility in running multi-site global production organizations
- International experience in Marketing & Sales including new business development in emerging markets and segments

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, Zurich, Associate
- 2004 Foreign Associate, Brussels
- Since 2012 Lenz & Staehelin, Zurich, Partner

Other important activities and vested interests

None.

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.

Roland Weiger

- Prof. Dr. med. dent., University of Tübingen
- 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

See chapter 5 in the section Compensation Report of this Annual Report.

Key knowledge and experience

- Expertise in general dentistry and specialized conservative dentistry – extensive 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.

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
- 2020–2023 Director of Diagnostic Imaging, Veterinary Medical Teaching Hospital, University of California, Davis
- Since 2023 President, American College of Veterinary Radiology (ACVR)

Other important activities and vested interests

None.

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.



Gregor Picard

Paul Frey

Markus Abderhalden

Dominik Arnold

Martin Schlüter

Werner Barth

Dominik Arnold

- Chief Executive Officer COLTENE Group (since 2024)
- Master in Business Engineering, Hochschule für Wirtschaft phw, Zurich
- Bachelor of Applied Science, Biotechnology, ZHAW, Zurich
- Swiss citizen, born in 1972

Professional background (main stages)

- 2002 – 2005 GF Piping Systems, Schaffhausen, Market Segment Manager Life Science
- 2005 – 2015 Pall / Danaher Asia, in Singapore, various management function
- 2016 – 2019 Forte Bio / Danaher, Fremont, Vice President and General Manager
- 2019 – 2023 Belimed AG, Zug, Chief Executive Officer

Other important activities and vested interests

None.

Martin Schaufelberger

- Chief Executive Officer COLTENE Group (2012 – 2023)
- Electrical Engineer, Fachhochschule für Technik, Rapperswil
- MBA Marketing, City University of Seattle, Zurich 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

See chapter 5 in the section Compensation Report of this Annual Report.

Markus Abderhalden

- Chief Financial Officer COLTENE Group (since 2022)
- Bachelor of Business Administration, University of Applied Science (FHS) St. Gallen
- Swiss-certified public accountant (CPA), EXPERTsuisse Zurich
- Swiss citizen, born in 1979

Professional background (main stages)

- | | |
|-----------|---|
| 2002–2013 | Ernst & Young AG, St. Gallen, Auditor and Consultant |
| 2013–2014 | Bühler Group, Uzwil, Head of Corporate Accounting and Financial Reporting |
| 2015–2017 | Bühler Group, Uzwil, Regional CFO North- and Central America |
| 2018–2021 | DGS Druckguss Systeme Group, St. Gallen, CFO |

Other important activities and vested interests

None.

Werner Barth

- Vice President Product Management/ Group Marketing COLTENE Group
- Member of Group Management since 2015
- Dr. sc. techn. ETH, Zurich
- 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 | Zieler Ophthalmic Systems AG, Port, Head Marketing & Sales |
| 2006–2013 | Zieler Ophthalmic Systems AG (Zieler Group), Port, Vice President Sales |
| 2013–2015 | Coltène/Whaledent AG, Altstätten, Global Director Marketing |

Other important activities and vested interests

None.

Gregor Picard

- Chief Operating Officer COLTENE Group (since April 2023)
- Master of Business Administration candidate, European School of Management and Technology (ESMT), Berlin
- Dipl. Engineer (FH), University of Applied Sciences, Munich
- German citizen, born in 1970

Professional background (main stages)

- 2010 – 2012 Autoliv, Dachau, Manager Industrial Engineering, Maintenance and Service Parts
- 2013 – 2015 Autoliv, Dachau, Manager Operations
- 2015 – 2017 VDW (Dentsply Sirona), München, Director Operations
- 2017 – 2022 KAVO Dental Excellence (Danaher, Envista), Biberach, Vice President Operations

Other important activities and vested interests

None.

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 Coltène/Whaledent AG, Altstätten, Director R&D EMEA
- 2018–2019 COLTENE Group, Altstätten, Director R&D/Innovation

Other important activities and vested interests

None.

Paul Frey

- Vice President Sales & Marketing Communication North America COLTENE Group
- Member of Group Management since 2022
- B.A. Political Science Arizona State University, Tempe, Arizona
- US citizen, born in 1975

Professional background (main stages)

- 2009–2012 Kulzer Dental North America, South Bend IN, Senior Sales Representative
- 2012–2015 Kulzer Dental North America, South Bend IN, Regional Manager
- 2015–2018 Kulzer Dental North America, South Bend IN, Director of Sales and Special Markets
- 2018–2021 Kulzer Dental North America, South Bend IN, Vice President of Sales and Service

Other important activities and vested interests

None.

Christophe Loretan

- Vice President Sales & Marketing Communication Europe/ROW COLTENE Group (2015- 2023)
- Member of Group Management since 2015
- Dipl. sc. nat. ETH Zurich
- 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

None.

Stefan Helsing

- Chief Operating Officer COLTENE Group (2018 – 2023)
- 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, Zurich, Network Management and CEO Balair-Airline
- 2000–2005 STA Travel Ltd., Zurich, CEO
- 2005–2008 Hotelplan Management AG, Glattbrugg, Production Management
- 2008–2018 Sanavis Group, Toronto and Leutkirch, Executive Chairman

Other important activities and vested interests

None.

Group Management

On 1 January 2024, COLTENE Holding AG's Group Management consisted of six persons (in 2023 and 2022 seven persons): Dominik Arnold, Chief Executive Officer (CEO), Markus Abderhalden, Chief Financial Officer (CFO), Gregor Picard, Chief Operating Officer (COO), Werner Barth, Vice President Product Management/Group Marketing, Paul Frey, Vice President Sales & Marketing Communication of North America, and Martin Schlüter, Vice President R&D/Innovation.

For further information regarding the changes in the Group Management team see pages 67 and 68 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 79 to 84.

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 seqq. 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 seqq. 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 92 to 101 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 sharecomm ag ("SisVote") 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.

Request for items Included in the agenda of General Meetings

Shareholders representing at least 0.5 % of the total share capital outstanding at the time or of the votes may request items to be included in the agenda. Such request must be handed in to the Board of Directors at least 30 days prior to the General Meeting in writing by stating the items of the agenda and the motions. Under the same conditions, shareholders may request that motions relating to items on the agenda be included in the notice calling for the General Meeting. Shareholders may submit a brief explanation together with the agenda items or motions. Such explanation must be included in the notice calling for the General Meeting.

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 of the shareholders can be called by resolution of the General Meeting of the shareholders, of the Board of Directors, upon request of the auditors or if it is requested by shareholders representing together at least 5 % of the total share capital outstanding at the time or of the total votes by way of a written request to the Board of Directors, indicating the agenda items and the associated motions.

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 except the decision regarding the delisting of the shares of the company from the SIX Swiss Exchange or its successor.

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 in corporate control and defense measures

Public purchase offers

The Articles of Incorporation of COLTENE Holding AG do not stipulate an alleviation (opting up) or exemption (opting out) 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 is in effect at 31 December 2023, 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 25 June 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-year 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 285 000 (CHF 305 000 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

In the reporting year COLTENE paid CHF 3 000 for non-audit-related services (CHF 1 000 in previous year). This amount was paid for services related to withholding taxes. The execution or assistance of EY in the preparation of financial statements, the consolidated financial statements, and related documents is not admissible.

Supervisors and control instruments

Pertaining to the auditors

As explained on page 71, 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 in the meetings of the Audit

and Corporate Governance Committee, providing oral and written reports on the results of its reviews and audits. In 2023, the auditors participated in two meetings of the Audit and Corporate Governance Committee. All other members of the Board of Directors also attend these meetings as guests. Thus, the full Board of Directors is always directly informed about the results of the reviews and audits by the auditor. 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. For audit related and non-audit services the Audit and Corporate Governance Committee issued a policy with an approval matrix 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

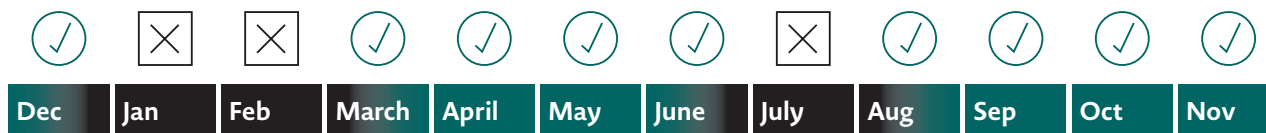
COLTENE Holding AG provides its shareholders with information in the form of the Annual Report and Half-year Report. At the publication date of the annual results, COLTENE informs at the annual press and analysts conference and later at the Annual General Meeting in detail about its business activity. On the publication date of the half-year results COLTENE informs about the business activity normally 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 page 142.

Code of Conduct

In 2021, the COLTENE Group set up an anonymous reporting whistleblowing platform via its own website, which can be used to report violations of laws, guidelines, and the like.

<https://www.coltene.com/whistleblowing-portal/>

General Blackout Periods



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, with all kinds of media 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 ad hoc publications and press releases 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 relation
Feldwiesenstrasse 20
9450 Altstätten, Switzerland
+41 71 757 54 80
investor@coltene.com

For important dates of publications this year, the following year and contact addresses refer to page 7 and page 142.

Blackout periods

General blackout periods

In connection with the publication of financial statements COLTENE knows two general blackout periods:

- Before the publication of the annual financial statements, the first general blackout period starts from mid-December and ends one day after the publication of the annual results, usually in the first week of March
- Before the publication of the interim financial statements, the second general blackout period starts from mid-June and ends one day after the publication of the interim financial statements, usually in the first week of August.

The contractual allocation of the share portion of the variable compensation to Group Management, for which there is no option, does not fall under the general blackout period.

These blackout periods are announced and canceled by e-mail by the Group CFO who is also responsible for maintaining the respective insider list of persons who are affected. Persons in scope are members of the Board of Directors, Group Management, Accounting, Finance and Controlling, as well as all employees, external consultants, and everyone else in possession of the sensitive insider information.

An annual training session on insider trading is held by the Group CFO for the Board of Directors and Group Management.

Special blackout periods

Blackout periods for share-price-relevant facts are established by the Chairman of the Board of Directors, the Group CEO, and Group CFO if necessary. Insider lists are maintained for each of these projects and contain all internal and external people with access to the sensitive insider information.

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.

Customer training



Safety through training

Responsibility towards our patients does not end with the sale of safe and approved dental products. Their correct use and professional handling by dental practices is just as decisive for a product's long-term success.

COLTENE therefore holds intensive training courses for all three workflows and their respective products. At the same time, such training courses facilitate customer contact and encourage mutual dialog, thus making them an important source of feedback for patient safety.

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 2022 and 2023. 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 Swiss Code of Obligations (Article 734 and 735), 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 chapter 4 of this report.

1.2 Compensation 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 2023, the NCC is composed as follows:

Chair: Jürgen Rauch (previously Matthew Robin)
 Members: Nick Huber, Roland Weiger, Allison Zwingenberger

The Board of Directors determines the NCC's responsibilities, and passes all resolutions on the Company's compensation system (see page 71). 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
Chair 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

Fig. 1: Recommendation and decision responsibilities with regard to compensation

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 Article 735 of the Swiss Code of Obligations, effective since 1 January 2023, and the Articles of Incorporation of COLTENE Holding AG of 31 March 2021, the compensation payable to the Board of Directors and to Group Management has to be approved by the AGM. 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.

In accordance with the Articles of Association, the following voting process regarding compensation to the Board of Directors and to Group Management applies:

- The compensation to the Board of Directors shall be approved by the AGM for the period of one year lasting from the ordinary AGM to the next ordinary AGM
- 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

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, and 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 align targets as well as 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 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 the COLTENE Group 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 and Members of Group Management is in the lower quartile. For the entire Board of Directors and the CEO 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 117.

Directors receive a fixed annual cash amount and a fixed number of shares. The Chairman shall receive 400 shares and each other member of the Board of Directors shall receive 200 shares every year. These shares shall be blocked for three years. 100 % of Directors' compensation is fixed. Their pay includes no variable component. The Directors receive 70 % to 90 % of the fixed compensation in cash and the remaining 10 % to 30 % in shares valued at the volume-weighted average share price of the preceding month of the pay date.

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 40 % to 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.

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

Compensation elements

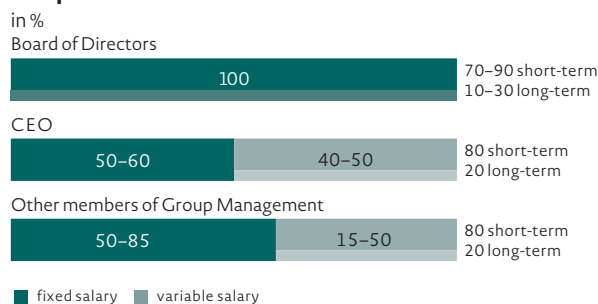


Fig. 2: Compensation elements

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.

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 2023 the quantitative 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). These quantitative targets were achieved in a range from 0%-21%.

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 at least four 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. 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 2023 included market targets such as developing further digital services for the devices in Infection Control and business with the DSO organizations as well as operational targets such as the rollout of a new customer service tool, but also targets related to ESG. These individual targets were achieved in a range from 70% to 96%.

Weighting by variable compensation component

The variable compensation components are weighted as follows:

- Each quantitative target has a weighting of 15%–50%
- The individual or personal targets have a combined weighting of 20%–50%

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 (figure 4). Entitlement to a 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 are 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

in %

	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	50–60	40–50	25–35	40–50	20–30	20	80
Other members	50–85	15–50	20–50	25–50	20–40	20	80

Fig. 3: Composition of Group Management compensation

Scale of variable compensation elements

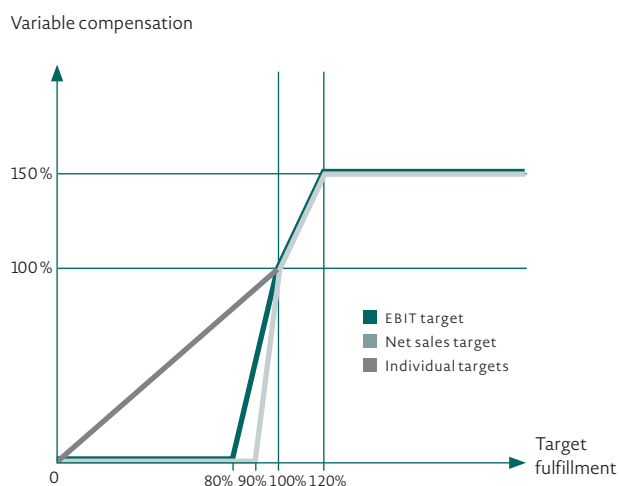


Fig. 4: Scale of variable compensation elements

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 over-achievement 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 95 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

The variable compensation to Group Management consists of a short-term component (paid in cash) and a long-term component (granted in shares, which are blocked for a period of three years).

For each member of Group Management a maximum of variable compensation is initially defined. 80% of the variable compensation shall be paid in cash (short-term component). 20% of the variable compensation shall be granted in shares based on a predefined fixed number of shares (long-term component). The predefined number of shares are calculated by dividing 20% from the maximum variable compensation by the volume-weighted average share price (VWAP) of COLTENE shares for a three-month period prior to becoming eligible for such long-term compensation plan. This maximum number of shares shall then be fixed for a certain number of years. Based on the share price, the value of the maximum number of shares can be higher or lower than 20% of the total variable compensation in the future. The allocation of the effective number of shares depends on the target achievement of Group Management members in the respective financial year (percentage of target achievement). As an example, if a Group Management member achieves 80% of the overall targets, they will receive 80% of the predefined maximum number of shares as a long-term incentive. These shares shall be blocked for three years. The Board of Directors has the authority to adjust the maximum number of shares for Group Management members at its discretion.

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.

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 ordinary AGM for one year of service until the next ordinary AGM. Notice period for members of Group Management: no member of Group Management has a notice period that exceeds 12 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.

3.5 Employee share purchase program

From 2022 the COLTENE Group can periodically offer company shares to selected employees for the following reasons:

- Retainment of engaged employees
- Encourage entrepreneurship and high performance
- Alignment of interests of the employees with those of the shareholders

The Board of Directors issued a regulation addressing the following elements in particular:

Determination of the purchase price, granting of a potential discount on the purchase price and a blocking period of the shares. The conditions are determined by the Board of Directors based on a proposal of the NCC. Members of the Board of Directors and Group Management may be included in this program. The COLTENE shares acquired through this plan will be blocked for at least three years.

4 Remuneration of Directors and Group Management

The tables below show the total compensation paid to the members of the Board of Directors and of Group Management for the financial years 2022 and 2023.

Remuneration of the Board of Directors

In CHF

	Base remuneration		Other remuneration	Total
	in cash	in shares ¹	Social security ²	
2022				
Nick Huber	80 000	26 989	15 107	122 096
Erwin Locher	70 000	13 506	9 877	93 383
Jürgen Rauch	60 000	13 506	0	73 506
Matthew Robin	70 000	13 506	11 935	95 441
Astrid Waser	60 000	13 506	10 477	83 983
Roland Weiger	60 000	13 506	10 477	83 983
Allison Zwingenberger	60 000	13 506	10 477	83 983
Total	460 000	108 025	68 349	636 374
2023				
Nick Huber	80 000	29 188	15 572	124 760
Erwin Locher ³	23 333	5 073	4 445	32 852
Jürgen Rauch	66 667	14 596	0	81 263
Matthew Robin ³	23 333	5 073	5 355	33 762
Astrid Waser	66 667	14 596	11 676	92 938
Roland Weiger	60 000	14 596	10 703	85 299
Allison Zwingenberger	60 000	14 596	10 703	85 299
Matthias Altendorf ³	40 000	9 523	5 834	55 357
Daniel Bühler ³	40 000	9 523	5 834	55 357
Total	460 000	116 764	70 123	646 887

¹ The remuneration in shares for 2023 includes the granted shares for the period of the beginning of the year until the AGM 2023 valued at the weighted average share price of the month April 2023, and for the period from the AGM 2023 until the end of the year; the outstanding shares are calculated at a share price of CHF 71.60 (as of year-end 2023). The outstanding shares will be transferred after the AGM of the following year at the weighted average share price for the month of April.

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

³ Erwin Locher and Matthew Robin received remuneration from the beginning of the year 2023 until the AGM 2023. For the successors Matthias Altendorf and Daniel Bühler the remuneration includes the period from AGM 2023 until the end of the year.

Remuneration of Group Management

In CHF

	Base remuneration	Variable remuneration ¹		Other remuneration		Total
	in cash	in cash	in shares ²	Social security ³	Other benefits	
2022						
Martin Schaufelberger	410 507	169 576	28 616	171 471	14 482	794 652
Other members	1 426 318	270 448	45 260	340 365	20 026	2 102 417
Total	1 836 825	440 024	73 876	511 836	34 508	2 897 069
2023						
Martin Schaufelberger	410 007	78 720	13 031	133 647	13 856	649 261
Other members	1 418 731	96 880	17 326	328 372	45 523	1 906 832
Total	1 828 738	175 600	30 357	462 019	59 379	2 556 094

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 shares for 2023 are calculated at a share price of CHF 71.60 (as of year-end 2023) and are transferred in the following financial year, subject to approval by the AGM.

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

Payments to former management committee members

In 2023 and 2022 no severance payments were made and no payments occurred to former members of the Management Committee.

Approved remuneration of the Board of Directors

The AGM 2022 approved a maximum aggregate remuneration (incl. social benefit contribution) of the members of the Board of Directors of CHF 750 000 for the period from the AGM 2022 until the AGM 2023. The compensation actually received for this period amounted to CHF 651 275 (incl. social benefit contributions).

Compensation paid to the Board of Directors for the period from AGM 2022 until the AGM 2023 in CHF

	Approved compensation	Actual compensation
Total compensation in cash ¹	540 000	530 123
Total compensation in shares ²	210 000	121 152
Overall compensation	750 000	651 275

¹ including social security payments (SSP) for the total compensation. However, the approved compensation only includes SSP for compensation in cash.

² The AGM approved 1600 shares valued at CHF 108.00 per share on 8.2.2022 including SSP. The actual compensation was 1600 shares valued at 75.72 based on weighted average share price (VWAP) of April 2023.

The remuneration of the Board of Directors for the period from the AGM 2022 until the AGM 2023 was within the overall approved amount.

At the AGM 2023, the shareholders approved a total compensation for the Board of Directors for the period from the AGM 2023 to the AGM 2024 in the amount of CHF 676 800 (consisting of CHF 560 000 in cash and CHF 116 800 in shares). The actual compensation paid for this period will be reported in the Compensation Report 2024.

Approved remuneration of Group Management

The AGM 2022 approved for the year 2023 a maximum fixed compensation to Group Management of CHF 2 700 000 (incl. social benefit contribution). The compensation actually paid for this period amounted to CHF 2 350 137 (incl. social benefit contribution). The variable compensation paid in 2023 for the year 2022 amounted to 513 596 CHF and was approved by the AGM 2023 with the total amount of CHF 513 900.

Compensation to Group Management in 2023 in CHF

	Approved compensation	Actual compensation
Total fixed compensation ¹	2 700 000	2 350 137
Variable compensation ²	513 900	513 596
Total	3 213 900	2 863 733

¹ The fixed compensation for and paid in the year 2023 was approved by the AGM 2022 and includes social security payments for the total compensation.

² The variable compensation for the year 2023 paid in 2023 was approved by the AGM 2023 and includes 1012 company shares valued at the market value on 24 February 2023 of CHF 73.00 per share. The Actual allocation of 1012 is valued at the market value on 1 May 2023 (grant date) of CHF 72.70.

The remuneration of Group Management in 2023 was within the approved amounts. The variable compensation for the year 2023 paid in 2024 is subject to approval by the Annual General Meeting (AGM) 2024.

Loans

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

Numbers of shares held by the Board of Directors and Group Management

Number of shares held by the Board of Directors

	31.12.2023	31.12.2022
Nick Huber, Chairman	29 666	27 148
Erwin Locher, member ¹	n/a	1 358
Jürgen Rauch, member	969	769
Matthew Robin, member ¹	n/a	4 769
Astrid Waser, member	789	589
Roland Weiger, member	2 090	1 890
Allison Zwigenberger, member	594	394
Matthias Altendorf, member ²	755	n/a
Daniel Bühler, member ²	0	n/a
Total	34 863	36 917

¹ Members of the Board of Directors who did not stand for re-election at the 2023 annual general meeting

² New members of Board of Directors appointed at the annual general meeting 2023.

Number of shares held by Group Management

	31.12.2023	31.12.2022
Martin Schaufelberger, CEO	7 944	7 552
Markus Abderhalden, CFO	192	0
Werner Barth, Vice President Marketing	2 017	1 950
Gregor Picard, COO ¹	0	n/a
Stefan Helsing ²	n/a	21 055
Christophe Loretan, Vice President Sales Europe/RoW ³	n/a	916
Martin Schlüter, Vice President R&D/Innovation	212	163
Paul Frey, Vice President Sales NAM	78	0
Total	10 443	31 636

¹ Gregor Picard was appointed on 1 April 2023 as COO.

² Stefan Helsing stepped down from his position as COO at 31 March 2023.

³ With effect from 19 October 2023, Christophe Loretan, decided to step down from his responsibilities and Group Management.

5. Information about other professional activities by the Board of Directors and Group Management

In accordance with the Swiss Code of Obligations Article 734e the following table summarizes other activities executed by the Board of Directors and Group Management:

Name	Function	Entity	Activity
Nick Huber	Chairman of the Board of Directors	SFS Group AG	Member of the Board of Directors
		Gurit Holding AG	Member of the Board of Directors
		Huwa Finanz- und Beteiligungs AG	Member of the Board of Directors
		DGS Druckguss Systeme AG	Member of the Board of Directors
		stürmsfs AG	Member of the Board of Directors
		Inventx AG	Member of the Board of Directors
		Inhaus Handel GmbH	Member of the Board of Directors
		Rauch Trading AG and Rauch Schweiz AG	Member of the Board of Directors
		Mettler Entwickler AG	Member of the Board of Directors
Astrid Waser	Member of the Board of Directors	Lenz & Staehelin	Partner
Jürgen Rauch	Member of the Board of Directors	Rauch Fruchtsäfte GmbH & Co OG	CEO
Allison Zwingenberger	Member of the Board of Directors	American College of Veterinary Radiology (ACVR)	President
		University of California, Davis	Professor of Veterinary Radiology
		University of California, Cancer Center	Co-Director in Vivo Translational Imaging Shared Resource
Matthias Altendorf	Member of the Board of Directors	Endress+Hauser AG	President of the Board of Directors
		Ameropa AG	Member of the Board of Directors
		Kistler AG	Member of the Board of Directors
Daniel Bühler	Member of the Board of Directors	Röchling Medical SE	CEO
		Swiss MedTech Association	Advisor
Roland Weiger	Member of the Board of Directors	University of Basel	Professor and Director, Clinic of Periodontology, Endodontology and Cariology
		University Center of Dentistry (UZB)	Director of the University Dental Clinics and member of the Executive Board
		Swiss Society for Preventative, Restorative, and Esthetic Dentistry (SSPRE)	Member of the Expert Commission
		Swiss Society of Periodontology (SSP)	Member of the Board
		Federal Examen in Dentistry	Member of the Examining Board
Martin Schaufelberger	CEO (until 31 December 2023)	Zünd Systemtechnik AG	President of the Board of Directors
		Vigodent SA	Member of the Board of Directors
		Toneatti Construction Companies	Member of the Board of Directors
		Ferrum AG	Member of the Board of Directors

6. 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 2023 and approved it at the Board of Directors' meeting of 4 March 2024. It will be presented to the shareholders for consultative approval at the Annual General Meeting on 17 April 2024.

To the General Meeting of
COLTENE Holding AG, Altstätten

St. Gallen, 4 March 2024

Report of the statutory auditor on the audit of the compensation report



Opinion

We have audited the compensation report of COLTENE Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in chapter 4 and 5, on pages 99 to 101 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include chapter 4 and 5, pages 99 to 101 in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the

preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd



Iwan Zimmermann
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Michael Britt
(Qualified Signature)

Licensed audit expert

Treatment



Safety and trust

Patients trust that they will be treated with the best materials and the safest products when they go to the dentist. And they expect the treatment result to not only meet their functional needs but also to be visually appealing and comfortable. Patients rarely know the name COLTENE. It is therefore all the more important for dentists to confirm during the consultation that they work with tested and approved Swiss quality products for which patient safety is a priority.

Patient Evamaria Labrida feels secure and trusted with the “HyFlex” product while undergoing root canal treatment.

**Evamaria Labrida, patient and
Dr. med. dent. Marcel Savary,
during root canal treatment**

Content Financials

Financials COLTENE Group

Income statement	108
Balance sheet	109
Cash flow statement	110
Statement of changes in equity	111
Notes to Group financial statements	112
Non-Swiss GAAP FER measures as defined by COLTENE Group	130
Report of the statutory auditor	131

Financials COLTENE Holding AG

Income statement	134
Balance sheet	134
Statements of changes in equity	135
Notes to COLTENE Holding AG	136
Proposed appropriation of disposable profit and dividend distribution	138
Report of the statutory auditor	139
Important Addresses	142

Consolidated income statement

In CHF 1000

	Ref.	2023	2022
Net sales	1	242 729	267 125
Changes in inventories of finished goods and work in progress		1 652	5 165
Raw material and consumables used		-88 447	-94 014
Personnel expenses	2	-89 418	-93 231
Other operating expenses	4	-40 059	-43 419
Depreciation on tangible fixed assets	14	-5 392	-5 343
Amortization on intangible assets	16	-1 457	-1 372
Operating profit (EBIT)		19 608	34 911
Financial income and expenses	5	-3 490	-1 976
Net profit before tax		16 118	32 935
Income taxes	6	-4 171	-6 936
Net profit for the period	8	11 947	25 999
Earnings per share	8	CHF 2.00	CHF 4.35
Diluted earnings per share	8	CHF 2.00	CHF 4.35

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.	31.12.2023	31.12.2022
Cash and cash equivalents		18 360	24 224
Trade accounts receivable	9	35 389	38 388
Prepaid expenses and deferred income	12	1 780	2 158
Other short-term receivables	11	3 711	3 298
Inventories	13	58 864	65 067
Current assets		118 104	133 135
Tangible fixed assets	14	47 848	48 640
Financial assets	10	337	371
Intangible assets	16	6 350	6 241
Deferred tax assets	7	2 783	2 210
Non-current assets		57 318	57 462
Total assets		175 422	190 597
Short-term financial liabilities	18	45 000	47 072
Trade accounts payable	19	11 146	8 306
Other short-term liabilities	20	4 635	4 899
Short-term provisions	22	943	1 143
Accrued liabilities and deferred income	21	11 909	11 655
Current liabilities		73 633	73 075
Deferred tax liabilities	7	2 601	2 877
Long-term provisions	3,22	2 314	2 461
Non-current liabilities		4 915	5 338
Total liabilities		78 548	78 413
Share capital		598	598
Capital reserves		96 045	115 756
Treasury shares		-6	-45
Retained earnings		237	-4 125
Total equity	23	96 874	112 184
Total liabilities and equity		175 422	190 597

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.	2023	2022
Net profit for the period		11 947	25 999
Depreciation of tangible fixed assets and amortization of intangible assets	14, 16	6 849	6 715
Change in provisions not affecting cash		-115	-882
Other expenses and income not affecting the fund		6 654	8 815
Change in trade accounts receivable		734	-1 803
Change in inventories		1 968	-2 855
Change of other short-term receivables, prepaid expenses, and deferred income		328	-932
Change in trade accounts payable		3 470	-3 668
Change in other short-term liabilities, accrued liabilities, and deferred income		1 499	-1 539
Interest paid	5	-837	-232
Interest received		37	43
Income tax paid		-6 558	-6 240
Cash flow from operating activities		25 976	23 421
Purchase of tangible fixed assets	14	-6 869	-5 488
Proceeds from sale of tangible fixed assets		123	121
Purchase of intangible assets	16	-1 815	-2 830
Cash flow from investing activities		-8 561	-8 197
Proceeds from financial liabilities		48 000	37 017
Repayments of financial liabilities		-50 071	-32 876
Dividends paid to shareholders	23	-19 711	-19 716
Proceeds/purchase of treasury shares	23	-153	-353
Cash flow from financing activities		-21 935	-15 928
Effect of exchange rate changes on cash		-1 344	-805
Change in cash and cash equivalents		-5 864	-1 509
Cash and cash equivalents at beginning of year		24 224	25 733
Cash and cash equivalents at end of year		18 360	24 224

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.								
01.01.2022		598	135 472	-8	-1 079	-225 874	198 290	-28 663	107 399
Net profit of the period		0	0	0	0	0	25 999	25 999	25 999
Acquisition of treasury shares		0	0	-673	0	0	0	0	-673
Earn-out ¹		0	0	0	0	0	330	330	330
Allocation of treasury shares		0	0	316	0	0	-69	-69	247
Disposal of treasury shares		0	0	320	0	0	0	0	320
Dividends	23	0	-19 716	0	0	0	0	0	-19 716
Foreign currency differences		0	0	0	-1 722	0	0	-1 722	-1 722
31.12.2022		598	115 756	-45	-2 801	-225 874	224 550	-4 125	112 184
Net profit of the period		0	0	0	0	0	11 947	11 947	11 947
Acquisition of treasury shares		0	0	-153	0	0	0	0	-153
Allocation of treasury shares		0	0	192	0	0	-5	-5	187
Dividends	23	0	-19 711	0	0	0	0	0	-19 711
Foreign currency differences		0	0	0	-7 580	0	0	-7 580	-7 580
31.12.2023		598	96 045	-6	-10 381	-225 874	236 492	237	96 874

¹ Earn-out from Vigodent SA Transaction (sold in 2020)
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 4 March 2024 for issue. The financial statements are subject to approval by the Annual General Meeting of Shareholders scheduled to take place on 17 April 2024. The amounts listed in the financial statements are rounded. If the calculations are performed with a higher numerical accuracy, small rounding differences can occur.

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 15 December 2005, and has been listed on SIX Swiss Exchange since 23 June 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 31 December. 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 and are applied prospectively.

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

	31.12.2023	Ø 2023	31.12.2022	Ø 2022
1 USD	0.8380	0.8990	0.9232	0.9551
1 EUR	0.9260	0.9718	0.9847	1.0047
1 CAD	0.6324	0.6660	0.6819	0.7340

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 is 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 number of 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 the description 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 acquisitions and disposals in the reporting year.

1 Net sales

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	2023	2022
EMEA	89 495	94 750
North America	112 193	128 929
Latin America	14 523	14 693
Asia/Oceania	26 518	28 753
Net sales	242 729	267 125

Net sales by products and services

In CHF 1000	2023	2022
Infection Control	82 576	89 607
Dental Preservation	69 016	77 005
Efficient Treatment	91 137	100 513
Net sales	242 729	267 125

Net sales of TCHF 50 456 (previous year TCHF 69 146) corresponding to 20.8% of Group net sales (previous year 25.9%) 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 1 202 employees (previous year 1 223). As per year-end 2023, 1 183 FTEs were employed (2022: 1 221 FTEs). Detailed information on personnel expenses:

Personnel expenses		
In CHF 1000	2023	2022
Wages and salaries	70 188	73 364
Social Security Expenses	15 177	15 812
Other personnel expenses	4 053	4 055
Total	89 418	93 231

Personnel expenses include TCHF 187 (previous year TCHF 261) for share-based payment transactions with the Board of Directors and Group Management.

Since 2022 COLTENE maintains a share purchase program for its employees. Shares of the COLTENE Holding AG are sold to selected employees at a discount, which is charged to personnel expenses. The last share purchase program took place in 2022.

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 only comprises contributions made to the benefit schemes at the expense of the Company. The pension plans with surplus are related to the staff pension scheme of Coltène/Whaledent AG in Switzerland. At 31 December 2023, the coverage rate amounted to 112.6% (previous year 109.5%) 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

In CHF 1000	Financial share of the organization		Change vs. prior year	Contributions in the period	Pension benefit expense as part of personnel expense	
	31.12.2023	31.12.2022	2023	2023	2023	2022
Pension funds without surplus/deficit	0	0	0	2 178	2 178	2 010
Pension funds without own assets	746	678	68	105	173	113
Total	746	678	68	2 283	2 351	2 123

4 Other operating expenses

Other operating expenses

In CHF 1000	2023	2022
Production expenses	9 120	9 864
Marketing	7 722	8 604
Consulting	3 150	3 712
Selling and administration expenses	19 898	21 126
Other expenses	169	113
Total	40 059	43 419

In 2023, TCHF 9 881 (previous year TCHF 8 568) 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	2023	2022
Interest income on cash and cash equivalents	37	34
Exchange rate differences and other financial income	18	45
Total financial income	55	79
Interest expenses for bank overdrafts and loans	-837	-232
Exchange rate differences and other financial expenses	-2 708	-1 823
Total financial expenses	-3 545	-2 055
Total financial result	-3 490	-1 976

6 Tax expenses

Tax expenses comprise the following positions:

Tax expenses In CHF 1000	2023	2022
Current taxes	5 236	7 266
Deferred taxes	-1 065	-330
Total	4 171	6 936

Tax expenses can be analyzed as follows:

Tax expenses In CHF 1000	2023	2022
Net profit before tax expenses	16 118	32 935
Tax expenses at applicable tax rate of 20.7 % (22.7 %)	3 334	7 462
Effects of non-tax-deductible expenses	387	233
Effects of tax-exempt income/ income taxed at another rate	80	-795
Effects of tax loss not capitalized in current year	4	-3
Effects of tax loss used not capitalized in prior years	-102	-122
Effects of change in tax rate on deferred taxes	-34	-3
Tax adjustments prior years	144	214
Withholding tax not refundable	450	-22
Other impacts	-92	-28
Actual tax expense	4 171	6 936
Effective tax rate in %	25.9 %	21.1 %

The applicable tax rate represents a weighted average rate based on all Group companies. Compared to last year, the applicable tax rate decreased slightly from 22.7 % to 20.7 %. This decrease is mainly because entities with lower tax rates had proportionally higher profits in 2023 than in 2022.

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

Tax losses	2023	2022
In CHF 1000		
Tax losses capitalized		
Expiration between 1 and 5 years	241	249
Expiration over 5 years	2 897	0
Total	3 138	249
Deferred tax assets of capitalized tax losses		
Expiration between 1 and 5 years	63	76
Expiration over 5 years	692	0
Total	755	76
Tax losses not capitalized		
Expiration between 1 and 5 years	0	0
Expiration over 5 years	5 462	5 990
Total	5 462	5 990
Estimated tax effect of not capitalized tax losses		
Expiration between 1 and 5 years	0	0
Expiration over 5 years	1 602	1 797
Total	1 602	1 797

Tax losses not capitalized are mainly attributable to SciCan GmbH, Germany.

7 Deferred taxes

Deferred tax assets and liabilities are based on the valuation differences between Group valuation and tax valuation in the following financial statement positions.

For the calculation of deferred income taxes in the consolidated balance sheet, the expected tax rate per tax subject is applied.

Deferred tax details	2023		2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
In CHF 1000				
Receivables and accruals	833	417	1 059	438
Inventories	2 853	414	2 585	574
Property, plant, and equipment	0	3 473	0	3 405
Intangible assets	88	44	102	45
Provisions	346	79	323	85
Deferred taxes from losses carried forward	755	0	76	0
Deferred taxes on equity reserves	0	265	0	265
Offset of deferred assets and liabilities	-2 091	-2 091	-1 935	-1 935
Total	2 783	2 601	2 210	2 877

8 Earnings per share

Net profit amounts to TCHF 11 947 (previous year TCHF 25 999). Earnings per share (EPS) are calculated as follows:

	2023	2022
Weighted number of shares issued at 31.12. ¹	5 975 156	5 974 550
Earnings per share (based on net profit for the period)	CHF 2.00	CHF 4.35
Diluted earnings per share ² (based on net profit for the period)	CHF 2.00	CHF 4.35

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

² Basic earnings per share equal diluted earnings per share since there are no dilutive circumstances.

9 Trade accounts receivable

Trade accounts receivable

In CHF 1000	2023	2022
Trade accounts receivable from third parties (gross)	36 205	39 205
Allowance	-816	-817
Total trade accounts receivable (net)	35 389	38 388

Trade accounts receivable (gross) by maturity

In CHF 1000	2023	2022
Not due	28 320	30 485
Past due 1 to 30 days	4 535	5 850
Past due 31 to 60 days	1 022	1 219
Past due 61 to 90 days	797	755
Past due 91 to 120 days	315	193
Past due over 120 days	1 216	703
Total	36 205	39 205

Trade accounts receivable by maturity including allowance

In CHF 1000	2023	2022
Not due	28 216	30 362
Past due 1 to 30 days	4 535	5 847
Past due 31 to 60 days	1 013	1 219
Past due 61 to 90 days	758	755
Past due 91 to 120 days	243	93
Past due over 120 days	624	112
Total	35 389	38 388

As per 31 December 2023, no trade accounts receivable are pledged (previous year also none).

10 Financial assets

Financial assets

In CHF 1000	2023	2022
Loans to third parties	337	371
Total financial assets	337	371

11 Other short-term receivables

Other short-term receivables

In CHF 1000	2023	2022
Net VAT/Tax receivables	2 605	1 862
Wage and T&E expenses advances	93	90
Prepayments for suppliers	311	605
Deposits	60	64
Other short-term receivables	642	677
Total	3 711	3 298

12 Prepaid expenses and deferred income

Prepaid expenses and deferred income

In CHF 1000	2023	2022
Personnel expenses	270	313
Insurance costs	72	108
License fees	778	968
Exhibition and marketing expenses	190	105
Other prepaid expenses and deferred income	470	664
Total	1 780	2 158

13 Inventories

Inventories are as follows:

Inventories (net)

In CHF 1000	2023	2022
Raw materials	25 945	29 215
Work in progress	12 013	12 082
Finished goods	19 046	22 002
Trade merchandise	10 668	11 807
Prepayments to suppliers	1 847	2 251
Total inventories gross	69 519	77 357
Allowances	-10 655	-12 290
Total inventories net	58 864	65 067

No inventories are pledged as of 31 December 2023 and 2022.

14 Tangible fixed assets

Gross values

In CHF 1000

	Machinery and equipment	Land	Buildings (incl. inst.)	Assets under construction	Total
Value 01.01.2022	73 142	3 118	41 274	4 825	122 359
Additions	2 787	0	648	1 988	5 423
Disposals	-759	0	-489	-6	-1 254
Currency effects	-607	-27	-107	-10	-751
Reclassification	-501	0	4 759	-4 258	0
Value 31.12.2022	74 062	3 091	46 085	2 539	125 777
Additions	2 812	0	705	3 352	6 869
Disposals	-7 756	0	-1 856	-21	-9 633
Currency effects	-3 731	-48	-1 404	-382	-5 565
Reclassification	1 672	0	159	-1 831	0
Value 31.12.2023	67 059	3 043	43 689	3 657	117 448

Accumulated depreciation

In CHF 1000

	Machinery and equipment	Land	Buildings (incl. inst.)	Assets under construction	Total
Value 01.01.2022	52 620	19	20 527	0	73 166
Depreciation	3 932	0	1 411	0	5 343
Disposals	-692	0	-347	0	-1 039
Currency effects	-334	1	-1	0	-334
Reclassification	-1 306	0	1 306	0	0
Value 31.12.2022	54 220	20	22 896	0	77 136
Depreciation	3 721	0	1 671	0	5 392
Disposals	-7 693	0	-1 648	0	-9 341
Currency effects	-2 753	-1	-833	0	-3 587
Reclassification	0	0	0	0	0
Value 31.12.2023	47 495	19	22 086	0	69 600

Net values

In CHF 1000

	Machinery and equipment	Land	Buildings (incl. inst.)	Assets under construction	Total
Value 31.12.2022	19 842	3 071	23 188	2 539	48 640
Thereof in finance lease value 31.12.2022	67	0	0	0	67
Value 31.12.2023	19 564	3 024	21 603	3 657	47 848
Thereof in finance lease value as of 31.12.2023	0	0	0	0	0

Contractual commitments

As per 31 December 2023, 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

There were no plant and machinery held under finance leases at 31 December 2023 (31 December 2022: CHF 67).

Pledged assets

No other property, plant, and equipment are pledged as of 31 December 2023 and 2022.

15 Operating leasing

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

Leasing In CHF 1000	2023	2022
Not later than 1 year	2 001	1 920
1 to 5 years	4 135	5 377
Later than 5 years	306	3
Total	6 442	7 300
Total later than 1 year	4 441	5 380

16 Intangible assets

Gross values

In CHF 1000

	Software	Licences, Patents and Trademarks	Development cost ¹	Other intangible assets	Total
Value 01.01.2022	11 360	656	2 848	250	15 114
Additions	348	0	2 464	2	2 814
Disposal	-327	0	0	0	-327
Currency effects	-70	6	-128	-9	-201
Reclassification	981	67	-1 337	289	0
Value 31.12.2022	12 292	729	3 847	532	17 400
Additions	750	7	989	69	1 815
Disposal	-804	0	0	0	-804
Currency effects	-108	-71	-368	-31	-578
Reclassification	388	0	-516	128	0
Value 31.12.2023	12 518	665	3 952	698	17 833

Accumulated amortization

In CHF 1000

	Software	Licences, Patents and Trademarks	Development cost	Other intangible assets	Total
Value 01.01.2022	8 404	601	971	227	10 203
Amortization	882	14	462	14	1 372
Disposal	-327	0	0	0	-327
Currency effects	-71	4	-9	-13	-89
Reclassification	-346	67	9	270	0
Value 31.12.2022	8 542	686	1 433	498	11 159
Amortization	1 080	8	360	9	1 457
Disposal	-804	0	0	0	-804
Currency effects	-90	-68	-151	-21	-329
Reclassification	0	0	0	0	0
Value 31.12.2023	8 728	626	1 642	486	11 483

Net values

In CHF 1000

	Software	Licences, Patents and Trademarks	Development cost	Other intangible assets	Total
Value 31.12.2022	3 750	43	2 414	34	6 241
Value 31.12.2023	3 789	38	2 310	212	6 350

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	2023	2022
Value as of 1.1.	225 874	225 874
Additions from acquisitions	0	0
Disposals	0	0
Cost (gross) as of 31.12.	225 874	225 874
Accumulated currency effects	-23 599	-19 848
Value as of 31.12.	202 275	206 026

In CHF 1000	2023	2022
Accumulated amortization as of 1.1.	-195 080	-157 152
Amortization	-7 195	-37 928
Disposal	0	0
Accumulated amortization as of 31.12.	-202 275	-195 080

Theoretical book values net

In CHF 1000	2023	2022
As of 1.1.	10 946	58 118
As of 31.12.	0	10 946

Effect on income statement

In CHF 1000	2023	2022
Net profit	11 947	25 999
Amortization of goodwill	-7 195	-37 928
Theoretical net profit/loss (-) incl. amortization of goodwill	4 752	-11 929

Theoretical book values net

In CHF 1000	2023	2022
Equity according to balance sheet	96 874	112 184
Theoretical capitalization of net book value of goodwill	0	10 946
Theoretical equity incl. net book value of goodwill	96 874	123 130

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	2023	2022
Bank loans	45 000	47 005
Leasing liabilities	0	67
Total current financial liabilities	45 000	47 072
Bank loans	0	0
Leasing liabilities	0	0
Total non-current financial liabilities	0	0
Total financial liabilities	45 000	47 072

Remaining life of leasing liabilities

In CHF 1000	2023	2022
<1 year	0	67
1-5 years	0	0
Total leasing liabilities	0	67

Current bank loans

In CHF 1000		Maturity	Currency	Interest rate	2023
04.01.2024	unsecured	CHF	1.92 %	1 000	
04.01.2024	unsecured	CHF	1.92 %	35 000	
15.01.2024	unsecured	CHF	2.28 %	9 000	
Total				45 000	

Current bank loans

In CHF 1000		Maturity	Currency	Interest rate	2022
16.01.2023	unsecured	CHF	1.53 %	12 000	
16.01.2023	unsecured	CHF	0.60 %	5 000	
16.01.2023	unsecured	CHF	0.50 %	10 000	
27.01.2023	unsecured	CHF	0.98 %	20 000	
17.02.2023	unsecured	EUR	0.30 %	5	
Total				47 005	

Credit lines amount to TCHF 201 260 (previous year TCHF 182 418) of which 22 % are used (previous year 26 %).

Total committed credit lines amount to TCHF 75 000 (previous year TCHF 75 000) of which TCHF 9 000 are used (previous year TCHF 12 000).

The Group intends to repay the bank loans of TCHF 45 000 within less than twelve months and to finance cash needs by renewing existing bank loans.

19 Trade accounts payable

Trade accounts payable

In CHF 1000	2023	2022
Trade accounts payable from third parties	11 146	8 306
Total trade accounts payable	11 146	8 306

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	2023	2022
Net VAT obligations	479	660
Current income tax obligations	697	1 899
Prepayments from customers	0	271
Reclassifications of accounts receivables	558	745
Other short-term liabilities	2 901	1 324
Total	4 635	4 899

21 Accrued liabilities and deferred income

Accrued liabilities and deferred income

In CHF 1000	2023	2022
Bonus, vacations, payroll taxes	3 939	4 717
Sales bonus	2 081	1 780
Social security	333	413
Outstanding invoices	1 474	1 203
Other accrued liabilities and deferred income	4 082	3 542
Total	11 909	11 655

22 Provisions

The column “Provision for guarantees & 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 employee benefit obligations” contains the pension liabilities in accordance with Note 3. 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 & other provisions	Provision for employee benefit obligations	Provision for legal cases	Total
01.01.2022	2 230	948	1 411	4 589
Additions	1 046	0	23	1 069
Reversals	-87	-26	-159	-272
Used	-520	-199	-962	-1 681
Currency effects	-78	-45	22	-101
31.12.2022	2 591	678	335	3 604
Additions	377	105	0	482
Reversals	-62	0	-37	-99
Used	-475	-2	-43	-520
Currency effects	-151	-35	-24	-210
Reclassification	-32	0	32	0
31.12.2023	2 248	746	263	3 257

Provision by maturity In CHF 1000	Provision for guarantees & other provisions	Provision for employee benefit obligations	Provision for legal cases	Total
31.12.2022				
Short-term provisions	808	0	335	1 143
Long-term provisions	1 783	678	0	2 461
Total	2 591	678	335	3 604
31.12.2023				
Short-term provisions	680	0	263	943
Long-term provisions	1 568	746	0	2 314
Total	2 248	746	263	3 257

23 Equity

The share capital represents the capital of COLTENE Holding AG. Treasury stock on 31 December 2023, included 86 shares (previous year 568). In the reporting period 2 130 treasury shares (previous year 7 350) were purchased and 2 612 treasury shares (previous year 6 866) were allocated due to share-based compensation (actual year 2 612, previous year 2 866) or disposed due to employee share purchase programs (actual year 0, previous year 4 000).

Treasury shares

in CHF	2023		
	Number	Transaction price (Ø)	Acquisitions costs
As of 1.1.	568	80.05	45 470
Acquisitions	2 130	71.80	152 934
Share-based compensation	-2 612	73.54	-192 079
As of 31.12.	86	73.54	6 324

in CHF	2022		
	Number	Transaction price (Ø)	Acquisitions costs
As of 1.1.	84	89.77	7 541
Acquisitions	7 350	91.59	673 193
Disposals	-4 000	80.05	-320 208
Share-based compensation	-2 866	109.93	-315 056
As of 31.12.	568	80.05	45 470

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 non-distributable reserves in group equity amounted to TCHF 1 270 as at 31 December 2023.

Based on the General Meeting decision on 19 April 2023, the Company paid out from capital contribution reserves CHF 3.30 (previous year CHF 3.30 paid out from capital contribution reserves) per share to its shareholders on 25 April 2023. The total amount paid was TCHF 19 711 (previous year TCHF 19 716).

The distribution of CHF 2.00 per share will be proposed to the General Meeting on 17 April 2024.

24 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 92 to 101. 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 92 to 101. All Board members are non-executive and have no material business interest with the COLTENE Group. In 2023, the law firm Lenz & Staehelin, Zürich, where Astrid Waser is partner, received CHF 17 000 (2022: CHF 12 000). 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.

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.

In CHF 1000	2023	2022
Rent of production and office buildings	718	784

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 31 December 2026. The total duration is ten years. There are no outstanding receivables or liabilities from this rental agreement as of 31 December 2023

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-based prices that other suppliers can provide also. The invoice payment is due within 30 days and is paid in Euros. There is no charging of late interest expenses.

In CHF 1000	2023	2022
Annual purchase value	2 728	2 569
Payables	89	74

25 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.

26 Group companies

Company	Activity	Currencies	Registered capital	Group ownership 2023	Group ownership 2022	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 Vertriebservice 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
Coltene do Brasil Ltda, Rio de Janeiro BR	2	BRL	10 000	100 %	100 %	F
Kenda AG, Vaduz FL	1	CHF	50 000	100 %	100 %	F
SciCan Ltd., Toronto CAN	1	CAD	729	100 %	100 %	F
SciCan GmbH, Leutkirch DE	3	EUR	25 564	100 %	100 %	F

¹ Production and sales of dental specialities

² Sales services and marketing of dental specialities

³ Sales of dental specialities

⁴ Holding company

⁵ F = Full consolidation

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 constant currencies, growth rate calculation, 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.

Constant currencies

For a financial comparison of the most important key figures with the previous year, the COLTENE Group uses constant exchange rates to show a result without foreign currency effects.

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.

To the General Meeting of
COLTENE Holding AG, Altstätten

St. Gallen, 4 March 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of COLTENE Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 108 to 129) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Key audit matters

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 the 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 responsibilities for the audit of the consolidated financial statements" 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 matter below, provide the basis for our audit opinion on the consolidated financial statements (pages 108 to 129).

Valuation of inventory

Area of focus The total balances of inventory and inventory allowance as of December 31, 2023 amount to CHF 69.5 million and CHF 10.7 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.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the 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
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Michael Britt
(Qualified Signature)

Licensed audit expert

Income statement COLTENE Holding AG

In CHF	2023	2022
Dividend income	22 110 080	5 000 000
Other financial income	307 474	466 299
Other operating income	0	0
Total income	22 417 554	5 466 299
Financial expenses	-1 556 916	-819 660
Personnel expenses	-790 706	-881 779
Other operating expenses	-435 368	-578 474
Impairment loss on investments	0	0
Tax expenses	-357 834	-1 252
Total expenses	-3 140 824	-2 281 165
Profit/loss(-) of the year	19 276 730	3 185 134

Balance sheet COLTENE Holding AG

In CHF	31.12.2023	31.12.2022
Cash and cash equivalents	528 082	2 774 745
Other accounts receivable from third parties	373 450	726 781
Other accounts receivable from subsidiaries	25 685	28 121
Current assets	927 217	3 529 647
Long-term receivables from subsidiaries	10 349 412	8 980 784
Investments in subsidiaries	187 109 911	187 109 911
Non-current assets	197 459 323	196 090 695
Total assets	198 386 540	199 620 342
Trade accounts payable to third parties	108 180	5 475
Current interest-bearing liabilities to third parties	45 000 000	47 000 000
Other accounts payable to third parties	23 333	20 000
Other accounts payable to subsidiaries	7 476 081	6 500 986
Accrued liabilities and deferred income to third parties	278 160	183 878
Short-term provisions	143 874	158 456
Current liabilities	53 029 628	53 868 795
Share capital	597 558	597 558
Legal reserves from retained earnings	119 512	119 512
Capital contribution reserves without foreign reference	49 983 127	49 983 127
Capital contribution reserves with foreign reference	35 562 627	55 273 138
Net income carried forward from prior year	39 823 682	36 638 548
Treasury shares	-6 324	-45 470
Profit/loss(-) of the year	19 276 730	3 185 134
Total equity	145 356 912	145 751 547
Total liabilities and equity	198 386 540	199 620 342

Statements of changes in equity COLTENE Holding AG

In CHF	Share capital	Statutory reserves	Capital contribution reserves	Treasury shares	Net income carried forward	Total
01.01.2022	597 558	119 512	124 971 894	-7 541	36 638 548	162 319 971
Distribution to shareholders	0	0	-19 715 629	0	0	-19 715 629
Allocation to the legal reserves	0	0	0	0	0	0
Change in treasury shares	0	0	0	-37 929	0	-37 929
Profit/loss(-) of the year	0	0	0	0	3 185 134	3 185 134
31.12.2022	597 558	119 512	105 256 265	-45 470	39 823 682	145 751 547
Distribution to shareholders	0	0	-19 710 511	0	0	-19 710 511
Allocation to the legal reserves	0	0	0	0	0	0
Change in treasury shares	0	0	0	39 146	0	39 146
Profit/loss(-) of the year	0	0	0	0	19 276 730	19 276 730
31.12.2023	597 558	119 512	85 545 754	-6 324	59 100 412	145 356 912

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 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

	31.12.2023	31.12.2022
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.

Investments in subsidiaries

The major investments in subsidiaries are listed in note 26 on page 129 of this Annual Report.

Impairment loss on investments

There are no impairment losses reported in the current period.

Subsequent events

As per the release date of these financial statements, the Board of Directors and the Executive Management were not aware of any further important events subsequent to the reporting date.

Allotted number of shares to:

	31.12.2023	31.12.2022
Board of Directors	1 600	1 600
Executive Group Management	424	1 012
Employees	0	4 000

Outstanding shares are effectively assigned in the following year. For the Board of Directors and Management the issue is subject to approval by the annual general meeting. The fair value of the Coltene Shares as of 31.12.2023 amounts to CHF 71.60 (31.12.2022: CHF 76.20).

Treasury shares

	Average rate of transactions in CHF	Quantity
Inventory as of 01.01.2022		84
Acquisitions	91.59	7 350
Disposal	80.05	-4 000
Allocation	109.93	-2 866
Inventory as of 31.12.2022		568
Acquisitions	71.80	2 130
Allocation	73.54	-2 612
Inventory as of 31.12.2023		86

Proposed appropriation of disposable profit and dividend distribution

In CHF	2023	2022
Allocation of the profit of the year		
Net income carried forward from prior-year	39 823 682	36 638 548
Profit/loss(-) of the year	19 276 730	3 185 134
Allocation to the legal reserves	0	0
Total amount at the disposal of the AGM	59 100 412	39 823 682
Balance to be carried forward	59 100 412	39 823 682
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	35 562 627	55 273 138
Total available capital contribution reserves	85 545 754	105 256 265
Distribution to shareholders of CHF 2.00 per share without treasury shares* from capital contribution reserves with foreign reference	-11 951 160	-19 710 511
Available capital contribution reserves after distribution		
without foreign reference	49 983 127	49 983 127
with foreign reference	23 611 467	35 562 627
Total capital contribution reserves	73 594 594	85 545 754

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

To the General Meeting of
COLTENE Holding AG, Altstätten

St. Gallen, 4 March 2024

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of COLTENE Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and the statements of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 134 to 137) comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Key audit matters

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 the 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 responsibilities for the audit of the financial statements" 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 matter below, provide the basis for our audit opinion on the financial statements (pages 134 to 137).

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 94.3% 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.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



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

Furthermore, we confirm that the proposed appropriation of available earnings and the proposed repayment of legal capital contribution reserves comply 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
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Michael Britt
(Qualified Signature)

Licensed audit expert

Important addresses

COLTENE Holding AG

Feldwiesenstrasse 20
9450 Altstätten
Switzerland
Phone +41 71 757 53 00
Telefax +41 71 757 53 01
www.coltene.com
info@coltene.com

Coltène/Whaledent Inc.

235 Ascot Parkway
Cuyahoga Falls, Ohio 44223
USA
Phone +1 330 916 8800
Telefax +1 330 916 7077

Coltène/Whaledent AG

Feldwiesenstrasse 20
9450 Altstätten
Switzerland
Phone +41 71 757 53 00
Telefax +41 71 757 53 01

Coltène/Whaledent GmbH + Co. KG

Raiffeisenstrasse 30
P. O. Box 1150
89122 Langenau
Germany
Phone +49 7345 805 0
Telefax +49 7345 805 201

SciCan Ltd.

1440 Don Mills Road
Toronto, Ontario
Canada M3B 3P9
Phone +1 416 445 1600
Telefax +1 416 445 2727

Micro-Mega SA

12 rue du Tunnel
25000 Besançon
France
Phone +33 3 81 54 42 42
Telefax +33 3 81 54 42 30

Imprint

© COLTENE Holding AG

Concept

IRF Reputation AG, Zürich

Design

TGG Hafen Senn Stieger, St. Gallen

Typesetting

SPARKS CONSULTING GmbH, München

Printing

Galledia Print AG, Altstätten

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 2023 in German is the governing text.