A woman with curly hair is hugging another person in a blue shirt. The woman is smiling broadly with her eyes closed. The background is a blurred office environment.

To **UNLOCK**
the **POTENTIAL** *of*
PEOPLE'S
LIVES.

2021 ANNUAL REPORT

straumanngroup

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Straumann Group

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ABOUT THIS REPORT

This report presents our financial and non-financial performance for 2021, using an integrated approach.

We have aligned our purpose, vision and mission within a comprehensive reporting framework, reporting against the GRI Sustainability Reporting Standards, as well as the Sustainability Accounting Standards Board (SASB) and the UN Sustainable Development Goals (SDGs). Since 2010, we have also been sharing our progress with CDP (formerly the Carbon Disclosure Project). Our report complies with the SIX Swiss Exchange Directive on Information relating to Corporate Governance.



HIGHLIGHTS

Group key figures in CHF million

	2021	2020	Change (%)
Financial			
Revenue	2 022	1 426	42
Gross profit	1 540	1 030	50
Core ¹	1 540	1 038	48
EBITDA	652	406	61
Core ¹	652	421	55
Operating profit (EBIT)	543	157	247
Core ¹	553	333	66
Net profit	399	92	333
Core ¹	456	261	75
Cash generated from operating activities	560	377	49
Capital expenditure	121	82	47
Free cash flow	441	295	49
Basic EPS (in CHF)	24.9	5.75	333
Core ¹	28.45	16.20	76

1 To facilitate a like-for-like comparison of the underlying business performance the Group presents 'core' results in addition to the results reported under IFRS. A detailed explanation and reconciliation is provided on p.134 ff. of the Financial Report

Revenue in CHF

2bn

Organic revenue growth

41.7%

Smiles impacted

3.7m

Employee engagement Score

80

Employees

>9 000

Core EBIT margin

27.4%

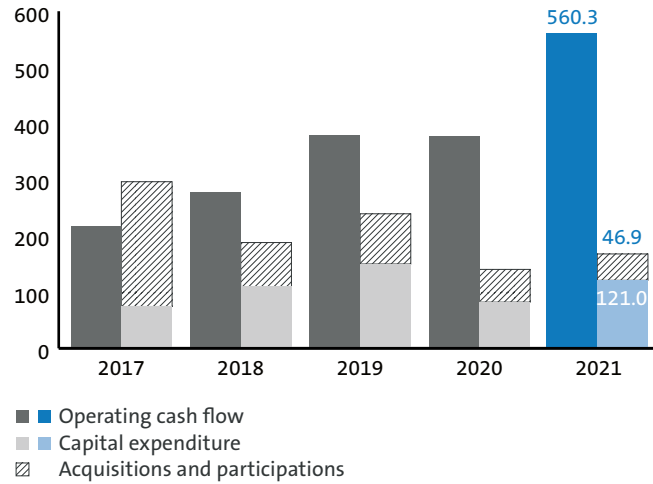
Employees say they have good opportunities to grow and learn

74%

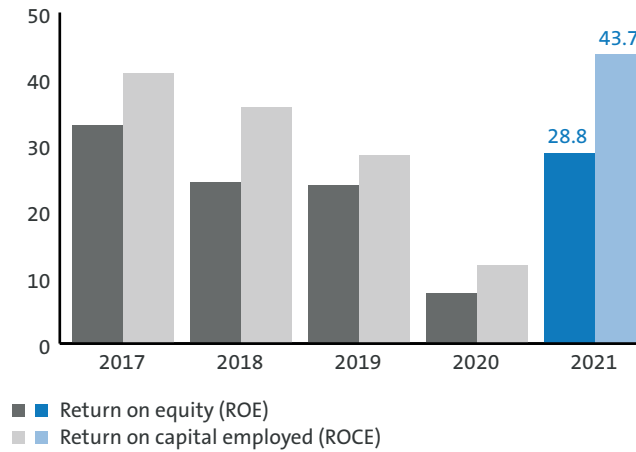
Renewable electricity

69%

Cash flow and investments (more on p. 27 ff.)
in CHF million



Return (more on p. 35 ff.)
in %



Core net profit
in CHF

456m

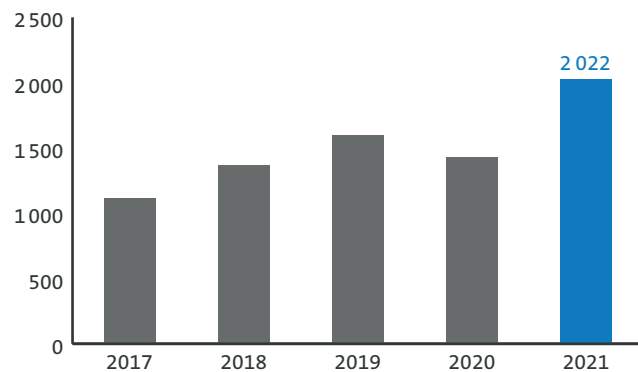
Core operating profit
in CHF

553m

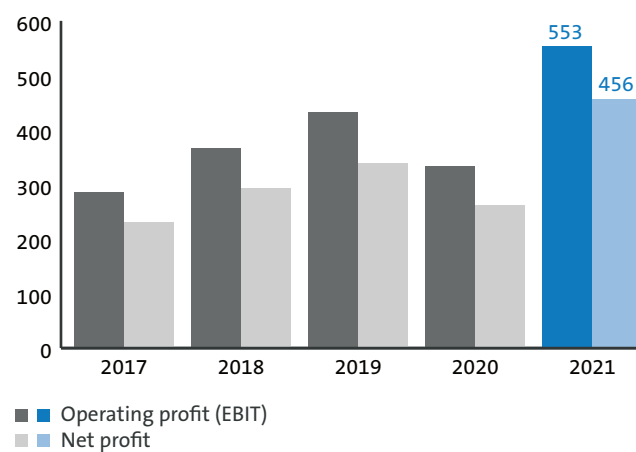
Return on capital employed

43.7%

Revenue (more on p. 26 ff.)
in CHF million



Operating and net profit (more on p. 26 ff.)
in CHF million



Free cash flow
in CHF

441m

Performance by region

2021 was a year of record revenue. Each business area showed very strong organic growth with sales in all regions rising by more than 40%.

Overall in 2021, we gained market share by growing the customer base and expanding geographically, further establishing us as a leader in the industry.



NORTH AMERICA Revenue in CHF

591m

Change in CHF
+37%

Change organic
+40%

EUROPE, MIDDLE EAST, AFRICA Revenue in CHF

892m

Change in CHF
+45%

Change organic
+41%

ASIA PACIFIC Revenue in CHF

409m

Change in CHF
+42%

Change organic
+41%

LATIN AMERICA Revenue in CHF

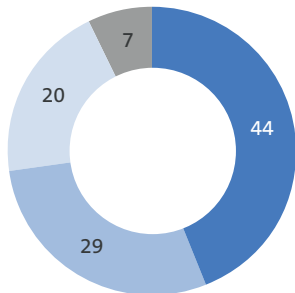
130m

Change in CHF
+44%

Change organic
+57%

Group Revenue
in %

- EMEA
- North America
- Asia Pacific
- Latin America



Share information

Share information in CHF

	2021	2020	2019	2018	2017
Earnings per share (EPS)	28.45 ¹	16.20 ¹	21.21 ¹	18.16 ¹	15.13 ²
Ordinary dividend per share	6.75 ³	5.75	5.75	5.25	4.75
Payout ratio (in %)	23.7 ¹	36 ¹	27 ¹	29 ¹	31 ²
Share price at year end	1 937.00	1 031.50	950.40	618.00	688.50

- 1 Based on core results
- 2 Based on results excluding exceptionals
- 3 Payable in April 2022 subject to shareholder approval

Total shareholder return

+88.7%

Market capitalization in CHF

30.8bn

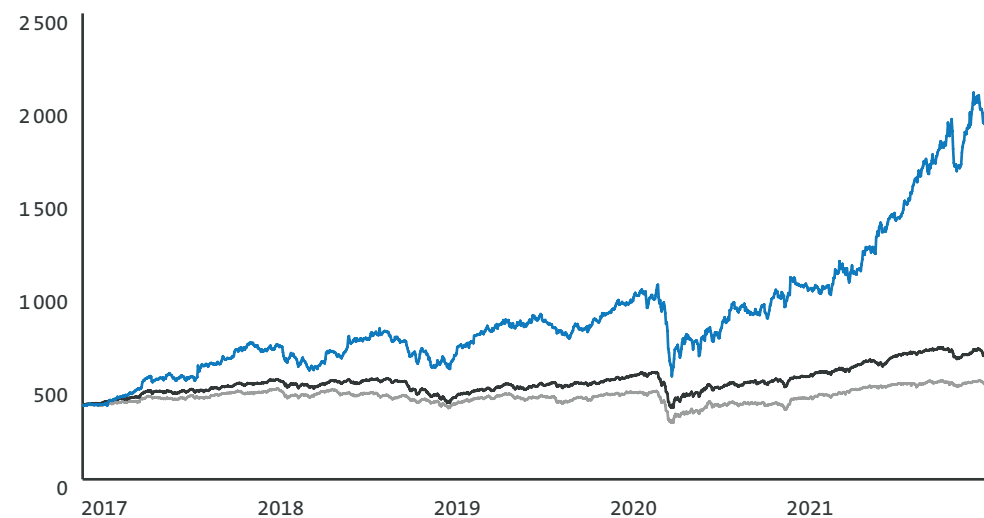
Dividend per share in CHF

6.75³

Share price performance

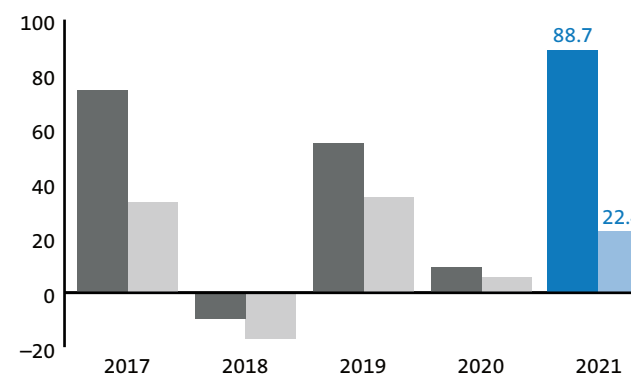
+87.8%

Relative share price development in CHF



- Straumann
- Swiss Mid Cap index (SMIM) adjusted
- STOXX® Europe 600 index (in CHF) adjusted

Total shareholder return in %



- Straumann
- SMIM Total Return Index

Details about share performance on p. 36 ff.

INTRODU

INTRODUCTION

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Dear Reader,

This year was an extraordinary year in many respects. We overcame the COVID-19 challenges from 2020, learned from them and excelled as a team and organization in 2021. Our culture has been key to our success for decades and this year's achievements pay testament to the performance that everyone puts in every day. The company has always strived to make people's lives better, to make a difference. Our motivation comes from the challenge of fulfilling our purpose: to unlock the potential of people's lives.

We impacted 3.7 million smiles in 2021, helping to unlock the potential of people's lives.



Gilbert Achermann, Chairman of the Board of Directors.

The very good start to 2021 continued throughout the year. Dental practices operated with robust patient flows. Pandemic-related restrictions, which were still limiting spending alternatives such as travel to a certain extent, left some consumers with more disposable income to spend on specialty dental treatments. Specifically, the first half of 2020, heavily impacted by the pandemic, represented a very low comparative period when contrasted with the first half of 2021. This partially explains the high growth rates across all regions. Strong growth was enhanced by our ability to adapt to the changing environment, paired with our innovative solutions. We successfully launched our tissue level implant TLX, further established our BLX implant, relaunched our digital solution Virtuo Vivo, launched the new orthodontics software ClearPilot and introduced our clear aligner material ClearQuartz in Europe. Overall in 2021, we gained market share by growing the current customer base, gaining new customers and expanding geographically. We believe our market share in implantology increased from approximately 27% in 2020 to approximately 29% in 2021, further establishing us as a leader in the industry.

On our way to this record result, impacting more than 3.7 million smiles in 2021, we also faced major challenges this year. Winter storms, floods in production sites and the significant impact of the pandemic on raw material supplies had implications for our business. Thanks to our operation and procurement teams, we successfully navigated these challenges, preventing major consequences for our customers.



Guillaume Daniellot, Chief Executive Officer.

Our success is a testimony to what our people do every day.

This result was only possible thanks to our people. Our strong company culture – our number one priority for the past few years – has emerged as our most important competitive advantage. It is a key enabler in our ability to perform and has helped us to drive strong growth by capturing opportunities and remaining resilient and proactive in challenging times. Our vibrant corporate culture energizes our colleagues, attracts new talent, increases loyalty and inspires us to create our future. Our employee engagement score of

80 in 2021 places the Group in the top 25% of companies worldwide (see p. 58).

OUR PURPOSE, VISION, MISSION AND BELIEFS FURTHER DEFINED IN 2021

As our environment keeps changing at an ever-faster pace, we worked extensively to evolve the foundation of our company culture and our overall journey as a company. We sharpened our purpose and vision and clearly redefined our mission and beliefs, as they guide our day-to-day decisions and actions for the future (see p. 12, 14 ff.). Our purpose is to unlock the potential of people's lives as we envision a world where oral health is a source of confidence.

We will achieve this with our mission to be the most customer-focused and innovative oral care company in the world. We believe culture is at the heart of a successful company, defining how we do business. Our beliefs shape our behaviors, behavior drives culture and culture drives results, helping us to deliver on our promise to impact more smiles every year.

We know what got us here, won't get us there.

EVOLVED STRATEGIC COMPASS TO ACHIEVE 10 MILLION SMILES PER YEAR

As a company, we underwent a comprehensive assessment involving internal and external stakeholders centering on the four Ps – People, Purpose, Planet and Performance. By identifying current market trends among customers, health consumers, product technologies and within the socio-political landscape we developed our evolved strategy. It will ensure we achieve our growth and revenue

ambition of CHF 5 billion and our goal to impact 10 million smiles per year by 2030.

The new strategy reflects three major shifts. First, we have to evolve from being product-centric to customer-centric, with more emphasis on services and solutions. Secondly, we are already on our way to shifting from an implant company to a digitally-powered oral care company – meaning that we'll undergo a digital transformation. And thirdly, the business environment is changing. We will evolve from a single-business model focus to a multiple-business model company in order to address different stakeholders, including health consumers. In summary, we will focus on culture, digital transformation and sustainability to enable the four strategic priorities of expanding implant leadership, becoming a leader in orthodontics, winning strategic target groups and building consumer presence (see p. 14 ff.). To strengthen our organization for our future journey, we continued to invest in building our capacity for innovation, expanding the business and enhancing our manufacturing capabilities this year.

MAJOR INVESTMENTS FOR THE FUTURE POSITION THE GROUP FOR FUTURE INNOVATION

To maintain the momentum of driving disruptive innovation in implantology, we formed the Implantology Business Unit combining research and development (R&D) as well as marketing. It will allow us to tap into the full potential of our multi-brand implant strategy, increase our efficiency, focus even more on our customer obsession and further accelerate our speed to innovation. Our implantology pipeline includes the Neodent ZI as well as the Anthogyr X3 implants, which will both be launched in 2022. In addition, we invested in our future capacity for innovation. We acquired a 39% stake in mininavent to develop its technology with the

aim of providing a best-in-class platform for guided surgery. We believe that dynamic surgical navigation is the next step in the digitalization of dental surgery.

DIGITAL AS A KEY DRIVER OF OUR TRANSFORMATION

On the digital side, we have made major progress in advancing our unified platform approach, with the aim to be at the forefront of providing an exceptional customer experience for dental workflows in orthodontics and implantology. We also became a founding partner of 3Shape Unite, a new open platform that provides simple and highly efficient access to services and solutions for clinicians and laboratories.

We continued to invest in building our capacity for innovation.

STRENGTHENING FUTURE BUSINESS EXPANSION

The global market for clear aligners continues to offer strong growth opportunities and is increasingly driven by direct-to-consumer marketing and online service providers who offer treatment packages. In addition to DrSmile, a leading provider of doctor-led direct-to-consumer clear aligner treatment solutions in Europe, we acquired Smilink, one of the fastest-growing providers of orthodontics solutions in Brazil.

In December 2021, the Group signed an agreement to acquire a controlling stake in Nihon Implant, a leading dental implant treatment concierge in Japan. The acquisition supports the Group's strategic priority to build a consumer presence and helps expand access to healthcare consumers.

Furthermore, our newly established partnerships with Dental Service Organizations (DSOs) such as Western Dental and Aspen were instrumental and will further support our future growth.

EDUCATION IS A KEY LEVER TO ADVANCE ORAL CARE FOR PATIENTS

With education still a key enabler to broadening access to treatment for patients worldwide, we heavily invested in our high-quality internal training programs and supported our most important partner – the International Team of Implantology (ITI). In orthodontics, we recently launched our Ortho Campus, a comprehensive collection of tools and curricula for professionals to ensure treatment success.

EXPANDING OUR PRESENCE AROUND THE WORLD

While our implantology premium brand is already available in more than 100 countries, our value brands expanded. The Neodent brand was further established in the US and launched in Europe, meaning that it is now available in more than 80 countries. Our challenger brands Medentika and Anthogyr further established their presence, becoming available in more than 60 countries. Building on our long-term commitment, we extended our reach in China across our brands.

Geographical expansion has also been important for our orthodontics business. ClearCorrect is currently available in 46 countries and is due to be launched in eight further countries in 2022. It is manufactured in the US, Brazil and Europe. This means our production sites are close to where our solutions are available, giving us a competitive advantage as this speeds up delivery times. Expanding our footprint will further establish ClearCorrect as a global brand.

INVESTMENTS TO ENHANCE OUR INNOVATION POWER AND MANUFACTURING CAPABILITIES

In 2021, we made the decision to invest more than CHF 300 million in our R&D and manufacturing facilities in the coming years. This will ensure we can meet existing and future demand, catering for our future growth and innovation capacity.

We invest in R&D and manufacturing capabilities to ensure future innovation capacity and growth.

In the coming years, we will build our China Campus in Shanghai and a new Group Technology and Innovation Center in Arlesheim near Basel, Switzerland and further expand manufacturing in Villeret, Switzerland, Mansfield, US and Latin America.

NEW SUSTAINABILITY FRAMEWORK

The Group brings lasting improvements to people's lives and its success is built upon acting sustainably – today and for future generations. For many decades, we have been building a sustainable business, creating long-lasting value for all stakeholders in a responsible manner. In March 2021, we established a sustainability task force at Board level. The goal was to define our sustainability targets, roadmap and deliverables by 2022 (see p. 43). Today, sustainability is a strategic priority and helps guide our company in terms of efficient use of resources and responsible business practices.

Sustainability is a strategic priority. We want to become a role model for our industry.

It also helps us secure the best talent, strategically prioritize our community activities and engage with our stakeholders across the value chain. We exist to bring lasting improvements to people's lives and our success is built on our sustainability, which paves the way for us to become a role model for our industry. Our strong focus on sustainability is also the reason why we have chosen to have a more integrated reporting approach going forward.

The Sustainability Framework is built upon the commitments to Advancing oral care (see p. 45 ff.), Empowering people (see p. 57 ff.), Caring for the planet and society (see p. 62 ff.) and Acting with responsibility (see p. 76 ff.) to deliver on our purpose 'to unlock the potential of people's lives'. The major targets include: impacting 10 million smiles per year by 2030, providing 35% of educational activities in low- and middle-income countries, having 50% of leadership positions held by females by 2026, 100% renewable electricity by 2024 and to set a net zero carbon emissions target in 2022 (see p. 43).

Our commitment also encompassed over 30 charitable projects in 2021, offering dental care and humanitarian relief (see p. 71 ff.).

COMMITTED TO CREATING SUSTAINABLE VALUE FOR OUR SHAREHOLDERS

For the first time, we broke through the CHF 2 billion turnover threshold and reached a market capitalization of over CHF 30 billion in 2021 (see p. 36) with healthy operating margins of 27.4% which were inflated by fewer than usual travel and marketing expenses. Investing in sustainable growth was our focus and it will remain so going forward.

Some changes will be made to the Board of Directors. Sebastian Burckhardt has decided not to stand for re-election. He has been a member of the board since 2002 and made outstanding contributions, bringing in his extensive knowledge in corporate law.

It is our declared target to further strengthen the independence of the Board.

The Board of Directors will propose the election of Nadia Tarolli Schmidt as a new Board member at the Annual General Meeting of the shareholders on 5 April 2022. Nadia studied law at the University of Basel. She is a partner at the business law firm VISCHER AG with a special focus on finance, healthcare and life sciences. Straumann's Board of Directors will benefit from Nadia's expertise as an independent lawyer and her experience on several other corporate boards as well as in financial matters. As a new non-executive member, the election of Nadia will further contribute to the balance of the independence of the Board (see letter from Chairman on p. 90).

Based on the 2021 results, the Board of Directors proposes to increase the dividend to CHF 6.75 per share, payable on 11 April 2022. We intend to continue increasing the dividend in the future, subject to further good performance.

LONG-TERM GROWTH AMBITION (BARRING UNFORESEEN CIRCUMSTANCES)

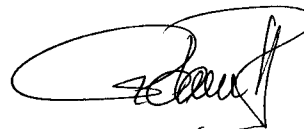
Considering the significant expansion of our business and geographical footprint, we are now operating in a potential CHF 18 billion market. In order to achieve the Group's ambition of CHF 5 billion revenue by 2030, an average organic growth rate of at least 10% annually is needed. The strategy will require continuing investments in growth leading to a core EBIT margin in the range of 25–30% (at constant FX rates) in the coming years, depending on the size of the investments. In general, the Group will continue to provide guidance on a yearly basis and aims to continuously increase its gross dividend.

On behalf of the Board and our colleagues, we would like to thank you, our shareholders, for your ongoing support and confidence in our company.

Yours sincerely,



Gilbert Achermann
Chairman of the Board
of Directors



Guillaume Daniellot
Chief Executive Officer

15 February 2022

WELCOME TO STRAUMANN GROUP

Straumann Group is a global leader in tooth replacement and orthodontic solutions.







Headquartered in Basel, Switzerland, we employ more than 9 000 people worldwide. The Group unites global and international brands that stand for excellence, innovation and quality in replacement, corrective and digital dentistry. These are available in more than 100 countries through a broad network of distribution subsidiaries and partners. The Group manufactures its products across a global network of 19 production sites.

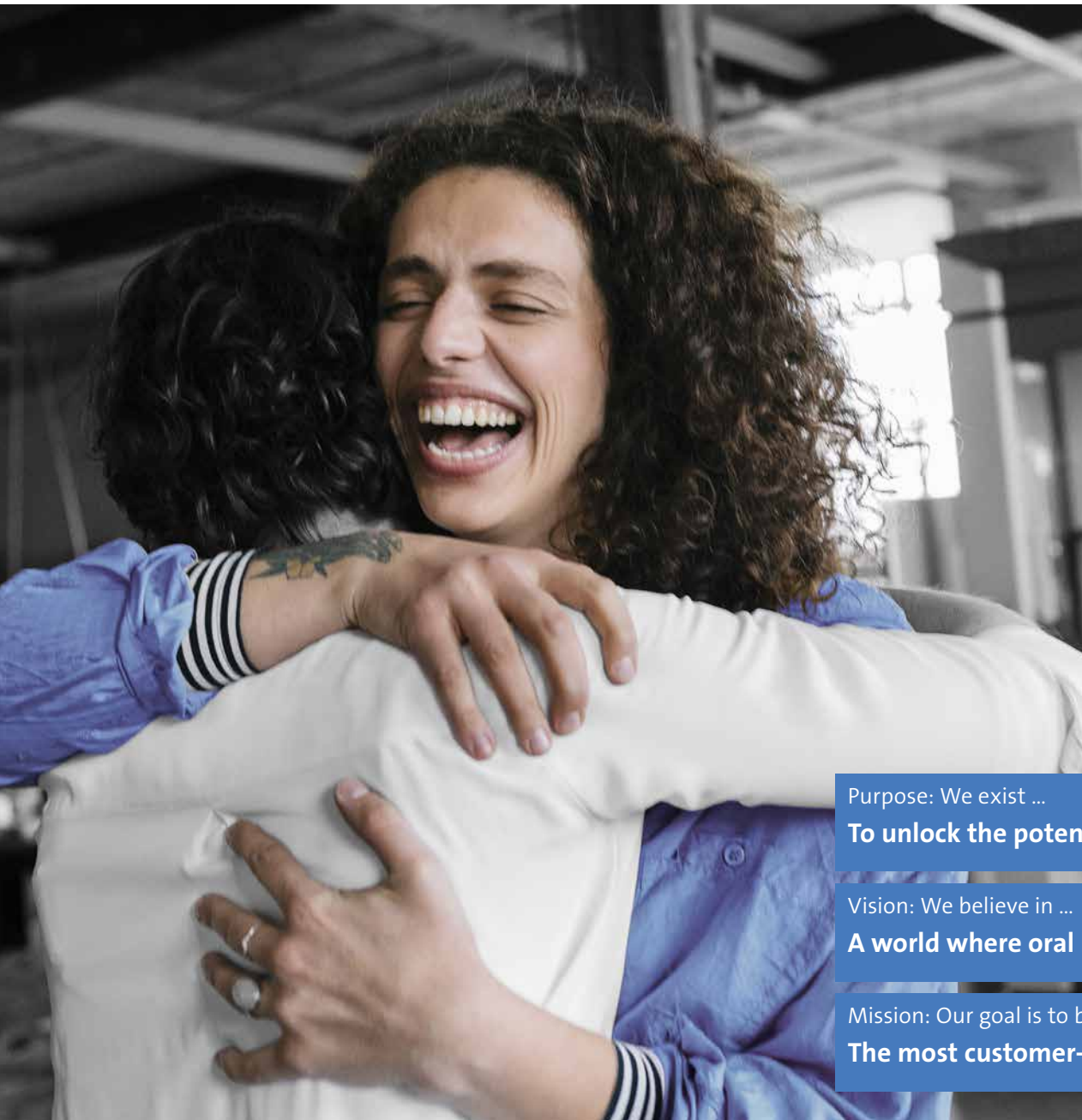
Straumann is the leading premium brand in implant dentistry, renowned for innovation, quality, clinically proven long-term success, support, expertise and education. At the same time, the Group is a global leader in the value segment, making high-quality implant and prosthetic solutions more affordable to a broader population. Our challenger brands in this segment include our Anthogyr, Medentika, Neodent and NUVO brands. ClearCorrect, meanwhile, develops and produces high-quality, easy-to-use clear aligner solutions that are removable, comfortable and attractively priced. The Group's digital brands – Straumann Group digital solutions and Dental Wings – are leading providers of dental CAD/CAM (computer-aided design/manufacturing) solutions, including software, scanning equipment and guided surgery.

The Straumann Group unites various global and local or regional product brands with a number of fully or partially owned companies, as well as independent partners which provide technology and manufacturing expertise.

PARTNERING FOR INNOVATION

The Group takes a holistic approach to dentistry, providing training, support and a wide range of services to dental practitioners, clinics and laboratories all over the world. Recognized as a leading innovator, we work with universities, clinics, research institutes, networks and communities to enhance the standard of patient care. Through our collaborations with academic networks such as the International Team for Implantology (ITI) and the Latin American Institute of Dental Research and Education (Instituto Latino Americano de Pesquisa e Ensino Odontológico – ILAPEO), we support research and offer training and education to dental professionals worldwide.

Umbrella brand			straumanngroup		
Global brands					
Implant solutions			Orthodontics	Digital	
Premium	Challenger	Eco Challenger	clearcorrect	straumanngroup dental wings	
					
					
					
Local brands					
 WARANTEC			smyletec DR SMILE SMILINK		



OUR PURPOSE

Straumann's heritage stretches back to the early 1950s, although the company's focus on dentistry was established 30 years ago. Throughout our history, we have always strived to make people's lives better. By harnessing cutting-edge science and fusing passion with expertise, we have transformed millions of lives and our solutions continue to give patients back more than just their smile. By restoring the ability to eat and enjoy food, improved oral health also increases self-confidence, restores people's self-esteem and unlocks the potential of their lives.

OUR VISION

Beyond simply correcting missing or misaligned teeth, new challenges and opportunities are surfacing in our sector. Billions of people need better oral care and the Group's vision is a world where oral health is a source of confidence.

OUR MISSION

Our mission and strategy define the goals we want to achieve. Our mission is to be the most customer-focused and innovative oral care company in the world. In 2021 we helped more than 3.7 million people and our goal is to achieve 10 million smiles per year by 2030.

Purpose: We exist ...

To unlock the potential of people's lives

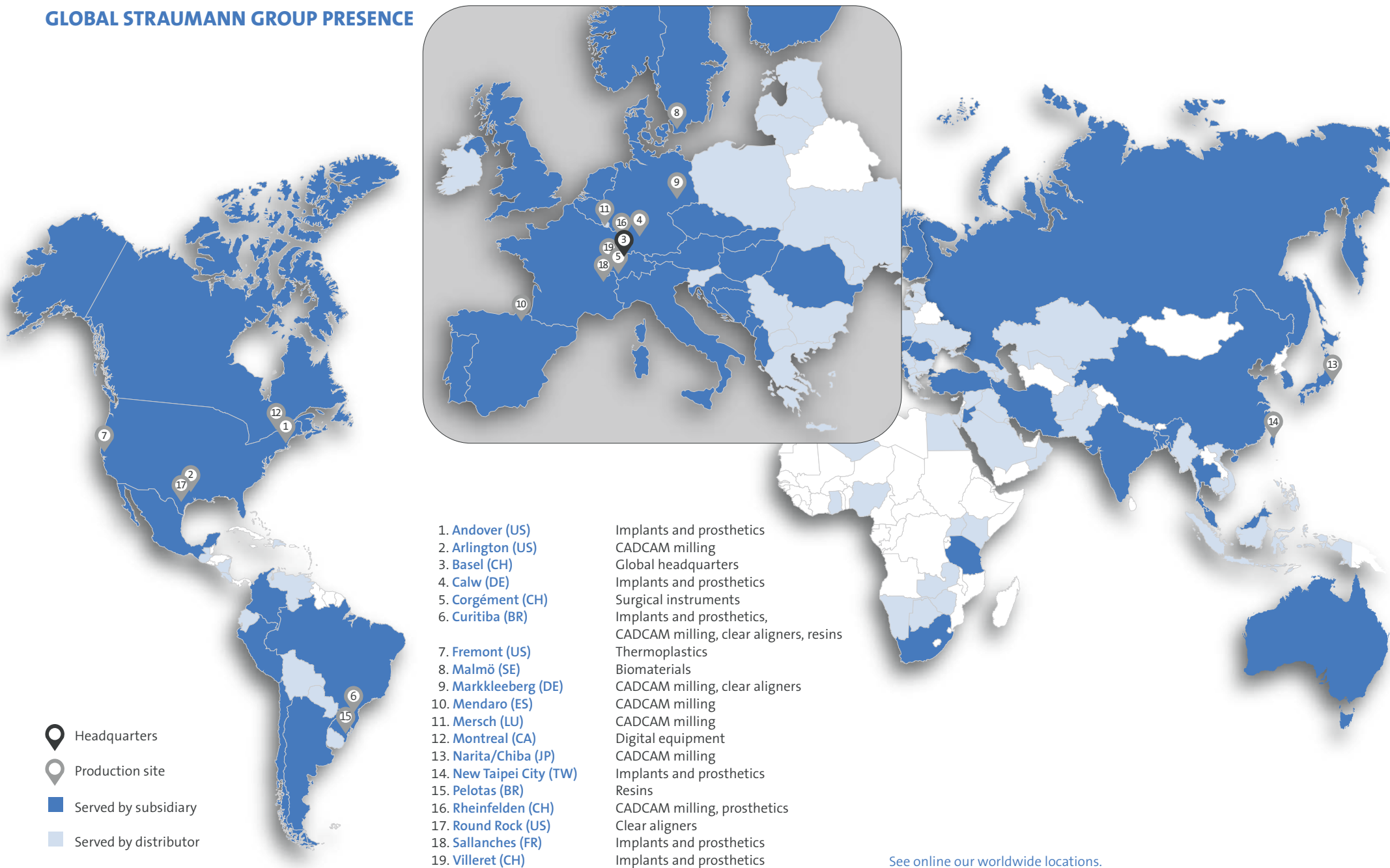
Vision: We believe in ...





A world where oral health is a source of confidence

Mission: Our goal is to be ...

The most customer-focused and innovative oral care company in the world

GLOBAL STRAUMANN GROUP PRESENCE



-  Headquarters
-  Production site
-  Served by subsidiary
-  Served by distributor

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Andover (US) 2. Arlington (US) 3. Basel (CH) 4. Calw (DE) 5. Corgément (CH) 6. Curitiba (BR)
 7. Fremont (US) 8. Malmö (SE) 9. Markkleeberg (DE) 10. Mendaro (ES) 11. Mersch (LU) 12. Montreal (CA) 13. Narita/Chiba (JP) 14. New Taipei City (TW) 15. Pelotas (BR) 16. Rheinfelden (CH) 17. Round Rock (US) 18. Sallanches (FR) 19. Villeret (CH) | <ul style="list-style-type: none"> Implants and prosthetics CADCAM milling Global headquarters Implants and prosthetics Surgical instruments Implants and prosthetics, CAD/CAM milling, clear aligners, resins Thermoplastics Biomaterials CADCAM milling, clear aligners CADCAM milling CADCAM milling Digital equipment CADCAM milling Implants and prosthetics Resins CADCAM milling, prosthetics Clear aligners Implants and prosthetics Implants and prosthetics |
|--|--|

[See online our worldwide locations.](#)

STRATEGY IN A GLOBAL MARKET

The Group has enjoyed strong growth over the past years, outperforming both competitors and the market. The evolved strategy lays the foundation to enable the Group to continue this path. Straumann Group was once an implantology-only business, but over the past years, it has significantly expanded its scope. Today, the Group operates in a potential CHF 18 billion market covering implantology, CAD/CAM prosthetics, orthodontics and digital equipment.

To achieve our mission of being the most customer-focused and innovative oral care company in the world, our strategy is to face the future head-on. In our high-performance, player-learner culture, we anticipate the future in order to shape it.

In 2021, the Group's Go5 initiative team carried out a thorough internal and external assessment of the environment we operate in, identifying major trends. Digitalization and technology continue to disrupt our world. New players and models are evolving the game and the rules we play by. Formerly independent customers are consolidating into larger groups. Patients – especially the young – are demanding more and more; they are becoming health consumers who expect faster, highly personalized oral care solutions.

To continue our success and seize the opportunities, three strategic shifts need to happen simultaneously:

- evolving from being product-centric to customer-centric in everything we do
- shift from being a total solution provider for esthetic dentistry to a digitally-powered oral care company
- move from a single to multiple business model company to address different stakeholders including health consumers

Our strategy to achieve these shifts determines the everyday priorities for all our people.

THE STRAUMANN GROUP STRATEGIC COMPASS

Our Group strategy is illustrated in the strategic compass and customer centricity lies at the heart of what we do. The following strategic enablers will shape our future:

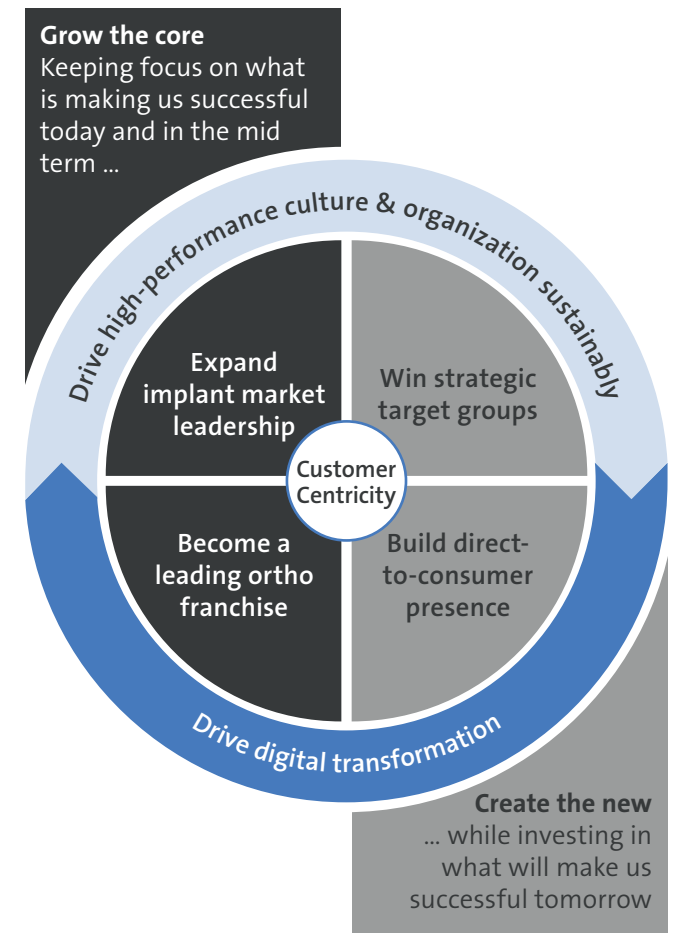
- driving our high-performance culture and organization sustainably
- driving our digital transformation

These enablers impact all four priorities of the compass. On the one hand, we need to **grow the core**, which we will do by expanding leadership in the implant market and becoming a leading orthodontic franchise.

To reflect the changing environment, on the other hand, we **create the new** by winning strategic target groups and building a direct-to-consumer presence.

In this chapter we describe our strategic enablers and priorities, providing an overview of our initiatives in 2021.

Straumann Group Strategic Compass for the future



DRIVING HIGH-PERFORMANCE CULTURE AND ORGANIZATION SUSTAINABLY

OUR HIGH-PERFORMANCE PLAYER-LEARNER CULTURE

We are constantly evolving our culture: a journey inspired by our heritage, grounded in the here and now, defining our future.

The Group is continuously building its cultural journey to support future growth. This is why, in 2021, we evolved our core behaviors into core beliefs that create shared value for our patients, customers and employees.

WE BELIEVE THAT OUR CORE BELIEFS ...

- bring our purpose to life and continually shape our culture, reflecting our identity, our DNA and what we stand for as Straumann Group
- are reflected in everything we do and how we engage with each other, customers and other stakeholders
- create a common language and understanding across the entire Group
- help to guide our decisions and shape processes throughout the company

SUSTAINABILITY IS EMBEDDED IN HOW WE DO BUSINESS

Rooted in the company's heritage of responsibly creating long-term value for all stakeholders, the new sustainability framework is a strategic business priority. Our commitments and goals are inspired by the aspiration to become a role model in the industry.

Sustainability helps us run our company in terms of efficient use of resources and responsible business practices, it helps us secure the best talent, strategically prioritize our community activities and engage with our stakeholders across the value chain. We act sustainably to improve the quality of life today and for future generations. More information can be found in the Sustainability section of this report (p. 38 ff.).

Our Core Beliefs



EXPANDING IMPLANT MARKET LEADERSHIP

Implant solutions are appreciated due to their esthetic advantages, functionality and long-term viability compared to, for example, conventional bridges which compromise neighboring teeth for support. Technological advances enable faster and less invasive procedures for patients. Implant dentistry remains attractive and its growth outpaces the overall dental market.

The global tooth replacement market (comprising of implant dentistry, biomaterials and custom-made prosthetics), represents a potential CHF 10 billion opportunity. Implant dentistry, a market of approximately CHF 5 billion, bounced back in 2021 by growing 25 – 30% throughout the year as dental practices re-opened and COVID-19 vaccination progressed.

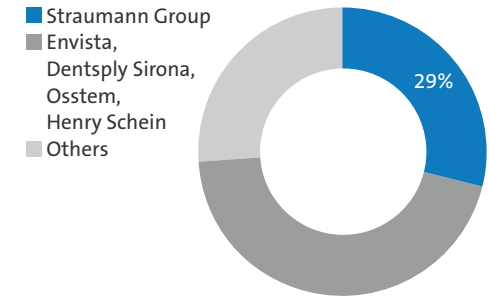
Implantology, our heritage and largest franchise, remain at the core of the Group’s business. We estimate our overall implantology market share to be around 29% (see Implant dentistry market overview chart). At Straumann Group, we are confident that we will expand implant market leadership in the future. Today, about three quarters of the market is held by the leading five companies while the rest is shared among several hundred manufacturers, most of whom operate on a regional or local basis and compete in the value segment.

INNOVATION TO DRIVE IMPLANTOLOGY

Innovation remains a strong driver, particularly in the immediacy apically and fully tapered segments. Our company has always focused on innovation and this, together with strong clinical evidence, has been a key differentiator and success factor for building the strong and renowned Straumann brand as it is today.

A key trend in this field are immediacy solutions, which allow for an implant to be placed immediately in a tooth extraction socket and/or for a prosthesis to be mounted on an implant immediately after its placement. This allows for faster time to teeth and fewer dentist visits. Many innovations are emerging to address this trend such as tapered implants for increased primary stability, digital workflow solutions (e.g. pre-operative planning and prosthetic design) and custom-made prosthetics. Recent and upcoming additions to the Straumann Group implant portfolio include Straumann BLX, Straumann TLX and Smile-in-a-Box. With a strong pipeline in place, Straumann is confident that we are keeping innovation at the forefront of our market strategy, remaining a leader in this field (see p. 45 ff.).

Implant dentistry market overview 2021



Note: The implant dentistry market includes implant fixtures, abutments, temporary abutments, healing screws, copings and related instruments.

Innovations to capture opportunities in the growing tapered implant segment (immediacy protocols)

	Global market	Group’s market share	Examples of Straumann Group solutions
Parallel-walled implants	<p><20% of implant market</p> <p>Valued for their periodontal performance, documented for more than 30 years</p>		<p>Straumann TL Straumann BL</p>
Tapered implants	<p>>80% of implant market</p> <p>High primary stability, the preferred choice of many clinicians in immediacy protocols, share increasing in recent years</p>		<p>Straumann BLT Straumann BLX Straumann TLX Neodent Helix GM Neodent Drive GM Anthogyr Axiom PX Medentika Quattrocone</p>

MULTI-BRAND APPROACH

Another key pillar is the Group's multi-brand strategy – comprising premium, challenger and eco challenger brands – in implant dentistry. Having historically focused exclusively on premium implants, the Group entered the challenger segment through its acquisition of Neodent, followed by its acquisition of Medentika and Anthogyr. This enables us to meet dentist and patient needs across different price points, digitization and service levels as well as serving regional brand preferences.

CHALLENGER BRANDS TO DRIVE GEOGRAPHICAL EXPANSION

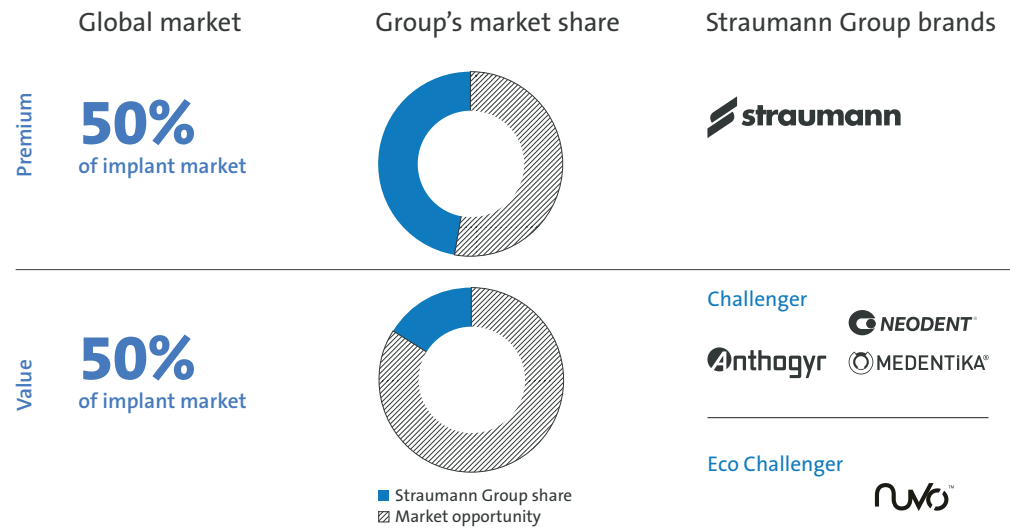
Implant dentistry is an elective procedure and rarely reimbursed. It relies on disposable income and consumer confidence. Long-term growth drivers and low penetration rates in major developed as well as emerging markets offer significant opportunities in implant dentistry in the coming years.

Going forward, we are seeking to further leverage the portfolio and synergies of the Group through geographic expansion. For the challenger brands in the value segment this will be the most important growth driver.

EDUCATION TO EXPAND ACCESS TO TREATMENT

In addition, large economies like China and India remain heavily underpenetrated due to a lack of qualified dental professionals. In many western established dental markets (Europe, US), implant penetration treatment rates are still low. Only a fraction of patients suffering from tooth loss seek treatment and if they do, they are often treated by conventional crowns and bridges. In both segments – premium and value – education is a key driver for expanding access to professionals and ultimately healthcare consumers.

Brand portfolio to target different pricing tiers



TLX product family: immediacy premium implant launched in 2021.

BECOMING A LEADING ORTHODONTIC FRANCHISE

Perfect, straight, ‘pearly white’ teeth are a new symbol of social status. People constantly seeing themselves on screen in online meetings (the ‘Zoom factor’) has accelerated this trend. Clear aligners are discreet and can limit practice visits due to the high degree of digitization of the treatment. They therefore open up the market for treating adults who typically shy away from conventional brackets and wires. Clear aligners have also become a strong alternative for treating teens with misaligned teeth.

Today, the clear aligner market, worth approximately CHF 5 billion according to our estimate, is expected to grow at about 20% per year. It is a dynamic market and highly attractive due to its significant potential.

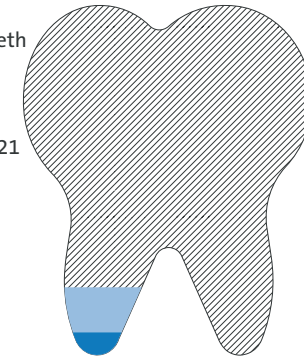
The Group started to establish its orthodontic business in 2017 with the acquisition of the US company ClearCorrect. Since then, there have been significant investments to sharpen its value proposition by strengthening the product and digital offering including faster service and international expansion. Having a low single-digit market share, the upside potential is high – indeed, we believe that clear aligners may become a major revenue contributor for the Group. By widening the offering to additional customer segments and health consumers, exploring new business models as well as expanding the geographic footprint, the ClearCorrect business is well positioned for future growth.

Initially a US player, the Group’s orthodontic presence has grown from 13 markets in 2017 to 46 markets in 2021 and established a global manufacturing footprint for clear aligners. To further expand this position, our priority is on building ClearCorrect into a strong brand through marketing and education and on delivering clinical innovation (e.g. treatment software, aligner material) to sharpen its value proposition.

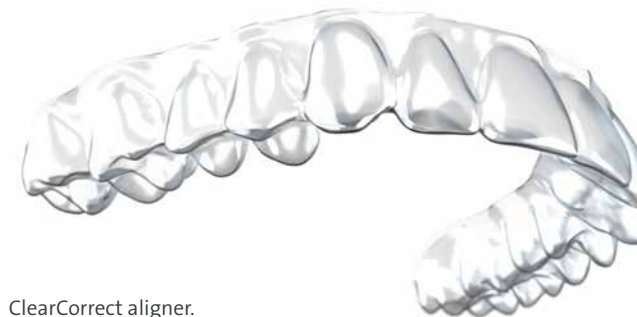
A strong base of key opinion leaders helps increase usage by clinicians and scale our footprint worldwide in both the adult and teen segments. The orthodontics business also started to drive complementary business models like the direct-to-consumer presence.

Orthodontic treatment penetration

- ▨ People with misaligned teeth
- Ortho case starts 2021
- Clear aligner case starts 2021



While about 500 million people globally have misaligned teeth, only about 21 million started an orthodontic treatment in 2021. Of those about 4 million started a treatment with clear aligners. All figures are Straumann Group estimates.



ClearCorrect aligner.

BUILDING OUR DIRECT-TO-CONSUMER PRESENCE

Health consumers are educating themselves, demanding more and taking ownership of healthcare decisions. Digital touchpoints and the patient experience throughout the treatment journey are becoming increasingly important.

In the clear aligner market, advances in digital smile simulations, treatment planning and teledentistry solutions are improving awareness of and access to treatment, giving rise to direct-to-consumer (D2C) activities. These include different business models such as:

- D2C: The provider handles all steps and aspects of the patient journey including treatment packages; the role of dental professionals takes a back seat
- B2C2B: The provider acquires the patient and connects them to clinicians; treatment is carried out in a dental practice e.g. through partner practices (also referred to as “doctor-led”)

Direct-to-consumer activities are considered a major lever to unlock high potential in the clear aligner market: many adults are unhappy with their smile, but very few receive or seek treatment.

To address this trend, we started to build a direct-to-consumer presence through the acquisitions of DrSmile in 2020 and Smilink in 2021. Their business models are based on creating awareness of the benefits of clear aligners amongst consumers, offering a complete, convenient treatment solution that relies on experienced clinicians for clinical aspects (B2C2B) or “doctor-led”). This B2C2B model is set up to support treatment quality, optimal outcomes and lasting patient satisfaction.

To further expand this strategic priority, the Group signed an agreement to acquire a controlling stake in

Nihon Implant, a leading implant treatment concierge in Japan. This represents a further step forward into health consumer communications which will help raise awareness of the advantages of implants.

The Group believes that creating patient awareness and managing the patient journey throughout the treatment – with the help of digital platforms – will become a strong success factor in oral care. The initial steps we have taken to ‘play and learn’ are helping us to transform and build the new.

Our new Chief Consumer Officer will develop this strategic priority.

WINNING STRATEGIC TARGET GROUPS

Consolidation is a key trend in oral healthcare. Today, there are fewer single, independent practices. Dental Service Organizations (DSOs) are on the rise, particularly in North America, Europe and China. Implant dentistry, orthodontics and esthetics are the key growth drivers for DSOs – a strong match with Straumann’s value proposition.

In 2015, around 7% of implants placed were placed by practitioners who were part of a DSO, increasing to approx. 15% in the 6 years to 2021. By 2025, it is estimated that around 30% of implants in major markets will be placed by practitioners who are part of DSOs.¹

The needs of DSOs go beyond those of smaller practices or labs. Dental companies need to offer more than products and solutions to win this strategic target group. They need to provide additional services, such as supporting a seamless patient experience, practice digitization, workforce training and continuous education or business process optimization.

¹ Straumann Group estimate

Straumann Group’s palette of services can be tailored to support each DSO. This includes orthodontics and implantology, but also digital solutions, customer success management, strategic account development, as well as training and education.

Our vision is to become the business partner of choice for DSOs by expanding and reshaping our value proposition, building integrated, end-to-end solutions and establishing additional business models. We will do this by piloting, learning, scaling and constantly enhancing our offering. Our clinical and business expertise, as well as the depth and breadth of our Group solutions, are a strong asset in this journey.

DRIVING DIGITAL TRANSFORMATION

Digital disruption and transformation is happening everywhere, accelerated by COVID-19. In dentistry, digital technologies are transforming all aspects of the industry from patient communication and practice management to diagnostics and the treatment itself. We are adopting digital innovation to increase treatment efficiencies and improve outcomes for the benefit of patients, dentists and technicians.

Straumann is making strong inroads in digitizing treatment workflows for tooth replacement and teeth straightening. Today, our active markets include CAD/CAM equipment (a market of approximately CHF 2 billion) as well as consumables and services. The Group provides a broad offering of CAD/CAM equipment that targets different segments. However, our market share in CAD/CAM equipment is less than 5% and reflects our strategy to rely on open systems and connectivity, instead of closed platforms (see graphic on p. 20).

A key pillar of Straumann’s digital transformation strategy is to strengthen customer loyalty and deliver frictionless customer experiences through a

comprehensive platform approach, offering a single digital platform for the Group and our partners.

Technology advancements such as artificial intelligence, augmented reality, virtual reality and a stronger focus on software and data strategy will contribute to the development of new service offerings and open up exciting ways of interacting with customers and consumers. In addition, we are taking steps to optimize and digitize processes internally.

Overall, our digital transformation is one of our strategic enablers, alongside driving our high-performance culture and organization sustainably. These enablers are instrumental to achieving our mission of becoming the most customer-focused and innovative oral care company in the world.

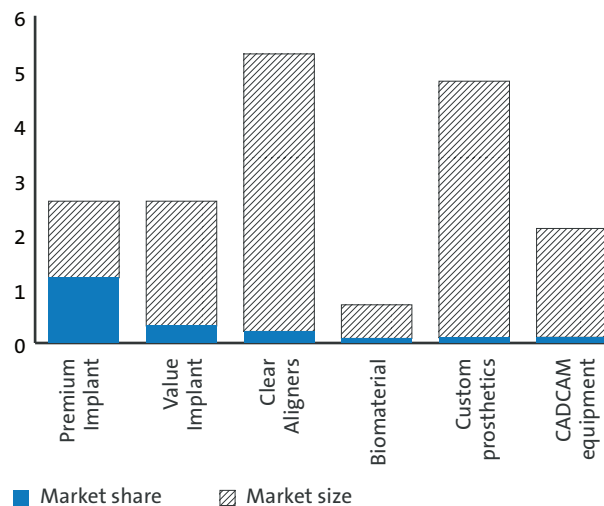
A STRATEGY FOR LONG-TERM, SUSTAINABLE GROWTH

Through internal development, acquisitions, investments and partnerships, Straumann Group has significantly expanded its addressable market to more than CHF 18 billion (2021). There are no discernible reasons why our industry should not continue to offer attractive growth prospects in the long-term, looking at the unchanged principle growth drivers of our industry which are demographic shifts, improved affordability, access to education and trained clinicians, increased health consumer awareness and esthetic trends. However, economic uncertainties, as well as political developments, might affect the prospects of market growth.

Our future revenues depend on market reach and expansion. It will be crucial to defend and increase our business with existing customers, enlarge our customer base and develop innovative solutions that meet customers' needs.

This year, we have set the stage for sustainable future growth and will continue to create opportunities that are aligned with our strategic priorities and enablers while remaining vigilant and agile in order to adapt to our fast-changing environment.

CHF 18 billion addressable market with big potential¹ in CHF billion



¹ Implant dentistry, custom-made prosthetics markets both include computer-aided design of manufacturing (CAD/CAM) abutments

Note: All market data in this chapter are based on industry and market reports (iData, Decision Resources Group) and Straumann Group bottom up estimates in 40+ countries.

The principle growth drivers of implant dentistry remain valid

demographics – ageing population, more elderly people need tooth replacement

affordability – the middle class is growing in developing countries

treatment provision – the number of trained dentists who are confident placing implants is rising

awareness – patients are better informed about the benefits of implant treatment

esthetics – patients favor treatment options with high esthetic outcome

CAD/CAM equipment – an approx. CHF 2 bn market opportunity includes

Intraoral scanners – to capture digital impressions in the dental practice

Lab scanners – for design of CAD/CAM prosthetics

Milling equipment – for in-lab or chairside manufacturing of CAD/CAM prosthetics (e.g. crowns)

3D printing equipment – for in-lab or chairside 3D printing of e.g. models or surgical guides

This equipment is an enabler to provide access to Straumann workflow solutions and consumables; we are pursuing a strategy of open systems and connectivity to multiple platforms.

STRAUMANN GROUP STRATEGY IN ACTION

The strategic priorities and enablers of the Straumann Group translate into a number of clearly defined initiatives and deliverables. These are continuously tracked and adjusted. They are reflected in the investments, launches, pipeline and partnerships featured throughout this report. Examples are provided in the adjacent table.

Examples of strategy in action in 2021

Drive high-performance culture and organization sustainably

Outstanding financial performance, outperformed peers

Above average employee engagement further increased

Evolved purpose, vision, mission, core beliefs, strategy and sustainability framework

Investments and expansion in China (manufacturing, education, innovation), Switzerland (technology and innovation) and US (manufacturing)

Expand implant market leadership

Increased market share of global implant dentistry estimated at 29%

Immediacy solutions underpinned through premium fully tapered implants: BLX roll-out, TLX launch

Neodent available in more than 80 countries, Anthogyr, Medentika both available in more than 60 countries

Investment in mininavident to develop a dynamic surgical navigation system

Become a leading orthodontic franchise

New state of the art multilayer aligner material ClearQuartz launched globally

Clear Pilot treatment design tool introduced

Ortho Campus launched, a comprehensive collection of orthodontic tools, programs and professional education curriculum

Build direct-to-consumer presence

Further expansion of DrSmile, presence in 10 European countries

Acquired Smilink, a doctor-led direct-to-consumer business; further strengthened orthodontics business in Brazil

Investment in Nihon Implant, a leading implant treatment network in Japan

Win strategic target groups

End-to-end solutions along patient journey and consultative approach strengthened

New long-term partnerships with DSOs

Drive digital transformation

Comprehensive range of intraoral scanners, addition of Medit (through distribution), Virtuo Vivo

Founding partner of the 3Shape Unite platform

HOW WE CREATE VALUE

Guided by our purpose and vision, we aim to pursue a holistic approach to generate lasting value, especially for the millions of patients who are treated with our solutions each year, but also for our customers, employees, shareholders and the communities in which we live and operate.

We consider the interconnectivity and dependencies between our business activities, our strategy and the various inputs. This understanding follows the value creation concept as proposed by the International Integrated Reporting (<IR>) Framework.

Besides financial capital, we rely on other input capital such as human and natural resources, manufacturing capital and immaterial resources such as relationships.

Our strategy is set out to use and develop these resources responsibly in order to achieve outcomes that generate sustainable value for all our stakeholders.



INPUT

FINANCIAL CAPITAL

- Equity of CHF 1 500m
- Cash and cash equivalents of CHF 880m
- Capital expenditures of CHF 121m

HUMAN CAPITAL

- > 9 000 talented, motivated employees in > 100 countries at year end, diversity of skills, backgrounds, experience, etc.
- Investment in staff learning of CHF > 3m

INTELLECTUAL CAPITAL

- 8 global brands
- > 1 200 active patents
- Intangible investments 15.8m
- Investment in R&D of CHF 96m
- Distribution rights for 3rd party products

NATURAL CAPITAL

- Raw materials 900 tons
- Energy 75 709 MWh
- Operating materials 415 tons

MANUFACTURED CAPITAL

- Buildings and infrastructure
- Production sites
- Distribution and selling sites

SOCIAL & RELATIONSHIP CAPITAL

- Customer base of dentists and laboratories in > 100 countries
- Supplier network
- Communities

OUR BUSINESS MODEL



OUR BUSINESS

Solutions for prevention and tissue regeneration,
tooth alignment, restoration and replacement

→ Innovation > Production > Marketing, Sales, Education →

OUTPUT

page 45

ADVANCING ORAL CARE

- Approx. 3.7m patients treated, restored dental function and esthetics; enhanced quality of life
- ≈ 8 000 education activities in 2021
- 35% of educational activities in low- and middle-income countries
- Smilink and mininavident acquired
- over 10 solutions launched

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EMPOWERING PEOPLE

- 40% women in leadership positions
- 74% of our people experienced good opportunities to learn and grow
- Employee engagement score of 80

page 62

CARING FOR THE
PLANET AND SOCIETY

- 69% renewable electricity
- Energy consumption reduced by 11% per employee
- more than 30 charitable programs sponsored

page 76

ACTING WITH RESPONSIBILITY

- CHF 2 022m revenue
- CHF 553m core operating profit
- Cash and cash equivalents of CHF 880m
- Total shareholder return 88.7%
- 116 patents granted in 2021

“My new teeth changed my life dramatically. I am more confident, more secure in myself. I am able to smile, you know, laugh and joke, eat things that I couldn’t eat, like apples and the hard stuff.”



Video in the online report:
annualreport.straumann.com

RESHEEMAH

Resheemah is 49 years old and lives in California, USA. She works as an advocate for at-risk and homeless individuals in her local community. Because of addictions, she began to lose her first teeth at age 18. Her gums started to recede causing her teeth to become loose and appear longer. She couldn’t get a job because of the way her teeth looked.



“When we have an opportunity to treat a patient like Resheemah and see where we take her from and get her to... and see how it impacts their lives, it’s just amazing to be part of that.”

DR SCOTT KEITH, DDS, MS, FACP

BUSINESS

BUSINESS DEVELOPMENT

Business performance (Group, Regions)

26

Share performance

36

BUSINESS PERFORMANCE – GROUP

OUTSTANDING RESULTS ACROSS THE BUSINESS

The Group delivered revenue of more than CHF 2 billion, with very strong results in every geography and business area. This momentum was clearly demonstrated by strong organic growth in every quarter. Annual organic revenue growth came to 41.7%, a strong result, which was only slightly impacted by currency headwinds. Our performance benefited to a certain extent from the comparison to 2020, when COVID-19 and measures around it severely impacted the business. In 2021, dental practices operated with strong patient flows, particularly as some remaining restrictions left consumers with more disposable income to spend on specialty dental treatments.

Overall, in 2021, we gained market share by growing the customer base, winning new customers and expanding geographically, reinforcing the Group's position as a leader in the industry. In implantology, for example, we estimate an increase in our market share from 27% to approximately 29%.

BUSINESS PERFORMANCE

In implantology, both the premium and value segments achieved strong full-year organic growth, as did our digital and orthodontics businesses. The latter reported the highest level of growth. All businesses successfully navigated the COVID-19 challenges of 2021, even turning them to their advantage. For example, our sales force, having to use remote tools to make contact with clinicians, expanded our customer base by a double digit percentage. New premium implant brands TLX and BLX grew strongly through the year, as did challenger brands Neodent, Anthogry and

Medentika. Our orthodontic business grew rapidly, with a strong contribution from DrSmile, which is now present in 10 countries.

OPERATIONS AND FINANCES

To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS. In 2021, the following effects (after tax) were defined as non-core items:

- Regular amortization of acquisition-related intangible assets amounting to CHF 8 million
- An earn-out liability increase of CHF 49 million payable to the sellers of DrSmile

A reconciliation table and detailed information are provided on [p. 134ff.](#) of the Group's annual report.

HIGH DEMAND LIFTS CORE GROSS PROFIT ABOVE 76%

A strong volume expansion in all businesses allowed core gross profit to increase by CHF 502 million to above CHF 1.5 billion. High utilization rates in our production facility combined with continued efficiency improvements resulted in a core gross profit margin of 76% which is an increase of 340 base points versus the prior year.

CORE EBIT MARGIN ABOVE 27%

Operational gearing combined with a still-favorable impact from the pandemic on promotion and travel cost, led to a Core EBIT increase of CHF 220 million to CHF 553.3 million. This represents an EBIT margin of 27.4% (400 base points higher).

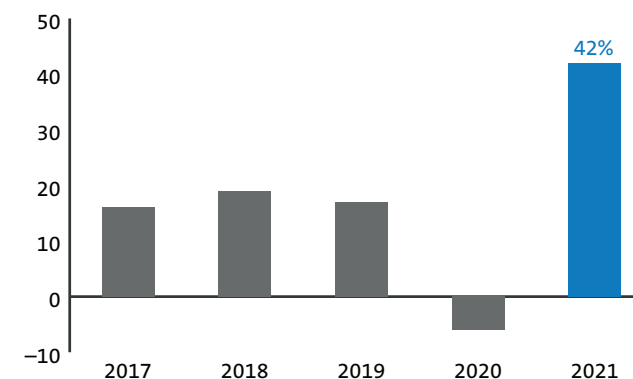
Due to the Group's growth and geographic expansion, core distribution expenses, which comprise salesforce salaries, commissions and logistics costs, rose

Key performance figures

	2021	2020
	Core ¹	Core ¹
Revenue (CHF m)	2 022	1 426
Gross profit margin (%)	76.2	72.8
EBITDA margin (%)	32.3	29.5
EBIT margin (%)	27.4	23.4
Net profit margin (%)	22.6	18.3

¹ To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS – see 'Operations and Finances' section in the text to the left

Organic revenue growth in %



CHF 94 million to CHF 377 million. Despite these important investments, distribution costs decreased by over 100 base points relative to sales, contributing to the operating-profit-margin improvement.

Core administrative expenses, which include research and development (R&D) as well as marketing, sales and general overhead costs, increased by CHF 175 million to CHF 616 million. This was mainly due to new product launches, brand rollouts and the integration of acquisitions. As a percentage of revenue, administrative expenses decreased by approximately 40 base points.

CORE NET PROFIT MARGIN REACHES 23%

Net financial expenses amounted to CHF 22 million, reflecting interest on lease liabilities, interest payments and currency hedging losses. Results of associates increased by CHF 8 million, which was mainly driven by a higher valuation following a capital increase of Dental Monitoring. After income taxes of CHF 81 million, net profit increased 75% to CHF 456 million, resulting in a margin of 23%. Basic core earnings per share increased 76% to CHF 28.45.

FREE CASH FLOW REACHES CHF 441 MILLION

Cash flow from operations amounted to CHF 560 million. An increase in inventory and receivables was offset by higher payables and resulted in a net working capital decrease of CHF 17 million. In consolidated reporting currency terms, days of sales outstanding remained at 48. This was close to the prior year level, while days of supplies increased slightly by 6 to 166.

Between the Group's production expansion, acquisition initiatives and strategic digital transformation activities, total cash outflow for investment activities amounted to CHF 175 million, 21% higher than in 2020.

The cash position on 31 December 2021 was strong at CHF 880 million which exceeds our interest-bearing liabilities by CHF 376 million (2020: CHF 116 million). The Group's balance sheet amounted to CHF 3.0 billion versus CHF 2.5 billion at the end of 2020.

INCREASED DIVIDEND PROPOSED

Based on the results in 2021, the Board of Directors proposes a dividend of CHF 6.75 per share, subject to shareholder approval and payable on 11 April 2022. The Board intends to continue increasing the dividend in the future, subject to further good business performance.

SUMMARY OF MAIN INVESTMENTS

INVESTMENTS IN ESTHETIC DENTISTRY

In early 2021, we established a direct market presence in Jordan by taking over the distribution business of our former local partner and creating a Straumann Group subsidiary. In July 2021, we acquired Smilink, one of the fastest-growing providers of orthodontic solutions in Brazil. Similar to DrSmile, Smilink combines direct-to-consumer marketing expertise with doctor-led treatment and complements Straumann's existing clear aligner business. In August 2021, we acquired Medical Technologies 21 LLC, a well-established distributor of dental implant systems in Russia, strengthening our local subsidiary. These investments collectively amounted to CHF 5 million and further payments are expected to follow in the coming years.

INVESTMENTS IN TECHNOLOGY PARTNERS

In the second half of 2021, we invested in the Swiss business minivent. We partnered with this company to further develop its technology with the aim of providing a best-in-class platform for guided surgery. The investment to obtain a 39% minority stake amounted to CHF 5 million.

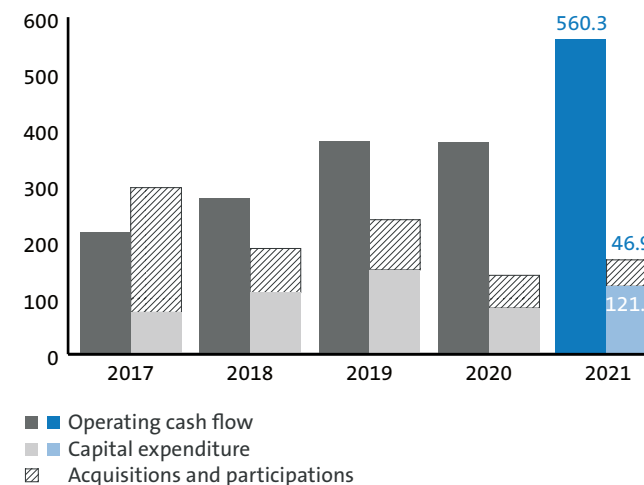
INVESTMENTS IN INFRASTRUCTURE

In 2021, we invested CHF 72 million in purchases of land, buildings and machinery, mainly to increase production capacity in Switzerland (Villeret), Brazil (Curitiba) and the US (Mansfield CAD/CAM plant construction and Andover plant expansion). Together with investments in IT hard and software and in other fixed assets, capital expenditures reached CHF 121 million.

OTHER INVESTMENTS

Information on investments in distribution (including selling activities, research and development) as well as tangible and intangible assets, are presented in the financial report. Investments in people are covered in the sections on Employees and Compensation (see p. 173 ff.).

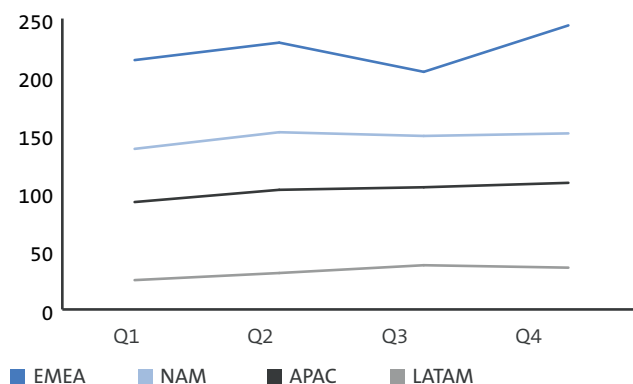
Cash flow and investments
in CHF million



BUSINESS PERFORMANCE – REGIONS

All regions grew by almost 40% in 2021 with Latin America exceeding 50% growth. To a certain extent the high growth rates are lifted by comparisons with 2020, which was heavily impacted by the pandemic. Performance across regions was very strong and it was enhanced by our ability to adapt to the changing environment, paired with our innovative solutions. Dental practices operated with healthy patient flows and pandemic-related restrictions, which were still limiting spending alternatives such as travel to a certain extent, left some consumers with more disposable income to spend on specialty dental treatments.

Regional sales performance by quarter in CHF million



Regional sales performance by quarter in CHF million

	Q1	Q2	Q3	Q4	Total 2021	Total 2020
Europe, Middle East & Africa	214.3	229.3	204.2	244.1	891.9	614.9
Change in CHF %	+32.1	+117.1	+37.8	+22.7	+45.1	-8.3
Change (organic) in %	+27.0	+101.3	+32.1	+25.8	+41.3	-6.6
North America	138.0	152.3	149.1	151.3	590.8	432.0
Change in CHF %	+19.4	+125.1	+26.2	+15.9	+36.7	-10.3
Change (organic) in %	+27.0	+135.5	+27.2	+15.1	+40.0	-5.2
Asia Pacific	92.3	102.8	105.0	108.8	408.8	288.6
Change in CHF %	+72.4	+63.2	+31.4	+18.1	+41.7	-5.2
Change (organic) in %	+74.4	+62.8	+28.5	+17.0	+40.6	-0.5
Latin America	25.2	31.3	38.0	35.9	130.4	90.3
Change in CHF %	-3.1	+174.4	+57.5	+24.8	+44.4	-35.4
Change (organic) in %	+23.8	+163.6	+62.5	+30.3	+56.8	-15
TOTAL	469.8	515.7	496.3	540.1	2 021.9	1 425.9
Change in CHF %	+31.5	+108.2	+34.0	+19.9	+41.8	-10.7
Change (local currencies) in %	+37.0	+108.8	+34.1	+21.1	+43.8	-3.9
Change (organic) in %	+34.0	+103.3	+31.6	+21.1	+41.7	-5.6

EUROPE, MIDDLE EAST & AFRICA (EMEA) EXCEPTIONALLY STRONG DOUBLE-DIGIT GROWTH IN LARGEST REGION

The EMEA region remains the largest revenue contributor to overall Group performance, with exceptional growth across all business segments in 2021. Although the comparison to 2020 had a significant impact on the growth rate during the first half of the year, the region still performed at a very high level. New developments in our immediacy portfolio helped to expand the business, including the launch of the TLX implant, our efforts in digital solutions and the introduction of our value challenger brand Neodent in Europe. Both premium and value implants, including the challenger brand Medentika, were drivers for growth.

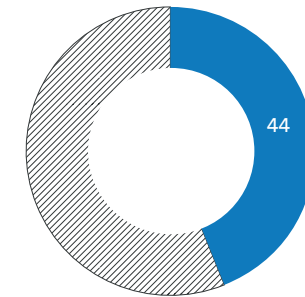
Orthodontics grew very quickly and solidly across the region in 2021, benefiting from both increased demand and a local manufacturing site in Markkleeberg that speeds up turnaround times in aligner production. In 2021, we launched our ClearQuartz material in Europe, further strengthening our value proposition for clear aligners. Launches in new countries are under way and will support our growth in the coming years. In addition, our DrSmile brand, which combines doctor-led treatment with direct-to-consumer marketing expertise, made tremendous progress with a significant sales contribution. It also expanded geographically and is now present in 10 countries in Europe.

Overall, Germany, France and Spain led our performance in EMEA. Our new subsidiaries in Romania and Jordan, established in late 2020 and 2021 respectively, both had a very strong start. In addition, Eastern European countries like Poland, Ukraine, Croatia and the Baltic states Lithuania, Estonia and Latvia also contributed strong growth.

Russia was another strong growth market in 2021, with great potential in 2022 following a successful acquisition and several product launches. Straumann's BLX implant performed strongly, while the Medit and 3Shape intraoral scanners were launched in the fourth quarter and the registration of our digital solution Virtuo Vivo was submitted. In August 2021, the Group acquired Medical Technologies 21 LLC, a well-established national distributor of dental implant systems. This acquisition strengthened the local subsidiary, increasing proximity to existing customers and creating opportunities to convert new customers from competitor systems to Straumann Group brands. All of our distributor markets contributed strongly to overall regional growth. Uzbekistan, Georgia and Moldova were added as additional countries in 2021, further expanding access to our solutions for patients.

One of the most important events in the region was the virtual ITI World Symposium, which took place in September 2021. While COVID-19 still limited in-person events, the Symposium in Russia and ITI Congress in Turkey both attracted hundreds of participants. These educational events are crucial to ensure knowledge sharing and the expansion of treatment options.

EMEA contribution to Group



■ % of Group revenue

Change organic

+41.3%

Change in CHF

+45.1%

Revenue in CHF

892m

Largest regional markets

- 1. Germany**
- 2. France**
- 3. Spain**

NORTH AMERICA

VERY STRONG GROWTH IN THE US – THE GROUP'S BIGGEST COUNTRY

As our second largest region, North America strongly contributed to overall Group revenue with double-digit growth throughout the year. The triple-digit growth in the second quarter was due to the low results in 2020, when dental practices were closed due to COVID-19. In 2021, the pandemic no longer had a significant impact on the business in the region and physical meetings could take place again. This is important, as we strongly believe that education in clinical excellence is the key to ensuring and expanding access to oral care.

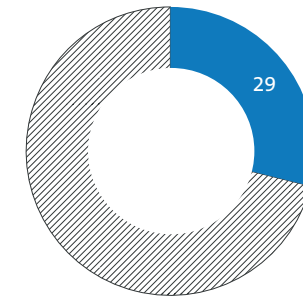
All of our business areas contributed to the overall growth. Highlights included our immediacy implant solution launches as treatment delivery time is an important factor for customers and patients, the strong growth of our challenger brand Neodent, our new Zygoma implant and our digital solutions, driven by our full portfolio of intraoral scanners.

The orthodontics segment is benefiting from attracting and bringing on new general practitioners which supports growth. The launch of the ClearPilot and Collaborator software further helped to strengthen the value proposition of our clear aligners in the region. Receiving the FDA 510K clearance for the material ClearQuartz in August was another important milestone.

Based on our estimates, we remain the leader in implantology in the US, the Group's biggest market. Canada has a smaller share of the region but grew almost twice as fast as the US. This growth came from all parts of the business portfolio, with a particularly strong digital solutions performance.

Dental Service Organizations (DSOs) are a key target group in North America. The partnerships we established with Western Dental and Aspen in 2021 were instrumental and will continue to support our future growth.

NAM contribution to Group



■ % of Group revenue

Change organic

+40%

Change in CHF

+36.7%

Revenue in CHF

591m

Largest regional markets

- 1. US**
- 2. Canada**

ASIA PACIFIC

ONGOING GEOGRAPHICAL EXPANSION AND INVESTMENTS TO SUPPORT GROWTH

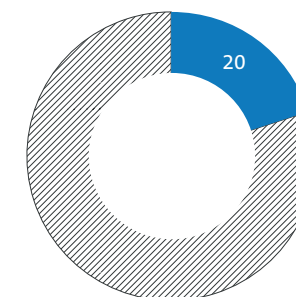
Like EMEA and North America, the Asia Pacific regional revenue was heavily impacted by the low comparison base, especially in the first quarter, as most countries in the region started to rebound in June 2020. This contributed to a very high growth rate in 2021, especially in the first half of the year. Patient flow in most countries was strong throughout the year. Due to the ongoing pandemic-related restrictions in the region, travel opportunities remained limited. This has led to higher disposable income and spending on health remains a priority.

Our performance in China and Japan was very strong, while India, Australia and New Zealand reported record revenue. Premium implants were strong contributors, supported by the roll-out of the immediacy implant solution BLX in Australia, Japan and South-Asian countries. China granted regulatory approval for BLX in mid-December 2021. In addition, biomaterials were introduced in China for the first time in October.

Growth in the region was driven by value implants, in particular the challenger brand Neodent in India and Anthogyr, which we further established in China and launched in South Korea in the fourth quarter. The fast growth of our digital solutions portfolio was driven by intraoral scanners, supported by the launch of Virtuo Vivo in India in the fourth quarter.

The orthodontics business grew rapidly in 2021, gaining momentum in Australia, Japan and Singapore. To further cater to the increasing demand in China, in 2021 the Group announced that we are investing up to CHF 170 million in our first manufacturing, education and innovation center in Shanghai. We also opened a new subsidiary in Malaysia, which started off strongly in the fourth quarter.

APAC contribution to Group



■ % of Group revenue

Change organic

+40.6%

Change in CHF

+41.7%

Revenue in CHF

409m

Largest regional markets

- 1. China**
- 2. Japan**
- 3. Australia**

LATIN AMERICA

STRONG PATIENT FLOW AND EXPANSION CONTRIBUTING TO OUTSTANDING PERFORMANCE

The Latin American region showed the strongest growth, despite being the smallest contributor to overall Group revenue. While this region experienced substantial disruption due to COVID-19, it rebounded well thanks to dental practices still being open and carrying out treatments. This is also why the results in the second and third quarter of 2021 significantly outperformed the same period in 2020, which was more heavily impacted by the pandemic.

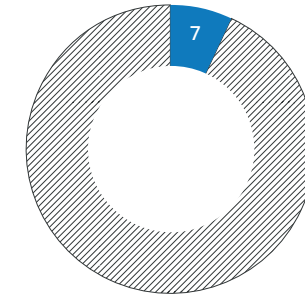
The year 2021 was extremely strong, with high growth in Brazil, the region's largest market. Argentina, Chile, Colombia, Mexico and Peru grew significantly, in spite of the depreciation of the Brazilian real and the Argentinian peso.

Neodent remains the Group's strongest brand in Latin America and contributed impressively to the overall revenue in the region. Premium implants, driven by BLT and biological materials, grew at an even faster rate, although from a much lower base. Revenue of intraoral scanners grew robustly across the region, supported by the Virtuo Vivo launch.

Neodent is proving to be an asset when it comes to customer acquisition for our orthodontics business in Brazil, thanks to the high level of brand recognition.

Although the orthodontics business currently represents a comparatively small part of our overall revenue in Latin America, it is expanding rapidly. In this region, orthodontics mainly operates via a direct-to-professionals business model. This model grew very quickly in 2021, benefiting from a greater willingness to prioritize spending on healthcare. The Group's acquisition of Smilink in August will help to establish the Group's doctor-led direct-to-consumer portfolio in the region.

LATAM contribution to Group



■ % of Group revenue

Change organic

+56.8%

Change in CHF

+44.4%

Revenue in CHF

130m

Largest regional markets

- 1. Brazil**
- 2. Mexico**
- 3. Chile**

RENATO

Renato is 21 years old and lives in Santiago, Chile and is dedicated to music. He had an accident that fractured his jaw and cracked his chin. Six teeth came out during the fall.

“Without darkness, we cannot see how we shine. I consider myself grateful for what happened to me.”



Video in the online report:
annualreport.straumann.com



“Under the premise of the esthetic and functional requirements, as a health team, we must answer all his demands, so that he can live his normal life again.”

DR SEBASTIAN CIFUENTES TAPIA

BUSINESS PERFORMANCE – FINANCIALS

Five-year overview – operating performance

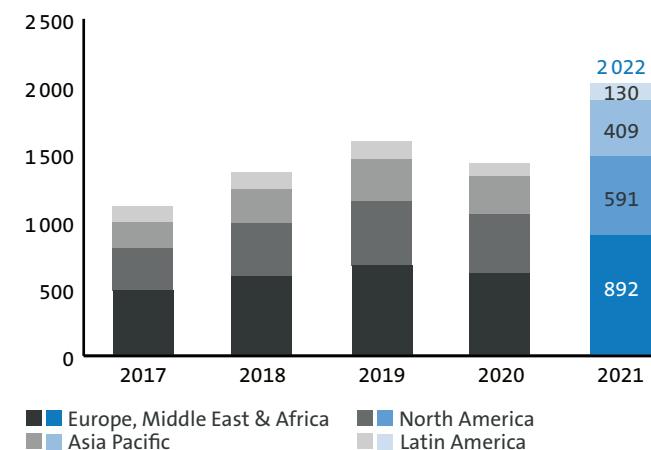
in CHF million

	2017	2018	2019	2020	2021
Net revenue	1 112.1	1 363.6	1 596.2	1 425.9	2 021.9
Growth in %	21.2	22.6	17.1	(10.7)	41.8
Gross profit	840.5	1 019.2	1 200.5	1 029.8	1 540.0
Margin in %	75.6	74.7	75.2	72.2	76.2
Operating result before depreciation and amortization (EBITDA)	323.5	395.0	480.6	406.0	652.4
Margin in %	29.1	29.0	30.1	28.5	32.3
Growth in %	24.8	22.1	21.7	(15.5)	60.7
Operating profit (EBIT)	283.3	342.6	387.1	156.5	542.6
Margin in %	25.5	25.1	24.3	11.0	26.8
Growth in %	24.7	21.0	13.0	(59.6)	246.6
Net profit	282.2	277.8	308.0	92.3	399.3
Margin in %	25.4	20.4	19.3	6.5	19.7
Growth in %	22.9	(1.6)	10.9	(70.0)	332.7
Basic earnings per share (in CHF)	18.04	17.24	19.33	5.75	24.90
Value added / economic profit ¹	214.5	189.6	208.6	(30.6)	250.3
Change in value added	32.3	(24.8)	18.9	(239.1)	280.9
Change in value added in %	17.7	(11.6)	10.0	(114.7)	919.0
as a % of net revenue	19.3	13.9	13.1	(2.1)	12.4
Number of employees (year-end)	4 881	5 954	7 590	7 340	9 054
Number of employees (average)	4 305	5 580	6 837	7 409	8 256
Sales per employee (average) in CHF 1 000	258	244	233	192	245

1 Figures as reported in the financial reports

Regional sales performance by year

in CHF million

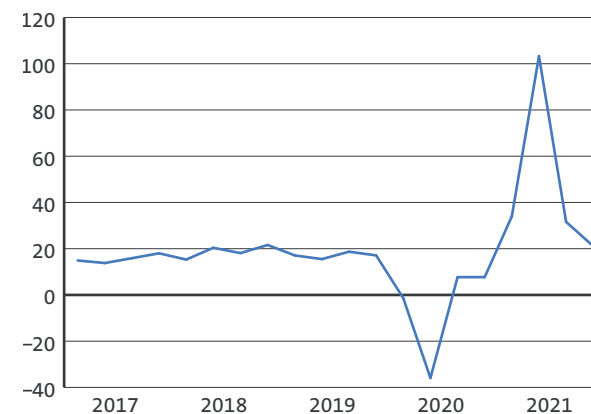


Five-year overview – financial performance

in CHF million

	2017	2018	2019	2020	2021
Cash and cash equivalents	281.8	278.7	260.2	632.2	880.4
Net Cash (Net Debt)	23.2	16.8	20.2	116.2	376.1
Net working capital (net of cash)	187.7	233.0	265.6	168.0	124.0
as a % of revenue	16.9	17.3	16.6	11.8	6.1
Inventories	152.1	182.1	234.6	216.6	249.2
Days of supplies	174	165	175	160	166
Trade receivables	191.9	231.3	281.2	236.0	287.3
Days of sales outstanding	56	56	57	47	48
Balance sheet total	1 697.0	1 864.6	2 390.0	2 548.6	2 968.0
Return on assets in % (ROA)	20.3	15.6	13.6	3.9	14.3
Equity	1 077.0	1 204.3	1 367.2	1 209.9	1 500.4
Equity ratio in %	63.5	64.6	57.2	47.5	50.6
Return on equity in % (ROE)	33.0	24.4	24.0	7.7	28.8
Capital employed	908.0	1 011.6	1 455.0	1 190.3	1 174.6
Return on capital employed in % (ROCE)	40.9	35.7	28.4	11.9	43.7
Cash generated from operating activities	217.3	277.1	378.5	376.6	560.3
as a % of revenue	19.5	20.3	23.7	26.4	27.7
Investments	(296.5)	(188.2)	(239.3)	(140.4)	(167.8)
as a % of revenue	26.7	13.8	15.0	9.8	8.3
thereof capital expenditures	(74.4)	(109.7)	(149.9)	(82.1)	(121.0)
thereof business combinations related	(178.8)	(22.2)	(77.1)	(55.1)	(39.7)
thereof investments in associates	(43.3)	(56.3)	(12.3)	(3.2)	(7.1)
Free cash flow	144.7	169.4	229.6	295.2	440.6
as a % of revenue	13.0	12.4	14.4	20.7	21.8
Dividend	75.1	83.1	91.2	91.3	107.41
Dividend per share (in CHF)	4.75	5.25	5.75	5.75	6.75 ¹
Pay-out ratio in % (core results)	32.4	28.9	27.1	35.5	23.7

1 To be proposed to the shareholder's AGM in 2022

Five-year quarterly revenue growth (organic)
in %

SHARE PERFORMANCE

FUELED BY GROWTH

Global financial markets entered 2021 with promising supportive factors such as the successful launch of COVID-19 vaccines and strong economic growth expectations across major economies. The pandemic was unable to dampen the positive market sentiment in the first half of the year. Yet the enormous recovery in global demand soon resulted in supply shortages and bottlenecks in supply chains. Rapidly increasing inflation around the globe led central banks to partially lift monetary policy easing and could have set an end to the cycle of low interest rates. Hoping that the negative sentiment is only temporary, the stock markets held up well in the second half of the year despite higher volatility.

Straumann shares clearly outperformed the Swiss equity market. With an increase of 87.8% to CHF 1 937, the Group reached a market capitalization of CHF 30.8 billion, reflecting once again the investors' appreciation of past achievements and future growth perspectives. During the same period, the SMIM stock index and Swiss Leader Index (SLI) closed the year up 20% and 23%, respectively. Within the SLI, which comprises the largest 30 securities in the Swiss equity market, Straumann ranked as the best performer and the market capitalization rose to the top half of the SLI universe.

Despite the economic uncertainties due to the ongoing pandemic, in 2021 the Group decided to distribute the same gross dividend amount of CHF 5.75 as in the prior year. The payout ratio of this dividend distributed in 2021 was 23.7%. Pre-tax shareholder return after dividend reinvestment amounted to 88.7% or

CHF 914.51 per share. For the future, the Group intends to have a stable dividend that increases gradually over time.

Having jumped to roughly 40% in 2020, the one-year stock volatility dropped to 28% by end of 2021. This volatility pattern points to the relatively stable increase in the share price in 2021, following a sharp price correction and a rapid recovery over the previous year. The average daily trading turnover of Straumann shares increased by more than 40% to CHF 57 million.

Stock exchange information

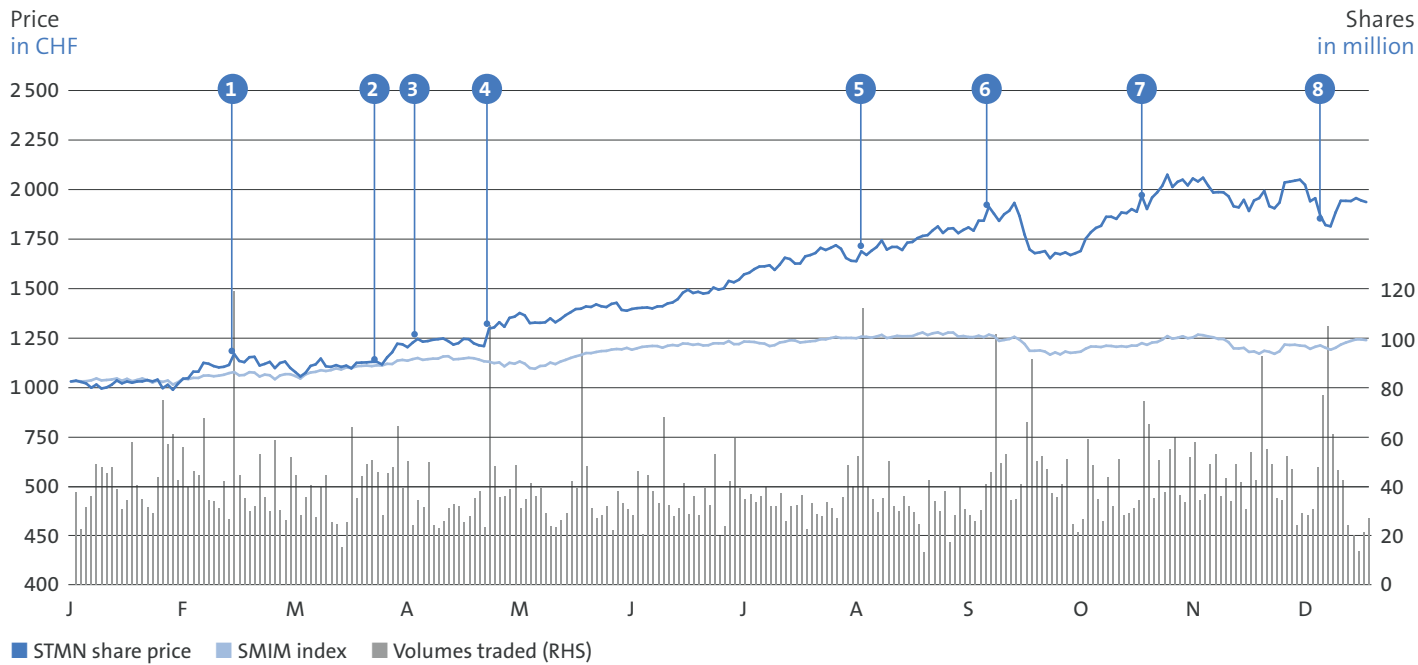
Listing	SIX Swiss Exchange (STMN)
Bloomberg	STMN SW
Reuters	STMN.S
Investdata	STMN
Ex date	13 April 2021
Payment date	15 April 2021
Security ID	001 228 007
ISIN	CH 0012 280 076

Share price data in CHF

	2021		2020	
	Value	Date	Value	Date
First trading day	1 035.00	4 Jan	961.80	3 Jan
Lowest ¹	970.00	28 Jan	547.20	19 Mar
Highest ¹	2 108.00	5 Nov	1 084.00	9 Nov
Last trading day (tax value)	1 937.00	30 Dec	1 031.50	30 Dec
Average	1 513.46		892.40	
Total shareholder return, gross of tax	88.7%		9.4%	
Share price performance	87.8%		8.5%	
Market capitalization at year end (CHF million)	30 840		16 408	

¹ Value reflects daily closing price

Share price development



- 1** 16 Feb 2020 results: solid results with organic revenue dropping 6%

2 26 Mar Group presents plans for first manufacturing, education and innovation center in China

3 9 Apr AGM: Petra Rumpf elected as a new Board member

4 29 Apr Q1 results: record quarterly revenue of CHF 470 million with 34% organic growth

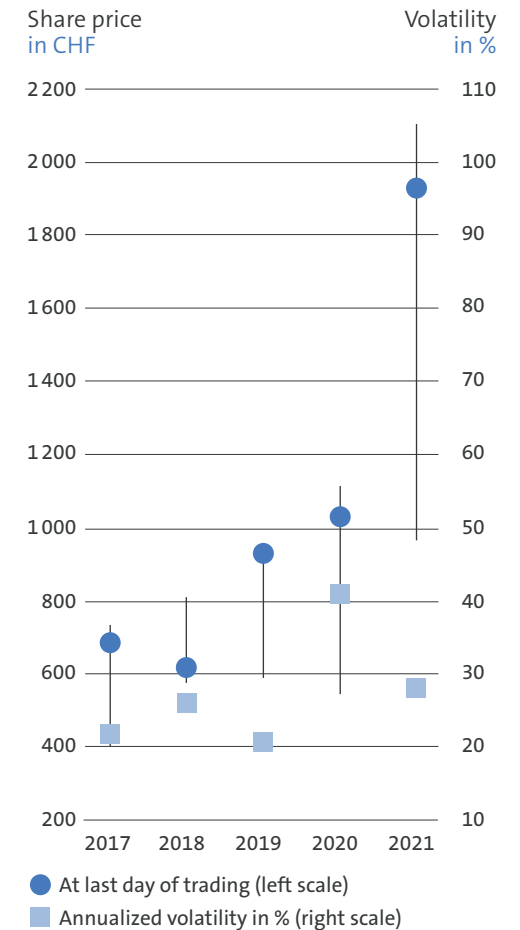
5 12 Aug HY1 results: 63% organic growth; the Group announces acquisition of Smilink in Brazil

6 16 Sep Rising emerging market risks (e.g. inflation, supply chain squeeze)

7 28 Oct Q3 results: CHF 1.5 billion revenue year-to-date; the Group informs about new Technology and Innovation center near Basel

8 16 Dec Capital markets day: Straumann presents long-term strategy

Trading information



SUSTAINABILITY

SUSTAINABILITY REPORT

Introduction and Sustainability Framework **39**

Advancing oral care **45**

Empowering people **57**

Caring for the planet and society **62**

Acting with responsibility **76**

All information in this report refers to the whole Straumann Group, unless stated otherwise.

SUSTAINABILITY AT STRAUMANN GROUP

Rooted in our heritage of creating long-term value, we aim to create a long-lasting positive impact for all our stakeholders. Sustainability is embedded in the way we do business. It is a strategic priority for the Group and together, we aspire to become a role model for our industry.

Our success is built on a sustainable business model and it is our role to play our part – today and for future generations. We act sustainably to improve the quality of life and advance oral care. Sustainability means efficient use of resources and responsible business practices as well as attracting and retaining the best talent. When strategically prioritizing our activities and engaging with all our stakeholders across the value chain, we deliver positive social and environmental impact by doing business in a sustainable manner.

Our purpose is “to unlock the potential of people’s lives” and our four commitments shaping our sustainability framework are geared around it – Advancing oral care, Empowering people, Caring for the planet and society and Acting with responsibility. We exist to bring lasting improvements to people’s lives and our success is built upon this.



OUR APPROACH TO SUSTAINABILITY

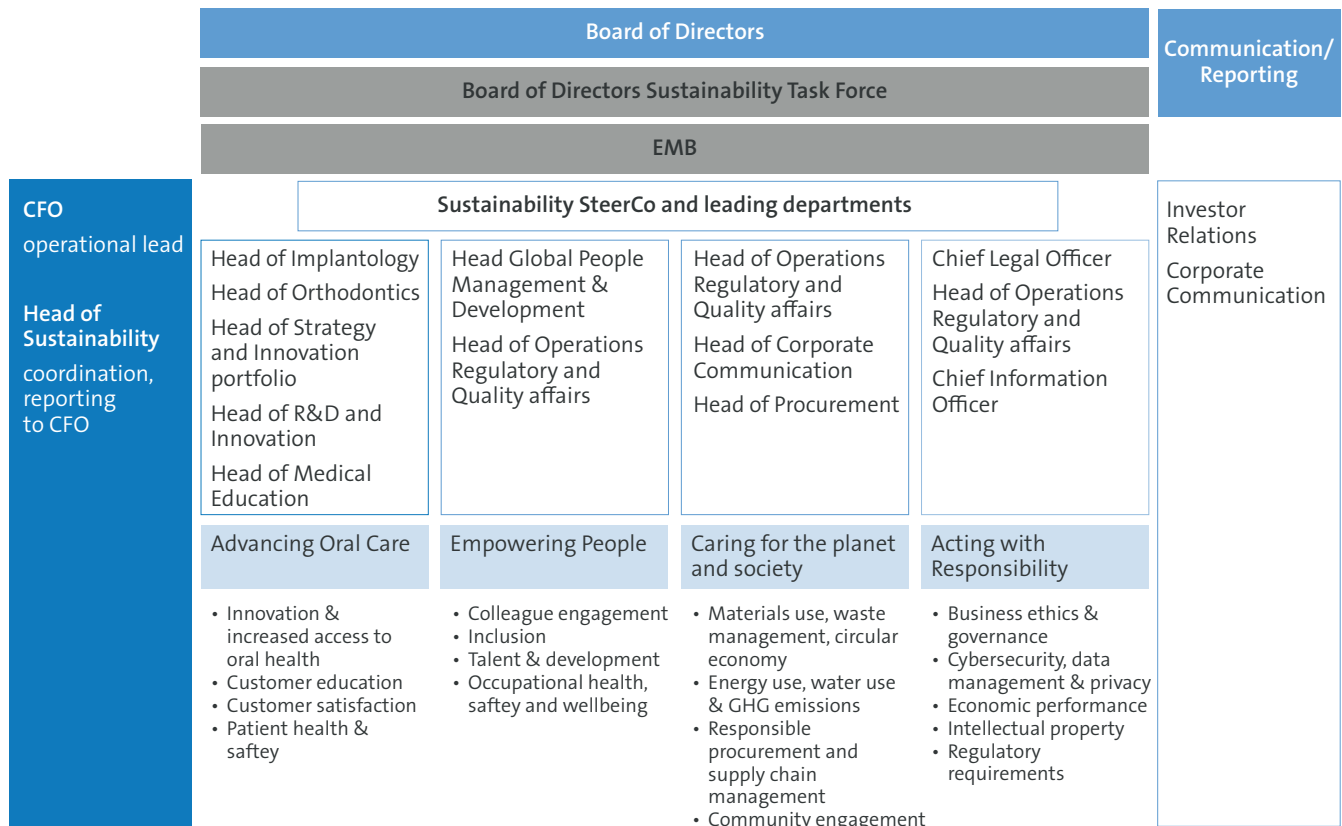
In line with the growing importance of sustainability, we appointed an internal Steering Committee in 2020 tasked with determining focus areas. In March 2021 the sustainability task force – led by Straumann Group’s Board of Directors – was established with the goal of defining our sustainability targets and roadmap. Board member Petra Rumpf supervises the initiative, the Chief Financial Officer leads the process and the senior management team engages in the different areas.

Through the process a new Head of Sustainability position reporting to the CFO has been created and appointed. The chart on the right shows the allocation of the sustainability responsibilities at Board and Management levels. Our Group Code of Conduct assigns personal responsibility for environmental protection and proper social conduct to all line managers and employees.

We are reporting according to the internationally accredited GRI Sustainability Reporting Standards as well as according to the Sustainability Accountant Standards Board (SASB) (see the table on p. 195). GRI is a non-profit, multi-stakeholder organization that provides companies with a systematic basis for informing stakeholders on corporate responsibility in a concise and comparable manner. We have applied the GRI sustainability reporting frameworks in our Annual Report since 2004.

This report has been prepared in accordance with the GRI Standards: Core option and was submitted to the GRI Materiality Disclosures Service in February 2022. All information in this report refers to the whole Straumann Group, unless stated otherwise.

Significant sustainability aspects that are material to the Group are reviewed annually, with input from internal and external stakeholders.



This chart shows the allocation of sustainability responsibilities at Board and Management levels. Our Group Code of Conduct assigns personal responsibility for environmental protection and proper social conduct to all line managers and employees.

In 2021, we put into place a framework to ensure that as we grow, sustainability is woven into our strategy.

MATERIALITY ASSESSMENT

To define our sustainability framework and identify the priorities, we built on topics outlined in our 2020 materiality assessment. We examined global trends and developments to identify any additional emerging topics.

We conducted a formal materiality assessment involving more than 80 internal and – for the first time – external stakeholders. We aimed to understand each participant’s perspective on how much of an impact our social, environmental and governance topics have on the Group’s continued business success and whether there were any additional topics they felt may be relevant for our strategic planning.

Internally, our Executive Management Board, Board of Directors and employees took part in an online survey to help shape our material topics.

Externally, we identified and invited key investors, analysts, customers, suppliers, non-governmental and community organizations as well as key opinion leaders to participate in an online materiality survey. Several more in-depth interviews with selected stakeholders were conducted to gather more insights and qualitative context.

The results of the materiality assessment were presented and discussed at a series of workshops with the Group’s senior management team. The collected feedback was the basis for setting the material topics and informed the potential routes for the sustainability framework.

For the first time we involved external stakeholders in our materiality assessment, fostering dialogue.



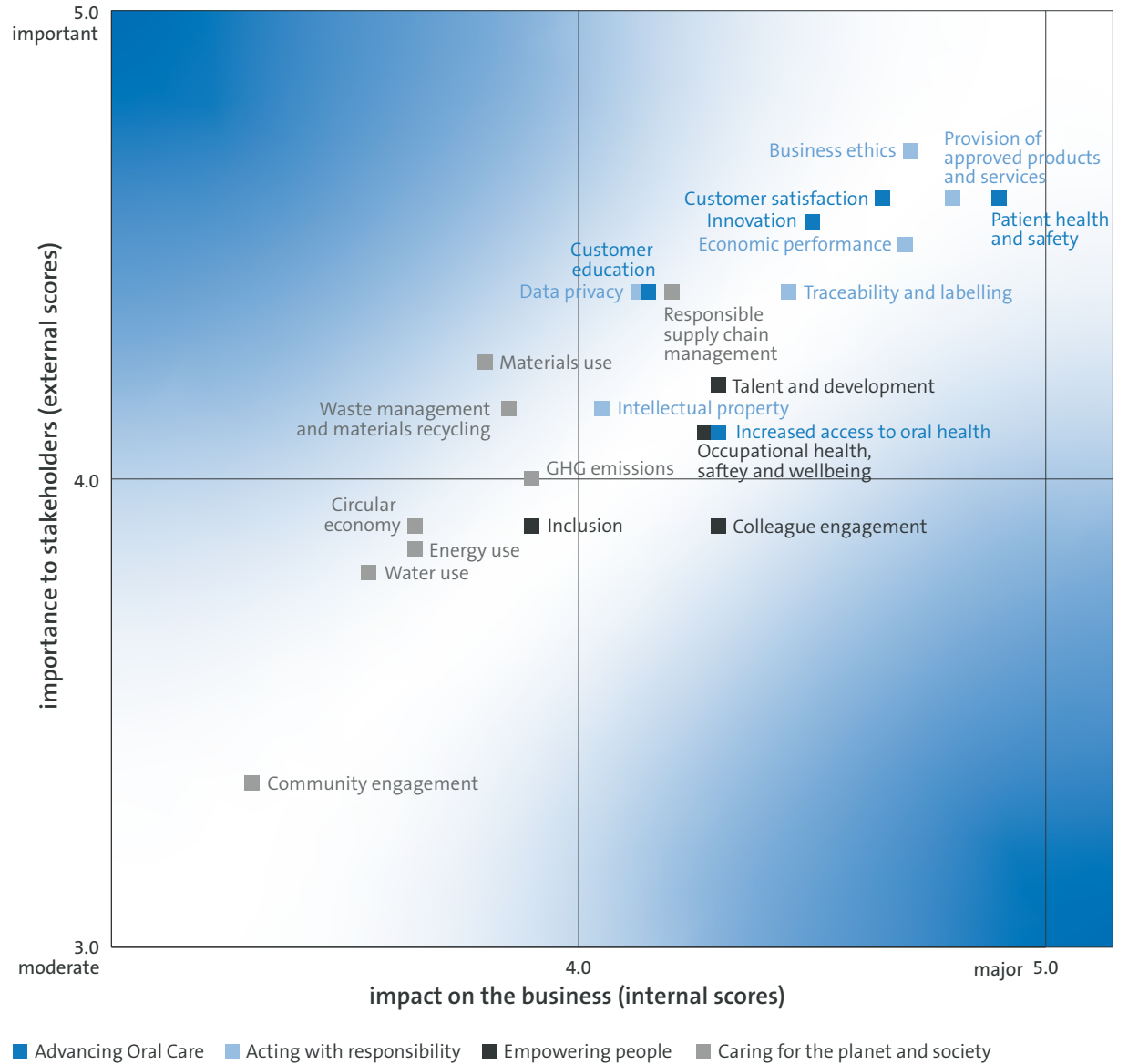
RESULTS AND KEY OBSERVATIONS

In general, there was agreement between internal and external stakeholders on priorities. No topic was rated below three – internally or externally – suggesting that all topics are considered of at least moderate importance/impact.

Topics including responsible supply chain management, materials use, waste management, circular economy, energy use, water use, customer education and data privacy were rated higher externally. The importance of these topics was also highlighted throughout some of the stakeholder interviews. Internally, colleague engagement, occupational health & safety and increased access to oral health were amongst the topics prioritized higher than externally.

Based on this feedback we updated the language around the material topics to make sure it reflected developments within global reporting frameworks and standards.

The topics listed are of importance to Straumann’s operations, shareholders and employees, as they can influence cost, brand reputation and ultimately business success. Economic, social and environmental topics are also relevant for the communities in which we operate. Environmental topics are of interest to international environmental organizations and indeed of wider interest to stakeholders globally. Product-related topics are relevant for our customers and the patients they serve. Human resources topics influence the composition of our team and ultimately the confidence and peace-of-mind we provide to our customers.



Alignment between internal and external priorities (white diagonal area in graph). Rating on importance to stakeholders and impact on business. Each topic was ranked on a scale from 1–5, 1 being low impact and 5 being major impact.

NEW SUSTAINABILITY FRAMEWORK

By embedding sustainability into the way we do business, we're ensuring that we keep delivering positive impact for our stakeholders on the way to becoming a role model for our industry. In this report, we present our new sustainability framework and the progress we have made. It represents our approach to sustainability and sets out our ambitions. We commit to: Advancing oral care, Empowering people, Caring for the planet and society and Acting with responsibility. We assessed our performance across these commitments and set short- and long-term targets and key performance indicators.

Our aim is to impact 10 million smiles per year by 2030

We want to provide 35% of all our educational activities in low- and middle-income countries

We are shaping a company with the highest standards of integrity and a zero tolerance policy

ADVANCING ORAL CARE

EMPOWERING PEOPLE

ACTING WITH RESPONSIBILITY

OUR PURPOSE:
To unlock the potential of people's lives

CARING FOR THE PLANET AND SOCIETY

We want 50% of leadership positions to be held by females by 2026

By 2026, we want at least 80% of our people to tell us, through our employee survey, that they have good opportunities to learn and grow

We will use 100% renewable electricity by 2024

We will set climate Science-Based Targets in 2022, carving a path consistent with 1.5°C to achieve net zero emissions



“I believe that being ok with ourselves, it passes on to others. I wasn’t happy with the look of my smile and we started working with transparent aligners. This treatment was fundamental, my smile is kind of my business card.”



Video in the online report:
annualreport.straumann.com

LORENA

Lorena is 33 years old and lives in Atami, Brazil where she works as a personal trainer. She also is a mother of three children.



“I was very happy to be able to offer Lorena a convenient orthodontic treatment which met her expectations without getting in the way of her intense daily exercise routine.”

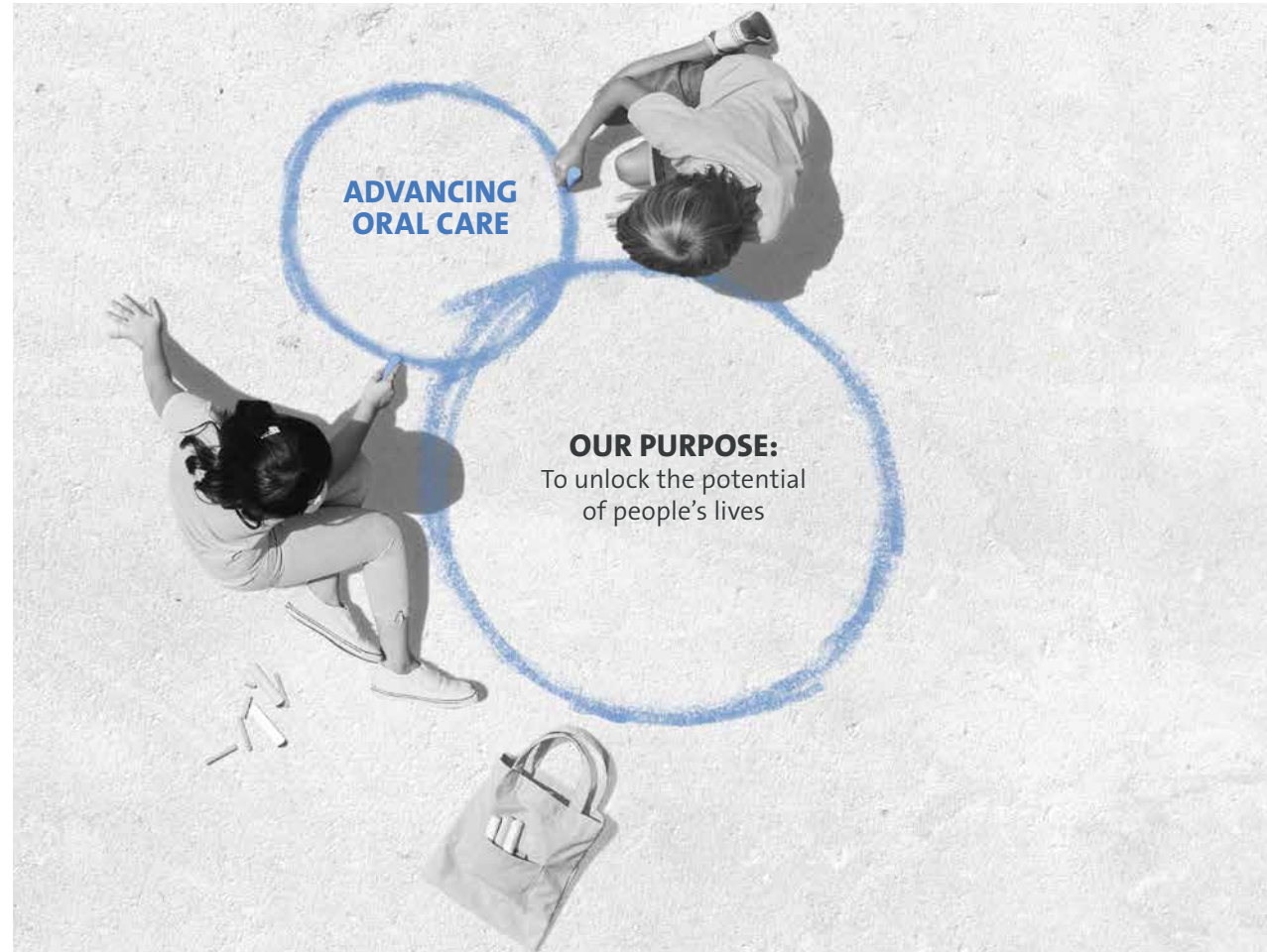
DR DANIEL NEVES, DENTIST

ADVANCING ORAL CARE

At Straumann Group, good oral care is more than the solutions we provide; it is a vital part of patients' overall health and wellbeing.

This is why we are focused on advancing oral care. We aim to innovate oral care solutions that serve the patient's health and safety. Together with our strategic partners, we improve access to oral care for people all over the world. We believe in fostering customer learning and education for the benefit of patients.

This commitment contributes to the following UN SDGs:



MATERIAL TOPICS

Innovation	46
Increased access to oral health	50
Customer education	51
Customer satisfaction	53
Patient health and safety	54

Our aim is to impact 10 million smiles per year by 2030

We want to provide 35% of all our educational activities in low- and middle-income countries

INNOVATION

Straumann Group has long been a leading innovator in the field of dentistry. As different brands have joined our Group, enriching our offer, innovation remains the basis of our success, both in implantology and orthodontics. We want to enhance the customer and patient experience to improve their oral care.

By bringing together products, software, artificial intelligence, the Group develops smart solutions that offer seamless workflows and help reduce time to teeth.

FURTHER STRENGTHENING GLOBAL R&D AND INNOVATION

Driven by our mission to become the most customer-focused and innovative oral care company, we further strengthened our R&D capabilities via a two-fold approach:

- sustain innovation as a priority to remain competitive and perform in our core businesses
- create an organization and capabilities to incubate disruptive innovation, providing the Group with the chance to be part of the digital oral health transformation for the “oral care life span” of patients

Good ideas can come from anywhere, inside or outside the Group. We see open innovation as a key factor for success and we actively promote and seek collaboration with people and organizations outside the company. Anyone with an innovative idea can submit it via our [Straumann Group Innovation Portal](#). The number of propositions submitted in 2021 increased by 15% versus 2020.

Innovation is not confined to our product offering; it is about customer experience and the ease of doing business as well as organizational setup. We launched the Group Innovation LAB to incubate ideas solving tomorrow’s digital oral health challenges; the LAB will forge collaborations with start-ups, universities and other companies to extend our technological capabilities and to foster diversity in thinking.

We want to create an inherent culture of innovation, internally and with our external partners.

INVESTMENT IN INNOVATION CAPABILITIES

To ensure future innovation, we are investing in several innovation centers on different continents. The China Campus will be our first innovation center in China. By 2029, the Campus will provide educational programs as well as solutions from the Group’s implant and orthodontics portfolio for China. Based in the Xin Zhuang Industrial Park, a technology cluster in Shanghai, it will open up opportunities for future collaborations with local partners and help to accelerate digitalization within our Group.

In addition, we are investing in a new Technology and Innovation Center near Basel, Switzerland. It will host our R&D teams, the newly launched Straumann Group Innovation LAB and the commercial digital dental lab Etkon. The new facility will be operational in 2023.

In 2023, another innovation center in our new CAD/CAM milling center in Mansfield (US) will take up its work.



The new Straumann Group Technology and Innovation Centers will be located in Arlesheim near Basel (above) and in Shanghai, China (below).



IMPLANTOLOGY

Enhancing our portfolio in immediacy solutions and in edentulism were a focus for our premium and challenger brands in 2021 (see innovation table on the right). Important additions include Straumann's TLX and the Zygoma implants.

We are re-imagining implantology by combining our core capabilities with novel technology for treatment planning. This will make implant placement simple and even more predictable, while frictionless workflows deliver speed and efficiencies.

ORTHODONTICS

Strengthening our value proposition in orthodontics has been a major focus. Important innovations were the new clear aligner material ClearQuartz allowing to move teeth more predictably thanks to our patented tri-layer material. In 2021 we launched a series of new software features for treatment management and case setups, such as ClearPilot 2.0. Another achievement was the connectivity of intraoral scanners that integrate with our orthodontic solutions.

2021 key product launches**Intended benefit and added value for customers and their patients****Tooth replacement and restoration**

Straumann TLX	<ul style="list-style-type: none"> Fully-tapered soft-tissue level implant system for immediate protocols and all other indications Enables Straumann tissue level customers to enter the field of immediate protocols Provides the advantages of the tissue level concept to clinicians already engaged in immediacy
Straumann Zygomatic Implant System	<ul style="list-style-type: none"> Implant solution to provide an immediate, graftless, predictable fixed solution for edentulous patients and patients with severe bone atrophy
Neodent Neo Arch 2.0	<ul style="list-style-type: none"> Fixed full arch solution to improve customer experience and treatment time and outcome
Medentika titanium base ASC Flex extension	<ul style="list-style-type: none"> Comprehensive competitive offer in the multi-platform system (MPS) market
Anthogyr Xpert Unit Implant Motor	<ul style="list-style-type: none"> Implant motor featuring a dedicated mobile application to offer traceability and access to services as well as performance, reliability, efficiency and working comfort
Anthogyr Mini Implant System	<ul style="list-style-type: none"> Implant solution dedicated to edentulous patients presenting reduced horizontal bone availability Less invasive, immediate removable fixation of overdentures Short treatment time, affordability and usability for patients
Nuvo Conical Fit Implant System	<ul style="list-style-type: none"> Implant solution featuring an internal conical connection in a naturally tapered body design to maximize treatment versatility and simplicity in all bone types

Tooth alignment

ClearQuartz Tri-Layer Material	<ul style="list-style-type: none"> Tri-layer aligner material that allows the aligner to be tough and stain-resistant, while applying gentle, consistent pressure for precision, comfort and esthetics
ClearPilot 2.0	<ul style="list-style-type: none"> Updated clear aligner treatment software for fast planning, convenient patient communication and use on mobile devices New features include occlusal heat map, doctor mobile view and a patient view
3Shape Unite integration	<ul style="list-style-type: none"> Enables clinicians to install ClearCorrect App from the 3Shape Unite store on their Trios intraoral scanner for a fully embedded, convenient, all-in-one case submission workflow
Virtuo Vivo and Medit integration	<ul style="list-style-type: none"> Enables the clinician to send intraoral scans to the aligner portal that are automatically paired with the case submissions (automated scan matching)

DIGITAL ORAL HEALTH SOLUTIONS

Artificial intelligence-driven predictive diagnostics can provide advanced opportunities. We are active in this area because it offers great potential, including accelerated detection of complications either pre- or post-implant therapy or during an orthodontic treatment.

Furthermore, augmented and virtual reality technology can bring more confidence to new dentists as they practice their treatment skills. Another digital solution is 3D printing, which offers the possibility to provide temporary or final restorations chairside.

Dental practices are looking for seamless workflows. This is why we offer integrated software and scanners for orthodontics, implantology and CAD/CAM restoration and are looking into smart navigation systems to further improve processes and access.

For example, we invested in a dynamic surgical navigation system which is the next step in the digitalization of dental surgery. By acquiring a 39% stake in Minivident, the Group will partner with the Swiss company to further develop its technology with the aim of providing a best-in-class platform for navigated surgery.

In 2021, we also created and started to test a secure implant registry with a web-based user interface, empowering clinicians to collect and analyze their clinical data more efficiently, tracking the treatment outcomes of their patients.

2021 key product launches**Intended benefit and added value for customers and their patients****Prevention and tissue regeneration**

Labrida BioClean

- Brush that supports the treatment of periodontitis as well as peri-implant disease to maintain the health of peri-implant tissues

Digital solutions

Virtuo Vivo intraoral scanner (IOS)

- Launch of Dental Wings Virtuo Vivo intraoral scanner in the global markets with new software generation for faster scanning, significantly improved scan performance and image quality
- Fully integrated with key Straumann Group services and solutions including ClearCorrect

Medit i500 and i700 intraoral scanners

- Global distribution partnership to serve the upper value segment of intraoral scanners
- Fully integrated with key Straumann Group services and solutions including ClearCorrect

3Shape Unite platform

- Straumann Group is a founding partner of the the new 3Shape Unite platform
- Provides all 3Shape Trios intraoral scanner users direct and seamless integration to Straumann Group services and solutions including prosthetic services, ClearCorrect and Smile in a Box

Innovation in our services allows clinicians to partially or completely outsource treatment planning. Thanks to artificial intelligence and machine learning algorithms doctors can enhance the quality and predictability of treatment outcomes.

Examples of development projects scheduled for introduction or rollout starting in 2022

Project	Key benefit targets
Tooth replacement and restoration	
Straumann Dental Implant System 2.0	Straumann dental implant system simplified
New implant design	Fully-tapered implant designed for clinical challenges including immediate protocols, answering the demand for shorter, less invasive treatments, efficiency and frictionless integration into digital workflows
Guided Surgery	Complete set of surgical instruments and digital services dedicated to guided surgery
Ceramic portfolio extension	Highly esthetic, metal-free advanced implant design and novel production technology
Implant portfolio extension	Small diameter implant solution for immediate loading in limited spaces
Multi-Platform-Systems portfolio	Extended portfolio covering more 3rd party systems; attractively priced alternatives; broader availability
CADCAM implant-borne prosthetics portfolio evolution	Enhanced CADCAM portfolio to attract new customers and improve customer experience
Prosthetic innovation	Additional prosthetic concepts tailored to digital immediacy workflows
Surface technology	New surface helping to maintain healthy mucosa
Tooth alignment	
Software	Enhanced digital treatment planning for customers with new features, including individual tooth adjustments, new engager customizations and an improved user interface
Software	Progress tracking to support doctor/patient communication and optimize treatment outcomes
Prevention and tissue regeneration	
Novel regeneration system	Controlled degradation time, reduced invasiveness and reduced chairtime
Implant health	Innovative portfolio aimed at prevention, diagnosis and treatment of implant complications
Digital solutions	
New 3D printer	<ul style="list-style-type: none"> • High volume 3D printer for large, high-production labs and DSOs • Ease of use, intelligent connectivity, large volume capacity and automation features
3D printer resins	3D Printing resin for dental models optimized to deliver higher stability, accuracy and enhanced texture with ultra smooth surfaces
Prosthetic design software	Enhanced design planning for dental laboratories
Dynamic surgical navigation	Develop best-in-class platform for digitally guided surgery
Artificial Intelligence	Advanced diagnostics and treatment planning automation

INCREASED ACCESS TO ORAL HEALTH

As outlined in the strategy chapter (see p. 14 ff.) there is a vast unmet need for oral care and inadequate access to treatment. Oral diseases such as tooth decay and periodontitis are among the most widespread chronic diseases. We estimate that 30 billion teeth are missing worldwide, presenting a large potential for improving oral health. In addition, we believe that up to 500 million people with misaligned teeth could benefit from a clear aligner.

Access to quality dental treatment remains an issue, particularly in low- and middle-income countries with few trained dentists (see graph on the right). Education (see also next page) and innovation in product solutions will play a key role in improving access. By training more dentists and making our solutions available internationally, Straumann contributes to better access to oral care for patients.

Our goal is to impact 10 million smiles¹ per year by 2030.

Being present on several continents and close to our customers will further improve access. For example, the new China Campus in Shanghai will help provide education and solutions locally, allowing for better access to treatment for patients and healthcare consumers.

- 1 One smile: 2 implants or 1 clear aligner case start
- 2 US Bureau of Labor Statistics

Another priority was to develop virtual reality dental implantology training and learning modules, making it affordable, scalable and effective for dentists to acquire new skills.

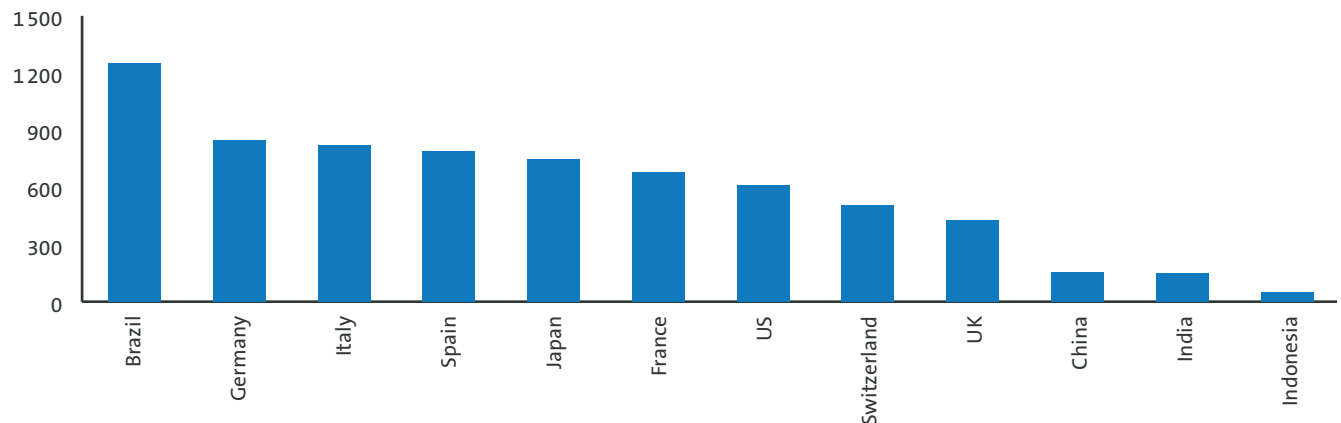
The technology allows for remote mentoring and remote live participation on mobile devices, strengthening the confidence of dental professionals (see also customer education on p. 51 ff.).

Access to treatment is further enabled by our global expansion: our solutions are now available in over 100 countries and we serve customers in more than 40 countries directly via our subsidiaries. In 2021, we further established Smile-in-a-Box, a less complex implant treatment solution which supports expanding access to treatment.

PRICING APPROACH TO ENSURE ACCESS

The Group's pricing approach aims to ensure a majority of people can have access to oral care. In 2021 vs 2020, the weighted average net price of our solutions remained stable, when in parallel the US consumer index rose by 7.0%². While some limited increases were observed on the Straumann brand portfolio, the development of value brands Neodent, Anthogyr and Medentika, as well as the broader launch of Nuvo, highlight Straumann Group's commitment to broaden access to oral care. For 2022, price adjustments aligned with inflation forecasts were communicated to customers through the annual price catalogue available in each country. These adjustments reflect the global increase in raw materials and energy costs, allowing Straumann to maintain its R&D investments. Pricing of products and services are in general determined by contracts. Price discounts to customers are generally linked to the volume of purchases by customers. If within a within a contract buying period certain thresholds are met by the customer, price discounts may be granted.

Patient's access to quality dental treatment is an issue in emerging countries due to fewer dentists per capita
Dentists per million population



CUSTOMER EDUCATION

PUTTING PATIENTS FIRST

We are committed to offering world-class education. This is instrumental to enabling treatment, optimizing outcomes and increasing access to dental care. Providing professionals with the know-how and practical skills for the best clinical application of the Group's solutions is important to us. Our hybrid courses draw on the latest clinical, scientific and practice-management insights. In 2021, together with our academic partners, we continued to offer extensive online education and provided scholarships to help dental students from underprivileged areas.

Our aim is to provide at least 35% of our educational activities in low- and middle-income countries.³

In 2021, 35% of our educational activities were carried out in low- and middle-income countries. Overall, we offered nearly 8 000 educational activities, reaching more than one million participants worldwide across our Group.

INNOVATION IN EDUCATION

Education and enablement are a continuous journey, requiring flexible solutions. Our sales teams, together with 300 clinical and scientific experts, disseminate the latest clinical and scientific information through a variety of in-person or online formats. In addition to the courses we offer worldwide, we also started piloting a global mentorship program in 2021, which will be rolled out more widely in 2022. These activities are enhanced by innovative tools such as virtual reality.

For hybrid and online training sessions, we launched Learn-in-a-Box. The participant receives the material for hands-on training and is guided virtually by the trainer. This meant that practical training did not have to stop during pandemic restrictions. Moreover, it allowed more professionals to join the training session without the need for travel, making hands-on courses more accessible for participants in remote locations. In 2021, we also launched Ortho Campus, a comprehensive collection of orthodontic tools, programs and professional education curricula designed to facilitate treatment success among clinicians and their staff members.

SUPPORTING DIFFERENT CUSTOMER GROUPS

We offer a variety of learning and networking programs, tailored to the needs of different customers:

- Straumann Smart Implantology is for beginners in implantology
- Straumann Smart Immediacy supports general practitioners to implement immediate protocols
- With more than 4 000 members, the Women Implantology Network (WIN) enables female dental professionals to enter the field of implantology and lifts barriers to advance to leadership roles
- The Straumann Young Professional Program supports newly certified dentists and students
- Our online communities enable specialists to connect and access free content and our practice development tools help them grow their business



Customer education event in China.



Virtual clinics helped train professionals without the need for travel.

³ [According to World Bank definition](#)

IMPORTANT AND ESTABLISHED EDUCATION CHANNELS WITH OUR TRUSTED PARTNERS

The Group maintains a close and long-term collaboration with leading clinics, research institutes, universities, networks and communities.

We are collaborating with renowned universities, clinics, research institutes and academic networks to foster research and innovation.

INTERNATIONAL TEAM OF IMPLANTOLOGY (ITI)

One of the most important partnerships the Group invests in is with the [International Team of Implantology \(ITI\)](#) which stands for excellence in implant dentistry education and research. It has been setting standards for more than 40 years and was founded by two pioneers Prof. André Schroeder and Fritz Straumann in 1980. The ITI is one of the largest and most trusted organizations in implant dentistry. It is the scientific partner of the Straumann implantology brand. The successful partnership between Straumann and ITI in the area of science, research and education is underpinned by a common goal: the ongoing improvement of treatment methods in oral implantology and tissue regeneration for the benefit of patients.

With more than CHF 50 million invested in research over the years, some hallmark studies have been funded by one of the more than 500 ITI research grants awarded to date. The ITI Consensus Conferences regularly set global treatment standards. The ITI

awards 30 ITI Scholarships annually to help young clinicians train further in implant dentistry.

The ITI community boasts 18 000 professionals across 31 sections, over 700 Study Clubs on all continents and more than 2 000 events a year, including lectures and case discussions in a trusted environment close to where their members practice. More than 350 hours of eLearning content, ten Education Weeks at top universities and an international certification program – the ITI Curriculum – cover all education and continuing medical education credit (CE credits) needs. The ITI is connected to two thirds of the world's top-ranked dental schools and provides online University Campuses to 71 universities globally.

INSTITUTO LATINO AMERICANO DE PESQUISA E ENSINO ODONTOLÓGICO

Another important Straumann Group partner is the Instituto Latino Americano de Pesquisa e Ensino Odontológico (ILAPEO). For more than 16 years Neodent and ILAPEO have partnered in scientific study.

ILAPEO holds courses that enable broadening of implant therapy access to treatments. It provides an education based on the latest scientific evidence and differentiates itself by offering clinicians a practical experience with patients. This combination helps our customers to achieve a higher level of expertise and confidence. In 2021, Neodent held 19 courses at ILAPEO, in which nearly 200 customers from Latin America were trained.



Customer education event in China.

CUSTOMER SATISFACTION

STAYING CLOSE TO CUSTOMERS

The Group serves customers across more than 100 countries. This includes general dentists, specialists, dental technicians and laboratories. In the chart on the right, you will see the breakdown of our customer base, including 'Other', which comprises distributors, hospitals, universities and dental service organizations (DSOs). A single DSO can represent hundreds of clinics and dentists, including generalists, specialists and technicians.

In 2021, there were no significant shifts in the specialization and geographic distribution of our customers. The respective proportions of general dentists and specialists increased and decreased slightly, reflecting a continuation of the trend we have observed in recent years and other factors, such as the growth in our clear aligner business.

SERVING CUSTOMERS DIRECTLY

We serve customers directly through our teams of sales and marketing professionals, most of whom are highly trained sales representatives or service staff. This adds value for customers and helps us to identify, manage and learn from their needs.

The COVID-19 pandemic continued to pose many challenges in 2021, but it also created opportunities for our sales and service teams. We now use a mix of in-person and online activities for customer acquisition, sales and support. All of these initiatives helped us to increase our contact with customers. They created opportunities to foster dialogue and as a consequence, to generate more leads. In particular, our interactions via remote channels increased significantly. As a result, we were able to grow our global customer base by a double-digit percentage.

CUSTOMER DIALOGUE

Our primary customer activities include:

- direct personal and remote contact through our sales force
- diligent complaint management, evaluation and reporting ([see also patient health and safety p. 54 f.](#))
- active involvement during product development, market acceptance tests and limited market releases to obtain customer feedback prior to launch

In 2021, we set up a new customer feedback program. It is designed to measure, understand and give us the opportunity to act on customer feedback globally. Net-Promotor-Score (NPS) surveys across all global brands and Customer Satisfaction (CSAT) surveys on key customer touchpoints will become the norm in 2022. Receiving customer feedback at scale is instrumental to ensure we become even more customer-centric in everything we do.

Our new global customer feedback program will help us to become even more customer-centric.

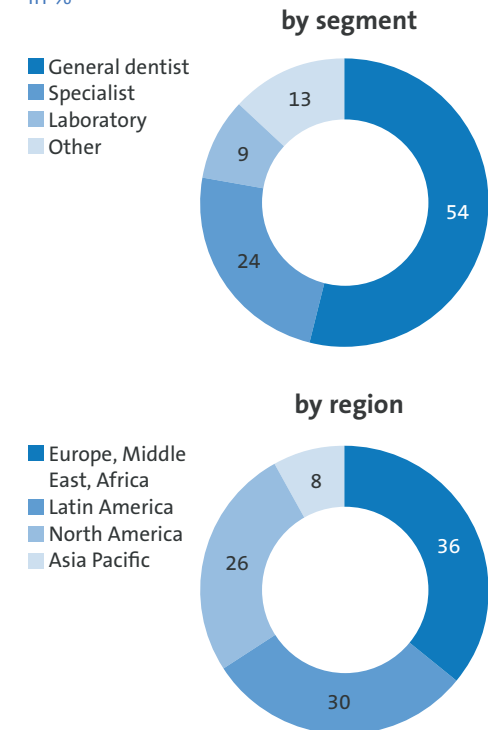
DIGITAL TRANSFORMATION AND DISRUPTION

Customers have significantly evolved over the past few years. They are empowered by technology, they have higher expectations than ever and remote engagement is an important part of our 'new normal'.

We continuously invest in our Group-wide digital customer engagement capabilities such as the eShop, multi-channel automation and customer identity

management. They are essential for this digital transformation. The eShop alone carries more than a third of our business, in addition to increasing self-service efficiency for our customers such as customer profile management, communication preferences, eReturns, eComplaints and eConsignment.

Straumann's active customers 2021
in %



PATIENT HEALTH & SAFETY

ENSURING PRODUCT INTEGRITY FOR PATIENT HEALTH AND SAFETY

The integrity of our products and the health and safety of patients are paramount. This is supported by state-of-the-art quality management systems according to ISO 13485 (see [list of certified production sites on p. 85](#)) to design, develop and produce the Group's products. In addition to product traceability and validation processes for sterile medical devices, the Group companies maintain post-market surveillance processes by collecting events relating to products from our worldwide distribution network and markets. The Group companies have escalation processes in place to review and evaluate these events to determine the need for corrective and preventive actions in a timely and consistent manner. Our approach towards customer health and safety, as well as compliance of our products and services, includes an immediate escalation process when potential safety and compliance issues arise. In the rare case of a potentially serious safety or compliance issues, our Corporate Product Safety Office is authorized to convene a Safety Board meeting at very short notice to analyze and initiate corrective actions. This includes implementing product recalls and reporting to worldwide health authorities when applicable.

In 2021, there were no FDA mandated recalls, Medwatch Safety Alerts, or, FDA enforcement actions or fatality reports to authorities for Straumann Group products (see SASB table, p. 198). In 2021 there were no patient safety and health incidents reported to Straumann Group with regard to conducted field actions. We conduct long-term monitoring of the performance of products and services according to the applicable regulatory requirements (EU MDR, 21 CFR.) (see p. 83 f.). These processes are frequently reviewed by regulatory agencies to confirm that internationally recognized standards are met. Furthermore, we

conduct pre-clinical and clinical trials, followed by controlled, selective introductions where appropriate. We also offer a comprehensive range of educational courses (see p. 83 ff.), at all levels and in all countries where our products are available.

GLOBAL CLINICAL TRIAL PROGRAM

The Straumann brand is sponsoring global clinical trial programs to assess and confirm the safety, efficacy and effectiveness of implantable devices and solutions. Clinical studies are conducted by dental professionals who are experienced experts in their respective fields. Our clinical studies are compliant with legal, ethical, regulatory and data protection standards, including but not limited to the Declaration of Helsinki, Good Clinical Practice (GCP) and the General Data Protection Regulation (GDPR). Quality control is applied throughout the complete study duration to ensure data completeness and integrity and compliance of all study procedures with the respective standards and legal requirements.

Straumann brand sponsors global clinical trial programs to assess and confirm safety and efficacy of implantable devices and solutions.

All clinical studies require regulatory authorization (if applicable) and ethical approval by an independent Institutional Review Board (IRB) or Ethical Committee (EC). This authorization should be given prior to the study start and projects must be entered in a WHO primary registry or on clinicaltrials.gov. Patients are

asked to consent to clinical studies and may withdraw their participation at any time without negative consequences for their further treatment. Safety reporting follows defined procedures that are applicable to all Straumann-sponsored trials. Potential risks of study procedures are weighed against the benefits prior to study start and are documented in the patient-specific documentation and respective study documents. Study participants are insured against potential harm, if applicable.

The results of our clinical studies are published in peer-reviewed international scientific journals in addition to the databases mentioned above. Articles are generally submitted for publication within 12 months after a trial has ended. Selected projects from the clinical trial program are included in the Straumann science webpage ([Studies sponsored by Straumann](#)).



ITI world symposium WS2020NE was held virtually for the first time.

straumanngroup					
	Digital solutions	Tooth alignment	Prevention and tissue regeneration	Tooth replacement and restoration	
Controlled by Straumann Group	Anthogyr	✓		✓	
	Bay Materials		✓		
	ClearCorrect	✓	✓		
	Createch				✓
	Dental Wings	✓			
	DrSmile		✓		
	Medentika	✓			✓
	Neodent	✓			✓
	NUVO				✓
	Smilink		✓		
	Straumann	✓		✓	✓
	T-Plus				✓
Yllier	✓			✓	
Partially owned by Straumann Group	botiss biomaterials			✓	
	Dental Monitoring	✓	✓		
	maxon dental				✓
	mininavident	✓			✓
	Promaton	✓			
	Rapid Shape	✓			✓
	Warantec				✓
	Z-Systems				✓
Partnering businesses (distributor)	3shape	✓			
	Amann Girrbach	✓		✓	
	Carestream	✓			
	Medit	✓			
	Nibec			✓	
	smyletec		✓		
	Zirkonzahn	✓			✓

This chart shows the Group's main brands, the degree of ownership and the solutions they offer.

[Click here for more product information.](#)

CAO

Cao is 60 years old and lives in Beijing, China, with her husband. She had lost her front teeth and needed a highly esthetic replacement.

“We have been inseparable since we got married 38 years ago. So it was not easy to go into the surgery alone. But I received my temporary new teeth right away. Now I can enjoy delicious food and smile again.”



Video in the online report:
annualreport.straumann.com



“Since we had to replace anterior teeth, Aunt Cao’s case was very demanding from an esthetic standpoint. But we were able to place implants and give her an immediate restoration. It was a pleasure to see her walk out of the surgery and meet her husband with a smile.”

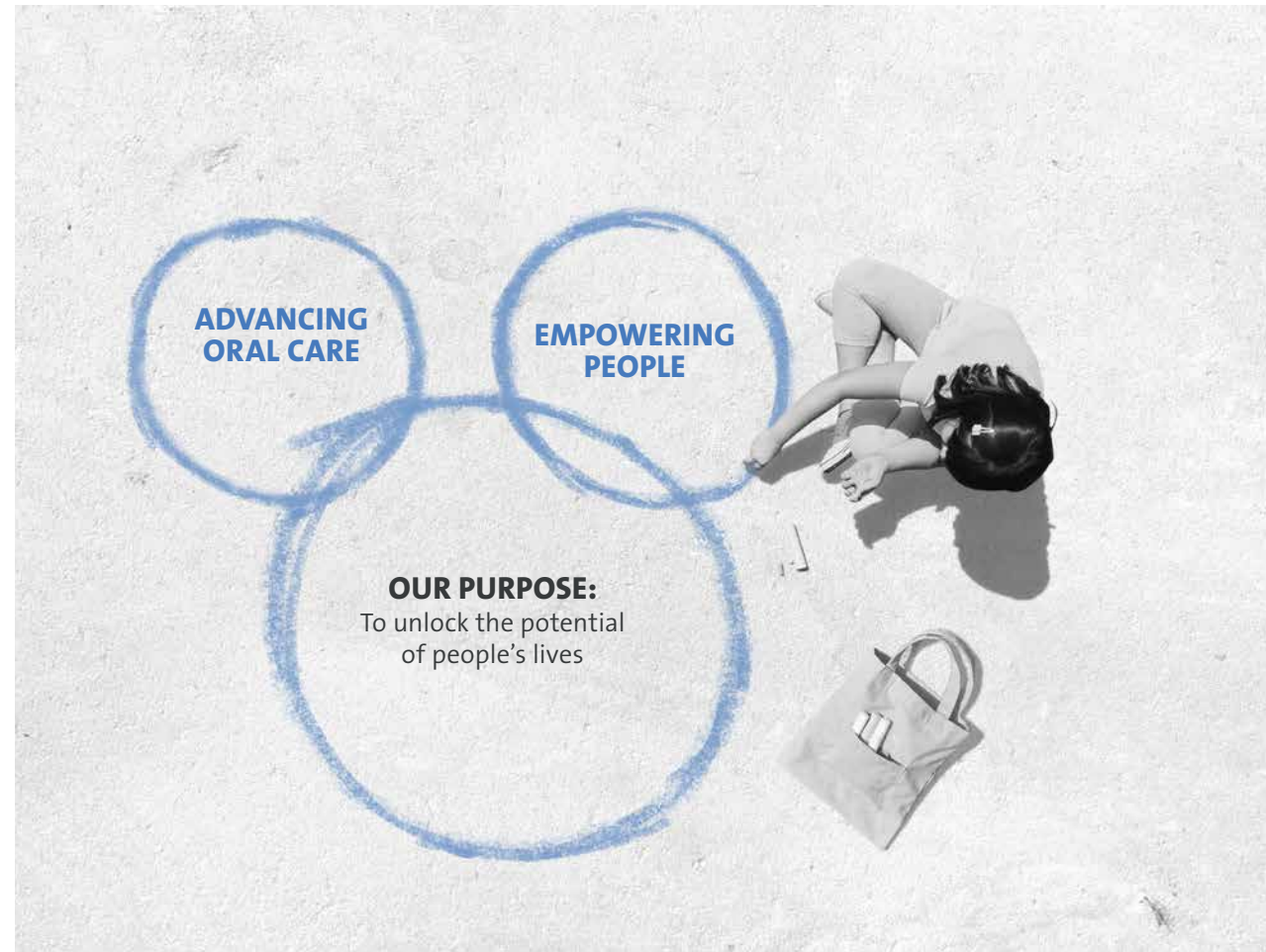
DR TILIAN LIU, FOUNDER OF YADE DENTAL IN BEIJING, CHINA

EMPOWERING PEOPLE

Empowered employees help drive positive performance and ensure the resilience of our organization in times of crisis. Having an engaging culture energizes our colleagues and helps us to attract new talent, increase loyalty and create our future. By giving our employees fulfilling work in a supportive environment that maximizes their wellbeing, we provide our teams with the opportunity to fully explore their potential.

We believe having an inclusive, diverse and empowering culture is at the heart of a successful company. Our employees' wellbeing, their continuous learning and growth and the highest standards of occupational health and safety are instrumental for making Straumann a place where people want to work.

This commitment contributes to the following UN SDGs:



MATERIAL TOPICS

Colleague engagement **58**

Talent and development **60**

Inclusion **60**

Occupational health, safety and wellbeing **61**

We want 50% of leadership positions to be held by females by 2026

By 2026, we want at least 80% of our people to tell us, through our employee survey, that they have good opportunities to learn and grow at Straumann Group

INVESTING IN PEOPLE FOR FURTHER GROWTH

Geared for strong business expansion, we constantly invest in people as part of our efforts to capture growth opportunities. In 2021, we welcomed more than 1 600 people to our global team. These colleagues are mostly employed in positions that support manufacturing of our challenger and premium implants, as well as our orthodontics business and production.

At year end, our global team came to approximately 9 000 people, including more than 140 added through the strategic acquisitions of Smilink (Brazil), Medical Technologies 21 LLC (Russia) as well as the setup of subsidiaries in Malaysia and Jordan.

CONNECTING PEOPLE WITH OPPORTUNITIES

In 2021, we continued the journey of evolving our culture journey which is inspired by our heritage, grounded in the here and now and defines our future. During the year we measured our progress which confirmed that we have evolved, but the journey must continue. Our high-performance culture pivots on the mindset of players and learners through everything we do.

It is imperative that we build on the best of the past, strengthen our core beliefs and embrace new ones that will make us stronger for the future.

During 2021, several programs, both in-person and remote, were launched or relaunched to further strengthen our foundation. We want to ensure that every new hire undergoes a global culture onboarding program. Within the first three months after joining, every employee takes part in a program based on our foundational culture concepts such as the ‘Player-Learner’ mindset.

All managers participate in the ‘I&We’ programs which encourage reflection on the individual and team dimensions of culture. In addition the ‘Core Beliefs in Action’ program is aimed at all teams. It is designed to help articulate and bring to reality how our beliefs help guide all our day-to-day actions.

COLLEAGUE ENGAGEMENT

The response rate of the second weEngage employee survey was 87% (up 1% from 2020). Our sharp emphasis on culture resulted in a Group-wide employee engagement score of 80 in 2021 – a global benchmark which places the Group in the top 25% of companies worldwide. This is two points higher than 2020. Every single question score has increased and there were over 7 300 comments. Our focus areas from last year’s survey have all improved quite significantly and the numbers show meaningful progress. 74% of colleagues reported they have good opportunities to learn and grow, which is up five percentage points compared to last year.

Our aim is that at least 80% of our people Group-wide tell us that they have good opportunities to learn and grow by 2026.

As a Group we remain dedicated to strengthening our commitment to our people: ‘Drive Engagement’ is one of our Core Beliefs.

Global staff survey 2021

Good opportunities to learn and grow
2020: 69%

74%

Response rate
2020: 86%

87%

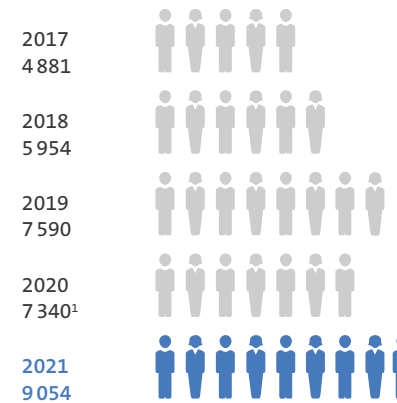
Engagement score
2020: score 78

80

Comments
2020: >8 000

>7 300

Employees



1 Including DrSmile

Human resources key figures

Parameter	Unit	2021	2020	2019	
Staff size	Employees	Total headcount	9 054	7 340 ¹	7 590
		Full-time equivalents	8 918	7 230 ¹	7 494
Employment type	Part-time employees	% of headcount	4	4	5
Female population	Women in general staff (excl. Mgmt)	%	45	44	44
	Women in leadership positions ²	%	40	35	35
Training and education	Investment in staff learning ³	CHF million	3.0	3.1	3.9
	Average annual training & learning	Days/employee	3	3	4
Turnover and absence	Staff turnover ⁴	%	15	19	14
	Absence rate due to workplace accidents	%	0	0	0
	Work-related fatalities	Number	0	0	0
Employee protection	Reported cases of discrimination/harassment	Number	2	1	1

Staff structure by category and age group²

in %

Age	<30	30–50	>50	Unit	2021
General staff (excl. Management)	16	57	11	% of headcount	84
Management ²	0	12	4	% of headcount	16
Total	16	69	15		100

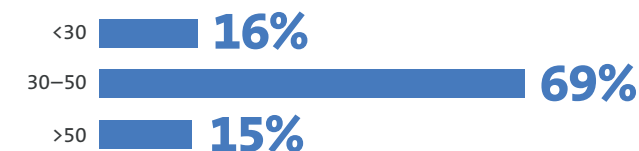
1 Including DrSmile

2 In 2021 we started to report the number of women in leadership positions (EMB, EMB-1, EMB-2)

3 Only direct expenses for internal and external training activities are counted here: Salaries paid to employees while in training are additional and are not included

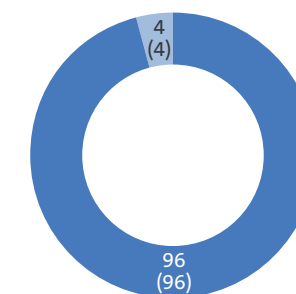
4 Includes resignations and terminations

Employee Age



Employment

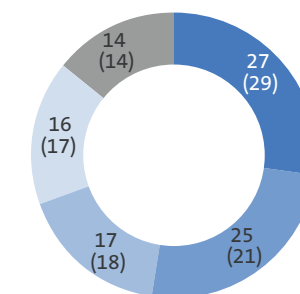
in %



■ Full time
■ Part time

Employees by region

in %



Numbers in brackets refer to 2020.

■ Rest of EMEA
■ Latin America
■ North America
■ Switzerland
■ Asia Pacific

TALENT AND DEVELOPMENT

2021 has seen a continued evolution of how we support learning and development of our global organization. We communicated a set of clear Group-wide leadership expectations, along with a simple 360-degree tool to provide feedback and focus on strengths and opportunities. Improving our manager effectiveness to increase employee engagement was a strong focus for the year, with the development and piloting of a Leadership Academy. Starting with our senior leaders, we intend to cascade this to all people managers worldwide.

We launched our new learning platform, weLearn, offering over 1 000 curated learning resources.

Creating succession plans and developing the skills of our people to connect them with internal opportunities now takes center stage through our Strategic Management Development process. It covers at a minimum our EMB-1 (Executive Management Board) and EMB-2 population globally. We are also actively supporting apprenticeships around the world with further development certification and educational assistance on a local basis.

RECRUITING AND DEVELOPING OUR FUTURE WORKFORCE

We want to enable rapid growth of digitalization plans, offering a personalized, engaging candidate and employee experience. Therefore we have implemented a new global recruitment technology platform and policies that promote transparent global job posting.

Our aim is to encourage employees to look at opportunities across all countries, brands and functions. A single transparent career marketplace, which includes new global internal and external career websites, will facilitate this process.

It also provides artificial intelligence-driven career suggestions for our employees and a customer relationship management (CRM) platform to better understand the skills of our employees and candidates. In 2022, we will further evolve our recruitment technology, promoting internal opportunities and employee referrals.

To attract future skills and capabilities, in 2022, we will launch targeted employer brand activities across external job boards, social media and career websites. The idea is to give external candidates a 'sneak peek' of our culture, people and growth opportunities.

INCLUSION

At Straumann Group, we celebrate our differences in who we are, how we think and what we've experienced. Inclusion is a choice we make. Our inclusive culture makes each of us feel valued and heard and unites us to create more smiles, everyday.

In 2021, the Group continued our inclusion journey. For us, diversity is a reality, given our global footprint. As stated in our Code of Conduct we do not tolerate discrimination against people based on their gender, ethnicity, race, age, religion, nationality, or sexual orientation. The Code of Conduct requires all employees to act ethically and to uphold human rights at all times (for details see p. 78). In 2021, there were two incidents of discrimination and corrective actions were taken.

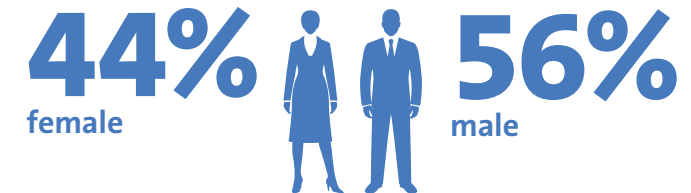
During 2021, we launched a critical initiative under the banner of #TogetherDifferent. As a first initiative, peers



In 2021, we started our "inclusion starts with me" journey.

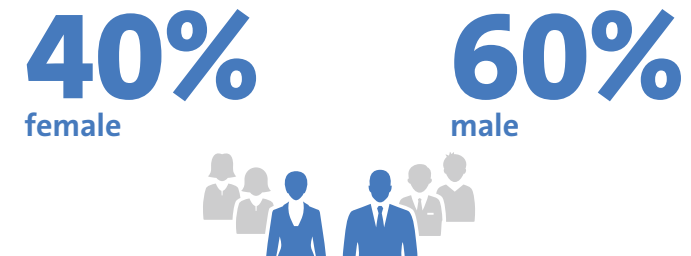
General staff¹

2020: 42% female and 58% male



Leadership positions¹

2020: 35% female and 65% male



¹ Including Dr Smile

united across the globe to watch ‘Inclusion starts with me’, a film presented by Group colleagues. The film brought to life awareness and conversations around becoming a more inclusive organization. Thereafter, the top 200 members of our senior management team participated in a learning session called ‘Choosing Inclusion’.

Finally, to strengthen our global talent pipeline and increase the number of women in leadership positions, a female talent team of 20 started to be mentored by members of the EMB. The result of all the initiatives was a meaningful increase in our inclusion scores measured by the weEngage survey. In 2021, the Group’s gender representation remained well balanced, with room for further improvement at leadership level: females account for 45% of our employees and 40% of our leaders worldwide.

Our aim is to achieve 50% of leadership positions held by females by 2026.

OCCUPATIONAL HEALTH, SAFETY AND WELLBEING

Employee health and safety is a top priority for the Group. We strive for zero work-related accidents. Thus, our approach focuses on prevention through specific training and awareness programs. We have implemented management systems for occupational health and safety at all of our production sites globally. Our employees contribute to developing these management systems. We regularly monitor work-related hazards and incidents. In 2021, we reported no workplace related fatalities and an absence rate due to workplace accidents of 0%.

We base our approach to employment on principles of employee development, open dialogue and fair and attractive employment conditions. Collective bargaining agreements and freedom of association are allowed throughout the company in compliance with laws and regulations. However, there is a general preference for informal employee dialogue and labor contracts are negotiated individually rather than by collective bargaining.

To foster our people’s professional and personal wellbeing, the Group offers numerous benefit programs. During 2021, the Group launched a global review of benefits and workplace flexibility practices, including non-salary benefits. The review covered key benefit programs, for example, pensions and insurance coverage, in addition to parental leaves and employee assistance programs. It also includes other local plans that are considered to be competitive drivers in attracting or retaining talent. We have implemented a flexible work framework globally which has been adapted into local policies where applicable and appropriate. It is also worth noting that in the second half of 2021, we conducted the Equal Pay Analysis for our Switzerland-based entities. Results of the analysis showed no statistically significant effect of gender on pay in our Switzerland-based entities overall, which we believe reflects our culture and practices of fair and equal treatment of our employees ([see Compensation report p. 117](#)).

In addition, we offer employees access to non-occupational medical and healthcare services, as well as voluntary health promotion programs such as fitness training and nutrition advice. Straumann strictly maintains the confidentiality of workers’ personal health-related information. Our Code of Conduct obligates all staff to respect employee privacy and respective grievance mechanisms are in place.

Work operational aspects of labor practices and policies fall within the responsibilities of the Chief People Officer, who is a member of the Executive Management Board. On a strategic level, the Human Resources & Compensation Committee of the Board of Directors reviews the Group’s human resources policies. It also oversees the recruitment of Executive Board Members, as well as the compensation of the Board of Directors and the Executive Management Board.

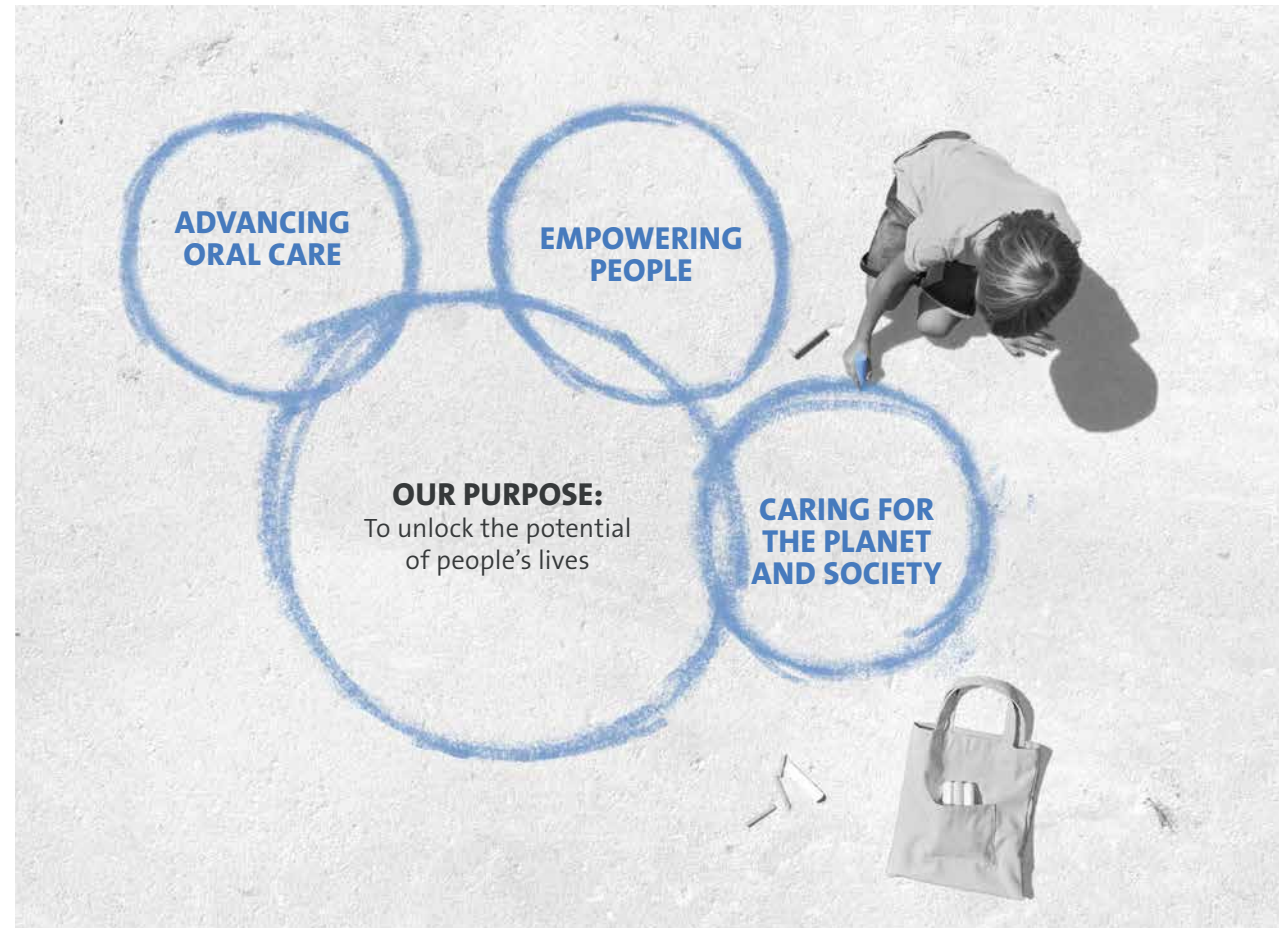


Straumann Group employees in Curitiba, Brazil.

CARING FOR THE PLANET AND SOCIETY

We are safeguarding the environment by minimizing our emissions, managing our waste and reducing our use of materials, energy and water. We are responsibly managing our supply chain relationships and contributing to our local communities' development.

This commitment contributes to the following UN SDGs:



MATERIAL TOPICS

Energy use and GHG emissions **63**

Materials use, water use, waste management and circular economy **64**

Responsible procurement and supply chain management **69**

Community engagement **71**

We will use 100% renewable electricity by 2024

We will set climate Science-Based Targets in 2022, carving a path consistent with 1.5°C to achieve net zero emissions

COMMITTED TO REDUCE OUR IMPACT

We strongly support the worldwide transition to a zero-carbon economy and equitable future. The Group has been taking action for a long time to mitigate its environmental footprint by using energy and natural resources efficiently. In 2021, we took the next big step and joined the Science Based Targets initiative (SBTi) aiming to reduce our emissions in line with climate science. SBTi is the world's first standardized, science-based certification of corporate net zero targets in line with the Paris Agreement's goal of keeping planetary warming to 1.5°C.

We are committed to set a net zero emissions reduction target in 2022.

To improve our coverage in line with the SBTi's stringent target-setting criteria, we have extended and optimized the environmental data collection process. Overall, the data structure has been refined and further optimized, including to meet changing reporting requirements. Environmental data collection and reporting processes have also been aligned with the outcome of the Group's 2021 materiality re-assessment. In 2021 we included further non-production sites and additional data categories, increasing site coverage by 39%.

This expansion of scope and geographies as well as the high growth rates across all business areas are reflected in the development of the absolute environmental indicators. Overall production expansion, including the installation of new machinery, led to higher absolute numbers. Energy consumption and greenhouse gas emissions rose. In addition, the amount of raw and

operating materials significantly increased as well as water consumption and waste, compared to 2020.

In contrast, the inclusion of less energy-intensive sites, as well as additional data categories and employees led to a decrease in our relative environmental footprint (see p. 66 ff.).

In addition to further enhancing transparency externally, this will help us internally to identify opportunities for improvements – especially with regard to our ambitious greenhouse gas emissions reduction target.

ENERGY USE AND GREENHOUSE GAS EMISSIONS

The net zero emissions reduction target means full decarbonization of Straumann Group's operations and value chain. The target will consist of a near-term emission reduction pathway and an overall long-term science-based target to reduce emissions to a net zero state. This includes a reduction of an average of 90% compared with the base year, with any residual emissions neutralized through carbon removals.

Currently we disclose direct greenhouse gas emissions from the burning of heating and vehicle fuels, as well as from refrigerants (Scope 1) and indirect emissions associated with purchased electricity and district heat (Scope 2). These emissions categories are the main contributors to climate change in the context of our own operations. They are primarily associated with our production processes and the use of vehicles, followed to a much lesser extent by research and development (R&D), as well as marketing and education.

Over 71% of the total energy consumed in 2021 was electricity, followed by vehicle fuels, which comprised approximately 15%. The remainder was fuels for heating or manufacturing and district heat. Over 50%

The key figures reported on p. 66 ff. include our headquarters in Basel, Switzerland, subsidiaries and logistics centers in Freiburg, Germany, Neodent in Curitiba, Brazil and our production/logistics sites in:

- Andover, Arlington, Fremont and Round Rock (US)
- Curitiba and Pelotas (Brazil)
- Malmö (Sweden)
- Markkleeberg, Hügelsheim and Calw (Germany)
- Mendaro (Spain)
- Mersch (Luxembourg)
- Montreal (Canada)
- Narita (Japan)
- New Taipei City (Taiwan)
- Sallanches (France) and
- Villeret and Corgémont (Switzerland)

The following office locations were integrated in 2021:

- Ankara (Turkey)
- Beijing and Shanghai (China)
- Berlin (Germany)
- Crawley (UK)
- Fontenay-sous-Bois (France)
- Lahore (Pakistan)
- Mexico City (Mexico)
- Moscow (Russia)
- São Paulo (Brazil) and
- Straumann regional entities associated with the use of company cars (Belgium and the Netherlands, Iberia, Nordics)

of the energy we consumed came from renewable sources. For electricity, the amount was 69%. Compared to 2020, more sites are using 100% certified green electricity or produce their own electricity from renewable sources. We will continue to work diligently to source renewable electricity or generate our own renewable energy wherever feasible in the future.

We will use 100% electricity from renewable sources by 2024.

Overall, our energy consumption and greenhouse gas emissions increased significantly compared to 2020, primarily due to the inclusion of vehicle and heating fuels from additional non-production sites (Scope 1). Despite the surge in absolute electricity and district heat consumption, the resulting total greenhouse gas emissions (Scope 2) significantly decreased in 2021 due to the expanded use of renewable energy. To further minimize our environmental impact, we are committed to keep business trips to a responsible minimum and avoid air travel whenever possible. Please see the summary of our 2021 efforts in the table on the right. In 2022, we will establish the emissions baseline associated with our value chain (Scope 3).

Thanks to our initiatives, we avoided approximately 660 tons of greenhouse gas emissions.

2021 initiatives

Efforts to avoid greenhouse gas emissions:

Switzerland	In Basel, fluorescent lamps were replaced by LED fittings in HQ stairwells, to reduce electricity consumption and increase overall building energy efficiency. The reduction in electricity consumption and cost amounts to 54% compared to the conventional lighting system. In Villeret, a proportion of the heating energy came from renewable sources (biomass). Compared to a conventional fossil energy source, nearly 15 t CO ₂ e of greenhouse gas emissions were avoided. In addition, a diesel-powered 2.5-ton forklift was replaced with an electric model.
Germany	Markkleeberg has been using 100% green electricity since the beginning of 2021, resulting in an annual reduction of greenhouse gas emissions of nearly 500 t CO ₂ e. Our new production facility in Calw has been producing its own solar power since the beginning of 2021, covering 15% of the plant's electricity demand and reducing its greenhouse gas emissions by approximately 78 t CO ₂ e.
Japan	In Narita, energy efficiency was increased by replacing fluorescent lamps with LED fittings and optimizing HVAC systems in the machine room, resulting in annual energy savings of nearly 23 000 kWh and an associated greenhouse gas emission reduction of nearly 10 t CO ₂ e.
Luxembourg	Mersch has been using 100% green electricity since early 2021, resulting in an annual reduction of greenhouse gas emissions of approximately 80 t CO ₂ e.

MATERIALS USE, WATER USE, WASTE MANAGEMENT AND CIRCULAR ECONOMY

In 2021, we continued to track the consumption of our main raw and operating materials, water consumption and waste production. The main driver for the increased waste volumes reported in 2021 was a more comprehensive data collection approach covering all relevant waste volumes by treatment path and category. This will help us to systematically track our performance with regard to waste recycling and diversion from landfill and to identify adequate

improvement measures. Today we have a landfill rate of 26%. Our waste recycling rate is nearly 57%. Responsibly using materials and water, reducing waste streams and improving separation of waste fractions continued to be a major priority for the Group in 2021. Virtually all our metal waste is being recycled and we are actively working to increase the recycling rates of other scrap materials too.

WATER AS A SHARED RESOURCE

Besides energy, emissions and waste, our environmental management covers water and effluents. We do not operate in a water-intensive business sector. However, we are aware that water is a shared and precious resource that is scarce in some parts of the world. Water constraints have the potential to increasingly challenge our business as well. We therefore monitor water-related risks and assess them at our production sites. This includes the consideration of local laws and regulations and collaboration with stakeholders such as local communities, water and wastewater authorities and other official bodies. Water stress levels have been analyzed situationally for our major production sites to determine specific risks associated with water stress. This occurs when the demand for water exceeds the available amount during a certain period, or when poor quality restricts its use.

Water consumption per employee declined by 28%.





Most of our total water consumption is municipal water that is used for manufacturing processes (parts cleaning, product packaging and storage), sanitary purposes, facility services (kitchen, cleaning, irrigation), as well as cooling. Wastewater is mainly discharged via the local municipal sewerage system, in compliance with local requirements and is treated in-house or by third-party companies where necessary. Please see the summary of our 2021 efforts in the table on the right.

Efforts to minimize waste and to save water

US	Starting in January 2022, ClearCorrect Round Rock began recycling a proportion of its production waste. We have partnered with a local specialized waste management company to recycle all thermoformer plastic, cardboard, wood pallet and plastic film waste. Recycling bins will be added to the production process to collect recyclable materials.
Switzerland	In Villeret, 34 colleagues were trained on EHS topics to help them manage environmental and safety aspects and to raise awareness among employees. In addition, only reusable coffee cups are now available in the cafeteria.
Germany	In the Freiburg headquarters, many processes that were previously paper-based have been digitized. Since April 2021, all documents are signed online to save paper. The Freiburg warehouse now only uses FSC-certified packaging materials, e.g. cardboard boxes. Our locations in Freiburg cooperate with local suppliers and service providers wherever possible to minimize their carbon footprint.
Luxembourg and France	In Mersch, we introduced a new ecologically friendly packaging concept for zircon, resulting in 70% less associated waste, as well as saved space and time. In Fontenay-sous-Bois, mugs and reusable water bottles were provided to all employees, to conserve resources and avoid plastic waste. The number of hybrid vehicles will also be increased to 10% in 2022. In addition, food that could not be served due to the canceling of events in the context of the pandemic was donated to a local charity.
Sweden	In Malmö, a new water treatment system was installed to reduce water consumption. In addition, the impact associated with transportation by third parties was reduced by optimizing logistics processes (combining transport activities, reducing empty runs).
Brazil	In Curitiba (Neodent factory), our strategy to reach zero waste to landfill was implemented. Since November 2021, we have diverted all waste from landfills. Instead, process and other solid residues, as well as production rejects, are either recycled or sent to incineration with energy recovery. In Curitiba (ClearCorrect factory), we established a water treatment process in July 2021. This enabled us to reuse more than 3 000 liters of water, which was treated internally, by the end of the year. More than 50% of our total water consumption is currently reused. In 2022, we expect to treat and reuse 100% of our water.

Environmental key performance indicators

as of 28 January 2022

		Performance indicator	Unit	2021 ¹	2020 ²
Energy 	Energy consumption	Total energy consumption	MWh	75 709	51 803
		Total energy consumption per employee ³	MWh/employee	11.2	12.7
	Electricity	Total consumption	MWh	53 984	45 097
		• of which purchased (renewable)	MWh	37 024	29 428
		• of which own production (renewable)	MWh	163	
		• of which diesel generators	MWh	118	61
		• of which electric vehicles	MWh	3	
	Heating	Total heating energy	MWh	10 573	6 706
		• Natural gas	MWh	7 894	5 588
		• LPG	MWh	1 127	
		• Heating oil	MWh		45
		• District heat	MWh	1 552	1 072
	Vehicles	Total vehicle fuels	MWh	11 152	
• Diesel		MWh	8 596		
• Petrol		MWh	2 297		
• Bioethanol		MWh	259		
Emissions 	GHG emissions	Total emissions	tons CO ₂ e	10 804	7 755
		• Direct (Scope 1) ⁴	tons CO ₂ e	4 988	1 171
		• Indirect (Scope 2) ^{5,6}	tons CO ₂ e	5 816	6 585
	Total emissions per employee ³	tons CO ₂ e/employee	1.6	1.9	
Materials  	Raw materials	Titanium	tons	66.2	47.5
		Cobalt chrome	tons	8.0	7.4
		Thermoplastics	tons	667.6	215.7
		Photopolymers	tons	158.5	87.5

Energy consumption

MWh per employee
2020: 12.7; 2021: 11.2

-11%



Renewable electricity

2020: 65%
2021: change +6%

69%



GHG emissions (Scope 1 + 2)




tCO₂e per employee
2020: 1.9; 2021: 1.6

-16%



Environmental key performance indicators

as of 28 January 2022

		Performance indicator	Unit	2021 ¹	2020 ²
Materials 	Operating materials	Various oils	tons	196.2	153.1
		Cleaning solvents	tons	88.5	65.7
		Acids	tons	130.7	80.0
Water 	Freshwater	Consumption ⁷	m ³	95 273	80 379
	Freshwater use intensity	Per employee ³	m ³ /employee	14.1	19.6
	Wastewater requiring special treatment	Disposal	m ³	3 220	
Waste 	Total waste	Non-hazardous and hazardous waste	tons	1 519	1 086
	Total waste intensity	Per employee ³	kg/employee	225	265
	Non-hazardous waste	Recycling	tons	548.9	
		Incineration	tons	213	
		Landfill	tons	355.8	
	Hazardous waste	Recycling	tons	312	
		Incineration	tons	47	
		Landfill	tons	42.8	
Hazardous waste intensity	Per employee ³	kg/employee	59		

Waste recycling rate
2021

57%



1 Data coverage: December 2020 to November 2021. New sites and data categories were included as of 2021 (see also p. 63). The inclusion of less energy-intensive sites, as well as additional data categories and employees led to a decrease in our relative environmental footprint.

2 2020 data points were restated (updated energy conversion and GHG emission factors, switch from location-based to market-based accounting for electricity-based GHG emissions, data quality optimization). The following data categories (topic-specific GRI disclosures) were significantly changed as a consequence of added sites and adjustments: materials (301-1) and greenhouse gas intensity (305-4). Omitted 2020 data points are due to new or modified data categories as per 2021.

3 Per capita figures refer to FTE (2021) and headcount (2019) per end of year at relevant sites only

4 Scope 1 emissions comprise greenhouse gases emitted by sources owned or controlled by the Group, such as heating units

5 Scope 2 emissions comprise greenhouse gases emitted in the production of electricity and district heat the Group consumes

6 Greenhouse gas emissions associated with electricity consumption of 5 651 t CO₂e (2020: 6 402 t CO₂e) were calculated according to the “market-based approach”, as defined in the GHG Protocol Scope 2 Standard. When reported according to the “location-based approach”, the emissions totaled 8 971 t CO₂e (2020: 8 059 t CO₂e).

7 Water was withdrawn from the following sources: municipal water supplies (freshwater) = 69 917 m³ (2020: 57 979 m³), groundwater (freshwater) = 25 355 m³ (2020: 22 400 m³)

EXCELLENCE IN ENVIRONMENTAL MANAGEMENT PRACTICES

The areas where we see the greatest leverage in our operations are the use of electricity and fuels for heating and vehicles, materials efficiency, waste management and water consumption. We continuously refine products and processes and seek ways to improve the conservation of resources. We employ this approach for materials, energy and water consumption. Economical use of resources and efficient production, as well as recycling efforts, minimizes effluents and waste. Care for the environment is included in our Code of Conduct for all employees. We are aware that our supply chain also influences our environmental impact and we strive for a thorough environmental assessment of suppliers (see p. 69 f.).

As a supplier of medical devices, the Straumann Group complies with stringent regulations. These include the analysis of raw materials and rigorous protocols for quality control to ensure the safety and effectiveness of our products. All manufacturing processes are fully documented to provide traceability.

We have been taking part in CDP's Climate Change program since 2010 and have an above-average score.

We certify the environmental management systems at our three principal manufacturing sites to ISO 14001 and we communicate our progress over time. We have been participating in CDP's Climate Change program

since 2010. In 2021, we again reached the "Management" level of disclosure (score: B-), which is awarded to companies taking coordinated action on climate issues. Our result places us above the medical equipment and supplies sector average (score: C). We will diligently work to further increase transparency, to measure, manage, disclose and reduce our greenhouse gas emissions and environmental impact.

In line with our overall strategy and fueled by our high-performance culture, we launched the Lean Transformation program, BEST (Business Excellence Straumann Group) in 2020. It was rolled out in all entities around the globe in 2021. Our goal is to support our growth through efficiency gains in all processes, remain a great place to work and reduce our environmental impact at all stages. In addition, we have several initiatives to reduce fossil fuel consumption by our staff commuting to work. These include public transport subsidies and encouraging the use of bicycles.

UNDERSTANDING OUR IMPACT

Both our business scope and our product portfolio have broadened significantly in recent years. Our product portfolio currently includes:

- dental implants and components made from pure titanium, titanium alloy and ceramic
- prosthetic elements made of ceramic, metal or polymer
- clear aligners made of polymer
- resins for 3D printing and thermoplastics for clear aligner production
- biomaterials for tissue regeneration including proteins, collagens and bone derivatives
- digital equipment (e.g. scanners), milling machines and 3D printers, mostly manufactured by third parties and made mainly from metal, plastic, prefabricated electronic components and glass

Our principal products, dental implants and abutments, are produced on turning and milling machines from metal rods or discs and ceramic discs or blanks. In the manufacturing process, we use cutting oil and other coolants and lubricants. Implant manufacture includes sandblasting, acid etching, cleaning, packaging and sterilization. We have also started to produce implant system components by ceramic injection molding. We do not work with significant amounts of heavy metals, such as mercury, lead, or manganese, which are often present in the production processes of manufacturers serving the dental industry.

RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

CREATING VALUE ALONG THE ENTIRE STRAUMANN GROUP SUPPLY CHAIN

Our supply chain has a global footprint. It spans our suppliers, production sites, warehouses in headquarters and in the subsidiaries and our customers. We source from suppliers all around the world and pursue a multiple source strategy for key materials and components. For key raw materials such as titanium, agreements are maintained at the Group level to assure inventories and supply for all brands and franchises globally. The Group continually assesses supply and manufacturing risks and implements appropriate mitigations that include: multiple sources for manufactured and purchased components and products, long-term supply agreements, redundant manufacturing locations and capacity, multiple global inventory points with adequate stock levels and site-level systems to reduce risk of loss due to natural or accidental events.

With regard to supply chain administration, our Global Procurement team handles Direct and Indirect Spend categories. The Direct Spend team is responsible for procuring material (e.g. titanium) relating to the manufacture of a product. This includes tools, semi-finished goods, operating supplies, production machines and other equipment. The Indirect Purchasing group is responsible for non-manufacturing expenditures associated with goods and services, including marketing materials, translation services, documentation, travel and accommodation, consultancy services, marketing and promotion, recruitment and other HR services.

We manage the supply chain by combining the needs of our customers with procurement and production. A portion of our products (e.g. implants, instruments, stock abutments and biomaterials) are made to stock,

meaning they can be produced before being ordered, allowing us to build up stock to buffer fluctuations in demand. Products that are patient specific and have to be manufactured to order, such as CAD/CAM prosthetics and clear aligners, are becoming increasingly important in our portfolio.

By standardizing production management systems in 2021, we substantially improved business continuity.

To efficiently manage these processes the products are fully managed within our digital supply network to ensure the fastest possible turn-around time while delivering on Straumann's reputation for high-quality products. Many production processes are controlled by the latest technology, like automated data repair and file conversions, compression and data integrity tests - while keeping all patient data at the highest level of security. In make-to-order supply Straumann is paying high attention to investing in sufficient capacity to ensure customers can be served. During 2021 a program was executed to standardize the production management system within all larger make-to-order facilities, substantially improving our business continuity in case of supply interruption at one location, by forwarding production files automatically to any other location.

In 2021, we continued to expand our production facilities significantly. In Villeret, Switzerland, an extension doubling the floor space was taken into operations increasing the capacity and allowing room

for future growth. In Curitiba, additional CNC machine lines were added in implant production, the clear aligner production was expanded and a new resin production line was established. Medentika's production moved to a new building at the end of 2020. Since then, capacity at the new location has already been increased and Anthogyr ramped up its production capacity in Sallanches, France. Our clear aligner production capacities in the US and Germany were further ramped up. In Mansfield TX (US) a new CAD/CAM milling center will replace and more than double the capacity of the current site in Arlington TX (US). The construction has progressed throughout 2021 and the facility will begin operating in the second half of 2022. These expansions were carefully planned and managed by our senior leadership with the support of a constant dialogue between the machine manufacturers and our global procurement organization, as well as extensive efforts in recruiting new staff for production around the globe ([see p. 58. ff.](#)).

We introduced a new approach for forecasting and orchestrating future demand in a robust and efficient way.

In 2021, we undertook a new approach to orchestrate the overall global Supply and Operations (S&OP) process, using an integrated planning software. The tool offers a method of planning, modelling and managing our supply chains to protect and promote the flow of relevant information and market trends. This enables us to enhance supply chain performance by optimizing planning, stocking and replenishment

strategies. It meant we could forecast customer demand and create trend-based scenarios, enabling us to assess growth patterns or portfolio dynamics, with the goal to give the right signal to the production sites. This process also means we can better orchestrate the future demand in a robust and efficient way. In 2021 this was critical when demand was even stronger than anticipated and our production plants worked at full capacity to meet the market needs. Despite some delays in machine and material deliveries, we succeeded in maintaining the entire supply chain from procuring raw materials to delivering finished goods.

ETHICAL SUPPLY CHAIN

We are responsibly managing our supplier relationships and logistics operations to meet our social and environmental responsibilities. Straumann expects external business partners (ExBP) to comply with the provisions laid out in the Group Code of Conduct for ExBP. These include compliance with law and regulations, ethical business practices, fair and safe working conditions, environmental protection and safeguarding privacy through proper use of confidential information. Major suppliers are required to sign the ExBP Code periodically as a written confirmation of their commitment to abide by its provisions. Straumann may monitor certain ExBPs to evaluate their compliance with the Code. Any non-compliance with the provisions and requirements is treated as a violation of substantial contractual obligations. If the ExBP fails to correct the infringement, Straumann is committed to seeking an alternative ExBP who is willing and able to comply with the Code.

We are aware that our supply chain also influences our environmental impact and we strive for a thorough environmental assessment of suppliers. Our expectations regarding environmental protection

in the supply chain are clearly specified in our Group ExBPs. We report about our own operations' environmental impact in detail as well as energy indirect emissions associated with purchased electricity and district heat from Scope 2 suppliers. In 2022, we will expand our emissions reporting along our supply chain and include supplier emissions.

In 2022, we will expand our emissions reporting.

SUPPLY RISK

Straumann Group has a robust risk evaluation process in place. Risks inherent to materials and components procured by Straumann Group which are critical for our operations are assessed by cross-functional teams. Strategies and countermeasures are put in place to mitigate the risk on a long and medium-short term. Constant efforts are deployed to diversify our supplier base, together with a regular review of inventory management policies to avoid supply disruptions and impact on patients.

SUPPLIER PORTAL

Within the scope of its Procurement Digitalization roadmap, Straumann Group leverages technology to support its supply risk management processes. In 2022, Straumann Group will launch its supplier portal to tighten the relationship between the supplier and the buying organization. To further improve our targeted supplier onboarding process the supplier portal will facilitate financial health checks and screening on social responsibility and environmental aspects to ensure compliance with our supplier Code of Conduct as well as laws and regulations.



Anthogyr production in Sallanches, France.



Straumann brand manufacturing site in Villeret, Switzerland.

COMMUNITY ENGAGEMENT EMPLOYEES AND PARTNERS PULLING TOGETHER TO CHANGE LIVES

The challenges presented by the COVID-19 pandemic have unlocked enormous potential in the dental world. Talented professionals continue to serve people in need with tenacity, commitment and creativity.

MAKING A DIFFERENCE IN THE COMMUNITIES WE SERVE

In 2021, our employees around the world brought all of their skills and goodwill to bear and rolled up their sleeves to help neighbors in their own communities. The team in India, for example, partnered with the Swiss/Indian Chamber of Commerce to deliver 10 000 COVID-19 test kits to the provincial government. Colleagues in Germany took part in organizing the Black Forest Charity Bike Ride, raising EUR 20 000 for the Young Cancer Organization, while our Neodent team in Brazil delivered food, clothing, toys and other essentials to people in need through the Doe Sorrisos (Donate Smiles) project.

Despite the constraints imposed by the pandemic, we were able to support over 30 projects around the world in 2021.

CLEAR PRINCIPLES AND TARGETS

Millions lack access to even the most basic dental care. Addressing this issue is the motivation behind our charitable activities, which focus on dentistry, where we can make a meaningful difference. Our Corporate Sponsoring Committee evaluates requests and

initiatives according to clearly defined principles and policies. Focusing in our area of expertise, we look for continuity as well as sustainability in the projects we support. This is reflected in our long-standing relationships and commitments ([see table on p. 73 f.](#)).

CONTRIBUTING TO THE FUTURE

Fostering sustainable help is a primary objective of our charitable programs. To that end, we have developed lasting and fruitful relationships with many strong partners. Our charitable and social engagement initiatives are designed to improve the oral health of the underprivileged.

Straumann's charitable and social engagement programs around the world are an important aspect of our culture. They are typically managed by the teams located in each region where we do business.

The **National Foundation for Ectodermal Dysplasia** (NFED) is a US-based non-profit organization that helps Ectodermal Dysplasia (ED) patients and their families. Among other symptoms, ED patients are typically born with severely malformed or missing teeth. We provide free implants and prosthetics in addition to financial support for the NFED, which has been our partner since 2004. In 2021, our support made it possible to hold a conference for 50 scientists, researchers and medical professionals to share knowledge about ED treatment and care.

The **Sonrisa project** provides free dental treatment to orphaned children in Nicaragua. We have worked closely with the organization since 2006 and provided a training scholarship for a young dentist from the community. This young dentist is now practicing full time in the location where he started and has recruited a new dentist to the project. When treatments ceased due to COVID-19, the team made good use of the time they gained to build a new clinic to comply with new

hygiene regulations. They plan to expand their help even further by bringing free education and treatment to local schools in 2022.

Novos Sorrisos (New Smiles) is Neodent's mobile dental clinic in Brazil. It has been on the road since 2016, travelling through eight states, with a rotating staff of 200 volunteer dental professionals treating thousands of patients annually free of charge. The project was suspended in 2020 due to the pandemic, but the vehicle continued to be of service when the company converted it into a COVID-19 testing center outside the Pediatric Hospital Pequeno Príncipe. This separate facility keeps patients and staff safer. The team is planning to resume the project's original mission with a new truck in March 2022.

The Australian Dental Health Foundation's **Rebuilding Smiles** project arranges free dental work for women and children who have suffered dental injury due to domestic violence. Through its network of dental practices, the project has delivered over nearly CHF 2 million of pro bono dental services. Straumann has been supporting this important project since 2017.

In 2018, the **NOIVA project** in Jordan began operating a mobile dental clinic offering dental treatment to refugees along the Syrian border. Though its work was hindered by COVID-19 restrictions, the team still managed to treat over 2 000 people in 2021. With our support, they were also able to hire a second dentist and outfit a second mobile clinic. The project is now focused on the most vulnerable people living in tent settlements. Besides financial backing, we have provided assistance by producing a promotional video and connecting the project team with Swiss universities.

Hope for All is a dental clinic providing low-cost or free treatment to communities in need in Cambodia. Since

2007, we have helped by providing dental scholarships for five young people, four of whom now practice in the clinic. In spite of the pandemic, the clinic still managed to treat 6 000 patients in 2021 (fewer than the usual 10 000 annually).

The **Dharma Wulan Foundation** team of volunteer surgeons based in the Siloam Teaching Hospital, Jakarta and RSUD Hospital in Java treat children with dento-facial (cleft) deformities. We have assisted with this work since 2018. In 2021, the hospital developed a speech therapy lab for post-surgical patients. The physicians have continued their surgical work uninterrupted during the pandemic, treating 100 patients in 2021 and even managing to pioneer a less invasive technique for bone grafts on their young patients.

We are grateful to our dental partners – many of whom are volunteers – for their dedication and for ensuring that the funds are used efficiently.

The **Stiftung schönes Lächeln** (Beautiful Smile Foundation) in Switzerland is a collaboration with Swiss University clinics. It helps patients who need implant treatment but have limited financial means.

Launched in the US in 2020, **LetThemShine** provides free dental implant treatment to patients who cannot afford it. It is administered by volunteer clinicians and funded by Straumann Group employees in North America.

Operating in partnership with dentists and dental surgeons, **Straumann AID** (Access to Implant Dentistry) helps underprivileged patients who cannot afford the treatment they need. Since 2007, the program has relied on the generosity of dental professionals who provide treatment without charge, using products donated by the Straumann Group.

STUDENTS SUPPORTING COMMUNITIES

Our long-term sponsorship of the German network **Dental Volunteers** continued in 2021. Although some projects were cancelled due to COVID-19, many of these young dentists travelled to underprivileged regions to provide treatment and education in oral healthcare.

Students from the **University of Münster** had a life-changing experience serving Syrian refugees in Kara Tepe, a temporary camp on the island of Lesbos in Greece. They assisted in the treatment of hundreds of emergency patients in difficult conditions, without running water. The students also took every opportunity to promote oral hygiene, especially among the children, many of whom received their very first toothbrush. The volunteers humbly reported learning as much as they taught.

After the cancellation of the 2020 trips due to the lockdown, dental students at the **University of Regensburg** have doubled their efforts in 2021. An expanded team set off for the SOS Children's Village in Benin to treat hundreds of children living in remote areas.

All of the projects we support focus on dentistry and are part of our efforts to offer care for those who are in need and could not otherwise afford it.



The Sonrisa project provides free dental treatment to orphaned children in Nicaragua.



Hope for All provides low-cost/free treatment to communities in need in Cambodia.

Main initiatives and projects sponsored by Straumann in 2021

Region	Lead partner	Objective ¹	Status/results
Global	Straumann AID	Free implants and materials for needy individuals, supporting volunteer dentists	Ongoing since 2007
Australia	Australian Dental Association Rebuilding Smiles	Free dental treatment to women and children affected by domestic violence	Ongoing since 2017
Benin	Dental Volunteers	Support for dental students providing free dental care in poor areas at SOS Villages; 8 dentists treated hundreds of patients	Completed
Brazil	Neodent	COVID-19 relief: large donations of sanitizers and oral hygiene kits	Completed
	Pediatric Hospital Pequeno Príncipe	Novos Sorrisos Mobile dental clinic for the underprivileged was temporarily repurposed as an auxiliary COVID-19 test site at Pediatric Hospital; plans to remobilize with new truck in March 2022	Ongoing since 2016
	Augusta B Community	Donation of faceshields to local merchants	Completed
	Unidos Pela Vacina	Vaccination campaign to reach all Brazilians	Ongoing
	Children & Adolescent Fund	Supports programs for oral and general health of children and adolescents compromised by cancer treatment	Ongoing since 2011
	Elderly Fund	Supports hospitals in oral and general health treatment of the most vulnerable elderly patients	Ongoing since 2011
	Doe Sorrisos (Donate Smiles)	Employee led donation of food, clothes and toys to those in need	Ongoing since 2020
Cambodia	Hope for All Clinic	Dental student scholarship program	Ongoing since 2007
France	To each his own Everest (A chacun son Everest)	Supports children and women suffering from cancer	Completed – Donation
	Overcoming Lysosomal Diseases (L'association VAINCRE LES MALADIES LYSOSOMALES)	Leading research on more than 50 lysosomal (metabolic) diseases	Completed – Donation
	French National Foodbank (Banque Alimentaires)	Mass collection and distribution of food throughout France. Company financial donation and employee participation in food distribution.	Completed – Donation
Germany	Jung & Krebs	Practical support for young people with cancer	Completed
	Time Out Foundation	Biking equipment for children at risk	Completed
	Association for Children with Cancer, Freiburg	Support for children with cancer and their families	Completed
	Aktion Deutschland Hilft	Joint employee and company initiative to provide financial aid to flood victims	Completed
	University of Freiburg and Mainz	Doctoral scholarship	Completed
	ARPA Wissenschaftsstiftung	Science foundation which encourages young scientists in periodontal research	Completed
Greece	Dental Volunteers	Support for dental students who provided pro bono dental care for over 200 emergency patients in refugee camps	Completed
India	Swiss-Indian Chamber of Commerce	COVID-19 Relief Initiative for Public Health Dept of Maharashtra with a donation of 10 000 SARS Rapid Antigen Test Kits	Completed – Donation

Region	Lead partner	Objective ¹	Status/results
Indonesia	Dharma Wulan Foundation	Surgical treatment of 100 children suffering from cleft palettes; new speech therapy lab being built in 2022	Ongoing since 2018
Italy	ADG, l'Associazione Diabete Giovanile	Association supports families of children with diabetes through education, advocacy and treatment	Completed – Donation
Jordan	NOIVA Foundation	Mobile dental clinic treating Syrian refugees; second dentist and mobile clinic added in 2021	Ongoing since 2018
Nepal	Food for Life, Nepal	Food distribution for the poor	Completed – Donation
Nicaragua	Sonrisa Foundation	Clinic offering pro bono dental care for underprivileged community; new dentist recruited and clinic built; expanding preventative program to local schools	Ongoing since 2006
Portugal	Cruz Vermelha of Santa Maria da Feira	Financial aid to local Red Cross chapter	Completed – Donation
Switzerland	Stiftung schönes Lächeln	Affordable implant treatment for seniors with limited means	Ongoing since 2018
US	National Foundation for Ectodermal Dysplasia	Free implants and prosthetics in addition to financial and public relations support; new research conference funded; 12 000 people and their families served in 118 countries	Ongoing since 2004
	Let Them Shine Foundation	Materials for Pro bono dental services in partnership with private dentists	Ongoing
	Smile Again Movement, Inc	Pro bono Dental Care	Completed – Donation

1 In each case, clear prerequisites and goals were set



Benin: Dental Volunteers provide free care.



NOIVA: Dental professionals provide free care to refugees in Jordan.



NOIVA: Mobile dental treatment for refugees along the Syrian border.

**“After three months,
I can enjoy a proper
meal now. I can basically
eat anything that’s on
the table.”**



Video in the online report:
annualreport.straumann.com

ADAM

Adam is 79 years old and lives in Cape Town, South Africa. He is a jolly retiree who needed an affordable treatment with the minimum amount of surgery possible.



“It is the final result that counts. And the person that can go home and eat. That is what it is all about. It’s about the patient.”

**DR LOUWRENS SWART,
MAXILLO-FACIAL &
ORAL SURGEON**

ACTING WITH RESPONSIBILITY

We believe acting responsibly is key to the success and longevity of our business. As a global business we are seeking to lead by example through our ethical approach and sound governance, carefully managing our risks and ensuring that every aspect of our business complies with relevant standards and regulations.

This commitment contributes to the following UN SDGs:



MATERIAL TOPICS

Economic performance	77
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Intellectual property	83
Regulatory requirements	83

We are shaping a company with the highest standards of integrity and a zero tolerance policy

PROTECTING STRAUMANN GROUP'S REPUTATION

Acting with Responsibility is a key commitment to protect the Group's reputation. It describes how we do business. Trust is our licence to operate and like other leading manufacturers, the Group is exposed to the risk of damaged public perception. This might be the result of safety, quality or unethical business practices issues in our own products and services. Consumers increasingly hold companies accountable not only for their products and services but also for the role they play as good corporate citizens and employers. Straumann Group continually earns the trust of its partners, customers and their patients by shaping a company with the highest standards of integrity and fostering a culture of transparent communication with all stakeholders. We are committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks associated with our activities in order to prevent or minimize the impact of unexpected events on our business.

ECONOMIC PERFORMANCE

Sustainability is one of the strategic enablers that drive our success. Strong economic performance is the basis of the Group's long-term viability and part of our commitment to acting with responsibility. Our financial and non-financial targets go hand-in-hand. We are committed to ensuring that our business is financially sustainable both in the short and the long term. Strategic oversight of our financial performance is ensured by the Board of Directors. The operational responsibilities are delegated to the Executive Management Board. For details of our economic performance in 2021, see also Business Performance (p. 26 ff.) and Financial Report (p. 133 ff.).

For the benefit of all stakeholders, the Group has various mechanisms in place to monitor and maintain financial risks. The aim is to keep key risks at appropriate, predefined levels in order to ensure the economic performance at all times. In doing so, we

involve the perspective of multiple stakeholders such as customers and suppliers in our risk management considerations.

LIQUIDITY RISK

Liquidity risk refers to the possible inability to meet short-term debt obligations due to the lack of liquid assets. The Group closely monitors its liquidity risk through prudent asset and liability management. This includes a recurring liquidity planning approach throughout the Group. The Group's objective is to maintain an adequate funding structure by using bank overdrafts, bank loans, bonds and finance leases. In accordance with the policy, the Corporate Treasury ensures a permanently accessible cash stock, as well as flexible short-term funding possibility through committed and uncommitted credit lines, involving a prospective approach. Taking the pandemic situation into account, the Group ensures the timely fulfillment of financial obligations, e.g. to suppliers or employees, by holding a higher base cash balance than usual.

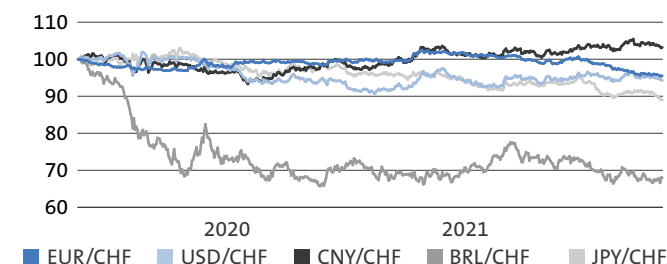
FOREIGN CURRENCY RISK

Foreign exchange risk arises when future transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional one. As the majority of the Group's business is international and since the Group's financial statements are prepared in Swiss francs, fluctuations in exchange rates affect both the Group's operating results and the reported values of the assets and liabilities. The Group is primarily exposed to the euro, the US dollar, the Brazilian real, the Chinese renminbi and the Japanese yen. In addition to general efforts to reduce currency exposures naturally, the Group's foreign currency risk management policy aims to concentrate exposures centrally and subsequently manage them through a selective hedging approach. The Group CEO continuously reviews and approves the policy for managing these risks and the Audit and Risk Committee is informed about all changes.

CREDIT RISK

Credit risk refers to the risk that counterparties will not meet their obligations, leading to a financial loss for the creditor. The Group is exposed to credit risk from its operating activities, primarily trade receivables and loan notes, as well as financing activities, primarily financial instruments such as foreign exchange derivatives and cash deposits with financial institutions. Exposure to these is closely monitored and kept within predetermined parameters for the concerned counterparty type. Further information on financial risk management is provided in Note 9.2 (see p. 177 ff. of the Consolidated financial statements).

Currency chart (USD, EUR, CNY, BRL, JPY)



Group currency breakdown in %

	Sales	Cost
CHF	2	14
EUR	32	33
USD/CAD/AUD	32	26
BRL	5	9
CNY	11	5
Others	18	13

MISCELLANEOUS BUSINESS RISKS

The Group covers its inherent key business risks in the same way it covers product or employer liability risks and property loss: through corresponding insurance policies held with reputable insurance companies.

TAX CONTRIBUTIONS

As a Swiss-based multinational Group, we operate in more than 100 countries. To date, the products are mainly developed and manufactured in Switzerland, Brazil, Germany, the US and Canada. The products are distributed and marketed under multiple brands in most of the countries by our own distribution subsidiaries as well as by third-party distributors. The operating business of the Group requires a robust supply chain for cross-border transactions with prices and documentation in accordance with local laws and regulations for income tax, value added tax and customs duties.

The tax strategy of the Straumann Group, which is approved by the Board of Directors, includes paying a fair share of taxes in the countries where we operate. We do not undertake artificial tax planning with the intention of avoiding taxes using so-called 'tax haven' arrangements. To this end, the Group has a tax policy as well as a transfer pricing policy in place across the Group that is based on OECD Transfer Pricing Guidelines and regulations to prevent Base Erosion and Profit Shifting (BEPS).

The Group follows the principle that profits should accrue where economic value is created and the corporate structure is aligned with the Group business purposes and operations. The Straumann Group is committed in its tax policy to a collaborative and transparent approach to tax compliance and tax planning, including the relationships with tax authorities.

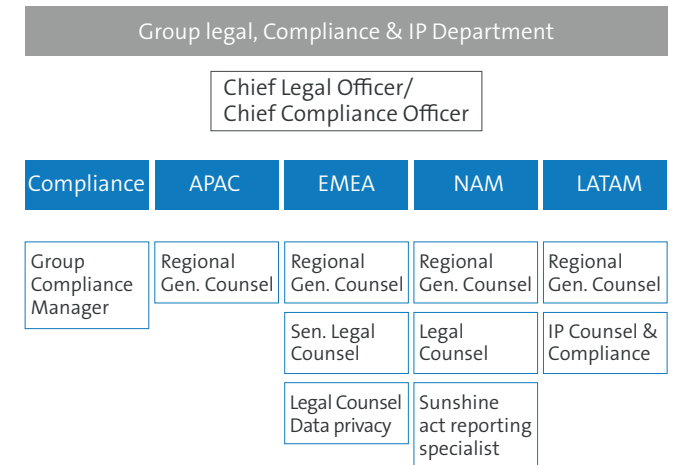
The responsibility for tax compliance lies with the Corporate Tax team, located in Switzerland. This central function coordinates, educates and supports local finance in all Group companies to ensure that they achieve tax compliance in line with local laws, regulations, reporting, filing and disclosure requirements, as well as standards and policies. Tax matters are regularly discussed at the Audit and Risk Committee of the Board of Directors.

As a minimum standard, the OECD requires countries to request multinational enterprises to prepare and file a country-by-country report (CbCR) containing aggregate tax information per country relating to the global allocation of the income, the taxes paid and certain other indicators. The Straumann Group has prepared and filed with the Swiss Federal Tax Administration a CbCR since 2016.

BUSINESS ETHICS AND GOVERNANCE**OUR APPROACH**

An ethical business approach and sound governance are the foundation of our long-term success. To this end, the Straumann Group's [Articles of Association](#), the [Organizational Regulations](#), the [Code of Conduct](#) and various internal policies on quality, IT, internal information and employee regulations form a sound framework of principles and rules that govern everyday behavior and decisions throughout the organization. For details on governance, please refer to the Corporate Governance chapter (p. 89 ff.).

Straumann regularly monitors legal and regulatory developments and their implications for the Group on a global level. Based on these developments, we implement changes in our policies and training tools, with a focus on anti-corruption, data protection and privacy, antitrust insider trading as well as finance legislation.

Dedicated organization to support business compliance

See our online PDF the [Straumann Group Code of Conduct](#).

OUR GROUP CODE OF CONDUCT

Our overarching governing document is the [Straumann Group Code of Conduct](#) (latest update: 2020) which summarizes and promotes the core principles of ethical business behaviour and our company culture. Available in 17 languages, the Group Code of Conduct applies to all employees of the Straumann Group. Compliance is the responsibility of each and every employee. Our compliance management system is built on three pillars:

- **Prevent/communicate:** Fully supported by our top management's commitment, our Compliance function sets standards, delivers e-trainings to employees and provides Compliance guidance and advice to individuals or project teams
- **Detect/control:** Our line managers are tasked with controlling and monitoring compliance within their teams. In addition, spot checks are carried out by internal audit and we promote the SpeakUp¹ (whistleblower) line
- **Respond/correct:** Our entire management team is asked to fill identified gaps, issue re-trainings and deliver consequent and swift corrective measures in case of non-compliance

Straumann's compliance management system is under regular supervision by the Audit and Risk Committee and the Executive Management Board. Oversight for compliance ultimately lies with the Board of Directors, which usually acts through its Audit and Risk Committee.

Principles of the Group Code of Conduct are further refined and detailed in specific internal policies and guidelines.

1 SpeakUp is a registered trademark by People in Touch B.V.

Non-compliance with the Group Code of Conduct may lead to disciplinary measures in accordance with the **Policy on Disciplinary Measures**.

OUR EXTERNAL BUSINESS PARTNER CODE OF CONDUCT

Our external business partners (e.g. suppliers and distributors) are an integral part of our international value chain and our [External Business Partner Code of Conduct](#) (ExBP CoC) requests a clear anti-corruption commitment. This reflects our strong commitment to responsible procurement and supply chain management (see p. 69 ff.).

Our ExBP CoC covers broader business ethics, compliance with laws and regulations, free competition, truthful marketing, intellectual property (IP) and confidential information protection, compliance with government investigations, fair and safe working conditions (such as protection from discrimination, sexual harassment, exclusion of child and forced labour, modern slavery and human trafficking), respect for rights of free association, adequate remuneration, safe workplaces, whistleblower protection and environmental compliance.

HEALTH CARE TECHNOLOGY ASSOCIATIONS MEMBERSHIPS

As a member of [Swiss Medtech](#), Straumann adheres to the principles of the [Swiss Medtech Code of Ethical Business Practice](#). This Code defines minimum requirements for the industry sector for interactions with healthcare professionals and organizations e.g. (support for medical education, research and donations etc.) with the ambition to ensure that medical professionals take independent treatment decisions.

Risks

Bribery/
corruption

Corporate Standards

- Group Code of Conduct (GrCoC)
- SpeakUp line procedure
- Sales Compliance@Straumann Policy
- Interactions with government officials – corporate procedure
- Gift reporting form
- GrCoC for external business partners

Unlawful
promotion

- Marketing material drafting guideline
- Social media guideline

2021: key figures

32 cases filed through the SpeakUp¹/
whistleblowing line

10 violations of the Code of Conduct confirmed, which led to 4 warning letters and 3 dismissals of the employees involved; 3 cases under investigation

As a result of legal proceedings associated with false marketing claims, the Straumann Group lost CHF 51 195 in 2021

As a result of legal proceedings associated with bribery or corruption, the Straumann Group reported zero losses in 2021

TACKLING BRIBERY AND CORRUPTION

It is never acceptable to offer, authorize or receive any form of bribe, 'kickback' or 'facilitation payment' to or from any private individual, public official or third party – either directly or indirectly.

The Ethical and Legal requirements chapter of our Group Code of Conduct covers anti-bribery and corruption. In addition, to prevent passive bribery and conflicts of interest, Straumann has established **gift reporting forms**, with defined thresholds indicating when a gift must be reported to the Chief Compliance Officer or require an approval prior to accepting. Our **Sales Compliance Policy** (corporate procedure) defines the minimum global standard, with a focus on interactions with healthcare professionals and interactions with healthcare organizations. This procedure gives more detailed guidance on permissible invitations, which must be modest and have a clear business focus.

Operating globally and knowing that many countries have specific laws, rules and regulations with regards to interactions with healthcare professionals, we have drafted national versions of our Sales Compliance Policy. These provide further details regarding what is and what is not permissible in any given country, to ensure we meet and adhere to local rules and regulations. Currently Straumann has 23 country versions of this policy.

Straumann has also established a corporate procedure on **Interactions with Government Officials**. We reject any form of corruption or granting of inappropriate advantages which might influence government officials. This is important, as in certain legislations a healthcare professional also holds the office of a government official.

With regards to transparency in our reporting, we comply specifically with:

- the US Sunshine Act
- the French Loi Bertrand
- requirements of the medical devices act and the Code of the Ministry of Health (GMH) in the Netherlands
- the Belgium Sunshine Act
- Swiss transparency guidelines of Swiss Medtech

ETHICAL MARKETING PRACTICES

Our **Corporate Marketing Material Drafting Guidelines** (MMDG) govern the lawful promotion of our medical devices and services, supporting the authors of marketing material to create promotional messages (claims) that fully comply with the laws and regulations that govern our industry.

Marketing materials must be precise, honest, substantiated, balanced, up-to-date and always in line with the product's labelling and may not promote any unapproved use of a product. An unapproved use of a product is a 'use' which (a) has not been approved by the relevant regulatory body and (b) is not permitted under the Instruction for Use. The backbone of our marketing communication is a sheet with approved claims for each product.

Our **Marketing Communication Procedure** defines the process, roles and responsibilities for creating, implementing and approving marketing material. It helps to ensure both compliance with regulatory requirements and a high-quality internal standard. Employees who create, review and approve marketing materials are obliged to follow the above-mentioned policies.

2021 key training achievements

Sales compliance e-training prevention of bribery and improper advantage' rolled out in 10 countries

Mean training completion rate achieved: 92% of employees



Group employees receive compliance training on a regular basis.

We also have a **Social Media Guideline** in place, which distinguishes between private and professional use of social media and we have authorized spokespersons who communicate on behalf of the Group.

A steering committee meets quarterly or ad hoc if needed to discuss:

- Feedback about the training given on the Marketing Material Drafting Guidelines (MMDG)
- Results of random reviews by the legal department of previously published marketing material
- Any legal issues
- Compliance-related questions regarding new marketing materials and campaigns
- Potential amendments or interpretations of the Marketing Material Drafting Guidelines (MMDG) or other related policies
- The committee also decides on corrective measures to prevent reoccurrence and decides on marketing material recall if required

EXAMPLES OF REGIONAL AND LOCAL INITIATIVES

- Straumann **North America** has a promotional material review committee
- In the US we have established an auditing process for promotional materials and social media posts on corporate accounts
- Straumann **China** has a local approval process to ensure that all translated materials originating from headquarters meet local laws and regulations

EMPLOYEE TRAINING

Our corporate procedure on **Mandatory Global Compliance e-training** defines the mandatory e-trainings and target groups to be trained. It is the remit of the training responsables to verify that these trainings are completed, both at our headquarters and among our subsidiaries. We onboard new employees monthly and monitor completion regularly. Non-completions are followed up. Refresher trainings are mandated every second year.

Another goal is to train all employees who interact with dental professionals, healthcare organizations and/or government officials on bribery and improper advantages. By the end of 2021, we had rolled out this sales compliance e-training in ten countries, with a local completion rate ranging from 87 to 96% and a mean completion rate of 92%. Seven additional countries will follow in 2022.

The Group's target is for at least 90% of assigned trainings to be completed on time.

As part of the onboarding program at headquarters for new employees, we hold quarterly **legal basics trainings**, which also cover the Group Code of Conduct and Compliance.

Refresher training sessions to prevent unlawful promotion at headquarters (HQ) organized by the legal and compliance department are in transition to e-training. The new Marketing Material Drafting Guideline e-training was rolled out for targeted headquarters employees in October 2021. Localization of the e-training module will follow in 2022.

COUNTRY-SPECIFIC INITIATIVES

- Our legal department in **North America** holds regular live classroom onboarding sessions for all employees in the US and Canada. This training covers our Group Code of Conduct and anti-bribery e-training for employees in sales-related roles, such as sales reps, marketing, training and education
- In addition, classroom training on **social media use**, as well as refresher sessions on **lawful product**

promotion are run at our regular regional sales meetings in North America

- In **Brazil** we offer monthly classroom or virtual training for new joiners on the Group Code of Conduct
- In **China** we regularly train new employees on legal basics and we offer virtual training on anti-bribery and anti-trust

SPEAKUP¹ LINE/WHISTLEBLOWING LINE

Our Code of Conduct compliance is supported by the [Speak-Up](#) line across the Group. Operated by an independent third party, this whistleblower line also allows employees to report concerns anonymously on potential violations of the Group Code of Conduct. It is available in 41 countries and 34 languages, 24/7 and 365 days a year.

We introduced the SpeakUp line in 2019 at global and local townhall meetings and created posters presenting local access details. Communicating about this hotline is now an integral part of the onboarding process for new employees and full details – including its purpose and how to access it and the related SpeakUp procedure – are available on our intranet.

We investigate any concerns raised through the SpeakUp line promptly and efficiently. Straumann does not tolerate any kind of retaliation against any employee who, in good faith, has reported suspected or observed wrongdoing, or complains about violations of the Group Code of Conduct.

The Audit and Risk Committee of the Board of Directors is informed annually about concerns received from across the Group through this as well as other compliance channels, the number and category of violations and the measures taken.

¹ SpeakUp is a registered trademark by People in Touch B.V.

The Chief Compliance Officer determines whether and how non-compliance cases are to be reported to the Executive Management Board, the Straumann Board of Directors and other parties. Our **SpeakUp procedure** defines the process and roles and responsibilities of our compliance hotline, while the **Corporate Procedure on Disciplinary Measures** for violations of the Code of Conduct assists management to determine appropriate sanctions in case of misconduct.

CYBERSECURITY, DATA MANAGEMENT & PRIVACY

Reliable, correct and safe handling of information is essential to our business. Risk and security management are an integral part of the Group's IT strategy. The main objectives are:

- to achieve business goals while reducing IT risks through security measures, controls and by the creation of security awareness among employees and management
- to safeguard data and to protect and guarantee the integrity of the Group's digital assets and infrastructure around the world
- to ensure the availability of IT services (applications and systems) as required by business processes and stakeholders

The Group's IT risk and security management framework is derived from widely used industry standards, such as the ISO/IEC 27000 series, GMP and COBIT, to manage cyber and IT security risks, threats and controls. Ethical, legal, economic and social principles are taken into consideration. A steering committee with key stakeholders approves and adopts the information security strategy as well as essential business-critical implementations. In particular, it is responsible for:

- assessing IT security threats and their business value
- mitigating IT risks (including data loss and corruption)
- evaluating IT service continuity plans

- verifying the effectiveness and efficiency of IT security controls and hardening IT assets security
- improving IT security awareness for all employees
- maintaining security policies, procedures and supporting standards in alignment with (core) business processes
- establishing IT security key performance indicators and reporting structures

To increase cybersecurity awareness across Straumann Group, we have implemented regular IT user awareness, social engineering and phishing trainings.

Straumann has also implemented a Security Information Event Management System (SIEM) with a 24x7x365 available Security Operations Center which monitors and responds to Cybercrime activities according to the NIST Cybersecurity Framework (identify, protect, detect, respond and recover). As a cybercrime response plan, a Group-wide IT Cybercrime and Emergency Procedure is in place and has last been updated in 2021. The area of Cybersecurity is ultimately overseen by the Audit and Risk Committee of the Board of Directors.

DATA PRIVACY

Straumann Group is committed to protecting the data of individuals held by us from any misuse or loss. It's a key management responsibility implemented across the group with the support of the legal and information technology departments. We strive to collect, process and store personal data in compliance with all applicable data protection and privacy laws, including the General Data Protection Regulation (GDPR). To achieve this, we have implemented privacy procedures and measures across the Straumann Group. These include access and information rights procedures, data breach measures, consent management as well as data collection, processing and usage guidelines. We also raise awareness by providing guidance on privacy matters to our employees. In 2021 there were no reportable data breaches or material privacy complaints.

INTELLECTUAL PROPERTY

The Straumann Group manages its intellectual property (IP), taking into account the environmental and social benefits of our offerings when obtaining and maintaining our IP rights. Part of the legal department at Straumann Group headquarters, our IP department is responsible for IP matters of the Straumann Group. In addition to protecting the Group's IP embedded in our product and service offerings by obtaining patent and design rights, the IP department ensures that valid IP rights of third parties are respected.

**At the end of 2021
Straumann Group held
more than 1 200 active
patents. 116 new patents
were granted in 2021.**

We operate in a competitive market, in which legal compliance, agreements and intellectual property rights are of significant importance. At the moment, the Group is not involved in any major litigations.

RECOGNIZING INVENTORS TO INCENTIVIZE INNOVATION

Since the beginning of 2021, Straumann has had a dedicated recognition and reward system in place to stimulate protectable innovations. The Straumann Inventor Reward and Recognition Universal System provides a financial reward for the inventor (or group of inventors) upon filing and grants of an intellectual property right. In addition, the inventors are recognized via internal communication channels and we are planning an annual gathering for the inventor community in the presence of upper management.

We want to deliver innovation that enhances the customer and patient experience and accompanies them on their oral care health journey. We are recognized as a leading innovator and collaborate with universities, clinics, research institutes and academic networks to foster research and innovation (see p. 46, 51 ff.).

REGULATORY REQUIREMENTS

MEDICAL DEVICE REGULATIONS

Straumann Group includes several companies with products classified as medical devices, custom-made and non-medical devices. These products are related to the dental implant system (implant, abutment, final restoration, instruments and auxiliaries), aligners and accessories, intraoral scanners, dental planning software and biomaterial products.

The product classification for medical devices is Class 1, 2a, 2b and 3 (according to European classification) and 510k and PMA (according to US classification). Straumann Group follows all regulations in the countries we operate. Europe and the US are our main markets, but we also follow medical device regulations for many more countries, including Australia, Brazil, Canada, China, South Korea, Japan, Russia and more in regions such as Southeast Asia, the Middle East or Latin America.

Medical device companies face growing scrutiny from regulators around the world as well as increasing requirements for documented evidence in order to demonstrate compliance in the interest of patient health and safety. To ensure we continue to meet regulatory compliance regulations and standards and to protect customers and patients around the world, we rely on our teams of skilled people in regulatory and quality assurance.

Focused quality objectives for compliance and key performance indicators together with comprehensive



TLX, BLX and BLT premium implants.

audit programs, both internal and for suppliers, are used to assure compliance and to identify opportunities for improvement. The Group also has an ongoing training program to ensure continuity in compliance with new and existing standards and regulations. Mock MDR audits have been set up to evaluate the readiness of Straumann Group companies.

In 2021, local authorities inspected Straumann Group subsidiaries with regard to storage and distribution of medical devices with no major findings. Our Group design centers and manufacturing facilities passed all notified body audits, which are required to maintain the certification of quality and environmental management systems. The Group's global regulatory team coordinates and supports all our brands in the area of international quality compliance and regulatory affairs. The notified bodies audits were mainly conducted remotely, but on a few occasions, the auditors were on-site and confirmed the robust deployment of compliance from design to production.

We obtained a large number of new registrations despite significant hurdles imposed by COVID-19, for example delays in dossier reviews from government offices and notified bodies.

Institut Straumann has already received two MDR certificates covering various types of products.

Some of our design and manufacturing sites use the Medical Device Single Audit Program (MDSAP), a global approach to auditing and monitoring the manufacture of medical devices. This facilitates compliance

assessments internationally. The MDSAP allows a recognized auditing organization to conduct a single audit of a manufacturer that satisfies the relevant requirements of the regulatory authorities in the program, namely:

- Therapeutic Goods Administration of Australia
- Brazil's Agência Nacional de Vigilância Sanitária
- Health Canada
- Japan's Ministry of Health, Labor and Welfare, as well as the Japanese Pharmaceuticals and Medical Devices Agency
- US Food and Drug Administration (FDA), Center for Devices and Radiological Health CDRH (accepting MDSAP audit reports as a substitute for routine Agency inspections)
- Institut Straumann, Neodent, Dental Wings and ClearCorrect maintained their MDSAP certificate

To ensure the readiness of our people and processes at our sites, we also conducted unannounced internal audits and dedicated audits of our product technical files. This year, the responsible notified body performed an unannounced audit at one of our manufacturing sites, with a successful outcome as no finding was identified.

Several regulatory authorities continue to inspect manufacturers in foreign countries. We are prepared for this and have experienced teams of regulatory and compliance experts in Europe, UK, Brazil, China, Japan, Korea, Switzerland and the US. Excellent collaboration between our experts in Basel and colleagues in the regions facilitated recent successful registrations.

The Medical Device Regulation (MDR) in Europe means greater surveillance, higher need for more and stronger clinical data, more involvement of competent authorities for higher risk products, longer approval times and active post market surveillance (see also Patient Health and Safety on p. 54 ff.). Notified bodies

have declined in number and their control has increased. Stricter requirements and regulations are also expected in smaller markets, which will increase the need for enhanced compliance and safe, effective products. In order to ensure continued access to European markets under MDR, planning for adaptation is essential. Across Straumann Group, projects to comply with the new European Regulation for Medical Devices are well underway. As an example of this, we set up an implant registry which will help us to generate the data required under MDR.

Straumann Group design and/or production sites in 2021

Products	Location	Markets	Certifications, USFDA Establishment Registration (FEI)
Biomaterials	Malmö, Sweden (Straumann)	Global	ISO 13485, MDSAP ¹ ; FEI 3002806508
CADCAM prosthetics	Arlington, US (Straumann)	US	Dental licence for lab activity; FEI 3005106405
	Markkleeberg, Germany (Straumann)	Europe	ISO 13485, MDSAP ¹ ; FEI 3011221537
	Mendaro, Spain (Createch)	Spain (Europe)	ISO 13485, Dental licence for lab activity
	Mersch, Luxembourg (Simedea Anthogyr)	Europe	ISO 13485, Dental licence for lab activity
	Narita, Japan (Straumann)	Japan (Asia)	ISO 13485, Dental licence for lab activity
	Rheinfelden, Switzerland (etkon)	Switzerland	Dental licence for lab activity
Clear aligners	Beijing, China (ClearCorrect)	China	Manufacturing license for China
	Curitiba, Brazil (ClearCorrect)	Brazil	ISO 13485
	Markkleeberg, Germany (ClearCorrect)	Europe	ISO 13485
	Round Rock, US (ClearCorrect)	Global	ISO 13485, MDSAP ¹
Digital equipment	Chemnitz, Germany (Dental Wings)	Global	ISO 13485, MDSAP ¹ ; FEI 3010377510
	Montreal, Canada (Dental Wings)	Global	ISO 13485, MDSAP ¹ ; FEI 3006945044
Implant systems	Andover, US (Straumann)	Global	ISO 13485, MDSAP ¹ ; FEI 1000121052
	Basel, Switzerland (Straumann)	Global	ISO 13485, MDSAP ¹ ; FEI 3004975279
	Curitiba, Brazil (Neodent, NUVO)	Global	ISO 13485, MDSAP ¹ ; FEI 3008261720
	Hügelsheim, Germany (Dental Wings)	Global	ISO 13485, FEI 3008770646
	New Taipei City, Taiwan (T-Plus)	Taiwan, China, US	ISO 13485
	Renningen/Calw, Germany (Medentika)	Global	ISO 13485; FEI 3013232153
	Rheinfelden, Switzerland (Valoc)	Global	ISO 13485; FEI 3011787401
	Sallanches, France (Anthogyr)	Asia, Europe, Russia	ISO 13485, MDSAP ¹ ; FEI 4224
	Villeret, Switzerland (Straumann)	Global	ISO 13485, MDSAP ¹ ; FEI 3002807318
Resins/thermoplastics	Fremont, US (Bay Materials)	Global	ISO 13485 application pending
	Pelotas, Brazil (Yllor Biomateriais)	LATAM	ISO 13485

1 MDSAP: Medical Device Single Audit Program, Australia, Brazil, Canada, the United States and Japan

RISK MANAGEMENT APPROACH AN INTEGRATED CONTROL FRAMEWORK FOR SUSTAINABILITY

The Straumann Group fosters a culture of seizing opportunities and entrepreneurship, balanced by risk management. We are committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks associated with our activities in order to prevent or minimize the impact of unexpected events on our business and on our ability to create long-term value for all our stakeholders.

RESPONSIBILITIES AND ORGANIZATION

The Straumann Group applies a globally standardized process for identifying and managing possible developments within and outside the Group that could jeopardize its sustained growth, profitability and strategic objectives. Risk monitoring and control are management objectives. The Group's Chief Financial Officer (CFO) is also the Chief Risk Officer (CRO) and is responsible for risk management.

Our risk assessment and management are embedded in a comprehensive internal control framework, which we address through a holistic, disciplined and deliberate approach. It matches that of the [Committee of Sponsoring Organizations of the Treadway Commission \(COSO\)](#), which is one of the most widely used.

For identified risks that arise from accounting and financial reporting, relevant control measures are defined throughout our Internal Control System (ICS) framework. Various tools and aids are used to assess and manage risks. For instance, foreign exchange risks are managed with an SAP Treasury tool, while external consultants are used on a regular basis to assess insurance coverage risks.

RISK REPORTING

We produce a comprehensive corporate risk assessment report annually (or ad hoc if necessary), which serves as a working document for the coming year and includes key risks that are critical for the Group's business. A specific scenario is developed for each risk topic, including existing and new measures and controls. The risks are ranked and prioritized. Action plans are defined and the implementation of measures to reduce risk is monitored. The significance of a risk scenario is estimated in terms of effect on EBIT cumulated over three years. Certain risks are assessed according to qualitative criteria, e.g. risks to the Group's reputation. The reporting of key risks is based on fixed value limits. Pressing risks that emerge very rapidly are discussed by the Board at short notice.

Risk management approach

Straumann's risk assessment takes into account:

- Operational risks
- Strategic risks
- Compliance-related risks
- Financial market risks
- Other internal risk factors
- Other external risk factors

Corporate risk assessment report

The report covers the following topics:

Risk description

Assessment of possible damage

Occurrence probability

Risk monitoring and counteracting measures

Risk assessment report process

<u>Step</u>	<u>Execution</u>
Preparation	Chief Risk Officer
↓	
Discussion	Executive Management Board
↓	
Risk assessment and discussion based on report	Audit & Risk Committee with Chief Risk Officer and Senior Management
↓	
Key findings presented to Board	Chief Risk Officer

INTERNAL AUDIT

The tasks of Internal Audit are:

- to provide independent assurance to the Board of Directors that key risks of the organization are under control
- to support Management in ensuring compliance, operational efficiency and control effectiveness across the Group

In a consulting role, its main tasks are:

- to assess internal processes and controls
- to propose recommendations and improvements

The objective is to safeguard the Group's tangible and intangible assets and to evaluate the effectiveness of its risk management and governance processes.

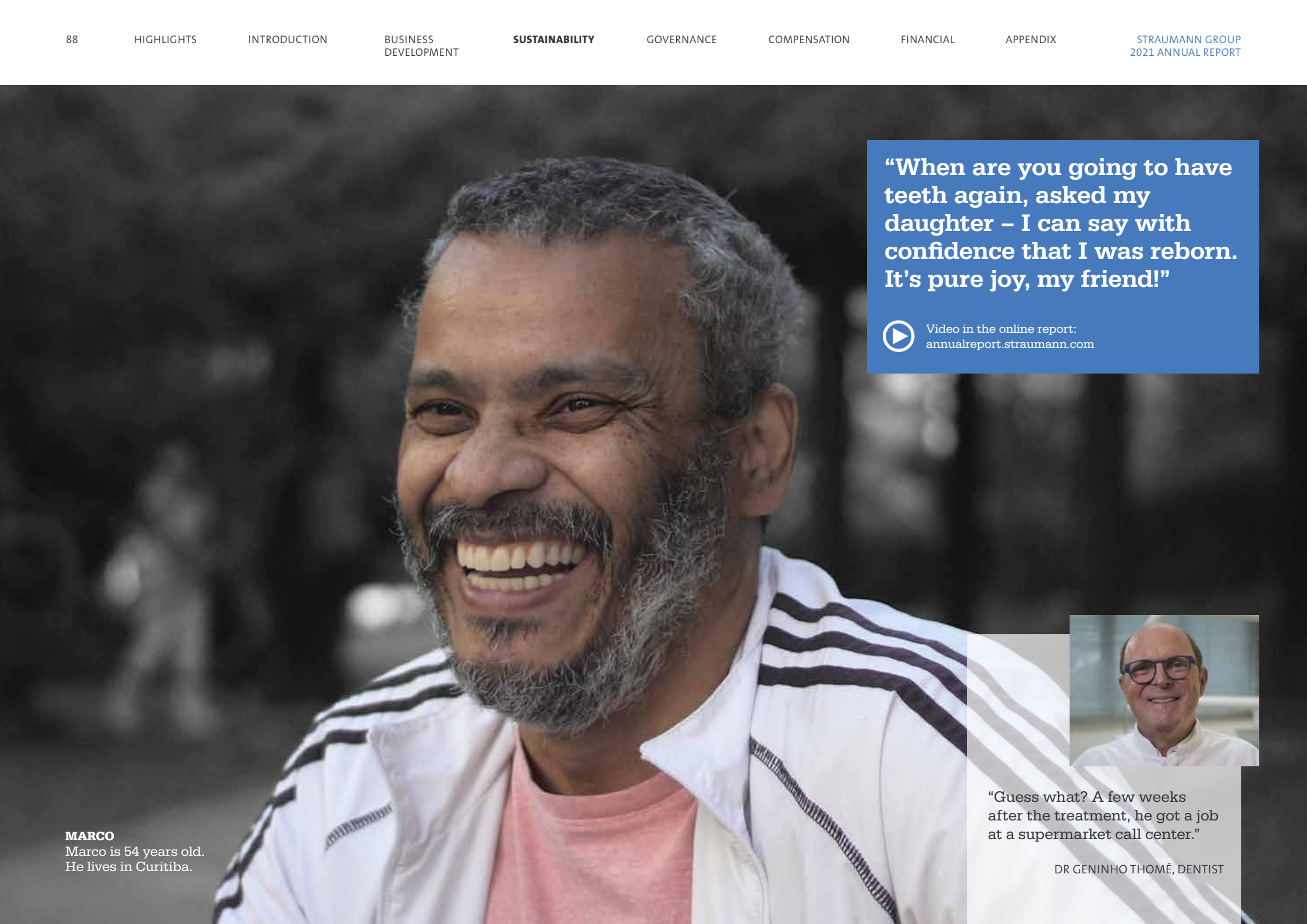
From 2017 to 2021 a highly experienced team at KPMG in Basel complemented by local KPMG offices with specific local language skills and expertise executed the Internal Audit missions, reporting to the Audit and Risk Committee with CFO/CRO as the administrative contact person (see p. 103).

After several years of successfully outsourcing the Internal Audit function to KPMG, the Board of Directors has decided to insource the Head of Internal Audit role as of January 1, 2022 and to continue collaboration with KPMG in a co-sourcing model. The new Head of Internal Audit will directly report to the Head of Audit and Risk Committee and administratively to the CFO.

RISK ASSESSMENT AND MITIGATION

The following table gives an overview of the main risks we identify. It also shows how we prepare for them strategically before they materialize, to mitigate the risks and seize opportunities.

Risk Type		Mitigation/opportunities
Strategic	Market environment risk	→ 'Strategy in a global market' p. 14 ff.
Operational	IP risks	→ 'Intellectual property' p. 83
	Cyber security risks	→ 'Cybersecurity, data management & privacy' p. 82
	Manufacturing and supplier risks	→ 'Responsible procurement and supply chain management' p. 69 and 'Business ethics and governance' p. 78
	Product risk and treatment outcome	→ 'Patient health and safety' p. 54
Financial	Liquidity risk	→ 'Economic performance' p. 77
	Foreign currency risk	→ 'Economic performance' p. 77
	Credit risk	→ 'Economic performance' p. 77
	Miscellaneous business risks	→ 'Economic performance' p. 78
	Pension liability risks	→ 'Compensation report' p. 127 ff.
Compliance	Compliance risk	→ 'Business ethics and governance' p. 78
	Legal compliance	→ 'Business ethics and governance' p. 78
	Regulatory and quality compliance	→ 'Regulatory requirements' p. 83
	Reputation risk	→ 'Protecting Straumann Group's Reputation' p. 77



“When are you going to have teeth again, asked my daughter – I can say with confidence that I was reborn. It’s pure joy, my friend!”



Video in the online report:
annualreport.straumann.com

MARCO

Marco is 54 years old.
He lives in Curitiba.



“Guess what? A few weeks after the treatment, he got a job at a supermarket call center.”

DR GENINHO THOMÉ, DENTIST

GOVERNANCE

CORPORATE GOVERNANCE

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LETTER FROM THE CHAIRMAN

DEAR READER,

We are committed to transparency and sound corporate governance. As Chairman of Straumann Group, one of my overriding responsibilities is to ensure that we continue to operate to the highest standards of corporate governance for the benefit of our shareholders and other stakeholders. This report provides an overview on our efforts to achieve that.

Board succession is planned with institutional and anchor shareholders in mind.

STEWARDSHIP AND INDEPENDENCE

The Board takes its stewardship on behalf of its shareholders very seriously and strongly believes that Board independence is important. It is also important in our view to ensure continuity, securing deep industry and company insights for effective Board work. We also want to maintain an entrepreneurial mindset and retain high-performing Board members with a strong track record.

We understand that not everyone applies the same criteria when it comes to defining the level of independence of individual Board members. For us tenure as a means of determining independence does not make sense, at least not in isolation ([see independence statement](#)). We aim for a healthy average tenure by having a mix of long-term and newer Board members. We believe that having Board

members with industry experience and familiarity with stakeholder engagement is an important ingredient in our success. Being a predictable operator and reliable business partner is key. As such, having Thomas Straumann on the Board as our largest shareholder among other former executives is instrumental.

At the upcoming Annual General Meeting (AGM) in April 2022, our long-term Board Member Dr Sebastian Burckhardt has decided not to stand for election. The Board proposes Nadia Tarolli Schmidt for election. She will be a non-executive and independent Board member ([see p. 102](#)).

A comprehensive sustainability framework was built and targets set.

Looking beyond 2022, we are committed to further enhance board independence in the years to come. This will be done with institutional shareholder and anchor shareholder expectations in mind.

ACCELERATING SUSTAINABILITY EFFORTS

In 2021, our attention to the growing importance of our environmental, social and governance (ESG) commitments has been underpinned by forming the sustainability accelerator initiative at Board level which will also continue in 2022. Our sustainability framework was built in consultation with internal and external stakeholders. Commitments were defined,

targets set and a roadmap laid out ([see p. 39 ff.](#)). We consider these steps essential to contribute to efforts led by the United Nations and moreover, we see our sustainability framework as advantageous for our business.

OUTLOOK

We have a clear purpose, a coherent strategy and a long-term view. Our approach to governance, the dedication and engagement of our board members and above all, the devotion and hard work of all our employees, ensures that the interests of our stakeholders are taken seriously.

We have a clear purpose, a coherent strategy and a long-term view.

I thank you for the confidence you have placed in our company and the Board.

Sincerely,



Gilbert Achermann

Chairman of the Board of Directors

PRINCIPLES

The principles and rules of the Straumann Group's corporate governance are laid down in [the Articles of Association](#), the [Organizational Regulations](#) including the charters of the Board Committees, the [Code of Conduct](#) and various internal policies, e.g. on quality, IT, internal information, suppliers and employee regulations. They are the basis of the Group's corporate governance disclosures, which comply with the Directive on Information relating to Corporate Governance published by the SIX Swiss Exchange, where Straumann's shares have been traded since the company's initial public offering in 1998.

Name	Straumann Holding AG
Domicile	Peter Merian-Weg 12, 4052 Basel, Switzerland
Listed on	SIX Swiss Exchange
Valor number	1228 007
ISIN	CH 0012 280 076
Ticker symbol	STMN
LEI number	50670046ML5FIM60Z37
Market capitalization	CHF 30.8bn

GROUP STRUCTURE AND SHAREHOLDERS

The Straumann Group is headquartered in Basel, Switzerland. Its products and services are sold in more than 100 countries through its various distribution subsidiaries and through third-party distributors ([see worldwide locations, p. 13](#)). The subsidiary management is responsible for managing the local daily business. As laid down in the [Organizational Regulations](#), the respective Regional Sales Head, the Chief Financial Officer and the Chief Legal Officer are usually members of the supervisory body of the subsidiaries. Details of the Group's business segments can be found in Note 3.1 of the Audited Consolidated Financial Statements [on p. 153 ff.](#)

LISTED COMPANIES

Straumann Holding AG, the ultimate parent company of the Group, is listed in the main segment of the Swiss stock exchange. No other company of the Group is listed on a stock exchange.

NON-LISTED GROUP COMPANIES

The Group has partnered with and invested in a number of companies to support its mission to be the

most customer focused and innovative oral care company in the world, targeting unexploited growth markets and segments. A list of the subsidiaries, associates and joint ventures of the Straumann Group as of 31 December 2021 can be found in Note 9.5 of the audited Consolidated financial statements [on p. 181 ff.](#)

SIGNIFICANT SHAREHOLDERS

The major shareholders on 31 December 2021 are listed in the table on the following page, which is based on shareholdings recorded in the share register and notifications on the SIX Swiss Exchange online reporting platform. In 2021, the Group reported no transactions according to Art. 20 of the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA).

CROSS-SHAREHOLDINGS

The Group does not have and has not entered into any cross-shareholdings with other companies relating to equity or voting rights.

CAPITAL STRUCTURE

A total of 14 545 conditional shares were converted into ordinary shares in April 2021. In April 2020, the figure was 27 840. There have been no further changes in the share capital in the past three years. On 31 December 2021, the share capital was composed of:

- 15 921 369 registered shares, fully paid in, each with a nominal value of CHF 0.10
- Conditional capital of CHF 24 157 divided into 241 570 conditional shares, each with a nominal value of CHF 0.10, which relates to 1.52% of the existing share capital

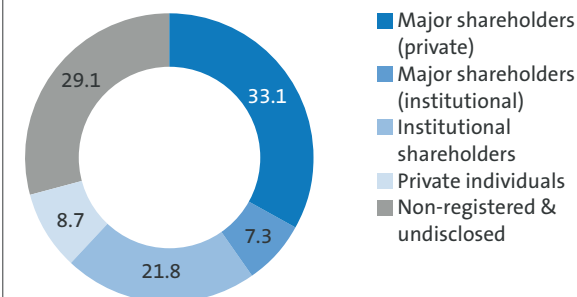
The Group's conditional share capital is approved for an unlimited period for use in employee equity participation plans (see Compensation Report p. 123 and Note 8.3 of the Financial Report on p. 176). Straumann Holding AG has no authorized share capital and no category of shares other than registered shares. There are no restrictions on the transferability of the shares.

The Group has not issued any financial instruments (participation certificates, dividend-right certificates, warrants, options or other securities granting rights to Straumann shares) other than the Performance Share Units granted to certain employees as a long-term incentive (see p. 125 for details), a CHF 280 million domestic straight bond issued in 2020 due on 3 October 2023 and a CHF 200 million domestic straight bond issued in 2020 due on 3 October 2025 (see Note 7.2 on p. 167 for details).

Capital structure in CHF 1 000

	31 Dec 2021	31 Dec 2020	31 Dec 2019
Equity	1 500 448	1 209 943	1 367 222
Reserves	(350 012)	(333 346)	(194 447)
Retained earnings	1 843 820	1 536 490	1 556 272
Non-controlling interests	5 048	5 209	3 809
Ordinary share capital (fully paid in)	1 592	1 591	1 588
Conditional share capital	24	26	28
Authorized share capital	0	0	0
Number of registered shares	15 921 369	15 906 824	15 878 984
Treasury shares (% of total)	0.04	0.09	0.09
Nominal value per share (in CHF)	0.10	0.10	0.10
Registration restrictions	None	None	None
Voting restrictions/privileges	None	None	None
Opting-out/up	None	None	None

Shareholdings on 31 December 2021 by segment in %



Major shareholders in %

	31 Dec 2021 ¹	31 Dec 2020 ¹
Dr h.c. Thomas Straumann (Vice Chairman of the Board)	16.3	16.9
Dr h.c. Rudolf Maag	10.3	11.2
BlackRock Inc.(Group) ²	7.3	7.3
Simone Maag de Moura Cunha	3.5	3.7
Gabriella Straumann	3.0	3.0
TOTAL	40.4	42.1

- 1 Or at last reported date if shareholdings are not registered in the share register
- 2 Not or only partially registered in the share register

BOARD OF DIRECTORS OF STRAUMANN HOLDING AG



GILBERT ACHERMANN

Non-executive member, independent Swiss (born 1964)

Chairman of the Board since 2010,
Board Member since 2009

Other main activities in 2021: Member of the Board of Julius Bär Group (listed, Nomination and Compensation Committee), Ypsomed (listed, Compensation Committee), Swiss Medtech Association, Basel Chamber of Commerce (HKBB), International Team for Implantology (ITI)¹, Basel, Supervisory Board Member of IMD (Audit Committee Chair), Lausanne.

Career highlights: From 2002 to 2010, Gilbert Achermann was CEO of Straumann, which he joined as CFO in 1998. Later he served as Member of the Board of Vifor Pharma, Chairman and Co-CEO of the Vitra Group, Chairman of the Siegfried Group and Vice Chairman of the Moser Group. He started his professional life at UBS in Investment Banking in 1988.

Qualifications: Executive MBA from IMD; Bachelor's degree from the University of Applied Science (HWV) in St. Gallen.

Key attributes for the Board: Mr Achermann represents continuity, stability and credibility among the various stakeholders. The Board benefits from his extensive knowledge of the dental industry as well as the deep experience and insight gained from directorships in other industries.

¹ For relationship to Straumann see Note 9.4 on p. 180



DR BEAT LÜTHI

Non-executive member, independent Swiss (born 1962)

Chair of the Human Resources &
Compensation Committee, Board
Member since 2010

Other main activities in 2021: Managing Director of CTC Analytics AG, Zwingen, Member of the Boards of Inficon AG (listed, Chairman), Skan AG (listed) and Apaco AG.

Career highlights: Beat Lüthi began his career with Zellweger Uster AG, a leading manufacturer of quality control equipment in textile production. In 1990, he moved to Mettler-Toledo International Inc and rose to the position of General Manager of the Swiss affiliate. He joined the Feintool Group in 1998 and was its CEO for four years. In 2003, he returned to Mettler-Toledo as CEO of the Laboratory Division. At the end of 2007, he joined CTC Analytics to lead and further develop the company as an entrepreneur.

Qualifications: PhD in Engineering from the Swiss Federal Institute of Technology (ETH), Zurich; executive program at INSEAD.

Key attributes for the Board: Beat Lüthi combines entrepreneurship and corporate experience in different industries, which make him a valuable contributor to strategic and operational matters. His scientific background and experience as a CEO, Chairman and Board member are of further benefit.



DR SEBASTIAN BURCKHARDT

Non-executive member,
non-independent
Swiss (born 1954)

Member of the Audit & Risk Committee,
Board Member since 2002

Other main activities in 2021: Partner at Vischer AG, Law firm in Basel, Zurich and Geneva, Member of the Boards of Dolder AG, Grether AG, Jungbunzlauer Holding AG and persona service AG.

Career highlights: After a year with Davis Polk & Wardwell in New York in 1985, Sebastian Burckhardt joined Gloor Schiess & Partners, a predecessor firm of Vischer AG, where he advises family owned businesses in the life sciences, banking and distribution fields.

Qualifications: Studies in Economics and Law; PhD in Law from Basel University; admitted to the Bar of Switzerland; Civil law notary in Basel; admitted to the New York Bar following studies at New York University School of Law.

Key attributes for the Board: Dr Burckhardt is a specialist in corporate and commercial law and in mergers, acquisitions, joint ventures, licensing, distribution and technology agreements. His knowledge includes many years of experience on corporate boards.

Sebastian Burckhardt has decided not to stand for re-election to the Board at the 2022 AGM.



MARCO GADOLA

Non-executive member,
non-independent
Swiss (born 1963)

Chair of the Technology & Innovation
Committee, Board Member since 2020

Other main activities in 2021: Chairman of the Boards of DKSH Holding AG (listed), Medartis Holding AG¹ (listed) and WS Audiology Ltd, Vice Chairman of the Calida Group (listed) and the MCH Group, Board member of Tally Weijl, FC Basel Holding AG and AVAG. He also runs his own company focusing on cultural transformation support and executive coaching.

Career highlights: During his tenure as CEO from 2013 to 2019, the Straumann Group doubled its revenue, more than doubled its profits and more than tripled its workforce. He rejoined Straumann in 2013 as CEO, having previously served as CFO and EVP Operations from 2006 to 2008. He spent the interim years at Panalpina, as CFO and Regional CEO Asia Pacific. Prior to his first term at Straumann, he spent five years at Hero, where he was CFO and responsible for IT and Operations. Previously, he spent nine years at Hilti in senior commercial, sales and finance positions. Earlier in his career, he worked for Sandoz International Ltd as an Audit Manager and Swiss Bank Corporation in Corporate Finance.

Qualifications: Degree from Basel University in business administration and economics and INSEAD in Paris in Executive Coaching and Change Management; various programs at the London School of Economics and IMD in Lausanne.

Key attributes for the Board: Having served many years as CEO and formerly as CFO of Straumann, Marco Gadola has in-depth knowledge of the company, the industry and its competitors. Marco also brings a wealth of experience from other companies and industries and has worked in many different geographies around the world all of which is highly valuable.

1 For relationship to Straumann see Note 9.4 on p. 180



JUAN JOSÉ GONZALEZ

Non-executive member, independent
Peruvian/US citizen (born 1972)

Member of the Audit & Risk Committee
and Human Resources & Compensation
Committee, Board member since 2019

Other main activities in 2021: Chief Executive Officer at Ambu.

Career highlights: Before joining Ambu, Juan José Gonzalez served as President of Johnson & Johnson's orthopedic business, DePuy Synthes, in the US and as Chair of the Orthopedics Sector of AdvaMed in the US. Prior to this, he headed DePuy Synthes EMEA and was Vice President of J&J's Enterprise Program Office. Previously, he has held positions in global/regional management in J&J's consumer health business. He joined J&J in 2007 having worked for Pfizer, McKinsey and Procter & Gamble across various continents.

Qualifications: MBA from Notre Dame University, US; Master's degree in Technology Management from Columbia University, New York, US; Bachelor's Degree in Industrial Engineering from Lima University, Peru.

Key attributes for the Board: Mr Gonzalez is an expert in the medtech and consumer-health sectors with a deep knowledge of global markets, healthcare systems and technology. He has multinational experience and is skilled in strategy, execution, talent development and mentoring.



PETRA RUMPF

Non-executive member,
non-independent
Swiss and German (born 1967)

Member of the Technology &
Innovation Committee, Chair of the ESG
Task Force, Board member since 2021

Other main activities in 2021: Member of the Board of V-Zug Holding (listed) and SHL-Medical in Zug, Switzerland, Lima Corporate in Italy, Unilabs in Sweden.

Career highlights: Petra Rumpf joined Straumann in 2015 as Member of the Executive Management Board. As Head Intradent & Strategic Alliances she led the successful global expansion of the value brands and subsequently became Global Head Dental Service Organizations in 2017. Before joining Straumann, she served in the Executive Committee of Nobel Biocare from 2007 to 2014, where she held several global leadership positions. During her 13 years as Member of Executive Boards in the dental industry, she incubated and managed global business units, defined and implemented digitally driven business models, provided strategic leadership and successfully delivered M&A and organic growth. Before joining the dental industry, she worked 16 years at Capgemini Consulting across several continents and served as Vice President Strategy & Transformation in the life science and high-tech sectors.

Qualifications: Bachelor's degree in Economics from Trier University; MBA from Clark University, US.

Key attributes for the Board: Petra Rumpf is an exceptional industry insider in combination with a great network. Her understanding of digital transformation journeys, changing consumer choices and emerging business models make her a great asset for the company.



DR H.C. THOMAS STRAUMANN

Non-executive member,
non-independent
Swiss (born 1963)

Member of the Board, Member of the
Technology & Innovation Committee,
Board Member since 1990

Other main activities in 2021: Board memberships: centerVision AG (Chairman), CHI Classics Basel Ltd (Chairman), Medartis Holding AG¹ (listed, Vice Chairman) and Grand Hotel Les Trois Rois, Basel (owner and Board member).

Career highlights: Thomas Straumann was responsible for establishing the new Institut Straumann AG in 1990 and was both CEO (–1994) and Chairman (–2002). Further examples of his success as an entrepreneur and businessman are the medical device company Medartis AG, of which he is the founder, majority owner and Vice Chairman; the Grand Hotel Les Trois Rois, Basel, of which he is the owner and a Board Member and the equestrian event company CHI Classics Basel Ltd, of which he is Chairman. He has a diverse portfolio of interests, including not-for-profit activities.

Qualifications: Trained in precision engineering; studies at Basel Management School and the Management & Commercial School of Baselland; honorary doctorate from the Medical Faculty of the University of Basel.

Key attributes for the Board: Major shareholder of Straumann Holding AG and the Board's longest-serving member. He complements the Board with his understanding of the dental and medical device industries through personal management experience and various shareholdings.

1 For relationship to Straumann see Note 9.4 on p. 180



REGULA WALLIMANN

Non-executive member, independent
Swiss (born 1967)

Chair of the Audit & Risk Committee,
Member of the Human Resources &
Compensation Committee, Board
Member since 2017

Other main activities in 2021: Member of the Boards of Adecco Group AG (listed, Audit Committee Chair), Helvetia Holding AG (listed), Swissgrid AG (Finance & Audit Committee Chair); Supervisory Board Member of the Institute for Accounting, Control and Auditing at St. Gallen University.

Career highlights: Regula Wallimann worked for KPMG from 1993 to 2017. As a Global Lead Partner from 2003 on, she was responsible for several global companies. She was a member of the strategic partners committee of KPMG Switzerland from 2012 to 2014. In 2017, she started a new career as an independent financial expert and board member.

Qualifications: Degree in Business Administration, Economics and Accounting from St. Gallen University, management studies at INSEAD; Certified Public Accountant in the US and in Switzerland.

Key attributes for the Board: Regula Wallimann is an expert in multinational group auditing, international financial and non-financial reporting, risk management and corporate governance.

Board of Directors – Competence matrix

	Executive experience	Finance, audit, risk management	Compliance, regulatory, legal	Capital markets, M&A	Core industry experience (dental)	Transferable expertise in related industries	International business experience	Digitalization, technology	Strategy, business transformation	HR, compensation	Board governance	Sustainability
G. Achermann	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
T. Straumann	✓			✓	✓	✓	✓			✓	✓	✓
S. Burckhardt		✓	✓	✓						✓	✓	✓
M. Gadola	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
J.J. Gonzalez	✓		✓	✓		✓	✓	✓				✓
B. Lüthi	✓			✓		✓	✓	✓	✓	✓	✓	
P. Rumpf	✓			✓	✓	✓	✓	✓			✓	✓
R. Wallimann	✓	✓	✓	✓		✓	✓			✓	✓	✓

The Board comprised eight non-executive members in 2021. Having served on the Board since 2017, Monique Bourquin decided not to stand for re-election in 2021. To fill the gap left by her departure, Petra Rumpf was elected to the Board at the 2021 Shareholders' General Meeting. Apart from this, the composition of the Board of Directors remained unchanged in 2021.

The Directors are all Swiss citizens with the exception of Juan José Gonzalez, who has Peruvian and US citizenship. Petra Rumpf also has German citizenship in addition to Swiss citizenship. The average age of the Board Members at year-end was 57.

ELECTIONS AND TERM OF OFFICE

The members of the Board, the Chairman and the members of the Human Resources and Compensation Committee are all elected individually by the Shareholders' General Meeting for a term of one year. Re-election is permitted until the age of 70.

If the position of Chairman or a position in the Human Resources and Compensation Committee falls vacant, the Board appoints a replacement from among its own members for the remaining term of office.

At the 2021 AGM, all of the existing Board members standing for re-election and the Chairman were re-elected and Petra Rumpf was elected as a new Board member. Beat Lüthi, Juan José Gonzalez and Regula Wallimann were elected to the Human Resources and Compensation Committee. Following the AGM, the Board appointed Beat Lüthi as its Vice Chairman and Regula Wallimann, Sebastian Burckhardt and Juan José Gonzalez as members of the Audit and Risk Committee. Marco Gadola, Beat Lüthi,

Petra Rumpf and Thomas Straumann are members of the Technology and Innovation Committee. Regula Wallimann, Beat Lüthi and Marco Gadola were appointed to chair the Audit and Risk, Human Resources and Compensation and Technology and Innovation Committees, respectively.

INDEPENDENCE OF BOARD MEMBERS

The assessment of the Board member candidates' independence is an important factor. The evaluation also takes the interest of the company's largest shareholders into account ([see link](#)).

Mr Gadola served as the Group's CEO until the end of 2019 and Petra Rumpf as the Group's Head Dental Service Organizations until the end of 2020. None of the other current members have been a member of the executive management of any of the Group's companies during the past three years nor had any significant business connections with Straumann Holding AG or any of its subsidiaries in 2021.

Straumann Board of Directors – Memberships on other Boards

Member	Listed companies	Private companies	Not-for-Profit Organizations	Location	Function
Gilbert Achermann	Julius Bär Group AG/ Bank Julius Bär & Co. AG			CH	Board member
	Ypsomed			CH	Board member
			International Institute for Management Development (IMD)	CH	Supervisory Board member
			Basel Chamber of Commerce	CH	Board member
			International Team for Implantology (ITI)	CH	Board member
			Swiss Medtech	CH	Board member
Thomas Straumann	Medartis Holding AG			CH	Vice Chairman
		Centervision AG		CH	Chairman
		CHI Classics Basel Ltd		CH	Board member
		Grand Hotel Les Trois Rois		CH	Vice Chairman
Sebastian Burckhardt	Applied Chemicals International Group AG & group companies			CH	Board member
	Dolder AG			CH	Board member
	Grether AG & Gretherpark AG			CH	Board member
	Immobilien-gesellschaft zum Rheinfels AG			CH	Chairman
	Jungbunzlauer Holding AG			CH	Board member
	persona service AG			CH	Board member
			Fondation Bénina	CH	Board member
Beat Lüthi	INFICON AG			CH	Board member
	Skandia AG			CH	CEO & Board member
		APACO AG		CH	Chairman
		CTC Analytics AG		CH	Board Member

Member	Listed companies	Private companies	Not-for-Profit Organizations	Location	Function
Marco Gadola	DKSH			CH	Chairman
	Calida			CH	Vice Chairman
	Medartis Holding AG			CH	Chairman
		Tally Weijl		CH	Board member
		AVAG Anlage und Verwaltungs AG		CH	Board member
		WS Audiology Ltd		DK	Chairman
		MCH Group		CH	Vice Chairman
		FC Basel Holding AG		CH	Board member
			Schweizerische Management Gesellschaft	CH	Advisory Board member
			Swiss American Chamber of Commerce	CH	Advisory Board member
Regula Wallimann	Adecco Group AG			CH	Board member
	Helvetia Holding AG			CH	Board member
		Swissgrid AG		CH	Board member
			University of St. Gallen, Institute of Accounting, Control and Auditing (ACA-HSG)	CH	Supervisory Board member
Petra Rumpf	V-Zug Holding			CH	Board member
		LimaCorporate		I	Board member
		Unilabs		SE	Board member
		SHL-Medical		CH	Board member

OTHER ACTIVITIES AND VESTED INTERESTS

Unless stated in their CVs or in the table above, none of the Directors:

- Performed any activities in governing or supervisory bodies of significant foreign or domestic organizations, institutions or foundations under private or public law
- Held any permanent management or consultancy position for significant domestic or foreign interest groups
- Held any official function or political post

PERMITTED MANDATES OUTSIDE STRAUMANN (PURSUANT TO ART. 12 OAEC)

Art. 4.4 of Straumann's [Articles of Association](#) states that no member of the Board may perform more than 15 additional mandates (i.e. mandates in the highest-level governing body of a legal entity required to be registered in the Commercial Register or in a corresponding foreign register) in commercial enterprises, of which no more than five may be in listed companies.

The following are exempt from these restrictions:

- Mandates in enterprises that are controlled by the Group
- Mandates in enterprises that are performed at the instruction of the Group
- Mandates in associations, organizations and legal entities with a public or charitable purpose and in foundations, trusts and employee pension funds. No member of the Board of Directors may perform more than ten such mandates

Mandates in several legal entities under common control or under the same economic authority are deemed as one mandate.

WORKING METHODS AND ALLOCATION OF TASKS

The Board of Directors meets for one-day meetings at least five times a year and as often as business requires. In 2021, the full Board held eight meetings including two Board resolutions. The Audit and Risk Committee held five meetings, the Human Resources and Compensation Committee met five times and the Technology and Innovation Committee met three times. The CEO and CFO generally participate in Board meetings and are occasionally supported by other members of the Executive Management Board (EMB). Dr Andreas Meier, Chief Legal Officer of the Group, is responsible for the minutes. The Board of Directors consults external experts on specific topics where necessary.

Each Board of Directors meeting that took place in 2021 lasted seven hours on average. Each Board committee meeting that took place in 2021 lasted three hours on average. These figures indicate the actual length of meetings and do not include the Directors' extensive pre-meeting preparations and post-meeting follow-up activities. The participation rate for meetings of the Board of Directors in 2021 was 98%. For Committee Meetings in 2021 it was 100%.

The Board of Directors usually also participates in workshops, conferences and trade shows, co-travel and site visits to have first-hand insights into the business and interact or meet with customers. However, in 2021 such activities were limited due to COVID-19. The Chairman of the Board regularly represents the Straumann Group as a speaker at conferences for customers and the financial community.

The Board conducts an annual self-evaluation as well as an evaluation of the performance of the EMB. It also provides mentoring to the EMB, with the aim of providing executives with an experienced sparring partner, coach and sounding board for testing ideas and seeking qualified independent opinions.

The Board of Directors has a quorum if a majority of its members is present. This does not apply to resolutions that require public notarization. Valid resolutions require a majority of the votes cast. In the event of a tie, the Chairman of the meeting has the decisive vote. The Board is responsible for the overall strategic direction of the Group and its management, the supervision of the EMB and financial control. It reviews the company's objectives and identifies opportunities and risks. In addition, it appoints and dismisses the CEO and members of the EMB. The tasks and duties of the Board, as well as those of the Chairperson and Vice Chairperson, are listed in sections 4.2 and 4.3 of the Organizational Regulations.



COMMITTEES AND TASK FORCES OF THE BOARD OF DIRECTORS

The Board of Directors has an Audit and Risk Committee, a Human Resources and Compensation Committee and a Technology and Innovation Committee, each consisting of no fewer than three Board members with relevant background and experience.

AUDIT & RISK COMMITTEE

Members: Regula Wallimann (Chair), Dr Sebastian Burckhardt and Juan José Gonzalez.

HUMAN RESOURCES & COMPENSATION COMMITTEE

Members: Dr Beat Lüthi (Chair), Juan José Gonzalez and Regula Wallimann.

TECHNOLOGY & INNOVATION COMMITTEE

Members: Marco Gadola (Chair), Dr Beat Lüthi, Petra Rumpf, Dr h.c. Thomas Straumann.

The members of the Human Resources and Compensation Committee are elected by the General Meeting for a term of one year. In the event of a vacancy in the Human Resources and Compensation Committee, the Board of Directors appoints the replacement from among its own members for the remaining term of office. The members and the chairpersons of both the Audit and Risk Committee and the Technology and Innovation Committee are appointed by the Board of Directors. The Human Resources and Compensation Committee constitutes itself.

The tasks of each of these committees are listed in their respective charters, which are attached to the [Organizational Regulations](#). The Board of Directors may establish further committees or appoint individual members for specific tasks.

SUSTAINABILITY ACCELERATOR TASK FORCE

In addition to the above committees, the Board has established a Sustainability Accelerator Task Force under the leadership of Petra Rumpf with members of the Board of Directors and Executive Management Board, as well as employees ([see p. 40 for details](#)). The Sustainability Accelerator Taskforce will continue to be in place for 2022. Additionally, the Audit and Risk Committee and the Human Resources and Compensation Committee (with focus on Social) will oversee ESG topics going forward.

Board committees

	Audit & Risk Committee	Human Resources & Compensation Committee	Technology & Innovation Committee
G. Achermann Chairman			
Dr B. Lüthi Vice Chairman		Chair	Member
Dr S. Burckhardt	Member		
M. Gadola			Chair
J. J. Gonzalez	Member	Member	
P. Rumpf			Member
Dr h.c. T. Straumann			Member
R. Wallimann	Chair	Member	

Board and committee meetings 2021

Meetings	Board (incl. 2 Board resolutions)	Audit & Risk Committee ²	Human Resources & Compensation Committee ²	Technology & Innovation Committee ²
G. Achermann	8 (8 ¹)	5	5	3
T. Straumann	7 (8 ¹)			3
M. Bourquin (until April 2021)	1 (1 ¹)	1	1	
S. Burckhardt	8 (8 ¹)	5		
M. Gadola	8 (8 ¹)			3
J.J. Gonzalez	8 (8 ¹)	4	4	1
B. Lüthi	8 (8 ¹)		5	3
R. Wallimann	8 (8 ¹)	5	5	
P. Rumpf (since April 2021)	7 (7 ¹)			2

¹ Meetings held during individual's term of office

² 100% attendance of all Committee meetings by all Board members



NADIA TAROLLI SCHMIDT

Swiss and Italian (born 1973) Non-executive member, independent

Proposed for election as a Member of the Human Resources & Compensation Committee and as a Member of the Audit & Risk Committee

PROPOSED NEW BOARD MEMBER

At the Annual General Meeting of the shareholders on 5 April 2022, the Board of Directors will propose the election of Nadia Tarolli Schmidt as a new Board Member. Ms Tarolli Schmidt studied law at the University of Basel. She is a lawyer admitted to the Bar of Switzerland and a certified tax expert. She is a partner at the business law firm VISCHER AG with a special focus on finance, healthcare and life sciences. Nadia Tarolli Schmidt was born in 1973 and holds Swiss and Italian citizenships. Straumann's Board of Directors will benefit from her expertise as an independent lawyer. She has in-depth know-how in tax and social security matters as well as with respect to the structuring of mergers and acquisitions. Her experience on several other corporate boards as well as her specialist knowledge in financial matters will be an asset to the Board. Nadia Tarolli Schmidt will join as an independent member of the Board.

ASSIGNMENT OF RESPONSIBILITIES TO THE EXECUTIVE MANAGEMENT BOARD

The Board of Directors has delegated responsibility for the operational management and sustainable development of the Group to the Chief Executive Officer (CEO) and the other members of the EMB. For their specific responsibilities, see the chart [on p. 111](#) and section 5 of the Organizational Regulations. The Board may revoke delegated duties at any time.

The Board of Directors has not delegated any management tasks to companies or persons outside the Group.

INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE EXECUTIVE MANAGEMENT

MANAGEMENT INFORMATION SYSTEM

The Group's Management Information System encompasses management, business and financial reporting. The information is provided to the Executive Management Board once a month and to the Board of Directors as a monthly summary and in detail on a quarterly basis.

Straumann operates a state-of-the-art SAP enterprise resource planning system, which covers 90% of all business transactions of the Group's fully consolidated entities. The system links Group headquarters directly with all major subsidiary companies and production sites, including ClearCorrect which switched to SAP on 1 January 2021. Anthogyr and Turkey are due to follow early in 2022 and Russia by the end of 2022. This system greatly reduces the potential for error or fraud and enables the Executive and Senior Management to monitor local processes and related figures directly, in detail and in real time.

In addition, the Board of Directors maintains close contact with the Executive Management and usually gains first-hand information through workshops, co-travel, site visits and participation in staff meetings. Unfortunately, many of the client-facing interactions, on-site visits and co-travels were limited in 2021 due to COVID-19.

INTERNAL CONTROL SYSTEM

The Group's Internal Control System (ICS) is a key instrument for designing business processes, measuring progress towards financial goals and addressing potential financial issues before they occur. It also supports the design of business processes in order to achieve the desired level of control in terms of efficiency and effectiveness.

The company's approach is to ensure that internal controls are accurate, timely, robust and receive appropriate management attention in each respect. To achieve this, dedicated control templates are used for each business process to address major risks. The templates are continuously improved.

In addition, each entity (sales affiliate, production site or global function) has a designated, trained person or team that is ultimately accountable for the assessment undertaken and the decisions arising from it. Clear benefits of the ICS include enhanced segregation of duties, increased control consciousness and higher awareness of potential risks and their consequences.

The ICS program is coordinated by the Group CFO, who meets with the external auditors on a regular basis to discuss the status of internal control issues and the status of remediation of control deficiencies. Internal controls are evaluated annually by the external auditors and by Internal Audit according to an agreed program.

INTERNAL AUDIT

The role of the Group's Internal Audit function is to provide independent assurance to the Board of Directors that the key risks of the organization are under control and to support Management in ensuring compliance, operational efficiency and control effectiveness across the Group.

Until 2021 a highly experienced team at KPMG in Basel complemented by local KPMG offices with specific local language skills and expertise executed the Internal Audit missions reporting to the Audit and Risk Committee. In 2021, six internal audits were performed at local level according to the audit program approved by the Audit and Risk Committee of the Board of Directors.

After several years of successfully outsourcing the Internal Audit function to KPMG, the Board of Directors has decided to insource the Head of Internal Audit role as of 1 January 2022 and to continue collaboration with KPMG in a co-sourcing model.

CORPORATE RISK MANAGEMENT

The Board of Directors is responsible for the overall supervision of risk management and uses the Internal Audit function to this end. The Board has delegated the task of risk management to the Chief Risk Officer (CRO), who is also the CFO. Through its Audit and Risk Committee, the Board assesses and discusses risks on a regular basis in consultation with the CRO and/or the relevant members of senior management (see p. 86).

EXECUTIVE MANAGEMENT BOARD (as of 1 January 2022)



GUILLAUME DANIELLOT

French (born 1970)
Chief Executive Officer

Career highlights: Guillaume Daniellot's career began in hospital product management, initially at Coloplast and then at B. Braun, as an international business unit manager. He switched to the dental industry in 2001, joining Dentsply France, where he became Sales & Marketing Director. He joined Straumann in 2007 as Managing Director of Straumann France. Two years later, he transferred to Group Headquarters to become Head of Global Sales Digital Dentistry. Shortly afterwards he took over responsibility for Straumann's Prosthetic Laboratory Business Group, including global management of sales, marketing, product development, training and education. In both these roles, he was a member of the Corporate Management Group. He joined Straumann's Executive Management Board in 2013 serving as Head Sales Western Europe in 2013–16 and Head North America (2016–19). He took on his current role as CEO of the Straumann Group on 1 January 2020.

Qualifications: Bachelor's degree in Physics from the University of Dijon, Masters in Marketing from FGE in Tours; Masters in Business Administration from ESC European School of Management, Paris.

Other activities: Member of the Board of the ITI¹ and Member of the Advisory Board of Rodenstock GmbH.

¹ For relationship to Straumann see Note 9.4 on p. 180



DR PETER HACKEL

Swiss (born 1969)
Chief Financial Officer

Career highlights: Peter Hackel rejoined Straumann as CFO in 2014 after three years at Oerlikon Industrial Group, where he was CFO of the global segment Oerlikon Drive Systems. He first joined Straumann in 2004 in a project management and business development role and rose to become Head of Group Controlling and member of the Corporate Management Group. Prior to his first tenure at Straumann, he spent three years at Geistlich Biomaterials as Director of Marketing & Sales Orthopedics and two years at McKinsey & Company as a consultant.

Qualifications: PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich; studies in Business Administration at the University of Hagen in Germany.

Other activities: Member of the Board of Directors of Georg Fischer AG (listed) and Member of the Board of the Swiss Association of Chief Finance Officers.

**WOLFGANG BECKER**

German (born 1966)
Head Distributor and Emerging Markets
EMEA (as of 2021 including Sales Central
and Eastern Europe)

Career highlights: Wolfgang Becker began his professional career at Straumann in 1986 and held a series of managerial positions of increasing responsibility in the company's German subsidiary, becoming Head of Human Resources in 1991, Head of Marketing in 2000 and General Manager of Straumann Germany in 2001. He served on Straumann's Executive Committee as Head of Sales Europe from 2005 to 2006. His responsibilities then focused on the company's business in Central and Eastern Europe and distributor markets. In 2013, he rejoined the Group's Executive Management Board as Head Sales Central Europe & Distributors EMEA.

Qualifications: Commercial Apprenticeship, plus a number of business school diplomas including that of the St. Gallen Management Center.

**CAMILA FINZI**

Brazilian (born 1972)
Head Orthodontics Business Unit

Career highlights: Camila Finzi joined Straumann Group in January 2020 from Alcon, the world's largest eye-care device company, where she was responsible for the Latin America and Caribbean Region. From 2004 to 2013, she worked for Alcon's parent company, Novartis, rising through managerial positions of increasing responsibility in marketing and sales to business-unit and regional leadership. Prior to joining Novartis, she spent four years at Pfizer, initially in Finance and subsequently in senior pharmaceutical product management. The first six years of her career were in finance at Cargill and Arthur Andersen.

Qualifications: Bachelor's degree in Economics from Fundação Armando Álvares Penteado University, São Paulo; MBA from Fundação Dom Cabral Business School; Executive Education program at Harvard University.

**HOLGER HADERER**

German (born 1969)
Head Implantology Business Unit

Career highlights: Prior to joining the EMB at the beginning of 2020, Holger Haderer very successfully managed the Group's largest European business, Germany, for three years. He spent the previous seven years as Head Marketing & Sales Western Europe, including an ad-interim stint of 14 months as Country Manager of Straumann France. He joined Straumann in 2006 as Head of Marketing & Education in Germany and became Head of Market Management Dental Labs in 2008. He began his career in 1991 at Sulzer Medica in product management, marketing and sales.

Qualifications: Degree in Economics from Baden-Wuerttemberg Cooperative State University (DHBW).

**MARK JOHNSON**

US citizen (born 1958)
Head Operations, Regulatory and
Quality Affairs

Career highlights: Mark Johnson joined Straumann Group on 1 May 2020 from Eprexia (a former division of Thermo Fisher Scientific that was acquired by KKR in a carve-out transaction), where he was responsible for global operations since 2016. He spent the previous ten years with Medtronic with responsibility for Operations and Supply Chain. From 2003 to 2006, he worked for Philips Oral Healthcare (Sonicare), prior to which he held senior managerial positions in two manufacturing firms serving the medical device and computer industries.

Qualifications: BSc in Mechanical Engineering from the University of Washington, graduated in the Management Program at Foster School of Business at the same university, Six Sigma Green Belt and Certified Lean Expert.

**PATRICK LOH**

Malaysian (born 1967)
Head Sales Asia Pacific

Career highlights: Patrick Loh joined Straumann Group in his current role in 2017, having spent the previous three years with Haemonetics Corporation, a global provider of blood/plasma supplies and services, where he was President of the Asia Pacific region and a member of the Corporate Operating Committee. His career spans 30 years in the medical device and life science sectors with multinationals including Thermo Fisher Scientific, Kinetics Concepts and B.Braun. Starting in product management, he rose through general country management to regional leadership, establishing a strong track record of commercial success and strategic business growth. He has spent most of his career based in China and Hong Kong.

Qualifications: Studies in marketing in Malaysia; Executive MBA from Olin Business School, Washington University, US; Executive Programs at INSEAD, Singapore and Babson College, US.

Other activities: Chairman of the Essence & DM Dental Industry Investment Partnership, a private equity fund addressing the dental sector in China.

**DIRK REZNIK**

German/Swiss (born 1966)
Head Digital Business Unit

Career highlights: Dirk Reznik joined Straumann Group in 2020. He is an experienced executive with a proven international track record in electronic consumer products and digital ecosystems. He joined Straumann from the Vorwerk Group, where he was CEO of its largest division, Thermomix, for 9 years. Mr Reznik began his career at Vorwerk in 1993 and progressed through positions of increasing responsibility in marketing, business development, country management and divisional leadership.

Qualifications: Degree in Business Administration from the University of Paderborn, Germany, CAS HSG (Certified Director for Board Effectiveness); University of St. Gallen.

Other activities: Member of the Boards of Gilde Management Buy Out and Moguntia Food Group in Switzerland, Member of the Board of Amor Holding in Germany until end of August 2021, Member of the Digital Advisory Board of V-ZUG in Switzerland since October 2021.

**ALASTAIR ROBERTSON**

British (born 1960)
People Management & Development

Career highlights: Before taking on his current role at Straumann Group in mid-2019, Alastair Robertson served as Chief HR/People Officer and Member of the Executive Board in each of his three previous companies: Kingfisher Plc (2016–19), C&A (2014–16) and Panalpina (2007–14). In his last role at Kingfisher he also held overall commercial responsibility for their Spanish business, Brico Depot. Prior to this, he spent 11 years with Tetra Pak in senior HR positions and line management and then in training and development with W.H. Smith and Graham Builders Merchants in the UK. He has considerable international experience, having lived and worked extensively on all continents. He began his professional career in the British Military Forces, gaining his Officer's Commission at the Royal Military Academy Sandhurst before serving in the Royal Engineers including in the Falklands as Head of the Joint Services Bomb Disposal Unit.

Qualifications: MBA from Huddersfield University, UK, Commendation from IMD, Lausanne; Chartered Fellow of the Institute of Personnel and Development (FCIPD).

**AURELIO SAHAGUN**

Spanish/US citizen (born 1973)
Head Sales North America

Career highlights: Aurelio Sahagun joined Straumann Group in 2021 having most recently served as President of the Orthopedics Division for the multinational medtech firm MicroPort Scientific. Before joining MicroPort in 2014, he spent seven years at Wright Medical Technology in the Netherlands, initially in finance and subsequently in senior sales and regional management positions. Prior to his medtech career, he spent six years in the finance and banking industry.

Qualifications: Bachelor's degree in Economics from the Autonomous University of Madrid; MBA from HEC School of Management in France.

Other activities: Member of the Board of Directors of Harvard Dental School.



RAHMA SAMOW

German (born 1979)
Head Dental Service Organizations

Career highlights: Rahma Samow joined Straumann Group from the global medical technology company Siemens Healthineers, where she was Senior Vice President, Global Head of Marketing, Sales & Communications at Digital Health Services. She began her career at that company in 2006 and rose through a series of managerial positions with increasing responsibility, including Head of Business Management Imaging IT Middle East & Africa and Vice President, Head of Global Sales, Digital Health Services. Prior to joining Siemens Healthineers, she worked for Parexel International, a global clinical research organization and biopharmaceutical services company.

Qualifications: Diploma in Medical Radiology, Radiation Therapy and Nuclear Medicine Technology from the Medical University of Bonn, Germany.

Other activities: Board member of the non-profit organization Local Start Dental, US, Board Member of A.T. Still University Arizona School of Dentistry & Oral Health (ATSUASDOH).



MATTHIAS SCHUPP

German (born 1964)
Head Sales Latin America, CEO of Neodent

Career highlights: Matthias Schupp joined Straumann Group from Procter & Gamble in 2007 as Regional Manager, Western Europe. In 2013, he was appointed Head of Sales LATAM and joined the management of Neodent, of which he became CEO early in 2015. Mr Schupp joined Straumann's Executive Management Board at the beginning of 2016. He began his career in marketing and customer service with Merck KGaA, the German pharmaceutical, fine chemicals and diagnostics company, and rose through country management to the position of Regional Manager Latin America and US. He moved to Wella in 2000 as Managing Director of the business in Russia and became Managing Director Professional Care Portugal in 2004, following the acquisition of Wella by P&G.

Qualifications: Graduated from the German/Brazilian High School in Rio de Janeiro; on-the-job training in management and business administration through professional development programs at Merck and P&G.

**DR CHRISTIAN ULLRICH**

German (born 1972)
Chief Information Officer

Career highlights: Christian Ullrich joined Straumann Group in 2021 from Bayer, a life science company with core competencies in the fields of health care and agriculture, where he was Senior Vice President, Global Chief Information Officer at Bayer Consumer Health. Christian Ullrich was instrumental in shaping the digital agenda of the Consumer Health Division and accelerating the business transformation with digital technology and data analytics across the entire value chain. He began his career at the company in 2006 and rose through a series of managerial positions with increasing responsibility, including Divisional Head of Accounting and Controlling, Head of Post-Merger Integration United States as well as Vice President, Global Head of Marketing and Sales IT. Prior to joining Bayer, Christian worked for Deloitte, a professional services company providing consulting, audit, advisory and tax services.

Qualifications: Master's Degree in Business Administration and Mechanical Engineering from the Technical University of Darmstadt, Germany; PhD in Economics from the University of Lüneburg, Germany.

The CEO and, under his direction, the other EMB members are responsible for the Group's overall business and day-to-day management. The EMB is also responsible for the implementation of strategic decisions and stakeholder management. The CEO reports to the Board regularly and whenever extraordinary circumstances require. Each member of the EMB is appointed and discharged by the Board of Directors.

APPOINTMENTS AND CHANGES

Straumann has invested significantly in career and personal development programs in recent years.

2021

The following EMB appointments and changes were made in 2021:

WITH EFFECT AS OF 1 JANUARY:

- Robert Woolley, former Head Sales North America, was appointed Head Sales Western Europe, succeeding Jens Dexheimer, who left the company at the end of 2020.
- Aurelio Sahagun joined from MicroPort Scientific, taking over from Robert Woolley as Head Sales North America.

WITH EFFECT AS OF 1 MARCH:

- Rahma Samow joined from Siemens Healthineers as Head DSO, succeeding Petra Rumpf, who left the company at the end of 2020.

WITH EFFECT AS OF 1 OCTOBER:

- Dr Christian Ullrich joined from Bayer to the new role of Chief Information Officer.

WITH EFFECT AS OF 31 DECEMBER:

- Robert Woolley left the company at the end of 2021 and the EMB no longer includes the role of Head Sales Western Europe.

A new Chief Consumer Officer will join Straumann Group and its EMB in 2022.

Executive Management Board as of January 2022

CHIEF EXECUTIVE OFFICER

Guillaume Daniellot

SALES CENTRAL & EASTERN EUROPE, MIDDLE EAST & AFRICA
Wolfgang Becker

SALES NORTH AMERICA
Aurelio Sahagun

SALES ASIA PACIFIC
Patrick Loh

SALES LATIN AMERICA & CEO NEODENT
Matthias Schupp

DENTAL SERVICE ORGANIZATIONS
Rahma Samow

CHIEF FINANCIAL OFFICER
Dr Peter Hackel

IMPLANTOLOGY BUSINESS UNIT
Holger Haderer

OPERATIONS, REGULATORY & QUALITY AFFAIRS
Mark Johnson

DIGITAL BUSINESS
Dirk Reznik

ORTHODONTICS
Camila Finzi

CHIEF INFORMATION OFFICER
Dr Christian Ullrich

PEOPLE MANAGEMENT & DEVELOPMENT
Alastair Robertson

EXECUTIVE MANAGEMENT BOARD (former members in 2021)



ROBERT WOOLLEY

US citizen (born 1976)
Head Sales Western Europe (as of 2021),
Head Sales North America (2020)

Career highlights: Robert Woolley joined Straumann Group in 2019 and took over as Head Sales North America. He moved to his position as Head Sales Western Europe at the beginning of 2021. Before joining Straumann, he headed the ENT business unit of Stryker, a leading medical technology company, which he joined in 2014 as Managing Director and General Manager of the Neurovascular business in EMEA. Between 2010 and 2014 he headed the European business unit of TriVascular, a medical technology company specializing in vascular repair devices. Prior to this, he spent two years as Director of Business Development at Dow Healthcare and three years in managerial positions at Medtronic in M&A integration, marketing and sales. He began his career in 2000 at Dow Chemical in Technical Sales & Account Management.

Qualifications: BSc in Mechanical Engineering from Brigham Young University, MBA from Harvard Business School.

Other activities: Member of the Board of Cryosa, Inc. in the US.

The company and the Board of Directors would like to thank Robert Woolley for his valuable contributions and dedication to the Straumann Group over the past years and wish him all the best for the future.

OTHER ACTIVITIES AND VESTED INTERESTS

Unless stated in their CVs, no member of the EMB:

- Performed any activities in governing or supervisory bodies of significant foreign or domestic organizations, institutions or foundations under private or public law
- Held any permanent management or consultancy function for significant domestic or foreign interest groups
- Held any official function or political post

PERMITTED MANDATES OUTSIDE STRAUMANN (PURSUANT TO ART. 12 OAEC)

Art. 4.4 of Straumann's [Articles of Association](#) states that no member of the EMB may perform more than five mandates (i.e. mandates in the highest level governing body of a legal entity required to be registered in the Commercial Register or in a corresponding foreign register) in commercial enterprises, of which no more than two may be in listed companies. The following are exempt from these restrictions:

- Mandates in enterprises that control the Group or are controlled by the same
- Mandates in enterprises that are performed at the instruction of the Group
- Mandates in associations, organizations and legal entities with a public or charitable purpose and in foundations, trusts and employee pension funds. No member of the Executive Management may perform more than three such mandates

Mandates in several legal entities under common control or under the same economic authority are deemed as one mandate.

MANAGEMENT CONTRACTS

The Board of Directors and the EMB have not delegated any managerial powers to persons or companies outside the Group.

COMPENSATION, SHAREHOLDINGS AND LOANS

The compensation and equity holdings of the Board of Directors and the EMB and their related parties are disclosed in the Compensation Report on [p. 128 ff.](#) and in the audited financial statements in Notes 3.3 on [p. 156](#) and 9.4 on [p. 180 ff.](#)

SHAREHOLDERS' PARTICIPATION RIGHTS

Each share duly entered in the share register entitles the shareholder to one vote. On 31 December 2021, approximately 70.9% (2020: 71.5%) of the issued capital was registered in the share register.

All shareholders may be represented at the General Meeting by a proxy. Proxies and directives issued to the independent voting representative may be given either in writing or online. Other voting representatives must have a proxy signed by hand by the shareholder. The Board of Directors decides whether proxies shall be recognized.

The independent voting representative is elected by the General Meeting for a term of office until the end of the next AGM and can be re-elected. In the case of a vacancy, the Board of Directors shall designate an independent voting representative for the next General Meeting.

QUORUMS

The General Meeting adopts its resolutions and holds its ballots by a majority of votes cast. Abstentions and invalid ballots are not taken into account. The legal provisions (in particular section 704 of the Swiss Code of Obligations) that stipulate a different majority are reserved.

CONVOCAION OF GENERAL MEETINGS, AGENDA PROPOSALS

The Shareholders' General Meeting is convened by the Board of Directors within six months of the end of the business year. The 2022 meeting will be held on 5 April without shareholders being physically present.

Shareholders individually or jointly representing at least 10% of the share capital may request an extraordinary General Meeting. The request must be

made to the Board of Directors in writing, stating the agenda items and motions.

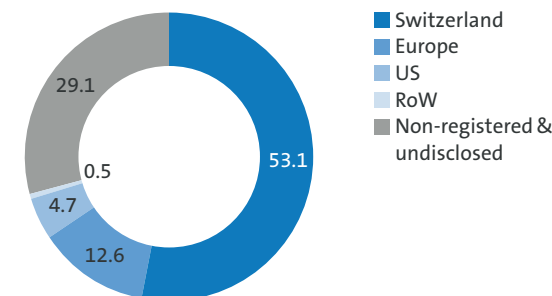
Invitations to the General Meeting are issued in writing and are delivered via ordinary mail to the address recorded in the share register at least 20 days before the General Meeting and are published on the company's website. If shareholders agree to the electronic delivery of notices, the invitation is also sent by email. All agenda items and proposals by the Board of Directors and by shareholders who have requested the General Meeting must be announced in the notice convening the General Meeting.

Shareholders who individually or jointly represent shares with a par value of at least CHF 15 000 may ask for an item to be included in the agenda. The request shall be in writing at least 45 days before the General Meeting and must set forth the agenda items and the proposals of the shareholder(s).

ENTRIES IN THE SHARE REGISTER

Share purchasers are entered in the share register as shareholders with voting rights if they expressly declare that they have acquired the registered shares in their own name and for their own account. Purchasers who are not willing to make such declarations are registered as shareholders without voting rights. Proof of acquisition of title in the shares is a prerequisite for entry in the share register. Nominees approved by the Board of Directors are recorded in the share register as shareholders with voting rights. Nominees who have not been approved by the Board of Directors may be refused recognition as shareholders if they do not disclose the beneficiary. In such cases, the nominees will be recorded in the share register as shareholders without voting rights. As of 31 December 2021, no nominee had asked for registration and voting rights.

Shareholdings on 31 December 2021 by geography in %



Shareholders by volume of shares held¹ absolute number

	31 Dec 2021	31 Dec 2020
1–100 shares	15 825	13 297
101–1 000	2 303	2 437
1 001–10 000	326	339
10 001–100 000	61	56
100 001–1 000 000	8	10
1 000 001 and more	2	2
TOTAL	18 525	16 141

¹ Non-registered shareholders are not considered in this table

There are no statutory rules concerning deadlines for entry in the share register. However, for organizational reasons, the share register is closed several days before the General Meeting. The cut-off date for inscriptions is announced in the invitation to the General Meeting.

CHANGES OF CONTROL AND DEFENSE MEASURES

[The Articles of Association](#) of Straumann Holding AG do not contain provisions for opting out or opting up. There are no change-of-control clauses included in agreements and schemes benefiting members of the Board of Directors or the Executive Management Board or other management staff.

EXTERNAL AUDITORS

The Shareholders' General Meeting elects and appoints the Group's external auditors on an annual basis. In April 2021, Ernst & Young AG, Basel, was re-elected as auditor of Straumann Holding AG for an eighth term of one year. The auditor in charge is Martin Mattes, Swiss Certified Public Accountant, who took over the mandate from Daniel Zaugg in 2021.

INFORMATION INSTRUMENTS PERTAINING TO THE EXTERNAL AUDIT

The Board of Directors supervises the external auditors through the Audit and Risk Committee, which met five times in 2021. The external auditors participated in two of these meetings to discuss the scope, the audit plan and the auditors' conclusion of the financial report. Details of the instruments that assist the Board in obtaining information on the activities of the external auditors are on [p. 103](#).

The worldwide fees paid to the auditors are outlined in the table on the right.

Worldwide fees in CHF 1 000

	31 Dec 2021	31 Dec 2020
Total audit fees	1 288	1 122
Tax consultancy	191	308
Transaction services	55	0
Other services	15	41
Total non-audit fees	261	349
TOTAL	1 550	1 471

INFORMATION POLICY

Straumann is committed to a policy of open, transparent and continuous information. In accordance with the rules of the SIX Swiss Exchange, the Group publishes detailed sales figures on a quarterly basis as well as annual and half-yearly reports. Detailed information is provided at the AGM and the minutes are published on the company's website. Where necessary or appropriate, the Group also publishes additional information on significant events. The CEO, CFO, the Heads of Investor Relations and Corporate Communication are responsible for communication with investors and representatives of the financial community, media and other external stakeholders.

In addition to the Group's materiality assessment (see p. 41 ff. for details), a Capital Markets Day in December, personal contacts, discussions and presentations online, the Group held four quarterly financial results online conferences for the media and analysts in 2021. On average, each event was attended by approximately 150 participants by webcast or by conference call. In addition, Straumann's CEO, CFO and Head of Investor Relations virtually and physically attended 17 equity conferences. They also spent a total of 14 days at roadshow events to meet with investors. Besides these previously-mentioned events, top management remained in very close contact with its investors.

As in 2020, the company organized investor meetings focusing on corporate governance topics with the Chairman and the Head of Human Resources and Compensation Committee.

Research analysts from 15 banks/brokers cover developments at the Straumann Group and are listed [online](#). This figure represents three fewer analysts than in the previous year.

Furthermore, the Group frequently publishes media releases, briefing documents and other materials, which are archived and available online. The Company offers a media release subscription service via its website and takes care to ensure that investor-relevant releases are circulated broadly and in a timely manner according to the rules of the SIX Swiss Exchange and with due regard for the principles of fair disclosure. The company does not update its releases, reports and presentations, which means that the information they contain is only valid at the time of publication. The Group advises against relying on past publications for current information.

ANNUAL REPORT & COMPENSATION REPORT

The Group's Annual Report is an important instrument for communicating with various stakeholder groups. It is published electronically in English on the company's website. In addition, the Compensation Report is issued as part of the Annual Report and can be [downloaded here](#) in English or German.

MEDIA USED FOR REPORTING PURPOSES

The company's website is www.straumann-group.com. The company's journal of record is the Swiss Official Gazette of Commerce SOGC (Schweizerisches Handelsamtsblatt SHAB).

Subscriptions to the email distribution service (according to Art. 8 of the Directive Ad hoc Publicity, DAH) can be made [here](#). Information according to Art. 9 DAH can be found [online](#).

Further information requests should be addressed to:

CORPORATE COMMUNICATIONS

corporate.communication@straumann.com
Tel. +41 61 965 11 11
Peter Merian-Weg 12
CH-4002 Basel

INVESTOR RELATIONS

investor.relations@straumann.com
Tel. +41 61 965 16 78
Peter Merian-Weg 12
CH-4002 Basel

CALENDAR

Straumann's calendar of planned reporting dates is updated on the [company's website](#).

COMPEN

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LETTER FROM THE CHAIRMAN OF THE HUMAN RESOURCES & COMPENSATION COMMITTEE (HRCC)

DEAR READER,

As Chair of the Human Resources and Compensation Committee, I am pleased to present the Compensation Report for 2021.

In 2021, the Group continued its strong growth with impressive results in all organizational units and set clear goals for a sustainable future. This success in the face of the COVID-19 business environment reinforces the confidence we have in our agility and our high-performance culture. As the waves of COVID-19 impact our customers in unpredictable and uncertain ways, we continue to keep our customer focus at the core of everything we do – from our business strategies to enabling agile processes. Through the leadership of the Executive Management Board and the high-performance culture embedded within the Group, we continue to quickly and effectively pivot to new tactics to manage shifting customer and patient needs and to delivering new solutions and products that our customers and patients have come to rely on from the Straumann Group. This agility is more important than ever before and is a clear pillar to our success this past year and our growth and success in the future.

For our people, the pandemic has become part of our daily lives in the work that they do, where they do it and how it is accomplished. We have now implemented flexible working principles globally, in order to enable our staff to continue the benefit of home offices, while also maintaining a reinvigorated office culture. These principles have been adapted and adopted into local policies and practices as appropriate. We firmly believe this change will

continue to help us attract and retain talent from around the world.

During 2021, we took the opportunity to review all employee benefits in our major markets and will extend this exercise in 2022 to all organizational units. The review covered key benefit programs, for example, pensions and insurance coverage, parental leaves, employee assistance programs or other local plans. The results of this analysis are being considered as part of our ongoing dialogue of our Total Rewards offering, to ensure our employees are provided with fair and competitive rewards across the Group and that we are updating and upgrading with the goal of remaining an attractive employer. We also continue to focus on the topic of diversity, inclusion, belonging and equality, continually raising the bar to ensure the topic is at the forefront of all people practices. Further details on these can be found in the Empowering people section of the Sustainability report ([see on p. 57](#)).

In the second half of 2021, we conducted the Equal Pay Analysis for our Switzerland-based entities in alignment with the requirements set out in Art. 13d of the Gender Equality Act (GEA) and Art. 7 of the Ordinance on the Examination of the Equal Pay Analysis. The analysis covered our relevant Swiss entities and complied with the GEA guidelines as it was validated by an independent audit on the analysis methodology and results. The results of the analysis showed no statistically significant effect of gender on pay in our Switzerland-based entities overall, which we believe reflects our culture and practices of fair and equal treatment of our employees. We will continue to

expand the review of pay equity through the Group. We also took the opportunity to review the relevance of our performance metrics and targets for our incentive plans in the context of our strategic goals and in the wake of the pandemic. This review, conducted at the end of 2021, reassured us that our compensation model is attractive and it will remain stable in 2022.

Lastly, in response to feedback received by our stakeholders, the payout made for the 2021 short-term incentive (STI) payment to the Executive Management Board (and all eligible Group employees) will be based on the financial achievement of the Group and organizational financial targets. The Board's decision to approve an extraordinary and discretionary STI payment for 2020 to every eligible person employed in the Group, proved to be a highly motivational, inspirational and important catalyst that maintained the rebound momentum of 2020 into 2021. This is evident in many of our performance metrics such as revenue growth and overall value creation, where the Group's agility and the strength of our high-performance culture. Additionally, our financial performance during 2021 enabled us to grow in many aspects and with that significantly from 7 340 to 9 054 employees ([see p. 58](#)).

LOOKING AHEAD

In 2021, our leadership announced the strategic direction for the future and continued extensive work to evolve the foundation of our culture and journey as an organization. We sharpened our purpose and vision and clearly redefined our mission and beliefs, as they guide our day-to-day decisions and actions for the future (see p. 12, 15). This will support growth and help to capture new opportunities and continue our success inside and outside of the traditional dental implant industry.

We believe company culture is at the heart of a successful organization and defines how we do business. Our beliefs shape our behaviors, behavior drives culture and culture drives results, helping us to deliver on our promise to impact more smiles every year. We will capitalize on our internal expertise by connecting talent with opportunities and deploying people to growth areas. Sustainable growth and expansion requires connecting people to new opportunities, which helps build succession pipelines and positions our talent to learn new skills, all while being supported by our global mobility and career mobility initiatives to be launched in 2022. With these initiatives, we will have tools in place to develop our people for the future, while managing a consistent focus on our customers, even when placed in new positions and geographies.

In this context we will revisit our talent management strategy and our compensation philosophy and practices during 2022 to ensure they are meaningful and competitive within these expanded markets and talent arenas. We will involve key stakeholders throughout the journey to ensure directional alignment and robust decision making.

I would like to thank every member of our global team for their commitment and achievements. I would also like to express my gratitude to the EMB and everyone in the Group for their continued efforts, as well as to the Board of Directors and to our shareholders, for their confidence and trust in the HRCC.



Beat Lüthi

Chairman of the Human Resources & Compensation Committee

COMPENSATION GOVERNANCE AND REGULATIONS

HUMAN RESOURCES & COMPENSATION COMMITTEE (HRCC)

The Board of Directors nominates the members of the HRCC for election by the Annual General Meeting (AGM). The Committee is entrusted with the design of the fee structure for the Board of Directors and the total rewards for the Executive Management Board (EMB), in addition to the review of the total rewards framework for all employees. The Committee reports and reviews its views on the rewards and compensation of the EMB to the Board of Directors at least once a year and proposes changes when necessary.

Further information on the HRCC can be found on [p. 101](#) of the Corporate Governance section.

The HRCC met 5 times in 2021 and all its members were present. Constantly seeking a broader view, the Committee includes non-monetary components in its review and in these meetings and other dialogue throughout the year. For instance, diversity inclusion and belonging initiatives, equity pay reviews, talent programs, the cultural journey and leadership programs, as well as other activities that contribute to people development and other factors that lead to job enrichment are on the agenda as recurring topics.

Attention was increasingly given to widened sustainability topics in 2021 as we considered the sustainability framework and targets in compensation decisions. For example the results of the equal pay analysis in Switzerland, as set out in Art. 13d of the Gender Equality Act (GEA) and Art. 7 of the Ordinance on the Examination of the Equal Pay was reviewed and approved by the HRCC. Through these efforts we

Compensation

Recommendations & decisions

Recipient	Compensation recommended by	Compensation decided by
Chairman of the Board	Human Resources & Compensation Committee/Board of Directors	AGM
Board Members		
CEO	Chairman of the Board/HRCC/Board of Directors	
Executive Management	CEO/HRCC/Board of Directors	
Senior Management	EMB	CEO
Management and staff	Line Management	EMB

especially look to maintain and build on our commitment to these initiatives. This multifaceted review approach provides a holistic basis for the Committee's directional input related to people topics.

The Chairman of the Board of Directors and the CEO participated in all the meetings as guests except during discussions concerning the evaluation and determination of their own compensation.

REGULATIONS

The Group's compensation schemes for its executives and directors as well as its Articles of Association (AoA) fully reflect the Swiss Ordinance against Excessive Compensation (OaEC). The AoA do not allow for loans, advances, or credits to any current or former members of the EMB, the Board of Directors, or related parties. In addition, notice periods for the EMB are restricted to a maximum of 12 months. The compensation schemes and AoA are available to the public [here](#).

AGREEMENTS WITH THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT BOARD

Agreements are concluded with members of the Board of Directors regarding the total reward for their mandate (members are elected for a term of one year) and with members of the EMB regarding their employment. Non-compete clauses are permissible and compensation may be paid as indemnity where it is determined necessary. In such cases, the compensation must not exceed the last annual total compensation paid to the individual and may not be paid for more than one year, as referenced in the AoA.

TERMINATION PROVISIONS

Variable compensation components are subject to forfeiture clauses that allow for partial or total forfeiture if the individual leaves the Group before the vesting date, subject to the Board of Directors' assessment of the reasons for departure.

Further, the agreements with the members of the Board of Directors as well as the EMB do not contain any

severance provisions from which a benefit could be obtained in the event of a change of control. The AoA do not contain provisions for opting out or opting up. Upon a change of control event, unvested equity-based long-term variable compensation awards vest with the number of the awards being adjusted on a pro-rata basis and the value per award being determined by the Board of Directors. These procedures apply to all recipients of long-term variable compensation awards irrespective of whether they belong to the EMB or not.

COMPENSATION PRINCIPLES

The compensation principles outlined below are valid for everyone working for wholly owned Straumann Group companies.

ETHICAL, FAIR STANDARDS

The Group seeks to be in full compliance with international labor standards and, as an equal opportunity employer, is committed to treating all its employees fairly and equally. Compensation and access to rewards programs are prohibited from being discriminatory under local regulations. Local minimum wage regulations have no bearing on the remuneration policy, as the compensation clearly surpasses them. The Group's commitment to these standards is reflected in its use of benchmark data for periodic reviews to ensure compliance and, most importantly, internal fairness. It is further anchored in the Group's culture of equity and inclusion, under which the aim is to foster an environment of mutual respect, transparency and recognition. Collective bargaining agreements and freedom of association may exist throughout the Group in compliance with laws and regulations.

VALUE CREATION DRIVES TOTAL REWARDS

The Group's view is that success depends largely on value creation for all stakeholders by its employees, which should be recognized and rewarded. A modern compensation system and access to competitive rewards are an important instrument for attracting, retaining, motivating and developing talented people. Therefore, we conduct regular benchmarking to ensure internal and external fairness, incentivize sustainable growth and provide benefits that recognize diverse lifestyles and interests.

Furthermore, our principles are founded on the belief that empowered and engaged employees help drive positive performance and ensure the resilience of our organization. Having an engaging culture energizes our colleagues, helps us attract new talent, increases commitment to purpose and helps us create our future. By giving our employees fulfilling work in a supportive environment that maximizes their well-being, we provide our team with the opportunity to fully explore their potential.

This is also reflected in our clearly outlined commitment to the broader societal agenda through the lens of the UN Sustainable Development Goals (SDGs). The UN SDGs are designed to be a 'blueprint to achieve a better and more sustainable future for all'. This commitment contributes to the following UN SDGs: 5 – Gender Equality and 8 – Decent Work and Economic Growth.

COMPREHENSIVE BENCHMARKING

We seek to attract and retain top talent from various industries. Our compensation benchmarking approach considers functional as well as various contextual factors such as growth and future aspirations, business complexity, global footprint and market positioning, using a size adjusted approach.

Benchmark reviews for all Group employees are supported using external surveys which include data from many companies in relevant local markets. Our approach is to provide fixed compensation that is competitive with comparable companies. In addition, we set our variable compensation levels to enable total compensation to move towards the upper quartile for outstanding performance.

For the EMB, the external benchmark data includes the companies in the SMIM index, which comprises the 30 largest midcap companies in Switzerland. The benchmarking approach considers organizational factors such as market capitalization, headcount, revenue, in the context of their roles and responsibilities from a current and aspirational perspective.

PRINCIPLES OF COMPENSATION FOR THE BOARD OF DIRECTORS

The compensation of the Board of Directors is subject to the approval of the AGM and consists of fixed compensation components paid in cash and shares in accordance with the AoA. The Board of Directors establishes the compensation payable to its members based on the recommendations of the HRCC and within the limits approved by the AGM. The principles remain unchanged in 2021. Irrespective of role, all Board members are entitled to reimbursement from the company for their reasonable expenses for travel to and from Board meetings, travel on behalf of the Board and other related incidental expenses, in accordance with the expense regulations for Members of the Board of Directors of Straumann Holding AG.

To demonstrate our commitment to the value creation for all stakeholders' varying interests, each member of the Board of Directors is required to hold shares in the value of at least two years' total annual compensation. New members are expected to build up the required shareholding within two years. Each Board member is an active mentor to the EMB and have regular one-to-one exchanges with their assigned mentee.

PRINCIPLES OF COMPENSATION FOR THE EXECUTIVE MANAGEMENT BOARD

The principles for the compensation of the EMB specify both a fixed cash component, which includes base salary and other fixed compensation items and a variable component in accordance with the AoA, which includes a short-term and a long-term component as well as access to benefits that make up their total rewards.

The compensation levels for each EMB member are determined according to the role's responsibilities and are reviewed based on external benchmarks as described in the section entitled 'Comprehensive benchmarking'. The collective financial rewards of the EMB, including the CEO, are subject to approval by the shareholders at the AGM.

If there are changes in the EMB after the AGM, the compensation of a new CEO or any other incoming member of the EMB will be determined in accordance with the AoA, which includes stipulations regarding total compensation to be offered and any supplementary compensation to offset losses of rights associated with giving up prior activities.

To demonstrate their commitment to the Group's value creation, EMB members are required to hold Straumann Group equity in a value corresponding at least to the aggregate of their individual annual base salary and short-term incentive at target. The requirement for the CEO is at least the aggregate of the annual base salary, short-term incentive at target and long-term incentive grant value. Incoming EMB members are expected to build up the required equity within five years.

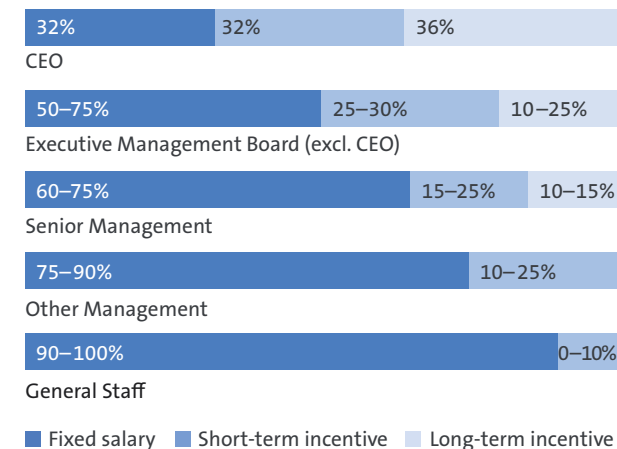
Board of Directors compensation framework

in CHF 1 000

Recipient	Board membership	
	Cash	Equity allocation
Chairman	400	300
Board Committee Chair	150	100
Other Board of Directors members	100	100

Board Members are required to hold two years' annual compensation in shares.

Pay mix corridor (at-target achievement)



GROUP COMPENSATION FRAMEWORK

The compensation framework for the Group remained the same in 2021 and all benefit programs were reinstated after a temporary postponement or cancellation in 2020 due to COVID-19.

Compensation framework

Element	Type	Delivery	Description
Fixed components	Base salary	Cash	<ul style="list-style-type: none"> For all employees (including EMB) a fixed compensation, determined by scope and complexity of the role Generally, within 80–120% of relevant market median
Variable components	Short-term incentive	Cash	For Senior Management and a broad group of employees, paid annually: <ul style="list-style-type: none"> Maximum payout potential: 165%, 180% or 190%, depending on hierarchy level Performance measured against business results and financial targets
	Long-term incentive	Performance Share Units (PSUs)	For the EMB and a defined Senior Management group: <ul style="list-style-type: none"> 2 independent performance criteria: absolute TSR, relative TSR (SMIM) PSUs to shares performance conversion factor: 0 to maximum of 1 share per PSU, per performance condition (maximum overall 2 shares per PSU for both conditions combined) 3-year vesting period
Benefits	Pension plans		In line with local statutory guidelines and under consideration of the notions of equity and inclusion <ul style="list-style-type: none"> Pension plans are de-risked in line with Group guidelines
	Other benefits		In line with local market practices <ul style="list-style-type: none"> Benefits are positioned towards relevant market medians where meaningful and necessary
	Employee share participation plan (ESPP) ¹	Blocked shares	<ul style="list-style-type: none"> For Swiss-based employees: purchase of Straumann shares up to a maximum of 35% of their annual base salary at a discount of 35% For senior management, the purchase cap is 25% of annual base salary with a discount of 25% The shares are blocked for two years

1 Beginning in 2022, the feasibility of extending ESPP beyond Switzerland will be reviewed

Employee share participation plan

	2021	2020 ³	2019
Employees participating	299	-	214
Shares issued	9 014	-	8 951
Discount share price at issue	CHF 927 ¹ CHF 803 ²	-	CHF 628 ¹ CHF 544 ²
End of blocking period	April 2023	-	April 2021

1 25% discount

2 35% discount

3 ESPP cancelled as part of COVID-19 cost-saving measures

FIXED COMPONENTS

Fixed compensation includes base salary and may include additional cash elements depending on local practice and regulation and are set through the previously described benchmarking practice. In 2021 the average fixed compensation of all employees in the Group amounted to CHF 82 500 per person (not including Executive Management).

VARIABLE COMPONENTS

In 2021, the variable compensation components included either or both of the following: Short-term incentive based on the business year performance and long-term incentive based on achievement of specific criteria over a 3-year period. In each case the payout can range from zero to a clearly defined cap depending on the extent to which the respective targets are achieved.

SHORT-TERM INCENTIVE (STI)

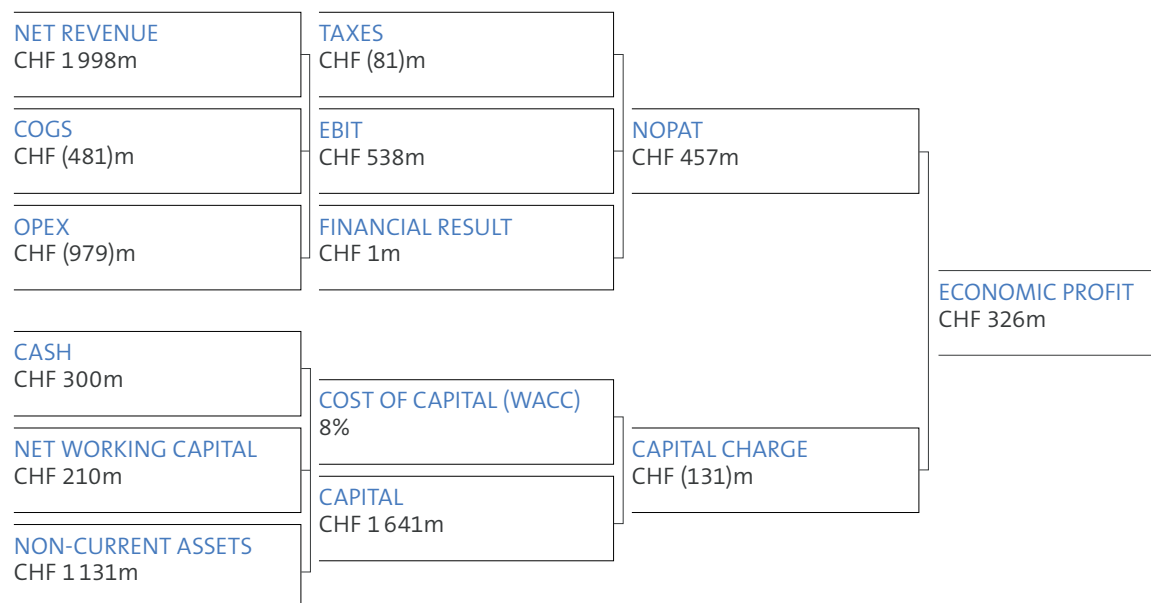
Our STI scheme focuses on rewarding all participating individuals equally based on company and team performance and incentivizes growth and value creation. The payout is capped at 165%, 180% or 190% of the target, depending on the participant's managerial level and organizational unit focus.

COMPANY PERFORMANCE

Economic profit (EP) is the key performance indicator of company performance, which applies to all STI participants. EP is calculated by deducting a capital charge from the net operating profit after tax (NOPAT). The Board of Directors may exclude extraordinary elements from the calculation. The capital charge represents the cost of capital calculated based on an average equity return expected by investors.

The Board of Directors sets the absolute target for EP generation in Swiss francs annually prior to the respective performance cycle. The target is based on

Company performance – 2021 EP (FX adjusted)



NOPAT = Net operating profit after taxes; COGS = Cost of goods sold; OPEX = Operating expenses; EBIT = Earnings before interest and taxes.

STI performance criteria weighting 2021

Management level	Company performance (Economic profit)	Organizational unit performance (Financial targets)
Chief Executive Officer	100%	
Executive Management Board	100%	
Senior Management	40–100%	0–60%
Management	20–100%	0–80%
Staff	20–100%	0–80%

medium-term business plans as well as the defined budget for the performance year and is commercially sensitive so that disclosure of such may provide an unfair advantage to Straumann's competitors. However, to increase transparency on the compensation decisions, EP performance realized during the respective performance cycle (see on the upper right) as well as achievement against the target (see 'Realized CEO compensation', p. 130) are disclosed.

ORGANIZATIONAL UNIT PERFORMANCE

Specific financial targets are applicable in addition to EP for participants in commercial and production organizational units. These targets are derived from annual budgets and are set for all staff members below EMB by the CEO and CFO together with the member of the EMB responsible for the respective organizational unit.

WEIGHTING OF COMPANY AND FINANCIAL TARGETS

The weighting of the performance targets depends on the level and organizational unit of the respective participant (see table on p. 124).

LONG-TERM INCENTIVE (LTI)

The LTI program is designed for the EMB, Senior Management and other key employees depending on role, responsibility, location, strategic impact and market practice. Participation is determined by the Board of Directors.

The plan was introduced in 2012 and is designed to offer an attractive variable compensation element that aligns participants' interests with those of the shareholders. The plan uses Performance Share Units (PSU), which are granted to eligible personnel with specific performance conditions that result in a potential vesting into Straumann shares after three years.

PERFORMANCE SHARE UNIT GRANT 2021

PSUs are granted once a year after the AGM and no cash investment is required from the participants. The number of PSUs granted is equal to the participant's LTI contractual grant value divided by the reference value of one PSU at the grant date. The LTI grant value is a percentage of the total target compensation and is determined in accordance with the participant's role in the organization. In 2021, 8 766 PSUs were granted.

PERFORMANCE SHARE UNIT VALUE AT GRANT 2021

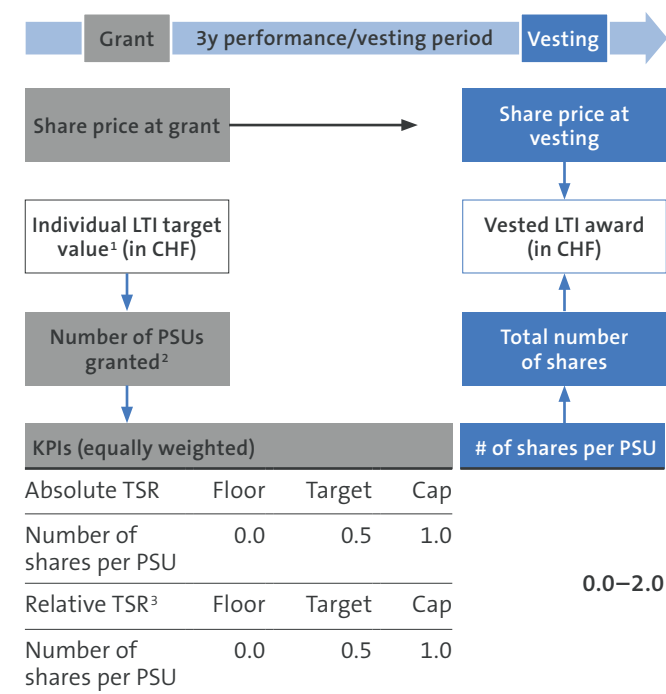
The value of the PSUs granted is determined based on the notion that it should accurately reflect the inherent risk of the underlying instrument. Under this assumption, for the 2021 grant and the foreseeable future, the Group estimates the PSU reference value to be at 25% below the share price at the time of grant, based on historical values where the fair value calculated by external professionals resulted in a range of 20–30% below market prices.

The LTI design includes the possibility for the PSU value at vesting to be higher or lower than the value at grant (or even zero). It is important to consider this potential for fluctuation when linking grant values to total target compensation in order to manage expected compensation with share volatility in the individual's earning potential.

CONVERSION OF PSUs INTO SHARES (VESTING IN 2024)

The 2021 PSU grant will vest at the end of the performance period and will be converted into shares. The number of shares allocated per PSU depends on the achievement of two performance conditions, both directly reflecting the shareholder experience

Straumann 2021–2024 LTI program



- 1 Grant value is defined as a percentage of the total target compensation taking into account participant's role in the organization
- 2 Results from division of the individual LTI grant value by the reference value of one PSU

and considered essential for sustaining shareholder value creation:

- Absolute TSR aims to link the LTI value at vesting directly with the absolute value created by the company for its shareholders
- Relative TSR shows the Group's share performance in the context of the market and in comparison with peer companies (SMIM index)

The two performance conditions are weighted equally and vest independently of each other.

For each performance condition, the maximum conversion factor is 1 share per PSU.

TOTAL SHAREHOLDER RETURN (TSR)

TSR is the profit (or loss) realized by an investment at the end of a year or specific period. It includes capital gains or losses from changes in the share price as well as gross dividends. Capital gain is calculated using the average of the closing share prices over the period of seven trading days starting on the ex-dividend date in the year of grant and in the year of vesting.

When determining the vesting curves, the Board considers ambitious yet realizable target performance levels to establish a statistically reasonable chance for target achievement. The vesting curves are chosen to warrant an overall more robust LTI program, whereby any decreases or improvements in performance are proportionately reflected in the number of vested PSUs. The Group believes that the overall approach to target setting adds to the competitiveness of its reward system for its executive and senior managers and limits the possibility of excessive risk taking.

ABSOLUTE TOTAL SHAREHOLDER RETURN

The absolute TSR symmetrical vesting curve is parametrized around the target of 7.0%, whereby the conversion rate of PSUs into shares ranges from 0% to 100%.

Outstanding PSU Grants

	2021	2020	2019
Grant date	21.04.2021	30.04.2020	30.04.2019
Vesting date ¹	20.04.2024	20.04.2023	20.04.2022
Share price at grant	CHF 1 235.50	CHF 753.51	CHF 837.60
PSU reference value ²	CHF 926.63	CHF 565.13	CHF 628.00
Granted PSUs	8 766	12 198	11 062

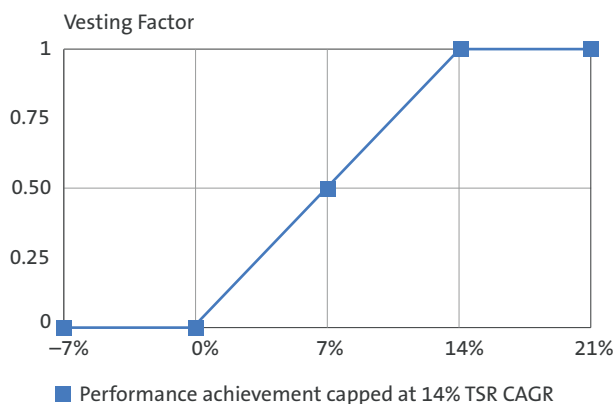
1 Seven trading days after the ex-dividend date

2 Average closing share price of 7 days ex-dividend less 25% discount

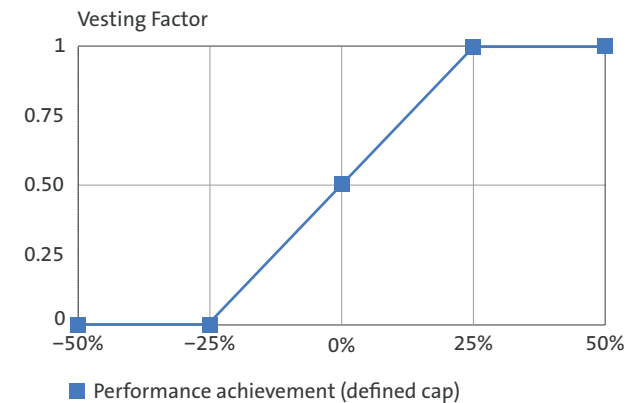
Outstanding PSUs as of 31 December 2021

	2021	2020	2019
As of 1 January	29 854	34 771	40 833
Granted PSUs	8 766	12 198	11 062
Vested PSUs	-10 299	-14 927	-14 042
Forfeited PSUs	-2 094	-2 818	-3 100
As of 31 December	26 227	29 854	34 771

Absolute TSR – CAGR over 3 years



3-Year Relative TSR vs SMIM in percentage points



The target is derived both under consideration of the internally applied cost of capital for the determination of Economic Profit as well as analyst estimates. Target achievement will result in a conversion rate of half a share per PSU, with any achievements below target achieving a conversion rate on a linear basis down to zero for any result below the minimum threshold.

If the absolute TSR CAGR amounts to 14.0% or more, the conversion rate of one PSU amounts to a full share. Maximum achievement of a full share by design must be challenging and this target shall be maintained for the foreseeable future. Over the past three years the share price has climbed from CHF 700 to over CHF 2 000 at times during 2021 as a result of strong growth; however, as the company continues to mature and expand, the probability of achieving the above-target TSR CAGR returns is expected to be very challenging.

RELATIVE TOTAL SHAREHOLDER RETURN

The relative TSR symmetrical vesting curve allows for no payout in case of below-target performance (SMIM performance alignment) and limits the maximum payout to a conversion rate of 100% in case of above-target performance.

No shares are allocated if the Group underperforms the SMIM by 25%-points or more (i.e., conversion rate of zero). Contrarily, each PSU converts into one share (i.e. conversion rate of 100%) if the Group outperforms the SMIM by 25%-points or more. Performance in line with the SMIM results in each PSU converting into half a share as shown in the vesting curves in the chart on p. 126. Relative TSR is calculated by taking the percentage points difference between the TSR of Straumann and that of the SMIM (Swiss Market Index Mid) index.

LTI GRANTS PRIOR TO 2019

From 2016 to 2018 (vesting in 2019 to 2021), the LTI was determined by Total Shareholder Return (TSR) and EBIT Growth Amount (EGA) measured over a 3-year performance cycle and equally weighted. The vesting conditions for those grants remain unchanged.

The final grant under these vesting conditions was made in 2018 and the final vesting was in April 2021.

During the respective 3-year performance cycle (2018 to 2021), the Group achieved the maximum level for the absolute TSR target and the EBIT Growth amount resulted in slightly above target achievement. The resulting conversion of PSUs to shares at vesting was 1.52 shares per PSU. The EBIT Growth amount result was impacted by the COVID-19 heavily in the final performance year (2020).

BENEFITS

PENSION PLANS

Internal analysis carried out in recent years showed that Straumann and its subsidiaries fulfil and, in some respects, exceed local legal requirements relating to pension plans. In most cases, pension obligations are fully funded; where this is not the case, liabilities are reported in the Annual Report following actuarial rules. Further information on pension plans is provided in Note 8.2 to the audited consolidated financial statements on p. 174. The pension funds are managed locally and invested through independent financial institutions. For example, the investment strategy of the Swiss pension fund, which represents the largest pension plan of the Group, is determined by the Group's Pension Fund Commission and executed by its Investment Committee. The pension funds publish regular reports for all members.

OTHER BENEFITS

Straumann's benefit programs are designed to support our employees' professional and personal well-being and enable the Group to attract and retain talent. Programs are structured to support our overall business strategy and are aligned with local practices and legislation. Examples of benefits include, depending on location, Employee Share Participation Plan (ESPP), public transport passes, lunch vouchers, the use of company cars, mobile phones and discounts on Straumann products. A global review of the competitiveness and market practice of the benefit plans took place during 2021 and 2022 and will provide the Group context to determine if changes or additions are needed considering the new ways of working that are coming to the forefront of geographical and talent marketplaces.

Specific to the EMB, according to article 4.3 of the Group's [Articles of Association](#), new members joining the EMB may be eligible to receive compensation for losses incurred because of the change of position. Such lost compensation is replaced on a like-for-like basis (i.e., no increase to the replacement value) and are reported under 'Other compensation and benefits' in the compensation table for the financial year in question.

2021 EXECUTIVE MANAGEMENT BOARD AND BOARD OF DIRECTORS COMPENSATION

COMPENSATION FOR THE BOARD OF DIRECTORS

The 2021 AGM approved a maximum total compensation for the Board of Directors of CHF 2.7 million for the term of office ending at the 2022 AGM. It consists of a fixed fee, paid in cash and shares and includes social security. The Board of Directors was expanded at the AGM in 2020 to include one additional member and the average budgeted compensation remained the same as in 2020.

In 2021, none of the Board members received any compensation from the Straumann Group other than that disclosed in this report. No compensation was paid to related parties of members of the Board of Directors and no payments were made to former members of the Board of Directors or related parties.

The Chairman of the Board of Directors, who was previously a member of the EMB and served as CEO, continues to participate in the Straumann pension plan, which is a fully funded defined contribution plan. Such coverage is necessary as he does not occupy any other executive function and therefore would otherwise not be covered by any occupational pension scheme.

Furthermore, starting from 2020, members of the Board of Directors are provided an opportunity to participate in a Board version of the Straumann Pension plan. The Board pension plan mirrors all conditions of the Straumann plan with the exception that all contributions, including the employer portion,

Board of Directors compensation (audited table)

in CHF 1 000

2021 2020 ¹	Fixed cash compensation	Fixed share compensation	Social security	Other benefits	Pension	TOTAL
Gilbert Achermann (Chairman of the Board)	400 400	300 180	51 47	31 31	127 127	909 785
Beat Lüthi (Vice Chairman, Chairman of the HRCC)	150 150	100 60	17 15		0 0	267 225
Sebastian Burckhardt	100 100	100 60	11 9			211 169
Marco Gadola (Chair of the Innovation & Technology Committee)	150 113	100 60	17 13		0 0	267 186
Juan Jose Gonzalez	100 100	100 60	14 9			214 169
Petra Rumpf (from April 2021)	75 0	100 0	10 0		0 0	185 0
Thomas Straumann	100 125	100 60	14 14			214 199
Regula Wallimann (Chair of the Audit & Risk Committee)	150 150	100 60	17 15		0 0	267 225
Monique Bourquin (until April 2021)	27 100	0 60	2 9			29 169
Ulrich Looser (until April 2020)	0 38		0 3			0 41
TOTAL	1 252 1 276	1 000 600	153 134	31 31	127 127	2 563 2 168

1 Fixed share compensation reduced in 2020 by 40% at the Board's discretion due to COVID-19 measures

are to be funded by the respective members of the Board of Directors themselves without incurring any additional costs to the Company.

SHAREHOLDINGS OF THE BOARD OF DIRECTORS

The numbers of shares in Straumann Holding AG held by the members of the Board of Directors in office at the end of 2021 are shown in the table [on p. 190 f.](#)

COMPENSATION OF THE EXECUTIVE MANAGEMENT BOARD

At the 2021 AGM, the shareholders prospectively approved a fixed compensation of CHF 9.0 million for the collective EMB (as composed in April 2021) for the period between 1 April 2021 and 31 March 2022. The shareholders also approved a maximum budget of CHF 3.5 million for the collective long-term variable compensation of the EMB for the 2021 business year. The variable STI for the business year ending 31 December 2021 will be submitted for approval by the shareholders at the AGM in 2022 based on the financial achievement of the Group using the Economic Profit target established in January of each year.

EMB AVERAGE FIXED COMPENSATION 2021

In 2021, the CEO total compensation was increased to reflect performance to remain competitive using the fundamentals described in the comprehensive benchmarking section. Additionally one EMB member received an adjustment to their base salary to reflect the cost of living increase in their country of employment. Overall these increases resulted in a combined 1% increase for the Executive Management Board.

Based on the 2021 benchmark review, the Board will request a collective increase of 7.1% of the current total compensation at target for the EMB to be adjusted in April 2022, at the AGM.

VARIABLE COMPONENTS

The Board of Directors sets short and long-term (for the respective three-year performance period) targets for the CEO and EMB annually.

The STI paid in 2021 for the 2020 business year using the global discretionary achievement percentage of 80% for all personnel including the EMB provided the basis for continued motivation and inspired the drive to return our business results back to pre-pandemic expectations. As a result, in the 2022 AGM the Board will be proposing an STI payment of 190% of target for all EMB members aligned to the financial achievement for the year.

In April 2021, the EMB collectively received vesting of the LTI in the value of CHF 3.7 million related to the 2018 grant. Due to changes in the EMB from 2018 to 2021, seven members vested in 2021. This vesting value represents 219% of the total grant in 2018.

The LTI grant for 2022 will follow the aforementioned grant methodology with no changes from 2021 in the LTI framework.

Executive Management Board compensation (audited table)¹ in CHF 1000

	Annual base salary	Short-term incentive	Performance Share Units (grant value)	ESPP discount	Social security & pension ³	Other compensation & benefits ⁴	TOTAL
14 members 2021 14 members 2020							
Guillaume Daniellot (CEO)	738 656	1 354 480	850 600	28 0	310 214	75 71	3 354 2 021
Other members ²	5 090 5 091	3 894 2 164	2 333 2 110	77 0	1 472 1 768	1 782 2 727	14 648 13 860
TOTAL	5 828 5 747	5 248 2 644	3 183 2 710	105 0	1 782 1 982	1 857 2 798	18 002 15 881

1 2020 reduction in fixed compensation due to COVID-19. Includes 2020 voluntary reduction of 25% of base salary in the 2nd quarter (only)

2 Including compensation for members joining and leaving during the year

3 This amount includes estimated social security contributions related to PSU grants to align the timing of social security reporting with the compensation element that creates it

4 The reduction year on year for this category is due to a lower value of replacement awards compared to 2020. Other compensation includes automobile lease for EMB members on Swiss contracts in addition to local benefits for EMB members in LATAM, APAC and the US as well as replacement awards for 2 new members who joined during the year and relocation costs to move them to their respective locations of employment.

CHANGES TO THE EMB

The following EMB appointments and changes were made in 2021:

With effect as of 1 January:

- Robert Woolley, former Head Sales North America, was appointed Head Sales Western Europe, succeeding Jens Dexheimer, who left the company at the end of 2020
- Aurelio Sahagun joined from Microport Scientific, taking over from Robert Woolley as Head Sales North America

With effect as of 1 March:

- Rahma Samow joined from Siemens Healthineers as Head DSO, succeeding Petra Rumpf, who left the company at the end of 2020

With effect as of 1 October:

- Dr Christian Ullrich joined from Bayer to the new role of Chief Information Officer

With effect as of 31 December:

- Robert Woolley left the company at the end of 2021 and the EMB no longer includes the role of Head Sales Western Europe

The size of the EMB remained unchanged in 2021 and was reduced at the beginning of 2022 to 13 members (including CEO).

In 2021, replacement awards were granted to Christian Ullrich, Aurelio Sahagun and Rahma Samow who joined the company during the year to compensate them for lost awards when they resigned from their former employers. Such lost compensation is replaced on a like-for-like basis (i.e. no increase to the replacement value) and reported under 'other compensation and benefits' in the compensation table for the financial year in question. The amount spent

(CHF 317 000 total; CHF 105 000 for Dr Ullrich, CHF 92 000 for Mr Sahagun and CHF 120 000 for Ms. Samow respectively) was within the permissible supplementary amount under Article 4.3 of the AoA.

SHAREHOLDINGS OF THE EMB

The numbers of shares in Straumann Holding AG held by the members of the EMB in office at the end of 2021 are shown in the table on p. 190 f.

REALIZED COMPENSATION OF THE CEO

The table below shows the compensation realized by Guillaume Daniellot, Group CEO during 2021.

Realized Compensation of the CEO

STI-related	LTI-related ¹	Quantitative measures and their contribution to variable compensation		Realized performance	Realized vs Target Performance	Target/granted compensation	Realized compensation
✓		Economic Profit 2021	50%	Max. achievement	190%	CHF 712 500 (97% of annual base salary)	CHF 1 353 750
	✓	EBIT Growth (EGA) 2018 to 2020	25%	Near target achievement	.52 share per PSU	CHF 140 000 (35% of annual base salary) ²	CHF 563 858 (incl. 25% annual share price appreciation between grant and realization dates and 25% valuation discount at grant) ³
	✓	Total Shareholder Return (TSR) Apr 2018 to Apr 2021	25%	Max. achievement	1 share per PSU		

1 2018 grant which vested in 2021

2 Grant before Guillaume Daniellot was appointed CEO reflects % of base salary at the time of grant

3 Grant reference value was determined by using the fair value calculation under the Monte Carlo method

APPROVAL OF COMPENSATION

The Board of Directors determines the compensation of the individual members of the Board and the EMB based on the recommendations of the HRCC and within the limits set by the AGM. The relevant criteria are explained on p. 120 ff. and the compensation awarded to the Board of Directors and the EMB is disclosed in the tables on p. 128 f.

The AGM approves the maximum compensation payable to the Board of Directors and the EMB. At the 2022 AGM, the shareholders will be asked to approve:

- The total compensation of the Board of Directors from 1 April 2022 to 31 March 2023
- The total fixed compensation of the EMB from 1 April 2022 to 31 March 2023
- The short-term incentive (STI) of the EMB for the 2021 business year
- The total long-term incentive (LTI) for the 2022 grant including grant-related social security for the EMB

The reconciliation of approved and dispensed compensation for the 2021–2022 AGM period is shown in the table on the right.

Compensation approved and dispensed

in CHF 1 000

	Board of Directors	Executive Management Board
Compensation earned during the financial year 2021 (A)	2 592	12 502 ¹
Compensation earned for the period 1 January to 31 March 2021 (3 months) (B)	–386	–2 379
Compensation to be earned for the period from 1 January to 31 March 2022 (3 months) (C)	397	1 825 ¹
Total compensation earned from 1 April 2021 to 31 March 2022 (A)–(B)+(C)	2 602	11 948
Amount approved by shareholders at the 2021 AGM	2 700	12 500 ¹
Compensation dispensed by the Company within approved amount	yes	yes

1 Does not include STI to be paid in 2022 for 2021 performance year of CHF 5 600 000

REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT

To the General Meeting of Straumann Holding AG, Basel

We have audited the remuneration report of Straumann Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled “audited” on page 128 and page 129 of the remuneration report.



BOARD OF DIRECTORS' RESPONSIBILITY

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



AUDITOR'S RESPONSIBILITY

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

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

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



OPINION

In our opinion, the remuneration report for the year ended 31 December 2021 of Straumann Holding AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Martin Mattes
Licensed audit expert
(Auditor in charge)

Fabian Meier
Licensed audit expert

Basel, 14 February 2022



FINANNCIA

FINANCIAL REPORT STRAUMANN GROUP

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ALTERNATIVE PERFORMANCE MEASURES

The financial information in this annual report release includes certain Alternative Performance Measures (APMs), which are not accounting measures defined by IFRS.

CORE FINANCIAL MEASURES are non-IFRS financial measures because they cannot be derived directly from Group consolidated financial statements. Management believes that these non-IFRS financial measures, when provided in combination with reported results, will provide readers with helpful supplementary information to better understand the financial performance and position of the Group on a comparable basis from period to period. These non-IFRS financial measures are not a substitute for, or superior to, financial measures prepared in accordance with IFRS. Core financial measures are adjusted to exclude the following significant items:

- PPA amortization: Special items and amortization of intangible assets that result from the purchase price allocation (PPA) following acquisitions.
- Impairments: Impairment write-offs of financial or non-financial assets as a result of unusual or one-time events in legal or economic conditions, change in consumer demands or damage that impacts the asset. In 2020 the Group has impaired assets mainly as a consequence of the COVID-19 pandemic (Note 4.4, 7.4).
- Restructuring: One-off costs resulting from major restructuring exercises. The amount disclosed in 2020 represents the costs incurred in relation to the reduction of the Group's workforce (Note 8.4).
- Legal cases: Non-recurring and significant litigation charges. Expenses related to legal disputes in the course of the Group's ordinary business activities are not adjusted.
- Pension plan: One-time settlements, plan amendment gains or losses stemming from pension accounting. In 2020 a one time-plan amendment gain of CHF 5.3 million was recorded mainly in respect of changes in the Swiss pension plan (adoption of a lower conversion rate) (Note 8.2).
- Consolidation result of former associates: Revaluation gains and losses as a result of obtaining control over former associates.
- Other: Non-recurring, unusual and infrequent incidents that cannot be allocated to any of the preceding categories. In June 2021, the Group increased its estimate on the contingent consideration payable to the sellers of DrSmile by CHF 49.0 million (Note 7.4).

A reconciliation of IFRS to core measures is disclosed in the table at the end of this section.

Further, the Group discloses **VARIOUS KEY PERFORMANCE INDICATORS (KPI)**. Unless otherwise stated, the following KPI are based on IFRS figures, as disclosed in the consolidated financial statements:

ORGANIC REVENUE GROWTH

Revenue growth excluding the revenue contribution from business combinations (calculated by adding pre-acquisition revenues of the prior period to the existing revenue growth base) and currency effects.

REVENUE GROWTH IN LOCAL CURRENCIES

Revenue growth excluding currency effects. Those effects are calculated using a simulation by reconsolidating the prior period revenues with the current year foreign exchange translation rates.

NET CASH (NET DEBT)

Net debt is an indicator of the Group's ability to meet financial commitments, to pay dividends and to undertake acquisitions. The KPI is calculated by subtracting financial liabilities (excluding lease liabilities) and retirement benefit obligations from cash and cash equivalents.

NET WORKING CAPITAL (NET OF CASH)

Working capital is capital invested in the Group's operating activities. It is a driver for cash flow and an indicator of operational efficiency. Net working capital combines the subtotals of current assets and current liabilities, excluding the lines cash and cash equivalents, current financial assets and current financial liabilities.

DAYS OF SUPPLIES (DOS)

The days of supplies indicate the average time in days that the Group takes to turn its inventory. The numerator is the balance sheet position 'inventories' at year-end and the denominator is the 'Cost of goods sold' of the past three months, multiplied by 90 days.

DAYS OF SALES OUTSTANDING (DSO)

The days of sales outstanding indicate the average number of days the Group takes to collect its receivables. The numerator is the balance sheet position 'trade receivables' at year-end and the denominator is the 'net revenues' of the past three months, multiplied by 90 days.

RETURN ON ASSETS (ROA)

Return on assets expresses the earning power of the Group's assets. The numerator is the profit for the period of the past twelve months and the denominator is the average balance sheet total for the same period.

EQUITY RATIO

The equity ratio is calculated by dividing total equity by total assets.

RETURN ON EQUITY (ROE)

Return on equity compares profitability of the Group in relation to the equity invested. The numerator is the profit for the period of the past twelve months and the denominator is the average equity for the same period.

CAPITAL EMPLOYED

Capital employed equals current assets, property, plant and equipment, right-of-use assets, intangible assets minus cash and cash equivalents and non-interest-bearing liabilities.

RETURN ON CAPITAL EMPLOYED (ROCE)

Return on capital employed expresses the earning power of the Group's invested capital. The numerator is the operating profit (EBIT) of the past twelve months and the denominator is the average capital employed for the same period.

FREE CASH FLOW

Free cash flow represents the cash-generating capability of the Group to conduct and maintain its operations, to finance dividend payments, to repay debt and to undertake acquisitions. Free cash flow equals net cash from operating activities less purchase of property, plant and equipment, less purchase of intangible assets, plus net proceeds from property, plant and equipment.

DIVIDEND PAY-OUT RATIO

A dividend payout ratio is the percentage of earnings paid to shareholders of Straumann Holding AG: the proposed dividend pay-out in the following year divided by the Group's CORE net profit of the past twelve months.

CORE RESULT RECONCILIATION 2021

(in CHF 1 000)	IFRS 2021	PPA amortization	Impairments	Restructuring	Pension plan	Other	CORE 2021
Revenue	2 021 903						2 021 903
Cost of goods sold	(481 880)	142					(481 738)
Gross profit	1 540 023	142					1 540 165
Other income	6 072						6 072
Distribution expense	(384 897)	8 324					(376 574)
Administrative expense	(618 618)	2 293					(616 325)
Operating profit	542 579	10 758					553 338
Finance income	89 414						89 414
Finance expense	(160 668)					48 951	(111 717)
Share of results of associates	6 059						6 059
Profit before income tax	477 385	10 758				48 951	537 094
Income tax expense	(78 099)	(3 008)				0	(81 107)
NET PROFIT	399 286	7 750				48 951	455 987
Attributable to:							
Shareholders of the parent company	396 079	7 545				48 951	452 576
Non-controlling interests	3 206	205					3 411
Basic earnings per share (in CHF)	24.90						28.45
Diluted earnings per share (in CHF)	24.82						28.36
Operating profit	542 579	10 758					553 338
Depreciation & amortization	109 843	(10 758)					99 084
EBITDA	652 422	0					652 422

CORE RESULT RECONCILIATION 2020

(in CHF 1 000)	IFRS 2020	PPA amortization	Impairments	Restructuring	Pension plan	Other	CORE 2020
Revenue	1 425 851						1 425 851
Cost of goods sold	(396 073)	141	7 649	880			(387 403)
Gross profit	1 029 778	141	7 649	880			1 038 448
Other income	18 764						18 764
Distribution expense	(311 767)	8 094	12 314	8 287			(283 071)
Administrative expense	(580 234)	3 761	132 112	8 747	(5 275)		(440 890)
Operating profit	156 541	11 995	152 075	17 915	(5 275)		333 251
Finance income	75 033						75 033
Finance expense	(116 078)		10 118				(105 960)
Share of results of associates	(1 588)						(1 588)
Profit before income tax	113 907	11 995	162 193	17 915	(5 275)		300 735
Income tax expense	(21 640)	(3 287)	(12 613)	(2 687)	580		(39 647)
Net profit	92 268	8 708	149 580	15 227	(4 695)		261 088
Attributable to:							
Shareholders of the parent company	91 282	8 431	147 139	15 227	(4 695)		257 385
Non-controlling interests	986	276	2 441				3 703
Basic earnings per share (in CHF)	5.75						16.20
Diluted earnings per share (in CHF)	5.73						16.16
Operating profit	156 541	11 995	152 075	17 915	(5 275)		333 251
Depreciation & amortization	249 442	(11 995)	(149 975)	0	0		87 472
EBITDA	405 983	0	2 100	17 915	(5 275)		420 722

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in CHF 1 000)	Notes	31 Dec 2021	31 Dec 2020
Property, plant and equipment	4.1	357 546	313 547
Right-of-use assets	4.2	221 324	235 584
Intangible assets	4.3	638 887	650 285
Investments in associates	2.2	98 183	92 662
Financial assets	7.1	31 186	27 004
Other receivables		16 430	8 290
Deferred income tax assets	7.7	75 809	68 990
Total non-current assets		1 439 366	1 396 362
Inventories	5.1	249 227	216 570
Trade and other receivables	5.2	380 607	294 550
Financial assets	7.1	2 351	305
Income tax receivables		16 064	8 626
Cash and cash equivalents	5.3	880 423	632 201
Total current assets		1 528 672	1 152 252
TOTAL ASSETS		2 968 038	2 548 613

Equity and liabilities

(in CHF 1 000)	Notes	31 Dec 2021	31 Dec 2020
Share capital	7.5	1 592	1 591
Retained earnings and reserves		1 493 808	1 203 144
Total equity attributable to the shareholders of the parent company		1 495 400	1 204 735
Non-controlling interests		5 048	5 209
Total equity		1 500 448	1 209 943
Other liabilities	6.2	85 590	86 986
Income tax liabilities		12 612	9 654
Financial liabilities	7.2	690 299	730 622
Provisions	6.1	23 681	15 436
Retirement benefit obligations	8.2	61 739	73 325
Deferred income tax liabilities	7.7	31 040	43 228
Total non-current liabilities		904 962	959 250
Trade and other payables	5.4	439 725	317 591
Financial liabilities	7.2	40 751	27 635
Income tax liabilities		73 616	34 159
Provisions	6.1	8 535	35
Total current liabilities		562 628	379 420
Total liabilities		1 467 590	1 338 670
TOTAL EQUITY AND LIABILITIES		2 968 038	2 548 613

CONSOLIDATED INCOME STATEMENT

(in CHF 1 000)	Notes	2021	2020
Revenue	3.1	2 021 903	1 425 851
Cost of goods sold		(481 880)	(396 073)
Gross profit		1 540 023	1 029 778
Other income	3.3	6 072	18 764
Distribution expense		(384 897)	(311 767)
Administrative expense		(618 618)	(580 234)
Operating result		542 579	156 541
Finance income	7.4	89 414	75 033
Finance expense	7.4	(160 668)	(116 078)
Share of results of associates	2.2	6 059	(1 588)
Result before income tax		477 385	113 907
Income tax	7.7	(78 099)	(21 640)
NET RESULT		399 286	92 268
Attributable to:			
Shareholders of the parent company		396 079	91 282
Non-controlling interests		3 206	986
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)	3.2	24.90	5.75
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)	3.2	24.82	5.73

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in CHF 1 000)	2021	2020
Net result	399 286	92 268
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:		
Net foreign exchange result on net investment loans	(16 816)	(36 781)
Exchange differences on translation of foreign operations	(23 619)	(121 784)
Share of other comprehensive income / (loss) of associates accounted for using the equity method	20	(44)
Income tax effect	197	1 065
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods	(40 219)	(157 544)
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of financial instruments designated through other comprehensive income	(3 853)	1 530
Remeasurements of retirement benefit obligations	14 863	(7 286)
Income tax effect	(1 654)	735
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	9 356	(5 021)
Other comprehensive income / (loss), net of tax	(30 862)	(162 566)
TOTAL COMPREHENSIVE INCOME / (LOSS), NET OF TAX	368 423	(70 298)
Attributable to:		
Shareholders of the parent company	365 410	(71 095)
Non-controlling interests	3 013	797

CONSOLIDATED CASH FLOW STATEMENT

(in CHF 1 000)	Notes	2021	2020
Net result		399 286	92 268
Adjustments for:			
Income tax	7.7	78 099	21 640
Net interest result		14 778	19 404
Financial impairment expense	7.4	878	10 599
Share of results of associates	2.2	(6 059)	1 588
Share-based payments expense	8.1, 8.3	9 364	9 285
Other non-cash items ¹		498	11 372
Depreciation and amortization ¹	4.5	103 206	99 467
Impairment ¹	4.5	6 637	149 975
Change in provisions, retirement benefit obligations and other liabilities		17 541	(4 770)
Change in long-term assets		(8 451)	(3 359)
Working capital adjustments:			
Change in inventories		(36 939)	(13 568)
Change in trade and other receivables		(104 626)	53 067
Change in trade and other payables		158 962	(890)
Interest paid on lease liabilities	7.2	(6 912)	(6 626)
Interest paid		(6 840)	(7 658)
Interest received		2 131	2 267
Income tax paid		(61 250)	(57 466)
Cash flows from operating activities		560 303	376 594

1 Prior year's figures have been adapted to the current year grouping

(in CHF 1 000)	Notes	2021	2020
Purchase of financial assets		(9 883)	(6 392)
Proceeds from sale of financial assets		1 404	363
Purchase of property, plant and equipment		(105 128)	(70 842)
Purchase of intangible assets		(15 842)	(11 227)
Purchase of investments in associates		(7 107)	(3 161)
Acquisition of a business, net of cash acquired	2.1	(4 753)	(42 584)
Contingent consideration paid		(34 995)	(12 554)
Proceeds from loans		0	821
Disbursement of loans		(1 824)	(774)
Dividends received from associates		1 641	812
Net proceeds from sale of non-current assets		1 271	712
Cash flows from investing activities		(175 216)	(144 825)
Purchase of non-controlling interests	7.2, 7.3	(8 343)	0
Repayment of non-current financial debts	7.2	(4 742)	(3 934)
Increase in non-current financial debts	7.2	1 320	479 031
Repayment of current financial debts	7.2	(309)	(200 057)
Dividends paid to the equity holders of the parent	7.6	(91 381)	(91 231)
Dividends paid to non-controlling interests		(1 967)	(1 245)
Payment of lease liabilities	7.2	(29 897)	(24 920)
Sale of treasury shares		7 581	0
Purchase of treasury shares		(3 503)	(4 312)
Cash flows from financing activities		(131 240)	153 331
Exchange rate differences on cash held		(5 625)	(13 110)
Net change in cash and cash equivalents		248 222	371 990
Cash and cash equivalents at 1 January	5.3	632 201	260 211
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5.3	880 423	632 201

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2021

(in CHF 1 000)

	Notes	Attributable to the shareholders of the parent company					Total	Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings			
At 1 January 2021		1 591	52 599	(11 070)	(374 875)	1 536 490	1 204 734	5 209	1 209 943
Net profit						396 079	396 079	3 206	399 286
Other comprehensive income / (loss)					(40 243)	9 574	(30 669)	(194)	(30 863)
Total comprehensive income / (loss)		0	0	0	(40 243)	405 654	365 411	3 013	368 423
Issue of share capital	7.5	1	17 969			(17 970)	0		0
Dividends to equity holders of the parent	7.6					(91 381)	(91 381)		(91 381)
Dividends to non-controlling interests							0	(1 967)	(1 967)
Share-based payment transactions						12 489	12 489		12 489
Purchase of treasury shares				(3 503)			(3 503)		(3 503)
Usage of treasury shares				9 110		(1 529)	7 581		7 581
Put options to non-controlling interests						71	71	(1 207)	(1 136)
AT 31 DECEMBER 2021		1 592	70 567	(5 462)	(415 118)	1 843 821	1 495 400	5 048	1 500 448

2020

(in CHF 1 000)

	Notes	Attributable to the shareholders of the parent company					Total	Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings			
At 1 January 2020		1 588	31 412	(9 361)	(216 498)	1 556 272	1 363 413	3 809	1 367 222
Net profit						91 282	91 282	986	92 268
Other comprehensive income / (loss)					(158 377)	(4 000)	(162 377)	(189)	(162 566)
Total comprehensive income / (loss)		0	0	0	(158 377)	87 282	(71 095)	797	(70 298)
Issue of share capital	7.5	3	21 187			(21 189)	0		0
Dividends to equity holders of the parent	7.6					(91 231)	(91 231)		(91 231)
Dividends to non-controlling interests							0	(1 245)	(1 245)
Share-based payment transactions						9 207	9 207		9 207
Purchase of treasury shares				(4 312)			(4 312)		(4 312)
Usage of treasury shares				2 603		(2 603)	0		0
Changes in consolidation group							0	526	526
Put options to non-controlling interests						(1 248)	(1 248)	1 321	73
AT 31 DECEMBER 2020		1 591	52 599	(11 070)	(374 875)	1 536 490	1 204 734	5 209	1 209 943

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1 GENERAL INFORMATION AND ACCOUNTING POLICIES**1.1 CORPORATE INFORMATION**

The Straumann Group (SIX: STMN) is a global leader in tooth replacement and orthodontic solutions that restore smiles and confidence. It unites global and international brands that stand for excellence, innovation and quality in replacement, corrective and digital dentistry, including Anthogyr, ClearCorrect, Dental Wings, Medentika, Neodent, Straumann and other fully or partly owned companies and partners. In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CAD/CAM prosthetics, orthodontic aligners, biomaterials and digital solutions for use in tooth correction, replacement and restoration or to prevent tooth loss. Headquartered in Basel, Switzerland, the Group currently employs more than 9 000 people worldwide. Its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

The consolidated financial statements of the Straumann Group for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 14 February 2022 and are subject to approval by the Annual General Meeting on 5 April 2022.

1.2 BASIS OF PREPARATION**STATEMENT OF COMPLIANCE**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

They have been prepared on a historical cost basis except financial assets and financial liabilities (including derivative financial instruments), which have been measured at fair value. The consolidated financial statements are presented in Swiss francs (CHF) and all values are rounded to the nearest thousand except where otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Straumann Holding AG and its subsidiaries as of 31 December 2021.

SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as for the parent company, using consistent accounting policies. All intra-Group balances, income and expenses and unrealized gains and losses resulting from intra-Group transactions are eliminated in full.

Changes in equity interests in Group subsidiaries that reduce or increase the Group's percentage ownership without loss of control are accounted for as an equity transaction between owners.

ASSOCIATES

Associates are those entities over which the Group has significant influence, but neither control nor joint control. Significant influence is the power to participate in the financial and operating policy decisions. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of changes in equity of the investee after the date of acquisition. The Group's share of results of operations is recognized in profit or loss, while any change in other comprehensive income of the associates is presented as part of the Group's other comprehensive income.

1.3 CHANGES IN ACCOUNTING POLICIES**AMENDMENTS EFFECTIVE IN 2021**

The following amendments apply for the first time in 2021 but do not have a material impact on the consolidated financial statements of the Group:

- IFRS 7, IFRS 9 and IAS 39 'Interest Rate Benchmark Reform' Phase 2 (effective 1 January 2021)
- IFRS 16 (Amendments) 'COVID-19-Related Rent Concessions beyond 30 June 2021' (effective 1 April 2021)

STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

The following standards and amendments to existing standards, which are relevant to the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2022 or later periods and the Group has not adopted them early:

- IFRS 3 (Amendments) 'Reference to the Conceptual Framework' (effective 1 January 2022)
- IAS 16 (Amendments) 'Proceeds before intended use' (effective 1 January 2022)
- IAS 37 (Amendments) 'Onerous contracts – cost of fulfilling a contract' (effective 1 January 2022)
- Annual Improvements 2018-2020 (Amendments effective 1 January 2022)
- IAS 1 (Amendments) 'Classification of liabilities as current or non-current' (effective 1 January 2023)
- IAS 1 and IFRS Practice statement 2 (Amendments) 'Disclosure of Accounting Policies' (effective 1 January 2023)
- IAS 8 (Amendments) 'Definition of Accounting Estimates' (effective 1 January 2023)
- IAS 12 (Amendments) 'Deferred tax related to assets and liabilities arising from a single transaction' (effective 1 January 2023)

The Group currently assumes that the applications of these standards and amendments will not have a material impact on the presentation of the consolidated financial statements.

1.4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are stated below.

CONTINGENT CONSIDERATIONS

The Group has entered into several contingent consideration arrangements arising from business combinations. Those arrangements are structured either as deferred purchase price payments or as put options granted to non-controlling interests. The fair values of the financial liabilities arising from those arrangements are based on the expected payment amounts and are discounted to present value using a risk-adjusted rate. The significant unobservable inputs are the forecasted performance targets (sales and/or profitability measures) and the risk-adjusted discount rate. The sensitivity of the fair values to those unobservable inputs are disclosed in Note 7.3.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable or when an annual impairment test is required, which is applicable for goodwill and the brands with an indefinite useful life (Neodent, Medentika, ClearCorrect, Anthogyr and DrSmile).

When value-in-use calculations are undertaken, management has to estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

LEASES

Critical judgements relating to lease terms are required for lease accounting. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

INCOME TAXES

The Group is subject to income taxes in numerous jurisdictions. Management judgment is required in determining the worldwide liabilities for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome differs from the amounts that were initially recognized, the difference impacts current earnings. Uncertain tax positions are included in current and non-current income tax liabilities.

PENSION AND OTHER EMPLOYMENT BENEFITS

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations, which involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The net employee retirement benefit obligation at 31 December 2021 was CHF 61.7 million (2020: CHF 73.3 million). Further details are given in Note 8.2.

1.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**FOREIGN CURRENCY TRANSLATION**

The consolidated financial statements are presented in Swiss francs (CHF), which is Straumann Holding AG's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using this functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency exchange rate on the balance sheet date. All differences are taken to profit or loss with the exception of differences arising on monetary items that in substance form part of an entity's net investment in a foreign operation. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The assets and liabilities of foreign operations are translated into Swiss francs at the exchange rate on the balance sheet date and their income statements are translated at the average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

A straight-line method of depreciation is applied over the estimated useful life. Estimated useful lives of major classes of depreciable assets are:

- Buildings: 20–30 years
- Plant, machinery and other equipment: 3–10 years

Land is not depreciated as it is deemed to have an indefinite life. Leasehold improvements are depreciated over the lease term including optional extension of the lease period but not exceeding its economic life.

An item of property, plant and equipment is derecognized when it is abandoned, removed or classified as 'held for sale'. For assets that are abandoned or removed, any remaining net carrying value is charged to profit or loss. The residual values, useful lives and methods of depreciation of assets are reviewed and adjusted if appropriate, at the end of each financial year.

LEASES

The Group leases land, various buildings, plant and machinery and other equipment. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognized as a right-of-use asset and a corresponding liability (included in financial liabilities) at the commencement of the lease. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

RIGHT-OF-USE ASSETS

Right-of-use assets are measured at cost and comprise the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

LEASE LIABILITIES

Liabilities arising from a lease are initially measured on a present value basis, using country-specific incremental borrowing rates. This rate is calculated based on the risk-free rate of the country plus a premium considering the Group's risk premium. The following lease payments are included in the net present value:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT equipment.

Extension and termination options are included in a number of lease contracts across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment and that is within the control of the lessee. Lease liabilities are disclosed as part of the current and non-current financial liabilities in the statement of financial position.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date, irrespective of any non-controlling interests. The excess of the costs of the acquisition above the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is initially measured at cost. If the costs of the acquisition are less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into use. Intangible assets acquired in a business combination are identified separately and recognized at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

The amortization methods applied to the Group's intangible assets are summarized as follows:

	Customer & distribution relationships	Technology	Brands & trademarks	Development costs	Software
Useful life	Finite	Finite	Finite/infinite	Finite	Finite
Amortization method	Straight-line basis	Straight-line basis	Straight-line basis/none	Straight-line basis	Straight-line basis
Time period	Usually 7–15 years	Over estimated useful life but not exceeding 10 years	Usually 20 years/ not applicable	Over period of expected sales from the related project but not exceeding 3 years	Over estimated useful life but not exceeding 5 years
Internally generated or acquired	Acquired	Acquired	Acquired	Internally generated/ acquired	Acquired

The acquired brands Neodent, Medentika, ClearCorrect, Anthogyr and DrSmile play key roles in the Group's strategic priorities to accelerate growth in core markets and strategic segments. The useful lives of these brands are determined to be indefinite based on the successful and continuing internationalization through the Group's own network of country organizations and third-party distributors and cash flows are expected to continue indefinitely.

The Group further determines the indefinite useful lives on the following significant factors:

- The brand's indefinite life assessment is based on the business fundamentals, industry and underlying products with a track record of stability and high barrier to market entry. Management is strongly committed to continue to invest for the long term to extend the period over which the brands will contribute to the Group's profitable revenue
- There are no indications of any commercial obsolescence of the brands. The recognition of these brands has increased permanently since the acquisition date
- There are no indications of declining market demand in the respective industry

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries, or other available fair value indicators.

Impairment losses of continuing operations are recognized in the income statement in the expense categories consistent with the function of the impaired asset. For assets excluding goodwill and intangible assets with indefinite life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If there is such an indication, the Group makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Goodwill and intangible assets with indefinite life are tested annually for impairment or whenever there are impairment indicators. Impairment is determined by assessing the recoverable amount of the cash-generating units to which the goodwill and intangible assets with indefinite life relate. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill and intangible assets with indefinite life on 30 November.

FINANCIAL ASSETS

The Group recognizes a financial asset on the trade date at which it becomes a party to the contractual obligations of the instrument. Financial assets are initially measured at fair value. Acquisition-related costs are to be included, unless the financial asset is measured at fair value in subsequent periods. The Group subsequently measures financial assets at either amortized cost or fair value.

The Group has the following categories of financial assets:

FINANCIAL ASSETS MEASURED AT AMORTIZED COST

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets other than those classified as measured at amortized cost are subsequently measured at fair value with all changes in fair value recognized in profit or loss.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OCI

For investments in equity instruments that are not held for trading, the Group elected at initial recognition to present gains and losses in other comprehensive income. Gains and losses are never reclassified to the income statement and no impairments are recognized in profit or loss. Dividends earned from such investments are recognized in the income statement unless the dividend clearly represents a repayment of part of the cost of the investment.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. In the case of financial instruments for which there is no active market, fair value is determined using valuation techniques such as recent arm's length market transactions, the current market value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at amortized cost using the effective interest method less any impairment losses. Non-interest receivables are discounted by applying rates that match their maturity upon first-time recognition. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date, the Group assesses whether a financial asset or group of financial assets is impaired.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. A provision matrix is established that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

INVENTORIES

Inventories are valued at the lower of cost or net realizable value. Raw material costs are determined by using the weighted average cost method. The cost of finished goods and work in progress comprises direct materials and labor and a proportion of manufacturing overhead, valued at standard cost. Standard costs are regularly reviewed and, if necessary, revised to reflect current conditions.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Work in progress and finished goods are valued at manufacturing cost, including the cost of materials, labor and production overheads. Inventory write-downs are recorded in the case of slow-moving or obsolete stock.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of short-term bank overdrafts.

PUT OPTIONS TO NON-CONTROLLING INTERESTS

It is common practice for the Group to write put options and acquire call options in connection with the remaining shares held by the non-controlling shareholders mainly as part of a business combination. If the Group has acquired a present ownership interest as part of a business combination, the present value of the redemption amount of the put option is recognized as a financial liability with any excess over the carrying

amount of the non-controlling interest recognized as goodwill. In such a case, the non-controlling interest is deemed to have been acquired at the acquisition date and therefore any excess arising should follow the accounting treatment as in a business combination. All subsequent changes in the redemption value of the financial liability are recognized in the income statement and no earnings are attributed to the non-controlling interest.

However, where the Group has not acquired a present ownership interest as part of a business combination, the non-controlling interest continues to receive an allocation of profit or loss and is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognized directly in retained earnings.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

FINANCIAL LIABILITIES

INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs and have not been designated as at fair value through profit or loss. After initial recognition, interest-bearing loans and borrowings are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading as well as financial liabilities designated upon initial recognition as at fair value through profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its risks associated with fluctuations in interest rates and foreign currencies. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative instruments that do not qualify for hedge accounting are classified as financial assets at fair value through profit or loss (if positive), or as financial liabilities at fair value through profit or loss (if negative). Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges – when hedging the exposure to changes in the fair value of a recognized asset, or liability, or an unrecognized firm commitment (except for foreign currency risk)
- cash flow hedges – when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, the risk management objective and the strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement, net of any reimbursement. If the effect of the time-value of money is material, provisions are discounted. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

EMPLOYEE BENEFITS

PENSION OBLIGATIONS

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by

discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in the income statement.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

SHORT-TERM EMPLOYEE BENEFITS – BONUSES

As part of the annual compensation, most employees receive a bonus which depends on the course of business. The individual bonus is calculated by multiplying an individual base amount with a mix of financial, functional and individual target achievements which varies by hierarchical level and function. The bonus is usually settled in cash during the first quarter of the subsequent year.

The Group recognizes a liability and an expense for these bonuses based on calculations which adequately consider all these parameters.

SHARE-BASED COMPENSATION

The Board of Directors, Executive and Senior Management receive part of their remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is measured with reference to the fair value at the date on which they are granted. The fair value is determined either based on observable market prices or by external valuation experts using an appropriate pricing model, further details of which are given in Note 8.3.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the Board of Directors, Executive and Senior Management become fully entitled to the award (the vesting date).

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date of grant, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding performance share units (PSUs) is reflected as additional share dilution in the computation of earnings per share (Note 3.2).

Selected employees have the right to buy Straumann shares. The difference between the fair value at grant and the cash consideration paid by the employees is immediately recognized as personnel expense.

GOVERNMENT GRANTS

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other income on a systematic basis over the periods that the related costs for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

REVENUE RECOGNITION

Revenues on the sale of the Group's products and services are recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer.

Revenues generated with implant and restorative solutions are generally recognized at the point in time of shipment to, or receipt by, the customer, or when the services are performed. Revenues stemming from complex and prolonged orthodontic treatments, mainly derived from the sales of aligners, are recognized over time. The Group measures and allocates revenues in line with the expected treatment duration and considers a variety of factors such as historical sales, costs and gross margin, which may vary over time depending upon the unique facts and circumstances related to each performance obligation in making these estimates.

The amount of revenue to be recognized is based on the consideration the Group expects to receive in exchange for its goods and services. If products are sold with a right of return and future returns can be reasonably estimated, a refund liability (included in trade and other payables) and a right of return asset (included in trade and other receivables) are recognized. In doing so, the estimated rate of return is applied, determined based on historical experience of customer returns and considering any other relevant factors. This is applied to the amounts invoiced, also considering the amount of returned products to be destroyed versus products that can be placed back in inventory for resale. The Group's obligation to provide a refund for faulty products under the warranty terms is recognized as a provision.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from contracts with customers in the geographical regions disclosed in Note 3.1.

RELATED PARTIES

A party is related to an entity if the party directly or indirectly controls, is controlled by or is under common control with the entity; or if it has an interest in the entity that gives it significant influence over the entity; or if it has joint control over the entity or is an associate or a joint venture of the entity. In addition, members and dependents of the Key Management Personnel of the entity (Board of Directors and Executive Management Board) are also considered related parties.

TAXES

CURRENT INCOME TAX

Current income tax assets and liabilities for the current and prior periods represents the best estimate of the tax amount expected to be paid or received and reflects uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

DEFERRED INCOME TAX

Deferred income tax is determined using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect to taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences and carry-forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forwards of unused tax credits and unused tax losses can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect to deductible temporary differences associated with investments in subsidiaries and associates. Deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the deferred income tax assets can be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply for the year in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set current income tax assets off against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

SALES TAXES

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item
- in the case of receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2 INVESTMENTS

2.1 BUSINESS COMBINATIONS

TRANSACTIONS IN 2021

In 2021 the Group conducted three business combinations:

- Medical Technologies 21 LLC
- Smilink Serviços Ortodônticos Ltda.
- Straumann Group Jordan PSC

These business combinations had no material impact on the Group's revenues or net profit, neither from the acquisition date, nor when considering an inclusion of these acquisitions as of 1 January 2021.

The combined fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	2021
Assets	
Property, plant and equipment	908
Right-of-use assets	38
Intangible assets:	
Customer relationships	2 773
Other intangible assets	22
Inventories	2 331
Trade and other receivables	1 497
Cash and cash equivalents	668
Total assets	8 237
Liabilities	
Financial liabilities	359
Deferred income tax liabilities	555
Provisions and other long term liabilities	273
Trade and other payables	6 498
Total liabilities	7 685
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	552
Goodwill	13 090
Consideration	13 642
Satisfied in cash	5 421
Contingent consideration	8 221
Consideration	13 642
Cash flow	
Net cash acquired	668
Cash paid	(5 421)
NET CASH FLOW	(4 753)

At the date of the business combination, the fair values of trade receivables amounted to CHF 1.0 million. The fair values did not materially differ from the contractual gross amounts. Contingent consideration payments depend on the performance of the acquired businesses. At the balance-sheet date, the fair value of these financial liabilities collectively amounted to CHF 8.3 million.

TRANSACTIONS IN 2020**DRSMILE**

On 11 August 2020, Straumann acquired a 74.9% stake in SmileCo GmbH ('DrSmile'). Based on a call and put option agreement, the Group obtained the remaining shares on 1 September 2021.

Based in Berlin, Germany, DrSmile is a fast-growing provider of orthodontic treatment solutions in Europe. The company combines direct-to-consumer marketing expertise with doctor-led treatment and complements Straumann's existing clear aligner business. DrSmile has built up a network of partner practices across Germany and has also started to expand internationally in Austria and Spain.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The fair value of intangible assets related to brand is determined using a relief-from-royalty method. The fair value of the intangible assets related to the distribution network is determined using an excess earning method. The methods are based on management business plans, observable market data for risk-adjusted discount rates, tax rates and foreign exchange rates. Goodwill, which is not deductible for tax purposes, comprises intangible assets that are not separable such as expected synergy effects and employee know-how.

From the acquisition date DrSmile contributed revenues of CHF 18.7 million, with no material impact on net profit. If DrSmile had been included as of 1 January 2020, management estimates the impact on consolidated revenues and consolidated net income for the twelve months ended 31 December 2020 would have been CHF 39.7 million and no material impact on net profit.

ARTIS BIO TECH

Besides DrSmile, the Group conducted the business combination of Artis Bio Tech, a Romanian distributor of dental implant systems. This business combination had no material impact on the Group's revenues or net profit, neither from the acquisition date, nor when considering an inclusion of the acquisition as of 1 January 2020.

The fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	DrSmile	Artis Bio Tech
Assets		
Property, plant and equipment	530	128
Right-of-use assets	12 395	0
Intangible assets:		
Brand	38 036	1 055
Distribution relationships	13 878	0
Customer relationships	0	3 162
Other intangible assets	5	0
Deferred tax assets	25	0
Inventories	0	16
Trade and other receivables	5 023	102
Financial assets	106	0
Cash and cash equivalents	18 534	19
Total assets	88 533	4 482
Liabilities		
Financial liabilities	17 460	61
Deferred income tax liabilities	15 575	0
Trade and other payables	6 299	6
Total liabilities	39 334	67
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	49 199	4 415
Goodwill	82 977	3 907
Consideration	132 176	8 322
Satisfied in cash		
	55 858	5 277
Contingent consideration		
	76 318	3 045
Consideration	132 176	8 322
Cash flow		
Net cash acquired	18 534	19
Cash paid	(55 858)	(5 277)
NET CASH FLOW	(37 324)	(5 258)

At the date of the business combination, the fair values of trade receivables amounted to CHF 0.5 million from DrSmile and CHF 0.1 million from Artis Bio Tech. The fair values did not materially differ from the contractual gross amounts. Contingent consideration payments depend on the performance of both acquired businesses. As at 31 December 2020, the fair value of these financial liabilities collectively amounted to CHF 80.5 million.

2.2 INVESTMENTS IN ASSOCIATES

The Group has investments which are accounted for as associated companies. From a Group perspective, the associates botiss medical AG, Berlin, Germany and Rapid Shape GmbH, Heimsheim, Germany are material at the reporting date.

(in CHF 1 000)	2021		2020	
	Balance sheet value	Net income statement effect	Balance sheet value	Net income statement effect
botiss medical AG, Germany	38 874	789	41 556	957
Rapid Shape GmbH, Germany	20 460	803	20 638	(157)
Others	38 848	4 467	30 468	(2 388)
TOTAL	98 183	6 059	92 662	(1 588)

BOTISS MEDICAL AG

botiss medical AG is a leading international supplier of oral tissue regeneration products. It is a private entity that is not listed on any public exchange. The Group has an interest of 30% in the entity. Management has assessed the level of influence that the Group has on botiss medical AG and determined that it has significant influence and therefore applies the equity method of accounting.

RAPID SHAPE GMBH

Rapid Shape GmbH specializes in the development and manufacture of high-end 3D-printing systems for additive manufacturing. It is a private entity that is not listed on any public exchange. The Group has an interest of 35% in the entity. Management has assessed the level of influence that the Group has on Rapid Shape GmbH and determined that it has significant influence and therefore applies the equity method of accounting.

The tables below provide summarized financial information for botiss medical AG and Rapid Shape GmbH. The information disclosed reflects the amounts presented in the financial statements of these companies and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

(in CHF 1 000)	2021		2020	
	botiss medical AG	Rapid Shape GmbH	botiss medical AG	Rapid Shape GmbH
Current assets	20 248	19 153	18 831	6 088
Non-current assets	38 522	10 109	44 133	11 619
Current liabilities	(11 043)	(13 441)	(9 792)	(2 791)
Non-current liabilities	(9 131)	(2 946)	(10 009)	(3 724)
Net assets	38 595	12 876	43 163	11 193

RECONCILIATION TO CARRYING AMOUNT

Opening net assets	43 163	11 193	42 877	11 667
Result for the period	2 629	2 296	3 190	(447)
Other comprehensive income	67	0	(145)	0
Dividends declared	(5 172)	0	(2 712)	0
Currency translation adjustments	(2 093)	(612)	(48)	(27)
Closing net assets at 31 December	38 595	12 876	43 163	11 193
Group's share in %	30.0	35.0	30.0	35.0
Group's share in CHF	11 579	4 507	12 949	3 917
Goodwill	30 557	17 682	30 557	17 682
Currency translation adjustments on goodwill	(3 261)	(1 729)	(1 950)	(961)
CARRYING AMOUNT	38 874	20 460	41 556	20 638

Summarized comprehensive income statements of botiss medical AG and Rapid Shape GmbH for the period, where the Group has significant influence:

(in CHF 1 000)	2021		2020	
	botiss medical AG	Rapid Shape GmbH	botiss medical AG	Rapid Shape GmbH
Revenue	28 783	23 652	21 784	14 155
Result from continuing operations	2 629	2 296	3 190	(447)
RESULT FOR THE PERIOD	2 629	2 296	3 190	(447)
Other comprehensive income/(loss)	67	0	(145)	0
TOTAL COMPREHENSIVE INCOME/(LOSS)	2 696	2 296	3 045	(447)

OTHER INVESTMENTS

In addition to the investments in botiss medical AG and Rapid Shape GmbH disclosed above, the Group also has investments in other associates that are accounted for using the equity method. Considered individually they are immaterial for the presentation of the Group's financial statements. The Group invested in associated companies in 2021 (MiniNaviDent AG) and in 2020 (Promaton Holding B.V.).

The following table shows aggregated financial information about the other investments in associates:

(in CHF 1 000)	2021	2020
Aggregate carrying amount of individually immaterial associates	38 848	30 468
AGGREGATE AMOUNT OF GROUP'S SHARE OF:		
Result from continuing operations	4 467	(2 388)
RESULT FOR THE PERIOD	4 467	(2 388)
TOTAL COMPREHENSIVE INCOME / (LOSS)	4 467	(2 388)

3 OPERATING PERFORMANCE

3.1 OPERATING SEGMENTS

Operating segments requiring to be reported are determined based on the management approach. Accordingly, external segment reporting reflects the internal organizational and management structure used within the Group as well as the internal financial reporting to the Chief Operating Decision Maker (CODM), which has been identified as the Executive Management Board (EMB). The EMB is responsible for the operational management of the Group, in line with the instructions issued by the Board of Directors. It is also responsible for global strategy and stakeholder management.

The reporting segments are presented in a manner consistent with the internal reporting to the CODM. The centralized headquarter support functions (e.g. finance, information technology, human resources) as well as the functions 'Customer Solutions & Education' and 'Research & Development' are not operating segments, as they do not earn separate revenues. These functions are grouped in the column 'Not allocated items'.

Effective 1 January 2021, the Group created new regional sales organizations to provide the Group's subsidiaries with increased focus and dedicated support as well as to support the Group's growth strategy. The former operating segments 'Sales Europe' and 'Sales Distributor & Emerging Markets EMEA' were replaced with two new operating segments 'Sales Central Eastern Europe, Middle East and Africa' (Sales CEEMEA) and 'Sales Western Europe' (Sales WE).

Comparative information was restated to the structure prevailing at the balance sheet date.

SALES WESTERN EUROPE

'Sales WE' comprises the Group's distribution businesses in Scandinavia, the UK, France, the Benelux countries, Iberia and Italy. The segment further includes the implant-borne prosthetics business of Createch as well as Anthogyr manufacturing plants, a French company that develops and manufactures dental implant systems and CAD/CAM solutions. It includes segment-related management functions located inside and outside Switzerland.

SALES CENTRAL EASTERN EUROPE, MIDDLE EAST AND AFRICA

'Sales CEEMEA' comprises the Group's distribution businesses mainly in Germany, Switzerland, Austria, Hungary, the Czech Republic, Russia, Turkey, Croatia, Jordan and South Africa, as well as the business with European, African and Middle Eastern distributors. It also includes Medentika's manufacturing plant in Germany, which produces implants and prosthetic components. The segment also incorporates DrSmile, a leading provider of

clinician-led clear aligner treatment solutions headquartered in Germany. It includes segment-related management functions located inside and outside Switzerland.

SALES NORTH AMERICA

'Sales NAM' comprises the Group's distribution businesses in the United States and Canada. It also includes ClearCorrect's clear aligner development and production activities in the United States and the US-based Bay Materials, a company specializing in the design, development and supply of high-performance thermoplastics for orthodontics applications. The segment also incorporates Dental Wing's development and production activities in Canada. It includes segment-related management functions located inside and outside Switzerland.

SALES ASIA PACIFIC

'Sales APAC' comprises the Group's distribution businesses in the Asia Pacific region, as well as the business with Asian distributors. It further incorporates the business of T-Plus, a Taiwanese company that develops and manufactures dental-implant systems with distribution channels in Taiwan and China. It includes segment-related management functions located inside and outside Switzerland.

SALES LATIN AMERICA

'Sales LATAM' comprises the Group's distribution businesses in Middle and South America as well as the business with Latin American distributors. It contains Neodent's manufacturing plants in Brazil (which produce implants, biomaterials, CAD/CAM products and clear aligners). The segment also incorporates Yllor Biomaterials, a Brazilian company specialized in developing and manufacturing high-tech materials for 3D-printing and the recently acquired Smilink, a provider of orthodontics solutions in Brazil. It includes segment-related management functions located inside and outside Switzerland.

OPERATIONS

'Operations' acts as the principal towards all distribution businesses of the Group. It includes the principal production sites for implant components and instruments in Switzerland and the United States, the CAD/CAM milling centers in Germany, Japan and the United States and the production site in Sweden for biomaterials and sterile packed products. The segment also incorporates all corporate logistics functions. It does not include the manufacturing sites of Neodent, Medentika, ClearCorrect, Dental Wings, Createch, T-Plus, Anthogyr, Bay Materials and Yllor Biomaterials.

INFORMATION ABOUT PROFIT OR LOSS, ASSETS AND LIABILITIES

2021

(in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allo- cated items	Eliminations	Group
Revenue third party	394 417	495 350	613 634	388 800	129 702	0	0		2 021 903
Revenue inter-segment	30 491	89 565	47 387	0	27 409	1 043 038	0	(1 237 890)	0
Total revenue	424 908	584 915	661 021	388 800	157 111	1 043 038	0	(1 237 890)	2 021 903
Depreciation and amortization	(10 851)	(11 376)	(12 255)	(10 764)	(12 742)	(25 005)	(20 213)	0	(103 206)
Impairment	(63)	(2 835)	(2 015)	0	0	(615)	(1 109)	0	(6 637)
Other expenses / income	(412 828)	(500 715)	(633 314)	(383 903)	(134 037)	(295 480)	(140 602)	1 131 398	(1 369 481)
Operating result	1 166	69 989	13 437	(5 867)	10 332	721 938	(161 924)	(106 492)	542 579
Finance income and expense									(71 253)
Share of result of associates									6 059
Income tax expense									(78 099)
NET RESULT									399 286
Segment assets	283 461	494 043	396 672	192 755	312 446	516 045	161 530	(476 867)	1 880 085
Unallocated assets, thereof:									
Cash and cash equivalents									880 423
Deferred income tax assets									75 809
Financial assets									33 537
Investments in associates									98 183
GROUP									2 968 038
Segment liabilities	86 352	189 046	151 917	115 583	58 950	163 304	279 950	(339 601)	705 501
Unallocated liabilities, thereof:									
Deferred income tax liabilities									31 040
Financial liabilities									731 049
GROUP									1 467 590
Addition in non-current assets	4 985	21 871	5 881	7 401	25 887	67 084			133 109

Transfers between the segments are generally executed at adjusted market-based prices, taking into account the higher cost efficiency and lower risk of intragroup transactions.

Transactions between the segments are eliminated in the course of consolidation and the eliminated amounts are shown in 'Eliminations'. The remaining operating profit under 'Eliminations' represents the net change in inter-segment elimination of unrealized profits from the transfer of goods between Group companies.

Addition in non-current assets consists of additions of property, plant and equipment, right-of-use assets and intangible assets.

2020

(in CHF 1 000)	Sales WE ¹	Sales CEEMEA ¹	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allo- cated items	Eliminations	Group
Revenue third party	295 415	319 665	440 226	280 364	90 181	0	0		1 425 851
Revenue inter-segment	23 063	57 493	14 168	0	31 275	722 463	0	(848 462)	0
Total revenue	318 478	377 158	454 394	280 364	121 456	722 463	0	(848 462)	1 425 851
Depreciation and amortization	(10 038)	(9 248)	(13 191)	(10 692)	(12 122)	(23 945)	(20 231)	0	(99 467)
Impairment	(21 634)	(5 453)	(92 181)	(23 924)	(6 783)	0	0	0	(149 975)
Other expenses / income	(256 195)	(348 550)	(431 875)	(274 722)	(97 524)	(265 005)	(168 493)	822 496	(1 019 868)
Operating result	30 611	13 907	(82 853)	(28 974)	5 027	433 513	(188 724)	(25 966)	156 541
Finance income and expense									(41 045)
Share of result of associates									(1 588)
Income tax expense									(21 640)
NET RESULT									92 268
Segment assets	287 350	454 238	315 681	149 222	275 297	483 603	88 610	(326 550)	1 727 451
Unallocated assets, thereof:									
Cash and cash equivalents									632 201
Deferred income tax assets									68 990
Financial assets									27 309
Investments in associates									92 662
GROUP									2 548 613
Segment liabilities	98 946	97 772	87 639	70 420	27 620	124 345	226 210	(195 767)	537 185
Unallocated liabilities, thereof:									
Deferred income tax liabilities									43 228
Financial liabilities									758 257
GROUP									1 338 670
Addition in non-current assets	6 446	11 360	6 005	7 610	9 751	52 446			93 618

1 Restated to conform to the 2021 segment reporting format

NON-CURRENT ASSETS BY LOCATION

(in CHF 1 000)	2021	2020
Switzerland	260 654	246 154
Germany	333 541	348 596
United States of America	266 324	253 683
Brazil	185 050	172 636
Other	270 372	271 009
GROUP	1 315 941	1 292 078

Non-current assets include property, plant and equipment, right-of-use assets, investments in associates and intangible assets.

REVENUES WITH EXTERNAL PARTIES

(in CHF 1 000)	2021	2020
BY PRODUCT CATEGORY		
Implant solutions	1 089 759	775 998
Restorative solutions	498 365	383 795
Other	433 779	266 058
GROUP	2 021 903	1 425 851
BY LOCATION OF CUSTOMER		
Switzerland	39 101	31 420
United States of America	516 875	396 302
Germany	259 045	192 075
China	243 278	158 074
France	104 054	72 108
Brazil	96 688	73 780
Japan	95 917	81 291
Other	666 945	420 801
GROUP	2 021 903	1 425 851

- The product category Implant solutions comprises primarily implants and related instruments
- The product category Restorative solutions comprises abutments and related parts as well as milling elements
- Other comprises scanner hardware, software licenses, orthodontics, biomaterials, customer training and other miscellaneous products

Revenues are allocated to countries based on the location of customers. The Group has a diverse and geographically widely spread customer base. No single customer accounts for 10% or more of total Group revenues.

3.2 EARNINGS PER SHARE**BASIC EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Straumann Holding AG by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	2021	2020
Net profit attributable to shareholders (in CHF 1 000)	396 079	91 282
Weighted average number of ordinary shares outstanding	15 906 773	15 883 102
BASIC EARNINGS PER SHARE (IN CHF)	24.90	5.75

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Straumann Holding AG by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential of outstanding equity instruments into ordinary shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the Performance Share Units.

	2021	2020
Net profit used to determine diluted earnings per share (in CHF 1 000)	396 079	91 282
Weighted average number of ordinary shares outstanding	15 906 773	15 883 102
Adjustments for instruments issued	52 454	41 728
Weighted average number of ordinary shares for diluted earnings per share	15 959 227	15 924 830
DILUTED EARNINGS PER SHARE (IN CHF)	24.82	5.73

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

3.3 OTHER INCOME

(in CHF 1 000)	2021	2020
Rental income	1 415	1 521
Insurance reimbursements	765	274
Government grants	493	13 898
Other	3 399	3 071
TOTAL OTHER INCOME	6 072	18 764

As a response to the COVID-19 global pandemic, governments around the world have implemented measures to help businesses and economies to withstand the negative impacts of the COVID-19 crisis. Mainly related to short-time working subsidies in various countries, the Group was awarded government grants of CHF 13.9 million in 2020. No material grants were awarded in 2021.

4 TANGIBLE AND INTANGIBLE ASSETS

4.1 PROPERTY, PLANT AND EQUIPMENT

2021

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	20 880	201 544	337 166	138 223	697 813
Change in consolidation scope - additions (Note 2.1)	0	114	388	406	908
Additions	377	25 980	45 659	33 112	105 128
Disposals	(399)	(1 718)	(17 601)	(19 443)	(39 161)
Currency translation adjustments	(280)	(1 266)	(2 370)	(1 978)	(5 894)
At 31 December	20 578	224 654	363 242	150 319	758 794
ACCUMULATED DEPRECIATION					
At 1 January	0	(98 576)	(182 516)	(103 174)	(384 266)
Depreciation charge (Note 4.5)	(399)	(8 671)	(25 825)	(16 243)	(51 137)
Impairment (Note 4.5)		(12)	(3 439)	(944)	(4 396)
Disposals	399	1 620	15 934	18 990	36 942
Currency translation adjustments	(104)	305	467	942	1 609
At 31 December	(104)	(105 334)	(195 380)	(100 429)	(401 248)
NET BOOK VALUE	20 474	119 320	167 862	49 890	357 546

2020

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	20 190	183 129	341 120	136 711	681 150
Change in consolidation scope - additions (Note 2.1)	0	128	0	530	658
Additions	4 941	25 955	24 677	15 269	70 842
Disposals	0	(836)	(6 150)	(4 429)	(11 414)
Change in consolidation scope - disposals	0	(98)	(942)	(76)	(1 116)
Currency translation adjustments	(4 251)	(6 735)	(21 539)	(9 781)	(42 306)
At 31 December	20 880	201 544	337 166	138 223	697 813
ACCUMULATED DEPRECIATION					
At 1 January	0	(93 154)	(166 710)	(96 121)	(355 985)
Depreciation charge (Note 4.5)	0	(6 939)	(23 541)	(14 031)	(44 511)
Impairment (Note 4.5)	0	(539)	(4 937)	(72)	(5 549)
Disposals	0	328	5 194	3 148	8 670
Change in consolidation scope - disposals	0	74	221	49	343
Currency translation adjustments	0	1 654	7 257	3 853	12 765
At 31 December	0	(98 576)	(182 516)	(103 174)	(384 266)
NET BOOK VALUE	20 880	102 968	154 650	35 049	313 547

Repair and maintenance expenses for property, plant and equipment for the business year 2021 amounted to CHF 11.5 million (2020: CHF 9.5 million).

4.2 RIGHT-OF-USE ASSETS

2021

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	0	255 752	3 638	20 577	279 967
Change in consolidation scope – additions (Note 2.1)	0	38	0	0	38
Additions	3 175	18 525	0	5 579	27 278
Disposals	0	(11 322)	(972)	(4 783)	(17 077)
Currency translation adjustments	47	(3 322)	18	(1 253)	(4 509)
At 31 December	3 222	259 671	2 684	20 120	285 697
ACCUMULATED DEPRECIATION					
At 1 January	0	(34 283)	(1 713)	(8 388)	(44 384)
Depreciation charge (Note 4.5)	0	(21 664)	(781)	(6 068)	(28 513)
Disposals	0	2 388	970	4 239	7 597
Currency translation adjustments	0	317	10	600	927
At 31 December	0	(53 243)	(1 514)	(9 616)	(64 373)
NET BOOK VALUE	3 222	206 428	1 169	10 504	221 324

2020

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January		252 623	4 247	15 768	272 638
Change in consolidation scope – additions (Note 2.1)		9 379	0	3 015	12 395
Additions		13 747	13	6 375	20 136
Disposals		(9 207)	(433)	(3 834)	(13 475)
Change in consolidation scope – disposals		(226)	0	0	(226)
Currency translation adjustments		(10 565)	(189)	(747)	(11 501)
At 31 December		255 752	3 638	20 577	279 967
ACCUMULATED DEPRECIATION					
At 1 January		(16 756)	(866)	(4 433)	(22 054)
Depreciation charge (Note 4.5)		(20 174)	(1 150)	(5 916)	(27 240)
Disposals		1 586	245	1 754	3 586
Change in consolidation scope – disposals		144	0	0	144
Currency translation adjustments		916	58	207	1 181
At 31 December		(34 283)	(1 713)	(8 388)	(44 384)
NET BOOK VALUE		221 469	1 925	12 189	235 584

Beside the lease contracts recognized as right-of-use assets, the Group has entered into lease contracts with terms of 12 months or less and leases of low value. In 2021, the Group recognized expenses of CHF 6.9 million related to short-term leases (2020: CHF 3.1 million) and CHF 1.4 million related to low value leases (2020: CHF 1.9 million).

The Group recognized a total cash outflow for leases of CHF 36.8 million in 2021 (2020: CHF 31.5 million). The maturity analysis of lease liabilities is disclosed in Note 9.2.

4.3 INTANGIBLE ASSETS

2021

(in CHF 1 000)	Goodwill	Brands	Customer & distribution relationships	Technology	Other intangibles	Total
COST						
At 1 January	634 471	146 161	173 759	75 547	113 591	1 143 529
Change in consolidation scope – additions (Note 2.1)	13 090	0	2 773	0	22	15 885
Additions	0	0	0	0	15 842	15 842
Disposals	(2 206)	(199)	(445)	0	(5 980)	(8 829)
Currency translation adjustments	(16 665)	(3 194)	(8 914)	1 755	(226)	(27 244)
At 31 December	628 689	142 768	167 173	77 302	123 250	1 139 182
ACCUMULATED AMORTIZATION AND IMPAIRMENT						
At 1 January	(210 213)	(10 120)	(128 666)	(59 227)	(85 018)	(493 243)
Amortization charge (Note 4.5)		(190)	(7 662)	(3 529)	(12 175)	(23 556)
Impairment (Note 4.5)					(2 241)	(2 241)
Disposals	2 206	199	445		5 351	8 200
Currency translation adjustments	4 668	51	7 107	(1 430)	149	10 545
At 31 December	(203 339)	(10 060)	(128 776)	(64 186)	(93 934)	(500 295)
NET BOOK VALUE	425 350	132 708	38 397	13 116	29 315	638 887

2020

(in CHF 1 000)	Goodwill	Brands	Customer & distribution relationships	Technology	Other intangibles	Total
COST						
At 1 January	599 224	124 073	169 439	78 570	111 366	1 082 672
Change in consolidation scope – additions (Note 2.1)	86 884	39 091	17 040	0	5	143 019
Additions	0	0	361	1 342	9 524	11 227
Disposals	0	0	0	0	(2 669)	(2 669)
Currency translation adjustments	(51 637)	(17 002)	(13 081)	(4 365)	(4 635)	(90 720)
At 31 December	634 471	146 161	173 759	75 547	113 591	1 143 529
ACCUMULATED AMORTIZATION AND IMPAIRMENT						
At 1 January	(114 596)	(1 460)	(120 109)	(29 551)	(74 116)	(339 831)
Amortization charge (Note 4.5)		(200)	(7 371)	(5 008)	(15 137)	(27 716)
Impairment (Note 4.5)	(97 547)	(8 615)	(12 314)	(25 950)	0	(144 426)
Disposals					2 669	2 669
Currency translation adjustments	1 930	154	11 128	1 282	1 567	16 061
At 31 December	(210 213)	(10 120)	(128 666)	(59 227)	(85 018)	(493 243)
NET BOOK VALUE	424 258	136 041	45 093	16 320	28 573	650 285

Other intangibles include mainly software, development costs and distribution rights.

In 2021, the Group spent CHF 96.0 million (2020: CHF 97.6 million) for research and development. The amount is included in 'Administrative expense' in the consolidated income statement.

4.4 IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS

ANNUAL IMPAIRMENT TEST FOR GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

Goodwill and indefinite life intangible assets are allocated to cash-generating units (CGU) for the purpose of impairment testing. A summary of goodwill and indefinite life intangibles allocation per CGU is presented below:

(in CHF 1 000)	2021		2020	
	Goodwill	Brand with indefinite life	Goodwill	Brand with indefinite life
ClearCorrect Business	100 132	31 238	97 256	30 120
DrSmile Business	79 745	36 555	83 579	38 312
Neodent Business	64 278	30 872	66 489	31 934
Global Premium Implant Business	62 912	0	62 824	0
Medentika Business	40 295	18 227	42 232	19 104
Anthogyr Business	23 785	12 439	24 929	13 037
Other	54 202	0	46 949	0
TOTAL	425 350	129 331	424 258	132 507

CLEARCORRECT BUSINESS

The CGU ClearCorrect Business (which is part of the operating segment Sales NAM) contains the manufacturing plant and the related sales activities for ClearCorrect products. The goodwill and the ClearCorrect brand have been recognized as part of the acquisition of ClearCorrect in 2017.

DRSMILE BUSINESS

The CGU DrSmile Business (which is part of the operating segment Sales CEEMEA) contains the orthodontics business of DrSmile in the European market. The goodwill and the DrSmile brand have been recognized as part of the acquisition of DrSmile in 2020.

NEODENT BUSINESS

The CGU Neodent Business (which is part of the operating segment Sales LATAM) contains the manufacturing plant for Neodent products, the related sales activities in the Brazilian market and the export business towards the Group's distribution principal and to third party distributors. Both the goodwill and the Neodent brand have been recognized as part of the acquisition of Neodent in 2015.

GLOBAL PREMIUM IMPLANT BUSINESS

The CGU Global Premium Implant Business (which is part of the operating segment Operations) is the principal towards all distribution businesses of the Group for premium implant and restorative solutions and contains the goodwill allocated to the principal recognized in acquisitions of companies distributing such products on local markets.

MEDENTIKA BUSINESS

The CGU Medentika Business (which is part of the operating segment Sales CEEMEA) contains the manufacturing plant for Medentika products, the related sales activities in the German market and the export business towards the Group's distribution principal and to third party distributors. Both the goodwill and the Medentika brand have been recognized as part of the acquisition of Medentika in 2017.

ANTHOGYR BUSINESS

The CGU Anthogyr Business (which is part of the operating segment Sales WE) contains the manufacturing plant for Anthogyr products, the related sales activities in the European market as well as the export business towards the Group's distribution principal and to third party distributors. Both the goodwill and the Anthogyr brand have been recognized as part of the acquisition of Anthogyr in 2019.

Goodwill and indefinite life intangibles have been tested for impairment. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by Management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the dental implant, restoration and orthodontics sector.

Key assumptions for the most material CGUs are as follows:

(in %)	2021	2020
CLEARCORRECT BUSINESS		
Gross profit margin of the CGU ¹	67.0	65.6
Terminal growth rate ²	1.5	1.5
Weighted average cost of capital (WACC) ³	13.2	13.6
DRSMILE BUSINESS		
Gross profit margin of the CGU ¹	80.0	78.0
Terminal growth rate ²	1.5	0.9
Weighted average cost of capital (WACC) ³	16.0	19.0
NEODENT BUSINESS		
Gross profit margin of the CGU ¹	72.2	71.6
Terminal growth rate ²	3.5	4.5
Weighted average cost of capital (WACC) ³	13.2	15.1
GLOBAL PREMIUM IMPLANT BUSINESS		
Gross profit margin of the CGU ¹	77.7	65.1
Terminal growth rate ²	1.5	1.5
Weighted average cost of capital (WACC) ³	7.0	8.9
MEDENTIKA BUSINESS		
Gross profit margin of the CGU ¹	59.3	61.0
Terminal growth rate ²	1.5	1.5
Weighted average cost of capital (WACC) ³	11.5	10.2
ANTHOGYR BUSINESS		
Gross profit margin of the CGU ¹	47.0	51.8
Terminal growth rate ²	1.5	1.5
Weighted average cost of capital (WACC) ³	12.0	10.5

¹ Budgeted gross profit margin

² Used for calculating the terminal value

³ Pre-tax discount rate applied to the cash flow projections

Gross profit margin was determined by Management based on past performance and its expectations for market development. The WACCs used are pre-tax and reflect specific risks relating to the relevant CGUs. The Group believes that no changes in key assumptions which can rationally be expected would cause the carrying amount of any CGU to exceed its recoverable amount.

Based on the impairment tests conducted, no impairments or impairment reversals were recognized in both periods under review, except for the below:

2021 IMPAIRMENTS

In 2021, a total of CHF 6.6 million of impairment charges have been recognized, thereof CHF 4.4 million 'property, plant and equipment' and CHF 2.2 million 'intangible assets'. The impairment charges are mainly related to the discontinuation of usage of machinery and software.

2020 IMPAIRMENTS

Based on the expected economic consequences of the COVID-19 pandemic, the Group conducted a risk assessment for each cash-generating unit (CGU) to identify whether the pandemic may trigger impairment testing. The analysis concluded that a number of CGUs had to be tested for impairment and consequentially the Group conducted value-in-use calculations on 30 April 2020. In the CGUs disclosed below, the carrying amount exceeded the recoverable amount. As a result, the Group recognized impairment charges totaling CHF 150.0 million.

A summary of the 2020 impairment charges by CGU and Asset is presented below:

(in CHF 1 000)	Asset	Cost of goods sold	Distribution expense	Administrative expense	Total
Other – Dental Wings Business	Goodwill			52 591	52 591
	Customer relationships		2 144		2 144
	Technology			24 731	24 731
	Brand			4 185	4 185
	Total			2 144	81 507
Other – Implant Business India	Goodwill			13 731	13 731
	Customer relationships		2 662		2 662
	Brand			867	867
	Property, plant and equipment	1 268			1 268
	Total	1 268	2 662	14 598	
Other – Createch	Goodwill			9 287	9 287
	Technology			1 219	1 219
	Brand			2 623	2 623
	Total			13 129	13 129
Other – Implant Business Iberia	Goodwill			5 811	5 811
	Customer relationships		2 694		2 694
	Total		2 694	5 811	8 505
Other – various CGU's	Goodwill			16 128	16 128
	Customer relationships		4 815		4 815
	Brand			939	939
	Property, plant and equipment	4 281			4 281
	Total	4 281	4 815	17 066	
Total	Goodwill			97 547	97 547
	Customer relationships		12 314		12 314
	Technology			25 950	25 950
	Brand			8 615	8 615
	Property, plant and equipment	5 549			5 549
TOTAL	5 549	12 314	132 112		149 975

With the exception of the CGU Implant Business India the impairment charges are mainly caused by a material downward reassessment of the market growth perspectives over the coming two to five years as a consequence of reduced consumer confidence and hampered economic development as a result of the COVID-19 pandemic. The impairment recognized on the Implant Business India CGU is due to the discontinuation of the Equinox sales and manufacturing activities and a reduced sales growth rate forecast for the remaining product brands.

ASSUMPTIONS FOR VALUE-IN-USE CALCULATIONS

The key assumptions used for the value-in-use calculations are as follows:

(in %)	Apr 2020
OTHER – DENTAL WINGS BUSINESS	
Gross profit margin of the CGU ¹	57.1
Terminal growth rate ²	2.0
Weighted average cost of capital (WACC) ³	16.0
OTHER – IMPLANT BUSINESS INDIA	
Gross profit margin of the CGU ¹	32.0
Terminal growth rate ²	3.8
Weighted average cost of capital (WACC) ³	17.6
OTHER – CREATECH	
Gross profit margin of the CGU ¹	31.1
Terminal growth rate ²	2.0
Weighted average cost of capital (WACC) ³	12.6
OTHER – IMPLANT BUSINESS IBERIA	
Gross profit margin of the CGU ¹	70.0
Terminal growth rate ²	2.0
Weighted average cost of capital (WACC) ³	16.2

1 Budgeted gross profit margin

2 Used for calculating the terminal value

3 Pre-tax discount rate applied to the cash flow projections

4.5 DEPRECIATION AND AMORTIZATION

(in CHF 1 000)	2021	2020
Depreciation of property, plant and equipment	(51 137)	(44 511)
Depreciation of right-of-use assets	(28 513)	(27 240)
Amortization of intangible assets	(23 556)	(27 716)
Impairment of property, plant and equipment	(4 396)	(5 549)
Impairment of intangible assets	(2 241)	(144 426)
TOTAL DEPRECIATION AND AMORTIZATION	(109 843)	(249 442)

5 NET WORKING CAPITAL**5.1 INVENTORIES**

(in CHF 1 000)	2021	2020
Raw materials and supplies	39 424	38 107
Work in progress	67 896	57 515
Finished goods	141 907	120 947
TOTAL INVENTORIES	249 227	216 570
Inventories recognized as an expense in cost of goods sold	(429 739)	(317 172)
Obsolete inventories written down and recognized as an expense	(5 585)	(5 146)

5.2 TRADE AND OTHER RECEIVABLES

(in CHF 1 000)	2021	2020
Trade receivables, net	287 269	236 027
Other receivables, thereof:	93 338	58 523
Sales related	49 628	26 644
VAT and other non-income taxes	34 703	25 442
Salary and social security prepayments	3 430	752
Cash deposits	2 554	2 098
Right of return asset	1 032	1 001
Prepaid rent	711	1 257
Government grants	443	619
Interest	203	59
Other	633	652
TOTAL TRADE AND OTHER RECEIVABLES	380 607	294 550
thereof: Other financial assets as defined by IFRS 7	52 385	29 297
thereof:		
CHF	17 184	12 127
EUR	110 991	83 385
USD	67 767	57 306
CNY	49 823	28 257
BRL	47 545	36 052
TRY	18 064	26 047
GBP	8 783	7 729
RUB	8 108	2 803
CAD	7 524	6 054
Other	44 819	34 790

Trade receivables are non-interest bearing. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers who are dispersed internationally.

Movements in the provision for impairment of trade receivables were as follows:

(in CHF 1 000)	2021	2020
At 1 January	(32 996)	(24 286)
Charge for the year	(5 228)	(14 833)
Utilized	1 440	3 700
Unused amounts reversed	6 098	807
Currency translation adjustments	599	1 616
AT 31 DECEMBER	(30 087)	(32 996)

The provision for impairment is continuously reassessed which led to a partial reversal of the provision in 2021. The charge for the year in 2020 is mainly related to increased default risks due to the market conditions as well as the business expansion.

There is no provision on other receivables.

The analysis of overdue trade receivables is as follows:

(in CHF 1 000)	2021		2020	
	Gross	Allowance	Gross	Allowance
Not past due	237 606	(2 393)	196 033	(1 475)
Past due, thereof:	79 750	(27 694)	72 990	(31 520)
< 30 days	27 825	(880)	19 339	(158)
31–60 days	12 785	(731)	8 267	(419)
61–90 days	8 215	(1 585)	6 252	(1 069)
91–120 days	4 290	(1 791)	5 129	(1 946)
> 120 days	26 636	(22 706)	34 003	(27 928)
TOTAL	317 356	(30 087)	269 023	(32 996)

5.3 CASH AND CASH EQUIVALENTS

(in CHF 1 000)	2021	2020
Cash at banks and on hand, thereof:	743 669	508 713
CHF	550 788	359 418
EUR	91 699	69 977
USD	36 493	25 004
CNY	20 533	20 325
JPY	8 476	5 625
CAD	3 750	2 002
SEK	3 516	4 687
RUB	2 976	1 960
SGD	1 444	1 188
IRR	6 574	1 801
Other	17 419	16 725
Short-term bank deposits, thereof:	136 754	123 488
CHF	70 000	60 000
BRL	9 674	18 578
USD	50 369	39 775
TRY	2 836	2 717
GBP	1 414	1 423
Other	2 461	995
TOTAL CASH AND CASH EQUIVALENTS	880 423	632 201

Cash at banks earns interest at floating rates based on daily bank deposit rates in the respective currency.

5.4 TRADE AND OTHER PAYABLES

(in CHF 1 000)	2021	2020
Trade payables	74 832	49 919
Other payables, thereof:	364 894	267 672
Sales related	136 931	93 744
Salary and social security	131 248	82 573
Contingent consideration	42 064	44 365
VAT and other non-income taxes	25 990	21 297
Refund liability	18 549	17 987
Rent payable	2 048	314
Interest accrued on straight bond (Note 7.2)	987	987
Other	7 075	6 405
TOTAL TRADE AND OTHER PAYABLES	439 725	317 591
thereof: other financial liabilities as defined by IFRS 7	182 030	139 410

In 2021, the contingent consideration mainly relates to the DrSmile business combination (CHF 36.6 million), while in 2020, the contingent consideration mainly includes both the DrSmile (CHF 22.0 million) and the Batigroup (CHF 9.1 million) business combinations.

6 PROVISIONS, OTHER NON-CURRENT LIABILITIES, CONTINGENCIES AND COMMITMENTS

6.1 PROVISIONS

(in CHF 1 000)	Sales-related	Legal	Other	Total 2021	Total 2020
At 1 January	2 640	11 729	1 102	15 471	10 971
Change in consolidation scope	0	0	273	273	0
Utilization	(53)	(1 566)	(2 168)	(3 787)	(157)
Reversal	0	(677)	(578)	(1 255)	(2 895)
Additions	166	16 177	5 774	22 117	8 633
Currency translation adjustments	(50)	(396)	(157)	(603)	(1 081)
At 31 December	2 703	25 267	4 246	32 216	15 471
Non-current 2021	2 703	16 787	4 191	23 681	
Current 2021	0	8 480	55	8 535	
TOTAL PROVISIONS 2021	2 703	25 267	4 246	32 216	
Non-current 2020	2 612	11 729	1 095		15 436
Current 2020	28	0	7		35
TOTAL PROVISIONS 2020	2 640	11 729	1 102		15 471

SALES RELATED

Provisions are made for expected product assurance-type warranties and similar items based on contractual arrangements. The amounts of the provision are determined on the basis of experience and are therefore subject to a degree of uncertainty. The outflow of funds depends on the timing of the filing and conclusion of warranty claims.

LEGAL

Legal provisions have been set up to cover various legal and administrative settlements that arise in the ordinary course of the business. The timing of outflows is uncertain as it depends upon the outcome of the cases. Group Management does not believe it is possible to make assumptions on the evolution of the cases beyond the balance sheet date.

OTHER

The composition of these items is manifold and comprises, among other things, provisions for sales agent's indemnities and provisions related to sales and other taxes. The expected timing of the future cash outflows is uncertain.

6.2 OTHER NON-CURRENT LIABILITIES

(in CHF 1 000)	2021	2020
Contingent consideration	70 527	72 793
Other long-term employee benefits	10 912	9 303
Rent payable	3 553	2 520
Government grants	141	236
Non-income taxes	63	1 603
Other	395	530
TOTAL OTHER LIABILITIES	85 590	86 986
thereof: other financial liabilities as defined by IFRS 7	74 080	75 313

In 2021, the majority of contingent consideration liability relates to the DrSmile business combination and amounts to CHF 55.6 million (2020: CHF 55.5 million). Further details are given in Note 7.3.

6.3 CONTINGENCIES AND COMMITMENTS**CONTINGENT ASSETS AND LIABILITIES**

The Group has guarantee obligations with a maximum of CHF 46.6 million (2020: CHF 5.4 million). The guarantee obligations increased mainly due to the business model of DrSmile and the related business expansion. Some Group companies are involved in litigations arising from the normal course of their business and might be liable to pay compensations. The costs relating to these lawsuits may not be partially or fully covered by insurance. However, it is the view of the management that the outcome of such litigations will not significantly affect the Group's financial position over and above the provisions already recognized in the statement of financial position.

CONTINGENT LIABILITIES

(in CHF 1 000)	2021	2020
Guarantee obligations	46 619	5 379
Purchase commitments	2 924	1 214
TOTAL	49 543	6 593

7 FINANCING, CAPITAL AND TAX**7.1 FINANCIAL ASSETS**

(in CHF 1 000)	2021	2020
Financial assets at fair value through other comprehensive income	21 303	10 866
Loans and other receivables	8 867	9 125
Financial assets at fair value through profit or loss	1 016	7 013
TOTAL NON-CURRENT FINANCIAL ASSETS	31 186	27 004
Loans and other receivables	1 276	16
Financial assets at fair value through profit or loss	1 075	289
TOTAL CURRENT FINANCIAL ASSETS	2 351	305

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets measured at fair value through other comprehensive income represent equity instruments in the medical device sector and an investment in a fund. The Group did not recognize any dividend income relating to these instruments during the periods under review.

LOANS AND OTHER RECEIVABLES

This position includes various non-derivative financial assets carried at amortized cost which generate interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This category mainly includes derivative financial instruments used by the Group to hedge its foreign currency risk. In 2020, this category further included a convertible bond from a non-listed US consumer health company in the dental sector. In 2021, the bond was converted into shares which are designated at fair value through other comprehensive income.

7.2 FINANCIAL LIABILITIES

(in CHF 1 000)	2021	2020
Straight bonds	479 841	479 726
Lease liabilities	200 882	216 387
Put options to non-controlling interests	5 439	26 601
Financial liabilities at amortized costs	4 137	7 909
TOTAL NON-CURRENT FINANCIAL LIABILITIES	690 299	730 622
Lease liabilities	25 846	25 840
Put options to non-controlling interests	13 955	0
Financial liabilities at amortized costs	612	952
Financial liabilities at fair value through profit or loss	338	749
Straight bonds	0	94
TOTAL CURRENT FINANCIAL LIABILITIES	40 751	27 635

Movements in liabilities arising from financing activities are as follows:

(in CHF 1 000)	2021	2020
At 1 January	758 257	495 489
Payment of lease liabilities	(29 897)	(24 920)
Change in lease liabilities	24 879	16 620
Purchase of non-controlling interests	(8 343)	0
Interest paid on lease liabilities	(6 912)	(6 626)
Repayment in non-current financial debts	(4 742)	(3 934)
Currency translation adjustments	(4 354)	(7 191)
Change in fair values	1 474	676
Increase in non-current financial debts	1 320	479 031
Change in consolidation scope	359	17 521
Repayment of current financial debts	(309)	(200 057)
Other changes	(682)	(8 352)
AT 31 DECEMBER	731 050	758 257

The change in consolidation scope in 2021 mainly relates to the business combination of Smilink and in 2020 mainly to the business combination DrSmile (Note 2.1). The purchase of non-controlling interest relates to the share acquisition from minority shareholders of Valoc AG.

STRAIGHT BONDS

The Group placed a CHF-denominated domestic straight bond issue for an aggregate amount of CHF 280 million with issue date 3 April 2020 and interest rate of 1.00% p.a., payable annually in arrears on 3 October. The bond is due for repayment on 3 October 2023.

In July 2020, the Group placed an additional CHF-denominated domestic straight bond for an aggregate amount of CHF 200 million, with issue date 15 July 2020 and an interest rate of 0.55% p.a., payable annually in arrears on 3 October. The bond is due for repayment on 3 October 2025.

Denominations of the bonds are CHF 5 000 nominal and multiples thereof. The bonds have been admitted to trading on the SIX Swiss Exchange with effect from 27 March 2020 until 3 October 2023 and from 10 June 2020 until 3 October 2025 respectively. Both are listed in accordance with the Standard for Bonds on the SIX Swiss Exchange.

In 2020 the Group repaid its CHF-denominated domestic straight bond of CHF 200 million which was issued in April 2013.

The interest-bearing borrowings recognized in the financial position are calculated as follows:

(in CHF 1 000)	2021	2020
Straight bonds at 1 January	479 819	199 980
Interest expense	4 016	3 851
Redemption (Coupon)	(3 993)	(3 736)
thereof:		
Recognized in trade and other payables (Note 5.4)	(987)	(987)
Disbursement	(3 006)	(2 749)
Repayment		(200 000)
Placement		479 726
STRAIGHT BONDS AT 31 DECEMBER	479 841	479 819

7.3 FINANCIAL INSTRUMENTS

FAIR VALUES

The carrying amount of cash and cash equivalents, trade and other receivables and trade and other payables with a remaining term of up to twelve months, as well as other current financial assets and liabilities, represent a reasonable approximation of their fair values due to the short-term maturities of these instruments.

The fair value of equity instruments quoted in an active market is based on price quotations at the period-end date. For domestic bonds listed on the SIX Swiss Exchange, the fair value is derived from quoted market prices.

The fair value of the put options granted to non-controlling interests relate to the business combination of Abutment Direct Inc in 2019 and Medentika in 2017.

The fair value of derivatives is determined on the basis of input factors observed directly or indirectly on the market. The fair value of foreign exchange forward contracts and non-deliverable forwards are based on forward exchange rates.

The unquoted equity instruments allocated to Level 3 hierarchy mainly relate to investments in an Irish-based development and manufacturing company in the biomaterials sector, a non-listed US consumer health company in the dental sector, as well as a fund that is dedicated exclusively to investments in dental-related opportunities in China. As the market for these investments is not active or no market is available, fair value is determined based on best information available to the Group, such as the net asset value reports of the instruments.

Other financial liabilities allocated to Level 3 hierarchy mainly include the contingent considerations in relation to the business combinations of DrSmile in Germany, Bay Materials in the US, Medical Technologies 21 LLC in Russia and Digital Planning Service Private Limited in Pakistan. The fair value of the contingent consideration of DrSmile is based on revenue and profitability targets. The fair value of the contingent consideration of Digital Planning Service is based on various company or product-related milestones. The fair value of the Bay Materials contingent consideration is based on a mix of profitability components and product-related milestones. The fair value of the contingent consideration of Medical Technologies 21 LLC is based on revenue targets.

The fair value of investments in Level 3 is reviewed regularly for a possible diminution in value.

FAIR VALUE HIERARCHY

The Group uses the following hierarchy for disclosure of the fair values of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which predominantly use input data which are not based on observable market data

At 31 December 2021 and 2020 the Group held the following financial instruments:

2021

(in CHF 1 000)

	Carrying amount (by measurement basis)					Fair Value
	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	
FINANCIAL ASSETS (NOTE 7.1)						
Derivative financial assets			1 075		1 075	
Equity instruments		1 016		21 303	22 319	
Convertible bonds					0	
Loans and other financial receivables	10 142				10 142	
FINANCIAL ASSETS (NOTE 5.2)						
Trade receivables	287 269				287 269	
Other receivables	52 385				52 385	
FINANCIAL ASSETS (NOTE 5.3)						
Cash and cash equivalents	880 423				880 423	
FINANCIAL LIABILITIES (NOTE 7.2)						
Straight bonds	479 841				479 841	489 564
Derivative financial liabilities			338		338	
Put options to non-controlling interests				19 394	19 394	
Lease liabilities	226 727				226 727	
Other financial liabilities	4 749				4 749	
FINANCIAL LIABILITIES (NOTE 5.4 AND 6.2)						
Trade payables	74 832				74 832	
Other liabilities	143 529			112 591	256 120	

2020

(in CHF 1 000)

	Carrying amount (by measurement basis)					Fair Value
	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	
FINANCIAL ASSETS (NOTE 7.1)						
Derivative financial assets			289		289	
Equity instruments		6 642		5 074	11 716	
Convertible bonds				6 163	6 163	
Loans and other financial receivables	9 141				9 141	
FINANCIAL ASSETS (NOTE 5.2)						
Trade receivables	236 027				236 027	
Other receivables	29 297				29 297	
FINANCIAL ASSETS (NOTE 5.3)						
Cash and cash equivalents	632 201				632 201	
FINANCIAL LIABILITIES (NOTE 7.2)						
Straight bonds	479 819				479 819	491 178
Derivative financial liabilities			749		749	
Put options to non-controlling interests				26 601	26 601	
Lease liabilities	242 226				242 226	
Other financial liabilities	8 860				8 860	
FINANCIAL LIABILITIES (NOTE 5.4 AND 6.2)						
Trade payables	49 919				49 919	
Other liabilities	97 564			117 158	214 722	

The changes in carrying values associated with Level 3 financial instruments are set as follows:

(in CHF 1 000)	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
At 1 January	11 237	143 759	5 113	75 862
Transfer into Level 3	15 343	0	0	0
Additions	9 728	8 157	5 488	79 363
Settlements	(1 404)	(64 452)	(363)	(12 554)
Remeasurement recognized in profit or loss	(201)	43 479	323	3 127
Remeasurement recognized in OCI	(13 400)	(94)	675	(1 965)
Remeasurement recognized in equity	0	1 136	0	(74)
AT 31 DECEMBER	21 303	131 985	11 237	143 759

Additions to Level 3 financial assets mainly relate to an investment in an Irish-based development and manufacturing company in the biomaterials sector and an investment in a US-based digital treatment planning company in 2021.

The 'Transfer into Level 3' with a fair value of CHF 15.3 million on 31 December 2021 belongs to an investment in equity shares of a medical device company. The fair value of this investment was categorized as Level 1 on 31 December 2020 (CHF 5.8 million) because the company's shares were listed on a stock exchange and were actively traded in the market. However, the company's shares were suspended on possible delisting review and probe by financial authorities following allegations of an embezzlement case. As the market of this investment previously considered active became inactive with no current published price quotation available, the fair value measurement was transferred from Level 1 to Level 3 of the fair value hierarchy on 31 December 2021.

Financial liabilities remeasured in profit or loss mainly relate to the fair value adjustment of the contingent consideration liability in conjunction with the DrSmile business combination (CHF 48.7 million). Settlement of Level 3 financial liabilities mainly relate to the contingent consideration payment in conjunction with the DrSmile (33.2 million), Batigroup (CHF 9.7 million) and Zinedent (CHF 5.1 million) business combinations as well as to the purchase of non-controlling interests from the minority shareholders of Valoc AG (CHF 8.3 million).

In 2020, the additions to Level 3 financial liabilities related to contingent consideration payables (business combinations DrSmile and Artis Bio Tech). Settlements in Level 3 financial liabilities in 2020 mainly related to the contingent consideration payments in conjunction with the Batigroup business combination (CHF 8.3 million).

Besides the transfer into Level 3 described above, there were no further transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements in 2021 and 2020.

The significant unobservable inputs for material financial instruments within Level 3 of the fair value hierarchy and their quantitative sensitivity analysis at 31 December 2021 are as follows:

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input to fair value
Contingent Consideration DrSmile	Present value of the estimated redemption value	Revenue	500 base-point increase (decrease) in revenue would result in an increase (decrease) in fair value of CHF 3.9 million, resp. CHF –3.9 million (2020: CHF 3.6 million, resp. CHF –3.6 million)
		EBITDA	1000 base-point increase (decrease) in EBITDA would result in an increase (decrease) in fair value of CHF 1.1 million, resp. CHF –1.1 million (2020: nil)
		Interest rate	100 base-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF –1.4 million, resp. CHF 1.4 million (2020: CHF –1.4 million, resp. CHF 1.4 million)

The fair value of the contingent consideration for DrSmile depends on the expected revenue and EBITDA achievement and the interest rate prevailing at the balance sheet date. As of 31 December 2021, the Group assesses that it is highly probable that DrSmile will achieve the targets due to expansion and the realization of synergies in the future. The fair value of the contingent consideration determined on 31 December 2021 reflects this development and is recorded at CHF 90.2 million (31 December 2020: 77.5 million).

The Group did not disclose further sensitivity analysis at 31 December 2021 for the remaining Level 3 financial instruments, as their quantitative sensitivity is not material to the Group.

HEDGES

At 31 December 2021, the Group had forward exchange contracts for net CHF 105.1 million (2020: CHF 30.9 million) and non-deliverable foreign exchange forward contracts (NDF) for CHF 15.1 million (2020: CHF 1.3 million).

7.4 FINANCE INCOME AND EXPENSE

(in CHF 1 000)	2021	2020
FINANCE INCOME	89 414	75 033
Interest income:		
from financial instruments at amortized cost	2 258	1 460
Fair value and other financial income	3 088	6 948
Foreign exchange gains	84 068	66 624
FINANCE EXPENSE	(160 668)	(116 078)
Interest expense:		
from financial instruments at amortized cost	(10 031)	(8 863)
on defined benefit obligation (net)	(94)	(137)
from lease liabilities	(6 912)	(6 626)
Fair value and other financial expense	(52 310)	(11 669)
Financial impairment expense	(878)	(10 599)
Foreign exchange losses	(90 444)	(78 185)
TOTAL FINANCE EXPENSE NET	(71 254)	(41 046)

In 2021, fair value and other financial expense includes CHF 48.7 million remeasurement expense for the contingent consideration payable to the sellers of DrSmile. In 2020, financial impairment expense includes an expense of CHF 10.1 million relating to the revaluation of a loan granted to an associate.

7.5 SHARE CAPITAL

The share capital is represented by 15 921 369 issued shares (2020: 15 906 824) of CHF 0.10 par value, fully paid in. On 19 April 2021, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 14 545 shares (or CHF 1 454.50 nominal value). The shares were used to serve vested performance share units as part of the share-based payment program 2018–2021. The fair value at vesting amounted to CHF 1 220.47 per share.

The conditional share capital was approved for an unlimited period at an extraordinary Annual General Meeting in 1998 for use in equity participation plans for employees and management and was increased in 2016. As of 31 December 2021 the conditional share capital amounted to CHF 24 157.00 (2020: CHF 25 611.50).

Treasury shares are valued at weighted average cost and have been deducted from equity. The fair value of the treasury shares at 31 December 2021 amounted to CHF 11.0 million (2020: CHF 15.2 million).

As of 31 December 2021 the number of outstanding shares amounted to 15 915 711 (2020: 15 892 049) and the number of treasury shares amounted to 5 658 (2020: 14 775).

The number of shares outstanding developed as follows:

	2021	2020
At 1 January	15 892 049	15 865 482
Performance share plan – PSU	14 545	27 840
Treasury shares		
Purchased	(2 870)	(5 665)
Used	11 987	4 392
AT 31 DECEMBER	15 915 711	15 892 049

7.6 DIVIDENDS PER SHARE

The dividend paid in 2021 was CHF 5.75 per share (2020: CHF 5.75 per share), resulting in a total payout of CHF 91.4 million in 2021 and CHF 91.2 million in 2020. A dividend for the year ended 31 December 2021 of CHF 6.75 per share, amounting to a total dividend of CHF 107.4 million, will be proposed at the Shareholders' General Meeting on 5 April 2022. These financial statements do not reflect this payable dividend.

7.7 INCOME TAX**INCOME TAX EXPENSE**

(in CHF 1 000)	2021	2020
Income taxes from current period	(100 117)	(45 643)
Income taxes from other periods	2 632	1 153
Deferred	19 386	22 850
Total income tax expense	(78 099)	(21 640)
EFFECTIVE INCOME TAX RATE (IN %)	16.4	19.0

For 2021 the applicable Group tax rate is 16.0% (2020: 3.7%, or 14.4% adjusted for non-tax-deductible goodwill impairments), which represents the weighted tax rate, calculated by multiplying the accounting profits (or losses) of each Group company by the respective statutory tax rate over the total pre-tax profit of the Group.

The following elements explain the difference between the income tax expense at the applicable Group tax rate and the effective income tax expense:

(in CHF 1 000)	2021	2020
Profit before tax	477 385	113 907
Applicable Group tax rate	16.0%	3.7%
Income tax at the applicable Group tax rate	(76 149)	(4 179)
Non-tax-deductible expense	(14 990)	(27 110)
Nontaxable income	12 944	9 876
Changes in recognition of tax assets from losses or tax credits (and their expiry)	(1 971)	1 786
Utilization of previously unrecognized tax losses or tax credits to offset current taxes	296	1 906
Tax losses or tax credits from current year that are not recognized	(769)	(4 867)
Effect of changes in tax rates or imposition of new taxes	142	(322)
Current taxes from other periods	2 632	1 153
Other	(234)	117
EFFECTIVE INCOME TAX EXPENSE	(78 099)	(21 640)

AVAILABLE TAX LOSS CARRY-FORWARDS AND TAX CREDITS

(in CHF 1 000)	2021	2020
At 1 January	163 704	200 304
Adjustments of tax loss carry-forwards on opening balance	5 664	(2 448)
Tax losses and credits arising from current year	85 673	42 704
Tax losses and credits expired (not used) during current year	(1 413)	(6 978)
Tax losses and credits utilized against current year profits	(54 677)	(30 512)
Change in consolidation scope - disposals	0	(792)
Currency translation adjustments	(2 220)	(38 574)
AT 31 DECEMBER	196 731	163 704

Deferred income tax assets of CHF 47.4 million (2020: CHF 40.4 million) were recorded in respect of available tax loss carry-forwards and tax credits of CHF 170.0 million (2020: CHF 123.5 million). Deferred income tax assets for unused tax losses and tax credits are recognized to the extent that it is probable that future taxable profits will be available, against which the unused tax losses and tax credits can be utilized in the respective countries, or to the extent that the individual companies have sufficient taxable temporary differences.

In 2012, the Group acquired 49% of Neodent through a fully owned subsidiary and subsequently conducted a downstream merger into Neodent. This transaction led to recognition of tax deductible goodwill and a capitalization of a deferred tax asset in Neodent's financial statements. In 2015, the Group obtained control over Neodent and started to consolidate Neodent in its financial statements. At 1 March 2015, the tax deductible goodwill amounted to CHF 124.9 million and the carrying amount of the respective deferred tax assets amounted to CHF 42.5 million. Effective as of 1 January 2016, Straumann Brasil Ltda was merged into Neodent. As a result of the merger, Neodent will benefit from future tax savings and has consequently recognized a deferred tax asset of CHF 38.7 million in respect of the tax credit of CHF 113.7 million. At the balance sheet date, the remaining deferred tax asset and tax credit amounted to CHF 17.1 million (2020: CHF 22.1 million) and CHF 50.2 million (2020: CHF 65.0 million).

Unused tax loss carry-forwards for which no deferred tax has been recognized will expire as follows:

(in CHF 1 000)	2021	2020
Expiry in next business year (current year +1)	1 689	479
Expiry current year +2	471	1 270
Expiry current year +3	1 844	296
Expiry current year +4	71	871
Expiry current year +5 and later	22 669	37 300
UNUSED TAX LOSS CARRY-FORWARDS AT 31 DECEMBER	26 743	40 217

DEFERRED INCOME TAXES

The movement in deferred income tax assets and liabilities is as follows:

2021

(in CHF 1 000)	PPE & Leasing	Intangible assets	Inventory valuation	Tax loss carry-forwards, tax credits	Other	Total
Net deferred tax balance at 1 January	1 110	(56 299)	28 057	40 407	12 487	25 762
Change in consolidation scope	0	(555)	-	-	-	(555)
(Charged) / credited to income statement	(8 194)	8 105	6 226	7 963	5 286	19 386
Credited to statement of comprehensive income	0	0	0	0	(1 457)	(1 457)
Charged to statement of changes in equity	0	0	0	0	3 123	3 123
Currency translation adjustments	6	1 567	(41)	(940)	(2 082)	(1 490)
NET DEFERRED TAX BALANCE AT 31 DECEMBER	(7 078)	(47 181)	34 242	47 429	17 357	44 769
Deferred tax assets at 31 December	45 295	2 438	38 465	47 429	26 746	160 372
Deferred tax assets after offset at 31 December						75 809
Deferred tax liabilities at 31 December	(52 372)	(49 619)	(4 223)	0	(9 389)	(115 603)
Deferred tax liabilities after offset at 31 December						(31 040)

2020

(in CHF 1 000)	PPE & Leasing	Intangible assets	Inventory valuation	Tax loss carry-forwards, tax credits	Other	Total
Net deferred tax balance at 1 January	(2 922)	(60 873)	22 814	53 088	10 999	23 106
Change in consolidation scope	0	(15 575)	0	0	25	(15 550)
(Charged) / credited to income statement	3 588	12 188	5 502	(475)	2 047	22 850
Credited to statement of comprehensive income	0	0	0	0	1 800	1 800
Charged to statement of changes in equity	0	0	0	0	(77)	(77)
Currency translation adjustments	444	7 961	(259)	(12 207)	(2 306)	(6 367)
NET DEFERRED TAX BALANCE AT 31 DECEMBER	1 110	(56 299)	28 057	40 407	12 487	25 762
Deferred tax assets at 31 December	45 228	1 349	32 052	40 407	20 126	139 162
Deferred tax assets after offset at 31 December						68 990
Deferred tax liabilities at 31 December	(44 118)	(57 648)	(3 996)	0	(7 639)	(113 400)
Deferred tax liabilities after offset at 31 December						(43 228)

At 31 December 2021, there was no recognized deferred tax liability (2020: CHF nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group does not expect significant income tax liabilities from the distribution of retained earnings to the parent company.

8 PERSONNEL**8.1 EMPLOYEE BENEFITS EXPENSE**

(in CHF 1 000)	2021	2020
Wages and salaries	(570 927)	(468 497)
Share-based payments (Note 8.3)	(9 364)	(9 285)
Social security cost	(69 182)	(58 621)
Pension costs and other personnel expense	(55 191)	(40 679)
TOTAL EMPLOYEE BENEFIT EXPENSE	(704 664)	(577 082)

8.2 RETIREMENT BENEFIT OBLIGATIONS

Apart from the legally required social security schemes, the Group has several independent pension plans. In most cases these plans are externally funded in vehicles which are legally separate from the Group. For certain Group companies, however, no independent plan assets exist for the pension plan of subsidiaries. In these cases the related unfunded liability is included in the statement of financial position. The defined benefit obligations and related plan assets are reappraised annually by independent actuaries.

The Swiss pension plan represents the most significant portion of the Group's total defined benefit obligation and plan assets. Current pension arrangements for employees in Switzerland are made through plans governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). The plan is funded by regular employer and employee contributions. The final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan for the purposes of the Group's financial statements, although the plan has many of the characteristics of a defined contribution plan.

The amounts for the Group's pension plans recognized in the statement of financial position are as follows:

MOVEMENTS OF NET LIABILITIES RECOGNIZED IN STATEMENT OF FINANCIAL POSITION

(in CHF 1 000)	2021	2020
Net liabilities at 1 January	(73 325)	(67 918)
Currency translation adjustments	193	26
Expense recognized in consolidated income statement	(16 008)	(10 388)
Employer contributions	12 538	12 241
Remeasurements	14 863	(7 286)
NET LIABILITIES AT 31 DECEMBER	(61 739)	(73 325)

BALANCE SHEET

(in CHF 1 000)	2021	2020
Fair value of plan assets	281 301	232 102
Present value of funded benefit obligations	(339 429)	(301 711)
Deficit in the plan	(58 128)	(69 609)
Present value of unfunded benefit obligations	(3 611)	(3 716)
TOTAL RETIREMENT BENEFIT OBLIGATIONS	(61 739)	(73 325)

The net periodic benefit costs recorded in the income statement consist of the following components:

(in CHF 1 000)	2021	2020
Current service cost	(15 415)	(15 208)
Interest expense on defined benefit obligation	(358)	(497)
Interest income on plan assets	264	360
Administration costs	(499)	(318)
Gains on curtailments, settlements and plan amendments	0	5 275
EXPENSE RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	(16 008)	(10 388)

Plan amendment gains in 2020 are recorded mainly in respect of changes to the Swiss pension plan (2021: nil). The change represents the adoption of a lower conversion rate, which determines the annuity at the normal retirement age.

The defined benefit obligation of the Swiss pension plan amounts to CHF 337.8 million (2020: CHF 300.2 million), the plan assets are CHF 280.1 million (2020: CHF 230.8 million) and current service costs are CHF 14.8 million (2020: CHF 14.4 million).

The movement in the Group's defined benefit obligation over the year is as follows:

(in CHF 1 000)	2021	2020
Present value of benefit obligation at 1 January	(305 427)	(292 767)
Current service cost	(15 415)	(15 208)
Interest expense on defined benefit obligation	(358)	(497)
Curtailments, settlements and plan amendments	0	5 275
Employee contributions	(7 563)	(7 213)
Experience losses on defined benefit obligation	(39 351)	(8 001)
Benefits paid/transferred in	3 028	14 809
Actuarial results arising from change in financial assumptions	(944)	(2 165)
Actuarial results arising from change in demographic assumptions	22 733	277
Currency translation adjustments	257	63
PRESENT VALUE OF BENEFIT OBLIGATION AT 31 DECEMBER	(343 040)	(305 427)
whereof due to active members	(293 427)	(261 930)
whereof due to pensioners	(49 613)	(43 497)

On 31 December 2021, the weighted-average duration of the defined benefit obligation was 13 years (2020: 14 years).

The calculation of defined benefit obligation is based on actuarial assumptions. The principal actuarial assumptions for the plans, which are determined with respect to local conditions, were as follows:

	2021		2020	
	Switzerland	Other	Switzerland	Other
Discount rate	0.20%	0.87% – 2.79%	0.10%	0.33% – 3.02%
Future salary increases	1.00%	1.00% – 5.00%	1.00%	1.00% – 5.00%

Generational mortality tables are used where this data is available. The mortality assumptions used for the Swiss pension plan were based on BVG 2020 applying the 'continuous mortality investigation' (CIM) model. A long-term rate of 1.5% was used for longevity improvements (2020: BVG 2015 GT). This change in mortality assumptions led to a decrease of the defined benefit obligation by CHF 23.1 million. The high amount of experience losses on the defined benefit obligation (CHF –39.5 million) mainly relates to an increased number of plan participants in 2021 versus the estimation.

The defined benefit pension obligation is significantly impacted by assumptions regarding the discount rate. Furthermore, the rate of future salary increases significantly affects the value of the plans.

A quantitative sensitivity analysis for significant assumptions is shown below:

(in CHF 1 000)	2021		2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25 % movement)	10 349	(11 042)	10 268	(13 620)
Future salary growth (0.25 % movement)	(1 518)	1 476	(1 484)	1 441

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The movement in the fair value of plan assets over the year is as follows:

(in CHF 1 000)	2021	2020
Fair value of plan assets at 1 January	232 102	224 849
Interest income	264	360
Employer contributions	12 538	12 241
Employee contributions	7 563	7 213
Benefits paid / transferred in	(3 028)	(14 809)
Return on plan assets	32 425	2 603
Administration costs	(499)	(318)
Currency translation adjustments	(64)	(37)
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	281 301	232 102

Plan assets are comprised as follows:

(in CHF 1 000)	2021		2020	
Cash and cash equivalents	8 963	3.2%	6 693	2.9%
Debt instruments	51 255	18.2%	46 161	19.9%
Equity instruments	89 346	31.8%	63 932	27.5%
Real estate	75 061	26.7%	62 778	27.0%
Other	56 676	20.1%	52 538	22.5%
TOTAL PLAN ASSETS	281 301	100.0%	232 102	100.0%

Cash and cash equivalents, as well the largest part of the debt, equity instruments and other (mainly consisting of insurance-linked securities and investments in an infrastructure fund) have a quoted market price and are tradeable in liquid markets. In both years, 16% of the real estate investments have a quoted market price, while the rest is mainly invested in common investment foundations.

The strategic allocation of assets is determined with the objective of achieving an investment return which, together with the employer and employee contributions, is sufficient to maintain reasonable control over the various funding risks of the plan. The aim is to ensure that plan assets and liabilities are aligned in the medium and long term.

The Group's defined benefit plans are administered by independent foundations. The Board of Trustees, which is constituted by an equal number of representatives of the employer and employees, is responsible for the management of the plans. The Board of Trustees determines the investment strategy within the framework of the legal provisions taking into consideration the plans' risk objectives, benefit obligations and risk capacity. The Board of Trustees uses external actuarial reports to estimate the risk capacity.

Each year, the level of funding is reviewed as required by legislation. The duties of the Board of Trustees are laid down in the BVG and the pension fund regulations. In accordance with BVG, a temporary shortfall is permitted. The Board of Trustees must take appropriate measures in order to solve the shortfall within a reasonable time. Pursuant to BVG, additional employer and employee contributions may be incurred whenever a significant shortfall arises in accordance with the BVG.

The expected amount of contribution to post-employment benefit plans for 2022 is CHF 13.3 million.

Apart from the defined benefit plans, the Group also operates several defined contribution plans which receive fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognized in the current period in relation to these contributions was CHF 9.9 million (2020: CHF 8.2 million).

8.3 SHARE-BASED PAYMENTS

The Group currently uses three different compensation plans involving share-based payment components:

- Long-term incentive (LTI)
- Board of Directors remuneration
- Employee share participation plan (ESPP)

LONG-TERM INCENTIVE (LTI)

The LTI program is designed for Executive Management Board, Senior Management and other key employees. The plan uses Performance Share Units (PSU), which are granted to eligible personnel with specific performance conditions that result in a potential vesting into Straumann shares after three years. The number of shares allocated per PSU depends on the achievement of two performance conditions, both directly reflecting the shareholder experience and considered essential for sustaining shareholder value creation.

- Absolute total shareholder return (aTSR) aims to link the LTI value at vesting directly with the absolute value created by the company for its shareholders
- Relative total shareholder return (rTSR) shows the Group's share performance in the context of the market and in comparison with peer companies of the SMIM (Swiss Market Index Mid)

The two performance conditions are weighted equally and vest independently of each other. For each performance condition, the maximum conversion factor is one share per PSU. The valuation is performed by independent specialists applying the following significant inputs into the model: grant date, vesting date, average reference price, performance target including 'cap' and 'floor', share price at issue, risk-free interest rate, expected volatility, expected correlation and expected dividend yield.

Regarding the aTSR component, the conversion rate of PSUs into shares is linear and ranges from 0 to 100%. If the TSR CAGR is 0% or below, the conversion rate is zero. If the CAGR is 7%, each PSU converts into half a share, while a CAGR of 14% or more results in a conversion of one share per PSU. In the case of rTSR, the conversion rate is also linear and ranges from 0% to 100%. No shares are allocated if the Group underperforms the SMIM by 25%-points or more. Each PSU converts into one share if the Group outperforms the SMIM by 25%-points or more. Performance in-line with the SMIM results in each PSU converting into half a share.

From 2016 to 2018 (vesting in 2019 to 2021), the LTI was determined by a TSR and EBIT Growth Amount (EGA) measured over a three-year performance cycle and equally weighted. The vesting conditions for those grants remain unchanged.

BOARD OF DIRECTORS REMUNERATION

The compensation of the Board of Directors consists of a fixed compensation component only, paid in cash and undiscounted shares. The shares allocated to the members of the Board of Directors are blocked for two years. The value of shares allocated is calculated using the average closing price of the shares over the seven trading days following the ex-dividend day.

EMPLOYEE SHARE PARTICIPATION PLAN

Effective in 2021, eligible employees in Switzerland have been able to purchase the Group's shares up to a maximum of 25% or 35% of their annual base salary at a discount of 25% or 35%, respectively, depending on hierarchical level and respective LTI eligibility. The grant value is based on the average share price over the seven-trading-day period following the ex-dividend day. The shares are blocked for two years. During the reporting period, employees subscribed to 9 195 of those shares. In 2020, the ESPP was suspended and no shares were purchased under this program.

The expense recognized for share-based payments during the year is shown in the following table:

(in CHF 1 000)	2021	2020
Long-term incentive (LTI)	5 737	8 582
Board of Directors remuneration	901	703
Employee share participation plan (ESPP)	2 726	0
TOTAL SHARE-BASED PAYMENTS (NOTE 8.1)	9 364	9 285

There were no cancellations or modifications to the PSU awards in 2021 or 2020.

Movements in the number of performance share units are as follows:

RECONCILIATION OF OUTSTANDING PERFORMANCE SHARE UNITS

	2021	2020
At 1 January	29 854	34 771
Granted	8 766	12 198
Exercised	(10 299)	(14 297)
Forfeited	(2 094)	(2 818)
TOTAL AT 31 DECEMBER	26 227	29 854
Exercisable at 31 December	0	0

In 2021, 8 766 PSUs were granted under the LTI (2020: 12 198). The total fair value has been determined using a Monte Carlo simulation algorithm and amounts to CHF 1 265.64 (2020: CHF 786.65).

Underlying assumptions for the fair value of the PSUs are presented below:

INPUTS TO THE MODELS

	2021	2020
	PSU	PSU
Dividend yield (in %)	0.00	0.00
Expected volatility (in %)	30.65	27.82
Risk-free interest rate (in %)	(0.56)	(0.64)
Expected life of PSUs (in years)	3	3
Share price (in CHF) at grant date in April	1 246.50	778.40
Fair value (in CHF)	1 265.64	786.65

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the instruments is indicative of future trends, which may not necessarily be the actual outcome.

8.4 GLOBAL RESTRUCTURING IN 2020

In the light of the impact of the COVID-19 pandemic on its markets and economy the Group has aligned the costs with current and projected lower revenues. As personnel accounts for the largest item of its operating costs, the Group introduced a plan to reduce its global workforce by approximately 660 employees in 2020. The reduction took place across all countries and functions. The total non-recurring restructuring costs in 2020 amounted to CHF 17.9 million, recognized as personnel expense.

In 2021, no material restructuring took place.

9 OTHER DISCLOSURES

9.1 EVENTS AFTER THE BALANCE SHEET DATE

MEDENTIKA GMBH

On 17 January 2022, the Group acquired the remaining 9% interest in Medentika GmbH, based on a call and put option agreement, for a cash consideration of CHF 14.0 million.

NIHON IMPLANT CO. LTD,

On 20 January 2022, the Group acquired 85% of the issued shares in Nihon Implant Co., Ltd. (Nihon), privately owned and based in Japan, for a total cash consideration of CHF 30.7 million. Nihon is a leading national implant referral service provider and offers consultancy services related to implant treatment, dental clinics and technicians and laboratory products. The acquisition enables the Group to communicate directly with health consumers which will help to raise awareness of the advantages of implants.

The Group also entered into a forward purchase arrangement (FPA) with the minority shareholders of Nihon to gradually acquire the remaining 15% equity until the end of 2026 for a consideration based on Nihon's average financial performance over the same period. The undiscounted consideration for the FPA was discounted at a risk-adjusted discount rate of 2.55%. Accordingly, the FPA resulted in a financial liability of CHF 17.6 million being recorded at the date of acquisition.

The financial effects of this transaction have not been recognized on 31 December 2021. The operating results and assets and liabilities of the acquired company will be consolidated from 20 January 2022. On the date the Group obtained control over Nihon, the Group's share of identifiable net assets had not yet been elaborated. Details of the assets taken over and the liabilities assumed, the future revenue and profit contribution of Nihon and the effect on the cash flow for the Group are not disclosed, as the accounting for the transaction is still incomplete at the time these consolidated financial statements have been authorized for issue.

9.2 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade payables, finance leases, overdrafts, bank loans and straight bonds issued in Switzerland. The Group has various financial assets such as trade receivables, cash, cash equivalents and short-term deposits.

The main risks arising from the Group's financial assets and liabilities are related to interest rate changes, foreign currency fluctuations, possible credit defaults and liquidity shortage. The Audit and Risk Committee agrees and reviews policies for managing these risks, which are summarized below. The risk management execution is carried out by specialist teams that have the appropriate skills, experience and supervision.

MARKET RISK

Market risk refers to the risk that the fair value of future cash flows of financial assets and liabilities will fluctuate because of external changes in the markets involved. This systemic risk mainly affects the Group's interest rate risk, foreign currency risk, credit risk and liquidity risk. The subsequent sections provide insights into the management of the various risks, including major exposures and their potential effects on the Group's profitability. Such financial impacts are demonstrated in sensitivity analyses, which relate to the Group's net financial positions at 31 December 2021 and 2020. Excluded from the sensitivity calculations are changes in the carrying value of post-retirement obligations, provisions, non-financial assets and liabilities of foreign operations.

INTEREST RATE RISK

Interest rate risk refers to the risk that the fair value of future cash flows of financial assets and liabilities will fluctuate because of changes in market interest rates. The Group's exposure to this risk arises primarily from short-term interest-bearing assets and short-term debt obligations. The Group is primarily exposed to interest rate risks in the Swiss and US markets. The Group's policy is to closely monitor interest rate risks and manage them using variable and fixed rates or financial derivatives. No material hedging activities, such as interest rate swaps, were conducted during the period under review.

INTEREST RATE RISK SENSITIVITY

The following table demonstrates the impact of reasonably possible interest rate changes on the Group's profit before tax, with all other variables held constant. The sensitivity analysis considers major interest rate risk exposures. The method considers fair value changes of interest-bearing assets and borrowings. There is no material impact on the Group's equity.

(in CHF 1 000)	2021		2020	
	Increase / decrease (in base points)	Effect on profit before tax	Increase / decrease (in base points)	Effect on profit before tax
CURRENCY				
CHF	30	1 866	30	1 244
USD	50	427	50	318
CHF	(30)	(1 866)	(30)	(1 244)
USD	(50)	(427)	(50)	(318)

FOREIGN CURRENCY RISK

Foreign exchange risk arises when future transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional one. As the majority of the Group's business is international and since the Group's financial statements are prepared in Swiss francs, fluctuations in exchange rates affect both the Group's operating results and the reported values of the assets and liabilities. The Group is primarily exposed to the euro, the US dollar, the Brazilian real, the Chinese renminbi and the Japanese yen.

In addition to general efforts to reduce currency exposures naturally, the Group's foreign currency risk management policy aims to concentrate exposures centrally and subsequently manage them through a selective hedging approach. Managed exposures comprise recognized and anticipated transactions over a maximum of 12 months. The Group uses derivative instruments, primarily forward currency contracts, non-deliverable foreign exchange forwards (NDF) and plain vanilla options. Hedging decisions are taken and, if possible, executed by Corporate Finance. Speculative trading is forbidden.

At 31 December 2021 the Group had economically hedged 91% (2020: 86%) of its foreign currency exposure for which firm commitments existed at the reporting date.

The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's long-term investments in foreign operations is not hedged.

FOREIGN CURRENCY RISK SENSITIVITY

The following table demonstrates the impact of reasonably possible currency rate changes on the Group's profit before tax (for fair value changes of financial assets and liabilities including foreign currency derivatives as fair value hedges) and the Group's equity (for fair value changes of currency derivatives designated as cash flow hedges), with all other variables held constant. The sensitivity analysis considers major foreign currency risk exposures.

(in CHF 1 000)	2021			2020		
	Increase / decrease (in %)	Effect on profit before tax	Effect on equity	Increase / decrease (in %)	Effect on profit before tax	Effect on equity
CURRENCY						
CNY / CHF	10	55	0	10	713	0
USD / CHF	10	0	0	10	1 387	0
BRL / CHF	10	33	0	10	(199)	0
EUR / CHF	10	(1 306)	0	10	(2 266)	0
JPY / CHF	10	(140)	0	10	471	0
CNY / CHF	(10)	(55)	0	(10)	(713)	0
USD / CHF	(10)	0	0	(10)	(1 387)	0
BRL / CHF	(10)	(33)	0	(10)	199	0
EUR / CHF	(10)	1 306	0	(10)	2 266	0
JPY / CHF	(10)	140	0	(10)	(471)	0

CREDIT RISK

Credit risk refers to the risk that counterparties will not meet their obligations, leading to a financial loss for the creditor. The Group is exposed to credit risk from its operating activities, primarily trade receivables and loan notes, as well as from its financing activities, primarily financial instruments such as foreign exchange derivatives and cash deposits with financial institutions.

TRADE RECEIVABLES

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, maturing and overdue receivable balances are monitored on an ongoing basis. The Group continuously reviews its provision for impairment. The maximum exposure is the carrying amount as disclosed in Note 5.2. In 2021 and 2020, 96% of the transactions occurred in the country of the respective operating unit. There are no significant concentrations of customer credit risk within the Group.

FINANCIAL INSTRUMENTS AND CASH DEPOSITS

Credit risk from balances with banks and other financial institutions is managed by Corporate Finance in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties. The Group's exposure to credit risk arises from the potential default of a counterparty, with a maximum exposure equal to the carrying amount of these assets.

The table below shows the major cash balances held with financial institutions at the balance sheet date.

(in CHF 1 000)	2021		2020	
	Rating	Balance	Rating	Balance
BANK				
Bank A	AAA	153 562	AAA	68 655
Bank B	AA+	218 013	AA+	81 327
Bank C	AA	450	AA	450
Bank D	A+	163 480	A+	168 361
Bank E	A-	80 029	BBB+	70 916
Bank F	A+	120 803	A+	112 866
Bank G	A-	33 327	A-	17 277
Other banks		110 759		112 349
TOTAL		880 423		632 201

LIQUIDITY RISK

Liquidity risk refers to the possible inability to meet short-term debt obligations due to the lack of liquid assets. The Group closely monitors its liquidity risk through a prudent asset and liability management. This includes a recurring liquidity planning approach throughout the Group. The Group's objective is to maintain an adequate funding structure by using bank overdrafts, bank loans, bonds and finance leases. In accordance with the policy, Group Treasury maintains a permanently accessible cash stock as well as flexible short-term funding possibility through committed credit lines, involving a prospective approach.

The following table reflects all undiscounted contractually agreed payments for repayments and interest resulting from recognized financial liabilities at 31 December 2021 and 31 December 2020.

(in CHF 1 000)	2021			2020		
	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Straight bonds	3 948	486 236	0	3 948	490 184	0
Lease liabilities	31 745	91 242	160 291	31 373	96 342	170 131
Other financial liabilities	951	9 060	516	866	33 569	941
Trade payables	74 832	0	0	49 919	0	0
Other payables	182 030	74 080	0	139 410	75 313	0
TOTAL	293 506	660 617	160 806	225 516	695 408	171 072

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and secure shareholder investments. The Group manages its capital structure and makes adjustments when necessary. These can also involve changing the dividend payment to shareholders, returning capital to shareholders through share buy-backs, or issuing new shares.

As the Group operates in a fast-moving industry, its policy is to maintain a high degree of flexibility in its capital structure through a high availability of liquid funds. The Group monitors its capital base using the equity ratio. In the medium and long term, the Group strives to maintain an equity ratio of around 50% or higher.

EQUITY RATIO

(in CHF 1 000)	2021	2020
Total assets	2 968 038	2 548 613
Equity	1 500 448	1 209 943
EQUITY RATIO	50.6%	47.5%

9.3 PRINCIPAL CURRENCY TRANSLATION RATES

CURRENCY	Unit	31 Dec 2021	Average 2021	31 Dec 2020	Average 2020
Brazilian real (BRL)	100	16.40	16.95	16.97	18.54
Canadian dollar (CAD)	1	0.72	0.73	0.69	0.70
Chinese renminbi (CNY)	100	14.34	14.13	13.48	13.59
euro (EUR)	1	1.03	1.08	1.08	1.07
Japanese yen (JPY)	100	0.79	0.83	0.85	0.88
Turkish lira (TRY)	1	0.07	0.10	0.12	0.14
US Dollar (USD)	1	0.91	0.91	0.88	0.94

9.4 RELATED-PARTY DISCLOSURE

Besides the associates, the joint venture and the Key Management Personnel, the Group has identified the following related parties:

- The International Team for Implantology (ITI) Foundation
- Medartis AG

In the period under review, the following related-party transactions were made:

(in CHF 1 000)	2021	2020
PURCHASE OF GOODS FROM:		
Associates	(9 893)	(7 862)
Medartis AG	(3)	(243)
SALE OF GOODS TO:		
Associates	2 881	977
SERVICES RENDERED TO:		
Associates	122	131
ITI Foundation	428	462
SERVICES RECEIVED FROM:		
Associates	(4 842)	(3 044)
ITI Foundation	(9 744)	(9 982)
TOTAL	(21 052)	(19 561)

Payments to the ITI Foundation are based on a collaboration agreement between the Group and the ITI.

The payments received for the rendering of services as well as the purchases of goods as stated above are carried out under normal commercial terms and conditions.

The following open balances due to/from related parties are recognized in the statement of financial position:

(in CHF 1 000)	2021	2020
Associates loans receivables	2 431	2 403
Associates (payables)/receivables	(2 795)	(327)
ITI Foundation (payables)/receivables	(2 190)	(2 685)
TOTAL	(2 553)	(610)

KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel comprises of the Board of Directors and the Executive Management Board (EMB).

The Board of Directors is entitled to a fixed compensation, which is paid out in cash and shares. The shares allocated to the members of the Board of Directors are blocked for 2 years.

The compensation of the EMB consists of a fixed portion and variable portion, which depends on the course of business and individual performance. In addition, Executive Management Board members participate in the LTI program (Note 8.3).

COMPENSATION

The following table shows the compensation of Key Management Personnel recognized in profit or loss in line with the Group's accounting policies.

(in CHF 1 000)	2021	2020
Salaries and other short-term employee benefits	13 545	13 245
Post-employment benefits	2 101	2 296
Share-based payments	3 337	3 674
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION RECOGNIZED IN THE INCOME STATEMENT	18 983	19 215

9.5 SUBSIDIARIES AND ASSOCIATES

The consolidated financial statements of the Group include:

NAME	City	Country of incorporation	Interest and voting rights 2021 (in %)	Share capital 31.12.2021
SUBSIDIARIES:				
Anthogy SAS	Sallanches	France	100.00	EUR 1 254 040
Anthogy Inc.	Orlando	USA	100.00	USD 5 000
Anthogy S.A.	Mersch	Luxembourg	100.00	EUR 400 100
Anthogy Center Sarl	Mersch	Luxembourg	100.00	EUR 12 000
Batigroup Dental Diş Ürünleri Ticaret AŞ	Ankara	Turkey	100.00	TRY 340 400 000
Biora AB	Malmö	Sweden	100.00	SEK 950 152
Dental Wings Inc.	Montreal	Canada	100.00	CAD 24 648 923
Dental Wings GmbH	Chemnitz	Germany	100.00	EUR 25 000
Dental Wings Hong Kong Ltd	Hong Kong	China	100.00	HKD 4 635 044
Shenzhen Dental Wings Company Limited	Shenzhen	China	90.00	CNY 1 790 369
DW Manufacturing Inc.	Montreal	Canada	100.00	CAD 1
Straumann Digital Planning Services (Private) Ltd	Lahore	Pakistan	100.00	PKR 12 000 000
Equinox Dental AG	Basel	Switzerland	100.00	CHF 100 000
etkon (Schweiz) AG	Rheinfelden	Switzerland	70.00	CHF 100 000
Institut Straumann AG	Basel	Switzerland	100.00	CHF 100 000
Equinox Implants LLP	Mumbai	India	100.00	INR 320 000 000
Straumann Italia Srl	Milan	Italy	100.00	EUR 270 000
Instradent AG	Basel	Switzerland	100.00	CHF 100 000
Creotech Medical S.L.U.	Mendaro	Spain	100.00	EUR 1 334 784
Creotech Institute A.E.I.E.	Mendaro	Spain	100.00	EUR 880 000
Straumann Middle East PJS	Tehran	Iran	100.00	IRR 40 000 000
T-Plus Implant Tech. Co. Ltd.	New Taipei City	Taiwan	58.06	TWD 154 901 960
Instradent LLC	Moscow	Russia	100.00	RUB 17 250 000
Manohay Argentina SA	Buenos Aires	Argentina	100.00	ARS 19 000 000
Manohay Chile SPA	Santiago	Chile	100.00	CLP 1 863 200 000
Manohay Colombia SAS	Bogotá	Colombia	100.00	COP 7 100 062 213
Manohay Dental SA	Madrid	Spain	100.00	EUR 60 200
Manohay México SA de CV	México DF	Mexico	100.00	MXN 41 892 615
Medical Technologies 21 LLC	Moscow	Russia	100.00	RUB 10 000
SmileCo GmbH	Berlin	Germany	100.00	EUR 25 000
DrSmile Iberia S.L.	Madrid	Spain	100.00	EUR 3 000
DrSmile Polska sp.z.o.o.	Warsaw	Poland	100.00	PLN 50 000
DrSmile Sverige AB	Stockholm	Sweden	100.00	SEK 25 000

NAME	City	Country of incorporation	Interest and voting rights 2021 (in %)	Share capital 31.12.2021
DZK Deutsche Zahnklinik GmbH	Düsseldorf	Germany	100.00	EUR 25 000
Urban Technology GmbH	Berlin	Germany	100.00	EUR 25 000
DrSmile Italia srl	Milano	Italy	100.00	EUR 10 000
Straumann (Beijing) Medical Device Trading Co Ltd	Beijing	China	100.00	CNY 70 290 000
Straumann (China) Investment Company Limited	Shanghai	China	100.00	USD 60 000 000
Straumann (Shanghai) Medical Device Co., Ltd.	Shanghai	China	100.00	USD 30 000 000
Lirui Medical Technology (Shanghai) Company Limited	Shanghai	China	100.00	CNY 50 000 000
3D ADD Medical Technology (Beijing) Co. Ltd.	Beijing	China	100.00	CNY 31 285 714
Straumann AB	Mölnådal	Sweden	100.00	SEK 100 000
Straumann AS	Oslo	Norway	100.00	NOK 1 000 000
Straumann BV	IJsselstein	Netherlands	100.00	EUR 18 151
JJGC Indústria e Comércio de Materiais Dentários S.A. ('Neodent')	Curitiba	Brazil	100.00	BRL 1 152 621 860
Smilink Serviços Ortodônticos Ltda.	São Paulo	Brazil	100.00	BLR 37 038 095
Yllor Biomateriais S/A	Pelotas	Brazil	100.00	BRL 19 984
Northern Cross B.V.	Amsterdam	Netherlands	100.00	EUR 100
Smile factory S I e P LTDA.	São Paulo	Brazil	100.00	BRL 1 300 100
Straumann Canada Ltd	Burlington	Canada	100.00	CAD 2 100 000
Straumann Danmark Aps	Brøndby	Denmark	100.00	DKK 125 000
Straumann Dental India LLP	Mumbai	India	100.00	INR 1 766 000 000
Straumann Dental Korea Inc	Seoul	Republic of Korea	100.00	KRW 2 300 000 000
Straumann Dental s.r.l.	Bucharest	Romania	100.00	RON 4 050 000
Straumann GmbH	Vienna	Austria	100.00	EUR 40 000
Straumann Group (Taiwan) Co. Ltd.	Taipei	Taiwan	75.00	TWD 13 333 333
Straumann Group (Thailand) Limited	Bangkok	Thailand	100.00	THB 120 000 000
Straumann Group Adriatic d.o.o.	Zagreb	Croatia	100.00	EUR 25 000
Straumann Group Peru SA	Lima	Peru	100.00	PEN 1 702 500
Straumann Group SDN. BHD.	Kuala Lumpur	Malaysia	100.00	MYR 1 055 000
Straumann Group South Africa (PTY) LTD	Somerset West	South Africa	100.00	ZAR 1 000
Straumann Holding Deutschland GmbH	Freiburg	Germany	100.00	EUR 25 000
etkon GmbH	Gräfelfing	Germany	100.00	EUR 326 000
Medentika GmbH	Hügelsheim	Germany	91.00	EUR 275 000

NAME	City	Country of incorporation	Interest and voting rights 2021 (in %)	Share capital 31.12.2021	
Abutment Direct Inc.	Markham	Canada	45.50	CAD	0
Straumann GmbH	Freiburg	Germany	100.00	EUR	200 000
Straumann Services AG & Co. KG	Freiburg	Germany	100.00	EUR	10 000
Straumann Indochina Co. Ltd.	Hanoi	Vietnam	100.00	VND	6 975 000 000
Straumann Japan KK	Tokyo	Japan	100.00	JPY	10 000 000
etkon Japan KK	Shibayama	Japan	100.00	JPY	10 000 000
Straumann Jordan PSC	Amman	Jordan	49.00	JOD	50 000
Straumann LLC	Moscow	Russia	100.00	RUB	21 000 000
Straumann Ltd	Crawley	UK	100.00	GBP	300 000
Straumann Manufacturing, Inc.	Andover	USA	100.00	USD	1
Bay Materials LLC	Fremont	USA	100.00	USD	0
ClearCorrect Holdings, Inc.	Round Rock	USA	100.00	USD	1
ClearCorrect Operating, LLC	Round Rock	USA	100.00	USD	1 000
Straumann USA, LLC	Andover	USA	100.00	USD	1
Straumann Oy	Helsinki	Finland	100.00	EUR	32 000
Straumann Pty Ltd	Port Melbourne	Australia	100.00	AUD	100
Straumann New Zealand Ltd	Napier	New Zealand	100.00	NZD	0
Straumann SA/NV	Zaventem	Belgium	100.00	EUR	2 565 021
Straumann SAS	Fontenay-sous-Bois	France	100.00	EUR	287 472
SCI Alpina Immobilière	Fontenay-sous-Bois	France	100.00	EUR	50 000
Straumann Group & Clear Correct Singapore Pte Ltd.	Singapore	Singapore	100.00	SGD	10 000
Straumann SRO	Prague	Czech Republic	100.00	CZK	200 000
Straumann Villeret SA	Villeret	Switzerland	100.00	CHF	9 000 000
Straumann Manufacturing Pars PJS	Tehran	Iran	100.00	IRR	40 000 000
Valoc AG	Rheinfelden	Switzerland	100.00	CHF	100 000

The next senior and ultimate holding company of the Straumann Group is Straumann Holding AG which is based and listed in Switzerland.

NAME	City	Country of incorporation	Interest and voting rights 2021 (in %)
ASSOCIATES:			
botiss medical AG	Berlin	Germany	30.00
Dental Monitoring SAS	Paris	France	6.00
Geniova Technologies S.L.	Madrid	Spain	36.77
maxon dental GmbH	Kenzingen	Germany	49.00
MiniNaviDent AG	Liestal	Switzerland	39.12
Rodo Medical Inc.	San Jose	USA	30.00
Rapid Shape GmbH	Heimsheim	Germany	35.00
Z-Systems AG	Oensingen	Switzerland	30.63
Promaton Holding B.V.	Amsterdam	Netherlands	49.12
STM Digital Dentistry Holding Ltd	Hong Kong	China	49.00
Peak Dental Solutions HK Ltd.	Hong Kong	China	40.00
Warantec Co., Ltd.	Seongnam-si	Republic of Korea	33.50

AUDIT REPORT – CONSOLIDATED FINANCIAL STATEMENTS

To the general meeting of Straumann Holding AG, Basel

STATUTORY AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS



OPINION

We have audited the consolidated financial statements of Straumann Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (pages 137 to 182).

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.



BASIS FOR OPINION

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. 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, as well as the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the *International Ethics*

Standards Board for Accountants (IESBA Code) 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 each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's 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 matters below, provide the basis for our audit opinion on the consolidated financial statements.

RECOVERABILITY OF GOODWILL AND BRANDS WITH INDEFINITE USEFUL LIFE

AREA OF FOCUS

Goodwill and brands with indefinite useful life stemming from the various acquisitions represent 19% of the Group's total assets and 37% of the Group's equity as of 31 December 2021 (see Group's disclosures Note

4.4). There is a risk of limited recoverability of these assets in case the planned growth and margins for the domestic or international business are not realized as budgeted or forecasted by management. In determining the value in use of cash-generating units, management applies judgment in estimating – amongst other factors – future revenues and margins, long-term growth, and discount rates. Such assumptions are affected by expected future market or economic conditions. Due to the significance of the carrying amount of the goodwill and brands with indefinite useful life and the judgment involved in performing the impairment test, this matter was considered significant to our audit.

OUR AUDIT RESPONSE

Our procedures included, amongst others, evaluating the Group's valuation model for the impairment test of goodwill and brands with indefinite useful life and analyzed the underlying key assumptions, including future long-term growth and discount rates and compared these assumptions to corroborating information. We also assessed the assumptions regarding future revenues and margins and reviewed the historical accuracy of the Group's estimates. We further evaluated the sensitivity in the valuation resulting from changes to the key assumptions applied.

Our audit procedures did not lead to any reservations concerning the valuation of goodwill and brands with indefinite useful life.

UNCERTAIN TAX POSITION NEODENT

AREA OF FOCUS

At 1 March 2015, the tax-deductible goodwill amounted to CHF 124.9 million and the carrying amount of the respective deferred tax assets amounted to CHF 42.5 million. As of balance sheet date the recognized deferred tax assets relating to tax-deductible statutory goodwill and fair value step-ups amount to CHF 17.1 million.

Such tax-deductible statutory goodwill and fair value step-ups stem from mergers subsequent to Neodent's acquisition through fully owned subsidiaries. The Group performs periodic assessments of the recoverability of deferred tax assets (see Group's disclosures Note 7.7).

Brazilian tax authorities have challenged the legality of the tax-deductibility of the statutory goodwill and intangibles assets. Due to the judgement involved in making an assessment regarding the decision by the court this matter was considered significant to our audit.

OUR AUDIT RESPONSE

Our procedures included, amongst others, involving local Brazilian tax experts to assist in evaluating the Group's assessment regarding tax-deductibility of statutory goodwill and fair value step ups.

Further, we analyzed the reassessment of the Group related to the decision of the Brazilian Administrative Court of First Instance and the negative decision of the second level appeal which may impact the appropriateness of the deductibility of statutory goodwill and fair value step ups.

Our audit procedures did not lead to any reservations concerning the measurement of deferred tax assets of Neodent as well as the recognition and measurement of the uncertain tax position.



OTHER INFORMATION IN THE ANNUAL REPORT

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

Our opinion on the consolidated financial statements does not cover the other information in the annual report 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 in the annual report 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.



RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS 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, ISAs and Swiss Auditing Standards 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 at the website of EXPERTsuisse: <http://www.expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Ernst & Young Ltd

Martin Mattes

Licensed audit expert
(Auditor in charge)

Fabian Meier

Licensed audit expert

Basel, 14 February 2022



FINANZIALIA

FINANCIAL REPORT STRAUMANN HOLDING

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for the appropriation of the available earnings **192**

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Financial Statements Straumann Holding AG **193**

BALANCE SHEET

ASSETS

(in CHF 1 000)	Notes	31 Dec 2021	31 Dec 2020
Cash and cash equivalents		508 226	211 541
Securities and short term deposits		120 270	99 659
Other short-term receivables		15 748	14 462
from third parties		214	264
from investments		15 534	14 198
Prepaid expenses		212	264
Total current assets		644 456	325 926
Other long-term receivables		1 034	0
Financial assets	2.1	810 821	948 218
Investments	2.2	962 655	822 112
Intangible assets		41	46
Total non-current assets		1 774 551	1 770 376
TOTAL ASSETS		2 419 007	2 096 302

EQUITY AND LIABILITIES

(in CHF 1 000)	Notes	31 Dec 2021	31 Dec 2020
Trade payables to third parties		13	101
Short-term interest-bearing liabilities to investments	2.3	182 544	89 978
Other short-term liabilities to investments		1	485
Other short-term liabilities to third party		914	1 645
Short-term provisions	2.4	217	7 974
Deferred income		1 785	2 007
Total current liabilities		185 474	102 190
Long-term interest-bearing liabilities		667 469	544 783
to third parties	2.5	480 000	480 000
to investments		187 469	64 783
Long-term provisions		3 000	3 000
Total non-current liabilities		670 468	547 783
Total liabilities		855 942	649 973
Share capital	2.6	1 592	1 591
Reserves from capital contributions ¹	2.7	105 410	87 441
Share premium		9 281	9 281
Legal retained earnings		(14 206)	(8 599)
Reserves for treasury shares	2.8	5 625	11 232
Capital reserves	2.9	(23 371)	(23 371)
Statutory reserves		1 540	1 540
Extraordinary reserves		2 000	2 000
Voluntary retained earnings		1 460 988	1 356 615
Available earnings			
- Retained earnings		1 270 842	1 199 019
- Net result		190 146	157 596
Total equity		1 563 065	1 446 329
TOTAL EQUITY AND LIABILITIES		2 419 007	2 096 302

1 Thereof CHF 28 965 849 (2020: CHF 10 996 956) not accepted by the Swiss Federal Tax Administration in 2021

INCOME STATEMENT

(in CHF 1 000)	Notes	2021	2020
Income from investments	2.11	203 376	171 820
Other financial income	2.12	21 071	17 216
Other operating income	2.13	0	15 629
Total income		224 447	204 665
Other financial expense	2.14	(13 355)	(7 902)
Board compensation		(1 697)	(1 674)
Other operating expense	2.15	(3 000)	(4 986)
Impairment on investments	2.16	(16 243)	(32 479)
Amortization of intangible assets		(6)	(31)
Total expenses		(34 301)	(47 072)
Result before income tax		190 146	157 593
Direct taxes		0	3
NET RESULT		190 146	157 596

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPLES

1.1 GENERAL

Straumann Holding AG is a public company whose shares are traded on the Swiss Exchange (SIX). As the parent company of the Straumann Group, the purpose of Straumann Holding AG is to acquire, dispose of and manage investments in the field of dental and medical technology.

These financial statements have been prepared in accordance with 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.

As Straumann Holding AG has prepared consolidated financial statements in compliance with accepted international accounting standards (IFRS), it has decided to forego presenting a cash flow statement in accordance with the law.

Straumann Holding AG together with its subsidiaries Institut Straumann AG, Straumann Villeret SA and Intradent AG are treated as a VAT group by the Swiss Federal Tax Administration. Owing to this group taxation, Straumann Holding AG is liable to the Swiss Federal Tax Administration jointly and severally with all group members for any VAT.

1.2 FINANCIAL ASSETS

Financial assets include long-term loans. Loans granted in foreign currencies are translated at the exchange rate at the balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized.

1.3 TREASURY SHARES

Treasury shares are recognized at acquisition 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 expense.

1.4 SHARE-BASED PAYMENTS

Should treasury shares be used for share-based payments for the Board Members' compensation, the difference between the acquisition costs and any consideration paid is recognized as board compensation.

1.5 INTEREST-BEARING LIABILITIES

Interest-bearing liabilities are recognized at nominal value. Discounts and issuing costs are recognized as prepaid expenses and amortized on a straight line basis over the term of the liability.

2 INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

2.1 FINANCIAL ASSETS

(in CHF 1 000)	31 Dec 2021	31 Dec 2020
Loans to subsidiaries	797 120	945 815
Loans to third parties	13 702	2 403
TOTAL	810 821	948 218

2.2 INVESTMENTS

The direct and major indirect investments of the company are listed in Note 9.5 to the Straumann Group Financial Statements. Ownership interests equal voting rights.

2.3 SHORT-TERM INTEREST-BEARING LIABILITIES TO INVESTMENTS

Short-term interest-bearing liabilities to investments consist of a short term intercompany loan of CHF 59.4 million (2020: CHF 39.7 million) and cash pool liabilities which add up to CHF 86.5 million (2020: CHF 18.1 million) as well as earn-outs of CHF 36.6 million (2020: CHF 32.2 million).

2.4 SHORT-TERM PROVISIONS

In 2021 short-term provisions include provisions for taxes CHF 0.2 million (2020: CHF 7.3 million short-term provisions for unrealized foreign exchange gains and taxes CHF 0.7 million).

2.5 INTEREST-BEARING LIABILITIES TO THIRD PARTIES

(in CHF 1 000)	31 Dec 2021	31 Dec 2020
Bonds	480 000	480 000
TOTAL	480 000	480 000

BOND CONDITIONS

Nominal value	200 000	200 000
Interest rate in %	0.55	0.55
Maturity / term in years	5.2	5.2
Due date / maturity	3 Oct 2025	3 Oct 2025
Nominal value	280 000	280 000
Interest rate in %	1.0	1.0
Maturity / term in years	3.5	3.5
Due date / maturity	3 Oct 2023	3 Oct 2023

The Group placed a CHF-denominated domestic straight bond issue for an aggregate amount of CHF 280 million with issue date 3 April 2020, payable annually in arrears on 3 October. In July 2020 the Group placed an additional CHF-denominated domestic straight bond for an aggregate amount of CHF 200.0 million, with issue date 15 July 2020, payable annually in arrears on 3 October.

Denominations of the bonds are CHF 5 000 nominal and multiples thereof. The bonds have been admitted to trading on the SIX Swiss Exchange with effect from 27 March 2020 until 3 October 2023 respectively from 10 June 2020 until 3 October 2025 and are listed in accordance with the Standard for Bonds on the SIX Swiss Exchange.

2.6 SHARE CAPITAL

The share capital for 2021 is CHF 1 592 136.90 and is represented by 15 921 369 registered shares of CHF 0.10 par value. On 19 April 2021 an option agreement between Institut Straumann AG and Straumann Holding AG was signed, which resulted in a nominal capital increase of CHF 1 454.50. The new shares were created from conditional share capital.

In 2020 the share capital was CHF 1 590 682.40 and was represented by 15 906 824 registered shares of CHF 0.10 par value.

2.7 RESERVES FROM CAPITAL CONTRIBUTION

From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital. The Swiss Federal Tax Administration (ESTV) acknowledged the reported reserves for capital contribution as a capital contribution in accordance to Article 5 Paragraph 1 bis VStG.

2.8 RESERVES FOR TREASURY SHARES

The shares of Straumann Holding AG on stock of Institut Straumann AG amount to 5 658 shares with an average value of CHF 994.12. The decrease occurred due to the share based payment program and employee shares program (2020: 14 775 with an average value of CHF 760.20).

2.9 CAPITAL RESERVES

In 2020 AG Projection, a French holding company which holds a 70% share of Anthogyr Sallanches, was merged into Straumann Holding AG. A merger loss in the amount of CHF 23.4 million has been booked into retained earnings (capital reserve).

2.10 TREASURY SHARES

Since 2017 all shares have been sold and no transactions regarding treasury shares occurred in 2021 and 2020.

2.11 INCOME FROM INVESTMENTS

In the reporting period the dividend income amounted to CHF 203.4 million (2020: CHF 171.8 million).

2.12 OTHER FINANCIAL INCOME

Other financial income amounts to CHF 21.1 million (2020: CHF 17.2 million) and contains mainly the interest income from loans to subsidiaries and income from hedges on foreign currencies.

2.13 OTHER OPERATING INCOME

In 2021 there is no other operating income. In 2020 other operating income amounted to CHF 15.6 million and consisted of a reversal of a provision for acquisition.

2.14 OTHER FINANCIAL EXPENSE

Other financial expense amount to CHF 13.4 million and consists of valuation of the loans, interest expense as well as losses from foreign currencies (gain from foreign currencies in 2020) and earn outs. In 2020 other financial expense amounted to CHF 7.9 million and mainly contained the valuation of the loans, interest expense from bonds and earn outs.

(in CHF 1 000)	2021	2020
Interest	9 096	7 289
Foreign exchange losses	4 198	0
Other financial expense	61	613
TOTAL	13 355	7 902

2.15 OTHER OPERATING EXPENSE

(in CHF 1 000)	2021	2020
Administrative expense	490	780
Consulting expense	1 046	1 433
Sundry expense	1 464	2 773
TOTAL	3 000	4 986

2.16 IMPAIRMENT ON INVESTMENTS

In 2021 there were impairments on investments in the amount of CHF 16.2 million. CHF 15.3 million of the impairment expenses are due to a remeasurement of the fair value of an investment in equity shares of a medical device company. In 2020 there was a reversal of impairments in the amount of CHF 60 million and there were impairments on investment in the amount of CHF 92.5 million.

3 OTHER INFORMATION

3.1 FULL TIME EQUIVALENTS

Straumann Holding AG does not have any employees.

3.2 MAJOR SHAREHOLDERS

Shareholders who own more than 3 percent of voting rights are as follows:

(in %)	31 Dec 2021 ¹	31 Dec 2020 ¹
MAJOR SHAREHOLDERS		
Dr h.c. Thomas Straumann (Vice Chairman of the Board)	16.3	16.9
Dr h.c. Rudolf Maag	10.3	11.2
Black Rock Group ²	7.3	7.3
Simone Maag de Moura Cunha	3.5	3.7
Gabriella Straumann	3.0	3.0
TOTAL MAJOR SHAREHOLDERS	40.3	42.0

¹ Or at last reported date if shareholdings are not registered in the share register

² Not registered in Straumann's share register

3.3 ALLOCATION OF EQUITY INSTRUMENTS TO THE BOARD OF DIRECTORS

According to the compensation plan, Board members' fees are paid in a fixed remuneration and shares (in 2020 due to COVID-19 the Board voluntarily reduced their share grants by 40 percent). The number of shares is calculated based on the average price over the last seven days prior to the allocation.

The allocation was as follows:

	2021		2020	
	Number	Value in CHF 1 000	Number	Value in CHF 1 000
Allocated to the Board of Directors	810	1 001	799	602

3.4 EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed in these financial statements.

4 EQUITY INSTRUMENTS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The following tables disclose the number of vested and non-vested equity instruments (shares, options and Performance Share Units) held on 31 December 2021 and 2020 by the members of the Board of Directors, the Executive Management Board and individuals related to them.

2021

	Shares	Performance Share Units		
		20 Apr 2022	20 Apr 2023	20 Apr 2024
BOARD OF DIRECTORS				
Gilbert Achermann	33 184	0	0	0
Dr h.c. Thomas Straumann	2 600 396	0	0	0
Dr Sebastian Burckhardt	2 049	0	0	0
Marco Gadola	5 060	1 138	0	0
Juan-José Gonzalez	281	0	0	0
Dr Beat Lüthi	4 220	0	0	0
Petra Rumpf	2 911	0	0	0
Regula Wallimann	900	0	0	0
Total	2 649 001	1 138	0	0

EXECUTIVE MANAGEMENT BOARD

Guillaume Daniellot	623	255	1 062	917
Wolfgang Becker	662	302	336	205
Camila Finzi	396	0	354	216
Dr Peter Hackel	987	326	363	221
Holger Haderer	493	80	265	189
Mark Johnson	150	0	248	151
Patrick Loh	0	326	363	221
Alastair Robertson	53	272	354	216
Dirk Reznik	177	0	354	216
Aurelio Sahagun	87	0	0	337
Rahma Samow	104	0	0	210
Matthias Schupp	369	207	230	140
Christian Ullrich	96	0	0	194
Robert Woolley	0	207	0	0
Total	4 197	1 975	3 929	3 433
TOTAL	2 653 198	3 113	3 929	3 433

2020

	Shares	Performance Share Units		
		27 Apr 2021	20 Apr 2022	20 Apr 2023
BOARD OF DIRECTORS				
Gilbert Achermann	34 721	0	0	0
Dr h.c. Thomas Straumann	2 691 565	0	0	0
Monique Bourquin	1 103	0	0	0
Dr Sebastian Burckhardt	3 085	0	0	0
Marco Gadola	2 071	1 845	1 385	0
Juan-José Gonzalez	200	0	0	0
Dr Beat Lüthi	4 139	0	0	0
Regula Wallimann	819	0	0	0
Total	2 737 703	1 845	1 385	0
EXECUTIVE MANAGEMENT BOARD				
Guillaume Daniellot	0	304	255	1 062
Wolfgang Becker	600	369	302	336
Jens Dexheimer	143	326	0	0
Camila Finzi	430	0	0	354
Dr Peter Hackel	500	402	326	363
Holger Haderer	292	104	80	265
Mark Johnson	650	0	0	248
Patrick Loh	0	402	326	363
Dr Andreas Meier	732	168	175	248
Alastair Robertson	0	0	272	354
Dirk Reznik	0	0	0	354
Petra Rumpf	2 170	434	0	0
Matthias Schupp	140	239	207	230
Robert Woolley	0	0	127	283
Total	5 657	2 748	2 070	4 460
TOTAL	2 743 360	4 593	3 455	4 460

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF THE AVAILABLE EARNINGS

(in CHF 1 000)	2021	2020
Net result	190 146	157 596
Carried forward from previous year	1 265 233	1 200 727
Change in reserves for treasury shares	5 607	(1 708)
Profit available to the Annual General Meeting	1 460 986	1 356 614
Dividend paid out of the available earnings (CHF 5.75 per share)		(91 381)
Proposed dividend to be paid out of the available earnings (CHF 6.75 per share)	(107 431)	
BALANCE CARRIED FORWARD	1 353 555	1 265 233

The Board of Directors proposes to the Shareholders' General Meeting that a total dividend of CHF 6.75 per share be distributed, payable as of 11 April 2022. Calculated based on the total number of outstanding shares of 15 915 711, this corresponds to a total amount of CHF 107.4 million. In deciding on the appropriation of dividends, the Shareholders' General Meeting shall take into account that the Company will not pay a dividend on treasury shares held by the Company.

The remaining amount of the available earnings is to be carried forward.

AUDIT REPORT – FINANCIAL STATEMENTS STRAUMANN HOLDING AG

To the General Meeting of Straumann Holding AG, Basel

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the financial statements of Straumann Holding AG, which comprise the balance sheet, income statement and notes (pages 186 to 192), for the year ended 31 December 2021.



BOARD OF DIRECTORS' RESPONSIBILITY

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



AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



OPINION

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.



REPORT ON KEY AUDIT MATTERS BASED ON THE CIRCULAR 1/2015 OF THE FEDERAL AUDIT OVERSIGHT AUTHORITY

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.



REPORT ON OTHER LEGAL REQUIREMENTS

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

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

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

Ernst & Young Ltd

Martin Mattes

Licensed audit expert
(Auditor in charge)

Basel, 14 February 2022

Fabian Meier

Licensed audit expert



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APPENDIX

APPENDIX

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GRI AND SASB CONTENT INDEX

General Disclosures



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102-50	Reporting period	January 1 to December 31, 2021
102-51	Date of most recent report	February 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	200
102-54	Claims of reporting in accordance with the GRI Standards	40
102-55	GRI content index	195
102-56	External assurance	None

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI and SASB Content Index**Management Approach and Topic Specific Standard Disclosures**

Reference	SASB Code	Disclosure	Page no.	Omissions
200: ECONOMIC DISCLOSURES				
GRI 201:2016 Economic Performance				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>77–79, 86</u>	
201-1		Direct economic value generated and distributed	<u>138–139</u>	
201-3		Defined benefit plan obligations and other retirement plans	<u>174–176</u>	
201-4		Financial assistance received from government	<u>163–164</u>	
GRI 203:2016 Indirect Economic Impacts				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>71, 50–52</u>	
203-1		Infrastructure investments and services supported: Our main indirect economic impacts include the provision of jobs, our efforts to increase access to quality dental treatment internationally, our provision of extensive educational and mentoring programs and our charitable engagement initiatives evaluated by the Corporate Sponsoring Committee to make dental treatment affordable to those who are in need, e.g. the underprivileged, orphan children or refugees	<u>50–52, 58, 71–74</u>	
	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	<u>50</u>	
	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	<u>50, 80</u>	
GRI 205:2016 Anti-corruption				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>80</u>	
205-1		Operations assessed for risks related to corruption	<u>80</u>	
205-2		Communication and training about anti-corruption policies and procedures	<u>80</u>	
205-3		Confirmed incidents of corruption and actions taken	<u>79</u>	
	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	<u>79</u>	
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	<u>79</u>	
300: ENVIRONMENTAL DISCLOSURES				
GRI 301:2016 Materials				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>40, 64, 68</u>	
301-1		Materials used by weight or volume	<u>66–67</u>	
GRI 302:2016 Energy				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>40, 68</u>	
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302-3		Energy intensity	<u>66</u>	
GRI 303:2018 Water and Effluents				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>40, 65, 68</u>	
303-1		Interactions with water as a shared resource	<u>65</u>	
303-2		Management of water discharge-related impacts	<u>65</u>	
303-3		Water withdrawal by source	<u>67</u>	

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GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>40, 63–64, 68</u>	
305-1		Direct (Scope 1) GHG emissions	<u>66</u>	
305-2		Energy indirect (Scope 2) GHG emissions	<u>66</u>	
305-4		GHG emissions intensity	<u>66</u>	
GRI 306:2020 Waste				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>41, 64, 68</u>	
306-3		Waste generated	<u>67</u>	
GRI 308:2016 Supplier Environmental Assessment				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>69–70</u>	
308-1		New suppliers that were screened using environmental criteria	<u>69–70</u>	
400: SOCIAL DISCLOSURES				
GRI 401:2016 Employment				
GRI 103:2016 Management Approach 103-1/103-2/103-3			<u>58, 60–61</u>	
401-1		New employee hires and employee turnover	<u>58–59</u>	
GRI 403:2018 Occupational Health and Safety				
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403-6		Promotion of worker health	<u>61</u>	
403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>61</u>	
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GRI and SASB Content Index

Reference	SASB Code	Disclosure	Page no.	Omissions
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	HC-MS-250a.1	Number of recalls issued, total units recalled	<u>54</u>	
	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	<u>54</u>	
	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	<u>54</u>	
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POINTS TO NOTE

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KEY DATES IN 2022

15 February	Full-year results conference
05 April	Annual General Meeting
07 April	Dividend ex date
11 April	Payment date
28 April	First-quarter results conference call
16 August	Half-year results conference
02 November	Third-quarter results conference call

CONTACTS

Straumann Group headquarters

Peter Merian-Weg 12, 4002 Basel
Tel. +41 61 965 11 11

Investor relations

Marcel Kellerhals Tel. +41 61 965 17 51
investor.relations@straumann.com

Media relations

Silvia Dobry Tel. +41 61 965 15 62
Jana Erdmann Tel. +41 61 965 12 39
corporate.communication@straumann.com

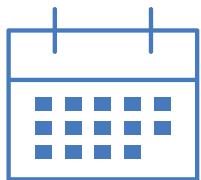
General inquiries

Corporate Communication
Tel. +41 61 965 11 11
Fax +41 61 965 11 03
info@straumann.com

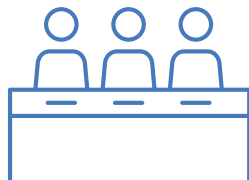
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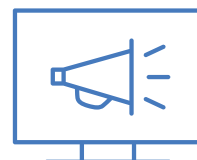
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