2024

Annual Report

COLTENE

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Management Report

Management Report

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Key figures

Key figures

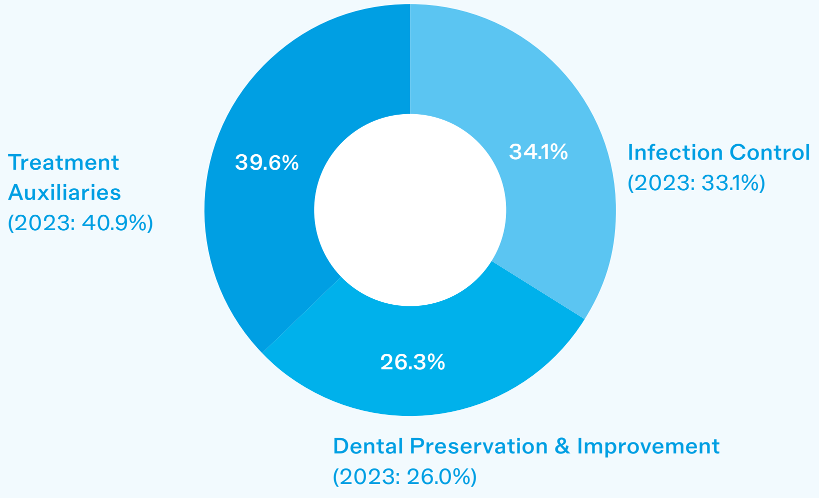
In CHF 1 000	2024	2023
Net sales	250 159	242 729
Δ in CHF	3.1%	-9.1%
Δ in local currencies	6.3%	-4.6%
Operating expenses	131 961	129 477
Operating profit (EBIT)	26 841	19 608
in % of net sales	10.7%	8.1%
Net profit	20 466	11 947
Cash flow from operations	28 562	25 976
Investments (net)	8 525	8 561
Free cash flow	20 037	17 415

In CHF 1 000	31.12.2024	31.12.2023
Net debt	-18 143	-26 640
Total assets	186 946	175 422
Equity	108 796	96 874
in % of total assets	58.2%	55.2%
Number of employees (full-time positions)	1 176	1 183

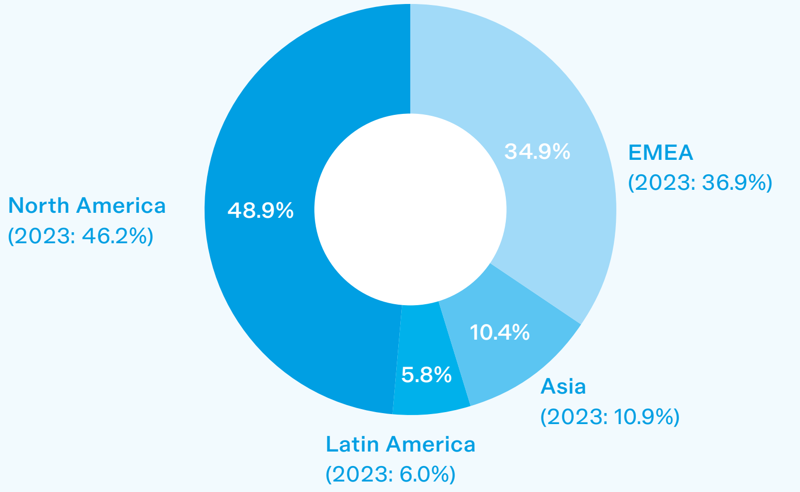
In CHF per share	2024	2023
Net profit per share	3.43	2.00
Operating cash flow per share	4.78	4.35
Free cash flow per share	3.35	2.91
Equity per share	18.21	16.21
Dividend per share	2.50[1]	2.00
Distribution ratio	73%	100%

[1] Proposal of the Board of Directors to the Annual General Meeting on 23 April 2025: distribution of CHF 2.50 per share from capital contribution reserves with foreign reference and excluding treasury shares.

Sales by product area 2024



Sales by region 2024



COLTENE at a glance

COLTENE is an internationally active company specialising in the development, manufacture and distribution of dental consumables and small devices in the areas of Dental Preservation & Improvement, Treatment Auxiliaries, and Infection Control.

COLTENE operates state-of-the-art production facilities in the US, Canada, Germany, France, Hungary, and Switzerland and is present in the important key markets in Europe, North America, Japan, China, and India with its own sales companies. Dental practices, DSOs, dental clinics as well as dental laboratories rely on high-quality products from COLTENE.

COLTENE generated sales of CHF 250.2 million in the financial year 2024 (2023: CHF 242.7 million). As per 31 December 2024, the number of employees was 1 176 (2023: 1 183).

Dental Preservation & Improvement

Restoration, endodontics

The restorative and endodontic systems offer a wide range of products for sustainable dental preservation ranging from the root to the crown. The harmonised range includes high-quality adhesives, composites, root canal instruments, irrigation solutions, and materials for root canal obturation and sealing.

	2024	2023
Sales CHF million	65.9	63.1
Share of sales	26.3%	26.0%

Treatment Auxiliaries

Prosthetics, rotary instruments, treatment aids

Treatment Auxiliaries include a wide range of products to increase efficiency in dental practices: highly precise impression materials, products for wound care and cotton wool products, efficient suction cannulas and high-performance rotary instruments, as well as rubber dams for isolating the treatment area.

	2024	2023
Sales CHF million	99.1	99.3
Share of sales	39.6%	40.9%

Infection Control

Instrument reprocessing, surface disinfection

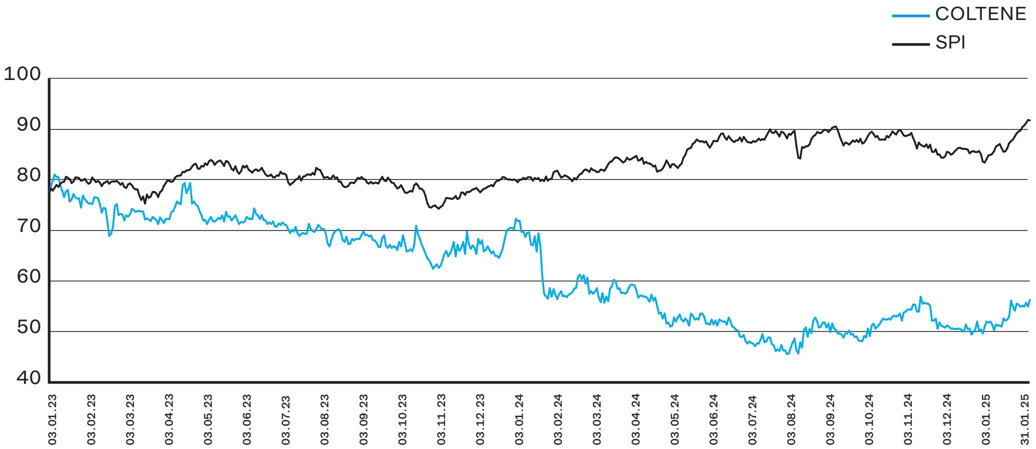
The systems for instrument reprocessing and sterilisation, as well as surface cleaning and disinfection, include ultrasonic cleaning devices and solutions, washers, thermal disinfectors, and autoclaves, as well as high-quality cleaning and disinfecting wipes for surfaces.

	2024	2023
Sales CHF million	85.2	80.3
Share of sales	34.1%	33.1%

Information about COLTENE shares

Share price performance (03.01.2023 to 31.01.2025)

CLTN nominal shares/Swiss Performance Index (SPI) adjusted



The value of a COLTENE share fell by 28.2% from CHF 71.60 to CHF 51.40 in 2024. COLTENE distributed a dividend of CHF 2.00 per share in April 2024 (from capital contribution reserves). Overall performance including dividends was -25.4% in 2024. The shares of COLTENE Holding AG are included in the two ESG indices of the SIX Swiss Exchange, SPI ESG and SPI ESG Weighted.

Shareholder structure

As at 31 December 2024 2 701 shareholders were entered in the share register (31 December 2023: 2 517). As per 31 December 2024 five shareholders held 3% or more of the outstanding share capital of COLTENE Holding AG. They are listed in the Corporate Governance section.

Stock market indicators per share

CHF	2024	2023
Highest share price	69.50	80.90
Lowest share price	44.90	62.00
Year-end price	51.40	71.60
Average volume/trading day (number of shares)	4 723	2 688
Market capitalisation in CHF million (31.12.)	307	428

Investor relations

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Financial calendar

Annual General Meeting 2025	23 April 2025
Publication of the half-year report and the media and analyst conference for the 2025 half-year results	25 July 2025
Publication of the annual report and the media and analyst conference for the 2025 annual results	6 March 2026
Annual General Meeting 2026	16 April 2026
Publication of the half-year report and the media and analyst conference for the 2026 half-year results	31 July 2026

Highlights 2024

Sustainability

Our second photovoltaic system was connected to the power grid in Altstätten at the beginning of the year. This additionally covers up to 20% of the electricity requirement and makes a significant contribution to the consumption of autonomous, green energy.

Product innovation

The tooth whitening product BRILLIANT Lumina was launched in Europe in the first half of the year. Lumina does not contain hydrogen peroxide and is therefore more gentle on teeth and painless to use.

New CEO

In January, Dominik Arnold took on the position of CEO of the COLTENE Group. Dominik is highly experienced and knowledgeable in the global medical technology sector.

New member of Group Management

In April, Di Hu joined the COLTENE Group as Chief Sales Officer Europe/RoW. Di Hu brings with him many years of experience in the sales and marketing of dental products in the APAC and EMEA markets.

Highlights 2024

Strategy 2025–2027

In 2024, the Board of Directors and Group Management revised the strategy 2025–2027 and defined a comprehensive action plan.

New to the leadership team

In November, Mattias Flodin strengthened Group Management as Chief Marketing Officer. With over 20 years of experience, he will advance the Company's marketing strategy and MarCom.

Satisfied employees

A new global employee survey has shown that 70% of employees are "genuinely satisfied".

Foreword

Nick Huber, Chairman of the Board of Directors/Dominik Arnold, CEO

Dear shareholders,

The 2024 financial year was characterised by an extensive strategy process and the appointment of the new CEO, Dominik Arnold, at the beginning of the year. At the same time, we were able to fill two important positions in the leadership team with Di Hu, Chief Sales Officer (worldwide except North America), and Mattias Flodin, Chief Marketing Officer. Yet another milestone was reached when the Company entered the aesthetics market with the European launch of the tooth whitening product BRILLIANT Lumina. In 2024, we revised our strategy and launched new initiatives. We have also already started to implement important elements of the 2025–2027 strategy. These have already proved to have a positive effect in the current year, despite the persisting difficult conditions in some areas of the dental market.

Successful year with strong sales growth and improved profitability

COLTENE generated sales of CHF 250.2 million in the financial year 2024, an increase of 3.1% over the previous year. Adjusted for significant currency effects, growth was a strong 6.3%. North America, in particular, contributed to this with a growth of 13.1% in local currency. Especially, infection control and endodontics performed extremely well. To some extent, COLTENE no doubt benefited from the recovery of extensive destocking that had characterised the North American market in 2023. However, in a rather stagnant market environment, COLTENE managed to gain market share and move closer to its strategic goal of achieving

> "COLTENE was able to gain market share in a stagnating market."

market leadership in North America in Infection Control. The other regions of EMEA, Asia, and Latin America were able to maintain or slightly exceed their previous year's sales in local currency.

In terms of product areas, Infection Control recorded the strongest growth in local currencies at 10.3%, followed by Dental Preservation & Improvement at 7.3%. Both areas were thus above the market growth. Treatment Auxiliaries grew by 2.3%. Growth led to a significant improvement in the operating margin to 10.7% (previous year: 8.1%). This improvement is mainly due to economies of scale and, to some extent, to a normalised product mix. In addition, rigorous cost control and the implementation of the Operational Excellence Strategy, including a new global procurement organisation, have improved profitability. This was partially offset by higher expenses in connection with the product launch of BRILLIANT Lumina and further strategic investments in Marketing & Sales. At CHF 26.8 million, the operating result was significantly higher than the CHF 19.6 million recorded in the previous year.

Strategy 2025–2027 and market launch of BRILLIANT Lumina in focus

In the financial year 2024, the Board of Directors and Group Management revised the strategy for the years 2025 to 2027 and defined an action plan. This aims at generating added value for the customer and delivering this in a cost-optimised manner using an Operational Excellence Strategy that better addresses market needs and optimises operational efficiency. Complexity in the registration of new products is to be reduced, thus shortening the time to market. Ultimately, the adopted and initiated measures should strengthen COLTENE's market position and lead to sustainable, profitable growth. Information on the strategy process can be found in the interview with Nick Huber and Dominik Arnold.

A key step in the financial year 2024 was entering the aesthetics market with the launch of the tooth whitening product BRILLIANT Lumina in Europe. At the same time, the strategic importance of aesthetics was emphasised by the acquisition of a share in Cobea AG (Alpine White). This Swiss company specialises in innovative dental care and tooth whitening products. COLTENE thus gains access to new customers in the field of aesthetics and strengthens its position in this growing market segment. COLTENE intends to build a comprehensive range in the field of aesthetic dental improvement in the future and thus gain market share in this attractive area.

"COLTENE is planning a comprehensive range in the aesthetics sector."

Sustainability strategy and projects on track

The sustainability strategy adopted and developed in recent years and the corresponding actions were actively pursued in 2024. In the same vein, reporting was expanded to include the new climate reporting obligations. This involved identifying the climate-related risks and opportunities for COLTENE and drawing up a roadmap for our climate targets. The analysis of these risks and resilience has shown that, overall, COLTENE is only marginally affected by transition or climate risks at its locations and with its current strategy, and then only in isolated cases. These risks can be eliminated or minimised by the actions already planned. With the measures currently in place in relation to non-financial matters, we are on track to achieve the goals set out in the roadmap. A newly established global survey was at the focus of the employee-related matters. On the basis of the evaluations, various measures will be implemented in the current financial year to offer employees an even more attractive working environment, to increase their satisfaction, and to promote their further development in a targeted manner. For more information, see the section on non-financial matters.

Changes in the Board of Directors

At the upcoming Annual General Meeting in April, Jürgen Rauch will not stand for re-election as a member of the Compensation Committee, but will remain on the Board of Directors. In his place, Daniel Bühler is proposed for election to the Compensation Committee.

As already announced last year, Martin Schaufelberger will be proposed for election to the Board of Directors at the forthcoming Annual General Meeting. Martin Schaufelberger was CEO of the COLTENE Group for many years before Dominik Arnold took over the position in January 2024. Furthermore, after many years of service as Chairman of the Board of Directors, Nick Huber will not stand for re-election at the Annual General Meeting. The Board of Directors would like to express its sincere gratitude to Nick Huber for his considerable commitment to COLTENE over the past 20 years. In particular, his valuable expertise, which he once again contributed to the strategy process in the past financial year, was appreciated. As previously announced, he is to be succeeded by Matthias Altendorf. Matthias Altendorf has been a member of the COLTENE Board of Directors since 2023 and was CEO of the Endress+Hauser Group for many years, where he was elected Chairman of the Group's Board of Directors at the beginning of 2024.

Outlook

For the financial year 2025, COLTENE expects a further increase in sales of 3-5% in local currencies as a result of implementing the strategy 2025–2027. The EBIT margin is expected to be in the range of 11%. This is against the background of even further structural investment in marketing and sales for future growth, as well as in the development of new products and services. Our outlook is based on the assumption that geopolitical risks will not worsen. In the medium term, COLTENE reaffirms the targets of 3-5% organic revenue growth and an EBIT margin of 13-15% as communicated at the Captials Market Day in October 2024. The payout ratio for future dividends remains unchanged at a target of 70%. The Board of Directors will propose a dividend of CHF 2.50 per share (4.9% dividend yield as of 31 December 2024) to the shareholders for the financial year 2024 (previous year: CHF 2.00 per share or 2.8% yield as of 31 December 2023). The dividend is to be paid out in full from capital contribution reserves with foreign reference and thus continue to be paid tax-free for natural persons resident in Switzerland.

Thank you

On behalf of the Board of Directors and Group Management, we would like to express our sincere thanks to all employees for their commitment and dedication in a year of many changes. The focused strategy and entrepreneurial spirit of our employees were the ingredients for success in the financial year 2024. We would also like to express our particular gratitude to our customers and business partners as well as our shareholders for their trust.

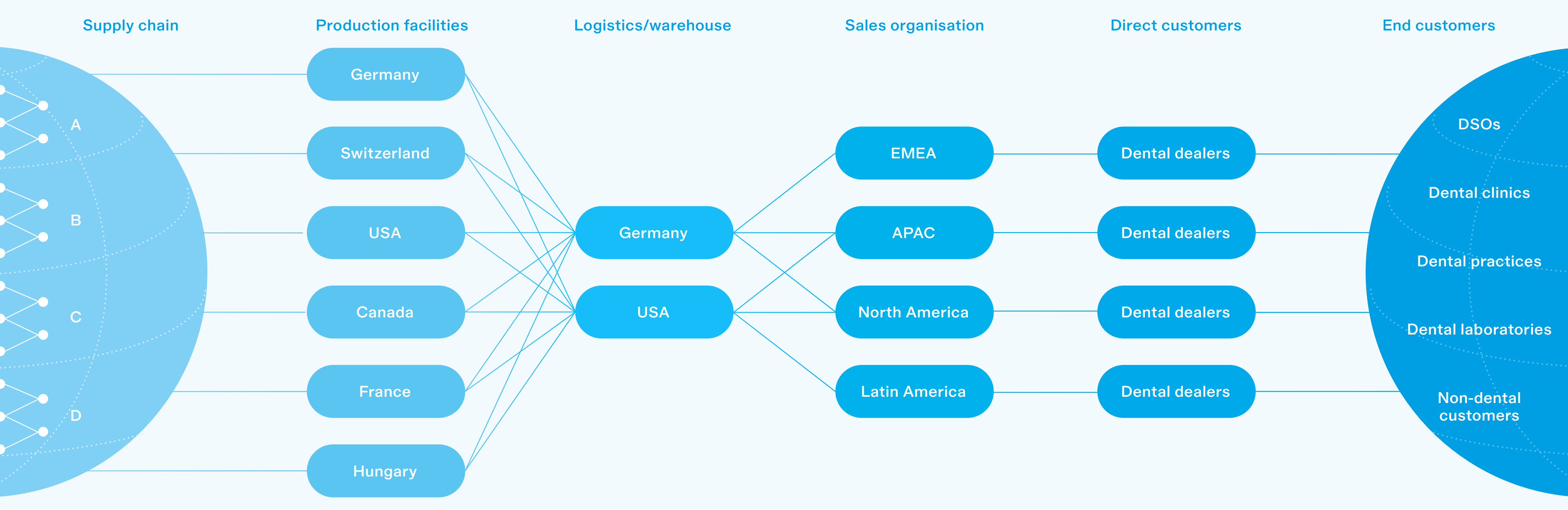
Nick Huber
Chairman of the Board of Directors

Dominik Arnold
CEO

Business model and strategy

Business model

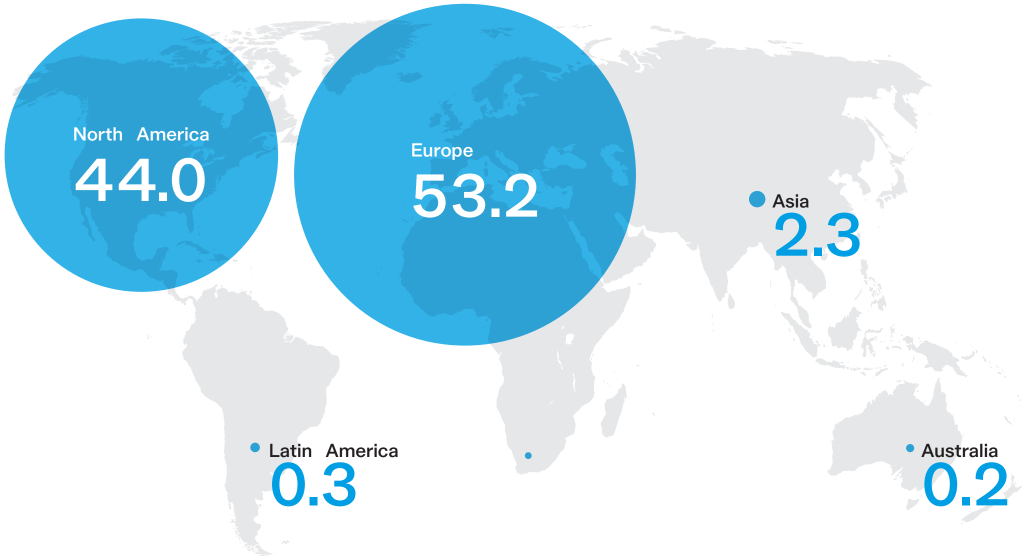
The COLTENE Group develops, manufactures, and distributes consumables and small devices for dental practices, dental service organisations (DSOs), dental clinics and laboratories, as well as for non-dental niches (e.g. clinics for ophthalmology or podiatry). The Group, with its headquarters in Altstätten, Switzerland, develops and produces at six modern locations in Europe and North America, and has 15 sales companies and over 300 sales employees worldwide. At the end of 2024, COLTENE employed 1 176 people worldwide. Information on the business performance in 2024 is described in the management report and the financials of the 2024 Annual Report. COLTENE products can be grouped into Dental Preservation & Improvement, Treatment Auxiliaries, and Infection Control. They cover dental preservation processes from root canal treatment and tooth restoration to cosmetic treatment. Furthermore, they support dentists in instrument preparation and hygiene in the treatment rooms. COLTENE manufactures the products at six different locations and sells to dealers around the world from warehouses in the US and Germany. End customers, such as dental practices, purchase the products worldwide from dental dealers. In Europe and North America, COLTENE operates its own repair and service centres for the devices it sells. In other regions, this is handled by certified third parties. The Company's sales organisation visits and trains end customers in their practices, in own training rooms, or at various event locations. Proximity and the regular contact with end users, such as dentists, are just as important as the collaboration with universities and dental schools. This ensures that the focus is on customer needs and that the latest scientific findings are incorporated into product development and business processes.



Supply chain and raw materials

COLTENE maintains a global, diversified network of some 3 000 suppliers, primarily in Europe and North America (2024: 53% and 44%, respectively). The main purchased goods include packaging, plastic, and metal parts, electronic components, as well as harmless chemicals and small quantities of raw materials such as gold, platinum, and titanium metals or those containing tin compounds. Mercury is not used. Further details on supplier relations and raw materials can be found in the social topics section of the report on non-financial matters.

Number of suppliers by region in %



Production

COLTENE operates six production sites worldwide, all of which have research and development departments. The individual sites, Altstätten (CH), Langenau (DE), Toronto (CA), Cuyahoga Falls (USA), Besançon (FR) and Budapest (HU), specialise in different technologies and products. They are managed via a matrix organisation within the Group (see also the Corporate Governance section in the Annual Report). This ensures the utilisation of synergies and the cross-departmental exchange of information. All COLTENE Group locations hold the necessary certifications, and all products fulfil the required registration conditions. COLTENE ensures that its products are distributed in compliance with regulations and used safely worldwide.

Approval of medical devices

According to the EU Medtech Regulation, COLTENE products are to be assigned to Classes 1, 2a and 3. Depending on the classification, the requirements for approval as well as for the technical documentation of the products vary.

- Class 1 products pose a low risk. These are non-invasive products that have no effect on the human body (e.g. cotton wool products).
- Class 2a products pose a medium risk, for example, they may even remain in the tooth. The vast majority of the products manufactured and distributed by COLTENE belong to Class 2a (e.g. composites, filling materials, gutta-percha, paper points, diamond and tungsten carbide drills, or impression materials).
- Class 3 products pose a higher risk. These products are of significant importance for human health or pose a particularly high methodical risk of illness or injury (e.g. sponges with absorbable preparations for haemostasis and disinfection after tooth extractions).

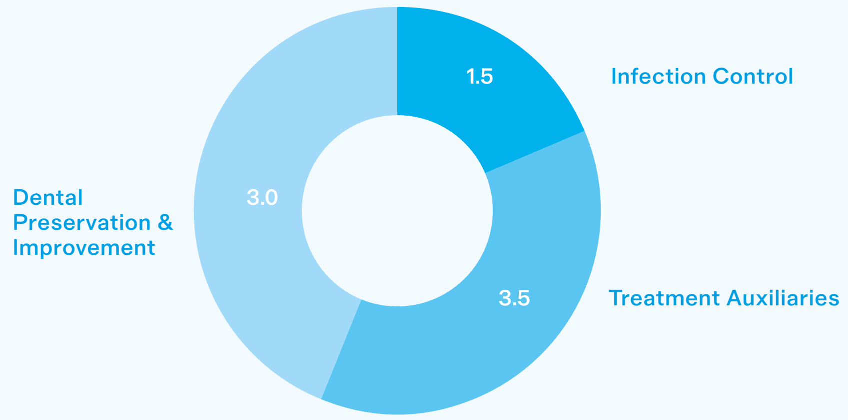
Market and trends

The market relevant for COLTENE is estimated to be around CHF 8 billion. It expands at an annual growth rate of approximately 2–3%, and is driven by demographic change, increasing awareness (aesthetics), and improved access to healthcare (emerging markets), digitisation, and consolidation (dental practice chains and service organisations).

In the areas of Dental Preservation & Improvement, as well as Infection Control, market growth is somewhat higher and consists of numerous competitors with different market shares. In the Treatment Auxiliaries area, competition is stiffer and the growth potential is somewhat lower. The entry barriers for new market players are relatively high due to the medical technology and regulatory requirements, particularly in the device market, which is also due to the expense of providing advice and service, which is comparatively high.

The most important market trends at present include the increasing demands of an ageing society in terms of aesthetics, digitisation and clouds, tighter regulations, consolidation among manufacturers, globalisation, and e-commerce. For example, with regard to digitisation and clouds, the aim is for 50% of dental products to be connected to a cloud by 2030, compared with only around 25% today. Also significant is the greater standardisation resulting from the increasing size of organisations on the end customer side (e.g. practice networks and DSOs, respectively). These increasingly make it easier for dentists to enter the market, as larger practice groups with permanent employment relationships and flexible part-time models create attractive working conditions and improve the compatibility of family and career. It is predicted that by 2030, some 50% of dentists will be working in a dental service organisation (DSO) network – a significant increase compared to the current figure of 30%. Furthermore, due to digitisation and the consolidation of dental practices, Treatment Auxiliaries are increasingly being purchased through market-specific online retailers rather than through distributors.

Market
in CHF billion



Strategy

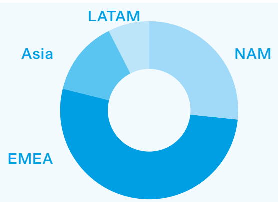
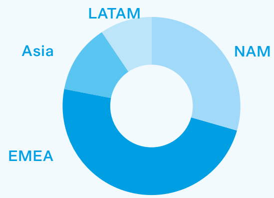
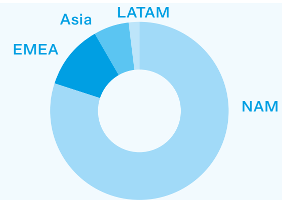
COLTENE's three product areas have their own value propositions and strategies tailored to their respective markets.

Dental Preservation & Improvement focuses on a natural smile and the preservation of teeth. It caters to the two areas: "A more attractive smile" for aesthetic dental improvement and "dental preservation" from root canal treatment to restoration. The reliable as well as user-friendly and efficient application of the products creates an incentive for the practitioner and the patient to preserve the natural teeth for as long as possible. The offering is marketed by means of a pull strategy through the own sales organisation. The focus is on positioning products of outstanding Swiss quality, training, and products with a clear unique selling point.

Treatment Auxiliaries are aimed at the efficiency of various applications and include, in particular, the product groups prosthetics, rotary instruments, and other treatment auxiliaries. The main focus of the offering is on time savings and user-friendliness in dental practices, as well as improved treatment outcomes. In a highly competitive market, a push approach with competitive prices, optimised products (value for price), fast as well as convenient availability, and an efficient one-stop shop philosophy are at the centre of the strategy.

Infection Control caters to the entire infection workflow and at the same time increases efficiency in dental practices by providing digital solutions to comply with documentation requirements. COLTENE aims to achieve market leadership in North America with a pull strategy based on high-quality products with unique selling points. In Europe and Rest of World (RoW), COLTENE focuses on a push strategy and also on profitable niches outside dentistry (ophthalmology, podiatry, and tattoo studios).

Strategy 2025–2027

	Dental Preservation & Improvement	Treatment Auxiliaries	Infection Control
Sales 2024	CHF 66 million	CHF 99 million	CHF 85 million
Expected annual growth rate 2025–2027	6%	2%	6%
Geographical breakdown of sales 2024			
Strategic targets	Improving and preserving natural teeth	Best price/performance ratio	Market leadership in North America

Value proposition

Dental Preservation & Improvement

A more attractive smile:
State-of-the-art methods for improving smiles
- A more authentic smile
- Easier to achieve than with competitors

Dental Preservation:
Highlighting the advantages of prevention and the restoration of natural teeth
- More appealing than conventional surgical treatments

Treatment Auxiliaries

Treatment Auxiliaries:
High-performance auxiliaries for an efficient dental practice and better treatment results
- Improved treatment outcome
- Value for price
- High availability

Infection Control

Infection Control in dentistry:
Efficient, safe, and economical infection control supported by data
- Professional expertise for safety, efficiency, and compliance

Additional infection control:
Fast and reliable products with dealer support
- Smart Stericentre supports dental practices to save time and money

Focus: Strategy 2025–2027

As part of the three-year review cycle, the strategy for 2025–2027 was redefined in 2024. An ambitious implementation plan was drawn up for the product areas of Dental Preservation & Improvement, Treatment Auxiliaries, and Infection Control. In this interview, Nick Huber, Chairman of the Board of Directors, and Dominik Arnold, CEO, talk about the approach, the result, and the initiatives.

Dominik Arnold (above) and Nick Huber (right) in an interview at the COLTENE headquarters in Altstätten.

You joined COLTENE in early 2024. What was your initial assessment of the situation?

Arnold That COLTENE stands on a solid foundation. The product portfolio includes solutions of the highest Swiss quality standard, offering dental practices clear added values. The teams are dedicated and the brands established. Nevertheless, there is still a lot of untapped potential at COLTENE. It is therefore important to build on the solid foundation and to implement targeted strategic adjustments and initiatives. Profitable growth is the objective. In doing so, we preserve, improve, and enhance natural, existing teeth.

As an experienced board member, you have championed a number of strategy processes. What have you done differently this time?

Huber Naturally, working with our new CEO has injected a breath of fresh air into the process. We have taken a bottom-up approach, focusing on the needs of dentists and the changing market dynamics. An internal project team with hundreds of years of cumulative dental experience dealt intensively with these and other factors and "co-endorsed" the findings at the next organisational level. This approach was new and motivating for everyone involved, also in terms of shared values and the successful implementation of the actions.

New technologies are transforming many industries. How has the dental market been affected?

Arnold Digitisation and artificial intelligence are not bypassing the dental market. This will create opportunities to relieve the burden on dental practices, particularly in the case of non-core processes such as administration or the digital documentation of infection control. And AI is increasingly being applied in dental diagnostics. Compared to other industries, however, ours is changing less dramatically. Instead, the current trends are reflected in demographics

> "It is therefore important to build on the solid foundation and to implement targeted strategic adjustments and initiatives."

and rising demands in terms of aesthetics. An ageing society and the persistent need for a beautiful, natural smile into old age offers COLTENE enormous opportunities and significantly influences the strategic product portfolio. At the same time, the structures and channels at the purchasing end are changing. The traditional practice of the independent dentist is giving way to larger practice groups, particularly in North America but also in Europe, with a focus on efficient, scalable processes, e.g. for purchasing and administration. As a result, dentists are now increasingly no longer self-employed, but employed.

What does that mean in practical terms for COLTENE?

Arnold The preservation of natural teeth and the support of beautiful, natural smiles is the core competence of COLTENE. We will align our product portfolio even more closely with aesthetic dental improvement and fill important gaps. Last year, we entered the teeth whitening market with BRILLIANT Lumina. We will also be focusing more on aesthetics in our traditional range for restorations and on offering dental practices convenient and effective overall solutions. We foresee further potential in high-quality composite solutions, which enable dentists to provide simple treatment coupled with a natural, beautiful smile for the patient. Here, the attractiveness of dental preservation instead of surgical procedures plays a central role for the patient as well as for the dentist. Furthermore, our products combine quality, safety, and effectiveness. At the same time, they should be user-friendly, efficient, and reliable for customers. The special focus is on the "go-to-market strategy" – in other words, how and with which message we can best reach the dentist – and also how our added value is received by the dentist. In this context, customer contact plays an important role in a digitised world, be it through our training courses or through a network of key opinion leaders as a direct spokesperson. In addition, marketing will be specifically tailored to our markets in line with the customer experience and expanded to include digital channels.

After 20 years, you will no longer be standing for election at the Annual General Meeting in 2025. Which strategic priorities should shape COLTENE?

Huber The strategy process was a team effort. The Board of Directors, Group Management, selected managers, and technical experts have all contributed. The result is a focused, broad-based implementation plan that is to be consistently implemented over the next three years. Clarity of methods and processes, which apply across all locations, combined with shared values that are practised in our daily work, will strengthen our locally responsible employees. Preservation of the natural tooth is part of our mission. In this context, innovation and the creation of added value should drive development in the direction of aesthetics and prevention, and thus gain market share. Inorganic steps may also be applied. The changes and innovations with a focus on the areas of employees, customers, and operations will align COLTENE towards sustainable growth and increased profitability.

"The changes and innovations with a focus on the areas of employees, customers, and operations will align COLTENE towards sustainable growth and increased profitability."

Management Report

COLTENE looks back on a successful financial year 2024. Sales increased to CHF 250.2 million, up 3.1% or 6.3% when excluding currency effects. The EBIT margin increased from 8.1% last year to 10.7%. The financial year 2024 was also marked by the appointment of the new CEO as well as the development and implementation of the strategy 2025–2027. Most recently, COLTENE entered the growing aesthetics market with the launch of Lumina tooth whitening.

Strong growth in the financial year 2024

COLTENE generated net sales of CHF 250.2 million in the financial year 2024, compared to CHF 242.7 million in the previous year. Currencies again had a significant impact on sales growth. Excluding currency effects, growth was 6.3%. In reporting currency, sales increased by 3.1%. The product groups endodontics and infection control in the North American market experienced particularly strong growth. Part of the increase in sales volume can be attributed to the fact that the North American market suffered greatly from a reduction in dealer inventories last year, and that this effect has now normalised. In view of the persistent market weakness caused by macroeconomic factors, the growth achieved lies significantly above the market average.

Strong increase in sales of Infection Control

On a constant currency basis, all three product areas increased their sales compared to the previous year. With a sales growth in constant currencies of 2.3%, the relative sales contribution of the Treatment Auxiliaries segment decreased to 39.6% (prior year: 40.9%). The product areas Dental Preservation & Improvement, and Infection Control in particular, have grown significantly faster. On a constant currency basis, sales increased by 7.3% and 10.3%, respectively. Their shares of sales increased in the financial year 2024 to 26.3% (prior year: 26.0%) and 34.1% (prior year: 33.1%). Although the market for infection control devices continues to stagnate due to economic factors, COLTENE was able to significantly increase sales as a result of targeted marketing efforts. This allowed us to further expand our market share in infection control. Sales in endodontics also rose sharply. Last year, this product group was particularly affected by a reduction in dealer inventories in North America. Meanwhile, the situation has normalised.

Market share gains in North America

Owing to very strong growth of 13.1% (in local currency), the North America region was able to increase its share of sales to 48.9% in the financial year 2024. The previous year's value was 46.2%. This is mainly due to the good sales of endodontic products, which had already achieved solid growth in the first half of the year. The Infection Control area also developed dynamically, despite a stagnating market. One reason for the increase in sales at COLTENE was the reduction in stocks by dealers in the previous year. And secondly, various marketing initiatives proved effective, enabling COLTENE to gain market share. The Europe, Middle East, and Africa (EMEA) region generated a sales share of 34.9% (prior year: 36.9%). Sales decreased slightly by 0.7% on a constant currency basis. The decline is due to the difficult market conditions in the UK and geopolitical factors. In contrast, sales in Germany developed significantly better than in the previous year. In 2024, the Asia and Latin America regions accounted for 10.4% and 5.8% of group sales, respectively (2023: 10.9% and 6.0%). Expressed in local currencies, both regions posted growth in the low single-digit percentage range.

Improved profitability due to Operational Excellence Strategy

Profitability increased overall in the financial year 2024. The gross margin increased by 2.0 percentage points from 64.2% to 66.2%, mainly due to internal optimisation. The generally more relaxed situation on the procurement market and a change in the product mix also had a favourable impact. COLTENE has initiated various measures to increase operational efficiency and save on costs. The Company introduced a global procurement organisation and identified and implemented savings opportunities locally and worldwide.

Individual aspects of operating costs were also optimised. However, overall costs increased slightly from CHF 129.5 million to CHF 132.0 million. This was mainly due to investments in future growth, such as the launch of the tooth whitening product BRILLIANT Lumina in the middle of the year, and a greater presence at various trade fairs and congresses. The implementation of intensified marketing campaigns was also reflected in the expenses. The higher marketing and administration costs

Sales by product area

In CHF 1 000	2024	2023	Δ in CHF	Δ in LC
Infection Control	85 181	80 351	6.0%	10.3%
Share	34.1%	33.1%		
Dental Preservation & Improvement	65 901	63 073	4.5%	7.3%
Share	26.3%	26.0%		
Treatment Auxiliaries	99 077	99 305	-0.2%	2.3%
Share	39.6%	40.9%		
Group Sales	250 159	242 729	3.1%	6.3%

Sales by region

In CHF 1 000	2024	2023	Δ in CHF	Δ in LC
EMEA	87 429	89 495	-2.3%	-0.7%
Share	34.9%	36.9%		
North America	122 267	112 193	9.0%	13.1%
Share	48.9%	46.2%		
Latin America	14 497	14 523	-0.2%	2.0%
Share	5.8%	6.0%		
Asia	25 966	26 518	-2.1%	3.5%
Share	10.4%	10.9%		
Group Sales	250 159	242 729	3.1%	6.3%

could not be fully offset by streamlined production costs. Inflation-related wage increases were partly offset by a minor reduction in the number of full-time positions outside of production. EBIT in the financial year 2024 thus reached CHF 26.8 million, a significant increase of 36.9% over the financial year 2023 (CHF 19.6 million). Accordingly, the EBIT margin of 10.7% was also significantly higher than in the previous year (8.1%).

Financial performance and tax rate

The financial result for 2024 was CHF -0.4 million, down on the previous year (2023: CHF -3.5 million). The main reason was higher unrealised foreign exchange gains on intercompany loans. The effective tax rate of 22.7% was lower than in the previous year (25.9%). The decrease is mainly due to non-recoverable withholding taxes on dividends received from subsidiaries and a one-off effect in the prior year.

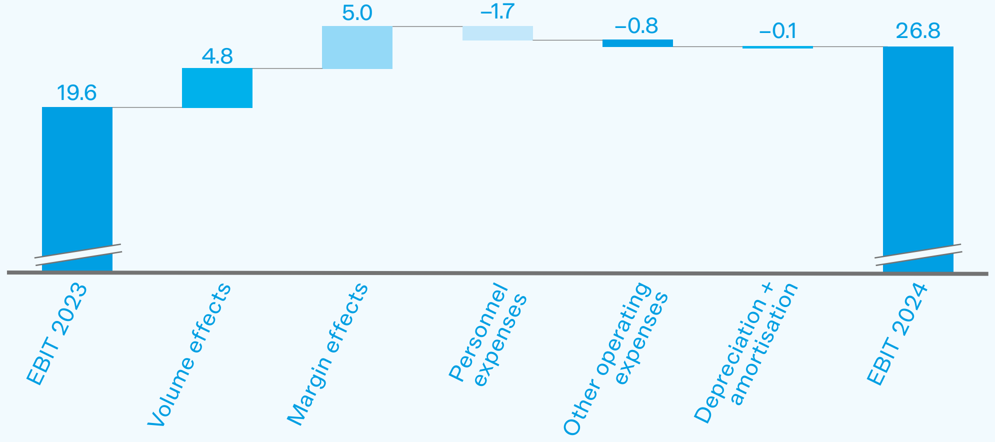
Continued strong free cash flow

At CHF 28.6 million, cash flow from operating activities was once again above the already high level of the previous year (CHF 26.0 million). In the previous year, this was very much characterised by optimisations in net working capital. In the reporting year, this high operating cash flow was exceeded due to the improved result. Free cash flow increased further from CHF 17.4 million in the previous year to CHF 20.0 million due to the aforementioned improvement in earnings. Investments totalled CHF 8.5 million, the same level as the previous year. Of this, CHF 3.0 million was invested in a stake in Cobea AG (Alpine White). The repayment of financial liabilities and the lower dividend distribution resulted in a net cash outflow from financing activities, which was approximately CHF 5.0 million lower than in the previous year.

At the Annual General Meeting on 23 April 2025, the Board of Directors will propose a dividend of CHF 2.50 per share, which corresponds to a dividend yield of 4.9% based on the closing price per end of the year.

EBIT derivation 2023–2024

In CHF million



Investments in more modern and efficient production sites

COLTENE made numerous investments in its production sites in 2024 to increase efficiency and reduce future costs. On the one hand, investments were made in more modern production facilities and, on the other hand, in structural and energy-related measures to reduce emissions.

In Altstätten, Switzerland, COLTENE again invested in the photovoltaic system. The site is meanwhile so well equipped and connected to the grid that around 40% of energy requirements can be covered by solar energy. In addition, investments were made in more efficient and sustainable packaging processes.

At the Cuyahoga Falls site in Ohio, USA, COLTENE has modernised its production facilities and invested in several process optimisations. Furthermore, energy-related measures were implemented on the roof, which marks a further step towards greater sustainability.

New production equipment has also been installed at the Langenau site in Germany, significantly increasing the depth of vertical added value for our rubber dam products. In addition, investments were made in the logistics infrastructure and in construction measures for a more efficient building climate.

In Toronto, Canada, funds were invested in the development of the latest generation of infection control devices for instrument reprocessing, in the further development of the myCOLTENE digital platform, as well as in the digital tracking system for documenting reprocessing procedures in dental practices.

Last but not least, the site in Besançon, France, invested in the latest generation of highly automated grinding machines, which will enable the development and production of technically novel endodontic files.

> "COLTENE expects growth impulses driven by the initiatives of the 2025-2027 strategy."

Solid balance sheet

The consolidated equity of the COLTENE Group amounted to CHF 108.8 million as of 31 December 2024 (2023: CHF 96.9 million). The equity of COLTENE Holding AG amounted to CHF 150.9 million (2023: CHF 145.4 million). Of this, CHF 73.6 million are capital contribution reserves (CCR), which can be distributed tax-free to shareholders (natural persons domiciled in Switzerland) in accordance with the currently valid legal basis. CHF 23.6 million of this 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 per 31 December 2024 amounted to CHF 186.9 million (2023: CHF 175.4 million). Net debt was reduced from CHF 26.6 million in the previous year to CHF 18.1 million. The debt factor (net debt divided by EBITDA) has fallen accordingly from 1.01 to 0.54. On the balance sheet date, the equity ratio amounted to 58.2%. This increased significantly from the previous 55.2% despite the dividend payout of 100% of profits in 2024.

Key projects

In 2024, COLTENE continued to develop and advance numerous projects of Group-wide significance. This includes the myCOLTENE platform. The platform is continuously being expanded to include new features. It improves operational efficiency for customers and enables our service technicians to access devices in a dental practice remotely. COLTENE has furthermore launched the tooth whitening product BRILLIANT Lumina, marking its entry into the growing aesthetics market. A stake in the Swiss company Cobea AG (Alpine White) emphasises the importance of the commitment in this market of the future. With regard to the new EU Medical Device Regulation, COLTENE has adapted all of its documentation and is now in the process of implementing country-specific registrations. Additionally, COLTENE has planned, and in some cases already implemented, various projects based on the strategy for 2025–2027. In the area of Operational Excellence, this includes identifying potential cost savings in processes, for example by introducing a global purchasing organisation, automating incoming orders, or creating a more efficient registration process for new products.

Outlook

With the ending of the destocking effect among our dealers and generally lower or more stable interest rates, the markets relevant to COLTENE have become increasingly normalised. At the same time, the markets continue to be characterised by geopolitical and economic uncertainties. In the area of Dental Preservation & Improvement, the endodontic products should be able to benefit from the introduction of a dedicated sales organisation in Europe. In addition, COLTENE will continue to optimise costs and implement its Operational Excellence Strategy.

Strategy 2025–2027

Customer

We create values that are relevant to our customers and set us apart from others.

Report on non-financial matters

Report on non-financial matters

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Sustainability at COLTENE

For many years, sustainability has been an important part of COLTENE's corporate culture and strategy. Sustainability forms an integral part of the business model, as COLTENE's products enable the preservation of natural teeth. Being a medical technology company, COLTENE bears great responsibility towards society and has a positive influence on many people. Healthy teeth and a bright smile are an expression of quality of life and well-being. COLTENE's success is based on motivated and competent employees as well as innovative products and services that enable professional, safe, and efficient dental treatment processes.

COLTENE's sustainability efforts are aligned with Switzerland's climate targets, the United Nations' Sustainable Development Goals (SDG), and Switzerland's commitment to the Paris Agreement. Furthermore, COLTENE complies with local, national, and international laws as well as internationally recognised standards. The Group-wide Code of Conduct and Supplier Code of Conduct as well as the supply chain policy of COLTENE reflect the 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 Labour Standards, and the principles of the UN Global Compact. These cover topics such as compliance with the law, competition, corruption, human rights, forced and child labour, data protection, the environment, health, and how to interact with suppliers. All employees receive training on the Code of Conduct. For new suppliers, the Code is bindingly linked to the General Terms and Conditions of Purchase of the COLTENE Group, which will be successively extended to existing suppliers as well. COLTENE fulfills the regulatory requirements at all its locations. The COLTENE Group also holds the necessary certifications (ISO 13485:2016, MDSAP, MDD, MDR) and adheres to the corresponding risk management standards (ISO 14971:2019).

Information regarding the report

This report on non-financial matters provides information on the most important topics 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 2024. It was created on the basis of the GRI reporting standard. In 2024, reporting on environmental issues in accordance with Article 3 of the Climate Ordinance was expanded on the basis of the TCFD recommendations. As of 2024, the report will cover the entire COLTENE Group (previously five production sites). The data for 2022 and 2023 were amended accordingly. Where this was not possible or no comparison is possible, this is indicated. As the data from 2022 onwards have been restructured and expanded in line with the GRI and CO 964, 2022 is considered to be the base year. Previously reported data (Annual Reports prior to 2022) are not comparable. All data are collected locally and processed and checked by Group Controlling. As already explained in the Annual Report 2023, COLTENE initially focused on collecting Scope 1 and 2 data. In 2024, work began on collecting Scope 3 data along the value creation chain together with an external partner. As already announced, these data will be published for the first time for the 2025 financial year (see also the section "Environmental protection and energy").

The report on non-financial matters was approved by the Board of Directors at its meeting on 27 February 2025 and will be submitted to the Annual General Meeting on 23 April 2025 for approval. The report was published on 7 March 2025 together with the Annual Report 2024.

Overview of sustainability targets

Strategic goal	KPI	Base 2022	Value 2023	Value 2024	Target value
Environmental topics					
No direct GHG emissions (Scope 1) *	t CO_2e per million sales CHF **	6.2	7.2	6.4	2040: -80%
No indirect GHG emissions (Scope 2) *	t CO_2e per million sales CHF **	4.9	5.1	3.7	2040: -80%
No other indirect GHG emissions (Scope 3) *	t CO_2e per million sales CHF	n/a	n/a	n/a	Net zero by 2050
Employee topics					
The teams enjoy working for COLTENE and are dedicated to their work.	Proportion of unwanted departures in total staff turnover	n/a	8.4%	7.3%	2030: <6%
Promotion of equal opportunities	Proportion of females and males among staff	48% 52%	46% 54%	47% 53%	Ongoing: ideally 50:50
Internal recruitment for key positions	Proportion of internal appointments to key positions	n/a	n/a	43%	2028: >33%
Social topics					
Suppliers meet COLTENE's social standards and criteria.	Proportion of new suppliers with signed or own code	n/a	27%	100%	as of 2024: 100%
	Proportion of existing suppliers with signed or own code	n/a	66%	84%	2030: >95%
Assuring high levels of customer satisfaction	Complaints rate	n/a	n/a	0.3% ***	2025: <0.5%
Governance topics					
Protection of customer data	Employee training	n/a	78%	100%	as of 2024: 100%

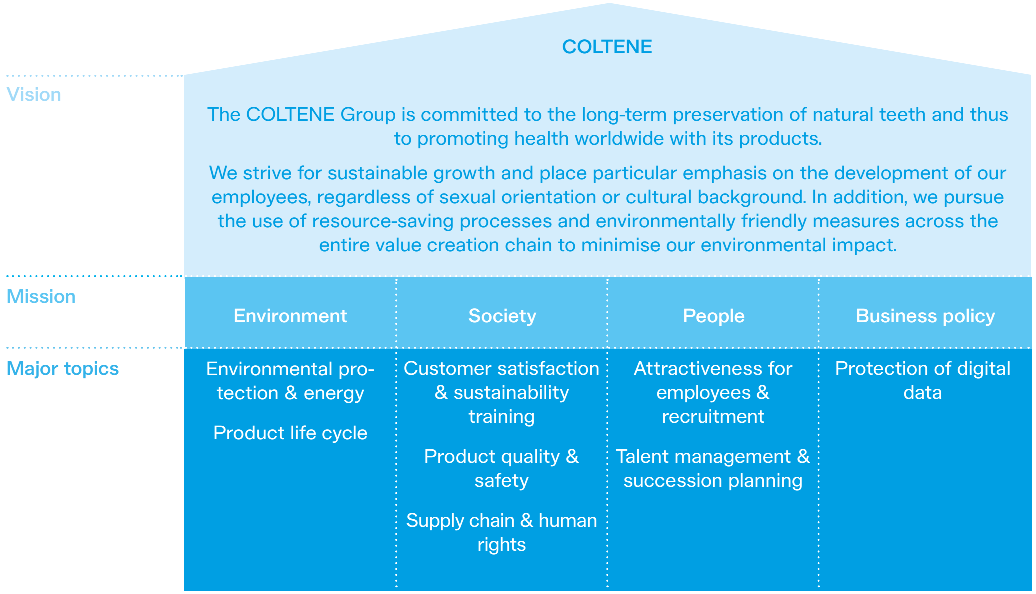
* Includes CO_2 equivalents as explained on page 44 (data collection on CO_2 emissions)
** Figures for 2022 and 2023 are now reported for the entire group and have been restated accordingly (previously only five production sites)
*** 2024 still without Micro-Mega (F) location and without devices, see also explanations on page 57

Our contribution to the UN Sustainable Development Goals

Sustainability strategy

Taking into account international agreements and guidelines and in the context of COLTENE as a player in the dental market, a sustainability strategy was defined in 2023 with the four core elements of environment, society, people, and business policy. These each pursue specific goals and actions for the key topics that were identified by a double materiality analysis. The COLTENE Group's vision of sustainability is groundbreaking: the Group's products are committed to the long-term preservation of natural teeth and thus to promoting health worldwide. The Company strives for sustainable growth and places particular emphasis on employee development, regardless of sexual orientation or cultural background. In addition, the use of resource-saving processes and environmentally friendly measures is pursued across the entire value creation chain to minimise the environmental impact of the COLTENE Group.

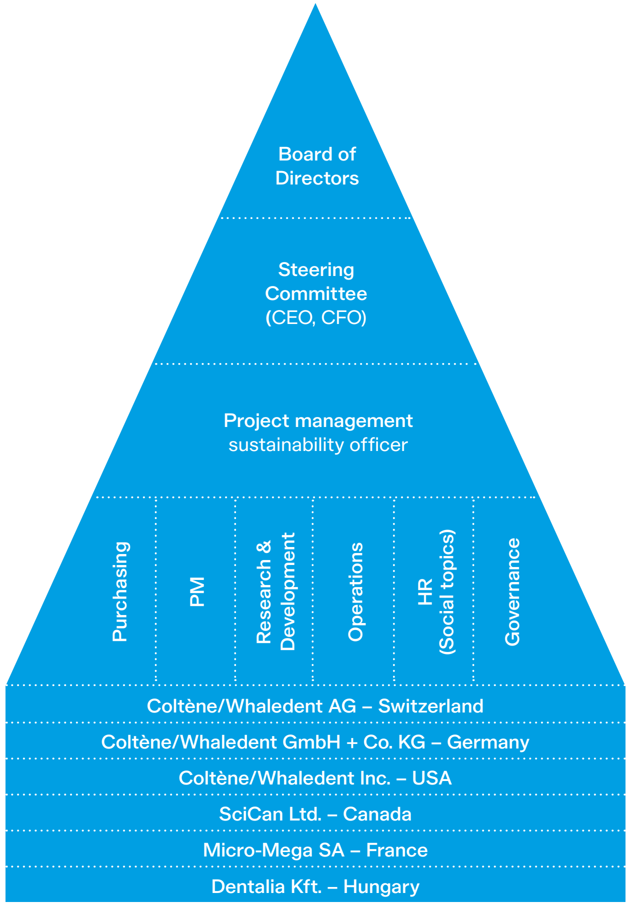
Strategy review is an ongoing process with an annual evaluation by Group Management and the Board of Directors. COLTENE strives to contribute to the United Nations Sustainable Development Goals through a structured project organisation and clearly defined strategic priorities. The strategic priorities in the area of sustainability are illustrated in the following figure.



Organisation, guidelines, and reporting systems

Management approach

The Board of Directors, as the highest governing body, adopts the sustainability targets and strategy, including those relating to the climate (see the sections on environmental topics). This works closely with the Steering Committee (CEO, CFO) and the Sustainability Officer to develop strategies and define goals, as well as the necessary actions and reports. This particularly involves a board member with in-depth ESG expertise. The Board of Directors delegates implementation to the Steering Committee, which manages the projects via the Sustainability Officer. The Sustainability Officer ensures operational implementation in the Group functions with the involvement of participants at all production sites and reports to the Steering Committee. A core team, which includes the Sustainability Officer, and the Steering Committee meet several times a year in advance of the Board of Directors' meetings to evaluate the progress of projects according to KPIs and the status of achievement of the strategic goals. As and when required, but at least annually, the Steering Committee reports to the Board of Directors on the progress of the actions and KPIs for monitoring the roadmaps with regard to environmental, social, and employee topics.



Sustainability as well as climate issues are considered in the strategy process, which is generally conducted every three years, and which are on the Board of Director's agenda several times a year. This ensures that COLTENE's strategic priorities in the area of sustainability are firmly anchored throughout the Group, and that they are implemented operationally in all facilities, as well as ensure a regular flow of information to the Steering Committee and, ultimately, the Board of Directors.

Centralised guidelines and elimination of negative effects

COLTENE applies the precautionary principle at all levels as a matter of policy. In the event of justified suspicion of negative effects, decision-makers take precautions and take into account the interests of all stakeholders. Central global guidelines at Group level include the holding company's Articles of Association, the organisational regulations, the code of conduct, the supplier code of conduct, the accounting manual, as well as the signature and competence provisions. These are supplemented at the individual companies by local, country-specific provisions, directives, as well as regulations.

The Board of Directors, Group Management and all managers within the COLTENE Group have a duty to ensure that the provisions of the COLTENE Group are complied with and that violations are penalised. All employees receive training on the Code of Conduct for this purpose. Violations of these guidelines will be sanctioned and may result in termination of the employment relationship. Employees can report violations or suspicions of the guidelines anonymously and Group-wide at any time using a web-based solution. This is also accessible for all matters to external stakeholders, such as customers or suppliers, on the Group website (wbs.sycobase.app). Violations can also be reported directly to the CFO, the respective supervisor or the Human Resources Department. If indicated, corrective action is taken. In the event of a report being made, a case is opened and closed again when concluded. This ensures that a report is processed.

Code of Conduct

COLTENE has a Group-wide Code of Conduct that is available in writing in all major languages. All new employees receive training on the Code of Conduct. The compliance training is conducted locally.

Compliance training covers the following topics in particular:

- Compliance with regulations, laws, and rules on ethical behaviour
- Anti-corruption procedures and obligations and compliance with competition law
- Disclosure and recording of business transactions (accounting principles)
- Rules on confidentiality and data protection and protection of intellectual property
- Laws and directives on environmental protection and occupational health and safety
- Dealing with suppliers, particularly in terms of economic efficiency, technologies and processes, social and environmental issues, human rights, corruption, and environmental protection

Risk management

Risks and opportunities are identified, analysed, monitored, and reported by Group Management in collaboration with the locations and responsible project managers, using the PESTEL method. A comprehensive risk assessment is conducted with the Board of Directors at least once a year. In this process, risks are systematically classified according to four probabilities of occurrence and four levels of financial impact using a matrix. Measures to contain these risks are then reviewed together with the management and line managers at the locations, and implemented and monitored if required. 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 is included in the Corporate Governance section of the Annual Report.

Risks related to business operations, business relationships, products and services, and the supply chain, and with regard to environmental topics, are incorporated equally into risk management. They were also examined by Group Management and the Board of Directors, as well as by the companies, as part of the double materiality analysis and are regularly updated or amended. They currently cover the topics of data security, product safety, the environment, customer satisfaction, and employees. They are described in more detail in the sections on the relevant topics. In addition, countermeasures are discussed there. Climate-related risks and opportunities, including new laws and regulations, were considered in an additional, more detailed analysis as part of the preparation of the climate report in accordance with TCFD, which go beyond the time horizon of the other risk management.

Materiality analysis

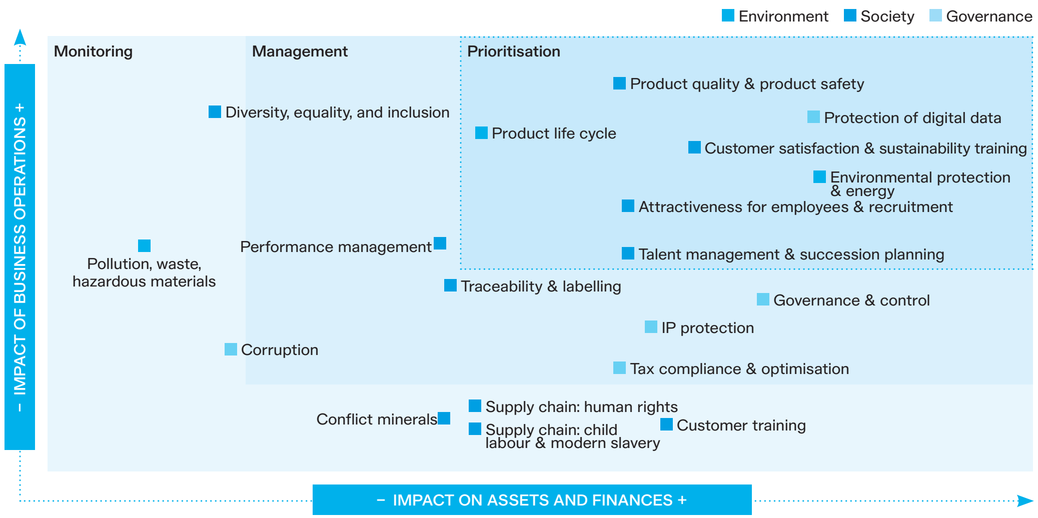
Stakeholders and stakeholder interaction

In 2022, COLTENE conducted an analysis with those stakeholders who are significantly affected by COLTENE's business activities or who have a significant influence on its business activities (double materiality). Regular engagement with stakeholders ensures that relevant issues are continuously managed and that all potential negative impacts are identified. Interaction takes place globally and locally, for example through surveys, direct contact, or the anonymous whistleblower system, which is open to all stakeholders (see table below).

Stakeholders	Sustainability relevance	Interaction channels	
Employees	• Employee topics • Environmental topics • Economic performance	• Training, incl. Code of Conduct • Annual performance reviews with employees • Surveys of employees (works level) • Personnel committee	• Intranet • Information events and functions for employees • MBO processes (Management by Objectives)
Direct customers: Dental dealers	• Social topics • Economic performance • Governance	• Personal contact and visits • Internet portal, newsletter, and social media	• Trade fairs • Trade publications
End customers: Dentists, dental practices, and dental chains	• Social topics • Economic performance	• Personal contact and visits • Trade fairs • Social media • Customer service • Customer events	• Trade publications • Cooperation with key opinion leaders • Courses and training • Surveys • CRM
Patients	• Social topics	• Patient surveys	• Patient safety processes
Investors	• Economic performance • Governance	• Annual General Meeting • Annual media conferences and semi-annual telephone conferences • Attendance at conferences	• Investor meetings/one-on-one meetings (investors, analysts and proxy advisors) • Journalist Days/Capital Markets Day
Suppliers	• Economic performance • Environmental topics • Social topics	• Code of Conduct • Supplier assessments, development meetings, and audits	• Continuous contact via purchasing departments • Networking at industry events and trade fairs
Regulators and organisations, interest groups	• Social topics • Environmental topics • Economic performance • Governance	• Discussions, consultations • Visits/audits • Test reports	• Presentations/discussions • Events, congresses
Local societies	• Social topics • Environmental topics	• Presentations/discussions • Guided tours • Partner network of universities and training centres	• Engagement and philanthropy (providing free products for student volunteers in third-world countries) • Support for social institutions instead of customer gifts

Double materiality analysis

Double materiality analysis forms the basis of the sustainability strategy. This determines the potential sustainability topics in the context of the business model and the relevant market and forms the basis for the actions, objectives, and KPIs, as well as for reporting. A double materiality analysis was conducted in 2022 based on various stakeholder interactions together with an external partner (BDO) according to the GRI procedure for the inside-out and outside-in perspectives. A more detailed description of the process can be found in the 2023 report on non-financial matters. The key topics are reviewed annually and, if necessary, expanded as well as adapted.



The following topics were classified as being essential:

Environmental topics

- Product life cycle
- Environmental protection & energy

Employee topics

- Attractiveness for employees & recruitment
- Talent management & succession planning

Social topics and governance

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

In accordance with the Swiss Code of Obligations (OR 964a ff.), human rights and corruption are considered in addition to material topics. In 2024, audits relating to human rights, child labour, the supply chain, corruption, and conflict minerals revealed no incidents or suspicions. The COLTENE Group does not maintain supplier relationships in high-risk countries according to the UNICEF country ranking. The values for materials according to the Ordinance on Due Diligence and Transparency (VSoTr) lie well below the thresholds.

Environmental topics

Due to its business model, COLTENE's environmental impact is generally low. COLTENE is committed to continuously reducing its consumption of resources and thus its environmental impact. Environmental compatibility and disposal are already taken into account in the research & development of the products. Packaging materials are standardised and minimised wherever possible and are mostly made of biodegradable materials. However, the regulations for the storage or use of medical devices do not always allow the most environmentally friendly packaging materials to be used. COLTENE selects environmentally friendly manufacturing processes and assesses products for their recycling potential. Wherever possible, COLTENE offers multi-use products. The storage and disposal of toxic or hazardous substances and contaminated wastewater is performed in accordance with local regulations and in collaboration with specialist companies. Metal, paper and plastics are recycled as far as possible. As part of the materiality analysis, COLTENE has classified the use of materials and product life cycle management as well as climate protection and energy as significant. In the long term, COLTENE is particularly keen to mitigate the risk of higher energy and raw material prices. The following sections contain our Climate Report, which is based on the June 2017 report "Recommendations of the Task Force on Climate-related Financial Disclosures" (TCFD) and the October 2021 appendix "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures". It was prepared according to the TCFD recommendations in 2024 for the first time. Further information on environmental issues was provided in accordance with GRI.

COLTENE has published environmental data since 2015. The conversion of energy into CO_2 emissions was conducted in accordance with country-specific energy factors. As of 2023, the carbon footprint is calculated in accordance with the GHG Protocol, with 2022 being the base year. The previously reported data are therefore not comparable.

Governance on environmental topics

As the highest governing body, the Board of Directors is responsible for the environmental goals and strategy and works closely with Group Management (Steering Committee) as described in the sections "Organisation, guidelines and reporting systems" and "Risk management". The actions taken in response to environmental topics are implemented at all production sites and periodically eviewed for their effectiveness. The results, as well as new relevant regulations or risks, are presented to Group Management and the Board of Directors in accordance with the sustainability organisation outlined initially, and, if necessary, corrective actions are requested and initiated (see section on "Organisation").

The management of environmental topics is an integral part of the COLTENE Code of Conduct and the Supplier Code. All employees receive training accordingly. Relevant environmental considerations are integrated into our daily work with the aim of improving the environmental footprint of the COLTENE Group and avoiding negative impacts on stakeholders. COLTENE also requires this of its suppliers via the Supplier Code of Conduct.

Environmental strategy

The assessment of climate-related risks and opportunities is part of the regular three-year strategy process by the Board of Directors and Group Management. The results are incorporated into the operational management and financial planning of the Group via the Steering Committee, project management, and country managers. In recent years, COLTENE has already invested in numerous projects to reduce emissions. These investments, particularly construction measures, are part of the strategy to reduce CO_2 emissions by 80% by 2040 and to become climate neutral by 2050, with COLTENE thus pursuing Switzerland's climate goals. They also aim to exploit strategic opportunities that may arise from climate-related changes (see also Transition Plan). They address areas where emissions can be reduced quickly and with a major impact (e.g. structural measures, conversion to renewable energies, packaging, production) and currently focus primarily on own sites and activities. Major investments and long-term commitments, such as plant equipment or acquisitions, are always evaluated for their relative impact on the environment and the climate-related risks for COLTENE.

Analysis and impact of climate-related risks and opportunities

The following table summarises the climate-related risks and opportunities as well as their impact on COLTENE over the short (to 2030), medium (to 2040), and longer term (to 2050). They form the basis for evaluating the resilience of the strategy and for developing the climate-related action plan. They include factors related to the transition to a low-carbon economy as well as physical risks due to climate change and have been developed in line with COLTENE's dual materiality analysis and strategic objectives with the same time horizons (short term for 3-5 years, to 2040, and to 2050). From a larger number of risks and opportunities according to the list of the TCFD recommendations (Recommendations of the Task Force on Climate-related Financial Disclosures, June 2017, Tables 1 and 2) and according to our own risk considerations, only the climate-related risks and opportunities that are potentially relevant for COLTENE have been listed and examined in detail. The individual risks were categorised into three levels (low, medium, high risk) based on their probability and impact, always on the assumption that no countermeasures have been taken within the respective time horizon. The threshold for a material financial impact was set at 2% of expected sales. Furthermore, a classification at the highest risk level can be applied if a countermeasure is required by law, thus determining the materiality. The analysis used data and transition scenarios from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), Climate Impact Explorer, as well as the Company's own data and estimates. For the three time horizons, the 2024 report applied the current climate scenarios SSP1 (sustainable, green path with global warming limited to below 2 degrees Celsius) and SSP5 (fossil fuel path with global warming of over 4 degrees Celsius) to cover a broad range and to classify the expected climate impacts and corresponding measures for COLTENE in terms of time and cost. At the same time, the assumptions for CO_2 prices in the different scenarios and time horizons are based on those of the IEA (NZE, STEPS). In an initial step, an analysis and assessment were conducted qualitatively and, to some extent, quantitatively, for the five largest production sites (the US, Canada, Germany, France, Switzerland), including the head office. In the coming years, COLTENE will continue to develop these – wherever it makes sense and is possible to do so.

Overview of climate-related risks and opportunities, as well as actions

Climate-related risks	Possible effects on COLTENE (without countermeasures)	2030	2040	2050	COLTENEs actions *	COLTENE's opportunities
Transitional risks						
Regulatory and technological risks						
Higher CO_2 prices New emission regulations Rising energy costs	• In some regions relevant to COLTENE, CO_2 prices (emissions trading, taxes) could increase or be newly introduced. This would impact our operating costs and cause our prices and those of our suppliers to rise. • New emission regulations, especially in the sales markets and production locations, could result in high and earlier-than-expected investments in measures to reduce emissions (in construction or R&D). • Rising energy costs negatively impact operating costs. • Passing on the higher costs due to price increases could lead to lower sales, particularly in the more price-sensitive areas.	SSP1-1.9: 1 SSP5-8.5: 2	 2 2	 2 3	Reduction of emissions and energy consumption at the sites through construction measures. Replacement of fossil fuel-fired plants and conversion to renewable energy. Use of more energy-efficient machinery and lighting and own power generation. Digitisation of services and documentation.	Lower operating costs through more energy-efficient plants and buildings, as well as through the digitisation of documents and processes Lower emissions-related costs.
New regulations or bans on materials, raw materials, or chemicals in individual regions and countries	• New regulations in our sales markets could require adjustments to our products and production processes, resulting in higher R&D expenses, approval and production costs for low-emission products with new materials, including more environmentally friendly packaging. • The demand for new materials could cause price increases in the procurement market. • Passing on the higher costs to our customers in the form of higher prices could have a negative impact on sales, particularly in price-sensitive areas. • It is also possible that new material specifications would result in write-offs (products, machinery).	SSP1-1.9: 1 SSP5-8.5: 1	 2 1	 2 3	Monitoring and anticipating regulatory trends in the main markets and participating in trade association working groups. Ongoing conversion to more environmentally friendly primary and secondary packaging; Switching to more environmentally friendly and alternative materials (products and production). Expansion of the supplier network for key materials/products for risk diversification in the event of material shortages or price increases.	Positioning with sustainable products and/or packaging through appropriate changes and market communication safeguards sales. Reduced dependency on individual suppliers and materials lowers the risk of higher costs.
Market and reputation						
Growing stakeholder concerns (customers, employees, investors, finance providers)	• Demand for existing products could fall due to preferences and CO_2 targets among customers and distribution partners. • COLTENE's reputation as an employer and business partner could suffer if climate-related measures are not taken, leading to a shortage of qualified personnel and more competition in the procurement and sales markets (suppliers, distribution). • A deteriorating reputation could depress the market value of COLTENE and make it more difficult to raise capital (preference in favour of more sustainable companies).	SSP1-1.9: 1 SSP5-8.5: 1	 2 1	 2 3	Ongoing transition to more environmentally friendly packaging; inclusion of sustainability aspects in product development, customer training, marketing; digitisation of package inserts; compliance with transition plan; inclusion of sustainability criteria in product development, and marketing/communication; continuous improvement in reporting.	Positioning with sustainable products and/or packaging through appropriate changes and market communication safeguards sales and improves access to employees and capital.

Climate-related risks	Possible effects on COLTENE (without countermeasures)	2030	2040	2050	COLTENEs actions *	COLTENE's opportunities
Physical risks						
Acute risks						
Extreme weather events (heat-waves and droughts, floods, storms) at the individual locations	An interruption or reduction in production and distribution activities and supply chains due to flooding, water scarcity, or heat waves could lead to a loss of revenue and higher operating costs, as well as to additional investments in structural measures at the affected locations.	SSP1-1.9: 1 SSP5-8.5: 1	 1 1	 1 2	Ongoing monitoring of the main climate risks at the locations and implementation of structural measures, if necessary. Restructuring of warehouses if necessary. Ongoing monitoring of risks with suppliers and securing the supply chain through diversification.	
Chronic risks						
Lasting climate change (higher average temperatures, permanent water shortages, higher precipitation and flooding, storms)	• Prolonged periods of higher temperatures would lead to higher operating costs (energy for cooling) and investments (structural and plant-related) in additional measures to alleviate the effects. • Similarly, constantly high temperatures could reduce employee efficiency, as well as lead to health problems and thus absences from work. • However, our analysis has shown that COLTENE's locations would not be materially affected by chronic risks (heat, forest fires, water scarcity, flooding, or storms) under any of the scenarios. Only the sites in North America are likely to experience noticeable declines in staff productivity or flooding in an SSP5-8.5 (temperature increase of over 4 degrees Celsius), particularly in the US.	SSP1-1.9: 1 SSP5-8.5: 1	 1 2	 2 3	Continuous monitoring, contingency plans, and long-term planning of production sites; Investments in emission reduction in line with the transition plan and in resource-saving production processes; Where necessary, planning of structural measures against heat, precipitation/flooding	A broader and more frequent use of surface disinfection products and IC devices, also in additional areas outside the dental industry, due to higher hygiene requirements resulting from higher temperatures/humidity, could have a positive impact on sales in our core markets as well as open up new market opportunities in additional fields.

Models and sources used: Intergovernmental Panel on Climate Change (IPCC), Climate impact Explorer, International Energy Agency (IEA), Federal Office for the Environment (FOEN), DRIAS, own data
Risk 1: low (low probability of occurrence/low impact), Risk 2: medium (low to medium probability of occurrence/medium impact), Risk 3: high (medium to high probability of occurrence/high impact)
* The individual actions are discussed in detail in the section on environmental topics in the subsections on the material topics.

Resilience of the strategy to climate factors

The analysis of climate-related risks and the resulting financial implications for COLTENE has shown that, overall, the Company's locations and current strategy mean that it is only slightly affected by transitional or physical risks. These can be eliminated or minimised by taking appropriate actions. At the same time, the opportunities to profit from the transition to a low-emission economy are of limited financial significance for COLTENE, especially in the short to medium term. In the area of Infection Control, COLTENE could benefit most in the long term from a hot house scenario, as it can be assumed that the need for disinfection measures in dental practices will increase due to higher temperatures and humidity, and will be monitored more closely. As an international company operating in the medical technology market, COLTENE has extensive experience in preparing for far-reaching regulatory changes and stricter requirements with regard to materials and approvals in different regions. The Company is well prepared to plan and implement appropriate actions. COLTENE's business model is also based on medical indications for which environment-friendly alternatives for treatment are not always equally safe and effective. For this reason, medical devices often enjoy a special status through exemptions when new material or other regulations are issued.

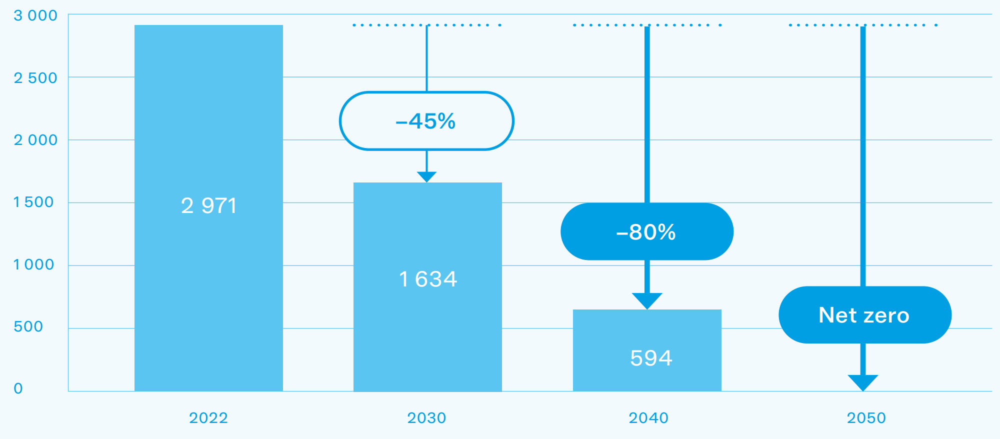
In both environmental scenarios, the risks with the greatest potential financial impact include CO_2 prices and new or stricter measures and regulations to reduce emissions at production sites in Europe and North America. The potential risks associated with materials in terms of regulatory measures such as bans and material shortages and prices, primarily with regard to packaging (see section "Product life cycle – materials"), are also of importance.

Action plan (transition plan)

To reduce risks related to CO_2 prices and emission regulations and to be in line with the Swiss Climate and Innovation Act (KIG), COLTENE has set itself emission targets in 2023 and initiated appropriate implementation measures. The objectives and measures are in line with Swiss climate targets and have been approved by the Board of Directors. The implementation of the actions was delegated to Group Management as per the description and organisational structure outlined previously. The investments required for the action plan are taken into account in financial planning. Furthermore, compliance with the set targets and the implementation of appropriate projects and actions for the transition to a low-emission economy should secure access to capital in the long term.

Reduction path Scope 1 and 2 emissions by 2050

in t CO_2e



COLTENE expects to be able to reduce its CO_2 emissions (Scopes 1 and 2) by 45% by 2030, in particular by completely replacing company vehicles with electric vehicles and installing photovoltaic systems on all roofs of production sites, coupled with other construction measures such as roof renovations and insulation. At the same time, existing lighting systems and production facilities will be gradually replaced by more efficient installations and converted to sustainable heating and cooling systems instead of fossil-fuel-based systems by 2040. In addition, the use of renewable energy is being prioritised and energy demand is being further optimised. With the planned investments, COLTENE expects to be able to reduce emissions by 80% when compared to 2022. After that, further efforts to reduce or neutralise emissions will be evaluated and implemented according to the options available. Overall, we estimate that the actions planned up to 2030 will cost between CHF 3.5 million and CHF 4.0 million.

The sections "Product life cycle – materials" and "Environmental Protection and Energy" describe the individual actions and the relevant news and achieved values for the financial year 2024. Please also refer to the above table for a list of actions and their relation to climate-related risks and opportunities.

Climate-related key performance indicators

The individual actions and progress as well as the climate targets are explained in detail in the section on the environmental aspects of the key topics. The current and historical values of the KPIs for the material topics used to measure, monitor, and control climate-related risks and opportunities (including water, energy, and waste) are also listed there. The KPIs and targets are currently based on our own calculations based on the GHG Protocol. The absolute emissions (Scopes 1, 2; Scope 3 as of the 2025 report) and the intensities measured in terms of millions in sales are explained in the section "Environmental Protection and Energy". Currently, the achievement of climate targets is not factored into the compensation of Group Management or the Board of Directors.

Product life cycle – materials

As a manufacturing company, COLTENE's consumption of resources is of significance. The main material groups used in the production processes include plastics, metals, textile fibres, cotton, cleaning solutions, NiTi metal, paper, polyamide matrix with glass filler, silicone oils, fillers, steel, and diamonds. The operating supplies include water, cleaning agents, solutions for galvanic baths, and paper. In the field of medical devices, single-use products and packaging play an important role. On the one hand, the increased volume of waste has a negative impact on the climate; on the other, there is also the risk that this will lead to higher costs in the long term or will have to be replaced.

COLTENE is addressing current and potential negative impacts by optimising the use of resources and integrating the rules of the circular economy into its processes – all within the scope of current regulatory options available in the manufacturing and packaging of medical devices. Improved resource management – in particular the Group-wide purchasing of packaging – should save costs in the long term and meet customers' sustainability requirements.

Targets: product life cycle – materials

Strategic targets	KPI*	Base value 2022*	2023*	2024*	Target value
Sustainable packaging (primary and secondary) in all entities (renewable, recycled, or recyclable)*	Percentage of renewable materials	67%	70%	51%	2030: >80%
	Percentage recycled materials	51%	46%	31%	2030: >35%

*2024 not comparable with 2023 and 2022 due to different basis (new, primary and secondary packaging, previously only secondary packaging)

Overview of actions

- Change from non-renewable to renewable, recyclable, or recycled materials in existing products
- Evaluate and select at least one option for renewable secondary packaging for new products – if economically feasible
- Focus on global procurement of secondary packaging with the aim of more efficient and sustainable purchasing
- Analysis of the other types of packaging and action plan
- Continuation of the "eIFU" (electronic instructions for use) project

Measures to optimise the use of resources are currently focused on sustainable primary and secondary packaging for existing and new product lines (e.g. switching from plastic to cartonboard solutions), on extending the product life cycle, particularly for small appliances, and on reducing paper consumption through digital processes. A project team continuously monitors and supervises the projects for improving the use of resources.

Digitisation also plays an important role. Standardised information and processes are continuously being digitised wherever possible by connecting new devices to the myCOLTENE digital platform or the cloud to provide services in a targeted and resource-efficient manner. Regulations do not allow medical devices to be sold exclusively with electronic instructions for use (eIFU) in all sales regions. COLTENE supports the efforts of the medical technology associations, for example, to approve eIFUs for medical devices of all classes in the EU. After all, digital solutions are also being implemented wherever possible for internal processes (electronic signatures, digital time tracking systems and payroll accounting).

In 2023, COLTENE began to identify those products and materials that are suitable for more sustainable secondary packaging and a circular economy, and in 2024 embarked on corresponding implementation projects. In 2024, the process was extended to primary packaging. The requirements for the primary packaging of medical devices are very high, as they come into direct contact with the medical device. For this reason, recycled material cannot readily be used. Sustainability efforts in primary packaging will therefore focus on the recyclability of materials. The recycled content target for 2030 has been adjusted from 80% to 35% in line with the EU Packaging Regulation.

Including primary packaging, the share of renewable materials in 2024 was 51%; that of recycled materials was 31%. The shares for 2022 and 2023 stated above are not comparable with those for 2024, as the former only include secondary packaging. Also, the collection of data is still partly based on estimates and is continuously being improved.

Water

Water is used at COLTENE primarily in production as an operating resource. The entire waste water from the COLTENE plants is discharged via waste water treatment plants. Thus, the amount of waste water output is equal to the consumption of clean water. None of the COLTENE plants are located in an area with a water shortage. COLTENE continuously analyses and monitors the situation at the plant locations to ensure compliance with local regulations and to avoid negative impacts.

Weighing up the economic aspects, investments are made in measures that save resources: the water treatment system installed in the electroplating plant in Altstätten in 2018/2019 as part of the new building has proven itself. This is a closed circuit without waste water. The resulting waste is distilled and processed externally as a concentrate and reused for production in line with the circular economy. Water consumption in silicone production was also reduced by installing a new pump in 2022 instead of a water ring pump. In 2024, the production site in Canada invested in a test department for sterilisation in tanks for the storage and reuse of sterilised water. The tanks are linked to a process that indicates the optimal number of times the water can be used before it needs to be drained. This saves on both water as well as energy. Overall, COLTENE was able to reduce water consumption in 2024 by 12% from 28 322 m^3 to 24 893 m^3 compared to 2023.

Environmental protection & energy

As a manufacturing company, it is very important for COLTENE to have a reliable and cost-effective energy supply at all its locations. The consumption of all energy sources used, such as electricity, gas, and oil, is therefore continuously optimised and investments in renewable or proprietary energy sources are regularly under review. These should be economical and at the same time minimise the risk of bottlenecks in production, and according to the transition plan, they should also help to be CO_2-neutral by 2050. Over the past few years, the national subsidiaries have already implemented many changes.

Direct and indirect emissions from purchased energy are mainly associated with production and the infrastructure (heating, servers, administration) as well as the use of buildings at the locations. However, as with most companies, the majority of emissions are Scope 3 emissions. COLTENE is therefore currently working with an external partner to collect the data based on ten Scope 3 categories and a predominantly spend-based method. Scope 3 data for all locations are planned for publication in the 2025 report.

Energy in kWh	2022	2023	2024
Self-generated energy	163 892	141 768	307 537
Consumed energy	7 551 500	7 214 589	6 631 499
Sold energy	2 589	3 006	37 817

Data collection CO_2 emissions

The cumulative greenhouse gas emissions are shown as CO_2 equivalents for each location and in total. The latter are also reported in relation to sales (in CHF) to illustrate the output in relation to the current business performance (see table below). They are recorded as a measure of the Company's environmental impact in accordance with the requirements of the GHG Protocol. The energy consumption of each production site includes gas and heating oil, as well as kilometres travelled in company vehicles (Scope 1). The electricity supply (Scope 2) does not include district heating or cooling. The balance includes the greenhouse gas carbon dioxide (CO_2). To calculate the greenhouse gas emissions resulting from energy consumption (Scopes 1, 2), the emission factors differentiated by energy source are used according to production location. The assessment is based on local standards. The update is conducted annually. The CO_2 balance for the reporting period is calculated and totalled based on the respective emission types according to the collected and recorded data.

Targets: energy and protection of the environment

Strategic targets	KPI	Base value 2022 [2]	2023 [2]	2024	Target value
The COLTENE Group supports and actively contributes to the Swiss and global net-zero target for greenhouse gas emissions. By 2040, emissions (Scopes 1 and 2) are to be reduced by 80% (basis 2022). COLTENE aims to achieve CO_2 neutrality by 2050.	Direct GHG emissions (Scope 1)*				
	t CO_2e cumulative	1 662	1 749	1 607	2040: -80%
	t CO_2e cumulative/per million sales CHF	6.2	7.2	6.4	
	t CO_2e per location				
	Switzerland	168	183	227	
	Germany	354	362	350	
	France	51	42	116	
	USA	219	155	107	
	Canada	177	176	139	
	Others	693	831	668	
	Indirect GHG emissions (Scope 2)*				
	t CO_2e cumulative	1 309	1 233	925	2040: -80%
	t CO_2e cumulative/per million sales CHF	4.9	5.1	3.7	
	t CO_2e per location				
	Switzerland	21	19	19	
	Germany	193	198	0	
	France	17	14	13	
	USA	1 018	935	824	
	Canada	27	33	33	
	Others	34	35	36	
	Other indirect GHG emissions (Scope 3)*	n/a	n/a	n/a	Target value 2050: Net zero

*) Includes CO_2 equivalents as explained on page 44 (data collection on CO_2 emissions)
**) Cumulative values for 2022 and 2023 have been updated to include the "other locations" and restated for comparability with the 2024 figures

Overview of most important actions

- Photovoltaic systems on all roofs of the production sites (with prior roof renovation if necessary) by 2030
- All fossil fuel heating systems (oil and gas) will be replaced by heat pumps
- Utilisation of heat recovery from process heat
- Replacement of all company cars with electric vehicles by 2030
- Replacement of old production facilities and lighting systems with more energy-efficient devices
- Additional photovoltaic systems on other available surfaces
- Renewable energy certificates for the remainder of the electricity requirements

COLTENE procures the electricity, gas and oil needed for its business activities on the public market. COLTENE is making strategic investments in systems and projects to make its energy mix more sustainable, reduce consumption, and become less dependent on the public power grid. A solar energy system was installed on the roof in Altstätten in 2021. It produces around 150 MWh of electricity per year and can cover 15-20% of the energy needs of this plant. Further installations followed in 2023, with commissioning planned for early 2024, allowing the Company to generate up to 40% of its own electricity. In addition, investments were made in lighting solutions and insulation that reduce energy consumption.

In Germany, the investment in a photovoltaic system will cover up to 25% of the location's electricity needs in the future. Since 2024, 100% of electricity has been obtained from renewable sources. A new, highly energy-efficient propane-based cooling system has also been installed (significantly lower basic electricity consumption). To give an example, other initiatives include a bicycle programme that reduces CO_2 emissions when employees commute to work. In Canada, a new photovoltaic system was installed in 2024 and went into operation in July. The use of electric vehicles by employees continues to be supported by free charging stations on site. Charging stations are also available to employees in Altstätten as well as recently in the US. At the US location, the roof was also renovated to make it more energy efficient in 2024 and a more efficient heating, ventilation, and air conditioning system was installed. In addition, employees are encouraged to cycle to work by offering a reward scheme. Solar panels are also planned for the US and France in the next few years. In France, a project was also implemented in 2024 together with the Besançon Chambre de Commerce to raise awareness of energy-saving measures among employees.

In 2024, self-generated energy increased significantly by 117% compared to 2023 due to the increase in photovoltaic capacity. The share of renewable energy as a percentage of total consumption was 47%. Total consumption in 2024 will be over 8% lower than in 2023. In 2024, Scope 1 and Scope 2 emissions fell by a total of 451 tons. This corresponds to a reduction of 8% for Scope 1 and 25% for Scope 2 emissions. The intensities (per CHF million of sales) decreased from 7.2 to 6.4 for Scope 1 and from 5.1 to 3.7 for Scope 2. The reduction would have been somewhat greater without currency effects. At some locations, higher kilometre readings and higher conversion rates had a negative impact on the emission data. Emissions in the US continue to be attributable to energy-intensive production (injection moulding), while the building structure has been improved by renovating the roof. However, the conversion factor for emissions based on local energy production is very high.

In 2023, as part of its environmental goals, COLTENE planned to have all sites issued with an environmental certification (e.g. ISO 14001) by 2028. During the planning of all climate-related measures, it was decided to prioritise the allocation of human and financial resources to projects that would enable a rapid and cost-effective reduction in emissions. The environmental certification of the sites will therefore probably be reassessed as from 2030 and until then will be removed from the current environmental targets. The objective of the phased plan to reduce emissions is to cut Scope 1 and 2 emissions by 80% by 2040 and achieve net zero by 2050. Compensatory measures are to be taken for the parts where a reduction is no longer possible. Scope 3 data will be reported for the first time in 2025.

Waste

In recent years, COLTENE has continuously reduced the amount of waste and increased recycling through a variety of measures. Additional measures are continuously being introduced as soon as they are technically possible and economically viable. In 2024, there were corresponding new initiatives, particularly in France and North America (recycling) and Canada (reduction). In 2024, the amount of waste was reduced again slightly despite higher production capacity utilisation, and amounted to 263 tons. The amount of recycled materials increased by almost 9%.

Employee topics

As an employer, the COLTENE Group bears responsibility for over a thousand employees worldwide. The Company complies with local labour laws and global guidelines on employee health and safety, respect for human rights, and the prevention of child labour and modern slavery.

It is very important for the Company to be perceived as a responsible and attractive employer in view of the challenges of recruiting and retaining talented and skilled employees. COLTENE relies on specialised personnel because the development, manufacturing, and approval of innovative medical devices and services requires creative and professional employees with a high level of professional expertise. With selected measures, COLTENE is therefore well positioned to improve its attractiveness as an employer and offer all employees a safe environment with room for professional and personal development. COLTENE is committed to maintaining jobs locally and promoting new jobs and apprenticeships.

In 2022, COLTENE conducted a survey at all its plants and found that flexible working hours, support for continuing education and training, individual freedom of action, interesting work content, participation in decision-making, and equal pay for men and women are relevant for employees. This was incorporated into the development of the materiality matrix, which revealed that the topics attraction and recruitment of employees, as well as talent development and succession planning, were material. Employees are periodically informed about these topics, as well as about business performance, strategy, and operational and social topics (see stakeholder analysis). All employees have the opportunity to exchange ideas with management or to report grievances and suspicious cases anonymously using the whistleblower system. The latter is also open to external stakeholders such as suppliers.

Keeping employees happy by providing an attractive working environment and consistently promoting employees to fill key positions is an ongoing process under the supervision of supervisors and management. KPI reporting is sent to Group Management and the Board of Directors by the Human Resources Department.

Attractiveness for employees & recruitment

The local subsidiaries are subject to local labour laws. They define minimum standards, e.g. for remuneration, working hours, and rest periods, holidays, disciplinary and dismissal procedures, maternity protection and occupational safety and health. In addition, the Code of Conduct defines how employees and the Company work together. Additional country-specific and local agreements and benefits expand the range of provisions. The latter are aimed at recruiting, promoting and developing competent and motivated employees, thereby creating an attractive, diverse, and inclusive working environment at the respective locations.

The COLTENE Group ensures its competitiveness by taking targeted measures to increase its attractiveness for employees and to enhance its recruitment capabilities. At the same time, as a local employer in the respective countries, it also bears responsibility towards society. Negative impacts on stakeholders are thus minimised and any resulting harm to reputation is prevented.

National organisation	Additional social and welfare benefits
Coltène/Whaledent AG – Switzerland	• Exemption from premiums for non-occupational accident insurance and daily sickness benefits insurance • Long-service awards
Coltène/Whaledent GmbH – Germany	• Support with company pension schemes and capital-forming benefits • Support from employer for forming savings for various purposes • Additional company health insurance
Coltène/Whaledent Inc. – USA	• Employer contribution to life insurance • Preferential rates for health and dental insurance • Support with payments into a pension insurance scheme • Additional holidays depending on length of service
SciCan Ltd. – Canada	• Preferential rates for health and dental insurance • Support with payments into a pension insurance scheme • Additional holidays depending on length of service • Subsidised meals in the canteen
Micro-Mega SA – France	• Partial coverage of health insurance costs • 100% company-funded long-term disability insurance and life insurance in the event of death • Partial company-funded pension insurance and supplementary pension

Parental leave

All locations grant employees parental leave in accordance with local regulations. In 2024, 22 employees took parental leave, of whom 14 were women and 8 were men. 11 women returned to work (men: 8).

Occupational safety

Government requirements and controls for occupational safety are in place at all production plants, and are implemented internally by a respective safety officer. The safety officers are certified for their role through local occupational safety training. The sites that develop and manufacture devices with electrical and electronic components comply with the RoHS (Restriction of Hazardous Substances) directives. These restrict the use of certain hazardous substances in electrical and electronic devices.

In Altstätten, the safety concept is audited twice a year. When reports of occupational accidents are received, the causes are analysed and measures are implemented. Regular training sessions are also held with external advisory bodies, such as SUVA, for the purpose of improvement. In Cuyahoga Falls, all occupational accidents are investigated and reported. Safety training is provided regularly and employees are encouraged to make suggestions for improving safety. In Toronto, workplaces are inspected monthly in line with local regulations. Meetings on the topics of health and safety at work are held four times a year. In Langenau, an external service provider is responsible for ensuring and monitoring occupational safety. In addition, the employers' liability insurance association is involved in occupational safety. In Besançon, a series of measures and systems are applied, ranging from ergonomics and risk assessment to reports by the responsible occupational health physician. In addition, a magazine on health and safety at work is published monthly.

In total, there were 27 occupational accidents in 2024 (2023: 40). None of the accidents in the reporting year resulted in permanent damage or longer absences that would have necessitated stronger preventive measures or the adaptation of workplaces and processes.

Targets: employee attractiveness

Strategic targets	KPI	Base value 2022	2023	2024	Target value
Employees enjoy working for COLTENE and are dedicated to their work. Vacant positions can be filled with the required qualifications within a reasonable time.	Employee fluctuation	n/a	**8.4%**	7.3%	2030: <6%
	Score employee survey	n/a	**Ongoing**	70%	as of 2027: 75%

Overview of most important actions

- Annual employee survey
- Effective onboarding concept
- Mentoring programme offers
- Promotion of part-time work

Various measures are aimed at recruiting new employees and increasing employee satisfaction. As from 2024, an annual global employee survey will serve as a basis. It determines the satisfaction of the workforce and provides information on individual topics. A survey had already been conducted in 2022. Various measures were then adopted in 2023. Among other things, these included developing a talent management concept (see following section) and introducing a mentoring programme, as well as promoting part-time work and home office options. In the area of sustainability, the survey also resulted in a number of programmes, such as a bike-to-work initiative and the setting up of recycling collection points. In 2024, the Company also invested in the health of its employees, for example in Canada, where yoga is offered twice a week on site and a fitness room for employees was set up at the end of the year.

The survey was redesigned and standardised for all locations in the financial year 2024. Both the implementation and the evaluation were performed by an external provider to guarantee absolute confidentiality and anonymity. A total o 75% of employees took part in the survey. The results were analysed and additionally compared with external benchmarks. The survey showed that a total of 70% of employees are "genuinely satisfied". These employees are satisfied, motivated and willing to embrace changes. To further increase employee satisfaction, measures will be defined in the smallest possible teams at the beginning of 2025 on the basis of evaluated influencing factors and will then be implemented during the course of the year. The employee survey is repeated annually.

In the 2024 financial year, the staff turnover rate at the COLTENE Group was 7.3% (number of employees voluntarily leaving the Company in relation to the total workforce). It could thus be significantly reduced (2023: 8.4%). The objective is to generally keep the fluctuation rate below 6%. To allow sufficient time for the implementation and impact of the necessary measures, this target has been set for 2030 (previously 2027). A total of 130.3 new employees were hired in 2024. The majority of new employees are female, work in Europe, and are between 30 and 50 years old (see table).

New recruitments 2024

Men	CH	DE	USA	CAN	FR	Others	68.7
under 30 yrs.	0	0.7	9	3	7	5	24.7
30-50 yrs.	9	3	4	3	2	11	32.0
over 50 yrs.	1	0	7	3	0	1	12.0
Women	**CH**	**DE**	**USA**	**CAN**	**FR**	**Others**	**61.6**
under 30 yrs.	4	4	4	1	5	0.5	18.5
30-50 yrs.	4	9.1	7	0	5	9	34.1
over 50 yrs.	1	0	6	1	0	1	9.0

Training and further education – talent management and succession planning

Further education and training play a central role in job satisfaction. At the same time, they are of strategic importance to COLTENE as an employer to ensure its competitiveness. All Group companies therefore promote professional training and development of their employees by regularly offering internal training and providing financial support for external training programmes. These are conducted on the topics of health, occupational safety, violence and harassment in the workplace, as well as on internal guidelines (e.g. Code of Conduct). Specialist training is also provided to strengthen the professional expertise of employees in a targeted manner. 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. On average, 48 hours of training were conducted per employee in 2024, which accounted for 2.3% of working hours. By 2028, this number is expected to stabilise at over 2.5%.

Employees and their direct supervisors hold an annual performance review based on qualitative criteria. Individual targets are also set for defined positions. These are aligned with the Group strategy and create incentives to achieve the overarching goals of the Company and the individual employees.

Targets: training and further education, talent management, and succession planning

Strategic targets	KPI	2023	2024	Target value
Staff development according to their potential. Internal appointments to key positions.	Average number of hours of training per year per employee	Ongoing	2.3%	2028: >2.5%
	Proportion of employees who have received a performance review	n/a	100%	as of 2024: 100%
	Share of internal appointments to key positions	Ongoing	43%	2028: >33%

In 2024, COLTENE implemented the talent management and succession planning for defined key positions that had already been conceived in 2023. In this process, the employees concerned were categorised according to their potential and possible internal successors were identified for key positions. Based on the results, corresponding development plans, including further education and training, are now being defined and will be implemented in the 2025 financial year. These measures are designed to develop candidates for potential appointment to key positions and to motivate them, with the aim of increasing the number of internal appointments to key positions. During final determination of the parameters for the definition of a key position and on the basis of the empirical values obtained during development of the succession planning concept, the target value of "over 50%" was adjusted to "over 33%". The aim of the adjustment was to establish a sustainable target that would remain valid for years to come to continue implementing the concept. In 2024, 43% of the key positions were filled internally according to this concept, although this high figure was due to internal strategic and organisational adjustments in 2024. The long-term sustainable target of >33% therefore remains unchanged.

Talent management and succession planning

Continuous evaluation by Group Management

Talent management
- Development of employees considering their potential
- Retaining high potentials

Succession planning
- Identification of key positions
- Identification of potential candidates
- Sponsoring candidates

Performance management
- Quantitative goals
- Individual goals
- Incentives in line with strategy

Measuring & reporting
- Share of internal appointments to key positions
- Male vs. female executives
- Number of training hours
- Fluctuation rate
- Absenteeism

Diversity and equal opportunities

COLTENE is a place where all employees have equal opportunities. Any form of discrimination, for example on the basis of gender, skin colour, nationality, religion, individuality, disability, or other personal characteristics, will not be tolerated. The Code of Conduct and the Supplier Code of Conduct govern the topics for employees and suppliers at Group level. These are supplemented by country-specific additional regulations adapted to the local labour market and local conditions (e.g. quota regulations for Group Management and the Board of Directors). Grievances can be reported through an anonymous whistleblower system or directly to local management and supervisors. Measures to rectify grievances follow local regulations according to the organisational structure described earlier.

Equal opportunities and diversity are important aspects for potential employees when choosing an employer. By communicating clear rules and advocating zero tolerance of any form of discrimination, as well as promoting equal opportunities (Equal Treatment Policy), COLTENE positions itself as an attractive employer in the labour market and expands the circle of potential skilled employees. At the Langenau site, an equal opportunities officer is responsible for diversity and equal opportunities. In France, monitoring via the Gender Equality Index is mandatory. In this context, Micro-Mega SA scored 79 out of 100 points (as of February 2025). The US site introduced a declaration on diversity, equality and inclusion in 2020 and continuously participates in events related to this topic. In 2021, the mandatory equal pay analysis was successfully conducted at the Altstätten site. The wages of 196 employees were analysed, of whom 111 (56.6%) were women and 85 (43.4%) were men. It is planned to periodically conduct and present the equal pay analysis for all production sites. The next analysis is scheduled for 2026.

Key figures employees (FTE per 31.12.2024)

The COLTENE Group employed 1 176.0 employees (FTE) as at 31 December 2024 (2023: 1 183.2 FTE). Of these, 47% were women and 53% men (2023: 46% and 54%). The percentage of part-time employees was 6.4% (2023: 5.6%), of whom 78% were women and 22% men. On 31 December 2024, COLTENE counted 206.0 employees (2023: 219.7 FTE) in Switzerland, 171.7 (170.8) in Germany, and 128.2 (102.6) in France. In the US and Canada, 289.5 and 166.3 employees were employed in 2024 (2023: 297.0 and 182.5). The remaining units accounted for 214.3 employees in 2024 (2023: 210.6 FTE).

	CH	D	USA	Canada	F	Others	Total
All employees	206.0	171.7	289.5	166.3	128.2	214.3	1 176.0
Under 30 yrs.	23.6	15.5	36.0	19.0	13.0	14.0	121.1
30-50 yrs.	118.7	83.9	117.0	58.5	75.0	151.9	605.0
Over 50 yrs.	63.7	72.3	136.5	88.8	40.2	48.5	449.9
Men	101.0	61.2	165.5	108.0	66.9	123.7	626.3
Women	105.0	110.5	124.0	58.3	61.3	90.7	549.7
Employee with management function	38.0	9.0	56.0	25.0	15.0	29.0	172.0
Men	33.0	7.0	32.0	20.0	11.0	17.0	120.0
Women	5.0	2.0	24.0	5.0	4.0	12.0	52.0

Social topics

COLTENE places a high value on social topics. The effects of business operations on stakeholders are taken into account in all strategic and operational decisions. For a medical technology company, the needs of patients, as well as those of dental practices and medical professionals, are of prime importance. Negative impacts on these and our other stakeholders (see stakeholder analysis) could result in serious reputational damage and thus lead to economic repercussions. Customer satisfaction and safety are therefore also fundamental drivers of COLTENE's success.

A large number of stakeholders play an important role here. The safe and effective use of products to preserve the natural tooth and the continuous improvement of the product range and services are ensured through collaboration. Most of the approximately 300 sales employees visit practices and dental clinics, as well as universities and dental schools, on a daily basis. Their feedback, which is collected and evaluated in-house, provides Research & Development with valuable information for improving products and services. COLTENE also maintains partnerships with local universities and technical colleges. In the course of the materiality analysis, the topics quality and product safety, as well as customer satisfaction and training, proved to be material. COLTENE's suppliers (supply chain) are also checked for social criteria to ensure that global standards on child labour, human rights, and conflict minerals are being complied with. Social aspects are regulated at Group level for all stakeholders by the Code of Conduct and the Supplier Code of Conduct. The responsibilities and accountabilities are defined by the sustainability organisation.

Quality and product safety

The registration process and quality management for medical devices follow strict standards. At each of its production sites, COLTENE has a quality management and a registration department that ensure that the products are placed on the market in compliance with the prescribed marketing authorisation. Quality and risk management is established at both Group level as well as at each production site. All production sites of the COLTENE Group meet the standards of ISO 13485:2016, as they develop and manufacture classified medical devices. At all locations where dental devices are developed and manufactured, risk management follows the ISO 14971:2019 standard.

In Europe, COLTENE is subject to the Medical Device Regulation (MDR). In the US, it is subject to the Food and Drug Administration (FDA), and in all other countries, it is subject to the respective medical device regulations. Production is performed in accordance with standard operating procedures (SOPs), which are binding process descriptions for production, quality assurance and registration, as well as research & development and support processes. Thus, every step of the manufacturing process, including components, raw materials and auxiliaries, meets regulatory requirements and the products are fully traceable.

The local teams ensure that the quality management systems are adhered to and are always up to date. They continuously review the changes in legal requirements and implement these. In addition, risk assessments for products and processes are created and evaluated within the framework of the Medical Device Regulations. Remedial measures are defined and implemented for all high risks and upgraded risks. After the products have been placed on the market, the products and their use on the market are monitored (Post-Market Surveillance). This is used to collect information and draw conclusions for ongoing product improvements.

Appropriate insurance policies are in place for risks that can be insured on a mandatory or reasonable basis. So-called umbrella policies are in place at Group level to cover significant risks, such as a public and product liability insurance or property and transport insurance.

The production locations are audited annually by an accredited notified body for compliance with all legal and regulatory requirements. Nonconformities are promptly remedied and their implementation is monitored by the notified body.

COLTENE places the highest value on the well-being of the patients. Information on the use and quality of the products is recorded in a CRM system and incorporated into the continuous improvement process. Feedback after visits to dentists and medical professionals is an important factor here. Recalls or indeed harmful effects of products pose a major reputational risk and can have a significant impact on economic performance. The measures described ensure that products, processes, and services always meet requirements and that the risk of negative health effects is avoided. Grievances about products and production can be reported anonymously, both internally and externally, via the COLTENE whistleblower system. These are remedied in accordance with the prescribed processes at the local and Group level.

Targets: quality and product safety

Strategic targets	KPI	Base value 2022	2023	2024	Target value
The products and services do not harm the end customers	Percentage of product and service categories that have been reviewed for health and safety impacts.	100%	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 measures in terms of product quality and safety include the institutionalised risk analysis for each product group, as required by the Medical Devices Regulation. These risk analyses, which assess possible risks to patients and users, are revised periodically. If required, the product design will be adapted or, if this should not be possible, the instructions for use will be supplemented with information on safe use.

After the products have been placed on the market for the first time, their safety is regularly checked in accordance with the mandatory "Post-Market Surveillance" process for medical devices. To this purpose, internal and external databases are analysed for complaints and damage reports. Another important aspect is seamless traceability of the products in terms of the raw materials used as well as the product batch. In the course of the transition of European regulations from the Medical Device Directive (MDD) to the Medical Device Regulation (MDR), COLTENE is in the process of adapting batch data and documentation to a data matrix code and, where necessary, applying for new or subsequent registrations. COLTENE will complete this work within the transition period and continue to ensure compliance with the requirements.

Another important measure is product training for customers (professionals such as dentists, hygienists or technicians) in the endodontics, restorative, and prosthetic product groups. All products of the COLTENE Group are designed to be used safely and correctly by professionals based on their training and the instructions for use, without the need for additional training. With its product training, COLTENE additionally contributes to increasing the safety and quality of the products in their use, and thus ensures the successful long-term care of patients.

In the reporting year 2024, all product and service groups were tested for quality and safety as described above. No negative safety aspects were identified in this process. Equally, no incidents were reported in which patients were harmed. The existing processes for ensuring product quality and safety will continue in 2025.

Customer satisfaction and customer training

The best possible care for patients through good products and meeting the needs of users and patients ensures a high level of customer satisfaction and thus the success of COLTENE. COLTENE ensures that feedback on satisfaction is collected and evaluated through interaction with customers identified in the stakeholder analysis. In general, personal customer contact is extremely important, especially through sales staff, whether in the dental practice, at trade fairs or in a workshop. In the same vein, direct feedback and the newly introduced annual customer survey also provide important input. The knowledge gained is incorporated directly into customer service processes and into the development and maintenance of products. In previous surveys, younger participants in particular expressed a desire to learn more about the sustainability of dental products. COLTENE is therefore in the process of integrating awareness of sustainability issues into its customer training programmes.

Targets: customer satisfaction and customer training

Strategic targets	KPI	2023	2024	Target value
Ensuring a high level of customer satisfaction to protect and expand the customer base	Complaints rate	Ongoing	0.3%*	<0.5%
	Customer satisfaction survey	Ongoing	realised	annual realisation
	On-time delivery rate	n/a	n/a	95%
Increasing customer awareness of sustainability issues	Inclusion of sustainability topics in customer training	Ongoing	Ongoing	as of 2025: 100%

*2024 still without Micro-Mega (F) site and without devices

Overview of most important actions

- Globally consolidated complaints reporting
- Annual realisation of a customer survey
- Integration of sustainability topics in customer training (dentists) and questionnaires

The central customer service centre introduced in 2022 is continuously being expanded to monitor and increase customer satisfaction. Customer information is shared with the field force and the technicians by means of a CRM database. This way, employees are better equipped to deal with end customers and respond to their enquiries more specifically and efficiently – even in the event of complaints. A newly established Group-wide complaints reporting system has already proven its worth. This measures the rate of complaints based on the cost of goods sold. In 2024, the target of less than 0.5% was achieved with 0.3%. However, the reporting system is still under development and does not yet cover all products (only consumables) and locations (excluding Micro-Mega) for 2024 (see also table "Customer satisfaction targets"). Reporting will be expanded in this regard in 2025. The value can therefore vary again for the financial year 2025.

In 2024, COLTENE conducted its first customer satisfaction survey, and which is to be repeated annually. The response rate was particularly high among general dentists and specialists. The results show a high level of customer satisfaction with COLTENE's products and customer service, while prices were rated in the upper range. In addition, the workshops conducted by COLTENE are considered extremely valuable. It is most encouraging that a clear majority of customers would recommend COLTENE, as confirmed by the Net Promoter Score (NPS) of 61. COLTENE will now analyse the results of the survey in detail and develop targeted measures for further improvement on this basis.

COLTENE has defined the KPI "on-time deliveries" as a further key performance indicator for measuring customer satisfaction and set a target of 95%. The processes for achieving the set target are continuously optimised and the data for control are tracked and processed internally. For reasons of competition, it was decided not to publish the key figures for the individual years in detail.

After all, COLTENE continues to integrate sustainability topics into customer workshops to raise customer awareness. In 2024, an abbreviated version of the report on non-financial matters in form of a short brochure was used specifically in market communications. The COLTENE Academy is currently in the process of integrating sustainability content into its training programmes for 2025.

Assessment of suppliers and human rights

Socially aware supplier assessment is an important prerequisite for achieving sustainability goals and preventing human rights violations, child labour, the use of conflict minerals, as well as modern slavery. COLTENE mitigates the risk of negative impacts on economic performance related to these topics by evaluating suppliers through risk and suspicion checks. This also strengthens trust in the Company. Adherence to values and international social standards on the part of suppliers is regulated by the Code of Conduct, the Supplier Code of Conduct introduced in 2023 and updated in 2024, as well as the Supply Chain Policy and due diligence. Suppliers are evaluated according to a clearly defined process. All employees, particularly those in purchasing, are trained in the guidelines and processes. The Supply Chain Policy informs suppliers about how COLTENE assesses suppliers and helps them to meet or make progress on supply chain due diligence requirements.

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/about-us/universal-declaration-of-human-rights)
- the UN Convention on the Rights of the Child (www.unicef.org)
- the fundamental conventions and international labour standards of the ILO (International Labour Organisation) (www.ilo.org)
- the principles of the United Nations Global Compact (www.unglobalcompact.org)
- the principles of the German Supply Chain Due Diligence Act (Supply Chain Act LkSG)
- the Ordinance on Due Diligence and Transparency with Respect to Minerals and Metals from Conflict Regions and Child Labour (www.fedlex.admin.ch/eli/oc/2021/847/de)

This covers the following topics: compliance with the law, protection of human rights, child labour, health and safety at work, remuneration, labour law, environmental protection, conflict minerals and conflict metals, diamonds, and integrity. Among other things, the latter includes the fight against corruption, free competition, and the protection of intellectual property rights. In 2024, the Supplier Code of Conduct was amended to include the requirements of the EU Deforestation Regulation (EUDR).

Compliance with the Supplier Code is a mandatory part 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. In addition, preference is given to suppliers who are certified according to ISO 9001, ISO 13485, ISO 14001 & ISO 50001.

Grievances in the above-mentioned areas, such as human rights protection, child labour or safety at work, as well as conflict minerals, can be reported internally and externally via the whistleblower system (wbs.sycobase.app) to the direct supervisor or Group Management, in particular the CFO as the global compliance office, and will be subsequently investigated. If necessary, the supplier shall grant COLTENE or an external party the right to audit and assess the relevant company, as well as to demand corrective actions in the event of violations. Violations may result in termination of the business relationship.

Targets: social assessment of suppliers

Strategic targets	KPI	Base value 2022	2023	2024	Target value
Suppliers should meet COLTENE's social criteria. COLTENE identifies and analyses the risk of materials classified as being "critical".	Proportion of new suppliers that were evaluated according to social criteria (since 1 October 2023)	n/a	27%	100%	as of 2024: 100%
	Proportion of existing suppliers that were evaluated according to social criteria*	n/a	66%	84%	2030: >95%
	Negative effects and actions taken	n/a	None	None	Ongoing

* The total for suppliers is based on a sales threshold of CHF 10 000 per supplier.

Overview of most important actions

- Signing of the Supplier Code of Conduct by all new suppliers or sending their own for review
- Signing of the Supplier Code of Conduct by all existing suppliers or sending their own for review
- Giving preference to suppliers that meet ISO 14001 and 50001 (or similar) standards, and discussing/enforcing compliance of suppliers

COLTENE introduced its Supplier Code of Conduct in October 2023 and is in the process of contacting all suppliers worldwide as a matter of priority, in accordance with the UNICEF country list, and asking them to sign the Supplier Code of Conduct or, alternatively, to disclose their own code of conduct for review. By the end of 2024, 84% of existing suppliers with a minimum turnover of CHF 10 000 had complied. In 2023, the figure was 66% based on the newly introduced threshold of CHF 10 000. By 2030, more than 95% of existing suppliers should fulfil this requirement. In 2024, monitoring of the progress of the process was further improved.

There were no significant changes to the supply chain last year. There was also no reasonable suspicion of child labour in 2024 and no violations of human rights or child labour were found. This is checked as part of a suspicion check based on the priorities of the UNICEF country list by means of a desk check and direct contact with suppliers. Suspected cases are also recorded internally via the whistleblower system. This ensures that they are analysed and that appropriate measures are defined and monitored by the compliance office.

Conflict minerals

Conflict minerals are treated separately within the supply chain. In recognition of the potential negative impacts of mineral extraction, trading, transshipment, and export from conflict-affected and high-risk areas, COLTENE is committed to the guidelines of the internal Supply Chain Code of Conduct Group-wide (www.coltene.com/information/general-terms-conditions/). Depending on country- and product group-specific risks, as well as other criteria such as the purchase volume of COLTENE, the supplier must perform their due diligence, which obliges them to comply with the provisions of the Supply Chain Code of Conduct. The supplier must establish due diligence procedures 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 of CAHRAs).

COLTENE manufactures products that are partially coated with precious metals. These contain small amounts of gold. We also use tin, tungsten, and diamonds in our production. The annual quantities of the affected materials used by COLTENE are currently well below the limits specified in the appendix to the Ordinance on Due Diligence Obligations and Transparency with Regard to Minerals and Metals from Conflict Regions and Child Labour (VSoTR). Furthermore, COLTENE does not source any of these materials from countries that would classify them as conflict minerals according to the appendix of the VSoTR. The quantities and origin of the materials are reviewed and documented annually.

COLTENE strives for a zero-tolerance policy with regard to conflict minerals. In this context, the Supplier Code of Conduct is used to prevent negative impacts in the supplier countries and at the same time avoid damage to the Company's reputation or exposure to legal consequences. All suppliers of natural diamonds, tungsten, gold, and tin have signed the Supplier Code of Conduct.

Governance topics

Responsible behaviour towards all stakeholders forms the basis for long-term successful corporate development. As a manufacturer of medical devices and products, ethical leadership and responsible business practices are of particular importance to us – especially in our relationships with customers and patients, but also with regard to our local communities, employees, investors, and all other stakeholders. Ethical corporate governance is the basis for actively avoiding reputational damage and negative impacts on stakeholders. It also guides us to have a positive impact on society by making decisions that are sustainable for our shareholders and other stakeholders.

The relationship with regulators, associations, and stakeholders is an important factor. The group of regulators includes state agencies such as health, tax, and environmental authorities. In addition to compliance with laws, compliance with safety and environmental standards is a top priority for COLTENE worldwide. COLTENE does not engage in active lobbying and instead advocates through associations and interest groups for a market environment that is as unrestricted as possible, for example, the removal and avoidance of trade barriers. Both the COLTENE Group and its individual companies are members of a wide range of associations and groups of stakeholders in the field of dentistry.

The principles of good corporate governance are set out in the Articles of Association and the Code of Conduct. They are binding for all employees throughout the Group. Compliance is monitored along the described sustainability organisation and responsibilities. At COLTENE, we place a high value on the protection of customer data and compliance with data protection regulations. Further aspects of governance and detailed information on corporate governance and the control mechanisms between the corporate bodies are described in the Corporate Governance section of the 2024 Annual Report.

Protection of digital data

COLTENE respects privacy and takes appropriate measures in accordance with the OECD Guidelines for Multinational Enterprises to ensure the security of personal data collected, stored, processed, and disseminated. The COLTENE Privacy Policy provides further details on the protection of customer data. By doing so, it complies with the applicable legal provisions, in particular Swiss and EU law (Swiss Federal Data Protection Act, 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 the privacy of its customers, 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 disclose personal customer information for purposes other than those agreed. Customers will be notified directly of any changes to the data protection guidelines or measures. COLTENE's Privacy Policy provides for various technical and organisational 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 digitisation of business activities in the industry and the rise in hacking and fraudulent attacks. Targeted measures to prevent attacks on COLTENE data help to ensure data security. In addition, the probability of business interruptions due to attacks, which would result in financial consequences, is to be reduced.

Responsibility for the protection of customer data and cybersecurity lies with the Global Compliance Office and the CFO, respectively. Misuse or grievances can be reported directly or through the anonymous whistleblower system (wbs.sycobase.app).

Targets: protection of digital data and customer data

Strategic targets	KPI	Base value 2022	2023	2024	Target value
COLTENE proactively reduces the risk of data hacking through a secure infrastructure environment and a high level of employee awareness.	Training participation rate (with test)	n/a	78%	100%	as of 2024: 100%
	Number of external complaints regarding breaches of customer data protection	0	0	0	Ongoing: 0

Most important data protection measures:

- Phishing campaigns
- Compulsory training for all employees
- Additional training for employees who failed the phishing tests
- Endpoint response
- Two-factor authentication
- Frequent security checks and implementation of countermeasures
- Business continuity plan and annual disaster recovery test

In the reporting year 2024, COLTENE did not receive any complaints from external parties or regulatory authorities regarding a breach of customer data protection. Phishing campaigns were conducted multiple times and the security concepts were improved continuously. From 2024, all employees will receive data security training. Additional training is provided if the phishing tests are failed. In addition, a disaster recovery test was conducted for all data deemed critical in the 2024 financial year. A comprehensive recovery test including non-critical data will be conducted in the course of the 2025 financial year.

Anticorruption

The battle against corruption is clearly regulated in the COLTENE Code of Conduct. This is available on the website. As a preventive measure, all employees undergo anti-corruption training as part of their training on the Code of Conduct. This ensures that employees are aware of what is and what is not permitted when dealing with customers, suppliers, authorities, and other stakeholders, and that corruption risks are reduced. The national subsidiaries are checked for corruption risks using the UNICEF country screening. Simultaneously, trends and regulatory changes are continuously monitored and taken into account.

Misconduct or suspected misconduct can be reported internally and directly to the supervisor or to the CFO, as the compliance office. In addition, the completely anonymous reporting platform is available for internal and external reporting (wbs.sycobase.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 remedy the misconduct. Observations are recorded in a report.

No cases of corruption were reported and no suspected cases of corruption were identified in the financial year 2024. No employees were dismissed or reprimanded for corruption-related reasons, and no supplier contracts were terminated for corruption-related reasons. Likewise, no public proceedings were initiated in connection with corruption. In-depth training on the topics of the Code of Conduct, competition law, as well as corruption and fraud prevention, was conducted for Compliance Management in 2024. In the first half of 2025, corresponding training courses will also be set up for the Purchasing and Sales departments.

GRI index

Explanation of use	COLTENE has reported the information stated in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI standards.
	GRI 1: Fundamentals 2021

GRI standard	References/comments
GRI 2: General information	
2-1 Organisation profile	a. COLTENE Holding AG b. Public limited company c. Altstätten, Switzerland d. Pages 6, 132
2-2 Entities included in the organisation's non-financial report	Whole group according to page 132; exceptions are noted in the text and in the KPIs
2-3 Reporting period, reporting frequency, and point of contact	1 January – 31 December 2024, annually, publication date: 7 March 2025; Contact: Markus Abderhalden, CFO
2-4 Rectification or restatement of information	Pages 29-30, 43-45, 49, 51, 59 Areas affected are the scope of consolidation, further development of KPIs and targets
2-5 External audit	No external audit
2-6 Activities, value creation chain, and other business relationships	Pages 13-17
2-7 Employees	Page 52
2-9 Management structure and composition	Pages 71-81
2-10 Nomination and selection of the highest supervisory body	Page 73
2-11 Chairman of the highest supervisory body	Pages 73, 77-78
2-12 Role of the highest supervisory body in monitoring the consequences	Pages 31-33, 37, 47, 53, 60
2-13 Delegation of responsibility for managing the consequences	Pages 31-33, 71, 73-76
2-14 Role of the highest supervisory body in sustainable reporting	Pages 29, 32
2-15 Conflicts of interest	Pages 77-86, 104-105

2-16 Procedure for communicating critical concerns	Page 33
2-17 Collective knowledge of the highest supervisory body	Page 32
2-18 Assessment of the performance of the highest supervisory body	Pages 29, 76
2-19 Remuneration policy	Pages 93-103
2-20 Determination of remuneration	Pages 93-103
2-22 Implementation declaration on the sustainable development strategy	Pages 29, 31
2-23 Principles and guidelines	Pages 33, 60
2-24 Inclusion of political commitments	Page 29
2-25 Procedure for eliminating negative effects	Page 33
2-26 Procedure for seeking advice and reporting concerns	Page 33
2-27 Compliance with laws and regulations	Pages 33, 60-62
2-28 Membership in associations and interest groups	Pages 60, 78-86, 104
2-29 Approach to stakeholder engagement	Pages 34-35, 60

GRI 3: Major topics 2021

3-1 Procedure for determining major topics	Pages 34-36
3-2 List of major topics	Page 36
3-3 Management of major topics	Pages 29, 31,-33, 37-62

GRI 301: Materials 2016

301-1 Materials used	Pages 42-43
301-2 Recycled materials used	Pages 42-43

GRI 305: Emissions 2016

305-1 Scope 1	Pages 30, 44-46
305-2 Scope 2	Pages 30, 44-46
305-3 Scope 3	Pages 30, 44-46
305-4 Intensity of GHG emissions	Pages 30, 44-46

GRI 401: Employment 2016	
401-1 New recruitments and fluctuation	Pages 30, 49-50
401-2 Company benefits offered only to full-time, but not to part-time employees	Page 48
401-3 Parental leave	Page 48

GRI 404: Training and further education 2016	
404-2 Programmes to improve the skills of employees	Pages 50-51

GRI 416: Customer health and safety 2016	
416-1 Assessment of the health and safety impacts of products and services	Pages 53-55
416-2 Violations related to the health and safety impacts of products and services	Page 55

Own standards	
Customer satisfaction and sustainability training	Pages 56-58
Protection of digital data	Pages 60-62

CO index

Report on non-financial matters	Reference
Requirements Art. 964b OR	
General information and business model	Pages 13-17, 29-34
Material topics	Page 36
Environmental topics, including CO_2 targets and TCFD	Pages 37-47
Employee topics	Pages 47-52
Social topics	Pages 53-62
Human rights	Pages 29, 33, 36, 47, 53, 58-59
Corruption	Page 62
Conflict minerals and child labor	Pages 29, 36, 53, 58-60

TCFD index

Climate report	Reference
TCFD requirements	
Governance	
Responsibility of the Board of Directors for climate-related risks and opportunities	Page 37
Role of Group Management in assessing and managing climate-related risks and opportunities	Page 37
Strategy	
Climate-related risks and opportunities in the short, medium and long term	Pages 39-40
Impact of the climate-related risks and opportunities on the business, strategy, and financial planning; transition plan	Pages 38-42
Resilience of the strategy	Page 41
Risk Management	
Process for identifying and assessing climate-related risks	Pages 33-34, 37
Processes for managing climate-related risks	Pages 33-34, 37-38
Integration of processes for identifying, assessing and managing climate-related risks in overall risk management	Page 34
Key performance indicators and targets	
Key performance indicators used by the Company to assess climate-related risks and opportunities	Pages 42-47
Disclosure of Scope 1 and Scope 2 greenhouse gas emissions	Pages 44-46
Targets according to which the Company manages climate-related opportunities and risks	Pages 37, 41, 43, 45

Strategy 2025–2027

Operations

We are the partner of choice, by providing our customers with outstanding products quickly and at optimised costs.

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 the Annual Report. All information is valid as at 31 December 2024, 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://invest.coltene.com/de/corporate-governance/information/ (German version) and https://invest.coltene.com/corporate-governance/information/ (English version).

Group structure and shareholders

Group structure

The COLTENE Group is mainly active in the dental market 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 2024, the market capitalization amounted to CHF 307.1 million (previous year CHF 427.9 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 132 of the financial report.

Major shareholders

As of 31 December 2024, there were 2 701 shareholders (previous year: 2 517) 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 1 343 759 registered shares. These correspond to voting rights of 22.49%. 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 Directors 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 234 374 registered shares or 3.92% of the voting rights.

All other shareholders held a stake of 39.86% of the voting rights of COLTENE Holding AG. The Company held 262 treasury shares amounting to 0.00% (previous year: 0.00%) at the balance sheet date. Shares pending registration of transfer amounted to 11.79% (previous year 12.69%) of the total as at 31 December 2024.

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 Dominik Arnold as CEO, consisted of Markus Abderhalden (CFO), who also acted as deputy CEO, Gregor Picard (COO), Martin Schlüter (CTO), Mattias Flodin (CMO), Paul Frey (CSO North America) and Di Hu (CSO Europe and Rest of the World).

Changes in Group Management

Martin Schaufelberger, Chief Executive Officer of the COLTENE Group since 2012, stepped down from Group management on 31 December 2023. Dominik Arnold (born in 1972 and 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.

Di Hu (born in 1977 and a German citizen) was appointed to succeed Christophe Loretan as Chief Sales Officer for Sales & Marketing Communication of Europe and Rest of the World (ROW) of the COLTENE Group from 1 April 2024. He possesses extensive expertise in sales and marketing of dental products in the Asian Pacific and Europe & Middle East and Africa markets and has recently transitioned to COLTENE from Bondent Group, where he held the role of Vice President for China.

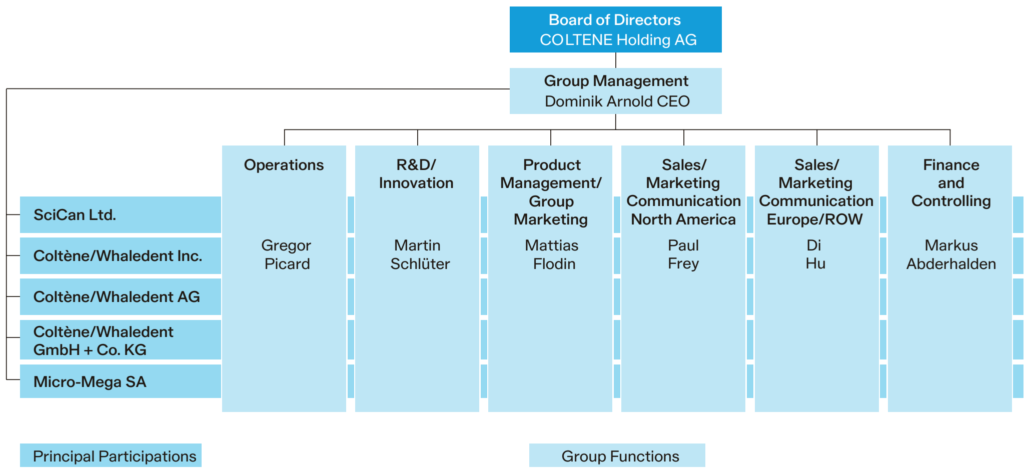
Mattias Flodin (born in 1974 and a Swedish citizen), was appointed as Chief Marketing Officer of the COLTENE Group from 1 November 2024. He succeeds Werner Barth, who decided to step down from Group Management to take over another responsibility with the Group. Mattias has extensive expertise in marketing & sales with a strong focus on digital transformation and customer experience within the dental industry. He recently transitioned to COLTENE from Neoss Group, where he held the role of Vice President Global Marketing.

Group structure and Group Management organization
Group Management is responsible for the operational management of COLTENE Holding AG 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 and in the Financial Statements of COLTENE Holding AG.

Group structure and management organization of the COLTENE Group as per 1 January 2025:



Capital

Details on the capital are included in the COLTENE Holding AG's financial statements on pages 137 and 138.

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 1 000	31.12.2024	31.12.2023	31.12.2022
Share capital	598	598	598
Statutory reserves	120	120	120
Capital contribution reserves without foreign reference	49 983	49 983	49 983
Capital contribution reserves with foreign reference	23 616	35 563	55 273
Capital contribution reserves	73 599	85 546	105 256
Reserves for treasury shares	-15	-6	–45
Net income carried forward	76 560	59 100	39 823
Total	150 862	145 357	145 752

Based on the Annual General Meeting's decision on 17 April 2024, the Company distributed a dividend of CHF 2.00 (previous year CHF 3.30) per share paid out to its shareholders on 24 April 2024, from capital contribution reserves with foreign reference. The total amount paid was TCHF 11 946 (previous year TCHF 19 711).

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 Zurich.

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 out-standing 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 2024, 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 2024, 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 17 April 2024, Edgar Schönbächler as a member of the Board for the first time. He replaces Roland Weiger, 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 2024, the law firm Lenz & Staehelin, Zurich, where the board member Astrid Waser is partner, received CHF 48 800 (2023: CHF 17 000 and 2022: CHF 12 000) for legal advice. In 2024, the main part of the fee was related to general legal advice related to the Annual General Meeting, and changes in the Articles of Incorporation and transactions related matters. 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 77 to 81.

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
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
Members: Allison Zwingenberger, Edgar Schönbächler

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 2024, the Board of Directors met nine 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 2024, 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. In the previous year, 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. 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	2024	2023
Board of Directors	97%	95%
Audit and Corporate Governance Committee	100%	89%
Nomination and Compensation Committee	90%	92%

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

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

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

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

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

Definition of areas of responsibility

The areas of responsibility between the Board of Directors and Group Management are defined in COLTENE Holding AG's organizational regulations and can be summarized as follows: with the exception of decisions which according to article 716a of the Swiss Code of Obligations are part of its inalienable and non-transferable duties, and those additional duties listed on page 73, 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 2024, a total of nineteen risks were identified using the PESTEL method and assessed in a matrix along four stages of probability of occurrence and four stages of impact on net income. 10 out of the nineteen risks have been classified as critical in terms of potential impact on net income and probability of occurrence. For example, risks related to interest rates and respective potential impact are considered to be low, in contrast to cyber threats. The risks are assessed in the categories of Political, Economical, Social, Technological, Environmental and Legal. 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 and political risks are captured as well 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 2024, 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 2025. The Board of Directors of COLTENE has committed itself to maintaining the highest standards of integrity and transparency in its governance of the Company.

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 2024

Members	Function on Board of Directors	Born in	Year of first election	Audit and Compliance Committee	Nomination Compensation Committee
Nick Huber	Chair	1964	2005		
Jürgen Rauch	Member	1967	2016		Chair
Astrid Waser	Member	1971	2017	Chair	
Allison Zwingenberger	Member	1970	2018		Member
Matthias Altendorf	Member	1967	2023	Member	
Daniel Bühler	Member	1966	2023	Member	
Edgar Schönbächler	Member	1968	2024		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

Edgar Schönbächler

- Dr. sc. tech. Swiss Federal Institute of Technology ETH Zürich
- MSc in Microengineering, Swiss Federal Institute of Technology, EPF Lausanne
- Swiss citizen, born in 1968

Professional background (main stages)

1998-2004
Wallsten Medical SA, Morges, Development Engineer
2004-2010
Bien-Air Dental, Biel, Several Positions
2010-2023
Bien-Air Dental, Biel, CEO
Since 2024
Baitella AG, Zurich, CEO

Other important activities and vested interests

None.

Key knowledge and experience

- Strategic and Operational Leadership: extensive experience in leading cross-functional teams in the Medtech industry
- Sales & Business Development: strong track-record in identifying new market opportunities, building strategic partnerships, and driving revenue growth through innovative business models
- Change Management: in-depth expertise in guiding organizations through complex change initiatives
- Innovation: Skilled in fostering a culture of innovation, leading R&D initiatives, and bringing cutting-edge medical technologies from concept to market

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.

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.

Set out below are the names, position, age, professional background, and other important activities and vested interests of Group Management:

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.

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 AG, St. Gallen, Group CFO

Other important activities and vested interests

None.

Werner Barth

- Vice President Product Management/ Group Marketing COLTENE Group (2015-2024)
- 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
Ziemer Ophthalmic Systems AG, Port, Head Marketing & Sales
2006 – 2013
Ziemer Ophthalmic Systems AG (Ziemer Group), Port, Vice President Sales
2013 – 2015
Coltène/Whaledent AG, Altstätten, Global Director Marketing

Other important activities and vested interests

None.

Mattias Flodin

- Chief Marketing Officer COLTENE Group (since 2024)
- Master in Branding & Marketing Strategies, School of Business, Economics and Law Göteborg (SE)
- Swedish citizen, born in 1974

Professional background (main stages)

2003-2006
IKEA Communications AB, Älmhult (SE), Project Manager

2006-2012
Nobel Biocare Inc., Göteborg and Zurich (SE&CH), Global Marketing Manager

2012-2017
Nobel Biocare Inc., California (US), Director Communication & Digital Marketing

2017-2018
Danaher Corporation for Nobel Biocare Services AG, Zurich (CH), Head of Global Digital Transformation

2018–2021
Envista Holdings Corporation, Zurich (CH), Head of Global Online Customer Experience

2021-2024
Neoss Group, Zurich (CH), Vice President Global Marketing

Other important activities and vested interests

None.

Paul Frey

- Chief Sales Officer North America COLTENE Group (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.

Di Hu

- Chief Sales Officer Europe and Rest of the World COLTENE Group (since 2024)
- Master of Business Administration at University of Applied Sciences Würzburg (DE)
- German citizen, born in 1977

Professional background (main stages)

1999-2002
China Unicom, Huhhot (CN), Project manager
2007-2010
Gainward Europe GmbH, Munich (DE), International Sales Manager CEE/CIS/Scandinavia
2010-2012
DentsplySirona - VDW GmbH, Munich (DE), Export Manager Asia
2012-2016
DentsplySirona - VDW GmbH, Munich (DE), Head of International Sales APAC
2016-2018
DentsplySirona - VDW GmbH, Munich (DE), Head of International Sales APAC/MEA/UK/TR/GR
2018-2020
DentsplySirona - VDW GmbH, Munich (DE), Sales Director APAC&ROW
2020-2024
Bondent Group, Shanghai (CN), Group Vice President China & Bondent GmbH, Munich (DE), General Manager

Other important activities and vested interests

None.

Gregor Picard

- Chief Operating Officer COLTENE Group (since April 2023)
- Master of Business Administration, 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

- Chief Technology Officer COLTENE Group (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.

Group Management

On 1 January 2025, COLTENE Holding AG's Group Management consisted of seven persons (in 2024 and 2023 seven persons): Dominik Arnold, Chief Executive Officer (CEO), Markus Abderhalden, Chief Financial Officer (CFO), Gregor Picard, Chief Operating Officer (COO), Mattias Flodin, Chief Marketing Officer (CMO), Paul Frey, Chief Sales Officer (CSO) of North America, Di Hu, Chief Sales Officer (CSO) of Europe and Rest of the World, and Martin Schlüter, Chief Technology Officer (CTO).

For further information regarding the changes in Group Management team see pages 70 and 71 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 82 to 86.

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 21 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 13.11 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 105 of the Annual Report 2024.

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://invest.coltene.com/de/corporate-governance/information/ (German version) and https://invest.coltene.com/corporate-governance/information/ (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 are in effect at 31 December 2024, 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 277 000 (CHF 285 000 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 36 500 for non-audit-related services (CHF 3 000 in previous year). This amount was paid for services related to taxes and sustainability reporting. 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 74, 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 2024, the auditors participated in three 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 144.

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/service/whistleblowing-portal/

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://invest.coltene.com/de/news-termine/adhoc-und-coporate-news/
(German Version)
https://invest.coltene.com/news-dates/adhoc-corporate-news/
(English version)

Financial publications

https://invest.coltene.com/de/publikationen/geschaeftsberichte/
(German Version)
https://invest.coltene.com/financial-publications/business-reports/
(English version)

Articles of Incorporation

https://invest.coltene.com/de/corporate-governance/information/
(German Version)
https://invest.coltene.com/corporate-governance/information/
(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 144.

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.

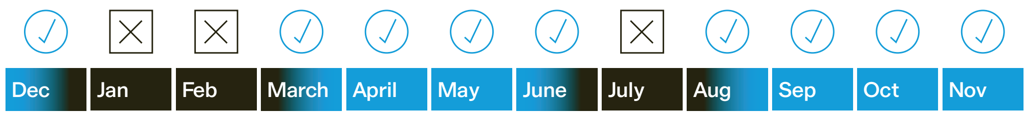
Special blackout periods

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.

General Blackout Periods



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 2023 and 2024. 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 entrepreneurism, 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 2024, the NCC is composed as follows:

Chair:	Jürgen Rauch
Members:	Allison Zwingenberger, Edgar Schönbächler

The Board of Directors determines the NCC's responsibilities, and passes all resolutions on the Company's compensation system (see page 74). 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 17 April 2024, 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 119.

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 in %

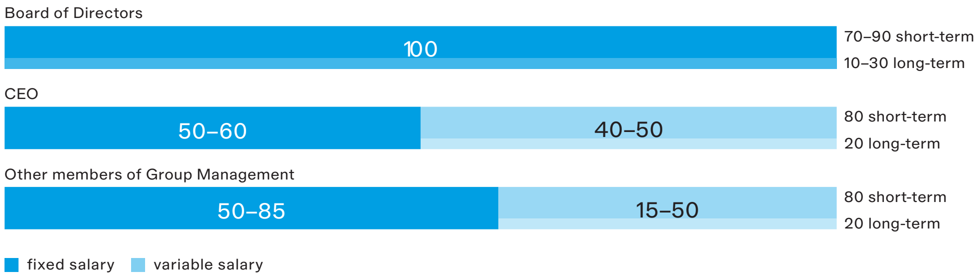


Fig. 2: Compensation elements

3.1 Fixed compensation elements

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

- Base salary
- Pension plan benefits[1] (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 2024 the quantitative targets of Group Management included net sales of the COLTENE Group, net sales of applicable region, net sales of focus products, and the operating margin before interest and tax (EBIT margin). These quantitative targets were achieved in a range from 69%-105%.

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 2024 included market targets such as developing new business opportunities and business with the DSO organizations, targets to increase customer satisfaction such as improving customer service and repair process, operational targets such as improving efficiencies and on time delivery, but also targets related to the development of the strategy 2025-2027 as well as ESG. These individual targets were achieved in a range from 64% to 100%.

Weighting by variable compensation component

The variable compensation components are weighted as follows:

- Each quantitative target has a weighting of 20%–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 130% 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 70% fulfillment of the defined target but it may start at a higher percentage than at 70% 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	25	50	20	80
Other members	50–85	15–50	20–50	30–50	20–40	20	80

Fig. 3: Composition of Group Management compensation

Scale of variable compensation elements

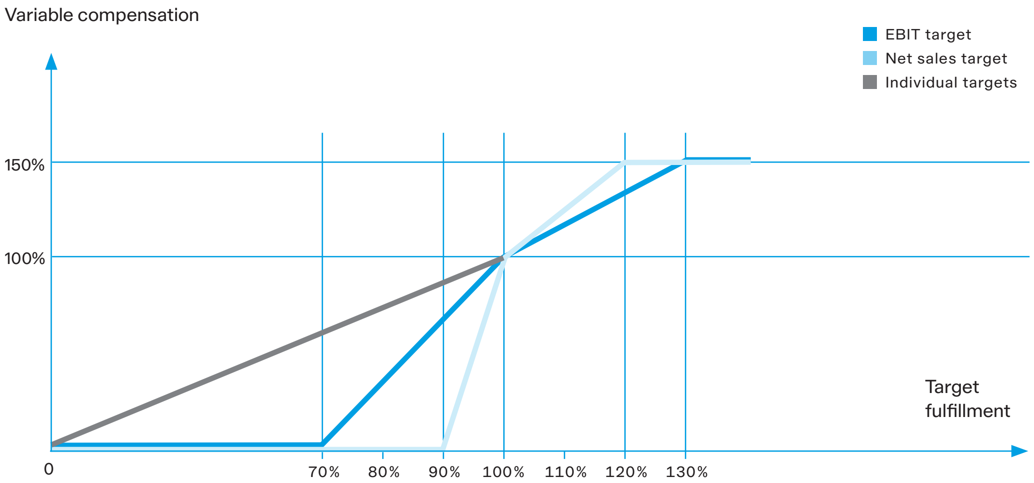


Fig. 4: Scale of variable compensation elements

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 130%. 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 96 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 6 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 entrepreneurism 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 2023 and 2024.

Remuneration of the Board of Directors

In CHF	Base remuneration in cash	Base remuneration in shares [1]	Other remuneration Social security [2]	Total
2023				
Nick Huber	80 000	29 188	15 572	124 760
Erwin Locher [4]	23 333	5 073	4 445	32 852
Jürgen Rauch	66 667	14 596	0	81 263
Matthew Robin [4]	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 [4]	40 000	9 523	5 834	55 357
Daniel Bühler [4]	40 000	9 523	5 834	55 357
Total	460 000	116 764	70 123	646 887

In CHF	Base remuneration in cash	Base remuneration in shares [1]	Other remuneration Social security [2]	Total
2024				
Nick Huber	80 000	20 870	14 438	115 308
Jürgen Rauch	70 000	10 436	0	80 436
Astrid Waser	70 000	10 436	11 595	92 031
Roland Weiger [3]	20 000	3 600	4 302	27 902
Allison Zwingenberger	60 000	10 436	10 136	80 572
Matthias Altendorf	60 000	10 436	10 136	80 572
Daniel Bühler	60 000	10 436	10 136	80 572
Edgar Schönbächler [3]	40 000	6 836	8 751	55 587
Total	460 000	83 487	69 494	612 981

[1] The remuneration in shares for 2024 includes the granted shares for the period of the beginning of the year until the AGM 2024 valued at the weighted average share price of the month April 2024, and for the period from the AGM 2024 until the end of the year, the outstanding shares are calculated at a share price of CHF 51.40 (as of year-end 2024). 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] Roland Weiger received remuneration from the beginning of the year 2024 until the AGM 2024. For the successor Edgar Schönbächler the remuneration includes the period from AGM 2024 until the end of the year.
[4] Erwin Locher and Matthew Robin received remuneration from the beginning of the year 2023 until the AGM 2023. Fort 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		
	in cash	in cash	in shares[2]	Social security[3]	Other benefits	Total
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
2024						
Dominik Arnold	410 000	308 648	59 778	99 337	11 356	889 119
Other members[4]	1 636 852	388 117	77 614	349 800	53 590	2 505 973
Total	2 046 852	696 765	137 392	449 137	64 946	3 395 092

[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 and the approval of the AGM.
[2] The shares for 2024 are calculated at a share price of CHF 51.40 (as of year-end 2024) 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
[4] Other members include compensation to former CEO, Martin Schaufelberger, and member of Group Management, Christophe Loretan, during the termination period. Furthermore, it also includes the compensation to Werner Barth, who decided to step down from Group Management as of October 31 2024.

Payments to former management committee members
In 2024 and 2023 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 2023 approved a maximum aggregate remuneration (incl. social benefit contribution) of the members of the Board of Directors of CHF 676 800 for the period from the AGM 2023 until the AGM 2024. The compensation actually received for this period amounted to CHF 606 290 (incl. social benefit contributions).

Compensation paid to the Board of Directors for the period from AGM 2023 until the AGM 2024 in CHF

	Approved compensation	Actual compensation
Total compensation in cash [1]	560 000	520 322
Total compensation in shares [2]	116 800	85 968
Overall compensation	676 800	606 290

[1] including social security payments (SSP) for the total compensation.
[2] The AGM approved 1600 shares valued at CHF 73.00 per share on 24.2.2023. The actual compensation was 1600 shares valued at 53.73 based on weighted average share price (VWAP) of April 2024.

The remuneration of the Board of Directors for the period from the AGM 2023 until the AGM 2024 was within the overall approved amount.

At the AGM 2024, the shareholders approved a total compensation for the Board of Directors for the period from the AGM 2024 to the AGM 2025 in the amount of CHF 694 560 (consisting of CHF 580 000 in cash and CHF 114 560 in shares). The actual compensation paid for this period will be reported in the Compensation Report 2025.

Approved remuneration of Group Management
The AGM 2023 approved for the year 2024 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 2 560 935 (incl. social benefit contribution). The variable compensation paid in 2024 for the year 2023 amounted to 197 394 CHF and was approved by the AGM 2024 with the total amount of CHF 205 957.

Compensation to Group Management in 2024 in CHF

	Approved compensation	Actual compensation
Total fixed compensation [1]	2 700 000	2 560 935
Variable compensation [2]	205 957	197 394
Total	2 905 957	2 758 329

[1] The fixed compensation for and paid in the year 2024 was approved by the AGM 2023 and includes social security payments for the total compensation as well as the compensation to former CEO, Martin Schaufelberger, and member of Group Management, Christophe Loretan, during the termination period. Furthermore, it also includes the compensation to Werner Barth, who decided to step down from Group Management as of October 31st 2024.
[2] The variable compensation for the year 2023 paid in 2024 was approved by the AGM 2024 and includes 424 company shares valued at the market value on 31 December 2023 of CHF 71.60 per share. The actual allocation of 424 is valued at the market value on 1 May 2024 (grant date) of CHF 51.40.

The remuneration of Group Management in 2024 was within the approved amounts. The variable compensation for the year 2024 paid in 2025 is subject to approval by the Annual General Meeting (AGM) 2025.

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

	31.12.2024	31.12.2023
Nick Huber, Chairman	31 566	29 666
Jürgen Rauch, member	1 169	969
Astrid Waser, member	989	789
Roland Weiger, member [1]	n/a	2 090
Allison Zwingenberger, member	794	594
Matthias Altendorf, member	1 955	755
Daniel Bühler, member	200	0
Edgar Schönbächler, member [2]	0	n/a
Total	36 673	34 863

[1] Member of the Board of Directors who did not stand for re-election at the 2024 annual general meeting.
[2] New member of the Board of Directors appointed at the annual general meeting 2024.

Number of shares held by Group Management

	31.12.2024	31.12.2023
Martin Schaufelberger, CEO [1]	n/a	7 944
Dominik Arnold, CEO [2]	800	n/a
Markus Abderhalden, CFO	281	192
Werner Barth, Vice President Marketing [3]	n/a	2 017
Gregor Picard, COO	39	0
Martin Schlüter, CTO	239	212
Paul Frey, CSO NAM	112	78
Di Hu, CSO Europe and Rest of the World [4]	0	n/a
Mattias Flodin, CMO [4]	0	n/a
Total	1 471	10 443

[1] Martin Schaufelberger stepped down from his position as CEO at 31 December 2023.
[2] Dominik Arnold was appointed on 1 January 2024 as CEO.
[3] With effect from 31 October 2024, Werner Barth (VP Marketing), decided to step down from Group Management.
[4] Newly appointed members of Group Management in 2024.

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

Name	Function	Entity	Activity
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
Edgar Schönbächler	Member of the Board of Directors	Baitella AG	CEO

All of the above information about other professional activities are unchanged compared to previous year with the exception of Edgar Schönbächler, the new member of the Board of Directors since AGM 2024. Martin Schaufelberger as former CEO and Roland Weiger as former member of the Board of Directors were no longer included.

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 2024 and approved it at the Board of Directors’ meeting of 27 February 2025. It will be presented to the shareholders for consultative approval at the Annual General Meeting on 23 April 2025.

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To the General Meeting of
COLTENE Holding AG, Altstätten

St. Gallen, 27 February 2025

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 2024. 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 100 to 105 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 100 to 105 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 compensation system and defining individual remuneration packages.

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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

Strategy 2025–2027

Profitable Growth

We are investing in efficient production, which benefits both customers as well as our cost base.

Financials

Financials

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Consolidated income statement

In CHF 1000	Ref.	2024	2023
Net sales	1	250 159	242 729
Changes in inventories of finished goods and work in progress		2 182	1 652
Raw material and consumables used		– 86 641	– 88 447
Personnel expenses	2	– 91 117	– 89 418
Other operating expenses	4	– 40 844	– 40 059
Depreciation on tangible fixed assets	14	– 5 524	– 5 392
Amortization on intangible assets	16	– 1 374	– 1 457
Operating profit (EBIT)		26 841	19 608
Financial income and expenses	5	– 360	– 3 490
Net profit before tax		26 481	16 118
Income taxes	6	– 6 015	– 4 171
Net profit for the period	8	20 466	11 947
Earnings per share	8	CHF 3.43	CHF 2.00
Diluted earnings per share	8	CHF 3.43	CHF 2.00

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.	31.12.2024	31.12.2023
Assets			
Cash and cash equivalents		21 857	18 360
Trade accounts receivable	9	39 781	35 389
Prepaid expenses and deferred income	12	1 339	1 780
Other short-term receivables	11	2 852	3 711
Inventories	13	60 397	58 864
Current assets		126 226	118 104
Tangible fixed assets	14	48 053	47 848
Financial assets	10	3 363	337
Intangible assets	16	5 869	6 350
Deferred tax assets	7	3 435	2 783
Non-current assets		60 720	57 318
TOTAL ASSETS		186 946	175 422

In CHF 1000	Ref.	31.12.2024	31.12.2023
Lliabilities			
Short-term financial liabilities	18	40 000	45 000
Trade accounts payable	19	11 505	11 146
Other short-term liabilities	20	6 466	4 635
Short-term provisions	22	1 165	943
Accrued liabilities and deferred income	21	13 723	11 909
Current liabilities		72 859	73 633
Deferred tax liabilities	7	2 868	2 601
Long-term provisions	3, 22	2 423	2 314
Non-current liabilities		5 291	4 915
Total liabilities		78 150	78 548
Share capital		598	598
Capital reserves		84 099	96 045
Treasury shares		–15	–6
Retained earnings		24 114	237
Total equity	23	108 796	96 874
TOTAL LIABILITIES AND EQUITY		186 946	175 422

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.	2024	2023
Net profit for the period	8	20 466	11 947
Depreciation of tangible fixed assets and amortization of intangible assets	14, 16	6 898	6 849
Change in provisions not affecting cash		236	–115
Other expenses and income not affecting the fund		6 130	6 654
Change in trade accounts receivable		–3 116	734
Change in inventories		202	1 968
Change of other short-term receivables, prepaid expenses, and deferred income		311	328
Change in trade accounts payable		121	3 470
Change in other short-term liabilities, accrued liabilities, and deferred income		2 772	1 499
Interest paid	5	–854	–837
Interest received	5	23	37
Income tax paid		–4 627	–6 558
Cash flow from operating activities		28 562	25 976
Purchase of tangible fixed assets	14	–4 790	–6 869
Proceeds from sale of tangible fixed assets		87	123
Purchase of intangible assets	16	–955	–1 815
Proceeds from sale of intangible assets		133	0
Purchase of financial assets	10	–3 000	0
Cash flow from investing activities		–8 525	–8 561

In CHF 1000	Ref.	2024	2023
Proceeds from financial liabilities		40 000	48 000
Repayments of financial liabilities		–45 000	–50 071
Dividends paid to shareholders	23	–11 946	–19 711
Proceeds / purchase of treasury shares	23	–123	–153
Cash flow from financing activities		–17 069	–21 935
Effect of exchange rate changes on cash		529	–1 344
Change in cash and cash equivalents		3 497	–5 864
Cash and cash equivalents at beginning of year		18 360	24 224
Cash and cash equivalents at end of year		21 857	18 360

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	Ref.	Share capital	Capital reserves (Agio)	Treasury shares	Currency translation adjustments	Goodwill (offset)	Retained earnings	Total of retained earnings	Total equity
01.01.2023		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	23	0	0	–153	0	0	0	0	–153
Allocation of treasury shares	23	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
Net profit of the period		0	0	0	0	0	20 466	20 466	20 466
Acquisition of treasury shares	23	0	0	–123	0	0	0	0	–123
Allocation of treasury shares	23	0	0	114	0	0	–8	–8	106
Dividends	23	0	–11 946	0	0	0	0	0	–11 946
Foreign currency differences		0	0	0	3 419	0	0	3 419	3 419
31.12.2024		598	84 099	–15	–6 962	–225 874	256 950	24 114	108 796

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 27 February 2025 for issue. The financial statements are subject to approval by the Annual General Meeting of Shareholders scheduled to take place on 23 April 2025. 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, intangible assets which have not been recognised previously by the acquiree and are relevant to the decision to obtain control are also to be identified, recognised and amortised over the useful life. 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 case of a loss of control of a subsidiary or the loss of significant influence over an associated entity whose financial statements are in a foreign currency requires the reclassification to profit or loss of the accumulated foreign currency differences recognised in equity.

The most important exchange rates are listed below:

The most important exchange rates

	31.12.2024	Ø 2024	31.12.2023	Ø 2023
1 USD	0.9060	0.8803	0.8380	0.8990
1 EUR	0.9412	0.9526	0.9260	0.9718
1 CAD	0.6297	0.6429	0.6324	0.6660

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. At the end of 2024 and 2023, cash and cash equivalents consisted solely of bank balances.

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 and investments in minority interests. They are valued at acquistion cost 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.

Changes in accounting policies

First-time application of revised Swiss GAAP FER 30 "Consolidated Financial Statements"

On 1 January 2024, the revised recommendation "Swiss GAAP FER 30 - consolidated Financial Statements" (FER 30) became effective. The amendments in FER 30 specify in particular the accounting treatment of step acquisitions, goodwill and translation differences related to equity-like loans. Under the new recommendation, intangible assets that have not been recognized previously by an acquired company and are relevant to the decision to acquire such a company are to be identified and recognized. As at 1 January 2024, the application of FER 30 did not have a material impact on the consolidated financial statements.

First-time application of new Swiss GAAP FER 28 "Government Grants"

The new Swiss GAAP FER standard "Government Grants" came into force on 1 January 2024. The standard primarily entails additional disclosures, but has no material impact on Coltene financial position or earnings. In 2024, there were no government grants that would fall under FER 28.

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	2024	2023
EMEA	87 429	89 495
North America	122 267	112 193
Latin America	14 497	14 523
Asia / Oceania	25 966	26 518
Net sales	250 159	242 729

Net sales by products and services

In CHF 1000	2024	2023
Dental Improvement	65 901	63 073
Infection Control	85 181	80 351
Treatment Auxiliaries	99 077	99 305
Net sales	250 159	242 729

Based on the new global strategy, the net sales were divided into new business units in 2024 and the previous year was adjusted accordingly. A comparison with previous reports is no longer possible despite the same names.

Net sales of TCHF 59 707 (previous year TCHF 50 456) corresponding to 23.9% of Group net sales (previous year 20.8%) 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 1 184 employees (previous year 1 202). As per year-end 2024, 1 176 FTEs were employed (2023: 1 183 FTEs). Detailed information on personnel expenses:

Personnel expenses

In CHF 1000	2024	2023
Wages and salaries	71 689	70 188
Social Security Expenses	15 283	15 177
Other personnel expenses	4 145	4 053
Total	91 117	89 418

Board of Directors receives 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. The variable compensation to Group Management consists of a long-term component granted in shares, which are blocked for a period of three years. Share-based compensation is calculated based on the year-end share price of CHF 51.40 (previous year: CHF 71.60). In the year under review, 4 273 shares (prior year: 2 024 shares) were allocated. Expenses, which included social security, in the amount of CHF 245'988 (prior year: CHF 162'309) are recognized accordingly in the income statement. Shares are transferred in the following financial year, subject to approval by the Annual General Meeting for the Board of Directors and Executive Group Management.

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 2024, the coverage rate amounted to 120.5% (previous year 112.6%) for the pension schemes in Switzerland.

Plan description (Switzerland)

Pension plans are regulated by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG). The pension solution adopted for employees in Switzerland is affiliated to legally independent collective foundations or occupational benefits solutions offered by insurance companies. Plan participants are insured against the financial consequences of old age, disability, and death. The benefits are financed through regular employer and employee contributions. Emloyees 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

	Financial share of the organization		Change vs. prior year	Contributions in the period	Pension benefit expense as part of personnel expense	
In CHF 1000	31.12.2024	31.12.2023	2024	2024	2024	2023
Pension funds without surplus / deficit	0	0	0	2 236	2 236	2 178
Pension funds without own assets	779	746	33	72	105	173
Total	779	746	33	2 308	2 341	2 351

4 Other operating expenses

Other operating expenses

In CHF 1000	2024	2023
Production expenses	8 742	9 120
Marketing	7 931	7 722
Consulting	3 228	3 150
Selling and administration expenses	20 943	19 898
Other expenses	0	169
Total	40 844	40 059

In 2024, TCHF 9 956 (previous year TCHF 9 881) 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	2024	2023
Interest income on cash and cash equivalents	23	37
Exchange rate differences and other financial income	1 112	18
Total financial income	1 135	55
Interest expenses for bank overdrafts and loans	– 854	– 837
Exchange rate differences and other financial expenses	– 641	– 2 708
Total financial expenses	– 1 495	– 3 545
Total financial result	– 360	– 3 490

6 Tax expenses

Tax expenses comprise the following positions:

Tax expenses

In CHF 1000	2024	2023
Current taxes	6 227	5 236
Deferred taxes	– 212	– 1 065
Total	6 015	4 171

Tax expenses can be analyzed as follows:

Tax expenses

In CHF 1000	2024	2023
Net profit before tax expenses	26 481	16 118
Tax expenses at applicable tax rate of 21.4 % (20.7 %)	5 673	3 334
Effects of non-tax-deductible expenses	62	387
Effects of tax-exempt income / income taxed at another rate	– 374	80
Effects of tax loss not capitalized in current year	353	4
Effects of tax loss used not capitalized in prior years	– 114	– 102
Effects of change in tax rate on deferred taxes	0	– 34
Tax adjustments prior years	50	144
Withholding tax not refundable	348	450
Other impacts	17	– 92
Actual tax expense	6 015	4 171
Effective tax rate in %	22.7 %	25.9 %

The applicable tax rate represents a weighted average rate based on all Group companies. Compared to last year, the applicable tax rate increased slightly from 20.7% to 21.4%. This increase is mainly because entities with higher tax rates had proportionally higher profits in 2024 than in 2023.

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

Tax losses

In CHF 1000	2024	2023
Tax losses capitalized		
Expiration between 1 and 5 years	139	241
Expiration over 5 years	3 807	2 897
Total	3 946	3 138
Deferred tax assets of capitalized tax losses		
Expiration between 1 and 5 years	36	63
Expiration over 5 years	887	692
Total	923	755
Tax losses not capitalized		
Expiration between 1 and 5 years	0	0
Expiration over 5 years	5 510	5 462
Total	5 510	5 462
Estimated tax effect of not capitalized tax losses		
Expiration between 1 and 5 years	0	0
Expiration over 5 years	1 623	1 602
Total	1 623	1 602

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

In CHF 1000	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Receivables and accruals	636	381	833	417
Inventories	3 348	391	2 853	414
Property, plant, and equipment	0	3 399	0	3 473
Intangible assets	82	46	88	44
Provisions	154	94	346	79
Deferred taxes from losses carried forward	923	0	755	0
Deferred taxes on equity reserves	0	265	0	265
Offset of deferred assets and liabilities	–1 708	–1 708	–2 091	–2 091
Total	3 435	2 868	2 783	2 601

8 Earnings per share

Net profit amounts to TCHF 20 466 (previous year TCHF 11 947). Earnings per share (EPS) are calculated as follows:

Earnings per share

	2024	2023
Weighted number of shares issued at 31.12.[1]	5 975 010	5 975 156
Earnings per share (based on net profit for the period)	CHF 3.43	CHF 2.00
Diluted earnings per share[2] (based on net profit for the period)	CHF 3.43	CHF 2.00

[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	2024	2023
Trade accounts receivable from third parties (gross)	40 459	36 205
Allowance	– 678	– 816
Total trade accounts receivable (net)	39 781	35 389

Trade accounts receivable (gross) by maturity

In CHF 1000	2024	2023
Not due	32 892	28 320
Past due 1 to 30 days	4 769	4 535
Past due 31 to 60 days	788	1 022
Past due 61 to 90 days	785	797
Past due 91 to 120 days	58	315
Past due over 120 days	1 167	1 216
Total	40 459	36 205

Trade accounts receivable by maturity including allowance

In CHF 1000	2024	2023
Not due	32 766	28 216
Past due 1 to 30 days	4 763	4 535
Past due 31 to 60 days	785	1 013
Past due 61 to 90 days	782	758
Past due 91 to 120 days	45	243
Past due over 120 days	640	624
Total	39 781	35 389

As per 31 December 2024, no trade accounts receivable are pledged (previous year also none).

10 Financial assets

Financial assets

In CHF 1000	2024	2023
Loans to third parties	363	337
Investments in minority interests	3 000	0
Total financial assets	3 363	337

A minority interest in Cobea AG was acquired in 2024.

11 Other short-term receivables

Other short-term receivables

In CHF 1000	2024	2023
Net VAT / Tax receivables	2 041	2 605
Wage and T&E expenses advances	59	93
Prepayments	0	311
Deposits	67	60
Other short-term receivables	685	642
Total	2 852	3 711

12 Prepaid expenses and deferred income

Prepaid expenses and deferred income

In CHF 1000	2024	2023
Personnel expenses	2	270
Insurance costs	47	72
License fees	444	778
Exhibition and marketing expenses	430	190
Other prepaid expenses and deferred income	416	470
Total	1 339	1 780

13 Inventories

Inventories are as follows:

Inventories (net)

In CHF 1000	2024	2023
Raw materials	27 597	25 945
Work in progress	12 393	12 013
Finished goods	20 972	19 046
Trade merchandise	8 974	10 668
Prepayments to suppliers	1 655	1 847
Total inventories gross	71 591	69 519
Allowances	– 11 194	– 10 655
Total inventories net	60 397	58 864

No inventories are pledged as of 31 December 2024 and 2023.

14 Tangible fixed assets

Gross values

In CHF 1000	Machinery and equipment	Land[1]	Buildings (incl. inst.)	Assets under construction	Total
Value 01.01.2023	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
Additions	1 701	0	1 227	1 862	4 790
Disposals	–1 470	0	–110	0	–1 580
Currency effects	2 352	20	964	77	3 413
Reclassification	1 463	0	97	–1 560	0
Value 31.12.2024	71 105	3 063	45 867	4 036	124 071

Accumulated depreciation

In CHF 1000	Machinery and equipment	Land[1]	Buildings (incl. inst.)	Assets under construction	Total
Value 01.01.2023	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
Depreciation	3 794	0	1 730	0	5 524
Disposals	–1 425	0	–104	0	–1 529
Currency effects	1 823	0	600	0	2 423
Reclassification	0	0	0	0	0
Value 31.12.2024	51 687	19	24 312	0	76 018

Net values

In CHF 1000	Machinery and equipment	Land[1]	Buildings (incl. inst.)	Assets under construction	Total
Value 31.12.2023	19 564	3 024	21 603	3 657	47 848
Value 31.12.2024	19 418	3 044	21 555	4 036	48 053

[1] COLTENE does not own any undeveloped land, the values shown are for developed land.

Contractual commitments

As per 31 December 2024, 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 maschinery held under finance leases at 31 December 2024 (previous year also none).

Pledged assets

No other property, plant, and equipment are pledged as of 31 December 2024 and 2023.

15 Operating leasing

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

Leasing

In CHF 1000	2024	2023
Not later than 1 year	2 338	2 001
1 to 5 years	2 294	4 135
Later than 5 years	256	306
Total	4 888	6 442
Total later than 1 year	2 550	4 441

16 Intangible assets

Gross values

In CHF 1000	Software	Licences, Patents and Trademarks	Development cost[1]	Other intangible assets	Total
Value 01.01.2023	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
Additions	361	0	586	8	955
Disposal	–22	0	–133	–29	–184
Currency effects	25	54	181	12	272
Reclassifications	703	0	–703	0	0
Value 31.12.2024	13 585	719	3 883	689	18 876

Accumulated amortization

In CHF 1000	Software	Licences, Patents and Trademarks	Development cost	Other intangible assets	Total
Value 01.01.2023	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
Amortization	1 029	9	294	42	1 374
Disposal	–22	0	0	–29	–51
Currency effects	25	52	116	8	201
Reclassification	0	0	0	0	0
Value 31.12.2024	9 760	687	2 052	507	13 007

Net values

In CHF 1000	Software	Licences, Patents and Trademarks	Development cost	Other intangible assets	Total
Value 31.12.2023	3 789	38	2 310	212	6 350
Value 31.12.2024	3 825	32	1 831	182	5 869

[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	2024	2023
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	– 23 599
Value as of 31.12.	202 275	202 275

In CHF 1000	2024	2023
Accumulated amortization as of 1.1.	– 202 275	– 195 080
Amortization	0	– 7 195
Disposal	0	0
Accumulated amortization as of 31.12.	– 202 275	– 202 275

Theoretical book values net

In CHF 1000	2024	2023
As of 1.1.	0	10 946
As of 31.12.	0	0

Effect on income statement

In CHF 1000	2024	2023
Net profit	20 466	11 947
Amortization of goodwill	0	– 7 195
Theoretical net profit / loss (-) incl. amortization of goodwill	20 466	4 752

Theoretical book values net

In CHF 1000	2024	2023
Equity according to balance sheet	108 796	96 874
Theoretical capitalization of net book value of goodwill	0	0
Theoretical equity incl. net book value of goodwill	108 796	96 874

18 Financial liabilities

The following tables show details of current bank loans. Book values represent nominal values.

Financial liabilities

In CHF 1000	2024	2023
Bank loans	40 000	45 000
Total current financial liabilities	40 000	45 000

Current bank loans

In CHF 1000

Maturity		Currency	Interest rate	2024
17.01.2025	unsecured	CHF	1.31 %	5 000
09.01.2025	unsecured	CHF	1.50 %	35 000
Total				40 000

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

Credit lines amount to TCHF 119 000 (previous year TCHF 201 260) of which 34% are used (previous year 22%). No covenants exist for the credit lines.

The Group intends to repay the bank loans of TCHF 40 000 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	2024	2023
Trade accounts payable from third parties	11 505	11 146
Total trade accounts payable	11 505	11 146

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	2024	2023
Net VAT obligations	506	479
Current income tax obligations	2 143	697
Reclassifications of accounts receivables	1 620	558
Other short-term liabilities	2 197	2 901
Total	6 466	4 635

21 Accrued liabilities and deferred income

Accrued liabilities and deferred income

In CHF 1000	2024	2023
Bonus, vacations, payroll taxes	5 057	3 939
Sales bonus	2 441	2 081
Social security	416	333
Outstanding invoices	2 358	1 474
Other accrued liabilities and deferred income	3 451	4 082
Total	13 723	11 909

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
01.01.2023	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
Additions	733	72	127	932
Reversals	–244	0	–110	–354
Used	–261	–48	–32	–341
Currency effects	51	9	34	94
Reclassification	12	0	– 12	0
31.12.2024	2 539	779	270	3 588

Provision by maturity

In CHF 1000	Provision for guarantees & other provisions	Provision for employee benefit obligations	Provision for legal cases	Total
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
31.12.2024				
Short-term provisions	895	0	270	1 165
Long-term provisions	1 644	779	0	2 423
Total	2 539	779	270	3 588

23 Equity

The share capital represents the capital of COLTENE Holding AG. Treasury stock on 31 December 2024, included 262 shares (previous year 86). In the reporting period 2 200 treasury shares (previous year 2 130) were purchased and 2 024 treasury shares (previous year 2 612) were allocated due to share-based compensation.

Treasury shares

in CHF	2024 Number	2024 Transaction price (Ø)	2024 Acquisitions costs
As of 1.1.	86	73.54	6 324
Acquisitions	2 200	55.91	123 000
Share-based compensation	– 2 024	56.57	– 114 502
As of 31.12.	262	56.57	14 822

in CHF	2023 Number	2023 Transaction price (Ø)	2023 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

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 1 274 as at 31 December 2024 (previous year TCHF 1 270).

Based on the General Meeting decision on 17 April 2024, the Company paid out from capital contribution reserves CHF 2.00 (previous year CHF 3.30 paid out from capital contribution reserves) per share to its shareholders on 24 April 2024. The total amount paid was TCHF 11 946 (previous year TCHF 19 711).

The distribution of CHF 2.50 per share will be proposed to the General Meeting on 23 April 2025.

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 105. 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 105. All Board members are non-executive and have no material business interest with the COLTENE Group. In 2024, the law firm Lenz & Staehelin, Zurich, where Astrid Waser is partner, received CHF 48 800 (previous year CHF 17 000). 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	2024	2023
Rent of production and office buildings	707	718

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 2024.

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	2024	2023
Annual purchase value	1 964	2 728
Payables	2	89

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 2024	Group ownership 2023	Consolidation principles[5]
COLTENE Holding AG, Altstätten CH	4	CHF	597 558	n.a.	n.a.	F
Coltène/Whaledent AG, Altstätten CH	1	CHF	1 600 000	100%	100%	F
Coltène/Whaledent Vertriebsservice und Marketing GmbH, Altstätten CH	2	CHF	20 000	100%	100%	F
Coltène/Whaledent GmbH + Co. KG, Langenau DE	1	EUR	1 850 000	100%	100%	F
Dentalia Kft., Bicske HU	1	HUF	3 000 000	100%	100%	F
ROEKO Verwaltungs GmbH, Langenau DE	4	EUR	30 000	100%	100%	F
Coltène/Whaledent Ltd., Burgess Hill GB	2	GBP	200 000	100%	100%	F
Coltène/Whaledent S.à.r.l., Lezennes FR	2	EUR	503 000	100%	100%	F
Coltène Italy S.r.l., Milano IT	2	EUR	10 000	100%	100%	F
Coltène Iberia S.L., Madrid ES	2	EUR	10 000	100%	100%	F
Coltene Turkey Diş Sağlığı Ürünleri Ltd. Şti, Istanbul TR	2	TRY	20 000	100%	100%	F
Coltène/Whaledent Dental Materials & Equipment Trading Co. Ltd, Beijing CN	3	CNY	10 000 000	100%	100%	F
Coltène/Whaledent Private Limited, Mumbai IN	3	INR	64 800 000	100%	100%	F
Coltene Japan LLC, Tokyo JP	3	JPY	1 400 000	100%	100%	F
Coltene Australia Pty Ltd., Sydney AU	3	AUD	15 000	100%	100%	F
DentalDrives GmbH, Leutkirch DE	4	EUR	100 000	100%	100%	F
Micro-Mega International, Besançon FR	4	EUR	419 700	100%	100%	F
Micro-Mega SA, Besançon FR	1	EUR	2 900 000	100%	100%	F
Coltène/Whaledent Inc., Cuyahoga Falls US	1	USD	8 400 000	100%	100%	F
Diatech Inc., Mount Pleasant US	3	USD	100 000	100%	100%	F
Coltene do Brasil Ltda, Rio de Janeiro BR	2	BRL	10 000	100%	100%	F
Kenda AG, Vaduz FL	6		0	0	100%	
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
6 Kenda AG, Vaduz FL was liquidated in March 2024. All Assets and Liabilities were moved to Coltène/Whaledent AG in 2021. Kenda AG subsequently had no further operating activities and had no significant assets or liabilities.

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.

EY Building a better working world

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To the General Meeting of
COLTENE Holding AG, Altstätten

St. Gallen, 27 February 2025

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 2024, the consolidated income statement, the consolidated cash flow statement and 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 110 to 132) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 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.

Valuation of inventory	
Area of focus	The total balances of inventory as of December 31, 2024 amount to CHF 71.6 million, with related inventory allowances of CHF 11.2 million, 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)	Michael Britt (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Income statement COLTENE Holding AG

In CHF	2024	2023
Dividend income	19 572 664	22 110 080
Other financial income	679 047	307 474
Total income	20 251 711	22 417 554
Financial expenses	–1 150 628	–1 556 916
Personnel expenses	–758 451	–790 706
Other operating expenses	–653 460	–435 368
Tax expenses	–229 182	–357 834
Total expenses	–2 791 721	–3 140 824
Profit / loss(-) of the year	17 459 990	19 276 730

Balance sheet COLTENE Holding AG

In CHF	31.12.2024	31.12.2023
Assets		
Cash and cash equivalents	764 846	528 082
Other accounts receivable from third parties	115 397	373 450
Other interest-bearing receivable from subsidiaries	973 584	25 685
Prepaid expenses and deferred income	7 461	0
Current assets	1 861 288	927 217
Non-current interest-bearing receivables from subsidiaries	10 174 910	10 349 412
Investments in subsidiaries	187 109 911	187 109 911
Non-current assets	197 284 821	197 459 323
TOTAL ASSETS	199 146 109	198 386 540

In CHF	31.12.2024	31.12.2023
Liabilities		
Trade accounts payable to third parties	25 694	108 180
Current interest-bearing liabilities to third parties	40 000 000	45 000 000
Other accounts payable to third parties	23 875	23 333
Other accounts payable to subsidiaries	12 500	12 499
Other interest-bearing liabilities to subsidiaries	7 837 097	7 463 582
Accrued liabilities and deferred income to third parties	269 648	278 160
Short-term provisions	115 479	143 874
Current liabilities	48 284 293	53 029 628
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	23 616 039	35 562 627
Net income carried forward from prior year	59 100 412	39 823 682
Treasury shares	–14 822	–6 324
Profit / loss(-) of the year	17 459 990	19 276 730
Total equity	150 861 816	145 356 912
TOTAL LIABILITIES AND EQUITY	199 146 109	198 386 540

Statements of changes in equity COLTENE Holding AG

In CHF	Share capital	Legal reserves from retained earnings	Capital contribution reserves	Treasury shares	Net income carried forward	Total
01.01.2023	**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**
Distribution to shareholders	0	0	– 11 946 588	0	0	– 11 946 588
Allocation to the legal reserves	0	0	0	0	0	0
Change in treasury shares	0	0	0	– 8 498	0	– 8 498
Profit / loss(-) of the year	0	0	0	0	17 459 990	17 459 990
31.12.2024	597 558	119 512	73 599 166	– 14 822	76 560 402	150 861 816

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.

Non-current interest-bearing receivables from subsidiaries

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 in subsidiaries

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. Remuneration to the Board of Directors is recognized under personnel expenses.

Contingent liabilities

	31.12.2024	31.12.2023
Joint and several liability from group taxation for current and future value-added tax liabilities of Coltène / Whaledent AG and Coltène / Whaledent Vertriebsservice und Marketing GmbH	p. m.	p. m.

Investments in subsidiaries

The major investments in subsidiaries are listed in note 26 on page 132 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:

	31.12.2024	31.12.2023
Board of Directors	1 600	1 600
Executive Group Management	2 673	424

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 31.12.2024 amounts to CHF 51.40 (31.12.2023: CHF 71.60).

Treasury shares

	Average rate of transactions in CHF	Quantity
Inventory as of 01.01.2023		568
Acquisitions	71.80	2 130
Allocation	73.54	– 2 612
Inventory as of 31.12.2023		86
Acquisitions	55.91	2 200
Allocation	56.57	– 2 024
Inventory as of 31.12.2024		262

Proposed appropriation of disposable profit and repayment of capital contribution reserves

In CHF	2024	2023
Allocation of the profit of the year		
Net income carried forward from prior-year	59 100 412	39 823 682
Profit / loss(-) of the year	17 459 990	19 276 730
Allocation to the legal reserves	0	0
Total amount at the disposal of the AGM	76 560 402	59 100 412
Balance to be carried forward	76 560 402	59 100 412
Repayment 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	23 616 039 [1]	35 562 627
Total available capital contribution reserves	73 599 166	85 545 754
Repayment to shareholders of CHF 2.50 (previous year CHF 2.00) per share without treasury shares* from capital contribution reserves with foreign reference	– 14 938 950	– 11 951 160 [1]
Available capital contribution reserves after distribution		
without foreign reference	49 983 127	49 983 127
with foreign reference	8 677 089	23 611 467 [1]
Total capital contribution reserves	58 660 216	73 594 594

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

1 The effective dividend amounted to CHF 11'946'588, the difference to last year's proposal for the repayment to shareholders corresponds to the number of treasury shares multiplied by the dividend at the time of the repayment.

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To the General Meeting of
COLTENE Holding AG, Altstätten

St. Gallen, 27 February 2025

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 2024, the income statement and the statement 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 136 to 140) 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.

Valuation of investments

Risk	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 94.0% of the total assets of COLTENE Holding AG. In performing the impairment testing for investments, the company used various assumptions in respect of future market and economic conditions, market share, revenue growth and margin development.
Our audit response	Our audit procedures included an assessment and test of the assumptions, methodology, the weighted average cost of capital and other data used by the company, for example by comparing them to external data, such as expected inflation rates, external market growth expectations and by analyzing sensitivities in COLTENE's valuation model. Furthermore, we included in our team a valuation specialist to assist us with these procedures. We specifically focused on the sensitivity by evaluating whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We also assessed the historical accuracy of the Board of Management's estimates. Our audit procedures did not lead to any reservations relating to the used assumptions, the methodology and the weighted average cost of capital and the other data used.

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.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors 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)	Michael Britt (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

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