

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 2020

Approved at the Company's annual general meeting on 14 July 2021

Chair of the meeting:

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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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 14 July 2021
Executive Board:

.....
Anette Kullman Wiberg

Board of Directors:

.....
Dr. Andreas Leo Meier

.....
Peter Oliver Hackel

.....
Anette Kullman Wiberg

Independent auditor's report

To the shareholders of Straumann Danmark ApS

Qualified opinion

We have audited the financial statements of Straumann Danmark ApS for the financial year 1 January - 31 December 2020, which comprise 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, except for the potential effect of the matter described in the "Basis for qualified opinion" section, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

Straumann Danmark ApS' consignment stock is recognised at DKK 4,102,276 in the balance sheet at 31 December 2018. We have not been able to obtain sufficient and appropriate audit evidence about the existence of the consignment stock at the beginning of the year at 1 January 2019 due to missing external confirmations. As inventories 31 December 2018 are included in the statement of cost of sales for the comparative figures, we are unable to determine whether the profit for the year for 2019 should have been adjusted.

Our opinion on the financial statements for the current period is qualified due to this matter and due to the effect on the comparability between the current period figures and the comparative figures.

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

Independence

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.

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 as to 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 scepticism throughout the audit. We also:

Independent auditor's report

- ▶ 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.
- ▶ 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 conclusions are 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 the 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 the work we have performed, 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, 14 July 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313



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	Dr. Andreas Leo Meier Peter Oliver Hackel Anette Kullman Wiberg
Executive Board	Anette Kullman Wiberg
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

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

Financial review

The income statement for 2020 shows a profit of DKK 873,126 against a profit of DKK 764,345 last year, and the balance sheet at 31 December 2020 shows equity of DKK 2,425,795. 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 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Gross profit	9,877,088	9,990,074
3	Staff costs	-8,424,072	-8,706,672
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-188,819	-157,323
	Profit before net financials	1,264,197	1,126,079
4	Financial income	1,885	2,557
5	Financial expenses	-139,197	-111,733
	Profit before tax	1,126,885	1,016,903
6	Tax for the year	-253,759	-252,558
	Profit for the year	873,126	764,345



Financial statements 1 January - 31 December

Income statement

DKK	<u>2020</u>	<u>2019</u>
Recommended appropriation of profit		
Retained earnings	<u>873,126</u>	<u>764,345</u>
	<u>873,126</u>	<u>764,345</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	382,844	460,392
	Leasehold improvements	3,524	9,566
		<u>386,368</u>	<u>469,958</u>
8	Financial assets		
	Deposits, investments	75,065	75,005
	Deferred tax assets	36,243	35,118
		<u>111,308</u>	<u>110,123</u>
	Total non-current assets	<u>497,676</u>	<u>580,081</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	8,096,208	6,377,779
		<u>8,096,208</u>	<u>6,377,779</u>
	Receivables		
	Trade receivables	6,172,579	6,711,821
	Other receivables	397,645	317,658
		<u>6,570,224</u>	<u>7,029,479</u>
	Cash	<u>6,336,532</u>	<u>1,933,253</u>
	Total current assets	<u>21,002,964</u>	<u>15,340,511</u>
	TOTAL ASSETS	<u><u>21,500,640</u></u>	<u><u>15,920,592</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	125,000	125,000
	Retained earnings	2,300,795	1,443,857
	Dividend proposed for the year	0	0
	Total equity	<u>2,425,795</u>	<u>1,568,857</u>
	Liabilities		
	Non-current liabilities		
	Other provisions	432,132	294,375
	Other payables	0	302,771
	Total non-current liabilities	<u>432,132</u>	<u>597,146</u>
	Current liabilities		
	Trade payables	2,037,953	1,404,656
	Payables to group entities	7,494,352	7,838,226
	Income taxes payable	172,236	170,375
	Other payables	7,122,689	3,767,890
	Deferred income	1,815,483	573,442
	Total current liabilities	<u>18,642,713</u>	<u>13,754,589</u>
		<u>19,074,845</u>	<u>14,351,735</u>
	TOTAL EQUITY AND LIABILITIES	<u>21,500,640</u>	<u>15,920,592</u>

- 1 Accounting policies
- 2 Other operating income
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2019	125,000	679,512	500,000	1,304,512
Transfer through appropriation of profit	0	764,345	0	764,345
Dividend distributed	0	0	-500,000	-500,000
Equity at 1 January 2020	125,000	1,443,857	0	1,568,857
Transfer through appropriation of profit	0	873,126	0	873,126
Other value adjustments of equity	0	-16,188	0	-16,188
Equity at 31 December 2020	125,000	2,300,795	0	2,425,795

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Straumann Danmark ApS for 2020 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.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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 profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets and government grants related to COVID-19.

Cost of sales

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



Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 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

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or 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 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 nominal 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.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 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 temporary 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.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

2 Other operating income

Government grants, COVID-19	667,180	0
	<u>667,180</u>	<u>0</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2020	2019	
3 Staff costs			
Wages/salaries	7,676,141	7,823,926	
Pensions	453,533	431,443	
Other social security costs	-35,131	131,629	
Other staff costs	329,529	319,674	
	<u>8,424,072</u>	<u>8,706,672</u>	
Average number of full-time employees	<u>13</u>	<u>12</u>	
4 Financial income			
Other financial income	1,885	2,557	
	<u>1,885</u>	<u>2,557</u>	
5 Financial expenses			
Interest expenses, group entities	91,500	91,250	
Other financial expenses	47,697	20,483	
	<u>139,197</u>	<u>111,733</u>	
6 Tax for the year			
Estimated tax charge for the year	258,236	241,150	
Deferred tax adjustments in the year	-1,125	11,559	
Tax adjustments, prior years	-3,352	-151	
	<u>253,759</u>	<u>252,558</u>	
7 Property, plant and equipment			
DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	2,685,401	60,415	2,745,816
Additions in the year	105,229	0	105,229
Disposals in the year	-602,807	0	-602,807
Cost at 31 December 2020	<u>2,187,823</u>	<u>60,415</u>	<u>2,248,238</u>
Impairment losses and depreciation at 1 January 2020	2,225,009	50,849	2,275,858
Amortisation/depreciation in the year	182,777	6,042	188,819
Reversal of amortisation/depreciation and impairment of disposals	-602,807	0	-602,807
Impairment losses and depreciation at 31 December 2020	<u>1,804,979</u>	<u>56,891</u>	<u>1,861,870</u>
Carrying amount at 31 December 2020	<u>382,844</u>	<u>3,524</u>	<u>386,368</u>
Depreciated over	<u>5 years</u>	<u>10 years</u>	

Financial statements 1 January - 31 December

Notes to the financial statements

8 Financial assets

DKK	<u>Deposits, investments</u>
Cost at 1 January 2020	75,005
Regulation in the year	60
Cost at 31 December 2020	<u>75,065</u>
Carrying amount at 31 December 2020	<u>75,065</u>

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	<u>2020</u>	<u>2019</u>
Rent and lease liabilities	<u>1,792,469</u>	<u>1,514,080</u>

11 Collateral

The Company has not placed any assets as security for loans at 31 December 2020.

12 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Straumann Holding AG	Peter Merian Weg 12, 4002 Basel, Schweiz