

Media Release

Straumann enters the orthodontics¹ field and strengthens digital capabilities

- *Group acquires US-based ClearCorrect, a well-established provider of clear-aligner tooth-correction solutions, for a total consideration of approx. USD 150m*
- *38% stake in Geniova of Spain, an entrepreneurial pioneer of hybrid fast-aligner approach*
- *Stake in Dental Wings, a leading developer and provider of CAD/CAM software and scanning technology, increased from 55% to 100%*
- *Mike Rynerson, CEO of Dental Wings, rejoins Straumann to lead new Digital Business Unit as member of the Group's Executive Management*

Basel, 17 August 2017: The Straumann Group announced today that it has entered the attractive field of orthodontics by fully acquiring ClearCorrect, a well-established provider of full clear-aligner tooth-correction solutions. Straumann has also acquired a 38% stake in Geniova, a small entrepreneurial company in Spain, which has pioneered an innovative hybrid approach combining the advantages of clear-aligner systems with the benefits of conventional brackets.

Digital technology is at the core of both these businesses and is changing dentistry in general. To accelerate the development of digital platforms and equipment to support and link orthodontic, restorative and replacement dentistry Straumann is increasing its stake in Dental Wings Inc. from 55% to full ownership.

The transactions are expected to be completed by year-end and will be financed using the Group's cash and treasury shares.

The Group also announced today that its deal to acquire a 35% stake in Rapid Shape GmbH, Germany has been completed. The latter is a leader in 3D-printing technologies and the Straumann-branded 3D-printers, which have been integrated into the CARES and Dental Wings workflows, are now entering limited market release.

Straumann is creating a global Digital Business Unit to bring these and its existing digital activities together and to accelerate their global expansion.

Marco Gadola, CEO of the Straumann Group, explained the rationale and timing of the deals: *"Having come close to our goal of becoming a total solution provider in tooth replacement, we began looking into attractive complementary fields to see if we could create opportunities for further growth and synergies. Orthodontic treatments are often combined with implant procedures and we see many commonalities on the digital side – for example in scanning (intra- and extra-oral), designing (CAD) and 3D printing/additive manufacturing.*

¹ Orthodontics is the field of dentistry devoted to the prevention and correction of irregular teeth, using e.g. braces, brackets, aligners etc.

Furthermore, customer groups are very similar as a growing number of general practices offer implants and clear-aligner solutions. ClearCorrect provides us with the technology, expertise and a strong footing in this field, while Genova gives us access to an innovative treatment approach. In return, we offer a global distribution and marketing network, in addition to brand leverage, regional production locations and the power of Dental Wings in digital technology.

Our union with ClearCorrect and Dental Wings, our investments in Genova and Rapid Shape, as well as our partnership with 3Shape all fit together and enable us to capture the exciting opportunities that the clear-aligner market offers. I am delighted that ClearCorrect's entrepreneurial leadership team will stay with the company and partner with us in supporting customer and patient needs and in growing their business".

Esthetic dentistry – a highly attractive field for Straumann

It is estimated that 75% of the teenage and adult population have misaligned teeth and require orthodontic treatment. The introduction of clear-aligner solutions as an alternative to conventional braces and brackets represented a milestone in addressing this need. Growing awareness, broader availability (e.g. through general dentists) and the increased importance of dental esthetics are key growth drivers for the global clear-aligner market, which is estimated to be worth close to CHF 1.5 billion and growing at a low double-digit-percentage rate. Of the three million orthodontic cases treated in the North America last year, approximately a quarter received clear-aligner solutions². The penetration rate is lower in other countries, where the clear-aligner market is still emerging. This, combined with Straumann's ability to leverage its global organization, offer incremental growth opportunities for both the Group and its partners.

New organization to coordinate and drive digital activities

Digital technology and workflows are increasingly prominent in all areas of modern dentistry including the aligner and tooth replacement businesses, as dentists and labs adopt technologies like computer-guided surgery, intraoral scanning, CAD/CAM restorations and 3D printing, which are digitally interconnected.

This underlines the importance of Dental Wings as a leading developer and provider of digital dentistry technologies. It also explains why the Straumann Group has built partnerships with other leading companies in the field including Rapid Shape (3D printing), 3Shape (scanning), and Amann Girrbach (in-lab and chairside mills). To bring them and the Group's other digital activities closer together and to drive their global expansion, Straumann is creating a global Digital Business Unit under the leadership of Mike Rynerson, who rejoins the Group as a member of the Executive Management Board.

Mike Rynerson has been CEO of Dental Wings for almost four years, during which time the company has almost tripled its revenue and profit. Previously, he spent five years at Straumann in Project Management, Business Development & Licensing, Intraoral Scanning Distribution, and finally as Head of Straumann's 'Dental Service Group' and Executive Liaison to Dental Wings. Prior to joining Straumann, he co-founded and held several managerial and executive positions in companies and start-ups in the field of 3D printing and CAD/CAM. Born

² Sources: Global Industry Analyst Inc.: Orthodontic Supplies/A global strategic business report 2016; company reports; internal estimates.

in 1970, he is a US citizen and holds a Master's Degree in Mechanical Engineering from the Massachusetts Institute of Technology (MIT), and an MBA from the Olin School of Business.

With its new set-up, portfolio and partnerships, the Straumann Group is in an excellent position to offer, expand and refine digitally-supported end-to-end solutions for general dentists and specialists.

About clear aligners

Clear aligners are an increasingly popular form of orthodontic treatment by virtue of their transparency, convenience, removability, efficiency, and the fact that they can be provided through both orthodontists and general dentists. They can be used from minor to major complexity cases, depending on the clinician's experience.

In ClearCorrect's workflow, the dentist sends an intraoral scan or a conventional impression to the company, which designs an individual digital treatment plan based on the desired tooth position determined and the doctor's prescription. This is used to produce a series of progressive models of the patient's dental situation by 3D printing. Transparent thermoplastic aligners are produced from the models and sent to the dentist to complete the treatment. Each aligner is worn for a minimum of 22 hours a day for about two weeks to move teeth gently into the desired position.

Clear aligners simply clip over the patient's teeth and are easy to remove, in contrast to conventional brackets, which are fixed to individual teeth and connected by wire.

About ClearCorrect

Founded in 2006 and headquartered in Round Rock, Texas, ClearCorrect is a privately-held fast-growing company that generated sales of USD 32m in 2016, making it a well-established provider of clear-aligner tooth-correction solutions². The company develops and produces high-quality easy-to-use solutions that are transparent, removable, comfortable, attractively priced, and used typically to treat minor to medium malocclusions. The majority of its customers are general dentists, who are served directly in North America or through sales agents in Australia, Israel, New Zealand and the UK. Having built its business with an internal sales team only, the company recently began to establish a field force to target new customers actively. Today the ClearCorrect employs a staff of approximately 200.

Straumann is acquiring all outstanding shares in ClearCorrect Holdings, Inc., and its subsidiaries for a total consideration of approx. USD 150m.

About Genova

Based in Madrid, Genova Technologies S.L. is a young dynamic company which has pioneered an innovative hybrid aligner solution, combining the strength of fixed orthodontic appliances with the flexibility of removable, transparent clear aligners.

Their fast aligner system consists of transparent copings connected by a nickel-titanium wire. This design produces movement only in the teeth that need correction and allows the aligner to be removed easily when required.

To support Genova's expansion strategy, Straumann has provided a capital injection in return for a 38% stake in the company. The deal also includes the right to become the exclusive distributor of Genova products.

About Dental Wings

Dental Wings Inc. is a leading provider of digital dentistry technologies. Its solutions cover the full digital workflow – from treatment-planning to final restoration including dental scanning, implant planning, prosthesis design, manufacturing, and communication among dental professionals. The company is privately owned, profitable and its staff of more than 160 achieved revenues of CAD 28m in 2016.

Founded in 2007, Dental Wings is headquartered in Montreal and has offices in Berlin, Chemnitz (D), Lyon (F), and Shenzhen (CN). Its products are distributed by leading dental companies in over 45 countries around the world. Its vision is to create the largest global network of digitally-enabled dental professionals, and equip them with diagnostic, design, and manufacturing tools that increase the efficacy, quality, and profitability of the services they provide to patients.

Straumann first invested in Dental Wings in 2011 by acquiring a 30% stake, which it increased to 55% in 2015. The total purchase consideration for the remaining 45% amounts to approx. CAD 50m.

About Rapid Shape

Headquartered in Germany, Rapid Shape specializes in the development and manufacture of high-end 3D-printing systems for additive manufacturing. As an innovation-leader in the field, Rapid Shape's printers are based on proprietary technology which sets standards in terms of speed, reliability and precision. Rapid Shape's solutions are optimized for dentistry, hearing-aid and jewellery applications. Precision, quality and a partnership-approach with its distribution, material and technology partners as well as extensive customer support are its hallmarks. Straumann has just acquired a 35% stake in Rapid Shape.

About Straumann

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 Straumann, Intradent, Neodent, Medentika, etkon, ClearCorrect, Dental Wings, and other fully/partly owned companies and partners.

In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CAD/CAM prosthetics, biomaterials and digital solutions for use in tooth replacement and restoration or to prevent tooth loss.

Headquartered in Basel, Switzerland, the Group currently employs 4200 people worldwide (excluding ClearCorrect and Dental Wings) and its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

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