

# Selected Notes

COLTENE Holding AG – the holding company of the COLTENE Group (“the Group”) – is a stock corporation pursuant to the Swiss Code of Obligations. The Company’s legal domicile is in Altstätten, Switzerland. COLTENE Holding AG was founded in accordance with Swiss company law on 15 December 2005.

Under its umbrella brand COLTENE, the Group develops, manufactures, and sells mainly via distribution channels a broad and comprehensive range of disposables, tools and equipment for dentists and dental laboratories. The Group operates one segment defined in line with the management structure, the organizational set up, the reporting and allocation of resources. Internal and external reporting are aligned.

## 1 Accounting Policies

This unaudited Half-Year Report was approved for publication by the Board of Directors on 27 July 2023.

The consolidated Half-Year Report was prepared in accordance with Swiss GAAP FER 31 “Complementary Recommendation for Listed Public Companies”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2022.

## 2 Currency Exchange Rates

### Key exchange rates

	31.12.2021	30.06.2022	H1 2022
1 USD	0.9122	0.9589	0.9444
1 EUR	1.0331	0.9960	1.0319
1 CAD	0.7178	0.7419	0.7427
	31.12.2022	30.06.2023	H1 2023
1 USD	0.9232	0.9008	0.9122
1 EUR	0.9847	0.9788	0.9856
1 CAD	0.6819	0.6790	0.6768

## 3 Net Sales

Net sales are disaggregated by geographic area (determined by customer location) and by products and services are as follows:

### Net sales by geographical regions

In CHF 1 000	H1 2023	H1 2022
EMEA	46 545	49 615
North America	62 006	61 642
Latin America	8 299	9 040
Asia/Oceania	14 581	14 646
<b>Net sales</b>	<b>131 431</b>	<b>134 943</b>

### Net sales by products and services

In CHF 1 000	H1 2023	H1 2022
Infection Control	44 672	42 081
Dental Preservation	37 100	41 002
Efficient Treatment	49 659	51 860
<b>Net sales</b>	<b>131 431</b>	<b>134 943</b>

In accordance with Swiss GAAP FER 31, the COLTENE Group has decided not to disclose detailed segment information. The disclosure of segment results would lead to considerable competitive disadvantages. COLTENE justifies its decision based on the following considerations:

- The main competitors of the COLTENE Group do not disclose segment results because they are either non-public companies or the dental businesses of large public companies are far too small for the disclosure of their sales or results. COLTENE would be the only player on the market providing such detailed information.
- The disclosure of segment information of the COLTENE Group would provide detailed information on margins, profitability of product groups etc.
- Disclosing segment information would also provide information on product cost structures and pricing to competitors.

The dental consumables business of the COLTENE Group has a historically seasonal pattern. Slightly higher revenues and operating profits in local currencies are usually expected in the second half of the year. This is due to slightly stronger average monthly sales in the last quarter of the year as customers tend to achieve their annual sales targets with COLTENE as a vendor.

#### 4 Income and Deferred Taxes

Tax expenses of CHF 3.2 million represent a tax rate of 24.4% (prior year: 22.0%) on pretax profit. This increase is due to withholding taxes.

#### 5 Changes in the Scope of Consolidation and Other Changes

As of 30 June 2023, the Group consolidation structure comprised 23 legal entities (year end 2022: 23).

#### 6 Theoretical Goodwill

The goodwill of a purchased consolidated company is offset with equity at the date of the acquisition.

The theoretical amortization period of the goodwill corresponds to its useful life of five years. A theoretical capitalization of the goodwill would have the following impact on the consolidated financial statements:

##### Theoretical goodwill

In CHF 1 000	2023	2022
<b>Cost (gross) as of 01.01.</b>	<b>225 874</b>	<b>225 874</b>
<b>Cost (gross) as of 30.06.</b>	<b>225 874</b>	<b>225 874</b>
<b>Cost (gross) as of 31.12.</b>	<b>n/a</b>	<b>225 874</b>

In CHF 1 000	2023	2022
<b>Accumulated currency effects as of 01.01.</b>	<b>-19 848</b>	<b>-10 604</b>
Currency effects	-3 751	5 035
<b>Accumulated currency effects as of 30.06.</b>	<b>-23 599</b>	<b>-5 569</b>
Currency effects	n/a	-14 279
<b>Accumulated currency effects as of 31.12.</b>	<b>n/a</b>	<b>-19 848</b>

In CHF 1 000	2023	2022
<b>Accumulated amortization as of 01.01.</b>	<b>-195 080</b>	<b>-157 152</b>
Amortization	-7 195	-18 987
<b>Accumulated amortization as of 30.06.</b>	<b>-202 275</b>	<b>-176 139</b>
Amortization	n/a	-18 941
<b>Accumulated amortization as of 31.12.</b>	<b>n/a</b>	<b>-195 080</b>

##### Theoretical book values net

In CHF 1 000	2023	2022
As of 01.01.	10 946	58 118
As of 30.06.	0	44 166
As of 31.12.	n/a	10 946

##### Effect on income statement

In CHF 1 000	2023	2022
<b>Net profit 30.06.</b>	<b>10 022</b>	<b>12 126</b>
Amortization on goodwill	-7 195	-18 987
Theoretical net profit incl. amortization of goodwill	2 827	-6 861
<b>Net profit 31.12.</b>	<b>n/a</b>	<b>25 999</b>
Amortization on goodwill	n/a	-37 928
Theoretical net profit incl. amortization of goodwill	n/a	-11 929

##### Theoretical book values net

In CHF 1 000	2023	2022
<b>Equity according to balance sheet 30.06.</b>	<b>100 789</b>	<b>103 019</b>
Theoretical capitalisation of net book value of goodwill	0	44 166
Theoretical equity incl. net book value of goodwill	100 789	147 185
<b>Equity according to balance sheet 31.12.</b>	<b>n/a</b>	<b>112 184</b>
Theoretical capitalisation of net book value of goodwill	n/a	10 946
Theoretical equity incl. net book value of goodwill	n/a	123 130

A theoretical capitalization of goodwill would have resulted in accumulated currency effects of CHF 23.6 million as the goodwill would be recorded in foreign currency (mainly Canadian dollar). The change of the currency effects compared to the previous periods amounts to CHF 3.8 million.

## 7 Equity

Based on the General Meeting decision on 19 April 2023, the Company distributed a dividend (distribution out of reserves from capital contribution) of CHF 3.30 (prior year: CHF 3.30) per share to its shareholders on 25 April 2023. The total amount paid was CHF 19.7 million (prior year: CHF 19.7 million).

The share capital represents the capital of COLTENE Holding AG. Treasury stock on 30 June 2023, included 86 shares (prior year: 68).

### Treasury shares

in CHF	H1 2023		
	Number	Transaction Price (Ø)	Acquisition costs
As of 01.01.	568	80.05	45 470
Acquisitions	2 130	71.80	152 934
Share-based compensation	-2 612	73.54	-192 079
As of 30.06.	86	73.54	6 324

in CHF	H1 2022		
	Number	Transaction Price (Ø)	Acquisition costs
As of 01.01.	84	89.77	7 541
Acquisitions	2 850	110.64	315 321
Share-based compensation	-2 866	110.10	-315 558
As of 30.06.	68	107.41	7 304

## 8 Subsequent Events

As per the release date of this Half-Year Report, the Board of Directors and the Executive Management were not aware of any further important events subsequent to the reporting date.