straumanngroup

FINANCIAL REPORT STRAUMANN GROUP

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® Accounting Standards.

CORE FINANCIAL MEASURES are non-IFRS Accounting Standards measures because they cannot be derived directly from the Group consolidated financial statements. Management believes that these measures, when presented alongside reported results, will offer readers valuable supplementary information to better understand the Group's financial performance and position on a comparable basis over time. These core financial measures are not a substitute for, or superior to, financial measures prepared in accordance with IFRS Accounting Standards. In the periods under review, core financial measures are adjusted to exclude the following significant items:

- M&A: Special items and amortization of intangible assets resulting from the purchase price allocation (PPA) following acquisitions and changes in the fair value of related contingent considerations.
- Impairments: Impairment write-offs of financial or non-financial assets as a result of unusual or one-time events concerning legal or economic conditions, change in consumer demands or damage that impacts the asset. The charge recognized in 2025 relates to the planned relocation of the Group's headquarters and the resulting underutilization of the current leased premises.
- Restructuring: One-off costs resulting from major restructuring exercises, including impairments. In 2025, restructuring expenses were incurred in all four sales regions, as well as within the Operations segment. In 2024, restructuring costs were limited to the EMEA sales region.
- Legal cases: Extraordinary litigations brought against the Group with expected significant charges per case, including legal fees and settlement amounts. Expenses related to legal disputes in the course of the Group's ordinary business activities are not adjusted. The amount disclosed in 2025 and 2024 pertains to expenses related to a litigation.
- Pension plan: One-time settlements, plan amendment gains or losses stemming from pension accounting.
- Consolidation result of former associates: Remeasurement gains and losses as a result of obtaining control over former associates (see Note 7.4).
- Other: Non-recurring, unusual and infrequent incidents that cannot be allocated to any of the preceding categories.

A reconciliation of IFRS Accounting Standards 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 KPIs are based on IFRS Accounting Standards figures (continuing basis), as disclosed in the consolidated financial statements:

Organic revenue growth
Revenue growth excluding the revenue contribution from business combinations (calculated by adding pre-acquisition revenue of the prior period to the existing revenue growth base) and currency effects.

Revenue growth in local currencies
Revenue growth excluding currency effects. These effects are calculated using a simulation by reconsolidating the prior-period revenue 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, pay dividends and undertake acquisitions. This KPI is calculated by subtracting financial liabilities (excluding lease liabilities) 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 of 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 turnover 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 revenue" 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 12 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 the 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 and 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 payout ratio
A dividend payout ratio is the percentage of earnings paid to shareholders of Straumann Holding AG: the proposed dividend payout in the following year, divided by the Group's core net profit of the past 12 months.

Core result reconciliation 2025

(in CHF 1 000)	IFRS 2025	M&A	Impairments	Restructuring	Legal cases	Consolidation result former associates	CORE 2025
Revenue	2 605 393						2 605 393
Cost of goods sold	(818 539)	123		39 334			(779 082)
Gross profit	1 786 855	123		39 334			1 826 311
Other income	11 308	0		419			11 727
Distribution expense	(487 277)	6 107		7 332			(473 838)
Administrative expense	(761 645)	10 612	8 234	6 071	28 000		(708 729)
Operating profit	549 240	16 842	8 234	53 156	28 000		655 471
Finance income	112 018	(20 030)	0	0			91 988
Finance expense	(188 856)	55 359	0	0			(133 497)
Remeasurement result of former associate	(375)					375	0
Share of results of associates	(16 952)	0	0	0			(16 952)
Profit before income tax	455 075	52 170	8 234	53 156	28 000	375	597 010
Income tax expense	(97 052)	(4 129)	(1 140)	(13 058)	(3 794)	0	(119 173)
Net profit from continuing operations	358 023	48 041	7 093	40 098	24 206	375	477 837
Loss from discontinued operations, net of tax	(790)	0	0	0	0	0	(790)
Net profit	357 233	48 041	7 093	40 098	24 206	375	477 047
Attributable to:							
Shareholders of the parent company	355 916	47 956	7 093	40 098	24 206	375	475 645
Non-controlling interests	1 316	85					1 402
Basic earnings per share (in CHF)	2.23						2.98
Diluted earnings per share (in CHF)	2.23						2.98
Basic earnings per share continuing operations (in CHF)	2.24						2.99
Diluted earnings per share continuing operations (in CHF)	2.23						2.98
Operating profit	549 240	16 842	8 234	53 156	28 000		655 471
Depreciation & amortization	188 925	(16 842)	(8 234)	(22 428)	0		141 422
EBITDA	738 166	0	0	30 728	28 000		796 893

Core result reconciliation 2024

(in CHF 1 000)	IFRS 2024	M&A	Restructuring	Legal cases	Consolidation result former associates	CORE 2024
Revenue	2 503 900					2 503 900
Cost of goods sold	(720 519)	2 937	1 479	0		(716 104)
Gross profit	1 783 381	2 937	1 479	0		1 787 796
Other income	14 969	0	0	0		14 969
Distribution expense	(485 638)	6 325	665	0		(478 647)
Administrative expense	(711 712)	10 422	2 483	25 000		(673 806)
Operating profit	601 001	19 684	4 627	25 000		650 312
Finance income	160 365	(35 464)	0	0		124 900
Finance expense	(195 074)	43 514	0	0		(151 560)
Remeasurement result of former associate	4 841	0	0	0	(4 841)	0
Share of results of associates	(11 567)	0	0	0	0	(11 567)
Profit before income tax	559 565	27 734	4 627	25 000	(4 841)	612 085
Income tax expense	(100 079)	(6 416)	(935)	(2 760)	0	(110 190)
Net profit from continuing operations	459 485	21 318	3 692	22 240	(4 841)	501 895
Loss from discontinued operations, net of tax	(69 313)	384	5 547	0	0	(63 382)
Net profit	390 172	21 702	9 240	22 240	(4 841)	438 514
Attributable to:						
Shareholders of the parent company	388 316	21 610	9 240	22 240	(4 841)	436 565
Non-controlling interests	1 856	92				1 948
Basic earnings per share (in CHF)	2.44					2.74
Diluted earnings per share (in CHF)	2.43					2.74
Basic earnings per share continuing operations (in CHF)	2.87					3.14
Diluted earnings per share continuing operations (in CHF)	2.87					3.13
Operating profit	601 001	19 684	4 627	25 000		650 312
Depreciation & amortization	146 102	(16 872)	(462)	0		128 768
EBITDA	747 102	2 812	4 165	25 000		779 080

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in CHF 1 000)	Notes	31 Dec 2025	31 Dec 2024
Property, plant and equipment	4.1	578 251	524 631
Right-of-use assets	4.2	152 023	205 015
Intangible assets	4.3	872 229	903 711
Investments in associates	2.2	259 925	243 803
Financial assets	7.1	90 069	67 946
Other receivables		30 867	24 856
Deferred income tax assets	7.7	128 526	126 521
Total non-current assets		**2 111 890**	2 096 483
Inventories	5.1	476 139	433 347
Trade and other receivables	5.2	635 644	589 680
Financial assets	7.1	36 502	89 405
Income tax receivables		22 561	34 589
Cash and cash equivalents	5.3	475 426	375 492
Total current assets		**1 646 272**	1 522 514
Total assets		**3 758 162**	3 618 997

Equity and liabilities

(in CHF 1 000)	Notes	31 Dec 2025	31 Dec 2024
Share capital	7.5	1 595	1 595
Retained earnings and reserves		2 158 915	2 038 536
Total equity attributable to the shareholders of the parent company		**2 160 510**	2 040 131
Non-controlling interests		4 237	3 661
Total equity		**2 164 747**	2 043 792
Other liabilities	6.2	229 046	233 908
Income tax liabilities		17 438	19 035
Financial liabilities	7.2	473 741	232 144
Provisions	6.1	23 178	33 606
Retirement benefit obligations	8.2	43 599	57 266
Deferred income tax liabilities	7.7	62 803	56 091
Total non-current liabilities		**849 805**	632 050
Trade and other payables	5.4	587 685	577 563
Financial liabilities	7.2	35 310	238 290
Income tax liabilities		82 889	102 112
Provisions	6.1	37 725	25 190
Total current liabilities		**743 609**	943 155
Total liabilities		**1 593 414**	1 575 205
Total equity and liabilities		**3 758 162**	3 618 997

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CONSOLIDATED INCOME STATEMENT

(in CHF 1 000)	Notes	2025	2024
Revenue	3.1	2 605 393	2 503 900
Cost of goods sold		(818 539)	(720 519)
Gross profit		1 786 855	1 783 381
Other income		11 308	14 969
Distribution expense		(487 277)	(485 638)
Administrative expense		(761 645)	(711 712)
Operating profit		549 240	601 001
Finance income	7.4	112 018	160 365
Finance expense	7.4	(188 856)	(195 074)
Remeasurement result of former associate	7.4	(375)	4 841
Share of results of associates	2.2	(16 952)	(11 567)
Profit before income tax		455 075	559 565
Income tax expense	7.7	(97 052)	(100 079)
Net profit from continuing operations		358 023	459 485
Loss from discontinued operations, net of tax	2.3	(790)	(69 313)
Net profit		357 233	390 172
Attributable to:			
Shareholders of the parent company		355 916	388 316
Non-controlling interests		1 316	1 856
Earnings per share (EPS) attributable to ordinary shareholders of the parent company:			
Basic EPS (in CHF)	3.2	2.23	2.44
Diluted EPS (in CHF)	3.2	2.23	2.43
Basic EPS continuing operations (in CHF)	3.2	2.24	2.87
Diluted EPS continuing operations (in CHF)	3.2	2.23	2.87

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in CHF 1 000)	2025	2024
Net profit	357 233	390 172
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Net foreign exchange result on net investment loans	(29 563)	(19 649)
Exchange differences on translation of foreign operations	(77 617)	(12 120)
Share of other comprehensive income/(loss) of associates accounted for using the equity method	(11)	(38)
Income tax effect	3 895	2 478
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(103 297)	(29 329)
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	(616)	539
Remeasurements of retirement benefit obligations	18 793	(22 549)
Income tax effect	(2 624)	2 468
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	15 553	(19 542)
Other comprehensive income/(loss), net of tax	(87 744)	(48 871)
Total comprehensive income/(loss), net of tax	269 488	341 301
Attributable to:		
Shareholders of the parent company	268 521	339 431
Non-controlling interests	967	1 870

CONSOLIDATED CASH FLOW STATEMENT

(in CHF 1 000)	Notes	2025	2024
Net profit from continuing operations		358 023	459 485
Adjustments for:			
Income tax	7.7	97 052	100 079
Net interest result		15 654	22 724
Share of results of associates	2.2	16 952	11 567
Share-based payments expense	8.1, 8.3	18 949	17 782
Net foreign exchange differences [1]		11 519	8 342
Other non-cash items [1]		6 817	(4 194)
Depreciation and amortization	4.5	158 135	144 931
Impairment	4.5	30 790	1 171
Change in provisions, retirement benefit obligations and other liabilities		50 424	539
Change in long-term assets		(7 653)	(1 068)
Working capital adjustments:			
Change in inventories		(72 491)	(78 455)
Change in trade and other receivables		(65 486)	(121 102)
Change in trade and other payables		2 384	94 314
Interest paid on lease liabilities	7.2	(7 961)	(8 170)
Interest paid		(7 588)	(6 902)
Interest received		7 497	6 080
Income tax paid		(100 976)	(108 571)
Cash flows from operating activities from continuing operations		512 043	538 554
Cash flows from operating activities from discontinued operations	2.3	(8 078)	(55 167)
Cash flows from operating activities		503 965	483 387
Purchase of financial assets		(41 342)	(95 055)
Proceeds from financial assets		57 309	3 174
Purchase of property, plant and equipment		(175 632)	(118 549)
Purchase of intangible assets		(47 821)	(49 219)
Purchase of investments in associates		(56 895)	(15 484)
Disposal of investments in associates		0	9 841
Acquisition of a business, net of cash acquired	2.1	(4 566)	(20 606)

(in CHF 1 000)	Notes	2025	2024
Disposal of a discontinued operation, net of cash disposed	2.3	0	(15 272)
Disposal of a business, net of cash disposed	9.5	(860)	
Contingent consideration paid		(11 430)	(14 766)
Proceeds from loans		16 091	1 308
Disbursement of loans		(11 824)	(40 903)
Dividends received from associates		1 450	839
Net proceeds from sale of non-current assets		1 615	2 119
Cash flows from investing activities from continuing operations		(273 904)	(352 574)
Cash flows from investing activities from discontinued operations		0	(42)
Cash flows from investing activities		(273 904)	(352 616)
Repayment of non-current financial debts	7.2	(1 191)	(1 213)
Increase in non-current financial debts	7.2	278 828	15 057
Repayment of current financial debts	7.2	(201 695)	0
Increase in current financial debts	7.2	11 618	0
Dividends paid to the equity holders of the parent	7.6	(151 340)	(135 428)
Dividends paid to non-controlling interests		(513)	(449)
Payment of lease liabilities	7.2	(28 415)	(27 995)
Transaction costs paid		(571)	0
Sale of treasury shares		11 888	10 240
Purchase of treasury shares		(24 559)	(27 823)
Cash flows from financing activities from continuing operations		(105 951)	(167 611)
Cash flows from financing activities from discontinued operations		0	(1 445)
Cash flows from financing activities		(105 951)	(169 056)
Exchange rate differences on cash held		(24 177)	3 468
Net change in cash and cash equivalents		99 934	(34 817)
Cash and cash equivalents at 1 January	5.3	375 492	410 310
Cash and cash equivalents at 31 December	5.3	475 426	375 492

1 Prior year's presentation has been adapted to the current year format.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2025

(in CHF 1 000)	Notes	Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to the shareholders of the parent company								
At 1 January 2025		1 595	61 428	(526)	(610 661)	2 588 296	2 040 131	3 661	2 043 792
Net profit						355 916	355 916	1 316	357 233
Other comprehensive income/(loss)					(106 831)	19 436	(87 395)	(349)	(87 744)
Total comprehensive income/(loss)		0	0	0	(106 831)	375 352	268 521	967	269 488
Dividends to equity holders of the parent	7.6		(60 536)			(90 804)	(151 340)		(151 340)
Dividends to non-controlling interests							0	(513)	(513)
Share-based payment transactions						17 370	17 370		17 370
Purchase of treasury shares				(24 559)			(24 559)		(24 559)
Usage of treasury shares				24 638		(12 750)	11 888		11 888
Transactions costs						(571)	(571)		(571)
Put options to non-controlling interests						(929)	(929)	122	(806)
At 31 December 2025		1 595	892	(448)	(717 492)	2 875 964	2 160 510	4 237	2 164 747

2024

(in CHF 1 000)	Attributable to the shareholders of the parent company								
	Notes	Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2024		1 595	102 012	(1 357)	(578 879)	2 312 808	1 836 179	2 427	1 838 606
Net profit						388 316	388 316	1 856	390 172
Other comprehensive income/(loss)					(31 782)	(17 102)	(48 884)	13	(48 871)
Total comprehensive income/(loss)		0	0	0	(31 782)	371 213	339 431	1 870	341 301
Dividends to equity holders of the parent	7.6		(63 731)			(71 697)	(135 428)		(135 428)
Dividends to non-controlling interests							0	(449)	(449)
Share-based payment transactions						17 555	17 555		17 555
Purchase of treasury shares				(27 823)			(27 823)		(27 823)
Usage of treasury shares				28 816		(18 576)	10 240		10 240
Changes in consolidation group						93	93	(121)	(28)
Put options to non-controlling interests						(118)	(118)	(65)	(182)
Reclassifications to share premium[1]			23 146	(162)		(22 984)	0		0
At 31 December 2024		1 595	61 428	(526)	(610 661)	2 588 296	2 040 131	3 661	2 043 792

1 Reclassification due to alignment with equity of parent entity Straumann Holding AG.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, Medentika, Neodent, NUVO, 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, CADCAM 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 close to 12 000 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 2025 were authorized for issue in accordance with a resolution of the Board of Directors on 16 February 2026 and are subject to approval by the Annual General Meeting on 17 April 2026.

1.2 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

They were prepared on a historical cost basis except for certain financial assets and financial liabilities (including derivative financial instruments), which were 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 at 31 December 2025.

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, as well as 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 2025

The following amendments apply for the first time in 2025 but do not have a material impact on the consolidated financial statements of the Group:
- IAS 21 (Amendments) "Lack of exchangeability" (effective 1 January 2025)

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 2026 or later periods and the Group has not adopted them early:

- IFRS 9 and IFRS 7 (Amendments) "Classification and Measurement of Financial Instruments" (effective 1 January 2026)
- IFRS 9 and IFRS 7 (Amendments) "Contracts Referencing Nature-dependent Electricity" (effective 1 January 2026)
- IFRS 18 "Presentation and Disclosure in Financial Statements" (effective 1 January 2027)
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective 1 January 2027)
- IAS 21 (Amendments) "Translation to a Hyperinflationary Presentation Currency" (effective 1 January 2027)

The Group currently assumes that the applications of these standards and amendments, except for IFRS 18, will not have a material impact on the presentation of the consolidated financial statements. The Group is well advanced in the process of assessing the impact of IFRS 18, particularly with respect to the structure of the Group's consolidated income statement, the consolidated cash flow statement and the additional disclosures required for management-defined performance measures (MPMs). The Group is also assessing the impact on how information is aggregated/disaggregated in the 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 revenue, 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 contingent payments upon the achievement of measure of profits or milestone targets. 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 and their sensitivity to the fair values 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 and Anthogyr).
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. Further details are given in Note 4.4.

Leases

Critical judgments 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 that 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. Further details are given in Note 8.2.

1.5 Summary of material 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 reported directly in a separate component of other comprehensive income. Upon the 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. 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

Leasehold improvements are depreciated over the lease term, including the optional extension of the lease period but not exceeding its economic life. 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 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 and software, 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 in 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	Internally generated/ acquired

The acquired brands Neodent, Medentika, ClearCorrect and Anthogyr 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 continuing 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. The recoverable amount 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.

Goodwill and intangible assets with an 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 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.

Non-current assets held for sale and discontinued operations

Non-current assets are classified as assets held for sale or related to discontinued operations when their carrying amount is to be recovered principally through a sale transaction or distribution to owners and a sale or distribution to owners is considered highly probable. They are stated at the lower of carrying amount and fair value, less costs to sell, with any resulting impairment recognized. Assets related to discontinued operations and assets of a disposal group held for sale are not depreciated or amortized. Assets and liabilities of a disposal group classified as held for sale are presented separately in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Cash flows from discontinued operations are disclosed separately in the consolidated statement of cash flows. The comparative consolidated income statement, consolidated statement of cash flows and certain notes are restated and presented as if the operation had been classified as such from the start of the comparative year. Further details are given in Note 2.3.

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 had taken 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.

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 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 vary 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 that adequately consider all these parameters.

Share-based compensation

The Board of Directors, Executive and senior management as well as selected employees receive part of their compensation 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 grant date. For market conditions, fair value is determined either by observable market prices or through external valuation experts using an appropriate pricing model. Non-market performance conditions are excluded from the determination of grant date fair value but are considered when assessing the Group's best estimate of the number of equity instruments expected to ultimately vest. Awards without performance conditions are measured based on the fair value at grant date, and vesting is assessed solely based on service conditions.

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 Management and senior management become fully entitled to the award (the vesting date). For awards subject solely to a service condition, the expense is recognized over the vesting period based on continued employment.

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 change in cumulative expense recognized at the beginning and end of that period.

The dilutive effect of outstanding performance share units (PSUs) and restricted share units (RSUs) is reflected as additional share dilution in the computation of earnings per share (see 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.

Revenue recognition

Revenue generated with implant and restorative solutions is generally recognized at the point in time of shipment to, or receipt by, the customer, or when the services are performed. Revenue stemming from complex and prolonged orthodontic treatments is recognized over time. The Group measures and allocates revenue according to the output method and considers the relevant factors such as expected treatment duration and invoiced amounts. Those factors may vary over time depending upon the unique facts and circumstances of each performance obligation when 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 the 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.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods represent the best estimate of the tax amount expected to be paid or received and reflect 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 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; and
- with 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; and
- with 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.

2 INVESTMENTS

2.1 Business combinations

Transactions in 2025

In 2025, the Group conducted two business combinations, which were previously accounted for as associated companies:

- maxon dental GmbH
- Promaton Holding B.V.

On 10 June 2025, the Group increased its stake in maxon dental GmbH (subsequently renamed to Straumann Ceramic GmbH) to full ownership. The company specializes in ceramic injection molding for dental implant components.

On 17 July 2025, the Group obtained control over Promaton, a Netherlands-based company specializing in artificial intelligence for dental applications, by increasing ownership to 100.0%.

These business combinations had no material impact on the Group's revenue or net profit, neither from the acquisition date nor when considering the inclusion of these acquisitions as of 1 January 2025.

The combined fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	2025
Assets	
Property, plant and equipment	1 236
Intangible assets:	
Technology	2 285
Other intangible assets	68
Deferred tax assets	888
Inventories	431
Other receivables	846
Cash and cash equivalents	2 238
Total assets	7 992
Liabilities	
Financial liabilities	2 199
Deferred income tax liabilities	573
Trade and other payables	966
Total liabilities	3 738
Total identifiable net assets at fair value	4 254
Goodwill	14 810
Net assets acquired	19 064
Satisfied in cash	6 804
Fair value of previously held interest	12 260
Total	19 064
Cash flow	
Net cash acquired	2 238
Cash paid	(6 804)
Net cash flow	(4 566)

The fair value of the intangible assets related to technology is determined using the excess earnings method.

The method is 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.

Transactions in 2024

In 2024, the Group conducted two business combinations:

- Schmidt Dental
- MiniNaviDent AG

On 3 January 2024, the Group acquired 100% ownership of Schmidt Dental, a Polish distributor of both Group brand and third-party dental products. Following the acquisition, the company was renamed Straumann Polska Sp. z o.o.

On 1 July 2024, the Group increased its stake in MiniNaviDent AG from 39.1% to full ownership. MiniNaviDent AG focuses on developing a miniaturized dynamic navigation system providing guidance during dental implant surgery.

These business combinations had no material impact on the Group's revenue or net profit, neither from the acquisition date nor when considering the inclusion of these acquisitions as of 1 January 2024.

The fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	2024
Assets	
Property, plant and equipment	49
Right-of-use assets	100
Intangible assets:	
Technology	4 436
Customer relationships	9 515
Inventories	3 919
Trade and other receivables	3 361
Cash and cash equivalents	409
Total assets	**21 788**
Liabilities	
Financial liabilities	1 258
Deferred income tax liabilities	2 454
Trade and other payables	7 749
Total liabilities	**11 461**
Total identifiable net assets at fair value	**10 327**
Goodwill	32 721
Net assets acquired	**43 048**
Satisfied in cash	21 014
Contingent consideration	14 086
Fair value of previously held interest	7 948
Total	**43 048**
Cash flow	
Net cash acquired	409
Cash paid	(21 014)
Net cash flow	**(20 606)**

The fair value of the intangible assets related to technology and customer relationships is determined using the excess earnings method.

The method is 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.

At the date of the business combination, the fair values of trade receivables amounted to CHF 2.7 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 31 December 2024, the fair value of the financial liability amounted to CHF 14.0 million.

2.2 Investments in associates

The Group has investments which are accounted for as associated companies. From a Group perspective, the following associates are material at the reporting date:

(in CHF 1 000)	2025		2024	
	Balance sheet value	Net income statement effect	Balance sheet value	Net income statement effect
Impress Group, Cyprus	71 540	(7 985)	80 349	(2 261)
CareStack, US	59 989	(7 320)	76 268	(6 041)
Denfac, China	56 622	(637)		
botiss, Germany	34 809	989	35 166	323
Others	36 965	(2 000)	52 021	(3 588)
Total	259 925	(16 952)	243 803	(11 567)

Impress Group (Zandivio plc)

Impress Group is a provider of clear aligners in Europe and operates a network of clinics in various countries. It is a private entity that is not listed on any public exchange. The Group has an interest of 20.0% (2024: 20.0%) in the entity. Management has assessed the Group's level of influence over Impress Group and determined that it has significant influence and therefore applies the equity method of accounting.

CareStack (Good Methods Global Inc.)

CareStack is a US-based company offering a cloud-based dental software solution designed for dental practices. It is a private entity that is not listed on any public exchange. The Group has an interest of 43.7% (2024: 43.7%) in the entity. Management has assessed the level of influence that the Group has on CareStack and determined that it has significant influence and therefore applies the equity method of accounting.

Denfac (Gaofeng Medical Instrument (WUXI) Co., Ltd.)

Denfac is a China based manufacturer of medical devices. It is a private entity that is not listed on any public exchange. In 2025, the Group acquired an interest of 35.0% in the entity for a cash consideration of CHF 56.9 million. Management has assessed the level of influence that the Group has on Denfac and determined that it has significant influence and therefore applies the equity method of accounting.

botiss (botiss medical AG)

botiss is an 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 30.0% (2024: 30.0%) in the entity. Management has assessed the level of influence that the Group has on botiss and determined that it has significant influence and therefore applies the equity method of accounting.

The tables below provide summarized financial information for Impress Group, CareStack, Denfac and botiss. 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, estimates for not yet available year-end financial information, and modifications due to differing accounting policies.

(in CHF 1 000)	2025				2024		
	Impress Group	CareStack	Denfac	botiss	Impress Group[2]	CareStack	botiss
Current assets	52 183	18 602	28 514	24 963	75 295	39 115	26 491
Non-current assets	152 385	24 054	88 718	26 583	80 945	28 314	29 118
Current liabilities	(28 382)	(2 042)	(23 530)	(11 283)	(36 634)	(1 837)	(14 039)
Non-current liabilities	(67 126)	(5 099)	(10 006)	(6 159)	(22 470)	(6 949)	(7 121)
Net assets	109 061	35 516	83 696	34 105	97 136	58 642	34 448
Reconciliation to carrying amount							
Opening / acquired net assets	97 136	58 642	84 953	34 448	108 181	70 423	34 993
PPA effect [1]	53 257	0	0	0	0	0	0
Result for the period	(39 926)	(16 766)	(1 819)	3 297	(11 304)	(16 298)	1 074
Other comprehensive income	0	(41)	0	(11)	0	(93)	(2)
Dividends declared	0	0	0	(3 258)	0	0	(1 880)
Currency translation adjustments	(1 406)	(6 320)	563	(372)	260	4 611	262
Closing net assets at 31 December	109 061	35 516	83 696	34 105	97 136	58 642	34 448
Group's share in %	20.0	43.7	35.0	30.0	20.0	43.7	30.0
Group's share	21 812	15 506	29 294	10 231	19 427	25 603	10 334
Goodwill	50 188	51 411	27 162	30 557	60 844	51 411	30 557
Currency translation adjustments on goodwill	(460)	(6 928)	166	(5 979)	78	(747)	(5 726)
Carrying amount	71 540	59 989	56 622	34 809	80 349	76 268	35 166

1 In 2025, the purchase price allocation (PPA) for Impress Group was completed. The PPA resulted in a decrease in goodwill and a corresponding increase in identified net assets. Overall, the PPA had no material impact on the Group's carrying amount of "investment in associates" or on the "share of results of associates" compared with the amounts provisionally recognized in 2024.
2 Values preliminary determined at the balance sheet date.

Summarized comprehensive income statements of Impress Group, CareStack, Denfac and botiss for the period, where the Group has significant influence:

(in CHF 1 000)	2025				2024		
	Impress Group	CareStack	Denfac	botiss	Impress Group	CareStack	botiss
Revenue	97 434	24 988	1 442	39 425	28 620	16 079	35 973
Result from continuing operations	(39 926)	(16 766)	(1 819)	3 297	(11 304)	(16 298)	1 074
Result for the period	(39 926)	(16 766)	(1 819)	3 297	(11 304)	(16 298)	1 074
Other comprehensive income / (loss)	0	(41)	0	(11)	0	(93)	(2)
Total comprehensive income / (loss)	(39 926)	(16 807)	(1 819)	3 287	(11 304)	(16 392)	1 072

Other investments

In addition to the investments in Impress Group, CareStack, Denfac and botiss 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. In addition to the aforementioned, no other investments were made in 2025 and 2024.

The following table shows aggregated financial information about the other investments in associates:

(in CHF 1 000)	2025	2024
Aggregate carrying amount of individually immaterial associates	36 965	52 021
Aggregate amount of Group's share of:		
Result from continuing operations	(2 000)	(3 588)
Result for the period	(2 000)	(3 588)
Total comprehensive income/(loss)	(2 000)	(3 588)

2.3 Discontinued operations

On 20 June 2024, the Group initiated formal proceedings to sell the direct-to-consumer aligner business (DTC business) with Zandivio plc (Impress Group). Founded in 2019, Impress Group is a leading provider of clear aligners in Europe and operates a network of clinics with a focus on Spain, the UK, Italy and Portugal. Consequently, the Group classified its DTC business as a disposal group held for sale (HFS) as of 20 June 2024.

The DTC business was sold on 5 September 2024 and is reported as a discontinued operation. The total net assets transferred to Impress Group amounted to CHF 79.3 million. In return, the Group received a 20% non-controlling stake in Impress Group with a fair value of CHF 82.5 million. The Group will maintain involvement in Impress Group, particularly as a supplier of aligners.

Financial performance and details of the sale

The table below provides details of the income statement and the sale of discontinued operations. Expenses of CHF 0.8 million recognized in 2025 relate to indemnification settlements related to the disposal of the DTC business. In this regard, CHF 8.1 million was recorded as cash outflows from operating activities from discontinued operations.

(in CHF 1 000)	2025	2024
Revenue	0	54 326
Expenses	(790)	(125 483)
Operating loss	(790)	(71 157)
Income tax	0	174
Loss from operating activities, net of tax	(790)	(70 983)
Gain on sale of discontinued operations	0	1 670
Loss from discontinued operations, net of tax	(790)	(69 313)
Details of the gain on sale		
Consideration received: Fair value of Impress Group shares		82 480
Carrying amount of net assets sold		(79 256)
Reclassification of foreign currency translation reserve		(1 554)
Gain on sale of discontinued operations, net of tax		1 670

In 2025 and 2024, the loss from discontinued operations disclosed in the table above is fully attributable to the shareholders of the parent company. The carrying amounts of assets and liabilities at the date of sale on 5 September 2024 were as follows:

(in CHF 1 000)	5 Sep 2024
Assets	
Property, plant and equipment	2 447
Right-of-use assets	4 276
Intangible assets	60 506
Inventories	587
Trade receivables	81 769
Other receivables	23 888
Cash and cash equivalents	15 272
Total assets	188 745
Liabilities	
Financial liabilities	4 436
Deferred income tax liabilities	12 163
Provisions and other long-term liabilities	993
Trade and other payables	91 897
Total liabilities	109 489
Net assets derecognized	79 256

3 OPERATING PERFORMANCE

3.1 Operating segments

Operating segments for reporting purposes are determined based on the Group's management approach. The external segment reporting aligns with the internal organizational and management structure used within the Group and the financial reporting to the Chief Operating Decision Maker (CODM), identified as the Executive Management Board (EMB). The EMB is responsible for the Group's operational management, following the guidance of the Board of Directors. Additionally, it oversees global strategy and stakeholder management.

The reporting segments are presented consistently with the internal reporting to the CODM. The centralized headquarters support functions (e.g., finance, data+tech, human resources) and business units are not considered operating segments, as they do not generate separate revenues. Instead, these functions are grouped under the column "Not allocated items".

In 2025, the Group revised the allocation of certain production facilities between operating segments following changes in the internal management reporting reviewed by the CODM. The Group's manufacturing facility in Shanghai, China (previously reported within Sales APAC), the CADCAM milling center in Mansfield, United States (previously reported within Sales NAM), and the production facilities in Sallanches, France and Calw, Germany (previously reported within Sales EMEA) are now reported within the Operations segment. This change reflects the integration of these facilities into the Group's centralized manufacturing, logistics, and supply chain organization. Comparative segment information for the prior year has been restated accordingly to ensure consistency and comparability.

Sales Europe, Middle East and Africa
Sales EMEA comprises the Group's own distribution businesses in the EMEA region, as well as business with EMEA distributors. The segment also includes the implant-supported prosthetics business of Createch in Spain.

Sales North America
Sales NAM comprises the Group's own distribution businesses in the United States and Canada. It also includes the development and production activities of ClearCorrect in the US and US-based Bay Materials, a company specializing in the design, development and supply of high-performance thermoplastics for orthodontic applications. The segment also includes the development and production activities of Dental Wings in Canada.

Sales Asia Pacific
Sales APAC comprises the Group's own distribution businesses in the Asia Pacific region, as well as business with Asian distributors. It includes AlliedStar, a manufacturer of intraoral scanners (IOS) in China, the business of T-Plus, a Taiwanese company that develops and manufactures dental implant systems and has distribution channels in Taiwan and China, and Nihon, a Japanese provider of implant treatment referrals.

Sales Latin America
Sales LATAM comprises the Group's own distribution businesses in Middle and South America as well as business with Latin American distributors. It includes the production sites of Neodent in Brazil (which manufactures implants, biomaterials, CADCAM products and clear aligners) and Yller Biomateriais, a Brazilian company specializing in the development and manufacture of high-tech materials for 3D printing.

Operations
Operations acts as the principal for the Group's distribution businesses and comprises the Group's centralized manufacturing, logistics, and supply chain activities. The segment includes production facilities for implant components, instruments, and prosthetics, CADCAM milling centers, and facilities producing biomaterials and sterile-packaged products.

Information about profit or loss, assets and liabilities

2025

(in CHF 1 000)	Sales EMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allocated items	Eliminations	Group
Revenue third party	1 067 969	705 707	600 078	231 639	0	0	0	**2 605 393**
Revenue inter-segment	40 383	48 222	30 092	77 468	1 344 153	0	(1 540 318)	**0**
Total revenue	1 108 352	753 929	630 170	309 107	1 344 153	0	(1 540 318)	**2 605 393**
Depreciation and amortization	(19 911)	(12 218)	(14 260)	(20 114)	(52 089)	(39 542)	0	**(158 134)**
Impairment	(68)	(2 654)	(3 092)	0	(24 923)	(53)		**(30 790)**
Other expenses / income	(1 009 133)	(695 168)	(544 045)	(225 016)	(464 312)	(367 929)	1 438 374	**(1 867 229)**
Operating profit	79 240	43 889	68 773	63 977	802 829	(407 524)	(101 944)	**549 240**
Finance income and expense								**(76 836)**
Remeasurement result of former associate								**(375)**
Share of result of associates								**(16 952)**
Income tax expense								**(97 052)**
Net profit from continuing operations								**358 023**
Loss from discontinued operations, net of tax								**(790)**
Net profit								**357 233**
Segment assets	568 631	406 639	488 652	574 891	1 105 327	260 430	(636 855)	**2 767 715**
Unallocated assets, thereof:								
Cash and cash equivalents								**475 426**
Deferred income tax assets								**128 526**
Financial assets								**126 570**
Investments in associates								**259 925**
Group								**3 758 162**
Segment liabilities	291 942	185 489	229 698	107 033	214 316	445 372	(452 291)	**1 021 559**
Unallocated liabilities, thereof:								
Deferred income tax liabilities								**62 803**
Financial liabilities								**509 052**
Group								**1 593 414**
Addition in non-current assets	27 538	4 342	10 194	58 081	107 746			**207 901**

2024[1]

(in CHF 1 000)	Sales EMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allocated items	Eliminations	Group
Revenue third party	991 227	710 202	586 251	216 220	0	0	0	2 503 900
Revenue inter-segment	26 495	65 766	6 447	74 060	1 321 641	0	(1 494 408)	0
Total revenue	1 017 722	775 968	592 698	290 280	1 321 641	0	(1 494 408)	2 503 900
Depreciation and amortization	(20 043)	(12 975)	(16 288)	(19 165)	(45 646)	(30 814)	0	(144 931)
Impairment	(2)				(581)	(588)		(1 171)
Other expenses / income	(924 992)	(726 316)	(571 557)	(216 495)	(547 486)	(294 993)	1 525 042	(1 756 797)
Operating result	72 685	36 677	4 853	54 620	727 928	(326 395)	30 634	601 001
Finance income and expense								(34 709)
Remeasurement result of former associate								4 841
Share of result of associates								(11 567)
Income tax expense								(100 079)
Net profit from continuing operations								459 485
Loss from discontinued operations, net of tax								(69 313)
Net profit								390 172
Segment assets	531 278	402 105	543 044	490 241	1 031 615	261 378	(543 831)	2 715 830
Unallocated assets, thereof:								
Cash and cash equivalents								375 492
Deferred income tax assets								126 521
Financial assets								157 351
Investments in associates								243 803
Group								3 618 997
Segment liabilities	223 019	143 030	286 603	80 745	219 041	458 435	(362 193)	1 048 680
Unallocated liabilities, thereof:								
Deferred income tax liabilities								56 091
Financial liabilities								470 434
Group								1 575 205
Addition in non-current assets	30 891	10 433	6 267	32 845	81 597			162 033

1 2024 comparative segment information has been adjusted to align with the revised operating segment structure effective in 2025.

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 the 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.

Non-current assets by location

(in CHF 1 000)	2025	2024[1]
Switzerland	421 292	468 693
China	303 699	297 863
Brazil	261 489	227 397
Germany	260 304	269 266
US	247 752	288 930
Other	367 893	325 011
Group	**1 862 429**	1 877 160

1 The prior year's presentation has been restated due to misstated figures.

Non-current assets include property, plant and equipment, right-of-use assets, investments in associates and intangible assets.

Revenue with external parties

(in CHF 1 000)	2025	2024
By product category		
Implant solutions	1 529 280	1 479 008
Restorative solutions	589 305	573 124
Other	486 808	451 768
Group	**2 605 393**	2 503 900
By location of customer		
Switzerland	37 872	37 349
US	623 158	625 844
China	383 296	394 279
Germany	232 546	213 891
Brazil	168 131	162 160
Japan	114 899	111 098
France	97 180	102 223
Other	948 311	857 056
Group	**2 605 393**	2 503 900

- 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.

Revenue is 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.

	2025	2024
Net profit attributable to shareholders (in CHF 1 000)	355 916	388 316
Net profit attributable to shareholders - continuing operations (in CHF 1 000)	356 706	457 629
Weighted average number of ordinary shares outstanding	159 420 931	159 426 063
Basic earnings per share (in CHF)	**2.23**	2.44
Basic earnings per share - continuing operations (in CHF)	**2.24**	2.87

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.

	2025	2024
Net profit attributable to shareholders (in CHF 1 000)	355 916	388 316
Net profit attributable to shareholders - continuing operations (in CHF 1 000)	356 706	457 629
Weighted average number of ordinary shares outstanding	159 420 931	159 426 063
Adjustments for instruments issued	228 374	130 974
Weighted average number of ordinary shares for diluted earnings per share	159 649 305	159 557 037
Diluted earnings per share (in CHF)	2.23	2.43
Diluted earnings per share - continuing operations (in CHF)	2.23	2.87

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

4 TANGIBLE AND INTANGIBLE ASSETS

4.1 Property, plant and equipment

2025

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
Cost					
At 1 January	28 810	304 128	538 279	184 234	1 055 451
Change in consolidation scope (Note 2.1)	43	716	327	151	1 236
Additions	445	64 904	95 179	15 104	175 632
Disposals	0	(22 415)	(26 282)	(28 650)	(77 346)
Currency translation adjustments	(558)	(11 146)	(17 952)	(7 848)	(37 504)
At 31 December	28 739	336 188	589 552	162 991	1 117 470
Accumulated depreciation and impairment					
At 1 January	0	(130 141)	(275 680)	(124 998)	(530 820)
Depreciation charge (Note 4.5)	0	(14 089)	(43 288)	(19 935)	(77 312)
Impairment (Note 4.5)	0	(638)	(18 790)	(3 128)	(22 556)
Disposals	0	21 986	24 825	26 962	73 774
Currency translation adjustments	0	2 807	10 211	4 677	17 695
At 31 December	0	(120 076)	(302 721)	(116 422)	(539 219)
Net book value	28 739	216 112	286 830	46 569	578 251

2024

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
Cost					
At 1 January	21 595	297 643	489 005	180 024	988 266
Change in consolidation scope (Note 2.1)	0	0	0	49	49
Additions	1 363	19 185	78 209	19 792	118 549
Additions (discontinued operations)	0	0	0	42	42
Disposals	0	(1 339)	(9 229)	(5 501)	(16 070)
Transfer to assets HFS	0	(410)	0	(15 375)	(15 785)
Currency translation adjustments	5 852	(10 951)	(19 706)	5 203	(19 601)
At 31 December	28 810	304 128	538 279	184 234	1 055 451
Accumulated depreciation and impairment					
At 1 January	0	(120 194)	(245 770)	(118 427)	(484 392)
Depreciation charge (Note 4.5)	0	(11 095)	(37 875)	(21 781)	(70 751)
Depreciation charge (discontinued operations)	0	(21)	0	(3 701)	(3 722)
Impairment (Note 4.5)	0	(1)	(528)	(85)	(614)
Disposals	0	1 234	7 338	4 651	13 224
Transfer to assets HFS	0	161	0	12 619	12 780
Currency translation adjustments	0	(225)	1 155	1 726	2 655
At 31 December	0	(130 141)	(275 680)	(124 998)	(530 820)
Net book value	28 810	173 987	262 599	59 235	524 631

Repair and maintenance expenses for property, plant and equipment for the financial year 2025 amounted to CHF 22.7 million (2024: CHF 20.2 million).

4.2 Right-of-use assets

2025

(in CHF 1 000)	Land	Buildings	Other	Total
Cost				
At 1 January	3 314	275 628	25 027	303 969
Additions	0	9 538	10 724	20 262
Disposals	0	(28 875)	(6 932)	(35 807)
Currency translation adjustments	(688)	(12 223)	(1 287)	(14 198)
At 31 December	2 625	244 068	27 533	274 227
Accumulated depreciation and impairment				
At 1 January	(278)	(87 958)	(10 717)	(98 954)
Depreciation charge (Note 4.5)	(54)	(20 845)	(7 927)	(28 825)
Impairment (Note 4.5)	0	(8 234)	0	(8 234)
Disposals	0	3 488	5 655	9 144
Currency translation adjustments	122	3 975	570	4 667
At 31 December	(210)	(109 574)	(12 420)	(122 204)
Net book value	2 415	134 494	15 113	152 023

2024

(in CHF 1 000)	Land	Buildings	Other[1]	Total
Cost				
At 1 January	2 750	265 931	25 180	293 861
Change in consolidation scope (Note 2.1)	0	44	56	100
Additions	0	31 591	10 440	42 032
Disposals	0	(15 727)	(7 873)	(23 601)
Transfer to assets HFS	0	(7 907)	(2 144)	(10 050)
Currency translation adjustments	563	1 696	(632)	1 628
At 31 December	3 314	275 628	25 027	303 969
Accumulated depreciation and impairment				
At 1 January	(110)	(76 971)	(12 259)	(89 340)
Depreciation charge (Note 4.5)	(162)	(22 136)	(7 444)	(29 741)
Depreciation charge (discontinued operations)	0	(762)	(322)	(1 085)
Disposals	0	9 106	7 270	16 376
Transfer to assets HFS	0	3 611	1 830	5 441
Currency translation adjustments	(6)	(805)	207	(605)
At 31 December	(278)	(87 958)	(10 717)	(98 954)
Net book value	3 035	187 670	14 309	205 015

1 Prior year's presentation has been adapted to the current year format.

Next to the lease contracts recognized as right-of-use assets, the Group entered into lease contracts with terms of 12 months or less and leases of low value. In 2025, the Group recognized expenses of CHF 9.7 million related to short-term leases (2024: CHF 8.1 million) and CHF 3.4 million related to low value leases (2024: CHF 1.7 million).

The Group recognized a total cash outflow for leases of CHF 36.4 million in 2025 and CHF 36.2 million in 2024. The maturity analysis of lease liabilities is disclosed in Note 9.2.

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4.3 Intangible assets

2025

(in CHF 1 000)	Goodwill	Brands	Software	Technology	Customer & distribution relationships	Other intangibles	Total
Cost							
At 1 January	778 965	161 037	189 264	148 176	164 993	37 023	1 479 458
Change in consolidation scope (Note 2.1)	14 810	0	0	2 285	0	68	17 163
Additions	0	0	43 479	90	0	4 251	47 821
Disposals	0	0	(13 215)	0	0	(3 500)	(16 715)
Currency translation adjustments	(38 484)	(8 215)	(1 705)	(8 325)	(9 515)	(379)	(66 622)
At 31 December	755 291	152 823	217 823	142 226	155 478	37 464	1 461 104
Accumulated amortization and impairment							
At 1 January	(184 940)	(53 375)	(114 023)	(72 893)	(122 631)	(27 885)	(575 747)
Amortization charge (Note 4.5)	0	(1 217)	(32 664)	(9 876)	(6 271)	(1 970)	(51 998)
Disposals	0	0	13 024	0	0	3 500	16 524
Currency translation adjustments	8 136	1 327	1 207	3 603	7 721	353	22 347
At 31 December	(176 804)	(53 266)	(132 456)	(79 165)	(121 182)	(26 002)	(588 874)
Net book value	578 487	99 557	85 366	63 061	34 296	11 462	872 229

2024

(in CHF 1 000)	Goodwill	Brands	Software	Technology	Customer & distribution relationships	Other intangibles	Total
Cost							
At 1 January	903 908	196 386	145 853	140 301	172 595	32 182	1 591 225
Change in consolidation scope (Note 2.1)	32 721	0	0	4 436	9 515	0	46 671
Additions	0	353	43 769	353	0	4 744	49 219
Disposals	0	0	(1 631)	0	0	0	(1 631)
Transfer to assets HFS	(165 001)	(33 213)	0	0	(13 209)	(22)	(211 446)
Currency translation adjustments	7 338	(2 489)	1 272	3 087	(3 908)	119	5 419
At 31 December	778 965	161 037	189 264	148 176	164 993	37 023	1 479 458
Accumulated amortization and impairment							
At 1 January	(329 407)	(51 806)	(89 054)	(62 836)	(123 864)	(26 562)	(683 529)
Amortization charge (Note 4.5)	0	(1 260)	(25 749)	(9 725)	(6 479)	(1 227)	(44 439)
Amortization charge (discontinued operations)	0	0	0	0	(412)	(1)	(414)
Impairment (Note 4.5)	0	0	(557)	0	0	0	(557)
Disposals	0	0	1 562	0	0	0	1 562
Transfer to assets HFS	146 167	0	0	0	3 171	7	149 345
Currency translation adjustments	(1 700)	(310)	(227)	(332)	4 952	(101)	2 282
At 31 December	(184 940)	(53 375)	(114 023)	(72 893)	(122 631)	(27 885)	(575 747)
Net book value	594 025	107 662	75 240	75 283	42 362	9 139	903 711

Other intangibles mainly include development costs and patents.

In 2025, the Group spent CHF 136.4 million (2024: CHF 115.9 million) on 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)	2025		2024	
	Goodwill	Brand with indefinite life	Goodwill	Brand with indefinite life
Global premium implant business	158 709	0	154 803	0
Ortho business (formerly: ClearCorrect business)	125 391	27 102	96 206	30 869
AlliedStar business	113 350	0	168 269	0
Neodent business	56 723	27 244	57 287	27 515
Medentika business	36 284	16 413	36 658	16 922
Anthogyr business	21 418	11 200	21 639	11 316
Other	66 612	0	59 163	0
Total	**578 487**	**81 959**	594 025	86 622

AlliedStar business

The CGU AlliedStar business (which is part of the operating segment Sales APAC) contains the manufacturing plant and the related sales activities for AlliedStar intraoral scanner solutions. The goodwill was recognized as part of the acquisition of AlliedStar in 2023.

In 2025 due to a reorganization, a part of the AlliedStar intraoral scanner distribution activities has been transferred into the responsibility of the Ortho business unit. As a result of this reporting reorganization, CHF 41.0 million of goodwill have been reallocated from the CGU AlliedStar business to the CGU Ortho business. The value of goodwill reallocated has been determined using a relative value approach as required by IAS 36.87.

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, restorative and implant maintenance solutions and contains the goodwill allocated to the principal recognized in acquisitions of companies distributing such products on local markets.

Ortho business (formerly: ClearCorrect business)

The CGU Ortho business (which is part of the operating segment Sales NAM) contains the manufacturing plant and the related sales activities of the Ortho business unit. The goodwill and the ClearCorrect brand were recognized as part of the acquisition of ClearCorrect in 2017 and the aforementioned reallocation of goodwill from the CGU AlliedStar business.

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 goodwill and the Neodent brand were recognized as part of the acquisition of Neodent in 2015.

Medentika business

The CGU Medentika business (which is part of the operating segment Sales EMEA) contains the manufacturing plant and the related sales activities for Medentika products. Both goodwill and the Medentika brand were recognized as part of the acquisition of Medentika in 2017.

Anthogyr business

The CGU Anthogyr business (which is part of the operating segment Sales EMEA) contains the manufacturing plant and the related sales activities for Anthogyr products. Both goodwill and the Anthogyr brand were recognized as part of the acquisition of Anthogyr in 2019.

Goodwill and indefinite life intangibles were tested for impairment. The recoverable amount of a group of CGUs 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 %)	2025	2024
AlliedStar Business		
Terminal growth rate[1]	2.0	2.0
Weighted average cost of capital (WACC)[2]	14.6	13.9
Global Premium Implant Business		
Terminal growth rate[1]	1.5	1.5
Weighted average cost of capital (WACC)[2]	6.8	6.9
Ortho Business		
Terminal growth rate[1]	2.2	2.1
Weighted average cost of capital (WACC)[2]	12.3	13.5
Neodent Business		
Terminal growth rate[1]	3.0	3.5
Weighted average cost of capital (WACC)[2]	16.0	19.0
Medentika Business		
Terminal growth rate[1]	2.2	2.0
Weighted average cost of capital (WACC)[2]	9.5	12.1
Anthogyr Business		
Terminal growth rate[1]	1.9	1.7
Weighted average cost of capital (WACC)[2]	10.6	13.0

1 Used for calculating the terminal value.
2 Pre-tax discount rate applied to the cash flow projections.

In 2025 and 2024, no impairments were recognized for goodwill and indefinite life intangibles.

Sensitivity analysis

The Group performed sensitivity analyses for all CGUs, increasing the discount rate by 1% point and reducing the terminal growth rate by 0.5% point. The results indicated that, for all CGUs, individual changes to these assumptions would not cause the carrying amount to exceed the recoverable amount at 31 December 2025.

Impairment of property, plant and equipment and right-of-use assets

As part of the planned relocation of the Group's headquarters, the Group recognized an impairment loss of CHF 8.2 million in 2025, presented within "Administrative expense". The impairment relates to leased premises that are expected to become vacant and will no longer be used for operational purposes. The impairment reflects the net present value of unavoidable lease payments for these non-utilized spaces.

The impairment recognized on property, plant and equipment in 2025 amounted to CHF 22.6 million and is presented within "Cost of goods sold". It mainly relates to the revised sourcing strategy for clear aligners, which resulted in the obsolescence of production lines at the Group's orthodontic production sites. The recoverable amount was determined using an independent appraiser's assessment of secondhand market prices for the assets affected.

4.5 Depreciation, amortization and impairments

(in CHF 1 000)	2025	2024
Depreciation of property, plant and equipment	(77 312)	(70 751)
Depreciation of right-of-use assets	(28 825)	(29 741)
Amortization of intangible assets	(51 998)	(44 439)
Impairment of property, plant and equipment	(22 556)	(614)
Impairment of right-of-use assets	(8 234)	0
Impairment of intangible assets	(0)	(557)
Total depreciation, amortization and impairments	**(188 925)**	(146 102)

5 NET WORKING CAPITAL

5.1 Inventories

(in CHF 1 000)	2025	2024
Raw materials and supplies	108 520	86 921
Work-in-progress	126 558	115 237
Finished goods	241 060	231 188
Total inventories	476 139	433 347
Inventories recognized as an expense in cost of goods sold	(602 633)	(623 247)
Obsolete inventories written down and recognized as an expense	(7 664)	(11 888)

5.2 Trade and other receivables

(in CHF 1 000)	2025	2024
Trade receivables, net	494 986	445 402
Other receivables, thereof:	140 658	144 278
Prepayments	76 113	71 590
VAT and other non-income taxes	41 457	38 098
Sales & service related	15 430	22 592
Other	7 658	11 998
Total trade and other receivables	635 644	589 680
thereof: Financial assets as defined by IFRS 7	510 416	467 993
thereof:		
CHF	25 889	44 994
EUR	126 777	118 059
USD	119 615	105 817
BRL	109 841	95 671
CNY	90 822	88 185
TRY	31 765	25 527
RUB	18 172	6 284
MXN	12 143	10 117
Other	100 622	95 026

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.

Change in the provision for impairment of trade receivables was as follows:

(in CHF 1 000)	2025	2024
At 1 January	(23 378)	(55 414)
Charge for the year	(6 074)	(15 460)
Utilized	2 070	4 275
Unused amounts reversed	546	7 223
Transfer to assets HFS	0	35 576
Currency translation adjustments	1 208	422
At 31 December	(25 628)	(23 378)

The charge for the year in 2025 and 2024 reflects the default risks of current markets.

There is no provision for other receivables.

The analysis of overdue trade receivables is as follows:

(in CHF 1 000)	2025		2024	
	Gross	Allowance	Gross	Allowance
Not past due	416 671	(3 786)	388 275	(4 181)
Past due, thereof:	103 943	(21 842)	80 505	(19 197)
< 30 days	37 991	(3 287)	30 732	(979)
31–60 days	17 866	(4 166)	15 461	(3 508)
61–90 days	10 831	(2 680)	9 043	(2 689)
91–120 days	7 961	(1 280)	4 553	(1 584)
> 120 days	29 294	(10 429)	20 716	(10 437)
Total	520 614	(25 628)	468 780	(23 378)

5.3 Cash and cash equivalents

(in CHF 1 000)	2025	2024
Cash at banks and on hand, thereof:	461 441	280 356
CHF	223 516	43 453
CNY	79 301	66 651
EUR	53 756	63 174
USD	26 902	43 609
JPY	15 362	14 397
CAD	7 037	11 606
Other	55 567	37 465
Short-term bank deposits, thereof:	13 985	95 137
CHF	0	80 000
Other	13 985	15 137
Total cash and cash equivalents	475 426	375 492

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)	2025	2024
Trade payables	110 139	112 201
Other payables, thereof:	477 546	465 362
Accrued liabilities	241 510	244 821
Sales related	98 463	107 518
Deferred revenue	44 677	39 249
Refund liability	30 874	24 304
Contingent consideration	25 815	18 041
VAT and other non-income taxes	17 271	7 757
Salary and social security	14 578	16 327
Other	4 358	7 346
Total trade and other payables	587 685	577 563
thereof: Financial liabilities as defined by IFRS 7	475 926	483 217

The majority of contingent consideration liabilities relate to the business combinations of AlliedStar of CHF 13.1 million (2024: CHF 5.6 million) and the Baltic distributors of CHF 7.1 million (2024: CHF 6.5 million). Further details are given in Note 7.3.

6 PROVISIONS, OTHER NON-CURRENT LIABILITIES, CONTINGENCIES AND COMMITMENTS

6.1 Provisions

(in CHF 1 000)	Recourse	Legal	Other	Total 2025	Total 2024
At 1 January	25 061	24 939	8 796	58 796	31 474
Additions	0	31 481	14 294	45 775	75 802
Utilization	(8 078)	(25 701)	(234)	(34 013)	(34 680)
Reversal	(5 032)	(3 054)	(1 073)	(9 159)	(12 820)
Transfer to liabilities HFS	0	0	0	0	(246)
Currency translation adjustments	(271)	(113)	(112)	(496)	(734)
At 31 December	11 680	27 552	21 671	60 903	58 796
Non-current 2025	0	8 323	14 855	23 178	
Current 2025	11 680	19 229	6 816	37 725	
Total provisions 2025	11 680	27 552	21 671	60 903	
Non-current 2024	0	24 917	8 688		33 605
Current 2024	25 061	22	108		25 191
Total provisions 2024[1]	25 061	24 939	8 796		58 796

1 Prior year's presentation has been adapted to the current year disclosure of provision categories.

Recourse-related

Following the disposal of a business classified as discontinued operations, the Group derecognized the associated trade receivables, together with its continuing involvement arising from the related factoring arrangements. Under the terms of the disposal, the Group retains recourse exposure to the purchaser in the event the factor is unsuccessful in collecting the underlying receivables.

Legal

Legal provisions are recognized for expected costs to defend against claims asserted against the Group and, where applicable, for legal and administrative settlements, to the extent that an outflow of economic resources is probable and can be reliably estimated. These provisions relate to a number of distinct matters.
The change in legal provisions during the period predominantly relate to an ongoing legal proceeding initiated by a competitor. The proceedings are contested by the Group and remain unresolved. Given the complexity and evolving nature of the matter, the exact timing and ultimate amount of any related cash outflows cannot be reliably estimated. Based on current expectations, the provision is classified as short-term, as settlement is currently expected to occur within the next twelve months. The provision reflects management's best estimate of probable outflows based on currently available information and external legal advice.

Other

The composition of these provisions is diverse and encompasses, among other items, restructuring costs, indemnities for sales agents, tax-related obligations, and various contractual commitments arising in the normal course of business. Restructuring costs mainly relate to the transformation of the Group's orthodontics business and its sharpened market approach and are recognized where a detailed formal plan exists and a valid expectation has been raised. The timing of future cash outflows remains inherently uncertain and is subject to evolving business and regulatory conditions.

6.2 Other non-current liabilities

(in CHF 1 000)	2025	2024
Contingent consideration	204 561	214 055
Other long-term employee benefits	13 889	13 232
Government grant	5 000	0
Other	5 596	6 621
Total other liabilities	229 046	233 908
thereof: Non-current financial liabilities as defined by IFRS 7	204 561	214 055

In 2025, the contingent considerations mainly include financial liabilities in relation to the business combinations of AlliedStar of CHF 184.8 million (2024: CHF 176.9 million), GalvoSurge of CHF 13.2 million (2024: CHF 19.1 million) and Schmidt Dental of CHF 6.5 million (2024: CHF 10.5 million). Further details are given in Note 7.3.

As part of the strategic relocation of its corporate headquarters from Basel to Arlesheim, the Group established a cooperation framework with public authorities in the canton of Basel-Landschaft and the municipality of Arlesheim to support regional development. Under this framework, a grant receivable and a corresponding liability of CHF 5.0 million were recognized in 2025, reflecting committed support for future relocation-related expenses. This amount has no impact on the current period's income statement. The cooperation framework also includes discussions on potential support for further initiatives. As of the reporting date, key terms and amounts remain uncertain.

6.3 Contingencies and commitments

(in CHF 1 000)	2025	2024
Guarantee obligations	116 408	150 400
Forward purchase agreement	0	96 888
Purchase commitments	6 868	38 545
Other commitments	4 654	23 510
Total	**127 930**	309 343

In 2024, the Group signed a forward purchase agreement, subject to customary closing conditions, to acquire a non-controlling equity stake in one of its suppliers. The commitment was settled in 2025. Purchase commitments relate to fixed assets purchase contracts, while other commitments relate to undrawn convertible loan financing to an associate (refer to Note 7.3). Some Group companies are involved in litigations arising from the normal course of their business and might be liable to pay compensation. 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.

7 FINANCING, CAPITAL AND TAX

7.1 Financial assets

(in CHF 1 000)	2025	2024
Financial assets at fair value through profit or loss	45 093	36 842
Financial assets at fair value through other comprehensive income	31 731	16 784
Loans and other receivables	13 244	14 320
Total non-current financial assets	90 069	67 946
Financial assets at fair value through profit or loss	14 143	7 574
Loans and other receivables	22 358	81 831
Total current financial assets	36 502	89 405

Financial assets at fair value through profit or loss

This category mainly includes a convertible bond to Impress Group as well as derivative financial instruments used by the Group to hedge its exposure on contingent consideration liabilities linked to the share price development of Straumann Holding AG and its foreign currency risk. For further explanations, see Note 7.3.

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. For further explanations, see Note 7.3.

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. The decrease primarily relates to loans and deposits granted in 2024 and settled in 2025 in conjunction with the forward purchase agreement disclosed in Note 6.3.

7.2 Financial liabilities

(in CHF 1 000)	2025	2024
Straight bond	249 748	0
Lease liabilities	147 675	185 134
Financial liabilities at amortized costs	70 308	47 011
Put options to non-controlling interests	6 011	0
Total non-current financial liabilities	473 741	232 144
Lease liabilities	21 509	28 770
Financial liabilities at amortized costs	11 402	42
Financial liabilities at fair value through profit or loss	2 399	4 286
Straight bond	0	199 987
Put options to non-controlling interests	0	5 205
Total current financial liabilities	35 310	238 290

Change in liabilities arising from financing activities are as follows:

(in CHF 1 000)	2025	2024
At 1 January	470 435	450 435
Increase in non-current financial debts	278 828	15 057
Repayment of current financial debts	(201 695)	0
Payment of lease liabilities	(28 415)	(27 995)
Currency translation adjustments	(14 634)	6 475
Increase in current financial debts	11 618	0
Interest paid on lease liabilities	(7 961)	(8 170)
Change in consolidation scope	2 107	1 258
Change in lease liabilities	1 474	43 162
Repayment of non-current financial debts	(1 191)	(1 213)
Change in fair values	(1 080)	3 349
Transfer to HFS	0	(4 436)
Other changes	(434)	(7 487)
At 31 December	509 052	470 435

The increase in non-current financial debt mainly relates to the placement of the straight bond of CHF 250 million in October 2025. The repayment of current financial debts mainly relates to the redemption of the straight bond of CHF 200 million issued in April 2020. The remaining increase in financial debts primarily relates to bank loans obtained to finance business activities in China (CHF 28.9 million, non current; CHF 11.6 million, current). The decrease in lease liabilities is mainly attributable to the reassessment of the lease term of the current Group's headquarters due to the planned relocation to new premises in Arlesheim.

In 2024, the transfer to liabilities HFS related to the sale of the DTC business.

Straight bonds

In October 2025, the Group placed a CHF-denominated domestic straight bond for an aggregate amount of CHF 250 million, with an issue date of 3 October 2025 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 2028.

Denominations of the bond are CHF 5 000 nominal and multiples thereof. The bond has been admitted to trading on the SIX Swiss Exchange with effect from 3 October 2025 until 3 October 2028. The bond is listed in accordance with the Standard for Bonds on the SIX Swiss Exchange.

On 3 October 2025 the Group repaid its CHF-denominated domestic straight bond of CHF 200 million which was issued in July 2020.

The interest-bearing borrowings recognized in the financial position are calculated as follows:

(in CHF 1 000)	2025	2024
Straight bonds at 1 January	199 987	199 944
Repayment	(200 000)	0
Placement	249 723	0
Interest expense	1 248	1 163
Redemption (coupon)	(1 210)	(1 120)
Straight bonds at 31 December	**249 748**	199 987

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, represents 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 the domestic bond 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 relates to the business combination of Abutment Direct Inc in 2019.

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. In 2024, the Group entered into financial derivatives to manage risks related to a component of the deferred consideration for the AlliedStar business combination. The fair value of these derivatives is influenced by the share price performance of Straumann Holding AG.

The unquoted equity instruments allocated to Level 3 hierarchy mainly relate to investments in a China-based medical device supplier, 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 the best information available to the Group, such as the net asset value reports of the instruments.

The convertible bond classified within the Level 3 hierarchy is valued using a model that incorporates both observable and unobservable inputs. The loan component is valued by discounting future cash flows, while the option component is measured using a probability-weighted approach that reflects potential gains from an economically favorable conversion into equity shares. The valuation involves significant judgment in assessing key unobservable inputs, which could materially impact the fair value measurement.

Other financial liabilities allocated to Level 3 hierarchy mainly include the contingent considerations in relation to the business combinations of AlliedStar in China, GalvoSurge in Switzerland and the Baltic and Polish distributors. The fair value of the contingent consideration is based on several components, such as profitability targets (for AlliedStar, Baltic and Polish distributors and GalvoSurge) company and product-related milestone achievements (for AlliedStar and GalvoSurge) and the share price of Straumann Holding AG shares (AlliedStar). 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 that have a significant effect on the recorded fair value are either directly or indirectly observable
- Level 3: Techniques which predominantly use input data not based on observable market data

At 31 December 2025 and 2024 the Group held the following financial instruments:

2025

(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			24 637		24 637	
Equity instruments				31 731	31 731	
Convertible bond				34 600	34 600	
Loans and other financial receivables	35 603				35 603	
Financial assets (Note 5.2)						
Trade and other receivables	510 416				510 416	
Financial assets (Note 5.3)						
Cash and cash equivalents	475 426				475 426	
Financial liabilities (Note 7.2)						
Straight bond	249 748				249 748	249 774
Derivative financial liabilities			2 399		2 399	
Put options to non-controlling interests				6 011	6 011	
Lease liabilities	169 183				169 183	
Other financial liabilities	81 710				81 710	
Financial liabilities (Note 5.4 and 6.2)						
Trade and other liabilities	450 111			230 376	680 487	

2024

(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			30 023		30 023	
Equity instruments				16 784	16 784	
Convertible bonds				14 393	14 393	
Loans and other financial receivables	96 151				96 151	
Financial assets (Note 5.2)						
Trade and other receivables	467 993				467 993	
Financial assets (Note 5.3)						
Cash and cash equivalents	375 492				375 492	
Financial liabilities (Note 7.2)						
Straight bond	199 987				199 987	199 891
Derivative financial liabilities			4 286		4 286	
Put options to non-controlling interests				5 205	5 205	
Lease liabilities	213 904				213 904	
Other financial liabilities	47 053				47 053	
Financial liabilities (Note 5.4 and 6.2)						
Trade and other liabilities	465 176			232 096	697 272	

The changes in carrying values associated with Level 3 financial instruments are set as follows:

(in CHF 1 000)	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
At 1 January	31 177	237 301	15 619	220 026
Additions	36 003	0	14 938	16 430
Remeasurement recognized in profit or loss	447	10 482	81	16 654
Settlements	0	(12 212)	0	(15 936)
Remeasurement recognized in OCI	(1 297)	10	539	(56)
Remeasurement recognized in equity	0	806	0	183
At 31 December	66 330	236 388	31 177	237 301

Additions to Level 3 financial assets mainly relate to the convertible bond to Impress Group (CHF 20 million) and the investment in a China-based medical device supplier (CHF 15.5 million).

Financial liabilities remeasured in profit or loss mainly relate to the fair value adjustment of the contingent consideration liability arising from the AlliedStar (CHF 14.6 million; 2024: CHF 32.3 million) and GalvoSurge (CHF -5.9 million; 2024: CHF -12.7 million) business combinations.

Settlement of Level 3 financial liabilities mainly relate to the contingent consideration payments in conjunction with the Baltic distributors (CHF 7.2 million) and Schmidt Dental (CHF 3.6 million). In 2024, settlement of Level 3 financial liabilities related to individually immaterial contingent consideration payments.

In 2024, additions to Level 3 financial liabilities mainly related to the contingent consideration payable in conjunction with the business combination of Schmidt Dental (CHF 14.1 million) and AlliedStar (CHF 2.3 million).

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements in 2025 and 2024.

The significant unobservable inputs for material financial instruments within Level 3 of the fair value hierarchy and their quantitative sensitivity analysis at 31 December 2025 and 2024 are as follows:

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input to fair value
Contingent consideration AlliedStar	Present value of the estimated redemption value	Units sold	1 000 basis-point increase (decrease) in units sold would result in an increase (decrease) in fair value of CHF 9.2 million, resp. CHF –9.2 million. (2024: CHF 6.8 million, resp. CHF –6.8 million)
		Share price	1 000 basis-point increase (decrease) in share price would result in an increase (decrease) in fair value of CHF 2.4 million, resp. CHF –2.4 million. (2024: CHF 3.2 million, resp. CHF –3.2 million)
		Interest rate	100 basis-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF –5.4 million, resp. CHF 5.2 million. (2024: CHF –6.0 million, resp. CHF 5.7 million)
Contingent consideration GalvoSurge	Present value of the estimated redemption value	Gross profit	1 000 basis-point increase (decrease) in gross profit would result in an increase (decrease) in fair value of CHF 1.3 million, resp. CHF –1.3 million. (2024: CHF 1.9 million, resp. CHF –1.9 million)
		Interest rate	100 basis-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF –0.7 million, resp. CHF 0.8 million. (2024: CHF –1.1 million, resp. CHF 1.2 million)

The fair value of the contingent consideration for AlliedStar depends on technical and commercial milestone achievements, the share price development of Straumann Holding AG shares and the interest rate prevailing at the balance sheet date. For commercial milestone achievements, the expected redemption value is mainly dependent on the number of intraoral scanners sold, while for cash payments linked to the share price of Straumann Holding AG it is dependent on its share performance. The expected achievements have been assessed and result in a fair value of the contingent consideration of CHF 198.1 million at 31 December 2025 (31 December 2024: CHF 183.3 million).

The fair value of the contingent consideration for GalvoSurge mainly depends on commercial and technical milestones that are mainly sensitive to the gross profit of GalvoSurge products and the interest rate prevailing at the balance sheet date. The expected achievements have been assessed and result in a fair value of the contingent consideration of CHF 13.4 million at 31 December 2025 (31 December 2024: CHF 19.3 million).

The Group did not disclose further sensitivity analysis at 31 December 2025 for the remaining Level 3 financial instruments, as their quantitative sensitivity is not material to the Group.

Hedges

On 31 December 2025, the Group had forward exchange contracts for CHF 314.2 million (2024: CHF 261.8 million) and non-deliverable foreign exchange forward contracts (NDF) for CHF 50.1 million (2024: CHF 22.7 million).

7.4 Finance income and expense

(in CHF 1 000)	2025	2024
Interest income:		
from financial instruments at amortized cost	7 348	7 429
Fair value and other financial income	991	2 500
Change in fair value of contingent considerations	20 030	35 464
Foreign exchange gains	83 650	114 972
Finance income	112 018	160 365
Interest expense:		
from financial instruments at amortized cost	(6 590)	(12 824)
on defined benefit obligation (net)	(707)	(664)
from lease liabilities	(7 961)	(8 170)
Fair value and other financial expense	(8 157)	(8 615)
Change in fair value of contingent considerations	(50 250)	(42 905)
Foreign exchange losses	(115 191)	(121 896)
Finance expense	(188 856)	(195 074)
Fair value income/(loss)	(375)	4 841
Remeasurement result of former associate	(375)	4 841
Total finance expense net	(77 213)	(29 869)

The remeasurement result of former associate in 2024 relates to the business combination of MiniNaviDent AG (CHF 4.8 million).

7.5 Share capital

The share capital is represented by 159 455 239 issued shares (2024: 159 455 239) of CHF 0.01 par value, fully paid in.

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 2025, the conditional share capital amounted to CHF 21 741.51 (2024: CHF 21 741.51).

Treasury shares are valued at their weighted average cost and have been deducted from equity. The fair value of the treasury shares at 31 December 2025 amounted to CHF 0.4 million (2024: CHF 0.5 million).

As of 31 December 2025, the number of outstanding shares amounted to 159 450 805 (2024: 159 450 847) and the number of treasury shares amounted to 4 434 (2024: 4 392).

The number of shares outstanding developed as follows:

	2025	2024
At 1 January	159 450 847	159 443 481
Treasury shares		
Purchased	(229 550)	(210 100)
Used	229 508	217 466
At 31 December	159 450 805	159 450 847

7.6 Dividends per share

The dividend paid in 2025 was CHF 0.95 per share (2024: CHF 0.85 per share). The total payout amounted to CHF 151.3 million in 2025 and CHF 135.4 million in 2024. A dividend for the year ended 31 December 2025 of CHF 1.00 per share, amounting to a total dividend of CHF 159.5 million, will be proposed at the Annual General Meeting on 17 April 2026. These financial statements do not reflect this payable dividend.

7.7 Income tax

Income tax expense

(in CHF 1 000)	2025	2024
Income taxes from current period	(93 995)	(117 651)
Income taxes from other periods	(1 826)	2 798
Deferred	(1 231)	14 774
Total income tax expense from continuing operations	(97 052)	(100 079)
Effective income tax rate (in %)	21.3	17.9

The following elements explain the difference between the income tax expense at the domestic tax rate of Straumann Holding AG and the effective Group income tax expense:

(in CHF 1 000)	2025	2024
Profit before tax	455 075	559 565
Domestic tax rate	13.0%	13.0%
Income tax at domestic tax rate	(59 342)	(72 967)
Effect of tax rates in foreign jurisdictions	(22 391)	(1 262)
Non-tax-deductible expense	(16 572)	(19 555)
Non-taxable income	10 999	18 633
Changes in recognition of tax assets and liabilities from temporary differences, losses or tax credits (and their expiry)	2 143	(1 733)
Utilization of previously unrecognized tax losses or tax credits to offset current taxes	1 592	688
Tax losses or tax credits from current year that are not recognized	(2 241)	(12 888)
Effect of changes in tax rates or imposition of new taxes	(1 835)	250
Current taxes from other periods	(1 826)	2 798
Pillar Two income taxes	(7 500)	(14 000)
Other	(80)	(42)
Effective income tax expense from continuing operations	(97 052)	(100 079)

Available tax loss carry-forwards and tax credits

(in CHF 1 000)	2025	2024
At 1 January	410 457	400 026
Adjustments of tax loss carry-forwards on opening balance	929	17 133
Change in consolidation scope	3 501	9 540
Tax losses and credits arising from current year	12 799	66 919
Tax losses and credits expired (not used) during current year	(245)	(266)
Tax losses and credits utilized against current year profits	(35 041)	(49 783)
Change in consolidation scope - disposals	(1 892)	(27 236)
Currency translation adjustments	(11 604)	(5 876)
At 31 December	378 905	410 457

Deferred income tax assets of CHF 48.2 million (2024: CHF 50.6 million) were recorded in respect of capitalized tax loss carry-forwards and tax credits of CHF 170.8 million (2024: CHF 180.7 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 7.0 million (2024: CHF 8.5 million) and CHF 20.7 million (2024: CHF 25.0 million).

Unused tax loss carry-forwards for which no deferred tax has been recognized will expire as follows:

(in CHF 1 000)	2025	2024
Expiry in next business year (current year +1)	1 368	2 083
Expiry current year +2	21 716	23 720
Expiry current year +3	1 741	5 175
Expiry current year +4	3 687	3 859
Expiry current year +5 and later	179 545	194 889
Unused tax loss carry-forwards at 31 December	208 057	229 727

Overview of Pillar Two Implementation

The Global Anti-Base Erosion (Pillar Two) Model Rules apply to multinational enterprises (MNEs) with annual revenues exceeding EUR 750 million. These rules aim to ensure a minimum 15% tax through mechanisms like the Qualified Domestic Minimum Top-up Tax (QDMTT), Income Inclusion Rule (IIR), and Under-Taxed Payments/Profits Rule (UTPR). Jurisdictions with an effective tax rate (ETR) below 15% are subject to a top-up tax. Transitional Country-by-Country Reporting (CbCR) safe harbor rules provide simplified compliance for eligible jurisdictions.

Straumann Group compliance

- Eligible jurisdictions (excluding Switzerland):
  The Group has assessed its global operations and tax impact for financial year 2025, implementing systems to collect jurisdictional tax data for GloBE calculations. All eligible jurisdictions, excluding Switzerland, fulfill the CbCR safe harbor test in 2025, enabling simplified compliance without a top-up tax obligation.
- Switzerland:
  Switzerland adopted Pillar Two rules in 2023, with QDMTT applicable from 1 January 2024, and IIR from 1 January 2025. Due to its low statutory tax rate, Straumann Switzerland is not eligible for CbCR safe harbor rules. Considering the impact of specific adjustments in the Pillar Two legislation, the ETR for Swiss entities amounted to 11.9%. In 2025, the Group recognized a Pillar Two current income tax expense of CHF 7.5 million (2024: CHF 14.0 million), which is included in the income taxes from current period.
- Deferred tax accounting:
  The Group applies the IAS 12 exception, which exempts the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred income taxes

The change in deferred income tax assets and liabilities is as follows:

2025

(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	5 191	(49 101)	46 399	50 626	17 314	**70 430**
Change in consolidation scope - additions		(573)	0	888	0	**315**
(Charged)/credited to income statement	(5 586)	2 487	963	(1 481)	2 386	**(1 231)**
Credited to statement of comprehensive income	0	0	0	0	(2 593)	**(2 593)**
Charged to statement of changes in equity	0	0	0	0	(494)	**(494)**
Currency translation adjustments	(98)	2 942	(85)	(1 882)	(1 580)	**(704)**
Net deferred tax balance at 31 December	(493)	(44 245)	47 277	48 151	15 033	**65 723**
Deferred tax assets at 31 December	47 115	2 256	57 902	48 151	32 704	**188 128**
Deferred tax assets after offset at 31 December						**128 526**
Deferred tax liabilities at 31 December	(47 609)	(46 500)	(10 625)	0	(17 671)	**(122 405)**
Deferred tax liabilities after offset at 31 December						**(62 803)**

2024

(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	(3 591)	(63 149)	41 217	53 221	19 749	47 447
Change in consolidation scope - additions	0	(2 454)	0	0	0	(2 454)
(Charged)/credited to income statement	9 796	2 953	5 457	225	(3 657)	14 774
(Charged)/credited to income statement (discontinued operations)	0	124	0	0	0	124
Charged to statement of comprehensive income	0	0	0	0	2 123	2 123
Charged to statement of changes in equity	0	0	0	0	(227)	(227)
Transfer to assets/ liabilities HFS	0	13 058	0	(1 293)	(391)	11 374
Currency translation adjustments	(1 013)	368	(276)	(1 526)	(283)	(2 731)
Net deferred tax balance at 31 December	5 191	(49 101)	46 399	50 626	17 314	70 430
Deferred tax assets at 31 December	51 231	5 739	54 383	50 626	29 375	191 355
Deferred tax assets after offset at 31 December						126 521
Deferred tax liabilities at 31 December	(46 039)	(54 841)	(7 984)	0	(12 060)	(120 925)
Deferred tax liabilities after offset at 31 December						(56 091)

At 31 December 2025, there was no recognized deferred tax liability (2024: CHF 0) 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)	2025	2024
Wages and salaries	(775 406)	(744 462)
Share-based payments (Note 8.3)	(18 952)	(17 782)
Social security cost	(119 153)	(110 342)
Pension costs and other personnel expense	(81 260)	(69 733)
Total employee benefit expense	**(994 771)**	(942 319)

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 using vehicles that are legally separate from the Group. For certain Group companies, however, no independent plan assets exist for the pension plan of subsidiaries. In such 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:

Change in net liabilities recognized in the statement of financial position

(in CHF 1 000)	2025	2024
Net liabilities at 1 January	(57 266)	(33 644)
Currency translation adjustments	236	148
Expense recognized in consolidated income statement	(24 677)	(18 621)
Employer contributions	19 183	17 293
Benefits paid	132	107
Remeasurements	18 793	(22 549)
Net liabilities at 31 December	**(43 599)**	(57 266)

Balance sheet

(in CHF 1 000)	2025	2024
Fair value of plan assets	376 714	346 810
Present value of funded benefit obligations	(416 417)	(399 689)
Deficit in the plan	**(39 703)**	(52 879)
Present value of unfunded benefit obligations	(3 896)	(4 387)
Total retirement benefit obligations	**(43 599)**	(57 266)

The net periodic benefit costs recorded in the income statement consist of the following components:

(in CHF 1 000)	2025	2024
Current service cost	(23 351)	(17 270)
Past service cost	31	(70)
Interest expense on defined benefit obligation	(3 719)	(5 282)
Interest income on plan assets	3 012	4 618
Administration costs	(650)	(617)
Expense recognized in the consolidated income statement	**(24 677)**	(18 621)

The defined benefit obligation of the Swiss pension plan amounts to CHF 415.6 million (2024: CHF 398.4 million). The plan assets are CHF 376.1 million (2024: CHF 345.9 million) and current service costs are CHF 22.6 million (2024: CHF 16.6 million).

The change in the Group's defined benefit obligation over the year is as follows:

(in CHF 1 000)	2025	2024
Present value of benefit obligation at 1 January	(404 076)	(329 119)
Current service cost	(23 351)	(17 270)
Interest expense on defined benefit obligation	(3 719)	(5 282)
Past service cost	(332)	(70)
Employee contributions	(11 898)	(10 642)
Experience (losses)/gains on defined benefit obligation	(17 401)	(14 892)
Benefits paid/transferred in	21 048	9 154
Actuarial results arising from change in financial assumptions	19 089	(41 571)
Actuarial results arising from change in demographic assumptions	11	5 407
Currency translation adjustments	316	209
Present value of benefit obligation at 31 December	(420 313)	(404 076)
thereof due to active members	(361 351)	(345 353)
thereof due to pensioners	(58 962)	(58 723)

On 31 December 2025, the weighted-average duration of the defined benefit obligation was 16 years (2024: 16 years).

The calculation of the 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:

	2025		2024	
	Switzerland	Other	Switzerland	Other
Discount rate	1.25%	2.34% - 29.37%	0.85%	3.10% - 25.66%
Future salary increases	1.50%	2.00% - 23.80%	1.50%	2.00% - 22.50%

Generational mortality tables are used where this data is available. In both years under review, the mortality assumptions used for the Swiss pension plan were based on the BVG 2020 applying the "continuous mortality investigation" (CMI) model. A long-term rate of 1.5% was used for longevity improvements. The actuarial result arising from financial assumptions is mainly due to changes of the discount rate.

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)	2025		2024	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% change)	10 884	(11 543)	11 172	(11 865)
Future salary growth (0.25% change)	(1 482)	1 441	(1 552)	1 510

The sensitivity analysis above was 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 change in the fair value of plan assets over the year was as follows:

(in CHF 1 000)	2025	2024
Fair value of plan assets at 1 January	346 810	295 475
Interest income	3 012	4 618
Employer contributions	19 183	17 293
Employee contributions	11 898	10 642
Curtailments, settlements and plan amendments	363	0
Benefits paid/transferred in	(20 916)	(9 047)
Return on plan assets	17 094	28 507
Administration costs	(650)	(617)
Currency translation adjustments	(80)	(61)
Fair value of plan assets at 31 December	376 714	346 810

Plan assets are comprised as follows:

(in CHF 1 000)	2025		2024	
Cash and cash equivalents	16 924	4.5%	16 258	4.7%
Debt instruments	71 457	19.0%	67 455	19.5%
Equity instruments	126 366	33.5%	112 770	32.5%
Real estate	101 168	26.9%	89 594	25.7%
Other	60 799	16.1%	60 733	17.5%
Total plan assets	376 714	100.0%	346 810	100.0%

Cash and cash equivalents, as well as the largest part of the debt, equity instruments and other (mainly consisting of insurance-linked securities and investments in infrastructure funds) have a quoted market price and are tradeable in liquid markets. In 2025, 18% (2024: 14%) of the real estate investments had a quoted market price, while the rest were 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 the 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 the 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 2026 is CHF 18.5 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 13.6 million (2024: CHF 14.5 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 compensation
- Employee share participation plan (ESPP)
- Retention and engagement award

Long-term incentive (LTI)

The LTI program is designed for the EMB, 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 specific performance conditions, which reflect shareholder experience and are considered critical for sustaining shareholder value creation.

- Absolute total shareholder return (weighted 25%) links the LTI value directly to the absolute value created for the shareholders
- Relative total shareholder return (weighted 25%) measures the Group's share performance relative to peer companies (SMIM index)
- Absolute Core EBIT growth (weighted 50%) reinforces the Group's commitment to driving sustained profitability and aligning with strategic objectives, such as operational efficiency and market leadership.

The capital market and operational performance conditions vest independently of each other. The LTI has a total target conversion factor of 1 share per PSU at target and a maximum conversion factor of 2 shares per PSU in total. 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.

Board of Directors compensation

The compensation of the Board of Directors consists of a fixed compensation component 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 (ESPP)

Eligible employees in Switzerland are able to purchase Straumann shares at a discount of 25% or 35%, capped at 25% or 35% of their annual base salary, depending on their hierarchical level and LTI eligibility. The grant value is calculated based on the average share price over the seven trading days following the ex-dividend date. The shares are blocked for two years. During the reporting period, employees subscribed to 182 341 (2024: 113 761) of those shares.

Retention and engagement award

In light of external uncertainties and ongoing industry transformation, the Board of Directors approved in 2025 a one-off retention and engagement award aimed at supporting leadership continuity and sustained focus on key strategic and transformation initiatives. The award takes the form of restricted share units (RSUs) and is granted to a selected group of senior leaders and other critical roles outside the Executive Management Board (EMB). Each RSU will be converted into one Straumann share and will vest on 31 October 2027, being the second anniversary of the grant date, provided the participant's employment is not under notice at the time of vesting. The RSUs are subject to full forfeiture in the event of termination prior to vesting, underlining the Board of Directors' commitment to ensuring stability and continuity during this pivotal phase. In 2025, 31 872 RSUs were granted under the retention and engagement award program. The fair value per RSU amounts to CHF 88.80 at grant. No RSUs have been forfeited from the grant date through 31 December 2025.

The expense recognized for share-based payments during the year is shown in the following table:

(in CHF 1 000)	2025	2024
Long-term incentive (LTI)	13 637	13 392
Board of Directors compensation	900	925
Employee share participation plan (ESPP)	4 012	3 465
Retention and engagement award	403	0
Total share-based payments (Note 8.1)	**18 952**	17 782

There were no cancellations or modifications to the PSU awards in 2025 or 2024.

Change in the number of performance share units is as follows:

Reconciliation of outstanding performance share units

	2025	2024
At 1 January	219 999	221 609
Granted	123 934	96 519
Exercised	(70 870)	(65 375)
Forfeited	(18 273)	(32 754)
Total at 31 December	254 790	219 999
Exercisable at 31 December	0	0

Underlying assumptions for the fair value of the PSUs are presented below:

In 2025, 123 934 PSUs were granted under the LTI (2024: 96 519). The total fair value was determined using a Monte Carlo simulation algorithm and amounts to CHF 106.50 (2024: CHF 138.54).

Inputs to the models

	2025	2024
	PSU	PSU
Dividend yield (in %)	0.00	0.00
Expected volatility (in %)	35.93	36.60
Risk-free interest rate (in %)	0.01	1.09
Expected life of PSUs (in years)	3	3
Share price (in CHF) at grant date in April	101.90	133.55
Fair value (in CHF)	106.50	138.54

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.

9 OTHER DISCLOSURES

9.1 Events after the balance sheet date

There were no significant events after the balance sheet date.

9.2 Financial risk management

The Group's principal financial liabilities comprise trade payables, finance leases, overdrafts, bank loans, contingent considerations 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 2025 and 2024. 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, Chinese, US and EU 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)	2025		2024	
Currency	Increase / decrease (in basis points)	Effect on profit before tax	Increase / decrease (in basis points)	Effect on profit before tax
CHF	30	670	30	460
CNY	50	393	50	328
USD	50	265	50	179
EUR	50	151	50	142
CHF	(30)	(670)	(30)	(460)
CNY	(50)	(393)	(50)	(328)
USD	(50)	(265)	(50)	(179)
EUR	(50)	(151)	(50)	(142)

Foreign currency risk

Foreign exchange risk occurs when future transactions or recognized assets or liabilities are denominated in a currency that differs from the entity's functional currency. As most of the Group's business is international and its financial statements are prepared in Swiss francs, exchange rate fluctuations can 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 Chinese renminbi, the US dollar, the Russian ruble and the Colombian peso.

In addition to naturally reducing currency exposures, the Group's foreign currency risk management policy aims to centralize exposures 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 and non-deliverable foreign exchange forwards (NDF) and can additionally trade plain vanilla options. Hedging decisions are taken and, if possible, executed by Group Treasury. Speculative trading is forbidden.

At 31 December 2025, the Group had economically hedged 97% (2024: 99%) of its booked foreign currency exposure.

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 (below operating profit) of reasonably possible currency rate changes on the Group's profit before tax (for fair value changes of financial assets and liabilities, including fair value hedge derivatives) 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)	2025			2024		
Currency	Increase / decrease (in %)	Effect on profit before tax	Effect on equity	Increase / decrease (in %)	Effect on profit before tax	Effect on equity
CNY/CHF	10	686	0	10	0	0
EUR/CHF	10	0	0	10	54	0
USD/CHF	10	(1 432)	0	10	(1)	0
RUB/CHF	10	651	0	10	387	0
COP/CHF	10	0	0	10	5	0
CNY/CHF	(10)	(686)	0	(10)	0	0
EUR/CHF	(10)	0	0	(10)	(54)	0
USD/CHF	(10)	1 432	0	(10)	1	0
RUB/CHF	(10)	(651)	0	(10)	(387)	0
COP/CHF	(10)	0	0	(10)	(5)	0

Credit risk

Credit risk is the potential for financial loss when counterparties fail to fulfill their obligations. The Group is exposed to credit risk through its operating activities, primarily through trade receivables and loan notes, and its financing activities, primarily through 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 2025, 97% of the transactions (2024: 97%) 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 Group Treasury 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)	2025		2024	
Bank	**Rating**	**Balance**	Rating	Balance
Bank A	A	86 698	A	110 901
Bank B	AAA	80 009	AAA	40 028
Bank C	A+	61 266	A+	37 883
Bank D	AA+	50 034	AA+	20 007
Bank E	AA+	49 803	AA+	20 008
Bank F	A-	32 976	A-	5 940
Bank G	A-	22 484	A-	48 133
Other banks		92 156		92 592
Total		**475 426**		375 492

Liquidity risk

Liquidity risk refers to the potential inability to meet short-term debt obligations due to a shortage of liquid assets. The Group carefully monitors its liquidity risk through diligent asset and liability management.

This includes a regular liquidity planning approach throughout the Group. The Group aims to maintain an adequate funding structure using bank overdrafts, bank loans, bonds and finance leases. Following its policy, Group Treasury ensures a permanently accessible cash reserve and flexible short-term funding options through committed or uncommitted credit lines, using a forward-looking approach. In 2025, we repaid the maturing bond, issued a new bond and also enhanced short-term cash management tools with the inclusion of revolving credit facilities to maintain financial flexibility.

The following table reflects all undiscounted contractually agreed payments for repayments and interest resulting from recognized financial liabilities at 31 December 2025 and 31 December 2024.

(in CHF 1 000)	2025			2024		
	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Straight bonds	1 400	252 475	0	201 140	0	0
Lease liabilities	34 738	81 588	101 462	35 460	98 600	143 313
Other financial liabilities	13 802	62 833	14 563	9 533	40 006	7 004
Trade and other payables[1]	478 080	215 263	10 801	483 217	232 476	13 969
Total	**528 019**	**612 158**	**126 826**	729 350	371 083	164 286

1 The prior year's presentation of trade and other payables has been restated to disclose contractual undiscounted cash flows as defined by IFRS 7 and due to a misstated classification in the aging buckets.

Capital management

The Group's capital management primarily aims to enable investments in business growth and ensure 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)	2025	2024
Total assets	3 758 162	3 618 997
Equity	2 164 747	2 043 792
Equity ratio	57.6%	56.5%

9.3 Principal currency translation rates

Currency	Unit	31 Dec 2025	Average 2025	31 Dec 2024	Average 2024
Brazilian real (BRL)	100	14.48	14.85	14.62	16.36
Canadian dollar (CAD)	1	0.58	0.60	0.63	0.64
Chinese renminbi (CNY)	100	11.34	11.62	12.37	12.23
Colombian peso (COP)	100	0.02	0.02	0.02	0.02
euro (EUR)	1	0.93	0.94	0.94	0.95
Japanese yen (JPY)	100	0.51	0.56	0.58	0.58
Russian ruble (RUB)	100	1.00	0.99	0.84	0.94
US dollar (USD)	1	0.79	0.83	0.90	0.88

9.4 Related-party disclosure

In addition to the associates and the key management personnel, the Group has identified the following related parties:

- International Team for Implantology (ITI) Foundation
- Medartis AG
- Straumann Group Foundation

In the period under review, the following related-party transactions were made:

(in CHF 1 000)	2025	2024
Purchase of goods from:		
Associates	(20 902)	(12 701)
Medartis AG	(30)	(4)
Sale of goods to:		
Associates	13 206	7 648
Services rendered to:		
Associates	261	298
ITI Foundation	659	1 244
Services received from:		
Associates	(1 108)	(1 737)
Contributions and other transactions:		
Associates	(8 099)	(3 791)
ITI Foundation	(10 016)	(12 407)
Straumann Group Foundation	(1 500)	(2 000)
Total	(27 529)	(23 450)

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)	2025	2024
Associates loans receivables[1]	34 716	2 366
Associates convertible bond[1]	34 600	14 393
Associates (payables)/receivables	(5 555)	(10 788)
ITI Foundation (payables)/receivables	(2 620)	(2 569)
Medartis (payables)/receivables	(5)	0
Total	61 135	3 402

1 For further information, refer to Note 7.3.

Key management personnel compensation

Key management personnel comprises the Board of Directors and the Executive Management Board (EMB).

The Board of Directors is entitled to fixed compensation, which is paid out in cash and shares. The shares allocated to the members of the Board of Directors are blocked for two years.

The compensation of the EMB consists of a fixed and variable component, 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)	2025	2024
Salaries and other short-term employee benefits	17 410	17 914
Post-employment benefits	2 350	2 353
Share-based payments	4 273	4 636
Total key management personnel compensation recognized in the income statement	**24 033**	24 903

9.5 Subsidiaries and associates

The Group comprises a large number of legal entities worldwide. The following list includes the material subsidiaries and associated companies of the Group. Non-material entities, including those that are inactive, dormant or in liquidation, are excluded from individual disclosure to enhance the clarity and relevance of the Group's structure and consolidated financial statements.

Location	Subsidiaries	City	Interest and voting rights 2025 (in %)		Share capital 31 Dec 2025
Argentina	Manohay Argentina SA	Buenos Aires	100.00	ARS	1 000 000 000
Australia	Straumann Pty Ltd	Port Melbourne	100.00	AUD	100
Austria	Straumann GmbH	Vienna	100.00	EUR	40 000
Belgium	Straumann SA / NV	Zaventem	100.00	EUR	2 565 021
Brazil	JJGC Indústria e Comércio de Materiais Dentários S.A.	Curitiba	100.00	BRL	1 382 621 860
	Yller Biomateriais S / A	Pelotas	100.00	BRL	6 519 984
Canada	Abutment Direct Inc.	Markham	50.00	CAD	0
	Dental Wings Inc.	Montreal	100.00	CAD	648 923
	Straumann Canada Ltd	Burlington	100.00	CAD	2 100 000
Chile	Manohay Chile SPA	Santiago	100.00	CLP	1 863 200 000
China	Shanghai Alliedstar Medical Technology Co., Ltd.	Shanghai	51.66	CNY	10 000 000
	Ziyang Alliedstar Medical Equipment Co., Ltd.	Ziyang	51.66	CNY	255 102
	Shanghai Straumann Dental Clinic Co. Ltd.	Shanghai	100.00	CNY	5 400 000
	Straumann (China) Investment Company Limited	Shanghai	100.00	USD	60 000 000
	Straumann (Shanghai) Medical Device Co., Ltd.	Shanghai	100.00	USD	30 927 834
	Straumann (Beijing) Medical Device Trading Co Ltd.	Beijing	100.00	CNY	70 290 000
Colombia	Manohay Colombia SAS	Bogotá	100.00	COP	24 100 062 000
Costa Rica	Manohay Costa Rica Servicios y Exportación S.R.L.	San José	100.00	CRC	1 669 013 000
	Straumann Group Costa Rica S.A.	San José	100.00	USD	6 500 000

Location	Subsidiaries	City	Interest and voting rights 2025 (in %)		Share capital 31 Dec 2025
Croatia	Straumann Group Adriatic d.o.o.	Zagreb	100.00	EUR	3318
Czech Republic	Straumann SRO	Prague	100.00	CZK	200 000
Denmark	Straumann Danmark Aps	Brøndby	100.00	DKK	125 000
Estonia	Straumann Estonia OÜ	Tallinn	100.00	EUR	2 500
Finland	Straumann Oy	Helsinki	100.00	EUR	32 000
France	Anthogyr SAS	Sallanches	100.00	EUR	1 254 040
	Straumann SAS	Fontenay-sous-Bois	100.00	EUR	287 472
Germany	Dental Wings GmbH	Chemnitz	100.00	EUR	25 000
	etkon GmbH	Gräfelfing	100.00	EUR	326 000
	Straumann Services AG & Co. KG	Freiburg	100.00	EUR	10 000
	Medentika GmbH	Hügelsheim	100.00	EUR	275 000
	Straumann Ceramic GmbH	Kenzingen	100.00	EUR	321 044
	OxiMaTec GmbH	Hochdorf	100.00	EUR	52 000
	Straumann GmbH	Freiburg	100.00	EUR	200 000
	Straumann Holding Deutschland GmbH	Freiburg	100.00	EUR	25 000
	SmileCo GmbH	Berlin	100.00	EUR	25 000
India	Straumann Dental India LLP	Mumbai	100.00	INR	1 766 000 000
	Straumann Software Centre India LLP	Mumbai	100.00	INR	400 000 000
Iran	Straumann Manufacturing Pars PJS	Tehran	100.00	IRR	40 000 000
	Straumann Middle East PJS	Tehran	100.00	IRR	40 000 000
Italy	Straumann Italia Srl	Milan	100.00	EUR	270 000
Japan	etkon Japan KK	Shibayama	100.00	JPY	10 000 000
	Nihon Implant Co., Ltd	Kyoto	100.00	JPY	50 000 000
	Straumann Japan KK	Tokyo	100.00	JPY	490 000 000
Jordan	Straumann Jordan PSC	Amman	49.00	JOD	50 000
Latvia	Straumann Latvia SIA	Riga	100.00	EUR	2 800
Lithuania	Gravitonas UAB	Vilnius	100.00	EUR	2 500
	Straumann Lithuania UAB	Vilnius	100.00	EUR	10 000
Luxembourg	Anthogyr S.A.	Lorentzweiler	100.00	EUR	400 100
Malaysia	Straumann Group SDN. BHD.	Kuala Lumpur	100.00	MYR	1 055 000
Mexico	Manohay México SA de CV	México DF	100.00	MXN	141 892 615
Netherlands	Promaton B.V.	The Hague	100.00	EUR	1
	Straumann BV	Ijsselstein	100.00	EUR	18 151
New Zealand	Straumann New Zealand Ltd	Napier	100.00	NZD	0
Norway	Straumann AS	Oslo	100.00	NOK	1 000 000
Peru	Straumann Group Peru SA	Lima	100.00	PEN	26 682 500
Poland	Straumann Polska sp. z o.o.	Gdańsk	100.00	PLN	5 000
Republic of Korea	Straumann Dental Korea Inc	Seoul	100.00	KRW	2 300 000 000
Romania	Straumann Dental s.r.l.	Bucharest	100.00	RON	4 050 000
Russia	Straumann LLC	Moscow	100.00	RUB	21 000 000
	Instradent LLC	Moscow	100.00	RUB	17 250 000
Singapore	Straumann Group Singapore Pte Ltd.	Singapore	100.00	SGD	10 000
South Africa	Straumann Group South Africa (PTY) LTD	Somerset West	100.00	ZAR	1 000
Spain	Createch Institute A.E.I.E.	Mendaro	100.00	EUR	880 000
	Createch Medical S.L.U.	Mendaro	100.00	EUR	1 334 784
	Straumann Services Spain SL	Madrid	100.00	EUR	3 000
	Manohay Dental SA	Madrid	100.00	EUR	60 200
Sweden	Biora AB	Malmö	100.00	SEK	950 152
	Straumann AB	Mölndal	100.00	SEK	100 000
Switzerland	etkon (Schweiz) AG	Rheinfelden	100.00	CHF	100 000
	GalvoSurge Dental AG	Berneck	100.00	CHF	500 000
	Institut Straumann AG	Basel	100.00	CHF	100 000
	Straumann Villeret SA	Villeret	100.00	CHF	9 000 000
Taiwan	Straumann Group (Taiwan) Co. Ltd.	Taipei	98.90	TWD	303 333 333
	T-Plus Implant Tech. Co. Ltd.	New Taipei City	58.06	TWD	154 901 960
Thailand	Straumann Group (Thailand) Limited	Bangkok	100.00	THB	120 000 000

Location	Subsidiaries	City	Interest and voting rights 2025 (in %)		Share capital 31 Dec 2025
Türkiye	Batigroup Dental Diş Ürünleri Ticaret AŞ	Ankara	100.00	TRY	1 320 400 000
UK	Straumann Ltd	Crawley	100.00	GBP	300 000
US	Bay Materials LLC	Fremont	100.00	USD	0
	ClearCorrect Operating, LLC	Round Rock	100.00	USD	1 000
	Straumann Manufacturing, Inc.	Andover	100.00	USD	1
	Straumann USA, LLC	Andover	100.00	USD	1
Vietnam	Straumann Indochina Co. Ltd.	Hanoi	100.00	VND	90 625 000 000

In May 2025, the Group sold its China ortho production subsidiary, 3D ADD Medical Technology (Beijing) Co. Ltd., to a local partner. The loss of control had no material influence on the Group's performance.

The next senior and ultimate holding company of the Straumann Group is Straumann Holding AG, which is based and listed in Switzerland.

Location	Associates	City	Interest and voting rights 2025 (in %)
China	Peak Dental Solutions HK Ltd.	Hong Kong	40.00
	Gaofeng Medical Instrument (WUXI) Co., Ltd.	Wuxi	35.00
Cyprus	Zandivio plc	Limassol	20.00
Egypt	Digital Design Solutions S.A.E.	Cairo	30.00
France	Dental Monitoring SAS	Paris	6.09
Germany	botiss medical AG	Berlin	30.00
	Rapid Shape GmbH	Heimsheim	35.00
Romania	Smilecloud S.R.L.	Timișoara	30.00
US	3D Diagnostix Inc.	Boston	30.00
	Good Methods Global Inc.	Celebration	43.66

To the General Meeting of
Straumann Holding AG, Basel

Basel, 16 February 2026

Report of the statutory auditor

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 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (pages 205 to 260).

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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

Valuation of goodwill and brands with indefinite useful life

Area of focus	Goodwill and brands with indefinite useful life stemming from the various acquisitions represent 18% of the Group's total assets and 31% of the Group's equity as of 31 December 2025 (see Group's disclosures note 4.3). 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. Indicators of mpairment are assessed at each reporting date and an impairment test is performed at least annually. 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 rate and discount rate. 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	We gained an understanding of the impairment process and confirmed the existence of key controls. We evaluated the Group's valuation model for the impairment test of goodwill and brands with indefinite useful life. We reviewed the historical accuracy of the Group's estimates. With the assistance of our valuation specialists, we independently derived the weighted average cost of capital (WACC) and compared these to those calculated by the Group. We compared the actual financial information with the planned forecasts to assess the planning precision. We additionally obtained supporting explanations from management regarding the assumptions related to future revenues, margins and long-term growth rates. We further evaluated the sensitivity in the valuation resulting from reasonable changes applied to the key assumptions discount rate, long-term growth rate and margins. We assessed the adequacy of the disclosure provided in note 4.4 of the consolidated financial statements in relation to the relevant accounting standards. Our audit procedures did not lead to any reservations concerning the valuation of goodwill and brands with indefinite useful life.

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

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

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

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

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards 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, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

Fabian Meier Licensed audit expert (Auditor in charge)	Adrian Hottiger Licensed audit expert

straumanngroup

FINANCIAL REPORT STRAUMANN HOLDING

BALANCE SHEET

Assets

(in CHF 1 000)	Notes	31 Dec 2025	31 Dec 2024
Cash and cash equivalents		223 432	40 811
Securities and short-term deposits		0	80 000
Other short-term receivables		137 998	197 728
from third parties		14 972	18 591
from investments		123 026	179 137
Prepaid expenses		4 071	54
Total current assets		365 501	318 593
Financial assets	2.1	1 049 935	1 085 205
Investments	2.2	1 251 771	1 183 384
Intangible assets		17	24
Total non-current assets		2 301 723	2 268 613
Total assets		2 667 224	2 587 206

Equity and liabilities

(in CHF 1 000)	Notes	31 Dec 2025	31 Dec 2024
Trade payables to third parties		201	417
Short-term interest-bearing liabilities to investments	2.3	76 084	49 816
Short-term interest-bearing liabilities to third parties	2.5	0	200 000
Other short-term liabilities to investments		304	214
Other short-term liabilities to third party		0	1 881
Short-term provisions	2.4	22 190	15 852
Deferred income		1 045	1 242
Total current liabilities		99 824	269 422
Long-term interest-bearing liabilities		274 405	203 351
to third parties	2.5	250 000	0
to investments		24 405	203 351
Long-term provisions		3 000	3 000
Total non-current liabilities		277 405	206 351
Total liabilities		377 229	475 773
Share capital	2.6	1 595	1 595
Legal capital reserves		892	71 020
Reserves from capital contributions[1]	2.7	892	61 428
Share premium		0	9 592
Legal retained earnings		1 594	(7 920)
Reserves for treasury shares	2.8	448	526
Capital reserves		0	(11 986)
Statutory reserves		1 146	1 540
Extraordinary reserves		0	2 000
Available earnings		2 285 914	2 046 738
- Profit carried forward		1 956 011	1 701 051
- Net result		329 903	345 687
Total equity		2 289 995	2 111 433
Total equity and liabilities		2 667 224	2 587 206

1 Thereof CHF 891 747 (2024: CHF 61 427 909) confirmed by the Swiss Federal Tax Administration.

INCOME STATEMENT

(in CHF 1 000)	Notes	2025	2 024
Income from investments	2.10	347 709	349 131
Other financial income	2.11	50 899	63 056
Total income		398 608	412 187
Other financial expense	2.12	(42 579)	(23 105)
Board compensation		(1 858)	(1 709)
Other operating expense	2.13	(3 531)	(3 778)
Impairment on investments	2.14	(20 507)	(37 927)
Amortization of intangible assets		(6)	(6)
Total expenses		(68 481)	(66 525)
Result before income tax		330 127	345 662
Direct taxes		(224)	25
Net result		329 903	345 687

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 Accounting Standards), it has decided to forego presenting a cash flow statement as well as additional disclosures in the notes in accordance with the law.

Straumann Holding AG, together with its subsidiaries Institut Straumann AG, Straumann Villeret SA and Instradent 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 the 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 2025	31 Dec 2024
Loans to subsidiaries	1 031 318	1 054 774
Loans to third parties	1 137	1 390
Other financial assets	17 480	29 041
Total	1 049 935	1 085 205

2.2 Investments

The direct and major indirect investments of the company are listed in Note 9.5 of 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 cash pool liabilities, which add up to CHF 58.7 million (2024: CHF 25.9 million), short term loan liabilities of CHF 4.7 million (2024: CHF 12.6 million), as well as earn outs of CHF 12.7 million (2024: CHF 11.3 million). The increase in cash pool liabilities and short-term loan liabilities is due to added entities.

2.4 Short-term provisions

Short-term provisions mainly consist of current income taxes and Pillar Two income taxes of CHF 21.4 million (2024: CHF 15.2 million), as well as provisions for unrealized foreign exchange gains of CHF 0.8 million (2024: CHF 0.7 million).

Switzerland adopted Pillar Two rules in 2023, with qualified domestic minimum top-up tax (QDMTT) applicable from 1 January 2024, and Income Inclusion Rule (IIR) from 1 January 2025. Due to its low statutory tax rate, Straumann Switzerland is not eligible for country-by-country reporting (CbCR) safe harbor rules. Considering the impact of specific adjustments in the Pillar Two legislation, the effective tax rate (ETR) for Swiss entities amounted to 11.9%. Straumann Holding AG recognized a Pillar Two income tax liability of CHF 6.1 million for 2025 (including 2024 total of CHF 20.1 million). Pillar Two income tax expenses have been recharged to Institut Straumann AG in the amount of CHF 6.1 million as required by Article 12 of the Ordinance on the Minimum Taxation of Large Corporate Groups.

2.5 Interest-bearing liabilities to third parties

(in CHF 1 000)	31 Dec 2025	31 Dec 2024
Bonds	250 000	200 000
Total	250 000	200 000
Bond Conditions		
Nominal value	250 000	200 000
Interest rate in %	0.55	0.55
Maturity/term in years	3.0	5.2
Due date/maturity	3 Oct 2028	3 Oct 2025

In October 2025, the Company placed a CHF-denominated domestic straight bond for an aggregate amount of CHF 250 million, with an issue date 3 October 2025 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 2028.

Denominations of the bond are CHF 5 000 nominal and multiples thereof. The bond has been admitted to trading on the SIX Swiss Exchange with effect from 3 October 2025 until 3 October 2028. The bond is listed in accordance with the Standard for Bonds on the SIX Swiss Exchange.

On 3 October 2025, the company repaid its CHF-denominated domestic straight bond of CHF 200 million, which was issued in July 2020.

2.6 Share capital

The share capital is represented by 159 455 239 (2024: 159 455 239) issued shares of CHF 0.01 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 with Art.5 (1) bis Swiss Withholding Tax Act (VStG).

In 2025, the change in reserves from capital contribution includes the payment of dividends of CHF 60.5 million (2024: CHF 63.7 million).

2.8 Reserves for treasury shares

The shares of Straumann Holding AG on stock of Institut Straumann AG amount to 4 434 shares (2024: 4 392) with an average value of CHF 101.03 (2024: CHF 119.85).

2.9 Treasury shares

Since 2017 all shares have been sold, and no transactions involving treasury shares occurred in 2025 and 2024.

2.10 Income from investments

In the reporting period, the dividend income amounted to CHF 347.7 million (2024: CHF 349.1 million).

2.11 Other financial income

Other financial income amounts to CHF 50.9 million (2024: CHF 63.1 million) and contains mainly the interest income from loans to subsidiaries and income from hedges on foreign currencies.

2.12 Other financial expense

Other financial expenses of CHF 42.6 million (2024: CHF 23.1 million) mainly include foreign exchange losses, resulting from the valuation of loans, interest expenses and the revaluation of derivative financial instruments used to hedge the exposure on contingent consideration liabilities linked to the share price development of Straumann Holding AG.

(in CHF 1 000)	2025	2024
Interest	5 117	9 112
Foreign exchange losses	32 186	13 218
Financial expense	5 276	775
Total	42 579	23 105

2.13 Other operating expense

(in CHF 1 000)	2025	2024
Administrative expense	301	201
Consulting expense	1 849	273
Sundry expense	1 381	3 304
Total	3 531	3 778

2.14 Impairment on investments

In 2025, there were impairments on investments in the amount of CHF 20.5 million (2024: CHF 37.9 million), mainly related to Galvosurge and Dental Wings Canada. Impairments were predominantly caused by a reduced sales growth rate forecast, resulting from macroeconomic environment of inflationary pressure. The impairment on investments in 2024 is related to Straumann Pakistan, Medical Technologies 21 LLC, Russia, and the Dental Wings Canada businesses and is predominantly caused by a reduced sales growth rate forecast, owing to the macroeconomic environment of inflationary pressure.

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% of the voting rights are as follows:

(in %)	31 Dec 2025[1]	31 Dec 2024[1]
Major shareholders		
Dr h.c. Thomas Straumann	15.5	15.6
Dr h.c. Rudolf Maag	10.2	10.2
UBS Fund Management (Switzerland) AG[2]	5.1	5.1
Black Rock Group[2]	4.7	4.7
Gabriella Straumann	3.0	3.0
Simone Maag de Moura Cunha	n/a	3.4
Total major shareholders	38.5	42.0

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

3.3 Allocation of equity instruments to the Board of Directors

According to the compensation plan, the payment of Board members' fees consists of fixed compensation and shares. The number of shares is calculated based on the average share price over the last seven days prior to the allocation.

The allocation was as follows:

	2025		2024	
	Number	Value in CHF 1 000	Number	Value in CHF 1 000
Allocated to the Board of Directors	9 189	900	6 650	838

3.4 Contingent liabilities

Straumann Holding AG has issued guarantees for credit facilities of Group companies. The nominal amount outstanding at 31 December 2025 was CHF 70.1 million (31 December 2024: CHF 100.9 million).

3.5 Events after the balance sheet date

There were no significant events after the balance sheet date.

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF THE AVAILABLE EARNINGS

Appropriation of available earnings

(in CHF 1 000)	2025	2024
Net result	329 903	345 687
Carried forward from previous year	1 955 934	1 700 058
Change in reserves for treasury shares	77	993
Profit available to the Annual General Meeting	**2 285 914**	2 046 738
Dividend paid out of the profit available (CHF 0.57 per share)		(90 804)
Proposed dividend to be paid out of the profit available (CHF 1.00 per share)	(159 451)	
Balance carried forward	**2 126 463**	1 955 934

The Board of Directors proposes to the Annual General Meeting that a total dividend of CHF 1.00 per share be distributed, payable as of 23 April 2026. Calculated based on the total number of outstanding shares of 159 450 805, this corresponds to a total amount of CHF 159.5 million. In deciding on the appropriation of dividends, the Annual 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.

The dividend paid in 2025 was CHF 0.95 per share (thereof CHF 0.57 per share from available earnings and CHF 0.38 per share from reserves from capital contributions).

straumanngroup

To the General Meeting of
Straumann Holding AG, Basel

Basel, 16 February 2026

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Straumann Holding AG (the Company), which comprise the balance sheet as at 31 December 2025 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (pages 264 to 269).

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

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

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

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

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

Valuation of investments in and loans to subsidiaries

Area of focus	As of the balance sheet date, investments in and loans to subsidiaries total CHF 2'283 million representing 86% of total assets. The Company assesses the valuation of its investments and loans and determines potential impairments on an individual basis in accordance with Swiss Code of Obligations (see Company's disclosures Note 2.14). Due to the significance of the carrying amount of the investments and loans, along with the judgement required to determine potential impairments, this matter was deemed significant to our audit.
Our audit response	We assessed the valuation methodology, analysed the underlying key assumptions and tested the mathematical accuracy of the valuation model. With the assistance of our valuation specialists, we independently derived the weighted average cost of capital (WACC) and compared it to Company's calculation. Our audit procedures did not lead to any reservations concerning the valuation of investments in and loans to subsidiaries.

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

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

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

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

Shape the future with confidence

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

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

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

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

Report on other legal and regulatory requirements

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

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors 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

Fabian Meier Licensed audit expert (Auditor in charge)	Adrian Hottiger Licensed audit expert