Straumann Danmark ApS

Nygårds Plads 21, 1. sal, 2605 Brøndby

CVR no. 20 21 62 71

Annual report
for the year 1 January - 31 December 2016

Approved at the annual general meeting of shareholders on 12 June 2017

Chairman:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Straumann Danmark ApS for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Brøndby, 12 June 2017
Executive Board:

Anette Kullman Wiberg

Board of Directors:

Jens Dexheimer Chairman	Dr. Andreas Leo Meier	Peter Oliver Hackel

Anette Kullman Wiberg

Independent auditor's report

To the shareholders of Straumann Danmark ApS

Opinion

We have audited the financial statements of Straumann Danmark ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management 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, Management 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 in preparing the financial statements unless Management 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 ISAs and the additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

Independent auditor's report

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 12 June 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant

Management's review

Company details

Name	Straumann Danmark ApS
Address, Postal code, City	Nygårds Plads 21, 1. sal, 2605 Brøndby
CVR no.	20 21 62 71
Registered office	Brøndby
Financial year	1 January - 31 December
Website	www.straumann.com
E-mail	info@straumann.com
Telephone	+45 46 16 06 66
Telefax	+45 43 61 25 81
Board of Directors	Jens Dexheimer, Chairman Dr. Andreas Leo Meier Peter Oliver Hackel Anette Kullman Wiberg
Executive Board	Anette Kullman Wiberg
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

Business review

As in previous years, the Company's activities have consisted of trade with dental supplies.

Financial review

The income statement for 2016 shows a profit of DKK 415,365 against DKK 314,597 last year, and the balance sheet at 31 December 2016 shows equity of DKK 956,430. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Management expects that the results for the coming year will level this year's results.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	7,262,360	5,491,830
3	Staff costs	-6,512,579	-4,815,904
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-116,521	-146,734
	Profit before net financials	633,260	529,192
	Financial income	2,197	2,656
5	Financial expenses	-92,440	-111,873
	Profit before tax	543,017	419,975
6	Tax for the year	-127,652	-105,378
	Profit for the year	415,365	314,597

	Recommended appropriation of profit		
	Proposed dividend recognised under equity	400,000	300,000
	Retained earnings	15,365	14,597
		415,365	314,597

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	98,615	159,292
	Leasehold improvements	27,690	33,732
		126,305	193,024
8	Financial assets		
	Deposits, investments	75,287	75,049
	Deferred tax assets	61,740	65,947
		137,027	140,996
	Total non-current assets	263,332	334,020
	Current assets		
	Inventories		
	Finished goods and goods for resale	4,567,711	3,874,919
		4,567,711	3,874,919
	Receivables		
	Trade receivables	2,168,065	2,218,471
	Receivables from group entities	22,806	0
	Other receivables	192,487	105,389
		2,383,358	2,323,860
	Cash	1,449,788	1,498,524
	Total Current assets	8,400,857	7,697,303
	TOTAL ASSETS	8,664,189	8,031,323

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	125,000	125,000
	Retained earnings	431,430	416,065
	Dividend proposed for the year	400,000	300,000
	Total equity	956,430	841,065
	Current liabilities		
	Trade payables	418,758	588,643
	Payables to group entities	4,507,750	4,725,130
	Income taxes payable	56,102	20,865
	Other payables	2,725,149	1,855,620
	Total current liabilities	7,707,759	7,190,258
	Total liabilities	7,707,759	7,190,258
	TOTAL EQUITY AND LIABILITIES	8,664,189	8,031,323

1 Accounting policies
2 Going Concern
10 Contractual obligations and contingencies, etc.
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Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2016	125,000	416,065	300,000	841,065
Transfer through appropriation of profit	0	15,365	400,000	415,365
Dividend distributed	0	0	-300,000	-300,000
Equity at 31 December 2016	125,000	431,430	400,000	956,430

The share capital consists of 125 shares of a nominal value of DKK 1,000. No shares carry any specials rights.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Straumann Danmark ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is recognised exclusive of VAT and net of discount relating to sales.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to premises, sales and distribution as well as office expenses, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's employees. The item is net of refunds made by public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominel value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of net realisable value and the carrying amount.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payable and receivable is recognised in the balance sheet as estimated tax charge in respect of the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of tempoary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and the taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Trade and other payables are measured at amortised cost, substantially corresponding to nominal value.

2 Going Concern

The Company's current credit facilities with the Group's finance company are necessary for the Company to continue its planned activities. The initial term of the Company's credit facility agreement was renewed on 31 December 2015 for a successive period of two years ending 31 December 2017, and after this, it will automatically be renewed for succesive periods of two years at a time.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
3	Staff costs		
	Wages/salaries	5,635,691	3,987,285
	Pensions	339,081	277,885
	Other social security costs	30,254	51,569
	Other staff costs	507,553	499,165
		6,512,579	4,815,904
	Average number of full-time employees	8	8
4	Depreciation of property, plant and equipment		
	Depreciation of property, plant and equipment	116,521	146,734
		116,521	146,734
5	Financial expenses		
	Interest expenses, group entities	91,394	93,999
	Other financial expenses	1,046	17,874
		92,440	111,873
6	Tax for the year		
	Estimated tax charge for the year	124,102	98,865
	Deferred tax adjustments in the year	3,550	6,513
		127,652	105,378

7 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	1,938,140	60,415	1,998,555
Additions in the year	49,802	0	49,802
Cost at 31 December 2016	1,987,942	60,415	2,048,357
Impairment losses and depreciation at 1 January 2016	1,778,848	26,683	1,805,531
Amortisation/depreciation in the year	110,479	6,042	116,521
Impairment losses and depreciation at 31 December 2016	1,889,327	32,725	1,922,052
Carrying amount at 31 December 2016	98,615	27,690	126,305

Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Investments

DKK	Deposits, investments
Cost at 1 January 2016	75,049
Regulation in the year	238
Cost at 31 December 2016	75,287
Carrying amount at 31 December 2016	75,287

9 Share capital

The Company's share capital has remained DKK 125,000 over the past 5 years.

10 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2016	2015
Rent and lease liabilities	1,839,318	1,602,154

Rent and lease liabilities include a office rent obligation totalling DKK 714,823 (2015: DKK 118,020) with remaining contract terms of 3 years.
Furthermore, the Company has liabilities under operating leases for cars and IT equipment totalling DKK 1,124,495 (2014: DKK 1,484,134) with remaining contract terms of 2-3 years.

11 Collateral

The Company has not placed any assets as security for loans at 31 December 2016.

12 Related parties

Information about consolidated financial statements

Parent	Domicile
Straumann Holding AG	Peter Merian Weg 12, 4002 Basel, Schweiz