

Annual Report | 2024

medartis



Move again,
enjoy life

About Medartis

Founded in 1997 and headquartered in Basel, Switzerland, Medartis is one of the world's leading manufacturers and providers of medical devices and solutions for the treatment of bone fractures of the upper and lower extremities as well as the head. Medartis employs approximately 950 people at its 13 locations and offers products in over 50 countries worldwide. Medartis is committed to providing surgeons and surgical staff with procedure- and anatomy-specific solutions and world-class services that lead to excellent treatment outcomes.

For more information, please visit
[medartis.com](https://www.medartis.com)

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Table of contents

FROM HEAD TO TOE

At Medartis, we combine innovative solutions with skilled professionals to be the provider of choice in orthopaedics. Our strength lies in agility and focus, allowing us to compete effectively with larger industry players through our unwavering commitment to customer and patient needs. Our section headers showcase our innovations alongside the people who help patients regain mobility and well-being. This visual story embodies our strategic vision "From head to toe" and demonstrates how we transform innovative concepts into solutions that enhance patients' lives.



Letter from the Chair and the CEO



Management Report



Sustainability Report



Corporate Governance Report



Compensation Report



Financial Report

Key Financial Figures

Net sales

224.8 _{CHF m}

EMEA was the key growth contributor

Core sales growth¹

11.7%

Driven by double-digit growth in EMEA and the US; US fastest growing region

Core EBITDA margin¹

19.0%

Up 3.4 PP driven by gross margin expansion and cost management

Core net result

11.4 _{CHF m}

Thanks to better operating margin and improved tax result

Headcount

949

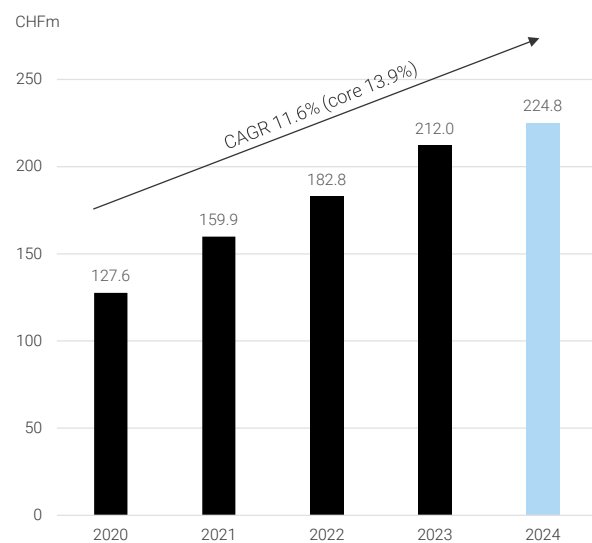
69 jobs created mainly in sales, customer service and supply chain

in CHF million, rounded	FY 2024			FY 2023			yoy change, core	
	Reported	Non-core items ²	Core	Restated ³	Non-core items ²	Core	in CHF	at CER
Net sales	224.8	(5.2)	219.6	212.0	(10.8)	201.2	9.2%	11.7%
Gross profit	178.7	3.1	181.7	167.6	(0.9)	166.7		
EBITDA	48.0	(6.3)	41.7	30.5	3.8	34.3		
EBIT	7.9	12.9	20.8	7.7	4.5	12.2		
Net profit / loss	3.5	7.9	11.4	0.6	3.6	4.2		
Margins in % of sales							Change in %-points (PP)	
Gross profit	79.5%		82.8%	79.0%		82.9%	(0.1 PP)	0.3 PP
EBITDA	21.4%		19.0%	14.4%		17.1%	1.9 PP	2.7 PP
EBIT	3.5%		9.5%	3.6%		6.1%	3.4 PP	4.3 PP

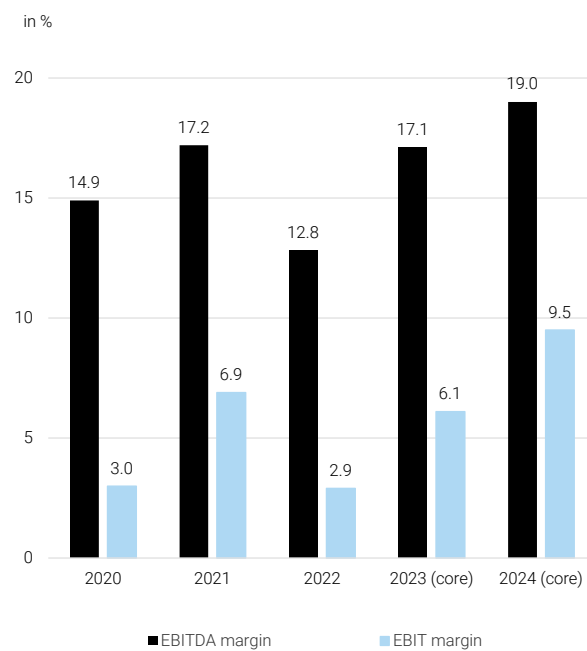
^{1,2}This report and accompanying financial documents include alternative performance measures (APMs), referred to as “core” figures. These metrics provide additional insight into Medartis' underlying performance. Core figures exclude certain one-time, non-recurring and extraordinary items or items related to M&A that distort the understanding of the company's ongoing operating performance. Additionally, the NSI contract manufacturing business is classified as non-strategic and therefore excluded from core sales calculations. If not otherwise stated, core sales growth rates are always shown at constant exchange rates (CER). For a detailed overview of all non-core events, please refer to p. 126ff.

³The financial figures 2023 have been restated. Please refer to note 2.3 for further details.

Net sales



Operating margins



5-year relative share price development (CHF)



Letter from the Chairman and the CEO



Matthias Schupp
CEO

Dear Stakeholders,

2024 was marked by important leadership changes at Medartis. We welcome our new CEO Matthias Schupp, my co-author of this letter, and David Thoni, who took the helm of our US operations. These appointments, alongside initiatives such as the acquisition of a majority stake in NeoOrtho and the transition from distributor to direct sales in Japan, represent important strategic steps in Medartis' evolution.

While our worldwide core sales growth of 12% (CER) fell short of initial expectations, we made important progress in improving profitability through enhanced production efficiency and OPEX leverage. These and other initiatives allowed us to improve our core EBITDA margin from 17% in 2023 to 19% in 2024.

The **US market**, which represents our most significant growth opportunity, delivered a 17% increase in core sales — outpacing market growth by a factor of three. Despite this strong performance, we recognise the need to further strengthen our position and sharpen our approach in this crucial market. Under the leadership of our new US President, David Thoni, who joined in January 2025, we are implementing significant changes to enhance distribution channels and commercial effectiveness. We are optimising our independent sales network to focus on partners dedicated to upper extremities and the Medartis brand.



Marco Gadola
Chairman

A comprehensive review of our 57 distribution partners, launched in November, has already achieved 30% of planned adjustments, with remaining changes to be implemented in the upcoming quarters.

Keri Medical's success continues

Our **EMEA region** maintained its strong momentum with 17% growth, demonstrating our ability to expand even in markets where we hold leading positions. This success is partially due to the success of Keri Medical. Building on the EMEA success story, we are preparing the US launch and expect the TOUCH prosthesis to be launched by the third quarter of 2025 at the latest.

The recent launch of Keri Touch in Australia has exceeded expectations, with strong demand from both existing and new surgeons confirming its value as an important addition to our upper extremity portfolio with its potential for driving cross-selling opportunities.

Besides Australia, we see the greatest future growth potential in Japan, where we are in the midst of our transition to sell directly through our Japanese subsidiary. The strengthened franchise now covers both lower and upper extremities. In parallel, we are expanding our product offering to include sterile and non-sterile options while establishing a strong educational foundation through our academic partner, the International Bone Research Association (IBRA).

Concurrent with this Annual Report we announced the acquisition of a 51% stake in NeoOrtho. This investment will significantly strengthen our position in **Latin America** and marks our entry into the attractive value segment in emerging markets. This move is particularly significant as it enables us to implement a multi-tiering strategy in markets where we currently address only between 10-20% of the total market with our Medartis premium brand. While our initial focus is on Latin America, we see attractive potential for additional geographical expansion in the future.

In November 2024, we welcomed Matthias Schupp as our new CEO. His extensive experience in both emerging and developed markets and his proven track record in driving growth, commercial effectiveness, customer centricity, team development and successful business integration position him well to lead Medartis during our next phase of development.

For 2025, we expect to deliver core revenue growth in the range of 13-15% along with a high teens core EBITDA margin, assuming no significant currency fluctuations. We expect to return to solid growth in all our regions. We are also enhancing our sustainability practices, as reflected in our advisory vote on our Sustainability Report at the upcoming Annual General Meeting on 25 April, 2025, in Basel. Like last year, we will hold the assembly in person, underscoring the importance we place on direct exchange with you, our valued shareholders.

A word of thanks

On behalf of the entire Board of Directors and the Executive Management Board, we would like to thank our former CEO, Christoph Brönnimann, for his dedicated and successful leadership over the past five years and wish him success in his future career. Thanks are also due to our customers, particularly our design surgeons, research and training partners, and IBRA fellows, who continue to play a crucial role in maintaining our position as an innovation leader in our industry.

Our sincere appreciation goes to our employees for their dedication and hard work, especially during the leadership transition.

Finally, we express our appreciation to you, our shareholders and partners, for your continued trust and constructive engagement. We look forward to meeting many of you at our Annual General Meeting and continuing our dialogue throughout the year.

Yours sincerely,

Marco Gadola
Chairman

Matthias Schupp
CEO

Basel, March 2025

Management Report



Business Review

Medartis reported total sales of CHF 224.8 million for the full year 2024, representing growth of 8.5% at constant exchange rates (CER). Core sales increased 11.7% and reached CHF 219.6 million. EMEA and US operations emerged as key growth drivers, with both regions growing 17%. Thanks to this double-digit topline growth, the company's core EBITDA margin surged from 17.1% to 19.0%. Based on this momentum and with the help of further growth initiatives, Medartis' management expects core sales growth to accelerate to between 13-15% in 2025.

SALES DEVELOPMENT BY REGION

Core sales in CHF million	FY 2024	FY 2023	Change in CHF	Change at CER
EMEA	122.8	106.5	15.4%	17.0%
US ¹	47.1	41.1	14.7%	17.3%
APAC	31.1	31.5	-1.3%	1.2%
LATAM	18.5	22.2	-16.5%	-10.8%
Total Group	219.6	201.2	9.1%	11.7%

¹ Core growth excluding the NSI contract manufacturing business

Medartis delivered again substantial growth across its **EMEA** business in 2024, achieving a 17.0% increase in sales for the full year. Sales reached CHF 122.8 million, representing 56% of total Group revenue. The company delivered consistent performance across both half-year periods, with balanced growth across geographic markets and its three business areas. All subsidiaries achieved double-digit growth rates, while each product unit grew by more than 15%. The second half of 2024 saw particularly strong results in Spain, Poland and the UK. The distributor markets maintained steady progression with single-digit growth, primarily due to political unrest and the war in the Middle East.

Across product segments, the Upper Extremities segment delivered strong results, driven by Medartis' wrist solutions and Keri Medical's portfolio. Sales of the TOUCH prosthesis nearly doubled compared to the previous year, driven by strong adoption among new surgeons and increased procedure volumes from existing users. The Keri Medical distribution business in Germany, Austria and the UK contributed one-third of the overall growth. The Lower Extremities division also saw significant growth, led by the Ankle Trauma system and CCS screw portfolio. The Head surgery segment progressed well through

new customer acquisition and the successful migration of existing customers from the Modus 1 to Modus 2 system. The EMEA performance is particularly notable as it generates strong cash flow that supports strategic development in new markets and customer acquisition.

SALES DEVELOPMENT BY PRODUCT CATEGORY

Core sales in CHF million	FY 2024	FY 2023	Change in CHF	Change at CER
Upper Extremities	148.2	137.2	8.0%	10.5%
Lower Extremities	40.7	35.4	14.8%	17.9%
CMF and Others ¹	30.7	28.6	7.4%	10.5%
Total Group	219.6	201.2	9.1%	11.7%

¹ Core growth excluding the NSI contract manufacturing business

Medartis records double-digit US growth and strengthens elbow portfolio

Medartis' core business in the **US** achieved growth of 17.3% (CER) with sales reaching CHF 47.1 million (total sales: CHF 52.4 million), growing at approximately three times the market rate. As expected, the company's contract manufacturing business declined to CHF 5.3 million (2023: CHF 10.8 million), with these services being discontinued in the future to focus US production capacity on Medartis products.

The company recorded double-digit growth across its product categories, with particularly strong performance in the CCS screw line and intramedullary nail. Field Orthopaedics' intramedullary nail portfolio has effectively complemented Medartis' hand portfolio, providing surgeons with additional fixation technology options. The distribution of Keri Medical products further contributed to this positive development. In a strategic move to strengthen its elbow portfolio, the company also announced the acquisition of the Avenger Radial Head System, an elbow prosthesis, from In2Bones Global, Inc., a wholly owned subsidiary of CONMED Corporation. With this acquisition, Medartis expands its capabilities in the upper extremities segment by adding joint replacement options to its existing reconstruction solutions for elbow procedures. Commercial distribution in the US market commenced in March 2025.

The company appointed David Thoni as the new US President and member of the Executive Board in late 2024, and he took office in January 2025. Under his leadership, Medartis initiated a comprehensive review of its fifty-seven distribution partners. In upper extremities, the company will focus on dealers exclusively dedicated to the Medartis brand. To date, the review has achieved half of the planned adjustments, with the remaining changes to be implemented in H1 2025. This strategic realignment aims to position Medartis for sustainable growth in the world's largest orthopaedic market.

The **APAC region** achieved sales of CHF 31.1 million in 2024, representing modest growth of 1.2% (CER). In Australia, persisting challenging market conditions led to slightly declining sales despite further volume gains. The last of three mandated price adjustments in the private health sector impacted the company's performance in 2024, with the final cut taking effect in July 2024. To counter this negative price effect, Medartis successfully launched Keri Medical's TOUCH prosthesis, which garnered strong interest from both existing and new surgeons. Due to the strong demand from surgeons for the first surgeon training programme in the third quarter of 2024, the company has begun the second wave of training in February 2025.

In Japan, the company continued its transition to direct sales operations. Under the new leadership of Kenyu Kobayashi, an experienced Japanese General Manager, well-versed in the local orthopaedic market, the company is now expanding its sales and operations teams while strengthening both upper and lower extremity franchises. The offering includes sterile and non-sterile options, backed by an educational programme through IBRA partnership. Finally, distributor sales in the greater APAC region developed well, with only Korean hospital staff strikes affecting the otherwise good performance. After a period of muted growth in the region, the company expects to return to a stronger performance in 2025, as the price effects in Australia will annualise by the middle of the year and the first positive effects of the business transition in Japan should become visible.

LATAM sales decreased by -10.8% (CER) to CHF 18.5 million due to challenging market conditions. Brazil, which represents approximately half of regional revenue, experienced a double-digit decline. This was driven by consolidation in the private insurance sector leading to increased reimbursement pressure, particularly affecting the premium segment for CMF procedures. Management implemented strategic measures at year-end, including price positioning reviews and tender contract renegotiations. Additional headwinds included delays in new product approvals from ANVISA, Brazil's regulatory authority. Mexico reached the prior year sales level despite reduced government procurement during the election period. The company expanded its presence in distributor markets Peru and Ecuador in Q3 with the successful launch of the Modus 2 CMF product line.

Entry into the large value segment in Latin America

With the publication of the 2024 full-year results, Medartis also announced the acquisition of a 51% stake in NeoOrtho, a fast-growing value player in the Brazilian orthopaedic market. The transaction will be funded primarily through existing cash reserves and bank facilities. Completion is expected by the end of April, with full consolidation of its sales commencing thereafter. Both companies have agreed on a clear path for Medartis to increase its ownership to 100% by 2028/29. The investment marks a strategic entry into the attractive value segment in Latin America, which currently accounts for an estimated 70-80% of the total market. NeoOrtho specialises in trauma, CMF and spine implants, with a focus on making tested surgical solutions more accessible to a broader population through competitive pricing in public hospital tenders. This acquisition is significant as it enables Medartis to implement a multi-tiering strategy in markets where its premium brand currently addresses only a limited segment of the total market. As part of the transaction, Medartis is acquiring a state-of-the-art modular production facility, scheduled to commence operations by the end of 2025. The strategic partnership also outlines opportunities for additional geographical expansion in the future.

FINANCIAL PERFORMANCE

This media release and other investor and financial press communications include Alternative Performance Measures (APMs). The Medartis management uses these metrics to assess Medartis' financial and operational performance, providing a complementary perspective to standard financial figures as defined by IFRS. These APMs exclude one-time effects and intangible asset amortization from M&A projects that could distort understanding of the company's ongoing operating performance.

In H2 2024, Medartis received an insurance payment of CHF 4.8 million to cover costs related to a cyber attack incident in summer June 2023. This payment was recorded under 'other operating income'. As previously communicated, Medartis released contingent consideration of CHF 6.9 million related to the NSI acquisition due to revised sales projections for the acquired technologies. Both unexpected gains were excluded from core financial metrics. In connection with the reassessment of these technologies, Medartis recognised an impairment charge of CHF 17.9 million in 'Research and development' and the book value of these intangible assets are now completely written off. 'Other provisions' include costs associated with the CEO transition (recruitment, contractually guaranteed salary continuation payments). These special costs, along with the contribution from the NSI third-party business (scheduled for phase-out in the future), have been excluded from the core results to provide a more accurate comparison of the recurring business performance. The following comments compare the core results for 2024 with those of the previous year.

Medartis demonstrated improved profitability in 2024 across key financial metrics. Core **gross profit** decreased by 0.1PP (+0.3PP excluding FX effects), and the corresponding margin reached 82.8% - a high level compared to industry standards. This improvement was driven by a combination of higher sales and efficiency improvements in manufacturing. The reported gross profit increased just 6.6%, impacted by dilution of the third-party manufacturing activities and a one-time inventory write-off of CHF 2.3 million related to these products.

Operating expenses (OPEX) increased in line with the company's growth strategy. Distribution costs as a percentage of sales decreased from 48.3% to 46.4%. In 2024, the company invested primarily in sales, marketing and medical education programmes in the US. Logistics costs improved through enhanced cost control and efficiency gains. Excluding the aforementioned impairment charge, core R&D expenses remained fairly stable at CHF 24.6 million or 11.2% of sales. The share of the results from the associated company Keri Medical increased by slightly more than CHF 1 million.

Operational performance strengthened significantly, with core **EBITDA** increasing from CHF 34.3 million to CHF 41.7 million and the respective EBITDA margin surging 1.9PP from 17.1% to 19.0%. The core **EBIT** margin also improved 3.4PP to 9.5% achieved through disciplined cost management, operational efficiencies, and a strategic focus on higher-margin product lines.

Core **net profit** increased from CHF 4.2 million to CHF 11.4 million, supported by an improved financial result. Basic earnings per share increased from CHF 0.35 to 0.92. Free cash flow improved due to higher operating cash flow (+CHF 12.1 million) and despite inventory increasing by CHF 10.8 million, primarily attributed to set investments to drive future growth. Combined with net proceeds of CHF 112.4 million from the convertible bond placement in April, the company's **cash position** strengthened from CHF 25.2 million to CHF 138.7 million at year-end. These additional funding will be used for general purposes and to acquire the remaining shares in Keri Medical, where Medartis currently holds a 47% stake.

FULL-YEAR 2025 OUTLOOK

(barring any unforeseen circumstances)

Medartis expects to strengthen its market position in the US in 2025, while making gradual progress in Japan and Australia. Based on these assumptions, the company expects organic growth in core sales² of 13-15% in 2025. The company further expects to maintain its core EBITDA margin in the high teens, reflecting planned investments in growth initiatives and the strategic expansion of the TOUCH product portfolio in the US and Australian markets.

² Excluding sales from NSI contract manufacturing business and other M&A.



Annual Highlights

2024 was another momentous year for Medartis, filled with many milestones and significant achievements. We invite you to explore the highlights of this eventful year.



March

To better support Medartis' EMEA subsidiaries, the EU Hub in Umkirch, Germany, was significantly expanded in the second half of 2023 and linked more closely to the supply chain system at the company's headquarters in Basel in early 2024. The expanded premises, which have more than tripled in size to 1,100 square metres, provide all departments with convenient

working space and unrestricted movement, from finished goods warehouse and marketing and congress material to loan service and new set installation. All implants and sets for the EMEA markets are shipped from Umkirch.

April

Industry Night Basel offers a unique look at the diverse and fascinating workplaces in the Basel region. For one night, more than 40 companies – from a wide range of industries, from life sciences, technology and logistics to the food industry – offer exciting insights into their work, corporate culture and history. Industry Night 2024 inspired around 14,000 people and almost 1,000 people of all ages visited Medartis. Specialists from all departments delighted visitors with insights into the world of anatomy and osteosynthesis, product presentations, hands-on workshops and guided tours of the production facilities and the IBRA Institute.



March

Medartis, the official distributor of Keri Medical products in Germany, Austria and the UK, has reached a significant milestone: a total of 10,000 TOUCH prostheses have been implanted since the acquisition of the distribution rights in 2021 (pictured: Dr Thomas Krohn, St. Franziskus-Hospital Ahlen, and Dr Tobias Lutz, Chirurgie Bad Schwartau). This achievement underscores the quality of the

endoprosthesis and marks a true paradigm shift in hand surgery: patients quickly regain a high degree of range of motion, are pain-free and the time to return to normal is comparatively short. It also reflects Medartis' commitment to becoming a one-stop-shop for hand and wrist solutions.

April

In April 2024, Medartis successfully placed its first convertible bonds, raising CHF 115.8 million with maturity in 2031. The bonds carry a 3.0% annual coupon and an initial conversion premium of 27.5%. The placement attracted a wide range of international investors. The bonds are listed on the Open Market of the Frankfurt Stock Exchange. This marked Medartis' first use of convertible bonds as a financing instrument, enabling the company to attract an additional investor base in both convertible and fixed-income markets. The company will use the additional liquidity to finance acquisitions and for general funding purposes in Medartis' core business.





June

For the second time, a delegation from Ascend Indiana, an education and economic development network in the US state of Indiana, visited Medartis headquarters in Basel to gain valuable insights into Swiss education and training practices. Switzerland's dual education system has gained a global reputation as an excellent example of how to successfully develop young

talent. As part of this network, Medartis also has plans to position itself as a competitive training centre, with the aim of conducting exchange programmes with its subsidiary Medartis Inc. in Warsaw, Indiana, for the training of technicians and specialists in the future.

October

Since Medartis moved into the Stücker Business Park, Basel, as an anchor tenant in 2009, sales have more than quadrupled and space has become a precious commodity. Expanding production requires forward-looking planning, both in terms of machine utilisation and controlling the flow of goods, but also in terms of reconciling continuous expansion with ongoing production. This year, Medartis has again commissioned three new systems in screw production and two in plate production, as well as adding two packaging systems. At the same time, the US subsidiary in Warsaw, Indiana, is also continuing to develop its know-how and machinery.



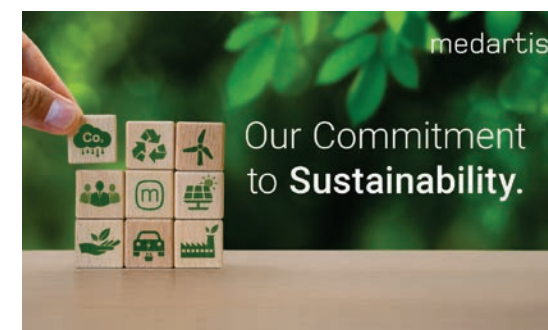
August

Medartis has received approval from TÜV Rheinland to package sterile products in its own cleanroom at its headquarters as of the end of August 2024. This validation marks another important step in the strategic alignment of production in Basel and increases the internal vertical range of manufacture. By insourcing the sterile packaging process, Medartis will be able to significantly reduce lead times and make

production planning more flexible. The process will also become more cost-efficient, leading to further competitive advantages. The aim of the project is to package 70% of all implants (both sterile and non-sterile) internally by spring 2025.

December

Medartis takes its corporate responsibility seriously and wants to make an active contribution to limiting global warming to 1.5 degrees in accordance with the Paris Climate Agreement. To this end, a roadmap with around 30 measures to reduce emissions by around 60% by 2033 has been submitted to the Science-Based Target Initiative (SBTi), the world's largest initiative for voluntary corporate climate targets, for validation. These include converting to renewable heat and electricity, improving energy efficiency, making employee mobility and business travel more environmentally friendly, and reducing upstream and downstream emissions by working closely with suppliers.



Innovations

Since its foundation, Medartis has represented Swiss-engineered, high-tech innovation focused on addressing unmet clinical needs. Medartis is dedicated to developing advanced implant solutions for medical professionals, with the goal of enhancing patient treatment and restoring quality of life. The company prioritises the development of procedure- and anatomy-specific devices that, in collaboration with customers, lead to superior treatment outcomes. Medartis continually expands its product and

service offerings to increase convenience, boost efficiency and add value, comfort, and security for both customers and patients. Emphasising precise planning, meticulous engineering, and high-quality manufacturing, Medartis is committed to becoming a leader in craniomaxillofacial (CMF) and extremities treatment through innovation, clinically validated research, differentiated solutions and service excellence. Key market entries for 2024 are highlighted below.

Hand New Generation

Indication: Fractures, osteotomies and arthrodesis of the hand.

Benefit: Hand New Generation sets a new standard with the smallest locking plate mechanism in 1.2 mm for articular fractures of the phalanges and metacarpals. The plate range has been streamlined and new indication-specific implants with TriLock Plus technology are included.

Portfolio relevance: New standard of care in the treatment of hand fractures.

Release: Market launch expected in Q2 2025 in Europe



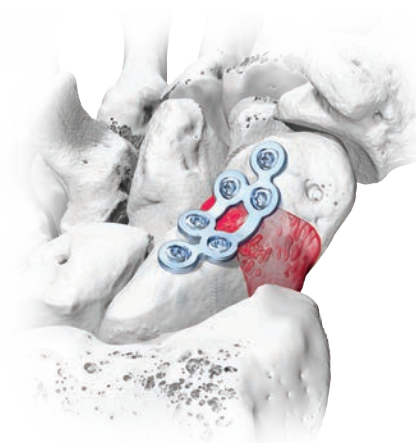
Scaphoid System

Indication: Treatment of primary non-unions after previous conservative or operative treatment.

Benefit: The design and internal fixator principle of these locking plates allow the treatment of multi-fragmentary, complex or very distal fractures of the scaphoid. Three plate options offer improved anatomical fit to respond to the large variability in size and shape of the scaphoid.

Portfolio relevance: Scaphoid plating set that is combined with 1.2–3.0 mm CCS screws to treat all scaphoid fractures with one system.

Release: Q2 2024



Dorsal Olecranon

Indication: Fracture patterns of the proximal ulna with a specific focus on coronoid support.

Benefit: The anatomically designed, simple and easy-to-use solution offers stable fixation for a wide variety of fracture patterns of the proximal ulna.

Portfolio relevance: Completes the Elbow portfolio, complementing the existing double-plate solution, and offers the most comprehensive treatment options for elbow fracture surgeries.

Release: Q2 2025

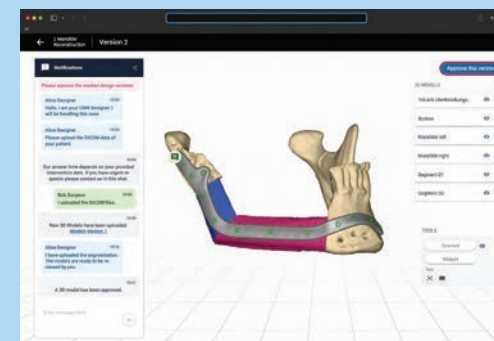


CMX Service – Personalised patient solutions

Indication: Congenital deformities and malunion of fractures in the extremities; fractures and tumours in the cranio-maxillofacial skeleton.

Benefit: Integrated online service available from the start of planning through to surgery, including post-operative follow-up.

Portfolio relevance: Enhanced service solution to improve patient outcomes in complex surgical cases; seamless integration with Medartis' full implant portfolio and expanded custom-made implant range.



CCS Metacarpal

Indication: Transverse and short oblique diaphyseal or metaphyseal fractures of the metacarpals and phalanges.

Benefit: Highly effective method for intramedullary treatment of metacarpal and phalangeal fractures. No need for stripping the periosteum, which allows minimal devascularisation and the possibility of immediate motion.

Portfolio relevance: Offers new, effective treatment options to our patients and customers.

Release: Q2 2024



CCS 2.2/3.0/4.0

Indication: Fractures, osteotomies and arthrodesis in the extremities.

Benefit: Offering options with headed and non-headed cannulated screws and selectable thread lengths for indication-specific treatments.

Portfolio relevance: Strengthens the Medartis plate portfolio with additional treatment options.

Release: Q2 2024



Medartis and IBRA: Enhancing Surgical Expertise

The International Bone Research Association (IBRA) leads a global network dedicated to advancing research and providing continuing medical education for healthcare professionals specialising in extremity and CMF surgery.

The partnership between Medartis and IBRA aims to provide scientifically based treatment solutions and high quality products for the benefit of patients. The close proximity of the two organisations in Basel enables direct collaboration between specialists and thought leaders through training courses, workshops and seminars.

Founded in 2004 in Zurich, Switzerland, IBRA is a non-profit organisation with an international focus. It provides an innovative environment that supports the advancement of musculoskeletal research, medical education and career development.

IBRA's key highlights in objectives and focus areas:

- Commitment to education: IBRA prioritises education through specialised hands-on courses, strategic collaborations with renowned medical societies such as EFAS (European Society for Foot & Ankle Surgery) or SFAS (Swiss Foot & Ankle Society), and active participation in key international congresses such as the ASSH (American Society for Surgery of the Hand) Annual Meeting, or the EACMFS (European Association for Cranio Maxillo Facial CMF Surgeons).
- Establishment of global IBRA Training Centers: IBRA has established a worldwide network of Training Centers, offering a combination of online and in-person medical education activities, alongside international scholarship programmes to ensure accessible, high-quality learning opportunities.

- Creation of an international membership network: IBRA is committed to cultivating an international network of members, fostering individual career development, enhancing professional profiles, and promoting a culture of peer-to-peer learning and collaboration. In 2024, IBRA held 53 courses all over the world. The total number of members increased by 25.5% from 3,087 members in 2023 to 3,876 members in 2024.

IBRA Institute in Basel: A leading center for surgical training, education, and research

On 25 September 2024, IBRA celebrated its 20th anniversary. Since its founding in 2004, the association has become a leading organisation in the field of medical education. Over the past two decades, significant progress has been made, with innovative projects launched and international collaborations established.



This milestone was celebrated with the successful simultaneous execution of three courses, one for each segment in which IBRA is active: Upper Limbs, Lower Limbs, and CMF. These achievements would not have been possible without the dedication of all members and partners.

The IBRA Institute offers a wide range of opportunities:

- Education and training: Serving as a center for healthcare professionals to develop and refine their anatomical knowledge and surgical skills.
- Research and development: Acting as a catalyst for medical research and innovation and providing a facility to gain valuable insight into the development of new treatments.
- Technological advancements: Introducing innovative features, including a simulator that allows the study and analysis of the biomechanical mechanisms behind bone fracture, leading the way in testing and training with new technologies and treatment approaches.
- Medical device testing: Ensuring the safety and effectiveness of new medical implants during the development process.

The addition of a state-of-the-art bioskills laboratory is fully in line with IBRA's mission to advance education, research and innovation, and reflects its commitment to providing healthcare professionals with leading-edge facilities and equipment for years to come.

Dedication to high standards in education

At IBRA, the dedication to educational excellence and continuous improvement is supported by surveys completed by each course participant. These surveys play a vital role in IBRA's quality assurance process, as required by recognised accrediting bodies

such as ACCME (Accreditation Council for Continuing Medical Education) in the USA and EACCME (European Accreditation Council for Continuing Medical Education). Compliance with these standards allows IBRA to offer scientifically sound programme content and to grant continuing medical education credits to participants. The comprehensive surveys conducted throughout 2024 have provided valuable insights, demonstrated high levels of participant satisfaction and offered constructive feedback.

Expanding IBRA's global reach: Introduction of new Training Centers in 2024

IBRA's network of Training Centers is essential to providing widespread education and support on a global scale. These centers not only host participants from around the world for educational programmes but also serve as key representatives of IBRA for their respective regions, contributing significantly to the organisation's success and reach.

It is exciting to announce the addition of four new Training Centers in 2024, located in four different countries. These include distinguished institutions such as Amphia Orthopedic Surgery in the Netherlands and Auckland/Counties Manukau District Health Board in New Zealand. The new additions reinforce IBRA's commitment to expanding its educational impact, fostering global collaboration and strengthening its international presence.

Enhanced accessibility: Simplified IBRA membership registration process

Within IBRA, three levels of membership are available to professionals in the field of CMF, upper and lower limbs surgery.

- IBRA Basic Membership: Foundational membership providing global networking opportunities, event updates, and access to the IBRA Virtual Campus with online learning resources – free of charge.

- IBRA Full Membership: Enhanced benefits, such as priority access to research grants, reduced course fees, voting privileges and exclusive development opportunities.
- IBRA Premium Membership: Reserved for surgeons who make a significant contribution to the IBRA faculty or serve as board members, offering all the benefits of Basic and Full Membership.

The Full Membership application process has been designed to ensure greater accessibility for potential members worldwide. With a simple registration process on the IBRA website, it aims to better reflect the association's commitment to inclusivity and accessibility, while creating more opportunities for talented surgeons around the world.



Anniversary course on the hand: Course participants at the IBRA Institute focusing on advanced surgical techniques for wrist and elbow pathologies.



Sustainability Report

22	Letter from the Chair of Sustainability
24	Worldwide presence
25	Business model and value chain
31	Materiality analysis
38	Sustainability strategy
51	Sustainability Performance Report (GRI)
72	Key sustainability figures
77	TCFD Report



Letter from the Chair of Sustainability

Dear shareholders, dear readers,

Medartis approached climate action through two strategic lenses in 2024: assessing the company's impact on climate change and evaluating climate-related risks to business operations and long-term resilience.

TCFD and SBTi

In 2024, Medartis has committed to actively contribute to the global effort to limit global warming to 1.5°C, in line with the Paris Climate Agreement. To achieve this, the company has developed a comprehensive roadmap with around 30 measures and targets to reduce emissions. These targets have been submitted for validation to the Science-Based Target Initiative (SBTi), the world's leading initiative for voluntary corporate climate targets.

Key actions include the transition to renewable heat and electricity, improving energy efficiency, promoting environmentally friendly employee mobility and business travel, and reducing upstream and downstream emissions (Scope 3) by working closely with suppliers. Medartis is committed to reducing its CO₂ emissions by approximately 60% by 2033 compared to 2023 levels, with these climate targets subject to external verification to ensure transparency and accountability.

A significant milestone in 2024 was the full implementation of Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This achievement underlines the company's commitment to address the risks and opportunities posed by



climate change through enhanced transparency and strategic planning.

The TCFD framework has been instrumental in embedding climate change considerations into Medartis' governance, strategy, risk management and performance metrics. Through scenario analysis, the company has assessed how different climate trajectories could impact its operations and supply chain. This rigorous assessment has strengthened Medartis' resilience to climate-related risks and uncovered opportunities for innovation in a low-carbon economy.

Medartis continues to look at climate change from both an inside-out and outside-in perspective, reflecting a comprehensive approach to sustainability and resilience in a rapidly changing world.

Highlights 2024

As we strengthen our organisation to keep pace with increasing sustainability reporting obligations, we are also proud of the real achievements we made in 2024. In the Netherlands, through our partnership with GreenCycl, we launched a pilot project to recycle PET packaging from medical waste, contributing to a circular economy. We also completed the full transition to LED lighting at our Basel headquarters, reducing lighting-related energy consumption by 60% and cutting CO₂ emissions. In Brazil, our employees led high-impact sustainability campaigns, including plastic waste reduction and donations to vulnerable communities. In addition, Medartis introduced a new Global Corporate Compliance Policy, which is aligned with the highest ethical standards and covers anti-corruption, antitrust and other key compliance areas. These various initiatives underline our commitment to responsible growth and innovation in the area of sustainability.

Medartis also reaffirmed its commitment to being a partner to its employees. Initiatives like the 360° leadership feedback program, the launch of a new coaching program or the global celebration of our first Pride Month are lively accounts of the ongoing culture journey, while an 85% response rate to the engagement survey reflected strong trust and inclusivity.

Priorities for 2025

In 2025, we will focus on conducting a comprehensive Life Cycle Assessment (LCA) to gain a deeper understanding of the environmental impacts of our products.

Another key priority will be to improve overall data quality to ensure a more accurate and reliable basis for our sustainability efforts, and to review our Double Materiality Analysis (DMA).

We will also continue to implement measures to reduce our greenhouse gas emissions to ensure we meet our ambitious science-based targets by 2033.

Kind regards,

Nadia Tarolli Schmidt

Member of the Board of Directors

Chair of Finance & Audit Committee and Sustainability delegate

SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

ABOUT THIS SUSTAINABILITY REPORT

In 2024 we have aligned our reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, this Sustainability Report follows the Swiss Code of Obligations for non-financial reporting according to article 964b. As in the previous year, we continue to report in reference to the GRI reporting framework.



Worldwide presence

globally diversified business

North America (US)

United States
of America

21.5%
Revenue share

47.1m
CHF

17.3%
Growth in CER



LATAM

Argentina
Brazil
Chile
Colombia
Costa Rica
Mexico

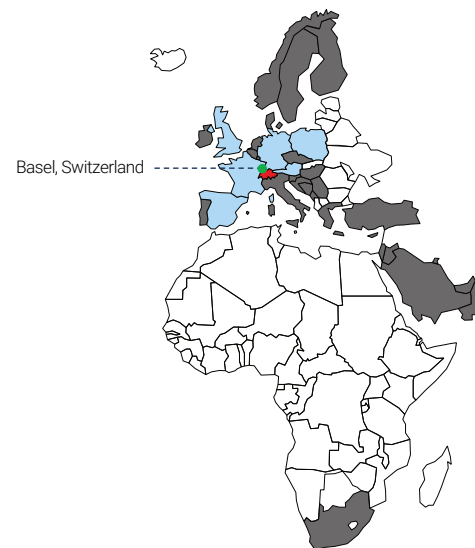
8.5%
Revenue share

18.5m
CHF

-10.8%
Growth in CER



- Headquarters
- 12 subsidiaries
- 40+ countries with distribution partners
- Production



EMEA

Austria	56%
Bahrain	Revenue share
Belgium	
Bosnia & Herzegovina	122.8m
Croatia	CHF
Cyprus	17.0%
Czech Republic	Growth in CER
Denmark	
Finland	
France	
Germany	
Greece	Oman
Hungary	Poland
Ireland	Portugal
Israel	Qatar
Italy	Serbia
Jordan	Slovenia
Kingdom of Saudi Arabia	South Africa
Kuwait	Spain
Lebanon	Sweden
Luxembourg	Switzerland
Netherlands	Turkey
Norway	UAE
	UK

APAC

Australia	14%
Hong Kong	Revenue share
Japan	
Malaysia	31.1m
New Zealand	CHF
Singapore	1.2%
South Korea	Growth in CER
Thailand	

SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

Business model and value chain

Founded in 1997 and headquartered in Basel, Switzerland, Medartis is the global innovation leader in osteosynthesis implants for cranio-maxillofacial, upper and lower extremity surgery. The company employs approximately 950 people at its 13 locations and offers products in over 50 countries worldwide. A painless return of the patient to everyday life without physical restrictions is the driving force behind Medartis' activities.

Leading innovations have characterised Medartis since its founding. A team of industry-experienced osteosynthesis innovators has developed a new generation of technologies for bone fixation comprising the TriLock technology, which is used to lock screw heads and provides the smallest multidirectional locking system on the market; the HexaDrive technology, which ensures that screws remain fixed to the screw driver; and the SpeedTip technology, which features self-drilling screws that make pre-drilling unnecessary. The "CMX" digital planning solutions have been part of the Medartis offering since 2020. They support the planning and execution of complex procedures with patient-specific 3D printed guides and bone models as well as patient-specific implants.

Medartis has continuously expanded its network to over 50 countries in Europe, North and South America, the Middle East, Africa, Asia and Australia. In addition to its headquarters in Basel and its operations in its home market of Switzerland, Medartis has 12 wholly owned subsidiaries in the following countries: Germany, Austria, France, UK, Spain, Poland, USA, Australia, New Zealand, Japan, Mexico and Brazil.

Medartis is committed to ensuring the well-being of patients by providing surgeons with innovative, high-quality and user-friendly solutions to improve surgical outcomes. To address new indications and stay at the forefront of innovation, the company

works closely with leading surgeons around the world and is constantly expanding its network. With a highly qualified team of expert trainers, Medartis ensures that regional sales managers are always fully informed about the company's innovations and can therefore offer surgeons the best possible support when selecting implants and solutions.

Medartis' DNA is Swiss and the company stands for cost-effective Swiss quality. Its headquarters, main R&D and manufacturing facilities are all under one roof in Basel, where lean manufacturing and the use of robotics enable highly automated 24/7 manufacturing processes. An additional development and manufacturing site in Warsaw, Indiana, USA was acquired in 2022 to accelerate growth in the focus market of the USA.

The orthopaedic medical device market is a significant segment within the broader healthcare industry, with an estimated global value of approximately USD 60 billion, and includes devices and treatments for injuries and conditions of the upper and lower extremities, including shoulders, elbows, wrists, hands, hips, knees, ankles and feet. This market is characterised by its diversity, covering a wide range of orthopaedic conditions and procedures.

Within this expansive market, Medartis has strategically positioned itself in three attractive sub-segments, namely small joint trauma, degeneration and cranio-maxillofacial (head) surgery. Together, these sub-segments account for approximately a quarter of the overall market. These areas offer attractive opportunities due to their large market shares and growing demand for innovative solutions. Demand for solutions for small joint trauma and degeneration is growing, driven by factors such as an ageing population, increased sports-related injuries and a rise in Musculo-skeletal disorders and joint arthritis. The fragmented nature

of this segment creates opportunities for innovation, allowing companies such as Medartis to introduce novel products and gain market share.

Medartis competes in a dynamic market alongside industry giants such as Johnson & Johnson, Zimmer Biomet, Stryker, Smith & Nephew, Arthrex, Acumed and numerous smaller companies. While these competitors pose significant challenges, Medartis is leveraging its product portfolio and focus on innovation to gain a competitive position in the market. Advances in medical technology include the development of minimally invasive surgical techniques, 3D printing for personalised implants and advanced materials for implants and prosthetics. There is a noticeable trend towards outpatient surgery for orthopaedic procedures on the extremities.

With its current portfolio, Medartis is targeting market segments with a total addressable market (TAM) estimated at USD 8.5 billion. This reflects the company's strategic focus on specific segments where it can compete effectively and gain market share.

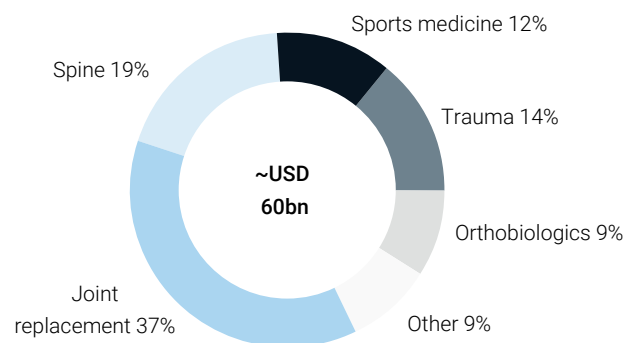
Medartis is pursuing a growth strategy and aims to achieve above-market growth in these attractive segments organically, through partnerships and through acquisitions. In this context, the company acquired a stake in Geneva-based hand specialist Keri Medical SA in December 2020 and increased its influence in several steps, currently holding 47%. This was followed in May 2022 by the acquisition of Nextremity Solutions Inc., based in Warsaw, Indiana. In 2023, Medartis also secured the distribution rights to the NX Nail portfolio of the Australian company Field Orthopaedics. With the acquisition of the Avenger Radial Head System from In2Bones in December 2024, Medartis is responding to the strong demand from US surgeons for a complete solution for treating elbow injuries. This arthroplasty solution ideally complements Medartis' own fracture plates.



Set compilation, Basel

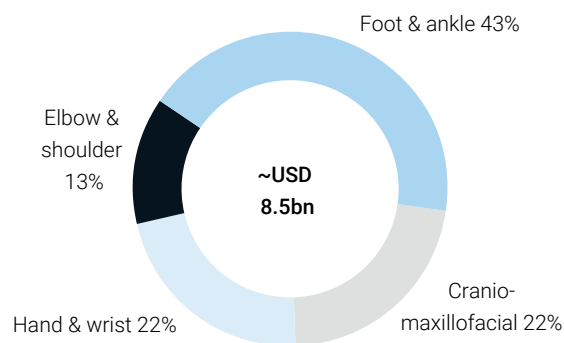
EXTREMITIES – AN ATTRACTIVE NICHE WITH ABOVE AVERAGE GROWTH

Total ortho market



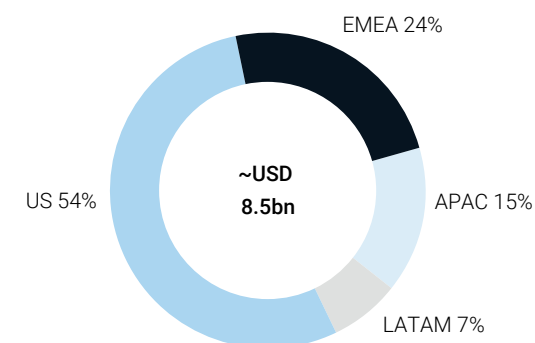
- Projected growth 2024-2030: 4.3%
- Key trends: High incidence of orthopedic disorders, growing aging population, increase in degenerative bone disease, and growing number of road accidents
- US contributes 46% of global sales with 3% growth; Europe 27% with 4.1% growth; APAC 18% with 6.7% growth, and LATAM 8% with 5% growth

Addressable market by segment



- Projected growth 2024-2032: ~7%
- Upper Extremities segment does not include shoulder replacement, elbow replacement and sports segment, which Medartis does not currently cover
- Lower Extremities segment includes F&A replacement, which Medartis does not currently cover
- In the US, Medartis does not offer CMF yet

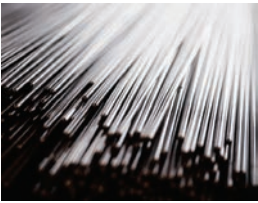
Addressable market by region



- Total addressable market for Medartis is USD 8-8.5bn, of which 54% is in US, 24% in EMEA and 22% in RoW
- Current USD market growth ca 8-11% in US, 6% in EMEA and 3-5% in APAC & LATAM. Volume growth in APAC & Latam is estimated to be high single digit
- Medartis has ca. 4% market share of the addressable market: ca 1.5% in US, ca 9% in EMEA and ca. 3.5% in RoW. In Upper Extremities EMEA, Medartis has ca. 20% market share with over 30% in Hand & Wrist

(Source: DRG, OrthoWorld, own research)

MEDARTIS VALUE CHAIN

	Raw material	Material inspection	Milling turning	Vibratory polishing	Anodisation	Semi-finished goods stock ("X articles")	Laser marking	Cleaning & packaging	Sterilisation	Warehouse/Distribution
IN-HOUSE										
Plates		●	●	●		●	●	●		●
Screws		●	●	●		●	●	●		●
Instruments and sets/trays			● Warsaw			●	●	●		●
EXTERNAL										
	●		● Instruments		●		●	● Overcapacity	● Sterile goods	
										

MEDARTIS VALUE STREAM

The following overarching value stream was an important basis for the development of Medartis' stakeholder and materiality analysis:

Value Stream	Description	Stakeholders	Materiality
Product, service idea management	-Market needs -User needs -Strategy -Educated/motivated employees	-Customers -Patients -Academy/Opinion Leaders -Employees -Shareholders	-Resources use -Workforce -Consumers and end users -Business conduct
Production (including procurement, process and product suppliers)	-Lean production -Highest quality -Local supplier -Low material and energy consumption -Educated/motivated employees	-Employees -Suppliers -NB and authorities (ISO 13485) -Environmental and industry associations	-Climate change -Resources use -Workforce -Business conduct
Worldwide approval of medical devices	-Compliance -Market access -Marketing -Globalisation strategy	-Employees -Suppliers -NB and authorities -Shareholders -Rating agencies	-Consumers and end users -Workforce -Business conduct
Distribution of the products to the countries	-Supply chain -Customs and sanctions -Safe and sustainable transport of medical devices	-Employees -Suppliers -Public accountants -Bank, insurers	-Climate change -Resources use -Workforce -Business conduct
Customer generation and support, including training of customers	-Congresses -Marketing -Direct /online communication -Sales education -Scientific publications	-Employees -Customers -Academy/Opinion Leaders -ESG & governance rating agencies	-Workforce -Consumers and end users -Business conduct
Delivering the products to the customers	-Supply chain -Safe and sustainable transport of medical devices -On Time in Full (OTIF) delivery	-Employees -Suppliers -Customers	-Climate change -Resources use -Workforce -Consumers and end users -Business conduct
Using the sets during surgery and implanting the products into the patient	-Well-trained doctors and operating room staff -Problem-free surgery -Best patient outcome -Efficient set use	-Patients -Customers	-Resources use -Consumers and end users
Reprocessing of the sets (instruments, non-sterile implants)	-Smart sterile products -Cleaning and disinfection and reprocessing guideline	-Customers -NB and authorities (IFU)	-Climate change -Resources use -Consumers and end users

Value Stream	Description	Stakeholders	Materiality
Selling the implants	-Customer service -Internal accounting -Customer feedback	-Employees -Customers	-Workforce -Consumers and end users -Business conduct
Disposal of waste (packaging of products)	-Packaging material handling -Waste of sterile products	-Customers -Environmental associations	-Climate change -Resources use -Consumers and end users
Reordering used products	-Close customer communication -Customer service -Internal accounting	-Employees -Customers	-Workforce -Consumers and end users -Business conduct
Customer feedback on service and product quality	-Product complaints -Service complaints -Feedback and new ideas	-Customer -NB and authorities -Employees -Academy/Opinion Leaders -Media representatives	-Workforce -Consumers and end users -Business conduct
Annual Reporting	-Prepare and publish yearly report with all performance on financial and non -financial data	all	all

SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

Materiality analysis

In 2023, Medartis fundamentally revised its materiality analysis and has applied the principle of double materiality as a basis. This approach takes into account both the requirements of the Swiss counter-proposal (KVI) and the upcoming requirements of the CSRD.

The European sustainability reporting standards of the CSRD are compatible with the standards of the IFRS Foundation and the GRI. They follow the principle of "double materiality". This involves reporting on sustainability information that is material from a financial perspective (the focus of the IFRS standards) as well as the material impacts of a company on the environment, human rights and other social issues (the focus of the GRI standards). The principle of double materiality represents a rethinking of reporting practice, as it encourages the materiality of sustainability issues to always be considered from two perspectives (double materiality).

It distinguishes between an **inside-out perspective**, also known as **impact materiality**, in which companies identify the actual and potential positive and negative impacts of their operations on various sustainability issues, and an **outside-in perspective**, also known as **financial materiality**, which considers the opportunities and risks of sustainability issues to a company's financial position and the future viability of its business model.

Both perspectives have been taken into account in the selection of topics that are material to Medartis: An issue is considered material if it either creates risks and opportunities for business success (outside-in perspective) or if it is significant because of the impact of business activities on the environment and people (inside-out perspective).

The following principles have been considered:

- Intensified analysis and definition of relevant stakeholders and their expectations and impacts (see previous chapter)
- Analysis of the entire Medartis value stream from idea management to waste at our customers
- Analysis of Medartis' business processes based on ISO 13485:2016 process-oriented quality system (business process matrix)
- The Medartis 5 year strategy
- Context analysis and benchmarking on relevant topics in the industry in collaboration with "Swiss Climate" as an external consultant in the field of sustainability

The two views of "impact" and "opportunities and risks" were considered separately in the collection of potentially relevant topics, in order to strengthen the focus on each perspective in the selection of possible topics. Sometimes we find different terms in the two materiality matrices. Following the respective materiality classifications, we have combined the aspects from both perspectives and grouped them into topics that are material to Medartis in the context of the KVI, GRI and CSRD.

The combination of both perspectives results in the following key topics for Medartis, which have already been grouped based on CSRD Guidelines:

Climate change

- GHG emissions (impact materiality)
- GHG emissions including carbon footprint targets (finance materiality)

Resources use and circular economy

- Water and waste management (impact materiality)
- Energy (impact materiality)
- Security and use of renewable and non-renewable energies (financial materiality)
- Raw materials (financial materiality)
- Human health (financial materiality)

Workforce (own and within the value chain)

- Work safety, health protection and well-being (impact materiality)
- Health protection (financial materiality)
- Safety of employees at work (financial materiality)
- Respect the right of employees to be informed and consulted (financial materiality)
- Diversity, equality and inclusion (impact materiality)
- Gender equality (financial materiality)
- Training and further education of employees (impact materiality)
- Human rights (impact materiality)
- Respect for human rights (financial materiality)
- Management culture and leadership (impact materiality)

Consumers and end users

- Information security and data protection (impact materiality)
- Training and education of product recipients (impact materiality)
- Product quality and safety (impact materiality)

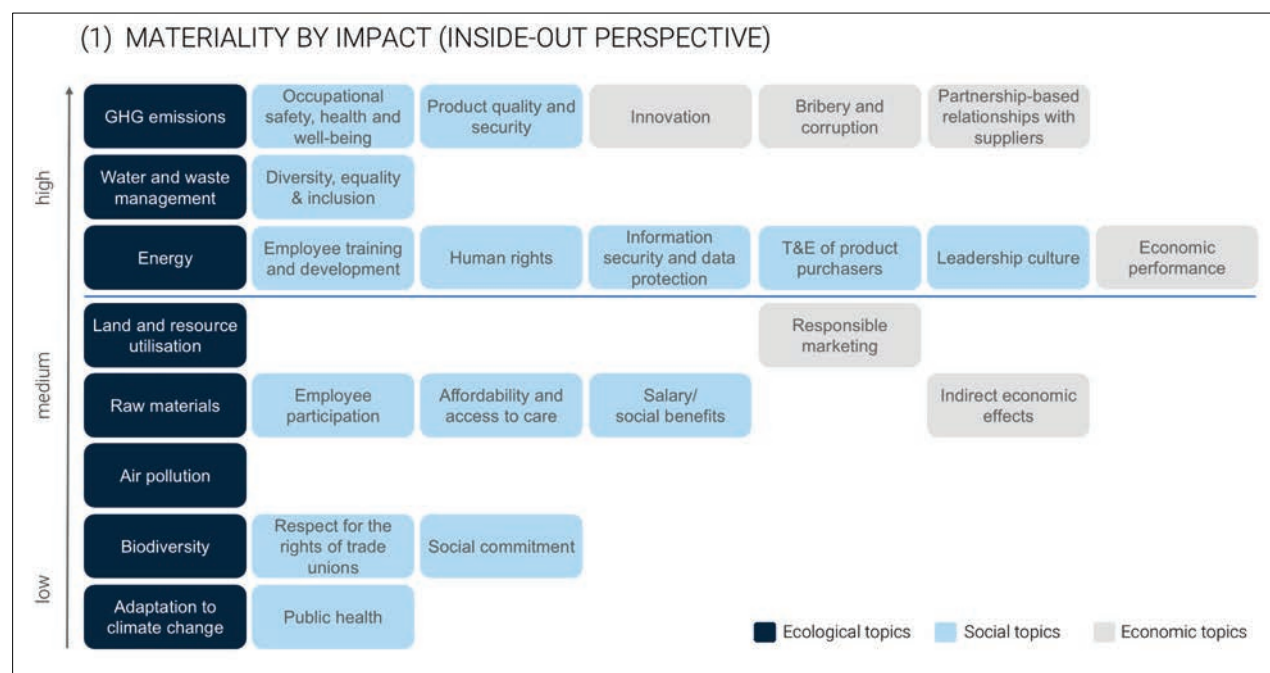
Business conduct

- Economic performance (impact materiality)
- Partnership relationship with suppliers (impact materiality)
- Innovation (impact materiality)
-

Measures to protect customers and suppliers (financial materiality)

- Bribery and corruption (impact materiality)
- Combating corruption (financial materiality)

The different wording of the individually identified topics emerged directly from the workshops. We deliberately did not adapt them in the matrix in order not to distort the process of creating the essential characteristics.



Both charts (here and next page) show the topics that are material to Medartis. The blue line marks the materiality threshold. All characteristics above this threshold are highlighted as material and discussed in detail in this Sustainability Report.

Each of the five materiality criteria has its own chapter in this Sustainability Report. The concepts and, where relevant, the related due diligence procedures are explained in more detail. This includes:

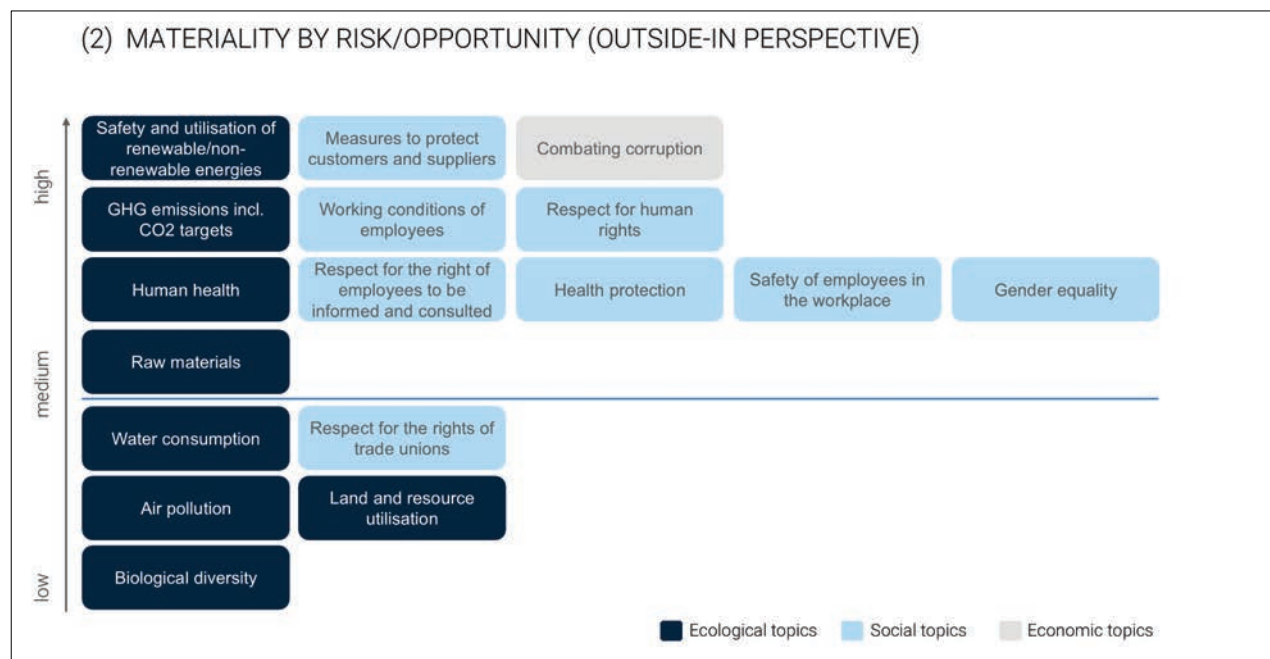
- A specific description of the impact (inside-out)
- A specific description of the material opportunities and risks (arising from our own operations and, where relevant, from business relationships, products and services (outside-in).
- A description of the measures required to implement the concepts and an assessment of their effectiveness.
- The performance indicators related to the company's activities

In accordance with the materiality analysis listed above, we have classified the CSRD standards for "Biodiversity and ecosystems", "Air pollution" and "Water and marine resources" as non-material.

Biodiversity and ecosystems are an important building block in global sustainability management. Medartis' influence is very low due to its business model and the manageability of product manufacturing. We can easily address the points that can be influenced via the key topics of "Climate change" and "Resources and circular economy".

Air pollution is also an important issue. The emissions in the production of Medartis implants are manageable, with the majority in the area of transport and travel by employees. These issues can easily be addressed through the material topic of "Climate change".

Water and marine resources are an indispensable resource for the Earth's biological balance. Medartis addresses the conservation of these resources by continuously minimising the amount of waste and discharge of wastewater. This topic is covered in the material topic "Resources and Circular economy".



Stakeholder Analysis

"Excellent organisations meet or exceed the expectations of their stakeholders" (EFQM model)

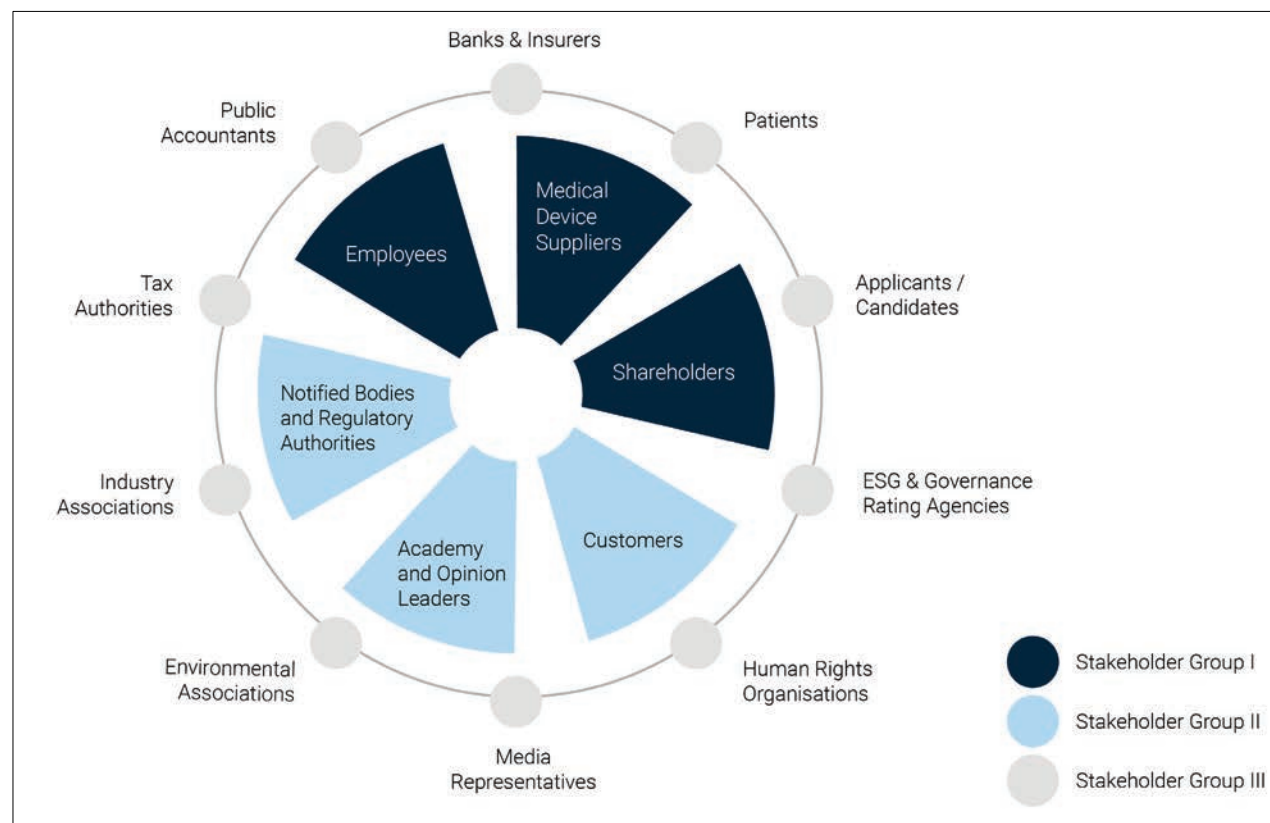
For Medartis, the involvement of all key stakeholders is crucial. With our customers, we create and deliver sustainable value propositions with our complete and innovative product portfolio. For our patients and surgeons, we provide products of the highest quality for a successful and fast recovery. In addition, the environmental and social conditions within the ecosystem in which we operate must be considered and taken seriously. It is a joint effort. We establish, maintain and develop relationships with our stakeholders based on transparency, accountability, ethical behaviour and trust. In cross-functional teams, we define our key stakeholders, identify their concerns and expectations.

Stakeholder Group I

In Group I, we represent the stakeholders who have a direct influence on our service delivery:

a) Employees

Relevance: Our employees are at the heart of everything a company does. Engaged employees tend to be more productive and perform better. When employees feel valued, motivated, and connected to their work and the company's mission, they are more likely to go above and beyond to contribute to the company's success. Investing in their skills and development further enhances their ability to perform at a high level.



Stakeholder expectations: They expect fair pay, a modern and safe workplace, flexible working conditions, targeted support by qualified leaders, further education and a positive working environment free from discrimination and exclusion.

Communication: Intensive and comprehensive communication, in particular through our internal communication APP (m-HUB), townhall and leadership meetings, as well as regular employee surveys and workshops as part of the organisation's Culture Journey, ensure ongoing active interaction with our employees.

b) Medical Device Suppliers

Relevance: Our suppliers are very important to us. Together with our in-house services, they are the most important partners in our medical device manufacturing value stream. Only with them can we guarantee our highest quality standards. We therefore place high demands on the quality and performance of our suppliers and enter into long-term partnerships with them. We attach great importance to regional sourcing, but environmental and climate protection, as well as ethical and legally sound business conduct, are also of vital importance throughout the entire supply chain.

Stakeholder expectations: In return, our suppliers expect clear specifications for their work, fair conditions, predictable orders and communication on an equal footing.

Communication: Through structured supplier evaluations and approvals, joint feasibility studies for new products and processes, regular audits, monthly performance reports and detailed annual meetings with mutual feedback (for key suppliers), we maintain an intensive exchange based on partnership.

c) Shareholders

Relevance: Shareholders have a direct influence on Medartis' business activities. They are capital providers and owners at the same time. The interest of potential shareholders and the long-term loyalty of our existing shareholders ensure our financial stability.

Stakeholder expectations: Our shareholders expect a fast-growing company that outperforms the market, gains market share, generates cash flow that exceeds its cost of capital and/or returns money to investors in the form of dividends or other means. At the same time, investors expect business activities to fulfil current ESG principles.

Communication: Regular communication with our shareholders is very important. In addition to the publication of business results twice a year, the Annual General Meeting, investor roadshows and participation in conferences are the most important pillars of our active communication with our shareholders. These are supported by detailed information for investors on our website. Ad-hoc and financial news as well as product and company news can be obtained by subscribing to our news distribution service. Our existing as well as prospect shareholders can contact us through the Corporate Communications department. Compliance issues can be reported anonymously through our whistleblower channel.

Stakeholder Group II

In Group II, we represent stakeholders who have an indirect influence on our service delivery:

d) Customers

Relevance: Customers are the starting point for all our business activities. They give Medartis its purpose. They enable Medartis' future existence and growth. Our customers provide us with input and inspiration for new products and services. Satisfied customers are the starting point for a sustainable future for Medartis.

Stakeholder expectations: Our customers expect the highest product quality, the best service and expert support. They want a system that guarantees a smooth and efficient surgical procedure and the best possible patient care. At the same time, they expect a fair cost-benefit ratio.

Communication: Close communication with our customers is an essential key to Medartis' success. Doctors are closely involved in the development of our products and services, from the initial idea to final validation. We have also set up an open ideas channel on our website since October 2023. Every new product idea is evaluated by

our Innovation Committee. In the marketplace, our sales people are the most important channel of communication with our customers, as they are in daily contact with them and communicate their concerns internally through structured monthly reports. Customer complaints are an important input for the performance of our products. They are analysed in detail and the results are fed back to the customer as quickly as possible. Service complaints are recorded and processed in a structured manner in order to guarantee Medartis' usual high delivery performance in the long term. In addition to dealing with individual complaints, the overall performance of Medartis products is continuously evaluated through our Post Market Surveillance process. This allows customers to compare us with our competitors. Training our customers on our products is another important component of active communication. It gives us direct feedback and enables the customer to make the best use of our products.

e) Academy and Opinion Leaders (KOL)

Relevance: The scientific context of our products and services is a very important source of input for the strategic direction and sustainable development of Medartis. Through cooperation with research clinics, scientific universities and, in particular, our partner IBRA, we are actively involved in the constant exchange of the latest developments and work through education and training.

Stakeholder expectations: Scientifically active stakeholders and opinion leaders expect Medartis to provide them with a global opportunity to share their scientific results or practical best practice experiences, providing them with benchmarks and training opportunities. This often involves the formation of networks that make a lasting contribution to ensuring that as many patients as possible around the world receive optimal care.

Communication: Our main communication channel is our partnership with the International Bone Research Association (IBRA), where we are in constant contact with scientific

stakeholders and opinion leaders through publications, congresses, fellowships and targeted training. Our IBRA Institute Bioskills Laboratory (Basel), which opened in 2023, provides direct access to a state-of-the-art facility that demonstrates our commitment to hands-on learning and skills development. It is a place where knowledge is put into practice and where theory and technology merge seamlessly.

f) Notified Bodies and Regulatory Authorities

Relevance: In the regulated area of medical devices, the certification of our management systems, the global market approval of our products and the continuous maintenance of product conformity are central elements of our business activities. Compliance with all legally binding requirements with regard to our products as well as with regard to the environment, social responsibility and compliance/governance is a basic prerequisite for the success of Medartis.

Stakeholder expectations: 100% compliance with all global regulations

Communication: There are two main channels of communication: regular audits by notified bodies or authorities as well as communication by Medartis with the relevant authorities in the event of significant changes or new product approvals. Through Medartis' global QM structure, we support local communication with all official bodies through the technical expertise of our global organisation.



Warsaw production site

Stakeholder Group III

In Group III, we represent stakeholders who have a social influence on our service delivery:

Main groups:

- Patients
- Applicants/candidates
- ESG & governance rating agencies
- Human rights organisations
- Media representatives
- Environmental associations
- Industry associations
- Public accountants
- Banks, insurance companies
- Tax authorities

Relevance: It is perhaps surprising that it is only in this group that we have chosen to include the patient. Of course, the patient's health is at the heart of everything we do, but the patient does not choose our product and often does not even know which product from which manufacturer it has been treated with. As a result, direct contact with patients is rare.

External candidates are becoming increasingly important in times of skills shortages. With a sustainable corporate culture, we can continue to recruit successfully and thus secure our long-term growth.

ESG & governance rating agencies, human rights organisations, media representatives, environmental groups and industry associations monitor and evaluate our business behaviour from

the outside. They view us critically, but at best with goodwill and appreciation.

Public accountants, banks and insurers form the basis of Medartis' financial reporting, but are increasingly including non-financial aspects in their assessments.

Stakeholder expectations: Patients want the best and safest products for fast and complete healing.

External applicants want a modern, socially responsible and long-term successful employer where they can realise their professional development.

ESG & governance rating agencies, human rights organisations, media representatives, environmental associations, industry associations want transparent, honest communication of Medartis' business activities and a clear commitment to sustainable, future-oriented corporate behaviour.

Public accountants, banks and insurance companies are particularly interested in the company's financial situation and stable growth. However, non-financial objectives are increasingly coming to the fore. This will be particularly visible with the TCFD.

Communication: We actively communicate with this stakeholder group through our website, media releases and social media channels. Feedback and questions can be sent directly to Medartis via the Medartis Info Mail, by contacting our Corporate Communications Department or anonymously via our Whistleblower Channel.

SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

Sustainability strategy

Sustainability focus areas

Taking into account the interests of our stakeholders and the material topics identified, we have defined the following focus areas for our sustainability strategy:



Our Declaration of Commitment

Acting sustainably offers Medartis significant opportunities to mitigate risk and make a positive contribution to society. We reaffirm our commitment to these principles and look forward to developing our strategy to maximise impact. Our sustainability strategy is aligned with key external drivers, including

- increasing demand for sustainable products and business practices
- growing societal commitment to environmental protection
- evolving regulatory requirements for sustainable corporate conduct
- rising expectations from employees for responsible corporate behaviour

Move again, enjoy life

Who we are

We are a company driven by the fundamental belief that customer centricity forms the cornerstone of sustainable success. Our mission is to deliver exceptional value through innovative solutions that directly address our clients' needs and exceed their expectations.

We envision a future in which our organisation is recognised not only for our commercial achievements but for the transformative impact we create through our customer-focused approach and strong company culture.

Our cultural principles

At the heart of our organisation lies a set of core principles that guide everything we do:

- **Customer centricity:** We place customers at the centre of every decision, strategy and innovation.
- **Entrepreneurial mindset:** We encourage creative thinking, calculated risk-taking and the pursuit of new opportunities.
- **Agility & decision-making:** We respond swiftly to changing market conditions with informed, decisive action.
- **Ownership attitude:** We take responsibility for our work, our commitments and our impact.
- **Passion for learning:** We continuously develop our skills and knowledge to better serve our customers.
- **Psychological safety:** We foster an environment where all team members feel secure in expressing ideas and concerns.
- **Promote engagement:** We actively cultivate meaningful connections with our customers, partners and each other.

Our promise

We promise to be more than just a medical device manufacturer. We are committed to being a trusted partner in patient recovery, consistently delivering osteosynthesis solutions that create real value and improve lives. Through our customer-centric approach and strong cultural foundations, we strive to build lasting relationships based on trust, understanding and mutual growth. Join us on our journey as we continue to innovate, learn and excel – always with our purpose at heart: Restoring quality of life.



In the following, we take a closer look at our sustainability strategy based on the focus areas we have identified.

We improve healthcare for patients worldwide in a targeted and innovative way

Innovative medical products and related services are the foundation of our business success. We systematically involve our customers in our development projects. They provide us with the input we need to take account of the requirements of the global market. But even before development projects begin, we actively seek out innovative ideas to help us provide the best possible care to patients around

the world. Through congresses, workshops, cadlabs and targeted training for existing and potential customers, we are in close contact and actively receive any input to improve our systems.

To be even more open to external stakeholders, we have set up an idea submission channel on our website, which is open to anyone during this reporting period. All submitted ideas are evaluated by an innovation committee for strategy fit, potential for success and feasibility. The committee then decides which ideas to pursue.

We offer our customers both sterile products for direct use in the operating theatre and non-sterile products that reprocess unused consumables. We work with our customers to decide which is the best and most sustainable solution based on their processes.

We share our customers' experiences through various media (website, YouTube, LinkedIn and others), webinars and insight talks. The focus is not only on discussing the best medical care; we also often look at people and society. Our goal is to act in a sustainable way and to look ahead. We want to prepare ourselves for the challenges of the future by balancing risks and opportunities.

We take a very responsible approach to our global expansion, setting up new subsidiaries in emerging markets and selecting international distributors with the highest quality and qualifications, always taking into account our proactive sanctions screening.

We put people at the centre of our sustainable actions

We firmly believe that people are the key to Medartis' sustainable success. This starts with our well-trained and motivated employees who make the difference every day, but the partnership we have with our suppliers is also crucial. Our customers do everything they can to ensure the well-being of their patients, and our aim is to support them reliably every day.

Our strategic focus on people is based on the following three pillars:

1. Culture journey

Our goal is to create an organisation where learning and people are key to achieving sustainable high performance in support of our ambitious growth plans, which are in turn based on the strengths of our existing culture. We want a culture where:

- people respect and trust each other,
- superior results are achieved thanks to clear focus, well thought-out risk taking and quick action, and
- we speak up, challenge the status quo and take responsibility.

2. Internal communication

Effective internal communications foster collaboration, align goals and strengthen a cohesive culture. Transparent channels and active listening build trust between teams, increasing productivity and innovation. In the digital age, the use of multiple mediums – such as intranets, video broadcasting and collaboration platforms – promotes a seamless flow of information that empowers teams to thrive.

The Medartis internal communication platform m-HUB enables employees around the world to share “best practice” ideas and engage with each other. The platform is used to share targeted information from management, the different business areas and the Medartis subsidiaries, but also encourages social interaction.

3. Medartis Academy – the Medartis Learning Management System

The goal of the Medartis Academy is to provide a fully integrated learning experience, from on-boarding programmes to personalised development plans, to help employees advance their careers and complement them with the necessary soft and hard skills. We partner with various global education leaders to provide both local and international content through eLearning and classroom settings.

Our modern Learning Management System (LMS) offers the following benefits:

- Completion of introductory programmes
- Access to exciting learning opportunities, anywhere, anytime
- Use of different learning methods that suit individuals and their schedules, whether they are videos or interactive online courses
- Exploration of job-specific learning plans
- Improving social and professional abilities
- Simplified registration, course tracking and reporting

Exemplary ethical behaviour is the basis for our long-term success

Corporate social responsibility

Corporate social responsibility (“CSR”) measures are applied to establish reliable, ethical and mutually beneficial relationships between Medartis and its stakeholders. These stakeholders include shareholders, investors, employees, distributors, suppliers, service providers and other market players with whom Medartis interacts in its business.

The Corporate Social Responsibility policy defines the corporate social responsibility and labour standards that should be upheld in the business operations and supply chain of Medartis AG and its subsidiaries, which are of the utmost importance. All stakeholders shall commit to and advocate for ethical business practices along the entire supply chain.

The objectives of this policy are to:

- Conduct business with integrity and transparency respecting the laws and regulations of the territories in which Medartis operates.
- Maintain work standards in line with the Ethical Trading Initiative Base Code (“ETI Base Code”).
- Promote understanding and awareness of ethical and good labour practice standards.
- Respect human rights in all decisions and practices.
- Encourage all parties in the supply chain to participate in and develop their labour standards.
- Maintain a sustainable development and continuously improve our labour standards.

Corporate compliance

Medartis places the greatest value on high standards in every respect. Our most valuable asset is an excellent reputation based on the best quality in products and services and good relationships with all stakeholders. These relationships are based on legal business practices and integrity, which in turn creates and maintains the trust we need for sustainable and successful activities.

We consider ourselves part of society. We respect human rights and act responsibly with regard to natural resources and the environment. On the one hand, our Corporate Compliance policy is aimed at the employees of Medartis worldwide. Without exception, all employees are obliged to comply with our Code of Conduct in order to act in good faith towards Medartis. On the other hand, this Code of Conduct provides transparent orientation for the community at large as well as an obligatory guideline for all our business partners.

The Code of Conduct incorporates general legal and ethical principles. It represents the minimum standard of expected behaviour and individual issues are specified in more detail in internal instructions. All employees have to comply with the law as a matter of course. If local laws exceed the requirements of the Code of Conduct, then these stricter regulations are to be observed.

Compliance with the rules is a prerequisite for the sustainable success of Medartis. Illegal and unethical behaviour can lead to considerable financial damage, while proper behaviour shows concern for the company's value and assets and helps maintain its reputation.

Whistleblower channel

Medartis has established a reporting platform for combating unethical behaviour and violations of internal guidelines and applicable legal regulations. This platform is directed at compliance violations and can be used by employees, distributors, or interested parties in general. All notifications submitted via this channel will be treated confidentially and the identity of the whistleblower will be duly protected. It is also possible to submit reports anonymously.

All complaints are forwarded to the Medartis Ethics Committee for proper consideration and, if necessary, appropriate action.

We protect our environment by acting responsibly throughout our value chain, from our suppliers to our customers

At Medartis, we recognize our responsibility to protect the environment and integrate sustainability across our entire value chain. Our commitment to reducing our ecological footprint is reflected in a structured approach that aligns with global sustainability goals such as the Paris Agreement to limit global warming to 1.5°C and supports a low-carbon future.

In addition to our ambitious climate targets, we are focusing on consistent waste minimisation and targeted energy saving measures to conserve our planet's resources. We comply with applicable legislation such as RoHS, REACH and others. This applies to our own products and services, to those of our suppliers and to supporting our customers in their efforts to conserve resources.

To reduce its environmental impact, Medartis has identified the following areas, which relate mainly to a responsible production and supply chain:

- Energy efficiency and substitution of carbon-based energy sources
- Reduction of scrap rates
- Traceability and eco-friendly products
- Recycling of used raw materials and reduction of auxiliary materials
- Smart design and packaging
- Further improvements in production efficiency and conversion to paperless processes.

Commitment to science-based climate targets

In 2024, Medartis strengthened its climate strategy by setting near-term emission reduction targets and submitted them to the Science-Based Targets initiative (SBTi), the world's leading framework for corporate climate goals, for validation. These targets ensure that our sustainability efforts align with the Paris Agreement's 1.5°C objective and undergo external verification for transparency and accountability.

Our key climate targets:

- Scope 1 & 2: 65% absolute reduction by 2033 (compared to 2023 levels).
- Scope 3 (Category 3.1 – Purchased goods & services): Engage 67% of our suppliers to set their own climate targets by 2029.
- Remaining Scope 3 categories: 61% intensity reduction by 2033.

To meet these goals, Medartis has developed a roadmap with targeted measures to reduce emissions, including:

- Expanding the use of renewable heating and electricity.
- Improving energy efficiency across operations.
- Promoting sustainable employee mobility and business travel.
- Engaging with suppliers to lower upstream and downstream emissions.

Through these initiatives, Medartis is reinforcing its commitment to sustainability while ensuring long-term business resilience and environmental stewardship.

Highlights 2024

As we reflect on 2024, we are proud to share the progress we have made in our commitment to creating a sustainable future. This section of our report highlights our key achievements across our four strategic areas:

People: Our people are at the heart of everything we do. In 2024, we continued to foster an inclusive and empowering workplace while investing in employee development, health, and well-being.

Product: Innovation is a cornerstone of our journey. When we introduce new products, we ensure they meet the highest standards of quality and environmental responsibility.

Environment: Addressing climate change remains a top priority. Through measurable actions, we have reduced our carbon footprint, enhanced resource efficiency and supported initiatives that protect our planet for future generations.

Ethics: Our unwavering commitment to ethical practices guided every decision we made in 2024. From transparent governance to responsible sourcing, we upheld the highest standards of integrity.

This report not only celebrates our accomplishments but also reaffirms our dedication to continuous improvement and sustainable growth. Together, we are building a better tomorrow.



Workshop at the FESSH Congress 2024

1. PEOPLE: WE PUT PEOPLE AT THE CENTRE OF OUR SUSTAINABLE ACTIONS

We are on a culture journey aiming to create an organisation where learning and our employees are key to sustainably perform at a high level. We have defined a set of values that guide the way we think and act, both as individuals and as a company. We are committed to investing in the skills of our employees through our own Medartis Academy and to ensuring ongoing active interaction with our employees through our internal communication app (m-HUB), town hall meetings and regular employee surveys. Some of our 2024 highlights are outlined below.

Engagement and speak-up culture

At Medartis, we believe in fostering a strong connection with our employees by actively listening to their voices, ideas and opinions. This year, we continued our commitment to engagement by conducting our annual engagement surveys. We conducted a short pulse check in April and our annual engagement survey in October. The results reflect the high level of trust and speak-up culture among our employees.

We are proud to have increased our already impressive response rate by 5% to 85%. We also received 2,527 comments – 900 more than last year – demonstrating that our people feel empowered to share their thoughts. Our engagement score remained strong and stable at 71, competitive with external benchmarks and confirming that Medartis continues to be a place where people thrive.

Our leadership team takes the survey results seriously. Together, the Executive Management Board (EMB) and the Board's Human Resources Committee carefully review the results in a timely manner and provide guidance on actionable plans to drive meaningful improvements across the organisation.

People-focused actions

As in previous years, we translated our commitment to engagement into concrete actions in key focus areas. The 2024 focus areas were People Development, Living our Culture & Values, Collaboration & Communication.

Empowering growth

We continued to inspire our people to "own their growth" by offering new opportunities for personal and professional development. Highlights included

- Conducting a large-scale global 360° leadership feedback initiative. The programme allowed 110 team leaders and group managers in all subsidiaries to receive valuable insights on their leadership skills from their teams, peers and supervisors based on our Medartis leadership model.
- Introducing a coaching programme that connects employees and project leaders with qualified external coaches via a virtual platform – accessible at any time and in any language – to work confidentially on development issues or to support transition periods.
- Providing tools and training to support individual development plans, encouraging employees to learn from on-the-job experience and collaboration with senior colleagues.

Living our culture and values

Building a strong culture is an ongoing journey. This year, we focused on embedding our values in our daily work through a number of initiatives:

- Translation of our culture booklet into several languages to make its messages accessible worldwide.
- Organising "Habits in Practice" workshops, where participants practised establishing good team habits (small routines) such as giving recognition or learning from experience. Feedback

showed that these sessions were much appreciated by our teams – and fun.

- Celebrating culture in the US with a week-long series of activities, including a leadership workshop focused on alignment and teamwork.

Diversity and inclusion

For the first time, we celebrated Pride Month globally, demonstrating our commitment to diversity and inclusion through local activities around the world.

Wellbeing and fitness

Promoting health and well-being is an integral part of our mission. More than 250 colleagues took part in this year's Step Challenge, competing in teams over the course of a month to collect steps through physical activity and sustainable behaviour. The winning teams donated their prizes to charities such as Médecins Sans Frontières. Together we continue to grow, foster a positive culture and create a workplace where everyone feels safe and welcome.



Promoting health and safety in shift work

Around 20% of the Swiss workforce works shifts, often with irregular schedules that affect concentration, health and personal life. To address these challenges, we partnered with an external expert to implement SUVA's prevention module "Making Shift Work Safer and Healthier".

The workshop aimed to raise awareness among employees and managers of the challenges of shift work and provide practical solutions. Participants received science-based tips on

- Assessing their sleep-wake cycle and understanding its impact on performance and well-being.
- Adjusting nutrition to prevent energy slumps and health issues.
- Balancing work with personal and family needs.
- Using movement to combat fatigue and increase energy.
- Enhancing shift work safety to reduce accidents and health risks.

With an emphasis on practical application, the workshop provided employees with strategies to improve wellbeing and performance. By integrating these insights into internal processes, we are continuously driving improvements in workplace health and safety.

Improving production air quality with industrial air cleaning systems

In 2024, we significantly improved the air quality in our production facilities in Basel by introducing 49 industrial air purifiers from Zehnder Clean Air Solutions. This investment has led to benefits in workplace cleanliness, employee well-being, and long-term operational efficiency:

- Up to 90% Reduction in oil mist: The air purifiers have drastically reduced airborne oil mist by up to 90%, eliminating the need for

frequent manual cleaning. Employees can now focus entirely on their core tasks instead of constantly wiping down workstations.

- Healthier work environment: The significant reduction of airborne contaminants ensures cleaner, healthier air, contributing to improved respiratory health and overall well-being for our workforce.
- Protection of high-tech machinery: By preventing oil particles from accumulating on sensitive equipment, the air purification system helps maintain optimal machine performance, reducing wear and maintenance costs.

With this initiative, we are reinforcing our commitment to occupational health and sustainable production practices, ensuring a safer and more comfortable workplace for our employees.

2. PRODUCT: WE IMPROVE HEALTHCARE FOR PATIENTS WORLDWIDE

We are passionate about developing advanced implant solutions for medical professionals to improve the care they can offer their patients, restoring their quality of life. We systematically involve our customers in our development projects. Through congresses, workshops, an idea submission channel on our website, cadlabs and targeted training for existing and potential customers, we are in close contact and actively receive valuable feedback to continually improve solutions for their patients.

Advancing patient care

How outcome research at Klinikum Dortmund improves CMF and spinal injury diagnostics

The Klinikum Dortmund in Germany hosts one of the busiest CMF (Cranio-Maxillofacial) departments in the country. Under the leadership of Prof. Stefan Hassfeld, the team cares for thousands of patients annually, ensuring they receive the highest quality of care. In their pursuit of improved clinical outcomes, the CMF department has partnered with Medartis to establish a patient registry focused on outcome research. While Medartis seeks to evaluate the performance of its osteosynthesis products, PD Dr Lars Bonitz, PD Dr Bicsak and their team have taken a broader approach. Their research revealed a significant correlation between certain facial fractures and specific spinal injuries – injuries that are often overlooked initially, potentially leading to complications later.

As a result of these findings, the hospital has adjusted its clinical practice to include targeted examinations for spinal lesions when these facial fractures are present. This collaboration highlights how Medartis' commitment to restoring patients' quality of life extends beyond implants, contributing to improved outcomes in a different and critical medical indication.

Reference: <https://doi.org/10.1038/s41598-021-91543-2>

Launch of innovation management

Innovation management was introduced in 2024 to actively and systematically identify new opportunities within the framework of our strategic goals. As part of this initiative, we implemented an innovation funnel that allows both internal and external stakeholders to submit new ideas. Listening to and understanding the voice of our customers is a core priority for us.

Every submitted idea is evaluated by a committee based on predefined criteria, ensuring swift and fact-based feedback to the idea submitter. Most of the submitted and reviewed proposals are related to our products, such as product improvements, new innovative products or digital services.

Quality first

The focus of all our activities is the well-being and safety of the patients treated. The highest product quality for every single product is our unwavering commitment.

Before market launch, we validate all products by identifying critical functions, attributes and processes. Our manufacturing records ensure 100% traceability, while a proactive complaints process and post-market surveillance enable continuous performance evaluation. A structured deviation management system addresses product non-conformities immediately, and our change management process integrates market feedback into ongoing product development.

Delivering the highest quality – a commitment to excellence

At Medartis, our objective is to provide customers with exceptional quality products, delivered on time and in full (OTIF), without exception. Ensuring customer satisfaction is at the core of our operations, and we achieve this through a strong focus on both supplier performance and maintaining the highest internal production standards.

To uphold these high standards, we continuously monitor and improve key performance indicators, including on-time delivery, supplier reliability and internal quality control measures. Our commitment to excellence is reflected in our 2024 performance metrics:



Loan set management, Basel

- **OTIF Customer: 94.20%** – Ensuring reliable and timely delivery to our customers.
- **OTIF Supplier: 95.10%** – Partnering with high-performing suppliers to secure a stable supply chain.
- **Internal Scrap Rate: 0.73%** – Minimising waste through precision manufacturing and process optimisation.
- **Supplier Failure Rate: 0.30%** – Maintaining strict quality requirements for sourced materials and components.

Through continuous improvement, collaboration with trusted suppliers and investment in high-quality production processes, Medartis ensures that healthcare professionals receive products they can rely on – meeting the highest standards for safety, performance, and patient care.

Global quality system

In 2024, the launch of the global alignment of our QM system strengthened our worldwide compliance and enhanced the efficiency of our quality activities across all regions.

With 34 global business processes, we have laid the foundations for systematically strengthening and continuously expanding our high Swiss quality standards in all countries. The foundations to demonstrating our compliance and ensuring the wellbeing of our patients are the worldwide medical device regulations such as the EU Medical Device Regulation (MDR), FDA Code of Federal Regulations (CFR) Title 21 and many other country-specific regulations.

Strengthening the quality management system means supporting the growth of Medartis and ensuring the ability to successfully sell our medical products worldwide. We are establishing lean and agile QMS systems in all subsidiaries with operational activities. We are committed to continuous improvement to strengthen our local organisations. Our ISO 13485 audit record clearly demonstrates this.

ISO 13485 audits

		2023		2024	
		Major	Minor	Major	Minor
External audits	CH (TÜV)	0	0	0	1
	CH (BSI)	0	1	0	0
	USA (GMED)	3	9	0	2
	DE (TÜV)	0	0	0	0
	AU (BSI)	0	4	0	2
	MX (Audamax)	no QMS		0	8
Internal audits	CH	0	8	0	7
	USA	2	3	0	0
	BR (Consultant)	0	9	0	1
	JP	no int. audit		9	4
	UK	no QMS		QMS creation	
	ES	no QMS		QMS creation	

Strengthening partnerships and knowledge exchange at key global congresses

In 2024, our Education Team, together with our country representatives, actively participated in several key professional congresses, including FESSH, ASSH, EFAS, AOFAS, ACFAS, EACMFS, and other specialised events. These platforms provided invaluable opportunities to engage directly with experts, thought leaders, and medical professionals in our specialised fields.

Beyond showcasing our innovations at exhibition booths, we took an active role in knowledge exchange by organising industry symposia and hands-on workshops. These interactive sessions allowed us to share expertise, present the latest advances, and foster meaningful discussions on cutting-edge solutions that contribute to improved patient care.

At this year's FESSH Congress in Rotterdam, sustainability was also a key topic. During a session on the ecological footprint in orthopaedics, Medartis participated in a panel discussion on the company's sustainability strategy. Medartis remains committed to addressing growing expectations in environmental responsibility, social impact, and corporate governance.

3. ENVIRONMENT: WE PROTECT OUR ENVIRONMENT BY ACTING RESPONSIBLY THROUGHOUT OUR VALUE CHAIN

At Medartis, we are committed to protecting the environment by acting responsibly throughout our value chain. This commitment drives our efforts to minimize our ecological footprint and support global sustainability goals.

Achieving our goals requires a focused approach, and we have identified key areas to reduce our environmental impact:

- **Energy efficiency and transition to renewable energy:** We are optimising energy use and replacing fossil fuels with renewable alternatives.
- **Resource optimisation:** By increasing automation and improving production efficiency, we aim to reduce raw material usage and minimize scrap rates.
- **Recycling and material reduction:** We are enhancing recycling practices for raw materials and limiting the use of auxiliary materials wherever possible.

- **Eco-friendly design and packaging:** Smart, sustainable designs and recyclable mono-material packaging underline our commitment to reducing waste.

These measures reflect our dedication to integrating environmental considerations into all aspects of our operations, ensuring that sustainability remains at the core of our business strategy. Together, these efforts will help us make a meaningful contribution to a healthier planet while fostering long-term business resilience.

Commitment to SBTi

In 2024, we took a significant step forward by setting near-term climate targets validated by the Science Based Target Initiative (SBTi). The Science-Based Target Initiative (SBTi) is the world's leading initiative for voluntary corporate climate targets.

Medartis has committed to cutting its CO2 emissions by roughly 60% by 2033 compared to 2023 levels, with these climate targets undergoing external verification to ensure transparency and accountability.

The exact targets we have submitted to SBTi:

- Scope 1 and 2: Absolute reduction target of -65% by 2033
- Category 3.1: Supplier engagement target -> we engage 67% of our suppliers to set their own climate targets by 2029 at the latest
- Remaining Scope 3 categories: Intensity reduction target of -61% / MCHF in gross profit by 2033

To achieve these targets, Medartis has developed a comprehensive roadmap containing approximately 30 measures aimed at reducing emissions.



Key actions include transitioning to renewable heating and electricity, improving energy efficiency, promoting environmentally friendly employee mobility and business travel, and reducing upstream and downstream emissions (Scope 3) by closely collaborating with suppliers.

We recognize that achieving our SBTi targets by 2033 will be ambitious, as we are a growing company in a dynamic environment. Additionally, it will take time for all our measures to take full effect in delivering emission reductions.

Despite these uncertainties, we remain fully committed to our goals and will do our best to achieve them. For us, this commitment is also a clear signal that we take responsibility and actively contribute to limit global warming to 1.5°C.

Switzerland has set itself the goal of reducing greenhouse gas emissions to net zero by 2050. Medartis supports this reduction path through its commitment to SBTi. Beyond our SBTi targets through to 2033, we have developed a reduction path that will ensure a 90% reduction of our Scope 1 and 2 emissions by 2050.

In the reporting year, our emissions increased by approximately 20% compared to 2023. This highlights that there is still a long

way ahead of us, but we are determined to take the necessary steps to meet our targets.

GreenCycl & Medartis: Pioneering medical plastic recycling

The Materials Pilot Initiative, launched in summer 2024, focuses on recycling Medartis' waste stream materials, starting with PET packaging, and is currently ongoing. The project began with the selection of participating hospitals through our partner GreenCycl, a leader in sustainable medical waste processing. GreenCycl specialises in collecting, decontaminating, and repurposing medical waste, ensuring valuable materials are reintroduced into the circular economy. Hospitals were onboarded in collaboration with the waste partner Renewi, and labelled receptacles were distributed for the collection of PET packaging materials. These materials are collected, cleaned and separated from contaminants like Tyvek and adhesive layers, then sorted into appropriate waste streams for further processing. GreenCycl's expertise in waste separation and material recovery plays a crucial role in ensuring high-quality recycling streams.

In the ongoing preprocessing phase, the collected PET materials are granulated and filtered before being labelled and stored in designated containers. This process ensures the removal of impurities and optimises material consistency for further applications. Simultaneously, GreenCycl conducts testing and analysis, including the injection moulding of test samples ("dog bones") and mechanical testing. The data from these tests are continuously evaluated to refine the process and maximize the quality of the recycled material. In this phase, GreenCycl works closely with the Delft University of Technology, sharing knowledge and expertise to further enhance the recycling process and explore innovative solutions for the future of medical waste recycling.

Beyond material recovery, the initiative is also exploring product development opportunities, brainstorming potential applications for the recycled PET. Tooling has been created for injection moulding, allowing for the production of initial product samples that are currently being evaluated. These efforts align with GreenCycl's mission to drive circular innovation in the medical sector, transforming waste into valuable resources and demonstrating practical solutions for sustainable medical waste management. The project remains an active demonstration of Medartis and GreenCycl's commitment to sustainability, pushing the boundaries of what's possible in medical waste recycling and setting a precedent for future initiatives.

Switch to LED lighting and optimisation of light control

As part of our climate strategy, we have fully switched all fixed lighting to LED technology and optimised light control through building automation. This transition, completed in 2024, reduces energy consumption and CO₂ emissions while improving the work and living environment in our buildings. LEDs offer significantly higher energy efficiency, a longer lifespan, and lower heat generation. By replacing conventional lighting, we have greatly reduced electricity consumption and maintenance costs.

In addition, the optimised light control system adjusts lighting based on occupancy, further saving energy and enhancing comfort for employees and visitors.

These measures have cut lighting-related energy consumption by around 60%, significantly lowering CO₂ emissions and supporting our climate goals. The longevity of LEDs also reduces resource use by minimising replacements.

We will continue improving building automation to enhance energy efficiency.



Team Brazil collecting pet bottle caps

Local engagement of our colleagues in Brazil

We are pleased that sustainability at Medartis is not only practised and driven by central management at headquarters, but also by voluntary initiatives of employees and countries. In the past year, the team in Brazil in particular has made a significant impact on the ground with its numerous sustainability campaigns. A team of eight volunteers made a significant contribution to the following achievements (excerpt):

- From the beginning of the year until 10 December the team collected and donated 18,173 kg of pet bottle caps and 8,989 kg of seals, which will be converted into four wheelchairs for donation to an institute that works with woman and girls in vulnerable situations.
- Zero-plastic campaign: Reduction to zero of the use of plastic cups in the company. 74 sustainability kits were distributed to the Medartis Brazil team in May, and an onboarding kit for new employees with a squeeze mug was created.
- 140 books collected and donated by the team and sent to a Volunteer Project from one of our premium clients in Brazil.
- Faced with the serious situation of the floods in Rio Grande do Sul, our employees, service providers and business partners joined together in a solidarity campaign to collect and take cleaning and personal hygiene items to those in most need. In addition, the company donated 1,000 litres of drinking water to the state in crisis, guaranteeing access to a vital resource for survival.

ISO 14001 certification for Medartis Mexico

We are proud that Medartis Mexico has a total of seven ISO certifications in 2024. Within Medartis, Mexico is the first country that has achieved ISO 14001:2015 Environmental Management

Systems Certification. This globally recognised standard for environmental management systems reflects our commitment to minimising environmental impacts, enhancing operational efficiency and fostering a culture of continuous improvement.

4. ETHICS/ GOVERNANCE: EXEMPLARY ETHICAL BEHAVIOUR IS THE BASIS FOR OUR LONG-TERM SUCCESS

Exemplary ethical behaviour underpins our long-term success. Compliance is essential for Medartis' sustainability, preventing financial damage and preserving our reputation. A dedicated CSR policy defines the corporate social responsibility and labour standards for Medartis and its subsidiaries. All stakeholders must commit to ethical practices throughout the supply chain.

Medartis has a confidential reporting platform for unethical behaviour and policy violations, which is accessible to employees, distributors, and other parties. The Medartis Ethics Committee reviews all complaints and takes appropriate action.

TCFD Risk Assessment – Our first step towards climate resilience

In 2024, Medartis conducted its inaugural climate-related risk assessment, marking a significant milestone in our sustainability journey. This initiative aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and reflects our commitment to managing climate risks and opportunities effectively.

Scenario analysis: Planning for a resilient future

A pivotal part of the assessment was the scenario analysis, which explored two potential futures:

(a) +1.5°C scenario (Paris Agreement):

- Transition risks: Anticipated increases in raw material costs and stringent regulatory frameworks.
- Opportunities: Energy efficiency improvements, higher demand for sustainable products and reputational gains.

(b) +4°C scenario (business as usual):

- Physical risks: Severe impacts such as floods, extreme weather and water scarcity.
- Challenges: Higher operational costs due to infrastructure damage and supply chain disruptions.

Outcomes, risk mitigation and strategic integration

Medartis faces physical risks from climate change, including supply chain disruptions, rising costs, water shortages, and workforce challenges. Acute risks stem from extreme weather, impacting operations and repair expenses.

Regulatory risks include carbon taxation, compliance costs, and stricter sustainability policies. Rising raw material costs and limited low-carbon alternatives pose financial challenges. Investor and customer expectations demand stronger sustainability efforts, affecting reputation and market position.

To mitigate these risks, Medartis enhances supply chain resilience, adopts sustainable materials, ensures regulatory compliance, and invests in innovative, low-carbon solutions.

While these risks pose challenges, they also present opportunities for Medartis to strengthen its market position through sustainability initiatives.

Medartis can strengthen its market position by integrating sustainability, reducing costs through resource efficiency and

ensuring supply chain resilience. Adopting best practices enhances reputation, attracts investors, and ensures regulatory compliance. Sustainable product design and ESG integration drive competitiveness and long-term growth.

Looking ahead

The results of this assessment have been integrated into our Enterprise Risk Management (ERM) framework. Regular reviews will ensure that emerging risks and opportunities are addressed effectively. Moreover, we are advancing towards validating science-based targets (SBTi) to align with global climate goals, thereby embedding resilience into our long-term strategy.

Implementation of a new Global Corporate Compliance Policy

A new Global Corporate Compliance Policy was approved by the Board of Directors and published in August 2024 for all company employees. In December 2024, local versions were published for all Medartis subsidiaries (except Poland) duly translated and adapted to local culture, laws and reality.

The Global Corporate Compliance Policy and its local versions are aligned with the highest ethical standards in the medical device sector, such as the Code of Ethics of AdvaMed (Advanced Medical Technology Association) and Swiss MedTech (Swiss Medical Technology Association). It includes specific chapters on anti-corruption and bribery, antitrust compliance, money laundering, political contributions, donations and rules for relations with health care professionals, among other topics relevant to compliance in the company's business sector.

Official communications from the highest leadership level of each of the company's subsidiaries reinforced to the local teams the importance of the document and the obligation to read it, as well as its application both to all employees and to business partners

such as the company's distributors. In addition to publications on the company's intranet and on the pages of each of the countries, it was also made available on the [company's website](#).

Compliance Week in Brazil and Mexico

In the LATAM region, the company held Compliance Weeks with external speakers, lectures and specific training sessions every day for a week.

In Brazil, the Compliance Week featured speeches by external lawyers and important content for day-to-day tasks, such as training about tenders, relations with public officials, data protection, harassment and social responsibility policy, with 95% of the local employees trained throughout the event.

In Mexico the Compliance Week brought together lawyers, government officials, representatives of the Swiss medical device industry and other experts, covering topics like basic compliance concepts, unfair competition, health regulation, corporate criminal liability and labour obligations. The participation rates of employees and distributors from Mexico and the LATAM region were 95% and 90%, respectively.



SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

Sustainability Performance Report (GRI)

Introduction to our GRI-based reporting

At Medartis, transparency and accountability are at the core of our sustainability efforts. This chapter provides a comprehensive overview of our sustainability reporting with reference to the standards of the Global Reporting Initiative (GRI). These globally recognised guidelines ensure that our reporting is structured, comparable and aligned with the needs of our stakeholders.

The GRI framework enables us to disclose our environmental, social and governance (ESG) impacts in a transparent and consistent manner, reflecting our commitment to sustainability and responsible business practices. By adhering to the GRI standards, we aim to provide clear insights into our performance, challenges and progress towards our sustainability goals.

GRI 2: GENERAL DISCLOSURES 2021

GRI 2-1 Organisational details

Medartis Holding AG is incorporated as a stock corporation under the Swiss law and is headquartered in Basel, Switzerland. Medartis' principal executive offices are located at Hochbergerstrasse 60E, 4057 Basel, Switzerland.

Medartis Holding AG and its subsidiaries (together referred to as "Medartis" or the "Medartis Group" or the "Group") are focused on developing, manufacturing and selling advanced and efficient implant solutions for internal surgical fixation.

Medartis products are sold worldwide through 13 affiliates and through third party distributors in a further 40 countries.

GRI 2-2 Entities included in the organisation's sustainability reporting

All Medartis entities are included in this report. Minority investments without operational control are not included (see also "[Worldwide presence](#)").

GRI 2-3 Reporting period, frequency and contact point

The reporting period is the 2024 financial year. Medartis reports annually as part of its integrated reporting for a financial year. For any questions regarding sustainability at Medartis please contact:

Alina Walther
Global Lead Sustainability
Medartis AG
Hochbergerstrasse 60E
CH-4057 Basel
Email: alina.walther@medartis.com
Tel: +41 61 633 34 87

GRI 2-4 Restatements of information

If, in individual cases, a new presentation or calculation method, or improved data collection has led to different results for previous years, this will be noted in the relevant information.

GRI 2-5 External assurance

A comprehensive external review of the entire Sustainability Report has not been carried out.

GRI 2-6 Activities, value chain and other business relationships

Medartis is a global medical device company focused on developing, manufacturing and selling advanced and efficient implant solutions for internal surgical fixation.

The core business of the Medartis Group is the distribution of innovative implants for cranio-maxillofacial surgery and extremities (i.e. hand, wrist, elbow, shoulder and foot). Medartis works closely with surgeons, scientists, universities and hospitals to ensure quality and innovation. Medartis' customer base consists of surgeons, hospitals and medical centres as well as group purchasing organisations.

Implants are delivered to customers in pre-configured sets, including the necessary instruments for proper fixation. The implants and instruments are packaged in containers to complete the set. The sets are typically customised for each customer, depending on the types of surgery that the customer typically performs. Digital planning solutions (CMX) have been part of the Medartis offering since 2020. They support the planning and execution of complex procedures with patient-specific 3D printed guides and bone models as well as patient-specific implants (see also the chapter "[Business model and value chain](#)").

GRI 2-7, GRI 2-8 Employees / Workers who are not employees

As of January 2025, Medartis had 949 employees worldwide. This represents an increase of 69 employees compared to the previous year. Key figures and further information on the workforce by region, employment contract (permanent, temporary), employment level (full-time, part-time), gender and age structure can be found under "Key sustainability figures > [Employees](#)".

Governance

GRI 2-9 Governance structure and composition

The Medartis Group has two tiers of management: the Board of Directors (BOD) and the Executive Management Board (EMB). The BOD is responsible for the Group's high-level management and oversight, organisational structure, accounting, financial planning, financial control and risk management. The EMB consists of the Chief Executive Officer (CEO), as well as the Chief Financial Officer (CFO), Chief Technology Officer (CTO), President EMEA, Chief Human Resources Officer (CHRO), Chief Operations Officer (COO), and US President. The latter position was newly introduced in January 2025.

The Board of Directors consists of a Chair and other members. The Chair and the members of the Board of Directors are elected by the Annual General Meeting for a term of office lasting until the close of the next ordinary Annual General Meeting. Re-election is permitted. If the office of Chair becomes vacant, the Board of Directors appoints one of its members to serve as Chair for the remaining term of office.

The BOD delegates the management of the company to the Chief Executive Officer (CEO), who is responsible for the operational management of the Group, the implementation of Medartis' strategy and the implementation of an efficient and structured procedural organisation in accordance with the guidelines provided by the BOD.

The committees appointed by the BOD support the preparation and implementation of all or some of the BOD's decisions, as well as the supervision of certain matters. The committees are entitled to conduct investigations (or have investigations conducted on their behalf) in all matters within their competence. They may request the services of independent advisors and experts.

Committee members are appointed by the BOD from among its members. However, the members of the Human Resources and Compensation Committee are elected by the Annual General Meeting. Further details on the composition of the committees can be found in the Corporate Governance Report.

GRI 2-10 Nomination and selection of the highest governance body

Having Board members with industry experience, who are familiar with stakeholder engagement, is an important ingredient for the success of Medartis. In the case of replacement elections, the Board of Directors attaches great importance to ensuring that diverse and complementary skills are represented on the Board and that independence is maintained. The Human Resources and Compensation Committee (HRCC) reviews the independence of the Board members annually. The HRCC evaluates conflicts of interest, related party transactions and other commitments that could potentially jeopardize a member's independence.

GRI 2-11 Chair of the highest governance body

The Chairman and all members of the Board of Directors are non-executive members. No member currently holds an executive position in the company.

GRI 2-12 Role of the highest governance body in overseeing the management of impacts / GRI 2-13 Delegation of responsibility for managing impacts

Responsible and forward-looking corporate governance is a cornerstone in strengthening the resilience of Medartis' business model and ensuring long-term value creation. The roles, responsibilities and tasks of all entities involved in Medartis' sustainability strategy and its implementation are outlined in the [TCFD Report](#), which includes a detailed ESG governance structure. The Board of Directors sets the overall strategy for the company.

Within the framework of the company's governance policies, the operational management and implementation of sustainability-related initiatives are delegated to the CEO, who is supported by the Executive Management team.

To further strengthen Medartis' commitment to sustainability, Board member Nadia Tarolli, Chair of the Finance and Audit Committee, also oversees ESG matters at Board level. Her role ensures that environmental, social and governance issues are integrated into the broader corporate governance framework and aligned with Medartis' financial oversight responsibilities.

Individual members of Executive Management regularly report to the Board of Directors on the company's ongoing performance and significant developments. While the Board sets strategic goals and defines the resources to achieve them, specific responsibilities for economic, environmental and social issues are clearly assigned within the management structure.

Since 2024, the company has created a dedicated sustainability function reporting directly to the Lead QM / ESG / PMO.

GRI 2-14 Role of the highest governance body in sustainability reporting

The Sustainability Report (report on non-financial matters pursuant to Art. 964a et seq. of the Swiss Code of Obligations) is reviewed and approved by the Board of Directors and the Group Executive Board as part of the Integrated Annual Report.

GRI 2-15 Conflicts of interest

All BOD members – including the Chairman – are non-executive and the majority are independent, pursuant to the "Swiss Code of Best Practice for Corporate Governance" rules and Medartis independence criteria, which are outlined on the Medartis website. Since its foundation in 1997, Medartis has been strongly influenced

by the founding family and founding members, who have invested a considerable part of their wealth in the company and hold a majority of the share capital. Their interests must be preserved just as the rights of minority shareholders need to be respected and considered. Having BOD members with industry experience, who are familiar with stakeholder engagement, is an important ingredient for the success of Medartis. In the case of replacement elections, the BOD attaches great importance to ensuring that diverse and complementary skills are represented on the BOD and that independence is maintained. The HRCC reviews the independence of the BOD members annually. The HRCC also evaluates conflicts of interest, related party transactions and other commitments that could potentially jeopardize a member's independence. Each BOD member completes an annual Governance and Compliance Questionnaire, which is reviewed by the General Counsel of the company.

Medartis also has a conflict of interest policy, which was published in October 2023. In January 2024, the company conducted its first global conflict of interest mapping process for all employees at management and leadership level. The mapping was carried out in all subsidiaries in a joint effort between Human Resources and Compliance, in which all identified conflicts of interest were duly assessed and, where applicable, addressed. In addition, a preliminary conflict of interest mapping process was integrated into the recruitment and selection process for management and leadership positions.

GRI 2-16 Communication of critical concerns

The disclosure text below also covers GRI 2-24/2-25/2-26/ 205-1/205-2/205-3/206-1.

The Board of Directors is available to deal with any concerns raised by stakeholders and shareholders. Concerns raised by shareholders at the Annual General Meeting are dealt with under the Articles of

Association. In 2024, no concerns were raised directly with the Board of Directors outside of the Annual General Meeting.

Medartis places a strong emphasis on corporate compliance and ethical practices, ensuring transparency, accountability and prevention of misconduct throughout its global operations. The company is committed to fostering a culture of integrity and compliance through various measures and initiatives. The company appointed a Head of Global Compliance in 2022, as well as designated Compliance Officers in several subsidiaries, who are part of and lead the relevant global or local Ethics Committee.

The company has established a comprehensive compliance programme, including global and local policies on corporate compliance, conflicts of interest, corporate social responsibility, IT cybersecurity, social media, and a distributor compliance booklet.

In August 2024, a new Global Corporate Compliance Policy was published, and in December of the same year local versions were published for all Medartis subsidiaries (except Poland), duly translated and adapted to the local culture, laws and reality. The Global Corporate Compliance Policy and its local versions include specific chapters on anti-corruption and bribery, antitrust compliance, money laundering, political contributions, donations, and rules for relations with health care professionals, among other topics relevant to compliance in the company's business sector.

All global company policies, as well as the main compliance policies for subsidiaries, are available internally and externally to the public on the Medartis website www.medartis.com/en/about-us/compliance. It is also possible to locate the contact for all global and local Ethics Committees, as well as the contact for the Head of Global Compliance and the compliance Incident Reporting Channel (Whistleblower Channel).

The company encourages open reporting through various channels, including email, the whistleblower form on the website compliance

page, and intranet links. The whistleblower form can also be used to report complaints anonymously. All complaints are received and evaluated by the Global Ethics Committee, which is responsible for conducting internal investigations, as well as approving compliance policies. When the Compliance Committee deliberates on a compliance case, it discusses and decides on corrective measures for the specific case, as well as preventive measures to avoid similar cases in the future.

The Head of Global Compliance and/or the General Counsel updates the Finance and Audit Committee on compliance matters, and reports relevant cases to the Board of Directors, in particular those involving high-level individuals or a significant financial impact.

GRI 2-17 Collective knowledge of the highest governance body

The members of the Board of Directors bring a wealth of expertise in their respective fields, ensuring a wide range of competencies within the governance body. Collectively, they ensure that the Board possesses all the necessary skills and knowledge to fulfill its responsibilities effectively, including knowledge of sustainability issues.

GRI 2-18 Evaluation of the performance of the highest governance body

Medartis does not currently have a formal procedure in place for the systematic evaluation of the highest governance body.

GRI 2-19 Remuneration policies

Medartis publishes a detailed [Compensation Report](#) on an annual basis. This report provides comprehensive information on the company's remuneration policies, including the compensation for the highest governance body.



Purchasing department, Basel

GRI 2-20 Process to determine remuneration

See also GRI 2-19.

All Medartis employees receive compensation that exceeds the minimum salary levels set by the relevant local authorities. To further enhance its remuneration practices, Medartis will launch a job architecture project in 2025. This initiative aims to provide a structured approach to total rewards focusing on:

- Total reward strategy: A comprehensive framework that includes both monetary and non-monetary components to foster a motivating work environment.
- Career framework: A well-defined structure that outlines development opportunities and career paths within the organisation.
- Benchmarking: An analysis of comparative data to establish a fair and competitive salary structure.
- Salary structure: The development of a transparent salary framework that accommodates all levels and functions within the company.
- Variable pay design: The formulation of variable compensation systems to create performance incentives and enhance employee engagement.

These initiatives aim to foster transparency and equity among employees while supporting compliance with emerging standards. They also open up new opportunities for personal and professional development.

Each year, Medartis conducts a structure merit review process to adjust employee salaries. This process considers multiple factors, including inflation, industry benchmarks and employee performance and career progression.

GRI 2-21 Annual total compensation ratio

Not reported in 2024.

GRI 2-22 Statement on sustainable development strategy

In the [editorial](#) of this Sustainability Report, Nadia Tarolli Schmidt, Member of the Board of Directors, Chair of the Finance & Audit Committee and Sustainability delegate, comments on the topic of sustainability at Medartis.

GRI 2-23 Policy commitments

A new Global Corporate Compliance Policy was approved by the Board of Directors and published in August 2024 for all employees. In December 2024, local versions were published for all Medartis subsidiaries (except Poland), duly translated and adapted to the local culture, laws and reality.

The Global Corporate Compliance Policy and its local versions are aligned with the highest ethical standards in the medical device sector, such as the Code of Ethics of AdvaMed (Advanced Medical Technology Association) and Swiss MedTech (Swiss Medical Technology Association). It includes specific chapters on anti-corruption and bribery, antitrust compliance, money laundering, political contributions, donations, and rules for relations with health care professionals, among other topics relevant to compliance in the company's business sector.

Official communications from the highest leadership of each of the company's subsidiaries reinforced the importance of the document to the local teams, and emphasised their obligation to read it and its application to all employees, as well as to business partners such as the company's distributors.

In addition to publication on the company's intranet and all its country sections, the document was also made available on the

company's website, which is publicly accessible via the link www.medartis.com/en/about-us/compliance. The Corporate Compliance Policy was also the subject of an electronic training session in the company's Academy system, with a global completed training rate of 86.78% of all the company's employees.

All standard distributor agreements include strict compliance rules and obligations regarding anti-corruption and bribery topics, as well as agreement to and awareness of the rules of the Medartis Global Compliance Policy. New distributors are only approved after a due diligence process that includes an assessment of the distributor's compliance programme and a background check, which consider corruption and bribery matters.

All master distributors received annual compliance training, which included mandatory training on the new Global Corporate Compliance Policy. In the previous year (2023), all distributors received a guidance booklet specifically designed for them, providing guidance on how to structure their own compliance programmes.

Medartis' Corporate Social Responsibility Policy, issued in 2023, is the company's most comprehensive commitment to respecting human rights. It aligns with the Ethical Trading Initiative Base Code (ETI Base Code), the United Nations Universal Declaration of Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

A cross-functional committee between the global leadership of Human Resources, the Legal Department and the Compliance Department was established in 2023 to lead the management of compliance cases and labour standards. This committee, called the Global Ethics Committee, is responsible for discussing actions to be taken in the event of violations of and non-compliance with labour standards rules, the Medartis Corporate Social Responsibility Policy and the Medartis Corporate Global Compliance Policy, as well as for establishing, reviewing and approving labour standards documents

and compliance policies. The Steering Committee meets regularly on a quarterly basis and extraordinarily as required.

Medartis does not source any critical raw materials, alloys or auxiliary materials consisting of tin, tungsten, tantalum or gold as defined by the "Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour" (DDTrO). Medartis does not meet the thresholds set by this ordinance for alloys or derivatives. With regard to child labour, Medartis considers the risk to be very low. Medartis does not source its raw materials from countries classified by the UN, ILO or UNICEF as high-risk countries in the relevant area (non-agricultural sectors). The company also requires its suppliers to ensure traceability and the prevention of child labour throughout the value chain. This survey and the company's own assessment are repeated regularly.

GRI 2-24 Embedding policy commitments

See GRI 2-16.

GRI 2-25 Processes to remediate negative impacts

See GRI 2-16.

GRI 2-26 Mechanisms for seeking advice and raising concerns

See GRI 2-16.

GRI 2-27 Compliance with laws and regulations

There were no violations and no monetary sanctions in relation to a non-compliance issue in the reporting year.

GRI 2-28 Membership associations

Medartis is a partner of the International Bone Research Association (IBRA).

GRI 2-29 Approach to stakeholder engagement

For Medartis, the involvement of all key stakeholders is crucial. With our customers, we create and deliver sustainable value propositions with our complete and innovative product portfolio. For our patients and surgeons, we provide products of the highest quality for a successful and fast recovery. In addition, the environmental and social conditions within the ecosystem in which we operate must be considered and taken seriously. It is a joint effort. We establish, maintain and develop relationships with our stakeholders based on transparency, accountability, ethical behaviour and trust. In crossfunctional teams, we define our key stakeholders and identify their concerns and expectations.

We communicate with our stakeholders through various communication channels. A detailed description is available in our [Stakeholder Analysis](#).

2-30 Collective bargaining agreements

Globally, 12.9% of our employees (122 out of 949) are subject to collective bargaining agreements.

GRI 3: MATERIAL TOPICS 2021

GRI 3-1 Process to determine material topics

Medartis did not revise its materiality analysis in 2024. However, the current materiality assessment remains valid, as updates to the material topics and their evaluation are generally conducted

approximately every two years. The next comprehensive review and update of the materiality analysis is planned for 2025.

The most recent materiality analysis, conducted in 2023, was based on the principle of double materiality to align with the Swiss counterproposal to the Responsible Business Initiative (KVI) and the Corporate Sustainability Reporting Directive (CSRD).

This analysis incorporated both impact materiality (inside-out perspective) and financial materiality (outside-in perspective) to ensure a balanced evaluation of sustainability topics.

Summary of the materiality analysis:

- **Stakeholder engagement:** An in-depth review of the relevant stakeholders and their expectations (GRI 2-29)
- **Value stream analysis:** Assessment of the Medartis value chain from idea management to product end-of-life.
- **Business process matrix:** Evaluation of business processes based on the ISO 13485:2016 quality system.
- **Strategic alignment:** Consideration of the Medartis 5-year strategy.
- **Benchmarking and expert support:** Collaboration with "Swiss Climate" for benchmarking on industry-relevant sustainability issues.
- **Carbon footprint findings:** Inclusion of insights from Medartis' carbon footprint assessment.

The findings from this analysis remain the foundation for sustainability reporting in 2024 and will be updated in 2025 to ensure continued relevance and compliance with evolving stakeholder and regulatory expectations.

See our [Double Materiality Assessment](#) for further details.

GRI 3-2 List of material topics

In accordance with the principle of 'double materiality,' Medartis considers topics material if they are significant for the business success of Medartis or if Medartis' business activities have substantial economic, ecological or social impacts.

The combination of both perspectives results in the following key topics for Medartis, which have already been grouped based on CSRD guidelines:

Climate change

- GHG emissions (impact materiality)
- GHG emissions including carbon footprint targets (finance materiality)

Use of resources and circular economy

- Water and waste management (impact materiality)
- Energy (impact materiality)
- Security and use of renewable and non-renewable energies (financial materiality)
- Raw materials (financial materiality)
- Human health (financial materiality)

Workforce (our own and within the value chain)

- Work safety, health protection and well-being (impact materiality)
- Health protection (financial materiality)
- Safety of employees at work (financial materiality)
- Respect for the right of employees to be informed and consulted (financial materiality)
- Diversity, equality and inclusion (impact materiality)
- Gender equality (financial materiality)

- Training and further education of employees (impact materiality)
- Human rights (impact materiality)
- Respect for human rights (financial materiality)
- Management culture and leadership (impact materiality)

Consumers and end users

- Information security and data protection (impact materiality)
- Training and education of product recipients (impact materiality)
- Product quality and safety (impact materiality)

Business conduct

- Economic performance (impact materiality)
- Partnership relationship with suppliers (impact materiality)
- Innovation (impact materiality)
- Measures to protect customers and suppliers (financial materiality)
- Bribery and corruption (impact materiality)
- Combating corruption (financial materiality)

The different wording of the individually identified topics emerged directly from the workshops. We deliberately did not adapt it in the matrix in order to not distort the process of creating the essential characteristics.

GRI 3-3 Management of material topics

Each of the five materiality criteria is reported on in this Sustainability Report. The concepts and, where relevant, the related due diligence procedures are explained in more detail.

This includes:

- A specific description of the impact (inside-out)
- A specific description of the material opportunities and risks (arising from our own operations and, where relevant, from business relationships, products and services (outside-in))
- A description of the measures required to implement the concepts and an assessment of their effectiveness
- The performance indicators related to the company's activities

GRI 101 Biodiversity 2024

After a thorough assessment of our business operations and stakeholder expectations, we have concluded that this is not considered to be a material topic for Medartis. Our materiality analysis, conducted in alignment with the GRI 3-3 Management Approach, has shown that this topic does not have a significant economic, environmental, or social impact on our business activities, nor is it a priority concern for our key stakeholders.

As a result, we do not provide detailed disclosures on this topic within our sustainability reporting. However, we continue to monitor developments and stakeholder expectations and will reassess its relevance in future materiality reviews.

GRI 201 Economic Performance 2016**GRI 201-1 Direct economic value generated and distributed**

See our [Financial Report](#) for further details.

GRI 201-2 Financial implications and other risks and opportunities due to climate change

See our [TCFD Report](#) for further details.

GRI 201-3 Defined benefit plan obligations and other retirement plans

Not reported in 2024.

GRI 201-4 Financial assistance received from government

No financial assistance was received from government.

GRI 202 Market Presence 2016

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

Not reported in 2024.

GRI 202-2 Proportion of senior management hired from the local community

Not reported in 2024.

GRI 203: Indirect Economic Impacts 2016

GRI 203-1 Infrastructure investments and services supported

No significant infrastructure investments.

GRI 203-2 Significant indirect economic impacts

No significant indirect economic impacts.

GRI 204: Procurement Practices 2016

GRI 204-1 Proportion of spending on local suppliers

We focus on the development of local suppliers:

- By 2024, more than 90% of all our medical device product and process suppliers, with more than 95% of spending, were located within 200 kilometres of the manufacturing sites in Basel and Warsaw.
- This focus on local suppliers reduces upstream transport and associated emissions, and facilitates a direct exchange and partnership between customer and supplier. Compliance with social and environmental standards can be effectively verified through direct on-site contact in the form of supplier meetings and audits.

GRI 205: Anti-corruption 2016

GRI 205-1 Operations assessed for risks related to corruption

All subsidiaries undergo a general risk mapping process on compliance topics, conducted annually by the Global Compliance Department, in which, among the various topics mapped, the risk of corruption is also considered. The risk mapping matrix uses a classification of Very Low Risk, Low Risk, Medium Risk and High Risk considering the possibility of the negative event occurring with regard to the most problematic topic tracked in the region.

The risk classification can be done based on several factors, such as specific cases that have occurred in the company in the past, or the local market practices, or even the local cultural and political risks and specific legal scenarios. It also includes the preventive measures and improvements that the company will implement in that specific region in order to reduce potential incidents related to the mapped risk.

For Medartis Mexico in particular, in 2024 the company obtained two ISO certifications related to compliance and the fight against corruption and bribery, ISO 37001 – Anti-Bribery and Compliance

Management – and ISO 37301 – Compliance Management Systems.

GRI 205-2 Communication and training about anti-corruption policies and procedures

In 2024, a new global compliance training programme was rolled out to all employees through interactive training films translated into all the company's languages, covering relevant topics such as bribery and corruption, sexual harassment, hostile work environment, unconscious bias, due diligence and incident reporting. Every new employee in every subsidiary automatically receives compliance training upon joining Medartis, and current employees receive annual refresher training.

All employees also receive information on what is and is not permitted through publications on the company's intranet compliance site.

In the reporting year, 82.33% of the global Medartis team, including headquarters and all subsidiaries, successfully completed the annual Corporate Compliance training. In the LATAM region, the company also held "Compliance Weeks" with external speakers, lectures and specific training sessions every day for a week.

The guidelines on the correct handling of benefits and thus the prevention of corruption are regularly updated and communicated to the employees concerned via the various communication channels.

GRI 205-3 Confirmed incidents of corruption and actions taken

There were no incidents of corruption in the reporting year. Neither were there any incidents in which employees were dismissed or disciplined for corruption, and no contracts with business partners were terminated or not renewed due to violations related to corruption.

GRI 206: Anti-competitive Behaviour 2016

GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

During the reporting period, no accusations, legal proceedings or financial penalties were issued for anti-competitive behaviour.

All subsidiaries undergo a general risk mapping exercise on compliance topics on an annual basis. This is conducted by the Global Compliance Department and covers a range of topics, including the risk of anti-competitive behaviour, anti-trust and monopoly practices. The risk mapping matrix employs a classification system that categorises risk as Very Low, Low, Medium or High, based on the potential for negative events to occur. This matrix also outlines the preventive measures and improvements that the company will implement to mitigate the likelihood of incidents related to the regional risks identified.

The company's new Global Compliance Policy and local subsidiaries' versions have a chapter on antitrust and fair competition issues. In 2024, the company also invested in training for employees and distributors in general, and in the most crucial regions such as Latin America, through its "Compliance Weeks" and other compliance training sessions in which competition practices were discussed.

All standard distributor agreements include strict compliance rules and obligations on antitrust and fair competition topics. New distributors are only approved after a due diligence process that includes an assessment of the distributor's compliance programme and a background check. These considerations are integral to ensuring compliance with antitrust and fair competition matters.



Shopfloor meeting, Basel

GRI 207 Tax 2016

GRI 207-1 Approach to tax

Medartis is a Swiss-based multinational company with headquarters in the canton of Basel-Stadt. Medartis sells its products in more than 50 countries and has its own subsidiaries in 12 countries. All sales subsidiaries are wholly owned by Medartis AG, which was also the sole manufacturer of all Medartis products until 2024. A small volume of third-party manufacturing products is produced in the acquired production facility in Warsaw IN, USA. Medartis' tax obligations include various direct and indirect taxes as well as corporate and employee taxes. The majority of these taxes, together with customs duties, are paid to the countries in which Medartis has its own subsidiaries. As a "good tax citizen", Medartis is committed to tax compliance in all countries in which it operates directly or indirectly. It manages its international sales and services in accordance with all applicable tax regulations and international standards.

207-2 Tax governance, control, and risk management

Responsibility for tax compliance lies with Corporate Tax (part of Global Finance) and Corporate Legal, both based in Switzerland. Global Compliance independently monitors tax compliance and also independently reports to the Board of Directors through its Finance and Audit Committee. The tax function (reporting to the Global CFO), supported externally by tax experts from the Big Four auditors, coordinates, guides and supervises all accounting staff and controllers of the various Group companies. This ensures that Medartis complies with all local and international tax laws, rules and regulations. The Group auditors and other local auditors review tax compliance as part of their ongoing audit mandates, not only for the Group but also in countries where statutory audits are required. In addition to regular audits and an appropriate organisation to ensure tax compliance, Medartis explicitly complies with the spirit and the letter of local laws and regulations in line with and within the

framework of internationally recognised standards, such as the OECD-G20 inclusive framework on Base Erosion and Profit Shifting (BEPS and BEPS 2.0) and the European Guidelines (ATAD). This includes the establishment and implementation of a global transfer pricing model that allocates profit to value chains at arm's length.

Regular external reviews in line with benchmarking analyses monitor all intercompany transactions and ensure alignment with international standards. Medartis does not make use of offshore structures (tax havens) or other artificial structures that are disconnected from its actual business needs. Medartis does not have any legal entities in tax regimes that are internationally known or categorised (e.g. by the OECD) as tax havens or similar. As a general principle, tax follows business for all Medartis business activities. As at 31 December 2024, Medartis had not entered into any Advanced Pricing Agreements (APAs) on a worldwide level.

GRI 207-3 Stakeholder engagement and management of concerns related to tax

Not reported in 2024.

GRI 207-4 Country-by-country reporting

Not reported in 2024.

GRI 301: Materials 2016

GRI 301-1 Materials used by weight or volume

Medartis' main products are surgical plates, screws, surgical guides and jig instruments. All implants are manufactured from titanium derivative rods or metal blocks on CNC milling and turning machines. Instruments are made of stainless steel and containers of stainless steel and aluminium. For further information on the raw materials used, see "Key sustainability figures > [Environment](#)".

GRI 301-2 Recycled input materials used

Medartis uses only virgin titanium for the production of implants, as the stringent regulatory requirements in the medical field demand high purity and quality. However, recycled materials are used in packaging to improve resource efficiency. For example, shipping bags consist of 50% recycled paper with PE coating and cardboard boxes are 100% recyclable. Cardboard is also prioritised over plastic packaging in order to further optimise resource use.

GRI 301-3 Reclaimed products and their packaging materials

Medartis is committed to reducing the use of packaging materials, increasing the proportion of recycled content, and minimising plastic usage, all while ensuring safe transportation to uphold patient safety. Most deliveries are made from Medartis' headquarters and subsidiaries to distributors and directly to customers. While efforts are made to reuse transport packaging locally, the extent to which this occurs may vary. Wherever possible, paper and cardboard used for transport packaging are sourced from recycled materials.

GRI 302: Energy 2016

GRI 302-1 Energy consumption within the organisation

In 2019, Medartis decided to enter into a target agreement with the Swiss Federal Government to increase energy efficiency with the help of the Energy Agency for Industry (EnAW). In this way, Medartis is making a significant contribution to the government's efforts to use energy efficiently and reduce greenhouse gas emissions.

Medartis Switzerland receives its district heating from the local energy supplier IWB. It is produced at the waste incineration plant in Basel from the waste incinerated there, mainly domestic waste. This district heating is considered 100% carbon neutral and is used

in both the production and administration areas of the building. The waste heat from the industrial plants is not only used for heating, but also for cooling, thanks to one of the largest absorption chillers of its kind in Switzerland. The corresponding district heating power box has been certified by TÜV Süd. In addition, Medartis' headquarter in Basel obtains 100% of its electricity from renewable sources, mainly hydroelectric power. Intelligent building controls allow Medartis to make efficient use of a wide range of applications. Saving energy without compromising quality also applies to the use of electrical energy. LED technology is used consistently in all conversion and renovation work. Whenever possible, the company purchases equipment with the highest energy class. Where appropriate, motion detectors are used for lighting at the headquarters. In 2024 the lighting at the headquarters has been replaced with LED bulbs.

During the winter of 2022/2023, the entire energy management system at our Basel headquarters was reviewed and optimised. However, ensuring high data quality and effective monitoring of energy consumption remains a challenge. We are continuously working to improve these processes to support more informed decision-making and implementation of targeted measures.

GRI 302-2 Energy consumption outside of the organisation

At this time, we have not calculated energy consumption outside of our organisation. Due to data availability limitations and the complexity of assessing indirect energy use across our value chain, we have not yet conducted a comprehensive evaluation.

We acknowledge the importance of measuring and managing our indirect energy consumption and are exploring methodologies to improve data collection and assessment in the future.

GRI 302-3 Energy intensity

At this time, we have not calculated our energy intensity. Due to data availability constraints and the complexity of determining an appropriate intensity metric for our operations, we have not yet conducted a comprehensive assessment. We plan to do this in 2025.

GRI 302-4 Reduction of energy consumption

The quality of energy consumption data varies considerably, particularly between our subsidiaries. Since 2024, we have also encountered challenges at our headquarters, where the energy consumption of IBRA - an organisation that shares the same building - is attributed to Medartis due to a lack of accurate measurement systems. However, IBRA is not included in Medartis' greenhouse gas reporting. To address this, we plan to expand our energy monitoring system in 2025 by installing additional sensors to improve data accuracy and attribution.

At our production site in Warsaw, USA, a partial shift to automated 24/7 production was implemented in 2024. This resulted in a slight increase in total electricity consumption (+3%), mainly due to higher demand from machinery, compressors and ventilation systems. On the other hand, natural gas consumption was reduced by more than 40% thanks to optimisation and efficiency measures in our US production site and throughout our subsidiaries.

For further information, see "Key sustainability figures > Environment".

302-5 Reductions in energy requirements of products and services

At Medartis, we are continuously working to improve energy efficiency in our production and packaging processes. Our key measures include:

Energy savings in production:

- Implementation of more efficient machinery to reduce energy consumption.
- Optimisation of manufacturing processes to minimize energy waste.
- Improved material utilisation to enhance resource efficiency.

Energy-efficient and sustainable packaging:

- Reduction of unnecessary packaging to decrease material and energy usage.
- Use of sustainable materials to lower the environmental impact.
- Preference for cardboard over plastic packaging to optimise resource use.
- Shipping bags made from 50% recycled paper with a PE coating.
- Cardboard boxes that are 100% recyclable.
- Increased reuse of transport packaging wherever possible, with a focus on using recycled materials.

By implementing these measures, Medartis aims to reduce its overall energy footprint while maintaining the highest standards of quality and safety in its products and packaging.

GRI 303: Water and Effluents 2018

GRI 303-1 Interactions with water as a shared resource

Medartis considers water a valuable resource and ensures that its withdrawal and usage do not negatively impact other users or the local ecosystem. The company sources its water from municipal supplies for production processes and sanitary facilities, and from a groundwater well for cooling purposes. The discharge of used water is carried out in close coordination with the relevant authorities and complies with legal requirements. It is crucial for Medartis that the water returned to the natural cycle is neither

chemically contaminated nor polluted in any way. Continuous monitoring and documentation of these processes ensure that all standards for protecting water resources are met.

GRI 303-2 Management of water discharge-related impacts

To ensure that discharged water does not cause any environmental harm, Medartis has implemented comprehensive measures. The temperature of the discharged cooling water is continuously monitored to ensure compliance with legally prescribed limits. The wastewater from production processes, particularly from the cleaning of implants, is treated without the use of chemical detergents before being returned to the water cycle. An innovative ultrasonic cleaning process allows for an especially environmentally friendly cleaning method. If any contaminated wastewater is generated, it is not discharged into the water system but is instead disposed of through certified waste management companies in accordance with regulations.

GRI 303-3 Water withdrawal

Medartis sources water from two main sources: municipal water for production and sanitary facilities, and groundwater for cooling purposes. The company meticulously documents its annual water consumption and collaborates closely with the relevant authorities to ensure sustainable water withdrawal. In recent years, initiatives have been implemented to further reduce water use in production processes, making manufacturing operations more resource-efficient.

GRI 303-4 Water discharge

Water used in production processes is returned to the natural water cycle after cleaning. Medartis strictly adheres to legal limits, particularly concerning the temperature of discharged water. The groundwater used for cooling purposes is directed back into a nearby river at a regulated temperature.

GRI 303-5 Water consumption

Through the use of innovative technologies and efficient cleaning systems, Medartis has reduced its water consumption in recent years. The new hybrid cleaning system allows for continuous cleaning without the need for frequent manual filling and emptying, resulting in more efficient water use. Overall, the water consumption per process has been significantly reduced, in line with the company's sustainability goals.

For further information on water consumption, see "Key sustainability figures > [Environment](#)".

GRI 305 Emissions 2016

305-1 Direct (Scope 1) GHG emissions

The Scope 1 emissions reported here cover the headquarters in Basel, the production site in the USA, as well as all locations of our subsidiaries and encompass directly produced heating, electricity and business travel with our own vehicles (the main source of Scope 1 emissions at Medartis).

For details on our GHG emissions, see "Key sustainability figures > [Direct and indirect emissions](#)".

GRI 305-2 Energy indirect (Scope 2) GHG emissions

The Basel headquarters sources heat, cooling, and electricity entirely from renewable energy, ensuring that Medartis' production is powered by energy from sustainable sources. The production site in Warsaw (USA), added in 2022, was built in 2021 with a modern infrastructure. However, the energy purchased at this site consists of a mix of renewable and conventional sources, reflecting the regional energy grid composition.

GRI 305-3 Other indirect (Scope 3) GHG emissions

Scope 3 emissions encompass greenhouse gas emissions across the entire value chain of a company. In this report, Scope 3 emissions are categorised according to the 15 categories defined by the GHG Protocol as follows:

Upstream Categories:

3.1 Purchased Goods and Services: Covers emissions from raw materials used in production, purchased components, packaging materials and non-product-related goods and services

3.2 Capital Goods: Includes emissions from the procurement of equipment, machinery, and IT infrastructure.

3.3 Fuel- and Energy-Related Activities: Includes emissions from the extraction, production, and transportation of fuels used by Medartis.

3.4 Upstream Transportation and Distribution: Covers emissions from the transportation and distribution of raw materials from suppliers. It also includes emissions from transporting products to subsidiaries, distributors, and end customers, excluding transportation from distributors to their customers.

3.5 Waste Generated in Operations: Includes emissions from waste produced at Medartis' operations, particularly from the two production sites.

3.6 Business Travel: Comprises emissions from employee business travel by road, rail, and air using non-company transportation.

3.7 Employee Commuting: Accounts for emissions from employees' daily commutes, based on a survey conducted on commuting behavior.

3.8 Upstream Leased Assets: Reported under Scope 1 and 2 following the operational control approach.

Downstream Categories:

3.9 Downstream Transportation and Distribution: Not applicable, as Medartis covers all transportation costs. These emissions are included in Category 3.4 Upstream Transportation and Distribution.

3.10 Processing of Sold Products: Not applicable, as Medartis does not sell products that require further processing by customers.

3.11 Use of Sold Products: Not applicable, as Medartis does not sell active products requiring assessment under the GHG Protocol.

3.12 End-of-Life Treatment of Sold Products: Covers emissions from the disposal and treatment of sold products and packaging at the end of their lifecycle.

3.13 Downstream Leased Assets: Not applicable to Medartis' products and services.

3.14 Franchises: Not applicable to Medartis' operations.

3.15 Investments: Scope 1 and 2 emissions associated with investments have been accounted for using the equity share approach.

This comprehensive assessment provides an overview of Medartis' Scope 3 emissions, covering both upstream and downstream impacts where applicable.

For details on our GHG emissions, see "Key sustainability figures > [Environment](#)".

GRI 305-4 GHG emissions intensity

To ensure better comparability, we calculate emissions intensity by relating total emissions to gross profit.

The emission intensity calculation can be found under "Key sustainability figures > [Environment](#)".

GRI 305-5 Reduction of GHG emissions

In 2024, Medartis submitted its targets to the Science Based Targets Initiative (SBTi) for validation. To support the achievement of these targets, the company has defined a comprehensive roadmap with specific measures and actions to ensure a clear path towards achieving its climate-related goals.

We recognise that achieving our SBTi targets by 2033 will not be easy as we are a growing business in a dynamic environment. In addition, it will take time for all of our actions to take full effect in reducing emissions. Despite these uncertainties, we remain fully committed to our targets and will do our best to achieve them.

In the year under review, our emissions increased by around 20% compared to 2023. This shows that there is still a long way to go, but we are determined to take the necessary steps to meet our targets.

A significant proportion of Medartis' greenhouse gas emissions are related to mobility, including business travel and employee commuting, which together account for almost one third of total emissions. Energy consumption related to production is categorised as building emissions. Thanks to our commitment to renewable energy at our headquarters, emissions from buildings remain comparatively low in relation to total energy demand.

Another major contributor to our carbon footprint is the sourcing of raw materials, particularly titanium, which is essential for our

implants and instruments. Although our products have a relatively small material footprint, the energy-intensive production of high-purity raw materials is a significant source of emissions.

To further reduce our environmental impact, we are exploring opportunities to improve waste management, optimise recycling processes and identify more sustainable sourcing options for critical materials.

See further details on our [SBTi commitment](#) in our highlights section.

GRI 305-6 Emissions of ozone-depleting substances (ODS)

Medartis only uses ozone-depleting substances in closed systems, primarily in production. In the 2024 reporting period, there was no need to refill the systems and therefore Medartis reported no consumption.

GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Due to the nature of our business activities, this indicator is not directly relevant for Medartis, as our production processes do not involve significant combustion or other activities generating substantial NOx or SOx emissions. However, we continue to monitor potential indirect emissions, such as those related to transportation and building operations, to ensure we minimise our environmental impact.

GRI 306 Waste 2020

GRI 306-1 Waste generation and significant waste-related impacts

Medartis has implemented a sustainable waste management concept for industrial and municipal waste, including clear guidelines for the segregation and disposal of hazardous waste. The aim is to reduce the overall amount of non-recyclable waste and fully leverage opportunities for waste recycling.

Material recycling plays a central role in this concept, as it reduces the volume of waste requiring disposal in public systems (e.g., landfills, incinerators) and decreases the demand for primary resources by reintroducing recovered materials into production processes. This approach helps conserve natural resources and minimises environmental impacts associated with raw material extraction and waste treatment.

For details on generated waste, see “Key sustainability figures > [Environment](#)”.

The information for GRI 306-1 also covers the following GRI:

- GRI 306-2 Management of significant waste-related impacts
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 306-5 Waste directed to disposal



GRI 308 Supplier Environmental Assessment 2016

GRI 308-1 New suppliers that were screened using environmental criteria

Corporate responsibility issues are reviewed as part of the supplier evaluation, approval and ongoing monitoring process. New suppliers sign a memo confirming that they operate in accordance with the ETI Base Code. Corporate responsibility is treated as a separate item in the approval and monitoring audits of suppliers. No negative environmental impacts were identified in 2024.

The information for GRI 308-1 also covers GRI 308-2 "Negative environmental impacts in the supply chain and actions taken".

GRI 401 Employment 2016

GRI 401-1 New employee hires and employee turnover

For details, see "Key sustainability figures > [Key figures employees](#)".

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

All benefits are granted to all colleagues worldwide, both full-time and part-time employees. In the US, this is also regulated in the Family and Medical Leave Act (FMLA).

GRI 401-3 Parental leave

Not reported in 2024.

GRI 402: Labour/Management Relations 2016

GRI 402-1 Minimum notice periods regarding operational changes

In 2024, no specific data were reported regarding the minimum notice periods for operational changes. However, Medartis is committed to maintaining transparent and timely communication with its employees concerning any significant organisational changes. In line with best practices and applicable labour regulations, the company ensures that employees and, where relevant, employee representatives are informed within an appropriate timeframe to ensure fairness and foster trust.

GRI 403 Occupational Health and Safety 2018

GRI 403-1 Occupational health and safety management system

At Medartis, occupational health and safety is integrated into the quality management system according to ISO 13485:2016. There is a particular focus on the production sites in Basel and Warsaw, where we have the largest number of employees and the highest occupational safety risks. We have described our occupational safety requirements in specific procedural instructions:

- Basel: "Occupational Health and Safety Management" follows the Swiss Employment Act (EmpA) with the related Ordinances 1-5 and AIA, APO and CO.
- Warsaw: The "Employee Handbook" follows Indiana Code 22-8-1.1 and the Occupational Health & Safety Act of 1974 Mission statement.

GRI 403-2 Hazard identification, risk assessment, and incident investigation

Hazards can only be controlled if they are known. Identifying hazards in the organisation and assessing the associated risks are central tasks of safety work. In the case of special hazards, as well as for the acceptance of newly constructed and commissioned facilities or new systems (interfaces), the company calls in specialists to assess the risks. A continuous improvement process (CIP) is used to record and implement ideas for improving daily work processes. In addition, the 6S method is used in Medartis' operations. The main objectives are tidiness and cleanliness, quality, workplace ergonomics, efficiency, cost effectiveness and work safety. The aim is to create workplaces where products can be manufactured in the best possible quality, in the shortest possible time and with the highest possible level of safety. At the production sites in Basel and Warsaw, occupational safety is integrated into daily operations, with all absences being recorded and categorised. Near misses are also specifically recorded on the shop floor. All near-misses and accidents are investigated and appropriate action is taken. Occupational health and safety is an integral part of the Medartis Management Review. All relevant issues are reported to senior management and any necessary longer-term or strategic actions are initiated on this basis.

GRI 403-3 Occupational health services

At Medartis' headquarters in Basel, employees have access to a permanent company medical service and trained first-aiders are available on every floor of the headquarters. At the Medartis production site in Warsaw, there are trained first aiders. First aid equipment, including automated external defibrillators (AED), is available in Warsaw and Basel. Subsidiaries have country-specific policies, all of which at a minimum comply with local legal requirements. In addition, injured or sick employees can access occupational health services outside the company at any time. If necessary, transport to local clinics is arranged so that employees

can be examined and treated. The company complies with applicable country-specific regulations to protect the medical data of its employees.

GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

The site-specific safety officers support the measures described with their technical expertise and are the link in the chain of employee participation, consultation and communication on occupational health and safety. In the case of subsidiaries without a specific safety organisation (sales subsidiaries), the managing director of the subsidiary is responsible for implementing the necessary health and safety measures in the workplace.

GRI 403-5 Worker training on occupational health and safety

The safety organisation is also responsible for providing regular safety training. New employees and apprentices also receive special training when they join the company, in some cases directly from the safety officer.

GRI 403-6 Promotion of worker health

Medartis undertakes a wide range of activities and develops programmes to promote the health and well-being of its employees and to provide opportunities for preventive healthcare through various offers and campaigns. These include, for example, sports opportunities, health check-ups, lectures on health-related topics and leadership programmes that teach modern and sustainable leadership.

GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Medartis attaches great importance to the occupational health and safety of its business partners. For example, contractors working at

the headquarters receive a safety briefing and are required to comply with these rules. Suppliers also commit to a Code of Conduct to ensure safe and healthy working conditions in their company and in the supply chain. This is systematically checked during supplier audits. On the customer side, Medartis ensures that all products are ergonomic and safe to use as part of the design validation process. At the same time, Medartis assumes its duty of care towards employees involved in operations in clinics. These employees receive specific training on how to behave in the operating theatre. Hepatitis vaccinations are also mandatory for these employees.

GRI 403-8 Workers covered by an occupational health and safety management system

All direct employees are covered by our health and safety management system. All external staff working on our manufacturing sites must comply with the site's health and safety regulations.

GRI 403-9 Work-related injuries

In the reporting year, several manufacturing employees (manual workstations/surface treatment) experienced health complaints due to repetitive tasks and high physical strain. Common symptoms included:

- Musculoskeletal tension in the forearm muscles
- Tendonitis in the wrist area
- Inflammation of the thumb joints
- Overuse discomfort on the top of the wrist

A workstation analysis (WSA) was conducted with an external ergonomics and health expert to assess physical demands and employees' functional capabilities.

The analysis identified high strain in deburring tasks, with potential long-term health risks. To minimise these risks, the following measures were recommended:

- Job rotation to reduce repetitive strain
- Workstation optimisation to improve ergonomics
- Exploring alternative machines or processes to reduce vibration and grip force requirements

GRI 403-10 Work-related ill health

There were three accidents at work in the 2024 reporting period; six near misses/unsafe situations were recorded and appropriate preventive action was taken. There were no fatalities or recordable cases of work-related illness in 2024.

GRI 404 Training and Education 2016

GRI 404-1 Average hours of training per year per employee

On average, more than 20 learning hours per employee were carried out via the Learning Management System in 2024.

GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes

The Medartis Academy maintains the global Learning Management System (LMS) for Medartis and has the mission of strengthening training and education with the motto "Engage, Learn, Grow". The goal of the Medartis Academy is to provide a fully integrated learning experience, from on-boarding programmes to personalised development plans. This ensures that training has been given for all minimum requirements for the performance of a specific job and helps employees to enhance their professional growth. The Medartis Academy outlines all on-boarding programmes and minimum requirements for Medartis on a global basis. The

Academy also provides all business process training and product training, as produced by (our) internal experts. The product training required for specific job roles is documented up to the level of distributor personnel.

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

The annual performance management cycle is a mandatory process for all employees, consisting of two main parts – goal setting and the performance review. However, successful performance management is not just two or three meetings a year, it is an ongoing and continuous dialogue throughout the year with regular touchbase conversations on demand. Setting clear goals supports employees in their personal development and contributes to the company's overall "must wins". Leaders play a key role in keeping teams and employees engaged.

GRI 405 Diversity and Equal Opportunity 2016

GRI 405-1 Diversity of governance bodies and employees

At the end of 2024, women made up 42% of the total workforce. Three of the eight members (37%) of the Board of Directors are women.

Experienced employees pass on their knowledge to the next generation while also benefiting from the perspectives of younger talents. The age distribution within the workforce is as follows: 17% are under 30 years old, 61% are between 30 and 49, and 22% are over 49.

For key figures on diversity by gender and age structure, see "Key sustainability figures > [Employees](#)".

GRI 405-2 Ratio of basic salary and remuneration of women to men

The 2020 Swiss-conducted equal pay analysis for Medartis AG confirmed that women earn, on average, only 1.6% less than men, taking into account differences in qualifications and job characteristics: this difference is far below the federal tolerance threshold of 5%, which accounts for statistical and contextual factors rather than signaling discrimination. The excellent result highlights Medartis's strong commitment to fair and equitable pay practices.

GRI Non-discrimination 2016

GRI 406-1 Incidents of discrimination and corrective actions taken

A total of 21 complaints, including three related to Medartis third parties, were reported to the relevant global or local Ethics Committee in 2024; all allegations were promptly addressed. Of this total, six complaints were found to be actual compliance issues and resulted in corrective actions, including training, policy review, compliance guidance, notifications, conduct monitoring, written warnings and two employee terminations.

None of the compliance reports or cases that occurred in 2024 were incidents of discrimination. No concerns were raised regarding human rights violations, there were no cases of corruption, and no legal action was taken or pending regarding anti-competitive behaviour, antitrust or monopolistic practices. No concerns were raised about payments or contributions to politicians, political parties, associations or other organisations.

GRI 407 Freedom of Association and Collective Bargaining 2016

GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

As part of our ISO 13485:2016 certified quality management system, we have established specific supplier management processes, from the evaluation of new suppliers to the specific approval of new products and services and the KPI-driven monitoring of approved suppliers. We monitor this system with periodic and, if necessary, ad hoc audits. Based on this management system, we can make the following statements:

- We have not identified any suppliers where the right to freedom of association and collective bargaining may be at risk.

GRI 408 Child Labour 2016

GRI 408-1 Operations and suppliers at significant risk for incidents of child labor

As part of our ISO 13485:2016-certified quality management system, we have established specific supplier management processes, from the evaluation of new suppliers to the specific approval of new products and services and the KPI-driven monitoring of approved suppliers. We monitor this system with periodic and, if necessary, ad hoc audits. Based on this management system, we can make the following statements:

- We do not see any suppliers with a significant risk of incidents of child labour.
- We do not see any use of conflict materials or child labour throughout the supply chain.

GRI 409 Forced or Compulsory Labor 2016

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

We have not identified any suppliers with a significant risk of incidents of forced or compulsory labour.

GRI 410 Security Practices 2016

GRI 410-1 Security personnel trained in human rights policies or procedures

We deemed this topic as not material for Medartis AG.

GRI 411 Rights of Indigenous Peoples 2016

GRI 411-1 Incidents of violations involving rights of indigenous peoples

We deemed this topic as not material for Medartis AG.



GRI 413 Local Communities 2016

We deemed this topic as not material for Medartis AG.

GRI 414 Supplier Social Assessment 2016

GRI 414-1 New suppliers that were screened using social criteria

Supplier evaluations and audits are conducted regularly to ensure product availability, quality levels, compliance and supplier development. Where development potential is identified, appropriate actions are derived from the results of these assessments and agreed with the supplier:

- Delivery reliability is monitored on a weekly basis, with feedback in case of non-conformity.
- Suppliers with a direct influence on the medical device are evaluated on a quarterly basis for delivery reliability and quality. The quarterly results are summarised in a report and sent to the supplier at the latest one month after the end of the quarter. If the required criteria are not met, the results are discussed in a face-to-face meeting with the supplier. The defined actions are entered in a cockpit table and taken into account in the next quarterly assessment.
- Every year, an annual assessment is carried out with the top 10 strategic and technological suppliers. In addition to the quarterly reports, the annual assessment also takes into account other facts such as partnership cooperation, costs, technological development, etc.
- Supplier development strategies are discussed and agreed at quarterly and annual meetings. In addition to quarterly and annual assessments, current and future projects and short-term and long-term requirements are used as a basis for further development.

- Supplier audits, which are carried out periodically according to risk class, systematically check a supplier's or service provider's compliance with regulatory requirements, standards and contractual agreements. Nine supplier audits were carried out during the reporting year. No critical deviations were found during these audits.

GRI 414-2 Negative social impacts in the supply chain and actions taken

In the reporting year, no negative social impacts were identified in the supply chain. Medartis maintains a systematic supplier assessment process and collaborates closely with its partners to ensure compliance with ethical, social, and environmental standards.

GRI 415 Public Policy 2016

GRI 415-1 Political contributions

We deemed this topic as not material for Medartis AG.

GRI 416 Customer Health and Safety 2016

GRI 416-1 Assessment of the health and safety impacts of product and service categories

Post market surveillance is the practice of monitoring the safety of a pharmaceutical drug or medical device after it has been released on the market and therefore the way how Medartis assesses the health and safety impacts of products and services.

Overall Post market surveillance (PMS) covers all areas of Medartis that receive, obtain and generate information/data about medical

devices which have already been placed on the market, put into service or been made available in the market.

PMS aims to

- Systematically identify possible risks in the practical (as well as intended) use of the product;
- Identify options to improve the usability, performance and safety of the device in the field;
- Determine product defects and undetected safety issues;
- Contribute to the post-market surveillance of other devices, when relevant;
- Detect and report trends;
- Enable quick initiation of necessary measures such as recalls; and
- Update the benefit-risk determination.

The following table shows the overall idea of PMS data processing within the whole company.

PMS Source (part of PMS)	Proactive (P) Reactive (R)	Focus	Frequency
Vigilance	R	Receiving, recording, evaluating, investigating and analysing complaints, SI, SAE, FSCA and trends.	yearly / quarterly
Corrective and preventive measures	R	Recording, tracking and documenting of corrective and/or preventive measures.	yearly / quarterly
Clinical evaluation	P / (R)	Assessment and analysis of clinical data, clinical trials and, if applicable or reasonable, other sources such as publications, scientific literature, etc. to verify clinical safety and performance of the device(s) e.g. with regard to scope/field of application or intended use.	yearly / --
PMCF	P / (R)	Proactively collecting and evaluating clinical data from the use in or on humans of a device which bears the CE marking and is placed on the market or put into service within its intended purpose.	yearly / --
Feedback	P / R	Collecting user feedback from the field.	yearly / quarterly
Publication on similar medical devices	P	Database searches on publicly available information such as field safety corrective actions including recalls.	yearly / quarterly

As part of PMS, these sources systematically and actively gather post-market information by processing information/data and by recording, evaluating, analyzing and recognizing trends based on defined indicators and threshold values to draw appropriate conclusions to characterize device performance.

The PMS plans and reports are part of our technical documentation and are updated at least once a year.

The data and results obtained regarding the performance of our products on the market are an important source of communication with existing and potential customers and, in particular, are among the most important sources of input for notified bodies and regulatory authorities.

Our PMS system is audited by our notified body on an annual basis. The notified body reviews and assesses the annual PMS plans, the data analysis and the PMS reports.

No deviations were identified in 2024.

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

In 2024, Medartis had no cases of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.

GRI 417 Marketing and Labeling

We deemed this topic as not material for Medartis AG.

GRI 418 Customer Privacy

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

The protection of individuals' personal data is not only required by law, but is also of the utmost importance to Medartis and its companies. Medartis treats personal data with the utmost care and respect to protect it from manipulation, loss, destruction and unauthorised processing. Data will be processed lawfully, transparently and in good faith. Personal data will only be collected and used for a purpose that has a defined legal basis. Medartis

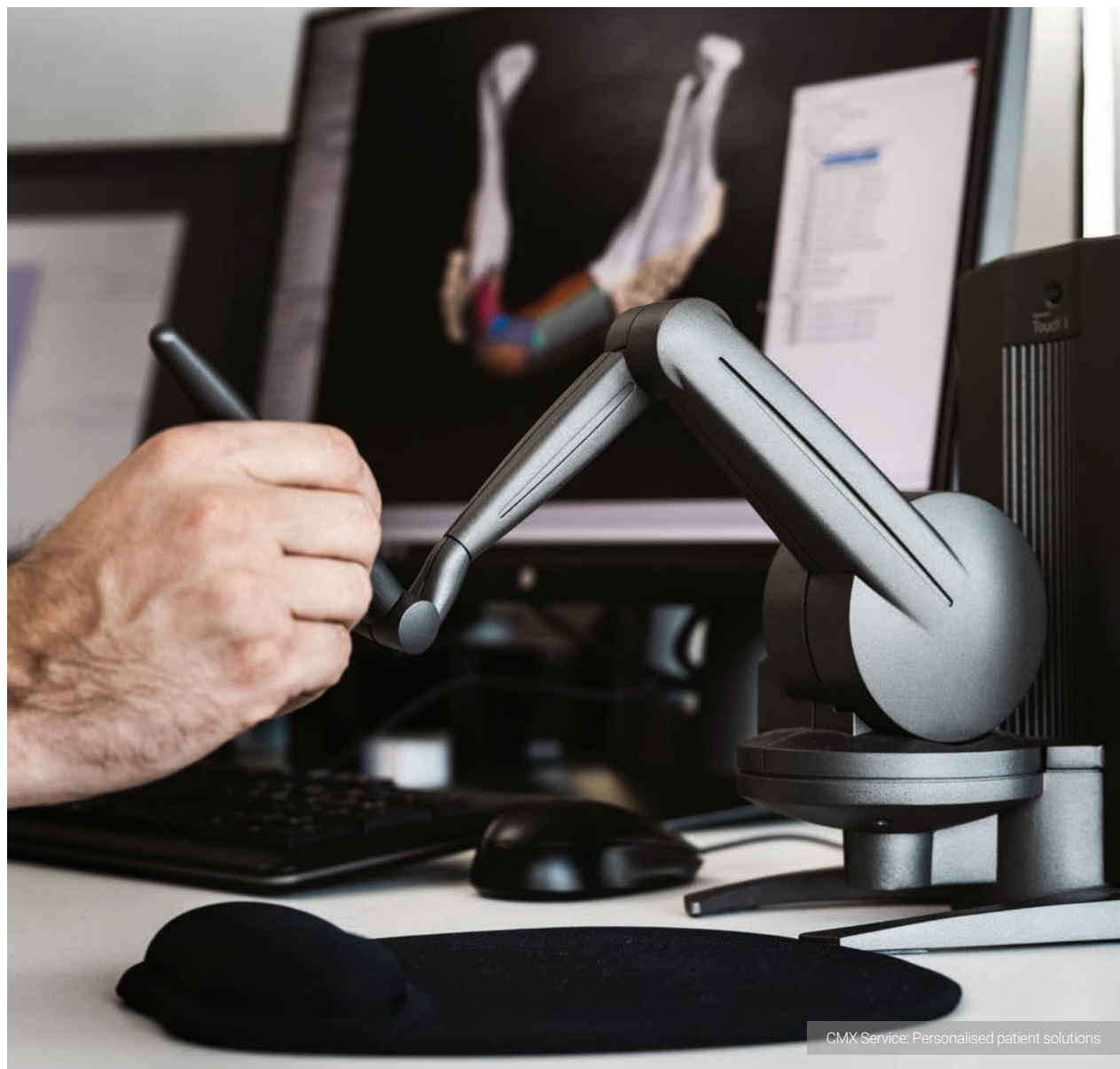
processes and protects personal data, which is by nature highly sensitive with regard to fundamental rights and freedoms, in an appropriate manner.

Medartis' data protection principles and rules are anchored in processes and guidelines. For this purpose, a data protection management system has been implemented and is continuously being improved. Medartis takes appropriate measures to meet legal requirements for confidentiality, integrity, availability and resilience. These measures include procedures for regular review, assessment, evaluation, data protection-friendly default settings and order controls. In the context of the processing activities that will be recorded by law, risk assessments are carried out with regard to the data subjects.

External data processors are continuously monitored and legally required contracts are concluded after careful examination. Particular attention is paid to the transfer of data to third countries where, according to the EU Commission, the level of data protection is insufficient. Where a transfer to such a country is unavoidable, the company ensures compliance with legal guarantees, including EU standard contractual clauses. The new EU-U.S. Data Privacy Framework, the Swiss-U.S. Data Privacy Framework and the UK Extension to the EU-U.S. Data Privacy Framework are also taken into account in the process of data transfer. The Swiss Data Protection Act, which came into force in September 2008 and was revised in 2023, has been taken into account and implemented by Medartis in its processes. In the year under review, there were no substantiated complaints from authorities or from internal or external data subjects indicating a breach of personal data. In the event of a data breach, Medartis responds within the legally required timeframe and applies an existing procedure to comply with the requirements. The privacy policy and contact details are available on the Medartis intranet and website. The data protection mailbox dataprotection@medartis.com is checked daily for any concerns.

The company continuously develops awareness in the area of data protection. In addition to the annual mandatory general training on data protection, functionally appropriate, guided data protection procedures are assigned to the relevant departments by means of online training via the Medartis Academy. It is important for Medartis to stay aware of the latest developments in the cybersecurity landscape and to continuously update its security measures to meet new challenges. To this end, the company carefully reviews the services it uses, keeps them up to date through automation and structured testing, and continuously reviews them in accordance with an internal CIP process. For critical situations, Medartis applies state-of-the-art backup approaches with solutions from leading manufacturers. In order to ensure the availability of ICT services at all times, an additional backup data centre has been set up outside the headquarters for redundancy purposes, which can be used to operate all critical systems if necessary.

In addition to technical measures, Medartis relies on organisational measures such as regulations, employee training and awareness-raising, and enables further training in the area of security.



CMX Service: Personalised patient solutions

SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

Key sustainability figures

KEY FIGURES EMPLOYEES

Global Workforce

	Female	Male	Other	Not disclosed	Total
Total number of employees	397	552	0	0	949
Permanent employees	360	521	0	0	881
Temporary employees	33	29	0	0	62
Non-guaranteed hours	4	2	0	0	6
Full-time employees	319	497	0	0	816
Part-time employees	78	55	0	0	133

	HQ	EMEA	APAC	LATAM	USA	Total
Total number of employees	379	221	100	109	140	949
Permanent employees	353	204	88	105	132	881
Temporary employees	24	15	10	5	8	62
Non-guaranteed hours	2	2	2	0	0	6
Full-time employees	270	203	97	109	138	816
Part-time employees	109	18	4	0	2	133

At the end of this reporting period, we standardised our headcount reporting methodology across all subsidiaries. The revised approach counts individuals rather than positions, providing a more accurate representation of our workforce. The figures in the table above represent headcount, not full-time equivalents (FTEs). All data reflect the situation as of January 2025.

New employee hires and employee turnover

	Female	Male	Other	Not disclosed	Total
Total number of new hires	120	111	0	0	231
Rate of new hires	14%	13%	0%	0%	28%
Total employee turnover	69	100	0	0	169
Rate of employee turnover	8%	11%	0%	0%	19%
	HQ	EMEA	APAC	LATAM	USA
Total number of new hires	76	58	32	24	41
Rate of new hires	22%	32%	41%	25%	30%
Total employee turnover	44	32	26	16	51
Rate of employee turnover	12%	15%	31%	15%	40%
	Under 30		30-49	50+	
Total number of new hires	62		123	46	
Rate of new hires	7%		15%	6%	
Total employee turnover	54		76	39	
Rate of employee turnover	6%		8%	4%	

Figures as of 31st of Dec 2024.

Figures are reported in headcount and only employees with permanent labour contracts are considered. Formulas for "New hire rate" and "Turnover rate" applied in the tables are based on ISO 30414 and are as follows:

New hire rate = number of new hires during the year / headcount at the beginning of the year

Turnover rate = number of work exits during the year / headcount at year end

Collective Bargaining Agreement

Country	Is there an agreement in place?	If yes, how many employees are covered?
Medartis (AU)	no	
Medartis (BR)	yes	77 (100%) through 3 different unions, depending on location
Medartis (DE)	no	
Medartis (JP)	no	
Medartis (MX)	no	
Medartis (PL)	no	
Medartis (USA)	no	
Medartis AG	no	
Medartis GmbH (AT)	yes	11 (100%)
Medartis Ltd (GB)	no	
Medartis S.A.R.L (FR)	yes	34 (100%)
MEDARTIS S.L. (ES)	no	

KEY FIGURES ENVIRONMENT

The following raw materials were purchased in 2024:

Material	Weight (tons)	Comment
Titanium	24.14	Implants, instruments
Stainless steel	12.79	Instruments, containers
Aluminium	1.31	Instruments, containers
Hard metal (carbide)	0.29	Tools
Plastic	11.71	Containers, primary packaging, transport packaging
Paper/cardboard	20.62	Secondary packaging, transport packaging

The volume of procured materials may vary annually due to multi-year contracts, especially for titanium.

Energy and water consumption figures are shown in the table below:

	Unit	2022	2023	2024
	Energy			
	Electricity	MWh	6'064	7'144 ¹
	Heating (inkl. natural gas)	MWh	1'268	1'472
	Cooling	MWh	1'289	1'309
	Water			
	Water consumption	m³	8'789	7'273
	Consumption per day	m³	24.1	19.9
	Cooling water flow rate	m³	169'611	203'874

¹The consumption data of our Headquarter was reassessed due to improved data quality. The increase in consumption compared to 2022 is a result of the takeover of our US site.

² The IBRA institute opened its laboratory in the same building as the head office at the end of 2023. Although IBRA is not part of our accounting scope, we are not yet able to report its energy consumption separately.

The following table shows the figures for reusable materials, special waste and residential waste:

	Unit	2022	2023	2024
	Recycling / reusable materials			
	Titanium recycled (net)	Tons	17.6	19.2
	Paper / cardboard	Tons	24.4	15.5
	Special waste			
	Aqueous rinsing liquids	Tons	96.0	119.7
	Cooling emulsion (for milling machines)	Tons	42.7	28.3
	Cutting oil (for CNC machines)	Tons	3.64	3.0
	Other controlled waste			
	Electrical appliances (SWICO goods)	Tons	1.7	0.5
	Wood	Tons	10.2	2.1
	Residential waste			
	Sweepings	Tons	33.8	24.7

The quantities of recycled materials and waste generated fluctuate according to production activities. Scrap metal (titanium) and paper/cardboard waste in particular are generated in large quantities, but are largely recycled. Slight changes from year to year are also due to process optimisations and changes in production volumes.

Direct (Scope 1) GHG emissions

	2024	2023
Emissions	[t CO ₂ eq]	[t CO ₂ eq]
Heating		
Natural gas	60.60	111.00
Heating oil	7.70	31.90
Subtotal	68.30	142.90
Electricity, own production		
Subtotal	0	0
Business travel (company-owned vehicles)		
Petrol-powered vehicles	547.20	356.70
Diesel vehicles	252.40	424.50
Gas-powered vehicles	9.20	5.60
Ethanol-powered vehicles	0	25.60
Subtotal	808.80	812.40
Total direct emissions	877.10	955.30

The decrease in natural gas consumption correlates with improved HVAC efficiency in the USA.

Some systems operate with small amounts of coolants in closed circuits. During the reporting year, there was no need to refill any coolant.

Business travel is the main contributor to our Scope 1 emissions, primarily due to the company cars used by our sales teams.

Energy indirect (Scope 2) GHG emissions

	2024	2023
Emissions	[t CO ₂ eq]	[t CO ₂ eq]
Electricity consumption		
Electricity	748.95	602.31
Subtotal	748.95	602.31
Heating		
District heating/cooling	0	0
Subtotal	0	0
Business travel		
Electric vehicles	3.50	1.83
Subtotal	3.50	1.83
Total indirect emissions	752.45	604.14

Total emissions (Scope 1 und 2)	1'629.55	1'559.44
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Business trips using our company-owned electric vehicles are reported under Scope 2, since the electricity that powers these vehicles is purchased externally.

Electricity usage increased primarily due to new machinery and 24/7 production at our US site.

District heating and cooling for our headquarters is considered climate-neutral, as it relies on waste heat from a local supplier.

Other indirect (Scope 3) GHG emissions

		2024	2023
Emissions		[t CO ₂ eq]	[t CO ₂ eq]
Scope 1		877.10	955.30
Scope 2		752.45	604.14
Scope 3 -1	Purchased goods and services	1'893.33 ³	1403.41 ¹
Scope 3 -2	Capital goods	330.73	355.38 ¹
Scope 3 -3	Fuel- and energy-related activities	353.80	343.40
Scope 3 -4	Upstream transportation and distribution	368.76	428.15 ²
Scope 3 -5	Waste generated in operations	382.26	467.04 ¹
Scope 3 -6	Business travel	1'229.60 ⁴	570.60
Scope 3 -7	Employee commuting	1'115.12	921.32 ¹
Scope 3 -8	Upstream leased assets	N/A	N/A
Scope 3 -9	Downstream transportation and distribution	N/A	N/A
Scope 3 -10	Processing of sold products	N/A	N/A
Scope 3 -11	Use of sold products	N/A	N/A
Scope 3 -12	End-of-life treatment of sold products	18.50	17.50 ¹
Scope 3 -13	Downstream leased assets	N/A	N/A
Scope 3 -14	Franchises	N/A	N/A
Scope 3 -15	Investments	96.42 ¹	80.20 ¹
Total Scope 3 emissions		5'788.86	4'586.98
Total emissions (Scope 1,2,3)		7'418.45	6'146.44

¹Figures have been recalculated due to improved data quality, including additional categories such as non-product-related goods and services, expanded classifications for capital goods and investments, as well as more granular data from our subsidiaries.

²Figures include the value of 416 t CO₂eq, which was incorrectly reported under category 3.9 last year.

³The increase in purchased goods in 2024 is driven by higher titanium supply volumes, which may fluctuate annually due to long-term raw material contracts.

⁴Business travel has risen significantly, due to increased flight activity, more in-person events, and a general rebound in corporate travel since any surge in sales or training travel naturally drives up these emissions.

GHG emissions intensity

For better comparability, we calculate the following intensity ratios in addition to the absolute greenhouse gas emissions:

Operational Unit	[t CO ₂ eq] / MCHF gross profit	
	2024	2023
Medartis overall	41.52	36.68

SUSTAINABILITY REPORT

Letter from the Chair of Sustainability	22
Worldwide presence	24
Business model and value chain	25
Materiality analysis	31
Sustainability strategy	38
Sustainability Performance Report (GRI)	51
Key sustainability figures	72
TCFD Report	77

TCFD Report

Climate-related risks and opportunities

Climate change presents unprecedented challenges and opportunities for businesses around the world. At Medartis, we are committed to proactively managing these impacts by integrating climate-related considerations into our strategy and operations. This report outlines how we identify, assess and manage climate-related risks and opportunities to strengthen our resilience in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD framework is built around four core elements: Governance, Strategy, Risk Management and Metrics & Targets. These elements provide a comprehensive approach to addressing climate-related financial disclosures, and the results presented in this report are presented accordingly.

TCFD framework elements

- **Governance:** Board and management oversight of climate-related risks and opportunities.
- **Strategy:** Impact of climate-related risks and opportunities on business strategy and financial planning.
- **Risk Management:** Processes for identifying, assessing, and managing climate-related risks.
- **Metrics & Targets:** Metrics used to assess climate-related risks and performance against targets.



1. GOVERNANCE

The governance structure for implementing the climate strategy and key actions is well integrated into the company's overall risk management and decision-making processes. The **Board of Directors** plays a key role in overseeing climate-related matters by approving climate targets, conducting an annual review of progress on our climate targets, and conducting a semi-annual review of climate-related risks and opportunities as part of the Enterprise Risk Management (ERM) framework.

The **Executive Management Board (EMB)** is responsible for implementing the climate targets and continuously monitoring climate-related risks and opportunities. To support this, the **Lead Sustainability** function coordinates and develops the climate strategy, ensures progress towards defined targets and updates climate-related risk assessments.

At the operational level, **concerned departments** are tasked with implementing specific measures to achieve climate targets and mitigate associated risks. Meanwhile, the **Enterprise Risk Management (ERM)** function ensures a structured risk management process and facilitates coordination across all relevant stakeholders.

This governance framework ensures that climate-related risks and opportunities are systematically integrated into business processes, enabling effective risk management and continuous monitoring of progress towards sustainability objectives.

Board of Directors

- Approval of climate targets
- Annual review of the progress made in implementing the climate targets
- Semi-annual review of the climate-related risks/opportunities (ERM)

Executive Management Board (EMB)

- Implementation of climate targets
- Monitoring of climate-related risks and opportunities

Concerned departments

- Implementation of defined measures for achieving targets and mitigating climate-related risks

Lead Sustainability

- Coordination and further development of the climate strategy
- Monitoring of progress towards targets
- Identification and update of climate-related risks / opportunities

Enterprise Risk Management (ERM)

- Risk management and coordination of risk management process

2. STRATEGY

Climate risk assessment

The pace of climate change is accelerating, bringing global temperatures closer to the critical +1.5°C threshold. This is a stark reminder of the growing need to address climate-related risks. In addition to environmental impacts, rising temperatures increase society's vulnerability to extreme weather events, prolonged heat waves and changing rainfall patterns. For companies, effectively managing these challenges is critical not only for sustainability, but also for long-term resilience and growth, as emphasised by the Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD framework emphasises a dual perspective on climate risks and opportunities. On the one hand, physical risks are likely to dominate in a world where inaction leads to unabated temperature increases. Physical risks include the immediate and long-term impacts of climate change, such as acute events (e.g. severe storms and floods) and chronic shifts (e.g. changes in temperature and precipitation), which can have a direct impact on a company's operations and finances. On the other hand, transition risks and opportunities arise in a scenario where companies must adapt to net-zero economic practices. Transition risks and opportunities can arise from the global shift to a low-carbon economy, which includes policy and regulatory changes, technological advances, evolving stakeholder expectations and the reputational impact of inaction. While these changes present challenges, they also offer opportunities for companies to innovate and lead the way in sustainability.

In 2024, Medartis initiated a climate risk assessment to evaluate both physical and transition-related risks and opportunities. This included a thorough review of scientific and policy research, industry-specific analysis and benchmarking against peers in the medical technology sector. Engagement with senior management, core business functions, operations and risk teams ensured that the

identified risks and opportunities were aligned with Medartis' business context. The aim was to foster a shared understanding across the organisation of how climate-related risks and opportunities could evolve over time and impact operations and strategy.

Scenarios considered

The analysis uses the climate scenarios detailed in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). It examines two global scenarios: first, a low-emissions scenario with an optimistic +1.5°C temperature rise in line with the Paris Agreement goals, and second, a high-emissions

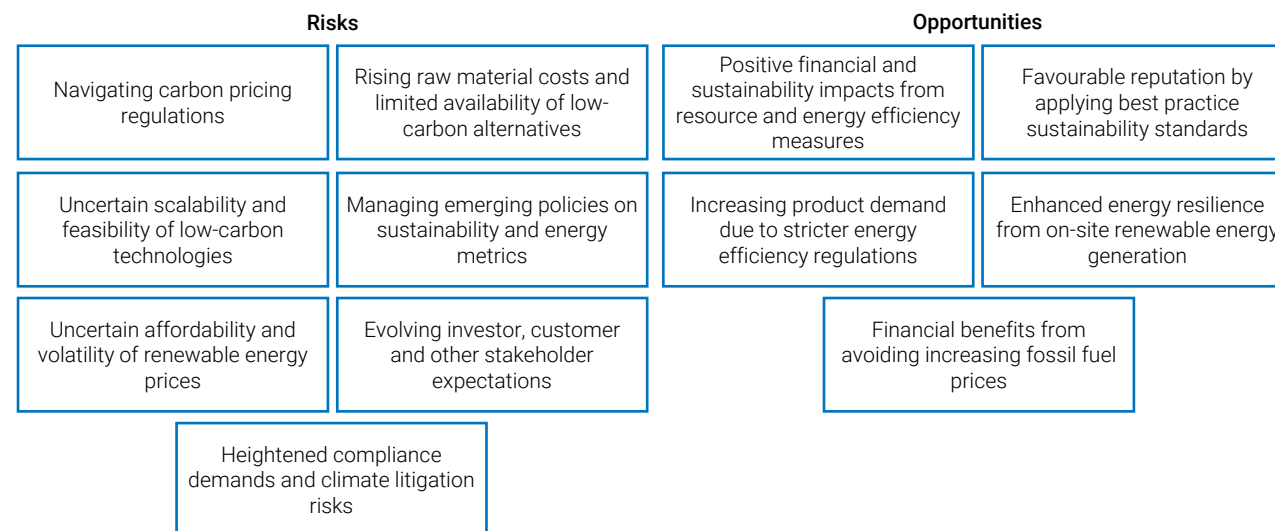
scenario with a worrying +4°C temperature rise if current global operations continue. When considering the transition in a low-emissions scenario, reference scenarios from the Network for Greening the Financial System (NGFS) and the International Energy Agency (IEA) were also included in this analysis. The narratives for each scenario are outlined below.

Low-emission scenario (IPCC RCP 2.6)

Global greenhouse gas emissions are projected to fall by more than half by mid-century, with carbon neutrality achieved by 2080 and global average temperatures rising by only 1.5-2°C, with limited overshoot by the end of the century. This scenario reflects a rapid transition to a low-carbon, sustainable economy, characterised by widespread adoption of green technologies and efforts to minimise resource use. Ambitious policies and coordinated action by nations around the world are driving significant reductions across all industries.

Paris Agreement scenario +1.5 °C (low-emission scenario)

Transition risks & opportunities dominate



High-emission scenario (IPCC RCP 8.5)

In this scenario, GHG emissions continue to rise throughout the 21st century, leading to a global temperature increase of 4°C by 2100. Economic development continues unchanged. It relies heavily on resource-intensive practices, increased energy consumption and accelerated exploitation of natural resources. This trajectory reflects insufficient action to address climate challenges.

Business-as-usual +4 °C scenario (high-emission scenario)

Physical risks & opportunities dominate

Acute risks

With climate change Medartis could encounter increasing acute risks like:

flash floods
wildfire
severe weather

Chronic risks

Negative business impacts from permanent changes in climate patterns could stem from:

Precipitation changes
Increase in temperature
aridity

With climate change, facilities and supply chains may be impacted by adverse climate-related events, which could cause damage to facilities and equipment, and have adverse impacts on employees and the communities in which they live. Impacts from climate-events may lead to:

- business continuity impacts in own operations and supply chain
- damaged infrastructure and restricted access to worksites
- elevated maintenance and cooling costs
- disruptions in water supply

Our organisation has identified key climate-related risks that could impact our operations and supply chains. Extreme weather events pose a significant threat to the availability and transportation of raw materials, potentially disrupting production and increasing costs. In addition, the availability of essential resources such as energy and water may be affected by climate change, leading to operational constraints. Furthermore, the transition to more sustainable

packaging and products, including the supply of low-carbon titanium, presents both challenges and opportunities to ensure a resilient and responsible supply chain. To address these risks, we are actively implementing strategic adaptation measures and sustainability initiatives.

Commitment to climate action: Medartis' science-based roadmap to reduce emissions

Medartis assumes corporate responsibility and actively contributes to limiting global warming to 1.5°C. To achieve this, we have developed a comprehensive roadmap with concrete measures to reduce our emissions, which has been approved by the Board of Directors and submitted for validation to the Science-Based Targets Initiative (SBTi) - the world's leading framework for voluntary corporate climate targets.

The SBTi ensures that corporate climate goals are sufficiently ambitious and aligned with the Paris Agreement, which aims to limit global warming to a maximum of 1.5°C. Medartis is committed to reducing its CO₂ emissions by approximately 60% by 2033 (compared to 2023), reaffirming its commitment to transparent and externally validated climate action.

Concrete measures for Scope 1, 2 and 3 emissions

Scope 1 & 2 (direct emissions & purchased energy): We are focusing on the transition to renewable energy sources, which has already been fully implemented at our headquarters. We are also improving energy efficiency, for example by switching to LED lighting and optimising energy cycles in production. In the coming years, we will convert Medartis company vehicles to electric drives to further reduce direct emissions.

Scope 3 (value chain emissions): To address our upstream and downstream emissions, we actively engage in dialogue with our most important suppliers, encouraging them to set their own climate targets. Additionally, we are developing targeted measures to make employee mobility and business travel more environmentally friendly.

By aligning our emissions reduction strategy with science-based targets, Medartis is taking a leadership role in corporate climate responsibility and ensuring that we make a meaningful contribution to a sustainable and low-carbon future.

Risk mitigation and integration in business processes

Medartis has identified key action points to mitigate significant risks, emphasising supply chain diversification, the resilience of our sites against physical risks, the integration of sustainability criteria into product design and the implementation of life cycle assessments as fundamental steps to address climate-related challenges. The scenario analysis is regularly reviewed to take account of emerging risks and evolving market conditions.

These key action points have been incorporated as measures into our Enterprise Risk Management (ERM) system, where they are continuously monitored and progress measured.

The integration of these measures into our business processes and the implementation of both the Key Action Points and the Climate Strategy are ensured through our governance structure (see Part 1).

3. RISK MANAGEMENT

The company has implemented a structured risk management system that has been approved by the Board. This system ensures that business risks, including sustainability and climate-related risks, are systematically identified, assessed and managed. As part of this process, risks are evaluated on the basis of their likelihood and potential impact, followed by the definition of appropriate mitigation measures. The Executive Management Board has primary responsibility for overseeing risk management at an operational level. In addition, designated individuals within the organisation are responsible for managing specific risks. For sustainability and climate risks, this responsibility lies with the Lead Sustainability, who determines the necessary actions and monitors their implementation. The Lead ERM coordinates the overall risk management process and reports to the Board of Directors twice a year. In addition, significant risks, including climate-related risks, are regularly reviewed and discussed at meetings of both the Executive Management Board and the Board of Directors.

Integration of climate risks into corporate risk management

The company follows a structured risk management approach, incorporating climate risks into its broader risk framework. This process consists of the following key steps:

1. **Risk identification and classification:** Climate-related and other significant risks are systematically identified and evaluated.
2. **Risk analysis:** Risks are analysed in detail, taking into account recent developments. Each risk is assessed based on its **probability of occurrence**, using a scale ranging from unlikely (1) to almost certain (4), and its **potential impact**, rated from low (1) to severe (4). The combination of these two factors determines the overall risk classification.
3. **Risk management:** Specific mitigation measures, instruments, and responsibilities are defined for each identified risk. These measures are reviewed at regular intervals to ensure their effectiveness.
4. **Risk monitoring and reporting:** Climate risks are integrated into the company's general risk management framework. They are included in the periodic risk reports submitted to the Executive Management Board and Board of Directors.

Given the growing importance of climate-related challenges, climate risks are regarded as an essential component of the company's overall risk landscape and are systematically incorporated into corporate decision-making and strategic planning.

Assessment of climate-related risks and opportunities

In 2024, a comprehensive assessment of climate risks and opportunities was conducted for the first time, and this evaluation will now be carried out on an ongoing basis to ensure continuous monitoring and adaptation.

The following table outlines the most significant climate-related risks and opportunities that have been identified and assessed for their potential impact on business operations.

Key risks and opportunities

We identified key impacts from both chronic and acute physical risks that may affect Medartis in the **high-emission scenario**, such as supply chain disruptions and operational challenges from extreme weather events. Additionally, in the **low-emission scenario**, we identified five key transition risks, including regulatory and market shifts, as well as two opportunities to enhance competitiveness and align with sustainability-focused market trends. This dual analysis highlights the importance of proactive adaptation strategies and the potential benefits of aligning business practices with a low-carbon economy.

High-emission scenario

Risk	Risk description	Risk mitigation
Chronic physical risks	– Supply chain & operations – Potential disruptions due to chronic climate changes – Operational & insurance costs – Possible increase in expenses – Water availability – Risk of supply disruptions – Employee health & business continuity – Climate-related challenges affecting workforce and operations – Product demand – Possible shifts due to changing climate conditions	– Business continuity plans – Adopt energy-efficient and heat-resilient solutions – Enhance supply chain resilience – Manage water supply
Acute physical risks	– Supply chain & operations – Potential disruptions from extreme weather events – Operational & repair costs – Possible increase in expenses from structural damage – Water availability – Risk of localised supply disruptions – Workforce continuity – Potential impacts from weather-related workforce disruptions – Product demand – Possible shifts due to changing climate conditions	

Low-emission scenario

Risk	Risk description	Risk mitigation
Navigating carbon pricing regulations <i>Policy & Legal</i>	– Carbon taxation – Potential impact from government-imposed carbon pricing schemes – Supply chain costs – Risk of increased costs due to carbon pricing on steel and titanium production – Litigation & compliance – Risk of legal challenges and required financial and organisational efforts to comply	– Regulatory compliance oversight – Eco-design principles
Rising raw material costs and limited availability of low-carbon replacements <i>Market, Technology, Policy & Legal</i>	– Raw material costs – Potential rise due to supplier sustainability efforts and elevated energy costs – Low-emission raw materials – Risk of supply bottlenecks and competition-driven delays – Titanium availability & cost – Increased demand could impact supply and pricing for production	
Evolving investor, customer and other stakeholders' expectations <i>Market, Reputation</i>	– Sustainability performance – Importance of aligning with stakeholders to meet net-zero goals – Reputation & talent attraction – Risk of damage from poor sustainability metrics and non-compliance – Access to capital & demand – Need to decarbonise the supply chain to avoid reputational harm and decreased demand	– Market research and customer engagement – Sustainability innovation as a strategic investment – Supplier engagement – Medartis SBTi targets
Managing emerging policies on sustainability and energy metrics <i>Policy & Legal</i>	– Regulatory compliance – Risk of increased costs due to stricter emissions and energy efficiency standards – Supply chain impact – Potential disruption from regulations – Titanium supply – Need to stay updated on regulations to ensure a stable, high-quality titanium supply and mitigate financial risks	– Regulatory compliance oversight – Continuous improvement of ERM
Uncertain scalability and feasibility of low carbon technology <i>Technology</i>	– Technology readiness – Risk of operational deficiencies due to immature net-zero technologies – Impact on products & operations – Potential delays in implementing sustainable solutions in packaging, transportation, and products – Reputation risk – Possible reputational damage from slow transition to net-zero operations	– Development of sustainable ecosystems – Sustainability innovation as a strategic investment – Cooperative logistics approaches

Opportunities

As the global economy transitions toward a more sustainable and low-carbon future, businesses have the opportunity to capitalize on emerging trends that not only enhance their environmental performance but also drive long-term financial success. For Medartis, integrating sustainability into business operations and product development presents a unique opportunity to strengthen its market position, attract investors, and ensure resilience against future challenges. By embracing resource efficiency, adopting best practice sustainability standards, and aligning with regulatory expectations, Medartis can create value across its supply chain, reduce operational risks, and improve stakeholder relationships. These opportunities not only contribute to the company's growth and innovation but also help position Medartis as a leader in the transition to a more sustainable economy.

Positive financial and sustainability impacts from resource and energy efficiency measures

Adopting resource and energy efficiency measures, along with eco-design principles, presents a significant opportunity for Medartis to achieve both financial and sustainability goals.

1. **Enhancing supply chain resilience:** Medartis strengthens its supply chain by diversifying sourcing strategies and integrating climate criteria such as climate risk assessments and Paris Agreement-aligned climate targets into supplier selection. By collaborating with suppliers to implement CO₂-reduction measures, Medartis mitigates supply chain disruptions and ensures reliable access to critical supplies and equipment.
2. **Decreased carbon footprint:** Implementing energy-saving technologies, purchasing low-emission raw materials and reducing material waste lowers the overall carbon emissions associated with production processes. This aligns with Medartis' commitment to sustainability and supports global efforts to limit global warming to 1,5 degrees.

Lowering the carbon footprint also helps the company comply with tightening environmental regulations and strengthens its market position among environmentally conscious customers and investors.

3. **Financial benefits from reduced input materials:** Efficiency measures, such as reducing material waste and improving energy use in manufacturing processes, directly lower operational costs. By using fewer raw materials and optimising energy consumption, Medartis can decrease its input costs, leading to significant financial savings. This, in turn, enhances profitability while driving positive environmental impact.
4. **Lifecycle assessments (LCA):** To maximise the effectiveness of these initiatives, Medartis will use lifecycle assessments (LCA) to identify the most resource- and energy-intensive stages of product development. By pinpointing material and energy hotspots, the company can prioritise efficiency improvements where they will have the greatest impact. LCA will also provide valuable insights into where Medartis can reduce its environmental footprint and improve the sustainability of its products.

In summary, by focusing on resource and energy efficiency and utilising tools like LCA, Medartis can enhance both its sustainability performance and financial outcomes. This strategic approach not only strengthens the company's resilience to external challenges but also positions it as a leader in sustainable business practices.

Favourable reputation by applying best practice sustainability standards

By adopting and implementing best practice sustainability standards, Medartis has a valuable opportunity to strengthen its reputation, enhance stakeholder relations, and differentiate itself in the marketplace.

1. **Enhanced reputation with investors and stakeholders:** Strong environmental performance improves Medartis' image with investors, customers, and other key stakeholders. A commitment to sustainability positions the company as a forward-thinking leader in its industry, which could enhance trust and foster long-term relationships. This, in turn, can contribute to greater stability and resilience in the face of economic fluctuations or market changes.
2. **Facilitated access to capital:** Investors and financial institutions are increasingly prioritising sustainability in their investment decisions. A solid track record of environmental responsibility may make it easier for Medartis to attract funding and secure favourable terms, ensuring continued growth and innovation. This access to capital is crucial for financing ongoing sustainability initiatives and scaling operations to meet future demand.
3. **Reduced exposure to emerging carbon regulations:** As governments and regulators introduce stricter carbon emissions standards, companies with proactive sustainability measures are better positioned to comply with these regulations, reducing the risk of fines or penalties. Medartis can enhance its reputation by demonstrating leadership in carbon management and early adoption of emerging sustainability standards, mitigating exposure to regulatory risks.
4. **Differentiation through sustainability initiatives:** Medartis can further differentiate itself by incorporating sustainability into its products and services. Actively working on sustainable product design – such as using sustainable packaging or sourcing low-carbon titanium – can set the company apart in a competitive marketplace. Providing the sales force with key facts on product carbon footprints and leveraging Environmental, Social, and Governance (ESG) ratings can also create added value for customers.

5. **Proactive sustainability approach:** By incorporating sustainability criteria into product development, Medartis not only meets customer demand for eco-friendly products but also strengthens its market positioning. This proactive approach will help build a reputation for innovation and environmental responsibility, providing a competitive edge in attracting both investors and customers who prioritize sustainability.

In summary, by embracing best practice sustainability standards and adopting a proactive approach to sustainability in product design and services, Medartis can build a strong reputation that enhances long-term stability, attracts investment, and reduces regulatory risks.

4. METRICS AND TARGETS

Medartis is committed to measuring and transparently reporting its environmental impact in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our climate targets are aligned with the Science-Based Targets initiative (SBTi), ensuring that our emission reduction goals support the Paris Agreement's 1.5°C target.

For further information see our report on the [SBTi targets](#).

To track our progress, we monitor key environmental metrics, including Scope 1, 2, and 3 emissions, energy consumption, and other environmental sustainability indicators.

For further information see "Key sustainability figures > [Environment](#)".



Apprentices and Prototype Department

Corporate Governance Report

86	Group structure and shareholders
87	Capital structure
90	Board of Directors
102	Executive Management Board
106	External Auditors
107	Information policy
108	Trading blackout periods

Corporate Governance Report



Corporate Governance Report

The Medartis [corporate governance principles](#) and rules are laid down in the Articles of Association, the Organizational Regulations, the Corporate Compliance System including the Code of Conduct, the Instruction on the Prevention of Corruption as well as the Instruction on Compliance with Antitrust Laws, and the Charters of the Board Committees. Further, Medartis takes into account the recommendations of the Swiss Code of Best Practice for Corporate Governance, as in force on 31 December 2024.

As a basis of corporate governance disclosure, this report is in compliance with the Directive on Information relating to Corporate Governance published by the SIX Swiss Exchange (Directive), where Medartis' shares have been traded since the company's initial public offering in 2018. Additional information can be found in the Financial and Remuneration Report Sections of this Annual Report.

Note: The links to relevant documents such as the Articles of Association, the Organizational Regulations and the Corporate Compliance System can be found on the second last page of the Annual Report.

innovative implants in cranio-maxillofacial surgery and extremities (i.e. hand, wrist, elbow, shoulder and foot & ankle).

In 2024, Medartis products were sold worldwide through 12 subsidiaries and through third-party distributors in a further 40 countries.

The Medartis Group has two tiers of management: the Board of Directors (BOD) and the Executive Management Board (EMB). The BOD is responsible for the Group's high-level management and oversight, its organisational structure, accounting, financial planning, financial control and risk management. The EMB consists of the Chief Executive Officer (CEO), as well as the Chief Financial Officer (CFO), the Chief Technology Officer (CTO), the President EMEA, the Chief Human Resources Officer (CHRO), the Chief Operations Officer (COO), and since January 2025 also the US President. The BOD delegates the management of the Company to the Chief Executive Officer (CEO), who is responsible for the operational management of the Group, the implementation of Medartis' strategy and the implementation of an efficient and structured procedural organisation in accordance with the guidelines provided by the BOD (see also note no. 4 to the Medartis Group Consolidated Financial Statements).

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 Group structure

1.1.1

Medartis Holding AG is incorporated as a stock corporation under the laws of Switzerland and headquartered in Basel, Switzerland. Medartis' principal executive offices are at Hochbergerstrasse 60E, 4057 Basel, Switzerland.

Medartis Holding AG and its subsidiaries (together referred to as "Medartis" or "Medartis Group" or "Group") are focused on developing, manufacturing and selling advanced and efficient implant solutions for internal surgical fixation. The core business of the Medartis Group encompasses the sale of

1.1.2

Medartis Holding AG, Basel, is listed on the SIX Swiss Exchange, Zurich, Switzerland (valor number: 38620023, ISIN: CH0386200239, SIX: MED). The market capitalization as per 31 December 2024 was CHF 770 million. The year-end closing price on 31 December 2024 amounted to CHF 56.60 per share. No other company controlled by Medartis Holding AG is listed on a stock exchange. For financial market participants, Medartis Holding AG has obtained the following Legal Entity Identifier number (LEI) 506700VUSP6HG3F28846.

1.1.3

Medartis Holding AG has invested in a number of companies to support its strategic ambition of becoming a global extremities and head company leading in technology and innovation. A list of the subsidiaries and associates of the Medartis Group as of 31 December 2024 can be found in Note 1 of the Financial Report.

1.2 Significant shareholders

According to disclosure notifications filed with Medartis, the following shareholders or shareholder groups held more than 3% of the outstanding shares as of 31 December 2024. The information refers to the latest possible information either on the reporting platform (if a reporting threshold was touched), the official share register or data submitted to Medartis by the shareholder. The current significant shareholders as well as further disclosure notifications registered in 2024 can be found at the SIX Swiss Exchange [reporting and publication platform](#).

Direct holder	Shares	% of voting rights
Dr. h.c. Thomas Straumann, Riehen, Switzerland	5'624'430	41.4%
Nordflint Capital Partners Fondsmæglerselskab A/S, Copenhagen ⁽¹⁾	1'584'756	11.7%
NexMed Holding AG, Meggen, Switzerland	921'035	5.8%
Endeavour Medtech Growth LP, Guernsey, Channel Islands ⁽²⁾	778'337	5.7%
Willi Miesch, Küssnacht am Rigi, Switzerland	617'917	4.5%

⁽¹⁾ Not or only partially registered in the share register. Information is based on feedback from the shareholder.

⁽²⁾ Endeavour Medtech GP Limited, Guernsey, Channel Islands, as general partner of Endeavour Medtech Growth LP, is exercising all the voting rights related to the shares. Further, no limited partner of Endeavour Medtech Growth LP indirectly beneficially owns the shares held by Endeavour Medtech Growth LP which represent 5% or more of the voting rights.

1.3 Cross-shareholdings

The company does not have any cross-shareholdings exceeding 5% of the holdings of capital or voting rights in any other company.

2. CAPITAL STRUCTURE

2.1 Capital

Ordinary share capital as of 31 December 2024 has a nominal value of CHF 2'719'108.00, consisting of 13'595'540 fully paid-in registered shares with a nominal value of CHF 0.20 each.

As of 31 December 2024, Medartis Holding AG has a **Capital Band** between the nominal value of CHF 2'471'837.00 and CHF 3'557'209.40, within which the BOD can increase or reduce the share capital by issuance of up to 5'426'862 shares with a nominal value of CHF 0.20 each.

Conditional share capital for bonds and similar debt instruments as of 31 December 2024 has a nominal value of CHF 1'056'957.20, consisting of 5'284'786 shares with a nominal value of CHF 0.20 each.

Conditional share capital for employee benefit plans as of 31 December 2024 has a nominal value of CHF 104'242.60, consisting of 521'213 shares with a nominal value of CHF 0.20 each.

2.2 Capital band and conditional capital

Authorised capital

At the Annual General Meeting (AGM) on 21 April 2023, the company's shareholders resolved to delete the authorized capital and to introduce a capital band, which authorises the BOD for a period of five years to increase and decrease the ordinary share capital within the range between a nominal value of CHF 2'466'551.80 and CHF 3'551'924.20, which corresponds to 50% of the capital issued and outstanding as of 21 April 2023. As of 31 December 2024, **the Capital Band** has a range between the nominal value of CHF 2'471'837.00 and CHF 3'557'209.40. Share capital outstanding as of 31 December 2024 can therefore be increased or decreased within the capital band by up to CHF 1'085'372.40 by issuing up to 5'426'862 shares (39.9% of the existing capital issued). For further information, see Articles 3a and 5 of the Articles of Association.

Conditional capital for convertible bonds and similar debt instruments

At the Annual General Meeting (AGM) on 17 April 2020, the company's shareholders resolved to create conditional share capital to be used for convertible bonds or similar debt instruments. Share capital may be increased by up to CHF 1'056'957.20 by issuing of up to 5'284'786 shares with a nominal value of CHF 0.20 each, or up to 38.9% of the capital issued and outstanding as of 31 December 2024.

Pre-emptive rights for the subscription of new shares upon conversion of instruments are excluded. Shareholders' advance subscription rights with regard to the new convertible bonds or similar instruments may be restricted or excluded by decision of the BOD, subject to the provisions of the Articles of Association. If advance subscription rights are excluded, (i) the instruments are to be placed at market conditions, (ii) the exercise period is not to exceed ten years from the date of issue of option rights and twenty years for conversion rights and (iii) the conversion or exercise price for the new shares is to be set at least in line with the market conditions prevailing at the date on which the instruments are issued. For further information, see Articles 3b and 5 of the Articles of Association.

Conditional capital for employee benefit plans

At the AGM of 6 April 2022, the company's shareholders resolved to increase conditional share capital to be used for employee benefit plans in the amount of CHF 124'479.60, corresponding to 622'398 shares with a nominal value of CHF 0.20 each, which corresponds to 4.6% of the capital issued and outstanding as of 31 December 2024. In 2024, 36'690 registered shares were created from conditional capital. Share capital outstanding as of 31 December 2024 can therefore be increased by up to CHF 104'242.60 by issuing up to 521'213 shares (3.8% of the share capital issued and outstanding as of 31 December 2024). Further information can be found in articles 3c and 5 of the Articles of Association and in Article 2.3 of this Corporate Governance Report.

The creation of conditional capital for employee benefit plans was proposed by the BOD in connection with the company's IPO in 2018. This conditional capital allowed Medartis to establish its current, share-based long-term equity compensation plans to foster the important alignment of management's interests with the interests of the company's shareholders, as well as its Employee Share Purchase Plans (ESPP-S and ESPP-STI), under which employees can purchase Medartis shares with a certain discount. Further information can be found in Articles 3.1, 3.2 c), and 3.2 e) of the Remuneration Report of this Annual Report.

The BOD considered the use of conditional capital for employee benefits appropriate while safeguarding the company's liquidity and investing in the strategic growth of Medartis. The maximum dilution potential of this capital is limited and is expected to be more than compensated for by the incentives it creates for plan participants to create long-term value for Medartis and its shareholders.

2.3 Changes in capital

The following table shows the changes in the nominal share capital and the number of shares issued over the past three financial years:

Date of share issuance registration	New nominal share capital (in CHF)	Total number of shares issued
During 2022	2'371'313.80	11'856'569 shares at CHF 0.20 each ⁽¹⁾
During 2023	2'471'837.00	12'359'185 shares at CHF 0.20 each ⁽²⁾
During 2024	2'719'108.00	13'595'540 shares at CHF 0.20 each ⁽³⁾

⁽¹⁾ Between 8-27 April 2022 a total of 12'769 registered shares were created from conditional share capital on the basis of Article 3c of the Articles of Association by exercising options from the "Long Term Incentive Plan for EMB" for the 2020 financial year for non-Swiss residents and for 2021 for Swiss residents, as well as from the "Restricted Share Plan for the Board" of BOD members for the period from the AGM 2022 to the AGM 2023. 22'294 shares were created as part of the Employee Share Participation Plans (ESPP-S and ESPP-STI) on 1 July 2022 and 1 November 2022. In the course of the year, an additional 3'006 shares divided into three transactions were created due to the CEO buy-out award as explained in more detail in the Remuneration Report 2019 and due to the CFO buy-out award as explained in more detail in the Remuneration Report 2020.

⁽²⁾ On 25 April 2023 a total of 22'133 registered shares were created from conditional share capital on the basis of Article 3c of the Articles of Association by exercising options from the "Long Term Incentive Plan for EMB" for the 2021 financial year for non-Swiss residents and for 2022 for Swiss residents, as well as from the "Restricted Share Plan for the Board" of BOD members for the period from the AGM 2023 to the AGM 2024. In addition, part of these shares were created to incentivise talents and for the NSI buyout programme. 4'293 shares were created as part of the Employee Share Participation Plans (ESPP-S and ESPP-STI) on 31 October 2023. The aforementioned shares have not been registered in the commercial register as of 31 December 2023 and therefore the commercial register at year-end 2023 has a nominal value of CHF 2'466'551.80, consisting of 12'332'759 fully paid in registered shares with a nominal value of CHF 0.20 each.

⁽³⁾ A total of 36'690 registered shares were created from conditional share capital on the basis of Article 3c of the Articles of Association, of which 18'600 were allocated pursuant to the Long Term Incentive Plan for the 2023 financial year for non-Swiss residents and for 2022 for Swiss residents, as well as from the "Restricted Share Plan for the Board" of BOD members for the period from the AGM 2023 to the AGM 2024. 14'607 shares were created as part of the Employee Share Participation Plans (ESPP-S and ESPP-STI), 861 shares due to the CFO buy-out award as explained in more detail in the Remuneration Report 2021 and 2'622 shares for the NSI buyout programme.

2.4 Shares and participation certificates

Medartis Holding AG has no other categories of shares than one category of registered shares, which are fully paid in, with one share bearing one vote. There are no restrictions on the transferability of the shares.

Each share duly entered in the share register entitles the shareholder to one vote. On 31 December 2024, 10'011'271 shares representing 73.64% of the issued capital were registered in the share register.

The total number of shareholders registered on 31 December 2024 amounted to 2'199. All shareholders may be represented at the AGM by a proxy. Proxies and directives issued to the independent voting representative may be given either in writing or online. Other voting representatives must have a proxy signed by hand by the shareholder. The BOD decides whether proxies shall be recognized. The independent voting representative is elected by the General Assembly for a term of office until the end of the next AGM and can be re-elected. In the case of a vacancy, the BOD shall designate an independent voting representative for the next AGM.

Shareholder structure¹ on 31 Dec 2024:

Number of shares	Number of shareholders	Cumulative share of all outstanding shares
1–10 shares	107	0.0%
11-100	761	0.3%
101-1'000	1'103	2.8%
1'001-10'000	192	4.1%
10'001-100'000	31	6.0%
>100'000	5	60.4%
Total	2'199	73.6%

¹Non-registered or undisclosed shares are not considered in this table. They represent 26.36% of all issued shares.

2.5 Dividend-right certificates

Medartis Holding AG has not issued any dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

The company keeps a share register of the registered shares in which the owners and beneficiaries are entered with their names and addresses. In relation to the company, the shareholder or beneficiary is deemed to be the person entered in the share register. Upon request, purchasers of shares shall be entered in the share register without limitation as shareholders with voting rights if they expressly declare that they have acquired the shares in their own name and for their own account.

The transfer of registered shares requires the approval of the BOD, which may delegate this authority. Approval shall be granted if the purchaser discloses its name, nationality and address on a form provided by the company and declares that it has acquired the shares in its own name and for its own account, that there is no agreement on the redemption or return of corresponding shares and that it bears the economic risk associated with the shares.

The BOD may register individual persons who do not expressly make these declarations ("nominees") with voting rights in the share register if the nominee has concluded an agreement with Medartis regarding its position and is subject to recognized banking and financial supervision.

The names and addresses of owners and beneficiaries of registered shares are recorded in the share register, which is administered on behalf of Medartis Holding AG by areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Switzerland. Further information can be found in articles 4, 5 and 6 of the Articles of Association.

2.7 Convertible bonds and options

In 2024, Medartis revised its corporate long-term incentive plan with restricted shares (LTI) for members of the EMB, making it more performance-based. Furthermore, the LTI Plan has been extended to also incentivise talent. In the event of a change of control, the BOD, at its own discretion and within the scope of the statutory provisions, is entitled to make adjustments to the plan. Further information can be found in articles 3.1, 3.2 c) and 3.2 e) of the Compensation Report section of this Annual Report.

3. BOARD OF DIRECTORS

3.1 Members of the Board of Directors (BOD)

The table below sets forth the name, year of birth, function, committee membership and term of office of each BOD member as of the date of this Corporate Governance Report. All members of the BOD are non-executive members. No member currently holds an executive position in the company.

No BOD member has outside of his board membership any significant business relationship with Medartis Holding AG or any company it controls. The Medartis BOD believes that its independence is important. The majority of the Directors must meet the independence criteria defined by the company's [Independence Statement](#).

Name	Born	Nationality	Position	Independence Status	Elected since	SIC	FAC	HRCC	UEC
Marco Gadola	1963	Swiss	Chairman	Independent	2020			Member	
Dr. h.c. Thomas Straumann	1963	Swiss	Vice-Chairman	Founder	1998	Member			
Willi Miesch	1964	Swiss	Member of the Board	Independent	2010	Chair			
Damien Tappy	1969	Swiss	Member of the Board	Independent	2018			Chair	
Nadia Tarolli Schmidt	1973	Swiss, Italian	Member of the Board	Independent	2022		Chair ESG delegate		
Ciro Roemer	1962	Dutch	Member of the Board	Independent	2022				Chair
Martha Shadan	1955	U.S.A.	Member of the Board	Independent	2024				Member
Jennifer Dean	1968	Australian	Member of the Board	Independent	2024		Member		

SIC = Strategy and Innovation Committee | FAC = Finance and Audit Committee | HRCC = Human Resources and Compensation Committee | UEC = US Expansion Committee



Marco Gadola
Non-executive Member

Chairman of the Board since 2021 | Board member since 2020

Other current activities: Chairman of DKSH Holding AG, Vice Chairman of Straumann Holding AG, Board Member of Bühler Group, Operating Partner of Endeavour Vision Ltd. Marco Gadola also runs his own company, which focuses on supporting cultural change and executive coaching.

Career highlights: CEO of the Straumann Group from 2013 to 2019. From 2008 to 2013 CEO Asia Pacific and Chief Financial and Information Technology Officer at Panalpina Group. Prior to that, he was Chief Financial Officer at Straumann Group and Hero and held a number of leadership positions at Hilti. He began his career at UBS in corporate finance and at Novartis as a senior auditor.

Qualifications: He holds a master's in business administration and economics from the University of Basel and completed programs at the London School of Economics and IMD Management School in Lausanne.

Key attributes for the board: Medartis benefits from his strong executive track record in a broad range of global businesses, extensive knowledge of the MedTech industry, his expertise in finance and coaching and his insights from board mandates in other industries.



Dr. h.c. Thomas Straumann
Non-executive Member

Vice Chairman of the Board | Board member since 1998

Other current activities: Chairman of centerVision AG, CHI Classics Basel AG and STMN Equestrian AG, Board member of the Straumann Holding AG.

Career highlights: He founded Medartis in 1997 and has been on the BOD ever since. For a long time also as Chairman and Vice Chairman. In 1990, he was responsible for the successful restructuring of the Institut Straumann AG, where he acted as CEO and Chairman of its BOD until 1994. He was Chairman of the Board of Straumann Holding AG until 2002, Vice Chairman until April 2020 and since then a regular member of the Board.

Qualifications: He holds a degree in Precision Engineering and pursued further studies at Basel Management School and the Management & Commercial School of Baselland. He has an honorary doctorate from the University of Basel.

Key attributes for the board: Founder and major shareholder of Medartis AG. He complements the Board with his in-depth knowledge of the dental and medical device industries through his personal management experience and various shareholdings. As a major shareholder, he also represents continuity, stability and credibility.



Nadia Tarolli Schmidt
Non-executive Member

Member of the Board | Board member since 2022

Other current activities: Board member of VZ Holding AG and Basel Chamber of Commerce. Additional mandates include Basellandschaftliche Kantonalbank (BKB), EGK Group Companies, Parkresort Rheinfelden Holding AG, IKEA Pension Fund, Genossenschaft Stadion St. Jakob-Park, BiomedVC AG and Nordic Cultural and Educational Foundation.

Career highlights: Since 2010, Nadia Tarolli Schmidt has been a partner at the business law firm VISCHER AG, where she is co-head of the tax team and head of the social security group. From 2005-2010, she was an associate at VISCHER AG, specialising in tax, corporate law and M&A. Until 2021, she was a judge at the Tax Court of Basel-Stadt. Prior to that, she worked as a legal secretary at the Tax Court of the Canton of Zurich and as a corporate lawyer at Clima-Suisse and Holcim AG.

Qualifications: She studied law at the University of Basel, is an attorney-at-law and a federally certified tax expert. Most recently, she completed further training at the Swiss Board School of the University of St. Gallen.

Key attributes for the board: She is an experienced independent lawyer with in-depth knowledge in tax and social security matters as well as in structuring mergers and acquisitions. In January 2022, the BOD established a Sustainability Committee at Medartis. Due to Nadia Tarolli Schmidt's experience in ESG matters in other companies, she leads this committee. The initiatives are led by the Chief Operating Officer and are supported by the senior management team.



Willi Miesch
Non-executive Member

Member of the Board | Board member since 2010

Other current activities: Board member of the International Bone Research Association (IBRA) and Chairman of the Board of SCEWO AG.

Career highlights: He was CEO of Medartis from 1998 until August 2019. Prior to that he held several long-term managerial positions in various production departments at Institut Straumann AG and was Head of Manufacturing at Stratec Medical in Mezzovico, Switzerland. Moreover, he was a member of the EMB at Villiger, a bicycle manufacturer, being responsible for all technical matters.

Qualifications: He holds a degree in Precision Engineering and a degree as Operations Technician TS from ABB Engineering School Baden with postgraduate studies in market-oriented Business Management at the University of Central Switzerland.

Key attributes for the board: Medartis benefits from his extensive knowledge of the medical industry, his global network of experts in the industry, his comprehensive experience related to his background in precision engineering and his long-term experience as an executive manager.



Ciro Roemer
Non-executive Member

Member of the Board | Board member since 2022

Other current activities: Ciro Roemer is a strategic advisor to Warburg Pincus LLC, a leading private equity firm.

Career highlights: He retired in 2021 as the Company Group Chairman of the Johnson & Johnson Medical Devices Companies in North America. Previously, he held leading positions at Synthes and in J&J's medical device business. He also served as a Board member of the AO Foundation, the leading global network for orthopaedic surgeons and healthcare professionals. Ciro Roemer also acted as Vice Chairman of Eucomed, the European medical device industry association. Ciro resides in the US and is a Dutch citizen.

Qualifications: He graduated from BIGRA Amsterdam with a Bachelor's degree in Health Science, and completed the Advanced Management Program at Harvard Business School in the United States.

Key attributes for the board: Ciro Roemer is an expert in the medical device industry, with in-depth knowledge of global healthcare systems and medical technology markets. He has over 35 years of industry experience across Asia Pacific, Europe and in the US, which has been defined by Medartis as one of its main growth markets. His international experience includes general management positions in the US, Netherlands, Spain and Switzerland.



Damien Tappy
Non-executive Member

Member of the Board | Board member since 2018

Other current activities: Co-founder, Chairman and Managing Partner of Endeavour Vision and Member of the Young President Organisation (YPO). In addition to his mandate at Medartis, he represents the interest of Endeavour Vision as Board member in the following companies: Endeavour Vision SA, CeQur, Polares. He also serves on the Board of L'Enfance, and Hôpital de la Tour, and is a member of the Foundation Council of Fondation du Domaine de Villette.

Career highlights: Founder and Director of the Start-up and Spin-off program from the Swiss Federal Institute of Technology (EPFL) and co-Founder, Chairman and Managing Partner of Endeavour Vision.

Qualifications: He holds a degree in management, technology and economics (MTE) from IMD, Lausanne, Switzerland. He graduated with honours as an engineer in micro-technology at EPFL. He also worked as international fellow in the field of medical imaging at the Stanford Research Institute in California (SRI International).

Key attributes for the board: His area of expertise is in healthcare with a specific focus on Medical Technologies and Digital Health on both side of the Atlantic. As managing partner of Endeavour Vision, which specializes in private equity and venture capital investments, he contributes his valuable experience as a Board member of numerous life science companies.



Martha Shadan
Non-executive Member

Member of the Board | Board member since 2024

Other current activities: Martha Shadan is actively involved with the Advanced Medical Technology Association (AdvaMed). She has been on the Board of Directors since 2017 and is a current member and past chair of the AdvaMed Accel Board of Directors. She serves on the board of CVRx, LeMaitre, S2N and is the Chair of the Board of Brilliant Strings Therapeutics.

Career highlights: Martha Shadan retired from Miach Orthopaedics as the CEO and President in 2022. Prior to this, she was the CEO and President of Rotation Medical which was acquired by Smith & Nephew plc. Prior to joining Rotation Medical, she was the president of the Trauma Division at Zimmer Biomet. In addition, Martha served at Covidien as Vice President / General Manager of Vascular Therapies and Vice President / General Manager BioSurgery and Sports Surgery. Other companies that have benefited from her experience and leadership include Bristol Myers Squibb Co. and Merck Millipore.

Qualifications: Martha Shadan holds a Master of Business Administration from Northeastern University, a Master of Science in Biology from Michigan State University, and a Bachelor of Science in Biology from the University of New Hampshire.

Key attributes for the board: Martha Shadan has more than three decades of experience in the life science industry as a business leader in a variety of both large and start-up organisations. She is an expert in commercialization and go-to-market strategies especially in the US, which has been defined by Medartis as one of its main growth markets.



Jennifer Dean
Non-executive Member

Member of the Board | Board member since 2024

Other current activities: Jennifer Dean is a Member of the Board of the Australian Swiss Chamber of Commerce.

Career highlights: Jennifer Dean is currently Chief Financial Officer of medmix, a medical technology company listed on the Swiss stock exchange. Prior to joining medmix, she held various senior finance positions within Sulzer, General Electric and Alstom.

Qualifications: Jennifer Dean holds a Bachelor's degree in Economics, is a Chartered Accountant, and brings with her years of experience as an auditor, having worked in both the USA and Australia.

Key attributes for the board: Jennifer Dean has 30 years' international finance leadership experience, including full P&L responsibility across a range of high technology firms in the Healthcare, Adhesives, Cosmetics, Power and Chemical markets. Jennifer has been based in Australia, the United States, Belgium, France and Switzerland and worked extensively in Asia, China and Latin America. She has held leadership roles in companies ranging from start-ups and spin-offs to large well-established organisations. With her extensive international financial experience, she is a natural addition to the company's Finance and Audit Committee.

3.2 Other activities and vested interests

Information on the other activities and interests of the members of the BOD is shown in section 3.1.

3.3 Permitted other activities

The number of external offices is stipulated as follows with binding effect in the Articles of Association: BOD members must not simultaneously hold more than 15 additional mandates in commercial enterprises, of which no more than 5 may be held in listed legal entities.

Not subject to the above restrictions are:

- a) Mandates in entities controlled by Medartis or controlling Medartis;
- b) Mandates in entities upon request of Medartis; and
- c) Mandates in associations, organisations and legal entities with a public or charitable purpose, foundations, trusts, as well as staff pension funds.

Mandates are defined as mandates in comparable functions at other companies with a commercial purpose. Mandates in different legal entities that are under unified control or have the same beneficial ownership are considered as one mandate.

All members of the BOD are within the limits of external mandates stipulated by Article 35 of the Articles of Association.

3.4 (Re-)elections and terms of office

Each member of the BOD is elected by the AGM for a one-year term, which runs until the end of the next Annual General Meeting. Directors may be re-elected with no restrictions such as age or tenure limit.

The Chairman of the BOD and the members of the HRCC are elected by the AGM. If the Chairman's Office is vacant, the BOD appoints a Chairman from among its members for the remaining term of office.

At the AGM 2024, Dr. med. Daniel Herren, BOD member since 2017 and member of the Human Resources & Compensation Committee (HRCC) and the Strategy and Innovation Committee (SIC), has retired from the Board.

3.5 Internal organisational structure

The organisation of the BOD and its committees is set forth in the Organizational Regulations, available on the Medartis website. The following paragraphs summarise the main elements of the Organizational Regulations.

3.5.1 Composition of the BOD, allocation of tasks within the BOD and Corporate Social Responsibility

Subject to article 19 of the Articles of Association, except for the election of the Chairperson, the BOD constitutes itself. It may designate one or several Vice-Chairpersons among its members. It appoints a secretary, who shall not necessarily be a BOD member. The individual positions (Chairperson, Vice-Chairperson, Member) are listed in the table in section 3.1.

The Chairperson regularly reviews the composition of the BOD to ensure that an adequate mix of skills and experiences is available to successfully manage the company's current and future challenges. Based on general market views as well as certain international corporate governance standards, two out of seven Board members may be considered non-independent. Based on its composition by skills, background and experiences as outlined in the table in section 3.1. above, the BOD is in a position to ensure the successful execution of the company's strategy through independent decision-making processes and a functioning system of checks and balances. The BOD will continue to develop and amend its composition under the leadership of its Chairperson along with the further development of Medartis over time.

In accordance with Swiss Code of Obligations, the BOD is responsible for the overall and high-level management of the company, which cannot be delegated, and the supervision of the Chief Executive Officer and the other members of the EMB. The BOD is in charge of all matters not reserved to another corporate body by statute, by the Articles of Association or by the Organizational Regulations.

The BOD ensures that it is regularly informed about the business of the company and about any developments that may be relevant thereto. It treats the reports and proposals submitted by the committees of the BOD and by the Chief Executive Officer. All missions and competences of the BOD are stipulated by article 15 of the Organizational Regulations. Without limitation, these tasks may not

be delegated. The BOD may entrust committees with the preparation and implementation of all or some of its decisions, as well as with the supervision of certain matters as further explained in section 3.5.2.

The Chairperson of the BOD is responsible for the preparation, calling, organisation and chairing of the BOD Meeting. Together with the CEO, the Chairperson oversees the outside representation of the company.

Information regarding conflicts of interest can be found in articles 7 and 35 of the Organizational Regulations.

The BOD acknowledges that part of its responsibility of the company's high-level management includes its understanding about how the company is doing business and how its strategic targets shall be achieved, this is, what values and culture it desires and how the company interacts with its stakeholders. It is the BOD's firm belief that Medartis is a part of society, respecting human rights and treating natural resources and the environment with care when rendering its products and services. The BOD regularly reviews progress towards this corporate social responsibility framework, which includes, amongst other:

- A comprehensive code of conduct;
- A corporate social responsibility policy
- Policies about how to interact with medical professionals, institutions and regulatory authorities;
- Policies about how to interact with external suppliers and advisors;
- Policies on ethical and other standards in the company's research and development;
- An integrated compliance system and internal controls whose functionalities are regularly reviewed by the Finance and Audit Committee.

In 2024, the key topics of the BOD included strategic business development projects, board committee work and reports, and the corporate organisational structure. The BOD convened 11 meetings, including six regular sessions in March, April, June, August, October and December, all of which were held in-person, along with additional virtual or hybrid meetings to address ad hoc matters (e.g. issuance of new convertible bond, share capital increase within capital band, CEO change, KM topics) and/or to follow up on strategic business development projects. The regular meetings lasted approximately 8 hours on average. The BOD meetings in June and August were extended to 1.5 days to cover all topics. Four members were unable to attend one ad hoc meeting due to conflicting schedules, and one resolution was resolved by way of circular resolutions.

3.5.2 Members list, tasks and area of responsibility for each committee of the BOD

The committees appointed by the BOD support the preparation and implementation of all or some of the BOD decisions, as well as the supervision of certain matters. The committees are entitled to conduct investigations (or have investigations conducted on their behalf) in all matters of their competence. They may request the services of independent advisors and experts.

HRCC members are elected by shareholders at the AGM (see article 8.2.c and 27 of the Articles of Association). All other committee members are determined democratically by all BOD members. According to Swiss law, the members are elected for a term of one year until the next AGM. The individual positions and roles (Chairman, Vice Chairman, Member) are also outlined in section 3.1.

The committees of the BOD meet upon calling by their respective chairpersons or upon request of one of the respective committee members as often as required for the fulfilment of their duties, but at least three times a year. Members of the BOD may also attend meetings of specific committees at the request of the committee chairperson.

Finance & Audit Committee (FAC)

The competences of the FAC are set out in articles 24 and 25 of the Organizational Regulations.

The FAC is composed of at least two non-executive and independent members of the BOD, as per article 20 para. 1 and article 24 para. 1 of the Organizational Regulations. The BOD issues a [Finance & Audit Committee Charter](#) which governs the organisation of the FAC.

The FAC supports the BOD in its supervisory function, with respect to the completeness of the annual closing of accounts and financial statements, the compliance with statutory provisions, the analysis of the qualification of the external auditors, as well as the performance of the external auditors.

The FAC assesses the usefulness and suitability of the financial reporting, the internal control system and the general supervision of business and compliance risks. It makes sure that a continued, efficient and productive communication exists between the company and the external auditors regarding financial matters. This committee also evaluates, monitors and assesses the legal aspects of the company's M&A activities.

Due to the yet limited size and complexity of the company's corporate structure, Medartis has not established a dedicated internal audit function. If need arises, an ad-hoc team of employees with the

required skills is created to inspect and review special situations. These teams report their findings directly to the FAC and possibly the Chief Financial Officer.

Since 2022, a dedicated internal compliance officer is taking care of the increasing national and international obligations in this field.

The Chief Financial Officer (CFO) attends the meetings of the FAC, except for portions when his or her presence would be inappropriate, as determined by the chairperson. At least once a year, the FAC shall meet in separate sessions with the external auditors.

In 2024, key topics of the FAC included, amongst others, internal and external financial reporting, external audit, M&A, ESG, controlling, compliance and risk management matters. The FAC met 5 times (5 regular meetings) for an average meeting length of approximately 3.5 hours with all members attending all meetings. The chairperson of the FAC reports at every Board meeting on the FAC activities and findings.

Medartis has an integrated compliance system, which provides guidance in recognising, understanding and complying with the laws and ethical standards that govern our business practices and activities. This is supervised by the FAC. Apart from the global Compliance Committee, there are local Compliance Committees established in the certain high-risk countries (USA, Brazil, Mexico, Japan and Australia) to take care of local compliance topics, or local "Compliance Champions" designated to support the global Compliance Committee. In addition, we have established a whistle-blower contact point (known as the Ethics Hotline), operated by the Compliance Committee, which monitors the channel and defines the process. The system allows employees and external persons to confidentially alert our organisation about suspicions of misconduct. It is an important tool for reducing risks and building trust as it enables the company to detect and act on possible misconduct at an early stage. The Ethics Hotline also has a preventive role. If the employee wants to report an incidence, the Medartis Ethics Hotline ensures that concerns can be raised anonymously if preferred. All concerns and reports are investigated by our Compliance Committee and, depending on the outcome, appropriate measures are taken.

Human Resources & Compensation Committee (HRCC)

The duties and responsibilities of the HRCC are set out in article 27 of the Articles of Association and in article 26 and 27 of the Organizational Regulations.

The HRCC is composed of two non-executive and independent members of the BOD, as per article 27 of the Articles of Association and article 26 para. 1 of the Organizational Regulations. The BOD issues a [HRCC Charter](#) which governs the organisation of the HRCC.

The key tasks of the HRCC are:

- Presenting motions to the BOD in view of the next AGM with respect to the aggregate amount of remuneration of the BOD and of the EMB of the company;
- Assisting the BOD in the preparation of the remuneration report, to be adopted by the BOD and then disclosed to the shareholders of the company in view of the next AGM;
- Implementing the resolutions passed by the AGM with respect to the aggregate amount of remuneration of the members of the BOD and the members of the EMB;
- Assisting the BOD in setting the conditions for the actual remuneration of the members of the BOD and of the EMB in accordance with article 20 and 31 of the Articles of Association, as well as advising the BOD on the review and approval of general compensation and benefit policies, including any long-term incentive plans or employee share purchase plans;
- Preparing and assessing the principles of remuneration of the company and presenting corresponding motions to the BOD in this respect for approval;
- Advising the BOD in the setting-up, monitoring and regularly reviewing of the remuneration policy and guidelines at the highest level of the company;
- Submitting recommendations or presenting motions to the BOD on other remuneration-related matters.
- The HRCC also oversees the culture change process launched in mid-2021 and gives advice to the EMB where appropriate.

In 2024, key topics of the HRCC included, amongst others, the BOD and EMB compensation, the structure of the short- and long term-incentive plans, succession planning for EMB and key positions, supervision of key recruitments, leadership and organizational topics, additional content of the Remuneration Report and the culture journey. The HRCC met 7 times for an average meeting length of approximately 2.5 hours with all members attending all meetings. The chairperson of the HRCC reports at every BOD meeting on the HRCC activities and findings.

Strategy & Innovation Committee (SIC)

The duties and responsibilities of the SIC are set out in article 28 and 29 of the Organizational Regulations. The SIC is composed of at least two non-executive members of the Board, as per article 20 para. 1 and article 28 para. 1 of the Organizational Regulations. The BOD issues a [Strategy & Innovation Committee Charter](#) which governs the organisation of the SIC.

The key tasks of the SIC are:

- Assess the company's annual plan and long-term strategy and provide guidance to the management to ensure the development, implementation, adherence and, if necessary, modification of the strategic plan and strategic goals;
- Review strategic risks and opportunities, including those resulting from the business environment in terms of competition, regulation, patients, surgeons, payors and providers;
- Review the company's technology capabilities, including the ability to develop, acquire and maintain innovative technology through internal development, acquisitions, licensing, collaborations, alliances and other appropriate means;
- Identify and assess the market environment, specifically for technology innovations and trends, that could significantly affect the company and the industry in which it operates;
- Review and advise on the company's internal and external innovation expenditure plans, including the technical relevance of proposed activities;
- Assist the BOD in overseeing the company's investments in internal and external innovation, technology and developments, including acquisitions, licenses, collaborations and other business development activities;
- Identify, review and assess M&A and licensing opportunities in terms of their strategic fit, including sales structure and / or product portfolio.

In 2024, key topics of the SIC included mainly the identification, review and assessment of core and new technologies as well as M&A opportunities and innovation initiatives that are in-line with the defined mid- and long-term growth strategy of the company. The SIC met 3 times for an average meeting length of around 2.5 hours with all members attending all meetings. The chairperson of the SIC reports at every BOD meeting on the SIC activities and findings.

US Expansion Committee (UEC)

Following the retirement of US President Rod K. Mayer, Medartis established a US Expansion Committee (UEC) effective 17 April 2024, which comprised at least two non-executive Board members. This interim structure ensured operational continuity in the strategically important US market during the leadership transition phase.

The UEC has the following duties, as well as such other duties as may be assigned to the UEC by the Board from time to time:

- assess the US market annual plan and long-term strategy and provide guidance to the management to ensure the development, adherence and, if necessary, modification of the plan and strategic goals;
- review strategic risks and opportunities;
- review the company's capabilities, including the ability to develop, acquire and maintain its business plan over the planned horizon;
- identify and assess the US market environment, specifically for technology innovations and trends, that could significantly affect the Company and the industry in which it operates;
- review and advise on the company's US go to market models and plans;
- identify, review and assess US M&A and licensing opportunities in terms of their strategic fit, including sales structure and/or product portfolio;
- prepare recommendations to the Board, including the necessary documentation for Board decisions;
- meet with management and other employees as necessary to assist the Committee in carrying out its duties;
- conduct an annual review of the Committee's performance and periodically assess the adequacy of its charter and recommend changes to the Board as needed.

In 2024, the key topics of the UEC centred on the US business, with particular emphasis on the go-to-market model, the channel and portfolio review, the commercial strategy, business priorities, training and education strategy/activities, and the supply chain. The UEC convened four times for an average meeting duration of approximately three hours, with all members in attendance at all meetings. The chairperson of the UEC reports at every BOD meeting on the UEC activities and findings. After the position of US President was filled in January 2025, the Board of Directors decided to discontinue the UEC. The current UEC members, Ciro Roemer and Martha Shadan, will continue to serve as Sounding Board going forward.

3.5.3 Working methods of the BOD and its committees

Upon invitation by the Chairman of the BOD, its members meet as often as required by the business of the company, but at least six times a year. Every member of the BOD is entitled to request that a meeting of the BODs be called by the Chairman of the BOD. If the Chairman of the BOD does not proceed with the calling of the meeting within fourteen calendar days from the request, the requesting member of the BOD is entitled to call the meeting.

The BOD meetings shall be called at least 10 calendar days in advance by letter or email, indicating the date, time and place of the meeting, as well as the order of business. Agendas for BOD or Board Committee meetings are defined by the respective chairperson. At least five calendar days prior to the meetings of the BOD, the members shall timely receive all appropriate documents and reports needed for the decision-making process.

The BOD may validly pass resolutions when at least the majority of its members are attending the meeting in person or by means of communication that allow direct discussion (e.g. telephone or audio-visual conference). The BOD passes its resolutions with the majority of votes cast, each director having one vote. Abstentions are not counted as votes cast. In case of equal votes, the Chairman of the meeting has the casting vote. Discussions and resolutions are recorded in the minutes of the meetings.

The chairpersons of the FAC, the HRCC, the SIC and the UEC report at each Board meeting about matters, which were discussed and resolved in their respective committee meetings.

The CEO is usually invited to attend the meetings of the BOD in an advisory capacity. However, the BOD regularly holds meetings or parts of their meetings without the participation of the CEO. The dates for the ordinary meetings are set at an early stage so that all members are able to attend in person. The participants of the meeting receive detailed written documentation in advance for all motions.

Attendance at BOD and committee meetings in 2024

The following table shows the number of BOD meetings in the reporting period per committee. The list does not include preparation time for meetings, document study or coordination time with members of the EMB. Some of these meetings were held virtually or as hybrid meetings.

Name	BOD	FAC	HRCC	SIC	UEC	Total
Marco Gadola (Chair)	11	3	7	3	0	24
Dr. h.c. Thomas Straumann (Vice Chair)	10	-	-	3	-	13
Willi Miesch (SIC Chair)	10	-	1	3	-	14
Dr. med. Daniel B. Herren	1		3	1	-	5
Damien Tappy (HRCC Chair)	11	1	7	1	-	20
Nadia Tarolli Schmidt (FAC Chair)	11	5	-	-	-	16
Ciro Roemer (UEC Chair)	10	1	-	3	4	18
Martha Shadan	11	-	-	-	4	15
Jennifer Dean	10	4	-	-	-	14

Note: The BOD member and Member of the Human Resources & Compensation Committee (HRCC) and Strategy and Innovation Committee (SIC), Dr. med. Daniel B. Herren, had decided to retire from the Medartis BOD as of the AGM 2024.

In addition to participating in BOD meetings all BOD members attend industry congresses, co-travel with sales representatives to visit key customers, go on field trips or attend surgeries. Board members may also act as active mentors to EMB members. Board members have regular one-to-one exchanges with their assigned mentees. The Chairman of the BOD maintains a regular exchange with the CEO and bilateral meetings are held on a frequent basis.

3.6 Independence

All BOD members - including the Chairman - are non-executive and the majority are independent, pursuant to «Swiss Code of Best Practice for Corporate Governance» rules and Medartis independence criteria, which are outlined on our [website](#). Since its foundation in 1997, Medartis has been strongly influenced by the founding family and founding members, who have invested a considerable part of

their wealth in the company and hold a majority of the share capital. Their interests must be preserved just as the rights of minority shareholders need to be respected and considered. Having BOD members with industry experience, who are familiar with stakeholder engagement, is an important ingredient for the success of Medartis. In the case of substitute elections, the BOD attaches great importance to ensuring that diverse and complementary skills are represented on the BOD and that independence is maintained. The HRCC reviews the independence of the BOD members annually. The HRCC evaluates conflicts of interest, related party transactions and other commitments potentially jeopardising a member's independence. Each BOD member annually completes a Governance and Compliance Questionnaire, which is reviewed by the General Counsel of the company.

3.7 Definition of areas of responsibility

The BOD is responsible for the overall and high-level management of the company, which, in accordance with Swiss Code of Obligations, cannot be delegated, and the supervision of the CEO and the other members of the EMB. The BOD is in charge of all matters not reserved to another corporate body by statute, by the Articles of Association or by the Organizational Regulations.

Unless set out otherwise in mandatory statutory provisions, the Articles of Association and the Organizational Regulations, the BOD delegates the management of the company to the Chief Executive Officer. The responsibilities and tasks and nature of cooperation between the BOD and the EMB are stipulated in the Organizational Regulations, which are available on the Medartis website.

Key responsibilities and tasks of the BOD are:

- Overall management of the company and issuance of all necessary directives in this respect;
- Determining the organisation, in particular adopting and amending the Organizational Regulations
- Organising the financial planning system and financial control;
- Organising, supervising and assessing the risk control and the risk assessment systems;
- Appointing, supervising and dismissing the persons entrusted with the management and the representation of the company and regulating the signature powers;
- Adopting and amending guidelines namely on disclosure of shareholdings, management transactions, trading in own shares, insider information and market manipulation, ad hoc publicity, general stock exchange disclosure and reporting duties, as well as code of ethics and business conduct;
- Taking note of the Chief Executive Officer's and the external auditors' reports;
- Issuing the Annual Reports, as well as preparing the General Meetings of the shareholders and implementing the AGM resolutions for approval;
- Notifying the court in the event of over-indebtedness;
- Based on the proposal of the HRCC, approving the remuneration report and deciding on the proposals on the aggregate amount of remuneration of the members of the BOD and the members of the EMB to be submitted to the general meeting of the shareholders;
- Setting the conditions of the remuneration of the members of the BOD and of the EMB in the form of equity securities, conversion rights and option rights in accordance with article 30 and article 31 of the Articles of Association, as well as reviewing and approving the general compensation and benefit policies including any long-term incentive compensation or equity plans and the allocation of benefits under such plans;
- Passing resolutions on subsequent payment of capital in relation with non fully paid-in shares and on the increase of the share capital, to the extent it lies within the competence of the Board of Directors (article 651 para. 4 CO), as well as ascertaining the capital increases and the corresponding amendments of the Articles of Association;
- Examining the independence of the external auditors based on the preliminary work made in this respect by the FAC;
- Passing resolutions on contracts regarding mergers, spin-offs, conversions or transfers of assets according to the Swiss Mergers Act, as well as on contracts providing for annual costs or remuneration due by or to the Company of more than CHF 500'000;
- Granting and taking out loans and credits to fund the Company's activities, taking on exchange liabilities as well as providing collaterals, as long as CHF 1'000'000 in a particular case or CHF 10'000'000 in the financial year are exceeded;
- Deciding on the setting up, acquisition or disposal of subsidiaries, branches or offices as well as the purchase or sale of shares and/ or assets in other companies;
- Deciding on the acquisition, mortgage and disposal of land or real estate property, provided that the value of the concerned transaction exceeds the amount of CHF 1'000'000;
- Passing resolutions on the initiation and renunciation of legal actions and administrative proceedings and on the conclusion of settlements, except in respect of proceedings arising from the normal course of business and involving amounts not exceeding CHF 500'000;
- Appointing and removing as well as regulating the conditions of employment of the compliance officer (if any);

- Passing resolutions on unbudgeted capital expenditures ("CAPEX") and other unbudgeted expenditures which cannot be offset by savings on other (budgeted) expenditures; and
- Assessing the performance of the BOD, its committees and members.

3.8 Information and control instruments vis-à-vis the EMB

Medartis' BOD has put different information instruments in place to provide oversight and monitor the execution of responsibilities it has delegated to the EMB.

Medartis has a fully integrated Management Information System on the basis of an SAP powered Enterprise Resource Planning, which covers most of the business transactions of the Group's consolidated entities.

The BOD receives a detailed monthly sales report regarding the sales evolution by product line and by subsidiary, each as compared to the planned targets and prior years as well as comments on sales highlights.

Financial statements are submitted quarterly to and reviewed by the FAC. The Chief Financial Officer as well as the chairperson of the FAC present and comment the results in detail at the next meeting of the BOD.

On the occasion of every meeting, the BOD may request information, updates and reports from the Chief Executive Officer regarding the business of the company. It is also a part of the BOD' tasks to exchange regularly with the management as well as with the customers and the industry, e.g. visits to subsidiaries, customers or medical congresses.

In case of a specific occurrence (in the course of business or of an extraordinary nature) with significant business or financial relevance, the Chief Executive Officer is obliged to immediately inform the members of the BOD.

3.9 Risk management in the Group

The Board of Directors is responsible for overseeing the Group's internal control system, which monitors all key controls in relation to a number of defined processes. The internal control system also provides reasonable assurance against inaccuracies and material financial loss.

Medartis has developed, implemented and maintains a quality management system to document best business practices throughout the Group, to ensure overall risk control, to better meet the needs and expectations of its customers and to improve the overall management of the Group. Medartis' continuous, iterative risk management process throughout the entire life cycle of Medartis' medical devices aims at high quality products, processes and related customer support.

The certified quality management system complies with all relevant medical industry standards. The scope of the quality management system, which is also specified in the company's EN ISO 13485:2016 certificate, relates to the design and development, manufacturing and distribution of implants and instruments for cranio-maxillofacial and extremities, the design and development of medical imaging, and simulation and design software.

Quality audits are an integral part of the Medartis quality management system and cover the control of established processes to meet all required regulatory medical industry standards. Internal audits are performed by trained internal auditors and contribute to the regulatory and technical aspects of EN ISO 13485:2016 on an annual basis. External audits are carried out independently by third parties. These include the notified body TÜV Rheinland (Germany), BSI (UK), and national or international authorities with a vested interest, such as the Food and Drug Administration FDA (USA), Swissmedic (Switzerland), Anvisa (Brazil), JPMDA (Japan). All potential findings from these audits are managed within Medartis' corrective and preventive action system.

The EMB regularly assesses strategic, operational and financial risks, resulting in an Enterprise Risk Management (ERM) matrix that is reviewed by the Board of Directors. Actions to mitigate identified risks, based on probability and severity, are taken and regularly monitored. Notable updates to the ERM in 2024 included significant risk mitigation activities, including, but not limited to: Advances in cybersecurity, the completion of a preventive action project for ESG compliance, a dedicated risk analysis of transitional and physical risks from climate change as required by Swiss federal law (based on the recommendation of the TCFD).

As part of the periodic review of all countries, all business, compliance and financial risks are also reviewed at country management level. The countries report these risks and mitigation strategies to the EMB. In addition, all major countries are regularly invited to the BOD' meetings where their individual risk and opportunity metrics are also discussed.

4. EXECUTIVE MANAGEMENT BOARD

4.1 Members of the Executive Management Board (EMB)

In November 2024, Matthias Schupp took over as CEO of Medartis from Christoph Brönnimann, CEO from 2019 to 2024. In March 2024, Inge Maes took over as Chief Human Resources Officer from Anthony Durieux-Menage, in office from 2019 to 2024. In January 2025, David Thoni joined the EMB as US President.

The table below sets forth the name, year of birth, function and term of office of each EMB member as of the date of this Corporate Governance Report.

Name	Born	Nationality	Position	In position since
Matthias Schupp	1964	German	Chief Executive Officer	2024
Dr. Dirk Kirsten	1968	German & Swiss	Chief Financial Officer	2021
Inge Maes	1976	Belgian	Chief Human Resources Officer	2024
Mareike Loch	1970	German & Swiss	President EMEA	2020
Manuel Schaer	1970	Swiss	Chief Technology Officer	2020
Mario Della Casa	1975	Italian & Swiss	Chief Operating Officer	2022
David Thoni	1965	U.S.A.	US President	2025



Matthias Schupp
Chief Executive Officer

Career highlights: Matthias Schupp was appointed CEO of Medartis in November 2024. He brings deep knowledge of the global medical technology sector, having held various senior leadership roles in Europe and Latin America at Straumann Group over the last 17 years, where he demonstrated a strong ability to perform and transform. As CEO of Neodent, he steered the LATAM region through ten years of significant growth and enabled the firm to flourish into a leading global challenger brand. He began his career in 1986 at Merck KGaA

and rose through country management to the position of Regional Manager LATAM and USA. He moved to Wella in 2000 as Managing Director of Russia and became Managing Director Professional Care Portugal in 2004, following the acquisition of Wella by P&G. He joined Straumann in 2007 as Regional Manager, Western Europe. In 2014, he was appointed SVP of LATAM and joined the management of Neodent, of which he became CEO in 2015. He was a member of Straumann's Executive Management Board from 2016 to 2024.

Qualifications: Matthias Schupp attained a degree in Business Administration and International Business Studies in a dual system between Merck KGaA and the Darmstadt Business Academy.



Dr. Dirk Kirsten
Chief Financial Officer

Career highlights: He joined Medartis in March 2021. Over the course of his long-dated career, Dirk Kirsten has held various senior management positions in the medtech, pharmaceutical and healthcare industries. These included the roles as CFO of Nobel Biocare (2008-2013), Group Treasurer of Syngenta (2004-2008) and Head Group Funding & Capital Markets of Roche Holding (2002-2004). Prior to that, he worked in global investment banking (UBS/Deutsche Bank), where he also led various healthcare transactions (financing, M&A, capital markets). In 2013, Dirk Kirsten founded his

own advisory boutique focusing on M&A, private equity as well as start-up financing and business development. As a proven financial expert with broad industry experience, Dirk Kirsten has a strong track record in international management, corporate finance and M&A.

Qualifications: Dirk Kirsten holds a PhD in Management & Economics from the University of Cologne and attended the international MBA program of the London Business School.



Inge Maes
Chief Human Resources Officer

Career highlights: CHRO (Chief Human Resources Officer) at Medartis AG since March 2024. Inge Maes began her career with various positions in clinical development at Novartis, where she applied her scientific expertise. Her curiosity to understand what makes people and organisations thrive led her to join Human Resources in 2008, where she held international positions of increasing responsibility. She has led culture change projects and talent development initiatives at Novartis and Sandoz, and has served as a member of the Sandoz Executive Committee and the Novartis People & Organisation Leadership Team.

Qualifications: With an educational background in veterinary science (Doctor of Veterinary Medicine), Inge Maes successfully transitioned into the field of pharmaceutical clinical development and Human Resources. She holds an Executive Master in Coaching and Consulting for Change from INSEAD Business School (France).



Mareike Loch
President EMEA

Career highlights: At Medartis AG since August 2020. Mareike Loch has over 20 years of experience in the medical device industry. Prior to joining Medartis, she was Vice President EMEA for Trauma, Extremities, Foot & Ankle, Sports Medicine and Biologics at Zimmer Biomet. She spent 5 years in Singapore as Vice President APAC Marketing & Business Intelligence and prior to those 3 years as Senior Director Global Brand Management and responsible for the Hip and Knee segment in EMEA. Previous roles also include two years in Japan and various marketing and sales positions at Sulzer Medica.

Qualifications: She holds a Master's degree in product design from the Glasgow School of Art and a Master's degree in mechanical engineering from the University of Glasgow.



Manuel Schaer
Chief Technology Officer

Career highlights: At Medartis AG since November 2020, he joined the company from DePuy Synthes Johnson & Johnson, where he held various positions of increasing responsibility over the past 23 years. Most recently, he was Senior Director in the EU MDR Programme Management Office. Prior to that he was Senior Director Strategy & Process Improvement Supply Chain. In previous roles, he held various regional and global roles in R&D and Technology Integration in the Spine business, working with internal and external teams and the AO Technical Commission. He started his career as a product development engineer

and product manager at Stratec Medical (later Synthes-Stratec).

Qualifications: He holds a Master of Science in Mechanical Engineering and Biomechanics from the Swiss Federal Institute of Technology (ETH) in Zurich.



Mario Della Casa
Chief Operating Officer

Career highlights: Mario Della Casa has considerable international experience, has worked in FDA-regulated environments for many years, and has gained a great deal of experience in lean and change management. Before taking on his current role at Medartis in October 2022, Mario Della Casa served as Vice President Supply Chain and Operations EMEA at the US healthcare company Invacare Corp. In this role, he managed a group of employees the size of Medartis and oversaw four production sites in four different European countries. From 2010 to 2019, he worked as plant manager for Stryker in Selzach and Depuy Synthes in Mezzovico, Switzerland. He spent the first years of his career at the Fiat Group and progressed through positions of increasing responsibility in logistics and materials management.

Qualifications: Mario Della Casa is a mechanical engineer and has an Executive Master in Business Administration from the University of St. Gallen.



David Thoni
US President

Career highlights: As founder and Chief Growth Officer of the joint venture partnership platform Independence Dental Services, he successfully expanded the company's practice network from 2000 to 2004. Previously, as President of ClearChoice Management Services, he led the largest implant practice network in the US, achieving significant growth and operational efficiencies. During his tenure with the Straumann Group, he contributed to the rapid growth of the value brand Neodent. He has also held senior positions at Ondal Medical Systems and Nobel Biocare.

Qualifications: David Thoni attended the University of Tennessee from 1983 to 1987 and has continued his professional development through prestigious programs including the Executive Training Program at the Center for Creative Leadership and the General Management Program at Harvard Business School. These experiences have provided him with advanced leadership skills and strategic insights that have contributed significantly to his success in various leadership roles throughout his career.

4.2 Other activities and vested interests

No member of the EMB has any other activities or vested interests in accordance with the directive outside of Medartis.

4.3 Permitted other activities

The number of external offices is stipulated as follows with binding effect in the Articles of Association:

Members of the EMB must not simultaneously hold more than three additional mandates in commercial enterprises, of which no more than one may be held in a listed legal entity.

Not subject to the above restrictions are:

- a. Mandates in entities controlled by Medartis or controlling Medartis;
- b. Mandates in entities upon request of Medartis; and
- c. Mandates in associations, organisations and legal entities with a public or charitable purpose, foundations, trusts, as well as staff pension funds.

Mandates are defined as mandates in comparable functions at other companies with a commercial purpose. Mandates in different legal entities that are under unified control or have the same beneficial ownership are considered as one mandate. All members of the EMB are within the limits of external mandates stipulated by article 35 of the Articles of Association.

4.4 Management contracts

There are no management or service contracts with third parties.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

The relevant information to compensation, shareholdings and loans can be found in the Remuneration Report Section of this Annual Report.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 Voting rights restrictions and representation

Each share entitles the holder to one vote. Persons who have participated in any way in the management of the company do not have the right to vote on resolutions concerning the discharge of the BOD.

Each shareholder may be represented by a third party who is authorised to act on the basis of a written power of attorney. This proxy does not necessarily have to be a shareholder. The requirements for powers of attorney and instructions are determined by the BOD.

6.2 Quorums required by the Articles of Association

The Articles of Association do not prescribe that a quorum of shareholders is required to be present at a shareholders' meeting. The Articles of Association do not contain quorums deviating from Swiss statutory law.

6.3 Convocation of the Annual General Meeting of shareholders

Under Swiss law, the AGM must be held within six months of the end of a company's preceding financial year. Shareholders' meetings may be convened by the BOD or, if necessary, by a company's statutory auditors or liquidators. The BOD is further required to convene an extraordinary shareholders' meeting if resolved at a shareholders' meeting holding in aggregate at least 5% of the company's share capital.

6.4 Inclusion of items on the agenda

Shareholders holding a total of at least 0.5% of the share capital may request that an item be included on the agenda of the Annual General Meeting or motions relating to items on the agenda be included in the notice convening the Annual General Meeting. If no deadline is specified in the company's notice, or if the company waives the publication of such notice, such request must be received by the company in writing at least forty-five (45) days prior to the meeting, stating the item to be discussed and the motions of the shareholder or shareholders.

No resolutions may be passed on motions relating to items not duly announced, except for motions to convene an extraordinary shareholders' meeting, to conduct a special audit and to elect an auditor at the request of a shareholder. No prior notice is required for motions relating to the items on the agenda and for negotiations without a resolution.

6.5 Entries in the share register

The company issues its shares as uncertificated securities (Wertrechte) within the meaning of article 973c CO and registers them as intermediated securities (Bucheffekte) within the meaning of the Swiss Federal Intermediated Securities Act. In accordance with article 973c CO, the company maintains a register of uncertificated securities (Wertrechtbuch).

Voting rights may be exercised only after a shareholder has been recorded in the share register as a shareholder with voting rights up to a specific qualifying day designated each time by the BOD. New shareholders who register their shares in the register have the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account and fulfil certain other requirements.

7. CHANGES OF CONTROL AND DEFENCE MEASURES

7.1 Duty to make an offer

The company's Articles of Association contain an opting-out provision in accordance with art. 125 paragraph 3 and 4 of the Swiss Financial Market Infrastructure Act (the "FMIA") and accordingly the obligation for an offeror to submit a mandatory public takeover offer pursuant to art. 135 and 163 FMIA is waived. Apart from this existing opting-out provision, there are no limitations regarding shareholder rights, i.e. with respect to admissibility and voting of shareholders.

The opting-out provision was adopted in the Articles of Association before the initial public offering as a safeguard to avoid an unwanted triggering of the duty to make an offer by the majority shareholder as a consequence of potential future changes in the company's issued equity capital, as stipulated by the Swiss legislation regarding mandatory takeover offers and based on the current practices of the Swiss takeover board.

7.2 Clauses on changes of control

With respect to the compensation of the EMB in connection with the occurrence of a change of control, the Articles of Association allow for the continuation, shortening or withdrawal of exercise conditions and periods and vesting periods, for the payment of compensation based on the assumption that the target values are achieved, or the forfeiture of compensation.

Other than provided in the LTI program as described in section 2.7 above, there are no agreements with the members of the BOD or the EMB in the event of change of control.

8. EXTERNAL AUDITORS

8.1 General information, duration of the auditing mandate and fees

The Shareholders' Annual General Meeting elects and appoints the Group's external auditors on an annual basis. Ernst & Young AG, Basel has been in this function since 2004 and was re-elected as statutory auditor for another term of office at the Annual General Meeting in 2024. Kaspar Streiff is serving as the auditor in charge since the Annual General Meeting 2023.

Ernst & Young AG submits a detailed report to the Finance and Audit Committee on the performance of the audit, the findings on significant accounting and financial reporting issues and on the internal control system. In 2024, EY attended four meetings of the Finance and Audit Committee, including meetings with the Finance and Audit Committee, without the EMB being present.

The total auditing fees charged by Ernst & Young AG in the year 2024 amounted to TCHF 336.0 (2023: TCHF 278.4). There were no additional fees charged by the auditing company for additional services in 2024.

The fees and their components are listed in the following table:

In TCHF	2024	2023
Audit fees	336.0	278.4
Total fees	336.0	278.4

8.2 Information instruments pertaining to the external audit

The Finance and Audit Committee oversees the activities of the auditors and assesses the performance, remuneration and independence of the external auditor annually. The BOD proposes the election of the external auditor to the AGM based on the recommendation of the Finance and Audit Committee. The Finance and Audit Committee assesses the scope of the audit by the external auditor and the relevant procedures annually and discusses the audit findings with the external auditor. During the reporting year, 4 meetings were held with the representatives of the external auditor. For additional information see section 3.5.2 of this Annual report.

9. INFORMATION POLICY

Medartis is committed to an open, transparent and continuous information policy. In accordance with the rules of the SIX Swiss Exchange, the company publishes detailed financial results on a semi-annual basis, in an Annual Report in the first months of each year and a semi-annual financial statement pursuant to Art. 49 and Art. 50 of the Listing Rules (LR). The reports are discussed in detail at special investor and journalist events, which take place either physically or virtually. The event calendar incl. the reporting dates as well as an archive of all reports, media releases and ad-hoc relevant publications are available on the [investor relations section](#) of the Medartis website. Reports on the course of business and the business environment are presented at the Annual General Meeting, and the voting results are published on the company's website. The most important dates known at the time of publication of this report are also listed on the penultimate page of this Annual Report.

In the case of significant events, such as for example significant M&A transactions, partnership or financial transaction, the company also publishes additional ad-hoc information pursuant to Art. 53 LR.

The CEO, CFO and Corporate Communications are responsible for communicating with investors, representatives of the financial community, journalists, and other stakeholders. In addition to the publication of results and the Annual General Meeting, the company also regularly participates in country or sector (non-deal) conferences. Whenever possible and appropriate, meetings with investors are organised via video conferencing technology to reduce carbon emissions and travel costs. In between, however, physical meetings are also held at the investors' premises (roadshow) or at Medartis' headquarters. An overview of upcoming events can be found on the company's website, where you can also find the most recent list of stock brokers that cover the Medartis company. Important note: All banks listed are completely independent of Medartis and receive no compensation from the company for publishing their research reports. Therefore, the trading recommendations are to be considered completely free and there is no conflict of interest.

At the time of publication of this Annual Report, the following banks / sell-side analysts actively covered Medartis:

Bryan Garnier & Co.

Maria Vara
+33 785 986 503
mvara@bryangarnier.com

Research Partners AG

Alexander Burgansky
+41 44 533 40 30
alexander.burgansky@researchpartners.ch

Zürcher Kantonalbank (ZKB)

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Sandra Dietschy
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Stifel Nicolaus Europe Ltd.

Dylan Van Haaften
+44 2 0771 07462
dylan.vanhaaften@stifel.com

To stay up to date, the company offers retail and institutional investors a [media release subscription service](#) on its website and ensures that investor-relevant releases are circulated broadly and in a timely manner according to the rules of the SIX Swiss Exchange and with due regard for the principles of fair disclosure. The company does not update its releases, reports and presentations, which means that the information they contain is only valid at the time of publication.

Of course, we also use our official social media channels (i.e. www.linkedin.com/company/medartis) to disseminate information, but these are generally shorter and do not claim to be exhaustive. The primary and relevant sources for ad-hoc announcements are our media releases and the company website.

This Annual Report including a remuneration and corporate governance report is a key instrument for communicating with various stakeholder groups. It is published electronically in English on the company's website, where it can also be downloaded. An abridged version of the annual report is distributed to all registered shareholders prior to the AGM.

The press and investor relations office can be reached at the following address:

Investor Relations Office:

investor.relations@medartis.com

Phone: +41 61 633 37 36

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Phone: +41 61 633 37 34

Medartis AG

Hochbergerstrasse 60E

CH-4057 Basel

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10. TRADING BLACKOUT PERIODS

According to our "Insider Trading Guideline", certain employees who have access to material non-public information on a regular basis are designated as "Covered Persons" and are banned from trading in Medartis securities during the regular blackout periods. In any case, this group includes the BOD, the EMB as well as their direct reports and support staff, all employees of the Business Development, Legal, Corporate Communications as well as employees in the Finance and Treasury department with access to consolidated accounts, all local General Managers as well as the regional Finance Directors and key sales functions with access to aggregate sales information. On a case-by-case basis, persons who have knowledge of certain special projects may also be classified as Covered Persons and will be prohibited from trading with Medartis securities during the blackout periods.

Limited exemptions for the exercise of options apply if such exercise is based on a binding contract, delayed buy and sell orders or a written incentive plan that was entered into at a time when the Covered Person did not possess relevant insider information. Our regular reporting blackout periods start at the end of each semester and last until the public announcement of the financial figures for that period.

Since 2024 and until the publication of this report, the following blackout periods applied:

- December 31, 2023 until the presentation of the 2023 full-year results on March 12, 2024
- June 30, 2024 until the presentation of the 2024 half-year results on August 20, 2024
- December 31, 2024 until the presentation of the 2024 full-year results on March 18, 2025

Compensation Report

- 110 Basic Remuneration Principles
- 111 Remuneration Governance and Processes
- 113 Compensation Architecture and Elements
- 117 Actual Remuneration for the Reported Year
- 123 Report of the Statutory Auditor on the Audit of the Remuneration Report



Compensation Report

The present Compensation Report of Medartis Holding AG sets out the guiding basic compensation principles, the governance rules around compensation decisions, the current compensation architecture and elements, as well as the actual compensation paid and/ or allocated to the Board of Directors (BOD) and the Executive Management Board (EMB) for the reported year.

It is in compliance with the Swiss Stock Corporation Act, Medartis' Articles of Association and, with respect to compensation disclosure, Article 5 of the appendix to the SIX Exchange Regulation Directive on Corporate Governance (DCG) and section 38 of appendix 1 of the Swiss Code of Best Practice for Corporate Governance.

1. BASIC COMPENSATION PRINCIPLES

Medartis' compensation policy and programs underpins the group's commitment to attract, engage and retain the best talents within the industry. The Articles of Association of Medartis Holding AG stipulate the following basic principles:

- BOD (Article 30): The compensation of the members of the BOD consists of a fixed compensation, which is paid in cash and/or in the form of shares. It may comprise other compensation elements and benefits.
- EMB (Article 31): The compensation of the EMB comprises fixed and variable components. The fixed compensation of the EMB members consists of a base salary, allowances payable in cash and contributions to pension schemes or similar benefits. In addition, the EMB members are eligible to variable compensation consisting of short-term and/or long-term compensation components. The variable components may be paid in cash and/or shares, options or other equity-based instruments.
- Approval by the AGM (Article 16): The AGM approves annually, on a binding basis and at the request of the BOD, the aggregate amounts of the fixed compensation of the BOD for the period up to the next AGM, and of the EMB for the next full financial year following the year of the AGM. The General Meeting further approves annually the total amount of variable compensation elements (short-term and long-term) for the EMB for the current financial year in a binding and separate manner.

- Additional amount for newly appointed members of the EMB (Article 32): Should new members of the EMB be appointed after the resolution of the AGM, an additional amount of up to 140% of the latest CEO total compensation in case of a new CEO appointment, and/or up to 140% of the latest average group executive's total compensation in case of appointment of other new members of the EMB, may be granted according to Article 32 of the Articles of Association. In addition, and based on the same Article, buy-out awards in the amount of up to CHF 1'000'000 to a newly appointed CEO and/or up to CHF 500'000 for other newly appointed members of the EMB may be granted in order to compensate the newly appointed executives for the verifiable loss of deferred compensation elements with their previous employer. The AGM does not vote on the additional amount used according to Article 32 of the Articles of Association.
- No loans, credits, additional pension benefits (Article 33): Members of the BOD and EMB may not be granted any loans, credits or pension benefits outside the scope of occupational benefits, except for loans up to CHF 250'000 per individual to bridge-finance legal costs.
- Maximum contractual terms (Article 36): Employment contracts with members of the EMB may be concluded for a fixed term of up to 1 year, or for an indefinite term with a notice period of up to 1 year.

2. COMPENSATION GOVERNANCE AND PROCESSES

The overall responsibility for the implementation of the statutory compensation principles lies with the BOD.

Duties and Responsibilities

According to the HRCC Charter (Article 3) and the Articles of Association of Medartis Holding AG (Article 27), the HRCC assists the full BOD in the following tasks:

Annual General Meeting

(a) Presenting motions to the BOD in view of the next ordinary Annual General Meeting ("AGM") with respect to the aggregate amount of compensation of the directors and of the members of the executive management of the Company;

(b) Assisting the BOD in the preparation of the Compensation Report, to be adopted by the Board and then disclosed to the shareholders of the Company at the next ordinary AGM;

(c) Implementing the resolutions passed by the AGM with respect to the aggregate amount of compensation of the members of the Board and the members of the executive management of the Company;

Compensation

(d) Reviewing the principles, programs and targets for compensation of the Board, the CEO and the executive management and submitting them to the Board for approval; thereby ensuring that the compensation paid by the Company is based on market and performance-related criteria;

(e) Preparing proposals concerning the compensation of the BOD, the CEO and the executive management, and submitting them to the Board for approval and submission to the next ordinary AGM;

Equity Plans

(f) Assisting the BOD in the setting up of the conditions for the granting, the assignment, the blocking, the exercise and the expiry of the compensation of the members of the Board and of the executive management in the form of equity securities, conversion rights and option rights in accordance with Article 8 of the HRCC Charter, as well as assisting and advising the Board in the review and approval of

general compensation and benefit policies including any long-term incentive compensation or equity plans;

Human Capital

(g) Conducting an annual review of the organization's Human Resource strategic plan to ensure congruence with the Company's broader strategic plan, which includes a review of:

- recruitment and selection
- talent management
- performance management and
- corporate culture

(h) Annually reviewing the performance of the CEO and the EMB in fulfilling the set strategic objectives;

(i) Conducting forward-looking discussions of how human capital requirements are affected by evolving corporate strategy and external landscape changes (technology, competitors, labour market);

Nomination

(j) Regularly reviewing the structure, size and composition (including the skills, knowledge and experience required) of the BOD compared to its current position and submitting recommendations to the BOD with regard to any changes;

(k) Assessing candidates for the CEO role and submitting a proposal to the BOD for approval;

(l) Discussing the CEO's proposals for appointments to the executive management with the CEO and submitting such proposals to the Board for approval;

Other

(m) Annually reviewing and pre-approving the schedule of services and fees the Company plans to ask the compensation consultants to render in the upcoming year, as presented to the Committee by management, and ensuring that the independence of the compensation consultants is maintained.

The HRCC is entitled to conduct investigations in all matters of its competence. In well-founded cases, it shall in particular have full access, to the extent required for the accomplishment of its duties, to the Company's EMB, employees, books and records.

To the extent required for the accomplishment of its duties, the HRCC may request the services of independent advisors and experts. Details on the constitution of the BOD and of the HRCC, as well as regarding further details such as, for example, maximum number of external mandates, can be found in Medartis' Corporate Governance Report.

The BOD or the HRCC determine annually the performance values and the variable short- and long-term compensation elements, their amount and attainment, as well as the allocation conditions, vesting conditions and periods, as well as any blocking periods and expiration conditions in accordance with the compensation plan regulations.

The HRCC and the BOD determines, on an annual basis, the amount of the compensation of the individual members of the BOD, including its Chairman, subject to and within the limits of the maximum total amount approved by the AGM. All decisions are subject to Medartis' Conflict of Interest Policy as put forward in the Organizational Regulations (Article 35).

The CEO's compensation is proposed by the HRCC and determined annually by the BOD, within the maximum total amount approved by the AGM. For other Executive Management Board members, compensation is recommended by the CEO, reviewed by the HRCC, and determined by the BOD annually, also within the AGM-approved limits.

The HRCC meets upon calling of its chairman as often as required for the fulfilment of its duties, but at least three times a year as defined in Article 6 para. 1 and 2 as well as Article 9 of the Organizational Regulations. The chairman of the HRCC can invite persons other than committee members to attend all or a portion of a meeting. Invited persons shall not participate in the discussions or deliberations of the HRCC unless invited to do so, and shall not be entitled to vote.

The HRCC reviews the compensation package of the members of the EMB annually and proposes to the BOD any adjustments. As a base for this work the HRCC assesses compensation packages in similar companies. To build the compensation benchmark the following surveys and reference databases were used: Klingler Survey for Executive members for similar companies in the worldwide MedTech industry as well as worldwide players in Health Care with a similar size (in terms of employees and/or revenue).

As per Article 23 para. 1 of the Organizational Regulations, the discussions of the HRCC must be summarized and its decisions recorded in minutes signed by the chairman (or chairing member) thereof and by the person taking such minutes. Article 13 of the Organizational Regulations shall apply by analogy. Every member of the Board shall receive a copy of the minutes of every meeting of the HRCC.

Decisions of the HRCCs and proposals to the BOD can also be made by way of approval of a written resolution circulated to the members of the HRCC. Article 12 of the Organizational Regulations shall apply by analogy.

On the occasion of every meeting of the BOD, the HRCC shall inform the BOD of its activities. As per Article 23 para. 3 of the Organizational Regulations, circular resolutions must be reflected in the minutes of the next HRCC meeting. In case of emergency, the BOD members shall be informed immediately via the chairman.

As set out above, the AGM approves the total compensation amounts to the BOD and to the EMB on an annual basis and in a binding manner. The BOD values the dialogue with shareholders and is considerate of their views about executive compensation when reviewing compensation principles. Against this background, the BOD voluntarily submits the Compensation Report to a consultative vote at the AGM. This vote allows shareholders to express their opinion on the compensation system, compensation disclosure as well as remuneration paid and granted in the past financial year. The compensation practices are further guided by the basic principles determined in Medartis' Articles of Association, as mentioned above.

3. COMPENSATION ARCHITECTURE AND ELEMENTS

3.1 Board of Directors (BOD)

For their non-executive services in the Board, its members receive a fixed basic compensation, which may be paid in cash and/or in the form of shares, based on the responsibilities and time requirement of their functions within the Board or its committees, without any entitlement to performance-related compensation. There are no additional meeting fees for BOD memberships. This ensures that the BOD remains independent while exercising its supervisory duties towards the EMB.

The amount of fees for each function of the BOD is determined annually, considering the market compensation trends and comparisons with other listed life science companies of similar size which operate internationally. Members of the BOD who also serve in an executive capacity receive a separate remuneration for function, which is disclosed accordingly below in the section on the EMB. In 2024, no BOD member held an executive function. The roles and responsibilities of the individual Board members are described below:

Board of Directors (8 members) Chairman: Marco Gadola Vice Chairman: Dr. h.c. Thomas Straumann Members: Jennifer Dean, Willi Miesch, Ciro Römer, Martha Shadan , Damien Tappy, Nadia Tarolli Schmidt			
Finance & Audit Committee Chair: Nadia Tarolli Schmidt Member: Jennifer Dean	Human Resources & Compensation Committee Chair: Damien Tappy Member: Marco Gadola	Strategy & Innovation Committee Chair: Willi Miesch Member: Dr. h.c. Thomas Straumann	US Expansion Committee¹ Chair: Ciro Roemer Member: Martha Shadan
Focus – Financial Health – Risk Management – Legal & Compliance – M&A and Alliances (Legal and Agreements)	Focus – Nomination – Compensation – Human Capital – Culture	Focus – Growth initiatives and growth management – Innovation – Technology – M&A	Focus US Marketing & Sales: – Product registrations and launches in the US market incl. KM products – KOL relationship management – Sales excellence management

¹Board Structure Medartis Holding AG as of AGM 2024. The US Expansion Committee has been discontinued at the end of 2024.

Main principles of the plan which manages the calculation and allocation of the Medartis Restricted Shares for the members of the BOD

Unless otherwise determined by the Board, the allocation date shall be within 30 days from the AGM at which the compensation to the BOD for the respective period was approved.

Immediately before the allocation date, the equivalent of the Board fees that a member of the BOD elected to receive in the form of shares instead of cash shall be converted into a number of Medartis restricted shares ("RS") as set out below. The remaining part of the Board fees continues being paid out in cash according to the usual processes and timelines.

The allocated RS under the current Plan are subject to a Restriction Period, the duration of which will be determined by the Board and set out in the Election Form. The Restriction Period starts on the Allocation Date. The RS are allocated during the 30 days after the AGM with a discount of 15% and are subject to a Restriction Period of 2 years. There are no contractual share ownership requirements for BOD members.

The equivalent of the Board fee that a member of the BOD elected to receive in the form of shares shall not be paid out in cash, but shall instead be converted into a number of RS, by dividing such amount by a share value that equals 85% of the volume-weighted average price of a Medartis share over a period of 20 trading days ending with the last trading day before the AGM that triggers the allocation date:

$$\frac{\text{selected Board Fee portion}}{85\% * (20\text{-day volume-weighted average Share price})} = \text{number of RS allocated}$$

Depending on the contractual setup and individual circumstances, the remuneration paid to members of the BOD may be subject to VAT or statutory social security contributions.

3.2 Executive Management Board (EMB)

a. Overview

The remuneration of the EMB (CEO and other members of group management) consists of a fixed base salary, an annual, performance-based short-term incentive (STI), a long-term incentive (LTI) in the form of time- and performance-restricted equity-based instruments, and other benefits (e.g. company car or car allowance, seniority bonus and/or family allowance).

Details on each compensation component are set out below.

b. Fixed base salary

The fixed base salary depends on the function, the qualification and the professional experience of the respective individual.

c. Annual short-term incentive (STI)

The STI scheme focuses on rewarding individuals based on company and regional performance and incentivizes both growth and cost discipline. When performance targets are met, the annual STI bonus is paid in cash in the first half of the following year. At target, the annual STI for the new CEO is 50% of his (gross) base salary. Annual STI targets for the remaining EMB members range from 30% to 48% of their respective annual gross base salary. In 2024, this range was between 31% and 44%. The base salaries as well as the STI target values are determined individually for each member of the EMB and are reviewed annually by the BOD.

The performance metrics used for the STI are total company Net Sales and at least two of the following key performance indicators (KPIs):: OPEX, EBITDA, Capital Employed, Inventories, Cost of Goods Sold (COGS), and Regional Net Sales, depending on the roles and responsibilities of the respective EMB member. These metrics are considered to be the most critical and sustainable value drivers of the company. OPEX, EBITDA and Capital Employed are measured relative to actual Net Sales. This means, for example, that higher OPEX expenses than planned in the budget can be offset by higher than planned Net Sales. Conversely, underperforming Net Sales would require more judicious OPEX spending to meet the OPEX target. The weight of each of these performance measures is determined at the beginning of each year in the annual performance agreements, with the majority of plans aligned to 50% Net Sales, 30% OPEX, and 20% EBITDA to promote performance, cost control, and profitability, respectively.

For each metric, the CEO determines, and the BOD approves the annual target and maximum performance levels in advance and in line with the long-term strategy and the budget process for the subsequent financial year. Each performance indicator's payout, determined by achievement of target,

is multiplied by its weighting and by the individual's STI potential to determine the actual STI payout. These components are calculated separately and summed to determine the total annual STI payout. Total STI payout is capped at 200% of the individual's annual target potential.

For performance metrics other than Net Sales:

- If 100% of the performance objectives are achieved, 100% of the target amount is paid out.
- For each percentage point that the performance achievement level is above or below the performance targets, the payout is reduced or increased by 20%. Therefore, payout is only realized when there is less than a 5% underachievement. The 95% threshold represents the minimum performance floor. Each percentage point above this threshold increases the related component's payout by 20% in a linear progression.

For the 2024 Net Sales performance metrics:

- A 10% growth threshold compared to the prior year must be achieved for any STI partial amount to be paid out.
- If 15% growth compared to the prior is achieved, 100% of the corresponding STI partial amount is paid out. This level of growth has been selected in alignment with the upper range of the external guidance that has been communicated.
- Above 15% growth, the payout curve is linear and capped at 200%.

The payment multiplier for 2024 (2025 payment) corresponding to the summed calculated payouts of Net Sales, OPEX, and EBITDA components amounts to 153.7%, multiplied by the total annual STI potential.

d. Long-term incentive (LTI)

The amount of long-term compensation is determined at the start of employment for each participant, generally at the discretion of the BOD. It is reviewed once a year by the Compensation and Benefits team and may change depending on market conditions and business needs, subject to approval by the BOD.

A new LTI plan, presented at the AGM 2024, developed with and approved by the Board of Directors, was implemented. The aim of this new LTI plan is to foster long-term value creation for the Company and align with shareholders' interests and market practices. The 2024 LTI plan consists of an allocation of RSUs representing 75% of the total grant value and PSUs representing the remaining 25%. The PSUs

vesting multiple will range from 0% to 200% and will be solely determined by the achievement of the simplified cashflow KPI over a 3-year observation period from the year of allocation, at which time the vesting multiple will be determined and applied to the total number of PSUs before share conversion. The simplified cashflow is calculated as the difference between the EBITDA and the sum of Accounts Receivable increase, set investments, other inventory increases and total CAPEX. The RSUs will vest on a graded schedule, 1/3 each year following the year of allocation.

All active EMB members and LTI participants have transitioned fully to the new plan, and the LTI grant amounts for 2024 were allocated to EMB members following the AGM of 2024. The LTI compensation amount disclosed in the audited tables in section 4 show the allocated LTI grant amount for 2024.

The number of PSUs/RSUs is calculated as follows:

$$\frac{\text{Grant Amount}}{\text{(20-day volume-weighted average Share price)}} = \text{number of PSUs/RSUs allocated}$$

- With consideration and approval from the BOD, Christoph Brönnimann, the former CEO, remained on the previous LTI plan (the principles and mechanics of which may be found in the 2023 Compensation Report) until the end of his employment.

The HRCC Committee has reviewed the Long-Term Incentive (LTI) plan, incorporating shareholder feedback and Swiss corporate governance best practices. Starting in 2025, the plan will transition to a structure fully based on Performance Stock Units (PSUs), incorporating both external and internal performance criteria.

EMB members are eligible to participate in the ESPP-STI plan, one of two Medartis Employee Share Purchase Plans, as an additional compensation element:

- Employee Share Purchase Plan for STI (ESPP-STI): EMB members can invest all or part of their STI payout in Medartis shares with a discount of 25% and subject to a 2-year blocking period. The shares are dividend-bearing from the day of acquisition. The BOD is not eligible for this program. The number of shares is calculated by applying the 20-day Volume-Weighted Average Price (VWAP) before the allocation date. Shares required to fund the share-based compensation elements may be made available, at the discretion of the BOD, by capital

increase, treasury shares or purchase of shares in the market. Further details on conditional capital are set forth in section 2.2 of the Corporate Governance report.

e. Other elements and comments

Members of the EMB participate in the benefits plan available in the country of their employment contract. Benefits consist mainly of retirement, insurance and health care plans that are designed to provide a reasonable level of protection for the employees and their dependents with respect to retirement, risk of disability, death and illness / accident. Medartis' pension benefits under Swiss contracts exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and are in line with the offerings of other international industrial companies. The contributions are age-related and are shared between the employer and the employee.

Out-of-pocket expenses incurred to executives in connection with their employment services for Medartis and duly reimbursed by Medartis in accordance with the applicable regulations are not considered to be compensation subject to approval and are not further considered for the below compensation tables.

As additional fixed compensation elements, the members of the EMB receive allowances such as relocation allowances, transportation or family allowances (if eligible), seniority and wedding bonus. All such allowances are paid in cash. Furthermore, they receive contributions to social security. There are no contractual share ownership requirements for the EMB members, but with the current remuneration system, share ownership is encouraged over time. The actual direct and indirect EMB compensation in the current and previous year is shown in the forthcoming tables.

4. ACTUAL COMPENSATION FOR THE REPORTED YEAR

This section contains:

- (a) the actual compensation paid to the BOD for the period between AGM 2024 and 2025;
- (b) the actual compensation paid to the EMB for 2024;
- (c) other compensation-related information under the OaEC;
- (d) a general pay-for-performance review;
- (e) comments on the alignment between paid and pre-approved amounts;
- (f) information on shareholdings of members of the BOD and of the EMB;
- (g) Disclosure of other board affiliations of Medartis' BOD and EMB members.

Subsections (a), (b), (c) and (g) are subject to external audit according to the Swiss Stock Corporation Act requirements.

a) Compensation of the BOD

The table shows the compensation paid to members of the BOD for the period between the AGM 2024 and the AGM 2025 and for the period between the AGM 2023 and the AGM 2024. The total compensation for the BOD outlined in the table is within the range approved by the AGM 2024.

Comments:

- "Fixed board fee (cash)": Gross amounts before deduction of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable.
- "Social security contributions": Company contributions to social security and occupational pension schemes, as far as applicable.
- The valuation of Restricted Shares is determined by the closing share price average of 18 March 2024 – 16 April 2024 in accordance with the Restricted Share Plan for the Board.

BOD compensation in CHF (audited table):

	Fixed board fee (cash)	Social security contributions	Restricted Shares	Restricted share discount ¹	Total
Marco Gadola Chair of the BOD, Member of the HRCC	500'000	35'280	0	0	535'280
	375'000	36'114	125'000	31'944	568'058
Thomas Straumann Vice-Chair of the BOD, Member of the SIC	229'282	62'779	0	0	292'061
	229'021	62'953	0	0	291'974
Willi Miesch Chair of the SIC	150'000	11'725	0	0	161'725
	150'000	11'680	0	0	161'680
Nadia Tarolli Chair of the FAC	112'500	11'768	37'500	5'353	167'121
	112'500	11'974	37'500	9'554	171'527
Ciro Roemer Chair of the UEC	150'000	0	0	0	150'000
	50'000	0	50'000	12'763	112'763
Damien Tappy Chair of the HRCC	0	0	150'000	21'654	171'654
	0	0	150'000	38'288	188'288
Martha Shadan Member of the UEC	100'000	0	0	0	100'000
	0	0	0	0	0
Jennifer Dean Member of the FAC	100'000	7'830	0	0	107'830
	0	0	0	0	0
Daniel Herren Member of the SIC	0	0	0	0	0
	100'000	7'800	0	0	107'800
Total all members	1'341'782	129'382	187'500	27'007	1'685'672
	1'016'522	130'520	362'500	92'548	1'602'090

¹The BOD compensation may be drawn in the form of Medartis shares at a discount of 15% in addition to the share appreciation at allocation date.

Values in italics represent data for the period between the AGM 2023 and the AGM 2024.

²New members: Martha Shadan and Jennifer Dean joined the BOD as of the AGM 2024 as members.

³Former member: Daniel Herren stepped down at the AGM 2024.

b) Compensation of the EMB

The table shows the compensation paid to the CEO and other members of the EMB for 2024 and 2023. End of 2024, the EMB consists of the CEO and five EMB members. The total compensation listed underneath is within the range approved by the AGM 2023 and 2024.

EMB compensation in CHF (audited table):

	Fixed compensation	Variable compensation (cash)	Variable compensation (equity)	Other compensation	Total
	Base salary	Annual short-term incentive (STI)	Long-term incentive (LTI - Buy-out awards, ESPP)	Social security contributions and fringe benefits	
Matthias Schupp CEO ¹	116'667	58'333	568'636	125'063	868'699
	0	0	0	0	0
Christoph Brönnimann CEO	500'000	375'000	500'000	302'476	1'677'476
	500'000	558'294	500'000	308'643	1'866'937
Other members of the EMB	1'529'837	858'148	417'935	778'059	3'583'979
	1'427'171	705'434	523'455	703'545	3'359'606
Total EMB	2'146'504	1'291'481	1'486'571	1'205'598	6'130'154
	1'927'171	1'263'728	1'023'455	1'012'188	5'226'543

¹CEO as of 1 November 2024. Variable compensation amount reflect the buyout in December 2024, in RSUs in a graded 3 years vesting period, plus sign-on bonus with a pay-out in March 2025.

Values in italic represent data for 2023.

Comments:

- Christoph Brönnimann, the former CEO, departed the company at the end of October 2024, with Matthias Schupp assuming the role as his successor. Their respective remuneration figures for 2024 are detailed in the table above. During this time Christoph Brönnimann was released from active duties but remained available for transition support as needed. No additional severance payment was granted, and all compensation elements during this period adhered to existing contractual obligations, with no acceleration of long-term incentive awards or discretionary payments.
- “Fixed base salary”: Gross amounts before deduction of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable.
- “Annual short-term incentive (STI)”: Amounts based on the performance in 2024, payable in 2025. Gross amounts before deduction of employee contributions to social security, occupational pension.

- “Long-term incentive (LTI)”: As further explained in section 3.2 d), the disclosed amounts are LTI grant amounts for 2024. The former CEO's award is presented inclusive of the 25% share price discount, pursuant to his BOD-approved continued participation on the previous LTI plan until the end of his employment. Gross amounts are before deductions of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable. The LTI disclosed for “Other members of the EMB” includes the amount related to the last portion of the CFO's buy-out award, vested in 2024. The mechanism of this buy-out award has been described in the 2021 Compensation Report for the CFO. The LTI section also includes all shares purchased by EMB members in the ESPP-STI plan at 25% discount.
- “Social security contributions and fringe benefits”: Company contributions to social security and occupational pension schemes, as far as applicable. This column further includes the value of fringe benefits, consisting of company car (or car allowance), family allowance (if applicable), health insurance (if applicable), seniority gifts (if applicable) or any benefits defined in a severance package.

c) Other compensation-related information under the OaEC

For the reporting period, no compensation other than listed above in a) and b), respectively, was paid or granted to members of the BOD and EMB. No further compensation was paid or granted to former members of the BOD or EMB apart from the amounts listed above.

No loans or credits were granted to current or former members of the BOD and EMB. No such loans or credits were outstanding at the balance sheet date.

No compensation, loans or credits were paid or granted at non-market conditions to persons closely associated with current or former members of the BOD or EMB. No such loans or credits were outstanding at the balance sheet date.

A cash sign-on bonus of 33'000 CHF to offset the expense of relocation from Brazil to Switzerland and a buy-out award of 518'636 CHF in the form of RSUs have been offered to Matthias Schupp (new CEO since November, 2024). Fulfillment of these awards will be executed according to the following 3-year (36 month) mechanism:

- The total amount of the sign-on bonus will be paid in March, 2025
- 1st allocation of RSUs: 1/3 on 1 December 2025
- 2nd allocation of RSUs: 1/3 on 1 December 2026
- 3rd allocation of RSUs: 1/3 on 1 December 2027

d) Performance-related compensation: General pay-for-performance review

In 2024, the weightings for the different metrics for the annual short-term incentive of members of the EMB have been:

Weighting of STI performance criteria	Group						Regional		
	Net Sales	OPEX	EBITDA	COGS	Inventories	Capital Employed	Net Sales	OPEX	Capital Employed
CEO	50%	30%	20%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CFO, CTO, CHRO	50%	30%	20%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
COO	30%	n.a.	n.a.	35%	35%	n.a.	n.a.	n.a.	n.a.
President EMEA	20%	n.a.	n.a.	n.a.	n.a.	n.a.	50%	15%	15%

Achievement of STI performance criteria	Group						Regional		
	Net Sales	OPEX	EBITDA	COGS	Inventories	Capital Employed	Net Sales	OPEX	Capital Employed
CEO	96%	99%	120%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CFO, CTO, CHRO	96%	99%	120%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
COO	96%	n.a.	n.a.	93%	108%	n.a.	n.a.	n.a.	n.a.
President EMEA	96%	n.a.	n.a.	n.a.	n.a.	n.a.	108%	102%	99%

OPEX, Capital Employed, Inventories & COGS achievements are inversely proportional to payout. A lower % achievement results in a higher payment.

Consequently and in total, the 2024 STI payout to members of the EMB (excl. CEO) equals CHF 858,148 (previous year CHF 705,434) as stated in the table above. As a percentage of the fixed (base) salary, this represents 56% (previous year: 49%). For the former CEO, the STI payout of CHF 375,000 (previous year: CHF 558,294) represents 75% of the base salary (previous year: 112%), and for the new CEO, the STI pro rated payout CHF 58'333 represents 50% of the base salary.

In 2024, the grant value of equity instruments under the LTI plans was CHF 417,935 (previous year CHF 523,455) for the entire EMB (excl. CEO), CHF 500,000 (CHF 375,000 inclusive of 25% share price discount) for the former CEO (previous year: CHF 500,000), and CHF 50,000 for the new CEO (CHF 300,000 pro-rated from November). The entire RSU buyout award for the new CEO is herein fully

reported in the amount of CHF 518,638 to offer additional transparency and to avoid reporting trailing liabilities.

The aggregate variable compensation (STI and LTI, excluding ESPP discount and buy-out awards) for 2024 represents 79% (previous year: 86%) of the fixed base salary for the EMB (excl. CEO), 93% of the fixed base salary for the new CEO, and 175% of the fixed base salary for the former CEO. The main difference in the EMB remuneration between 2023 and 2024 is the higher STI target achievement. For EMB members, this translated into STI payments ranging from 112% to 154% of the target amount. Both the new and former CEOs agreed to a limit their payment multiples to 100% in this transition year.

e) Alignment with pre-approved maximum amounts (audited)

At the AGM 2023 and 2024 the Medartis shareholders have determined and approved the following maximum compensation amounts:

Compensation for the BOD for the period from the AGM 2024 - AGM 2025:	CHF 1'983'761
Fixed base salary to the EMB (incl. CEO) for the financial year 2024:	CHF 4'188'722
Variable compensation to the EMB (incl. CEO) for the financial year 2024:	CHF 5'875'891

Board of Directors:

As shown in the table above, the total compensation was higher than in the previous year period due to an increase in the member's participation (subtotal fixed board fee and social security contributions) of the BODs for their services in the 2024 financial year amounted to CHF 1'685'672 (CHF 1'602'090 in 2023). This is within the amount pre-approved by shareholders at the 2024 AGM CHF 1'983'761).

Fixed compensation for the EMB:

The fixed compensation, including fringe benefits and all social security costs, paid to all EMB members in 2024 amounted to CHF 2,787,495 (CHF 2,470,598 in 2023). The shareholders approved in the AGM 2023 a total fix compensation of CHF 4'188'722 for the January-December 2024 period. The actual amount is therefore within the approved range.

Variable compensation for the EMB:

The total variable compensation in 2024, consisting of STI and LTI, amounted to a total of CHF 3,342,657 (CHF 2,755,946 in 2023). Also this value is clearly below the maximum amount of CHF 5,875,891 approved by the Medartis shareholders.

f) Shareholdings of members of the Board of Directors and of the EMB

(audited table)

The following table discloses the number of shares held by the Board of Directors, the Executive Management Board and individuals related to them.

	Shares held by the member	Shares held by related party	Total shares	Total shares	Unvested Target RSU/PSU
	31 December 2024	31 December 2024	31 December 2024	31 December 2023	31 December 2024
Board of Directors					
Dr. h.c. Thomas Straumann	5'624'430	4'010	5'628'440	5'628'440	0
Willi Miesch	617'917	0	617'917	617'917	0
Damien Tappy ¹	0	907'330	907'330	803'702	0
Marco Gadola	9'525	0	9'525	8'841	0
Nadia Tarolli Schmidt	1'605	0	1'605	982	0
Ciro Roemer	1'309	0	1'309	1'309	0
Martha Shadan	0	0	0	0	0
Jennifer Dean	0	0	0	0	0
Daniel Herren				1'493	0
Total	629047	907330	1536377	621701	0

¹ 30'705 shares held by DTF Holding AG, of which Damien Tappy is the sole beneficial owner; 876'625 shares held by Endeavour Medtech Growth

	Shares held by the member	Shares held by related party	Total shares	Total shares	Unvested Target RSU/PSU
	31 December 2024	31 December 2024	31 December 2024	31 December 2023	31 December 2024
Executive Management Board					
Matthias Schupp	1'800	0	1'800	0	10'472
Christoph Brönnimann ¹	2'383	0	2'383	3'669	0
Mareike Loch	1'003	0	1'003	7'265	12'288
Manuel Schär	3'437	0	3'437	2'307	7'688
Dirk Kirsten	6'446	0	6'446	3'971	12'288
Mario Della Casa	1'575	0	1'575	364	12'288
Inge Maes	0	0	0	0	0
Anthony Durieux-Menage ²				775	0
Total	47'128	0	47'128	51'351	149'240

¹ CEO until 31 October 2024

² CHRO until 31 March 2024

g) Medartis Board of Directors and EMB – memberships on other Boards

(audited table)

No EMB member has an external mandate.

The following table includes external mandates of the members of the BOD at other companies with an economic purpose in line with the disclosure requirement under Article 734e OR and in line with requirements under Section 3.2 and Section 4.2 of the Annex to Directive on Information relating to Corporate Governance of SIX.

Board member	Listed companies	Private companies	Not-for-profit organisation	Role or function 2024	Role or function 2023
Marco Gadola	DKSH Holding AG			Chairman	Chairman
	MCH Group				Vice Chairman
	Straumann Holding AG			Vice Chairman	Board member
		Bühler Group		Board member	Board member
		AVAG Anlage und Verwaltungs AG		Board member	Board member
		WS Audiology Ltd DK			Chairman
			Schweizerische Management Gesellschaft	Advisory Board member	Advisory Board member
			Swiss American Chamber of Commerce	Advisory Board member	Advisory Board member
			Basel Chamber of Commerce	Board member	Board member
Thomas Straumann	Straumann Holding AG			Board member	Board member
		Centervision AG		Chairman	Chairman
		CHI Classics Basel AG		Chairman	Chairman
		STMN Equestrian AG		Chairman	
Willi Miesch		SCEWO AG		Chairman	Board member
		MTIP			Advisory Board member
			International Bone Research Association (IBRA)	Board member	Board member

Board member	Listed companies	Private companies	Not-for-profit organisation	Role or function 2024	Role or function 2023
Nadia Tarolli Schmidt	Straumann Holding AG				Board member
	Basellandschaftliche Kantonalbank (BKB)			Supervisory Board member	Supervisory Board member
		EGK Eidgenössische Gesundheitskasse		Board member	Board member
		Parkresort Rheinfelden Holding AG		Board member	Board member
		IKEA Pension Fund	IKEA Pension Fund	Supervisory Board member	Supervisory Board member
		Genossenschaft Stadion St. Jakob-Park		Board member	Board member
		BiomedVC AG		Board member	Board member
			Nordic Cultural and Educational Foundation	Supervisory Board member	Supervisory Board member
		VZ Holding AG		Board member	
			Basel Chamber of Commerce	Board member	
Ciro Roemer		Warburg Pincus LLC		Strategic advisor	Strategic advisor
Damien Tappy		Endeavour Vision		Chairman	Chairman
		CeQur		Board member	Board member
		Polares		Board member	Board member
		L'Enfance		Board member	Board member
		Hôpital de la Tour		Board member	Board member
			Fondation du Domaine de Villette	Member of the Foundation Council	Member of the Foundation Council
Martha Shadan	CVRx			Board member	
	LeMaitre Vascular			Board member	
		Brilliant Strings Therapeutics		Chair of Board	
		S2N Health		Board member	
			AdvaMed Accel (Advanced Medical Technology Association)	Board member	
Jennifer Dean			Australian Swiss Chamber of Commerce	Board member	

Report of the statutory auditor



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To the General Meeting of
Medartis Holding AG, Basle

Basle, 14 March 2025

Report of the statutory auditor on the audit of the compensation report



Opinion

We have audited the compensation report of Medartis Holding AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 117 to 122 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report complies 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 remuneration report" 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, and 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.



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 tables marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report 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 remuneration report

The Board of Directors is responsible for the preparation of a remuneration report 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



Page 2



preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, 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.

We communicate with the Board of Directors or its relevant committee 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.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Kaspar Streiff
Licensed audit expert
(Auditor in charge)

Dominik Ritter
Licensed audit expert

Financial Report

- 126 Financial Review and Alternative Performance Measures
- 134 Medartis Group Consolidated Financial Statements
- 141 Notes to the Medartis Group Consolidated Financial Statements
- 177 Report of the Statutory Auditor on the Consolidated Financial Statements
- 180 Financial Statements of Medartis Holding AG, Basel
- 183 Notes to the Financial Statements
- 188 Report of the Statutory Auditor on the Financial Statements



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 Group consolidated financial statements. Management believes that these measures, when provided in combination with reported results, will provide readers with helpful supplementary information to better understand the financial performance and position of the Group on a comparable basis from period to period. 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 effects:** Special items and amortization of intangible assets that result from the purchase price allocation (PPA) following acquisitions.
- **3rd party business NSI:** Revenue and cost out of NSI's third party business.
- **Pension plan:** One-time settlements, plan amendment gains or losses stemming from pension accounting.
- **Consolidation result of former associates:** Revaluation gains and losses as a result of obtaining control over former associates.
- **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 KPI are based on IFRS Accounting Standards figures, as disclosed in the consolidated financial statements:

EBIT is defined as net income before income tax expense/income, finance income and finance expense.

EBITDA is defined as net income before income tax expense/income, finance income, finance expense, and depreciation and amortization. In other words, EBITDA is defined as EBIT before depreciation, amortization and impairments on tangible and intangible assets. EBITDA is used to determine the net debt/EBITDA ratio.

Core EBITDA is defined as net income before income tax expense/income, finance income, finance expense, and depreciation and amortization, excluding the 3rd party business of NSI and non-operational items, which include significant PPA adjustments, impairment charges on intangible assets and certain non-operational items that are non-recurring or do not occur in similar magnitude. Core EBITDA is used to determine the profitability of the business and to determine the net debt/Core EBITDA ratio. Further, the group uses the APM Core EBITDA, which is a measure that the group considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability.

Core EBITDA margin is calculated by dividing core EBITDA by core revenue. The core EBITDA margin measures how the group turns revenue into core EBITDA.

Core net income is defined as net income attributable to shareholders of Medartis AG excluding tax-adjusted 3rd party business of NSI and non-operational items, which include certain nonoperational items that are non-recurring or do not occur in similar magnitude. The group uses adjusted net income, which is a measure that the group considers to be relevant for investors who want to understand the net income excluding items affecting comparability.

Core earnings per share is defined as adjusted net income attributable to shareholders of Medartis Holding AG divided by the average number of shares used for calculating basic and diluted earnings per share.

Revenue growth CER Revenue growth excluding currency effects. Those effects are calculated using a simulation by reconsolidating the prior period revenues with the current year foreign exchange translation rates.

Equity ratio The equity ratio is calculated by dividing total equity by total assets.

Capital employed Capital employed equals current assets, property, plant and equipment, right-of-use assets, intangible assets minus cash and cash equivalents and non-interest-bearing liabilities.

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 and purchase of intangible assets.

CORE RESULT RECONCILIATION 2024

(in CHF thousands)	IFRS 2024.12	M&A effects	3rd party business NSI	Other	CORE 2024.12
Net revenue	224'831	-	(5'236)	-	219'595
Cost of goods sold	(46'148)	-	8'295	-	(37'853)
Gross profit	178'683		3'059		181'742
Gross profit margin	79.5%				82.8%
Selling and distribution	(101'932)	-	80	-	(101'852)
Research and development	(43'104)	18'545	-	-	(24'559)
General and administration	(38'573)	-	114	2'714	(35'744)
Other operating income/(expense)	12'153	(6'858)		(4'750)	546
Share of results of associate	638	-	-	-	638
Operating profit/(loss)	7'865	11'687	3'253	(2'036)	20'769
EBIT margin	3.5%				9.5%
Finance income	1'436	-	-	-	1'436
Finance expense	(6'802)	-	-	-	(6'802)
Income/(loss) before taxes	2'499	11'687	3'253	(2'036)	15'403
Income tax expense/income	1'029	(4'488)	(787)	265	(3'980)
Net income/(loss)	3'528	7'199	2'465	(1'770)	11'423
Attributable to:		-			
Medartis Holding AG shareholders	3'528	-			11'423
Earnings per share (in CHF):		-			
Basic earnings per share (in CHF)	0.29				0.92
Diluted earnings per share (in CHF)	0.28				0.92
Operating profit/(loss)	7'865	11'687	3'253	(2'036)	20'769
Depreciation and amortization	40'161	(18'545)	(655)		20'961
EBITDA	48'027	(6'858)	2'597	(2'036)	41'730
EBITDA Margin	21.4%				19.0%

CORE RESULT RECONCILIATION 2023

(in CHF thousands)	IFRS 2023.12	M&A effects	3rd party business NSI	Other	CORE 2023.12
Net revenue	212'006	-	(10'843)	-	201'163
Cost of goods sold	(44'434)	-	9'471	502	(34'461)
Gross profit	167'571.7		(1'372)	502	166'702
GM Margin	79.0%				82.9%
Selling and distribution	(97'509)	-	441	-	(97'069)
Research and development	(25'906)	654	1'433	-	(23'819)
General and administration	(34'480)	-	231	1'252	(32'996)
Other operating income/(expense)	(1'357)	1'357			0
Share of results of associate	(572)				(572)
Operating profit/(loss)	7'747	2'011	732	1'755	12'246
EBIT Margin	3.7%				6.1%
Finance income	337				337
Finance expense	(6'290)				(6'290)
Income/(loss) before taxes	1'794	2'011	732	1'755	6'292
Income tax expense/income	(1'174)	(487)	(177)	(229)	(2'067)
Net income/(loss)	619	1'524	555	1'526	4'225
Attributable to:					
Medartis Holding AG shareholders	619				4'225
Earnings per share (in CHF):					
Basic earnings per share (in CHF)	0.05				0.35
Diluted earnings per share (in CHF)	0.05				0.34
Operating profit/(loss)	7'747	2'011	732	1'755	12'246
Depreciation and amortization	22'761		(698)		22'063
EBITDA	30'508	2'011	35	1'755	34'309
EBITDA Margin	14.4%				17.1%

Financial Review

Key Figures

Income Statement

(in CHF millions)	IFRS			Core		
	2024	2023	Growth	2024	2023	Growth
Net revenue	224.8	212.0	6.0%	219.6	201.2	9.2%
Gross profit	178.7	167.6	6.6%	181.7	166.7	9.0%
Operating profit/(loss)	7.9	7.7	1.5%	20.8	12.2	69.6%
Net income/(loss)	3.5	0.6	469.7%	11.4	4.2	170.4%
EBITDA	48.0	30.5	57.4%	41.7	34.3	21.6%
Margins in % of sales						
Gross profit margin	79.5%	79.0%	0.5%	82.8%	82.9%	-0.1%
EBIT margin	3.5%	3.7%	-0.2%	9.5%	6.1%	3.4%
EBITDA Margin	21.4%	14.4%	7.0%	19.0%	17.1%	1.9%

Cash Flow

(in CHF millions)	2024	2023
Operating cash flow	32.1	20.0
Proceeds of borrowings (net)	112.4	-
Capital increase	0.6	29.8
Capital expenditures	(11.1)	(18.8)
Total	134.0	31.0

Share count

	2024	2023
Share count		
Issued shares	13'595'540	12'359'185
Treasury shares	-1'199'665	-
Basic outstanding shares	12'395'875	12'359'185
Equity derivatives	1'149'665	-
Equity instruments	28'303	38'701
Total dilutive shares	13'573'843	12'397'886

Revenue

Core sales in CHF million	FY 2024	FY 2023	Change in CHF	Change at CER
EMEA	122.8	106.5	15.4%	17.0%
US ¹	47.1	41.1	14.7%	17.3%
APAC	31.1	31.5	-1.3%	1.2%
LATAM	18.5	22.2	-16.5%	-10.8%
Total Group	219.6	201.2	9.1%	11.7%

¹ Core growth excluding the NSI contract manufacturing business

Core sales in CHF million	FY 2024	FY 2023	Change in CHF	Change at CER
Upper Extremities	148.2	137.2	8.0%	10.5%
Lower Extremities	40.7	35.4	14.8%	17.9%
CMF and Others ¹	30.7	28.6	7.4%	10.5%
Total Group	219.6	201.2	9.1%	11.7%

¹ Core growth excluding the NSI contract manufacturing business

Gross profit

Medartis demonstrated improved profitability in 2024 across several key financial metrics. Core gross profit rose by 9.0%, which was primarily due to higher sales volumes and operational leverage in production. The reported gross profit showed a more modest increase of 6.6%, as it was impacted by negative contribution from third-party manufacturing activities, which are scheduled to be phased out in the future, and a one-time inventory write-off of CHF 2.3 million related to these third-party products.

EBITDA and EBIT margin

Operational performance showed significant improvement, with core EBITDA rising from CHF 34.3 million to CHF 41.7 million, and the core EBITDA margin expanding from 17.1% to 19.0%. The core EBIT margin saw an improvement of 340 basis points to 9.5%. These improvements were achieved through a combination of disciplined cost management, operational efficiencies, and a strategic focus on higher-margin product lines.

Net profit

Core net profit increased by CHF 7.9 million, reflecting successful cost optimization initiatives, benefits from volume leverage, and tax efficiencies across business units. Foreign exchange gains of CHF 0.1 million had a positive impact on net profit while in 2023 foreign exchange losses of CHF 4.6 million had a negative effect on net profit. In 2024 interest expense incurred on the convertible bond was CHF 2.5 million (2023: 0). Income tax income added CHF 1 million to the net result while in 2023 CHF 1.2 million income tax expense was incurred.

Operating expenses (OPEX)

While operating expenses increased during the period, this was primarily due to strategic investments in sales and marketing capabilities and enhanced medical education initiatives. These investments were made to support long-term growth and market position.

Selling and distribution

	2024	2023
Selling and distribution		
Distribution	(80'524)	(75'311)
Logistics	(21'408)	(22'198)
IFRS Selling and distribution costs	(101'932)	(97'509)
M&A effects	-	-
3rd party business	80	441
Other	-	-
CORE Selling and distribution costs	(101'852)	(97'069)

Distribution costs increased due to higher costs for sales force and medical education in the markets, while logistics costs could be improved by better cost control and efficiency gains. Distribution costs to sales ratio was 35.8% in 2024 (2023: 35.5%). Logistics costs to Sales ratio was 9.5% in 2024 (2023: 10.5%).

Research and development

	2024	2023
Research and development		
General	(25'078)	(9'989)
Testing	(2'764)	(2'814)
Prototype	(3'375)	(2'643)
Quality	(7'657)	(7'116)
IBRA (International Bone Research Association)	(4'230)	(3'344)
IFRS Total Research and development costs	(43'104)	(25'906)
M&A effects	18'545	654
3rd party business	-	1'433
Other	-	-
CORE Total Research and development costs	(24'559)	(23'819)

Increased spending on innovation ensured the development of competitive products and solutions, setting the stage for long-term growth and market leadership. IFRS general research and development costs include M&A effects of CHF 18.5 million which mainly relates to the impairment of the NSI product technologies.

General and administration

	2024	2023
General administration	(2'154)	(1'713)
Financial administration	(5'504)	(6'640)
IT administration	(7'824)	(6'895)
Human Resources administration	(6'231)	(4'748)
Building administration	(2'517)	(2'757)
Management administration	(14'484)	(11'594)
Subsidiary administration	141	(133)
IFRS Total general and administrative expenses	(38'573)	(34'480)
M&A effects	-	-
3rd party business	114	231
Other	2'714	1'252
CORE Total general and administrative expenses	(35'744)	(32'996)

Operating expenses increased in line with the company's growth strategy, reflecting targeted investments anticipated to generate returns in subsequent financial periods.

Other operating Income / Expense

Insurance proceeds

The company has received an insurance payment in the amount of CHF 4.8 million for the incurred losses from the 2023 Cybersecurity attack. These proceeds have been recorded as "Other operating income" and are excluded from the core figures.

Release of contingent consideration

Based on the likelihood of achieving the sales milestone from the Nextremity Solutions Inc. (NSI) acquisition, the company has released the contingent consideration in the amount of CHF 6.9 million.

Impairment acquired products

Impairment charges of CHF 17.9 million were recognised for the acquired NSI product technologies, following lower-than-anticipated sales projections. The assessment determined a recoverable value in use of zero, based on a discount rate of 9.7%.

Free cash flow

	2024	2023
Operating cash flow		
Net income (loss)	3'528	619
Income tax income/expense	(1'029)	1'174
Interest income/expense, net	3'948	491
Depreciation, amortization, impairment	40'161	22'761
Remeasurement contingent consideration liabilities	(6'880)	1'366
Other non-cash items	3'844	(4'200)
Net income (loss) adjusted to reconcile net cash provided from operating activities	43'573	22'212
Inventories	(10'847)	1'602
Accounts receivable trade, accounts receivable other, prepaid expenses	38	(265)
Accounts payable trade, accounts payable other, accrued expenses	3'449	1'283
Interest received	1'436	337
Income tax paid/received	(5'577)	(5'188)
Change in working capital	(11'501)	(2'231)
Operating cash flow	32'072	19'980
Free cash flow		
Operating cash flow	32'072	19'980
Cash payments to acquire property, plant and equipment	(7'172)	(14'934)
Cash payments to acquire intangible assets	(3'920)	(3'874)
Free cash flow	20'979	1'172

The free cash flow was mainly driven by a strong operating cash flow coming from an EBITDA of CHF 48.0 m adjusted for the non-cash release of the contingent consideration (negative CHF 6.9 million) as described before and other non-cash adjustments in the amount of CHF 2.4 million resulting in CHF 43.6 million adjusted net income. On the other hand, the company had total working capital requirements of CHF 10.4 million mainly driven by an increase of CHF 10.8 million in inventories which have been built up – mainly based on new sets put in the market for further revenue growth. This led to a total operating cash flow of CHF 32.1 million which is adjusted for CHF 11.9 million of capital

expenditures, again mainly driven by the new sets placed in the market and new manufacturing machines acquired to support further growth.

Convertible bond

On April 11, 2024, Medartis issued senior unsecured guaranteed convertible bonds due 2031 for an amount of CHF 115.8 million, convertible into newly issued and/or existing registered shares of the Company. The Bonds have a denomination of CHF 200,000 per Bond at 100% of their principal amount, and bear a coupon of 3.0% per annum, payable semi-annually in arrear. The initial conversion price of the Bonds is CHF 100.725. The convertible bond has a fair value of CHF 111.9 million.

Capital expenditure

In 2024, the company invested CHF 13.4 million into new sets, of which CHF 9.3 million are implants (Inventory) and CHF 4.1 million are Instruments and Containers (Equipment) to further accelerate its growth strategy. Additionally, the Group acquired new manufacturing machines for CHF 3.7 million which are mainly funded by means of direct leasing. Despite these, the Group has invested CHF 0.6 million (2023: CHF 1.1 million) into the conversion of its legacy SAP system into SAP S4HANA, totalling to CHF 1.7 million. In 2024, the Group has invested 0.4m CHF (2023: CHF 3.3 million) into building the IBRA lab, totalling to CHF 3.7 million, offering surgeons and industry partners the opportunity for real-life training conditions in dry and wet lab laboratories.

Set value

	2024	2023
Set value		
Net set value included in PP&E	16'780	16'896
Net inventory value included in sets	40'972	31'671
Total set value	57'752	48'567

Set values mainly consist of instruments which are capitalized under PP&E which are depreciated over a period of 5 years and implants (plates and screws) which are included in inventories on the balance sheet.

Inventory breakdown

	2024	2023
Inventories, net		
Raw materials, net	1'243	911
Semi finished goods, net	10'374	10'017
Goods for sale and set inventory	62'627	51'610
Other	4'903	5'763
Total inventories, net	79'148	68'301

Indebtedness

	Maturity			
	2024	till 1 year	1-5 years	over 5 years
Lease liabilities, current	7'331	7'331	-	-
Other current financial liabilities	453	453	-	-
Current financial debt and other financial liabilities	7'784	7'784	-	-
Lease liabilities, non-current	17'867	-	16'200	1'667
Other non-current financial liabilities	482	-	482	-
Convertible bonds	95'093	-	-	95'093
Non-current financial debt and other financial liabilities	113'443	-	16'682	1'667
Contingent consideration liabilities	9'136	8'146	990	-
Total financial debt, contingent consideration and other financial liabilities	130'363	15'930	17'673	1'667

In 2024, the Group successfully placed 115.8m CHF convertible bonds due 2031. The Bonds are issued with a denomination of CHF 200,000 per Bond at 100% of their principal amount, and will bear a coupon of 3.0% per annum, payable semi-annually in arrear. The initial conversion price of the Bonds has been set at CHF 100.725, representing a premium of 27.5% over the price per share in the Concurrent Delta Placement. Unless previously converted, redeemed or, repurchased and cancelled, the Bonds will be redeemed at 100% of their principal amount on 11 April 2031. Additionally, the Group still has 9.1m CHF contingent consideration liabilities outstanding from the acquisition of Nextremity Solutions Inc. related to various milestones. The lease liabilities mainly cover a net value of CHF 6.1 million direct leasing of manufacturing machines with a Swiss financial institution and a net value of CHF 16.8 million of buildings (rent based). The remainder is vehicles leased.

EPS

	2024	2023
IFRS		
Net income (loss)	3'528	619
Weighted-average number of basic shares (in thousands)	12'377.7	12'231.9
Basic EPS	0.29	0.05
Weighted-average number of dilutive shares (in thousands)	12'406.0	12'270.6
Diluted EPS	0.28	0.05
Core		
Net income (loss)	11'423	4'225
Weighted-average number of basic shares (in thousands)	12'377.7	12'231.9
Basic EPS	0.92	0.35
Weighted-average number of dilutive shares (in thousands)	12'406.0	12'270.6
Diluted EPS	0.92	0.34

EPS strongly increased compared to 2023 in both, IFRS and Core based on the favourable development of the net income driven by strong operating results. Main driver for the higher dilutive shares is coming from the issuance of the convertible bond which is convertible into up to 1.2 million additional shares.

Taxes

	2024	2023
Income tax		
Income tax expense/income	1'029	(1'174)
IFRS Income tax expense/income	1'029	(1'174)
M&A effects	(4'488)	(487)
3rd party business	(787)	(177)
Other	265	(229)
CORE Income tax expense/income	(3'980)	(2'067)

The IFRS income tax income mainly includes income tax expenses in foreign affiliates of CHF 1 million, a tax income from equity loans against other comprehensive income of (CHF 1 million) and deferred tax income of CHF 1 million. The adjustments of the taxes due to M&A effects is reflecting the tax impact of the impairment of the NSI product technologies in the US jurisdiction whereas the adjustments on 3rd party business reflect the total taxes on the 3rd party manufacturing business. Finally, the other effects are adjustments from one-time effects which are assumed under the Group's tax rate.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (1/2)

(AT 31 DECEMBER 2024)

(in CHF thousands)	Notes	31 December 2024	31 December 2023
Assets			
Current assets:			
Cash and cash equivalents		138'686	25'201
Accounts receivable trade	7.1	41'419	40'476
Accounts receivable other	7.1	4'800	5'664
Income tax receivables		673	439
Inventories	7.2	79'148	68'301
Prepaid expenses	7.3	1'221	1'338
Total current assets		265'945	141'419
Non-current assets:			
Property, plant and equipment	7.4	51'269	54'080
Right-of-use assets	7.5	24'681	25'987
Intangible assets	7.6	51'861	64'653
Investment in associate	5.2	34'379	33'259
Financial assets		790	998
Deferred tax assets	6.7	31'036	29'138
Total non-current assets		194'016	208'115
Total assets		459'961	349'534

CONSOLIDATED BALANCE SHEET (2/2)

(AT 31 DECEMBER 2024)

(in CHF thousands)	Notes	31 December 2024	31 December 2023
Liabilities and equity			
Current liabilities:			
Accounts payable trade	7.7	8'856	8'240
Accounts payable other	7.7	19'534	17'187
Income tax payables		327	488
Accrued expenses		3'802	3'316
Current financial debt and other financial liabilities	7.8	7'784	6'759
Contingent consideration liabilities	7.11	8'146	8'392
Provisions	7.9	2'570	1'573
Total current liabilities		51'018	45'956
Non-current liabilities:			
Non-current financial debt and other financial liabilities	7.11	113'443	20'627
Contingent consideration liabilities	7.11	990	14'781
Provisions	7.9	2'827	2'609
Employee benefit obligation	7.12	17'058	10'403
Deferred tax liabilities	6.7	4'979	200
Total non-current liabilities		139'297	48'620
Total liabilities		190'315	94'575
Shareholders' equity			
Share capital	7.10	2'719	2'472
Capital reserves		290'499	288'410
Treasury shares		(240)	-
Currency translation adjustments		(4'035)	(5'082)
Retained earnings		(19'297)	(30'841)
Total shareholders' equity		269'646	254'959
Total liabilities and equity		459'961	349'534

CONSOLIDATED INCOME STATEMENT

(for the year ended 31 December 2024)

(in CHF thousands, except otherwise indicated)	Notes	2024	2023 - restated ¹⁾
Net revenue	6.1	224'831	212'006
Cost of goods sold		(46'148)	(44'434)
Gross profit		178'683	167'572
Selling and distribution		(101'932)	(97'509)
Research and development	6.3	(43'104)	(25'906)
General and administration	6.4	(38'573)	(34'480)
Share of results of associate	5.2	638	(572)
Other operating income	5.3	12'153	-
Other operating expense		-	(1'357)
Operating profit		7'865	7'747
Finance income	6.6	1'436	337
Finance expense	6.6	(6'802)	(6'290)
Profit before taxes		2'499	1'794
Income tax expense/income	6.7	1'029	(1'174)
Net income		3'528	619
Attributable to:			
Medartis Holding AG shareholders		3'528	619
Earnings per share (in CHF):			
Basic earnings per share (in CHF)	6.8	0.29	0.05
Diluted earnings per share (in CHF)	6.8	0.28	0.05

¹⁾ Adjustment in the presentation of changes in fair value on contingent consideration and as a result of an accounting policy change, please refer to note 2.3.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the year ended 31 December 2024)

(in CHF thousands)	Notes	2024	2023
Net income		3'528	619
Components of other comprehensive income that will not be reclassified to profit or loss:			
Remeasurements of defined benefit post-employment plans	7.12	(7'180)	(9'852)
Income tax relating to items that will not be reclassified to profit or loss	6.7	936	1'285
Total components that will not be reclassified to profit or loss		(6'244)	(8'568)
Components of other comprehensive income that may be reclassified subsequently to profit or loss:			
Currency translation effects		2'124	(8'041)
Share of other comprehensive income of associate	5.2	177	(244)
Income tax relating to items that may be reclassified subsequently to profit or loss		(1'077)	2'146
Total components that may be reclassified subsequently to profit or loss		1'224	(6'140)
Total other comprehensive (loss)/income		(5'020)	(14'707)
Total comprehensive (loss)/income		(1'492)	(14'088)
Attributable to:			
Medartis Holding AG shareholders		(1'492)	(14'088)

CONSOLIDATED CASH FLOW STATEMENT (1/2)

(for the year ended 31 December 2024)

(in CHF thousands)	Notes	31 December 2024	31 December 2023
Net income		3'528	619
Adjustments for:			
Income tax income/expense	6.7	(1'029)	1'174
Interest income	6.6	(1'436)	(337)
Interest expenses	6.6	5'385	828
Loss on disposal of property, plant and equipment		115	412
Depreciation and amortization of:			
Property, plant and equipment and right of use assets	6.5	19'202	18'667
Intangible assets	6.5	3'098	4'094
Impairment product technology (intangible assets)	7.6	17'862	-
Fair value changes contingent consideration liabilities		(6'880)	1'366
Change in provisions and pension obligations		687	(5'402)
Share based compensation		966	1'236
Other non-cash items		2'076	(447)
Changes in net working capital:			
Inventories	7.2	(10'847)	1'602
Accounts receivable trade, accounts receivable other, prepaid expenses	7.1 / 7.3	38	(265)
Accounts payable trade, accounts payable other, accrued expenses	7.7	3'449	1'283
Interest received	6.6	1'436	337
Income tax paid/received		(5'577)	(5'188)
Cash flow from/(used for) operating activities		32'072	19'980

CONSOLIDATED CASH FLOW STATEMENT (2/2)

(for the year ended 31 December 2024)

(in CHF thousands)	Notes	31 December 2024	31 December 2023
Cash payments to acquire property, plant and equipment	7.4	(7'172)	(14'934)
Proceeds from disposals of property, plant and equipment	7.4	336	32
Cash payments to acquire intangible assets	7.6	(3'920)	(3'874)
Disposals to financial assets		207	559
Cash payment contingent consideration liabilities	7.11	(8'513)	-
Cash payment to participate in capital increase of associate		-	(1'483)
Cash payment to acquire investment in associate	5.2	-	(18'132)
Cash flow from/(used for) investing activities		(19'062)	(37'832)
Proceeds from capital increases (net after transaction costs)		629	29'788
Proceeds from convertible bonds (net after transaction costs)		112'398	
Repayment current financial debt	7.11	(925)	(463)
Repayment of lease liabilities	7.11	(6'900)	(5'300)
Interest paid on lease liabilities	6.6	(719)	(810)
Interest paid	6.6	(3'899)	(18)
Cash flow from/(used for) financing activities		100'583	23'197
Net change in cash and cash equivalents		113'593	5'345
Cash and cash equivalents at the beginning of the year (1 January)		25'201	20'605
Net effect of currency translation on cash and cash equivalents		(109)	(749)
Cash and cash equivalents at the end of the year (31 December)		138'686	25'201

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(for the years ended 31 December 2024 and 2023)

Attributable to Medartis Holding AG shareholders

(in CHF thousands)	Share capital	Capital reserves	Treasury shares	Currency translation adjustments	Retained earnings	Total shareholders' equity
1 January 2023	2'371	257'645	-	814	(23'051)	237'779
Net income					619	619
Other comprehensive income/(loss)				(5'896)	(8'568)	(14'463)
Total comprehensive income/(loss)				(5'896)	(7'948)	(13'844)
Capital increase	101	30'765			(1'077)	29'788
Share based compensation					1'236	1'236
31 December 2023	2'472	288'410	-	(5'082)	(30'841)	254'959
Net income					3'528	3'528
Other comprehensive income/(loss)				1'047	(6'246)	(5'199)
Total comprehensive income/(loss)				1'047	(2'718)	(1'671)
Capital increase	7	2'089			(1'212)	884
Shares issued	240	-	(240)		-	-
Equity component of convertible bonds issued					14'573	14'573
Share based compensation					900	900
31 December 2024	2'719	290'499	(240)	(4'035)	(19'297)	269'646

Notes to the Medartis Group Consolidated Financial Statements

(in CHF thousands, except otherwise indicated)

1. CORPORATE AND GROUP INFORMATION

1.1 Corporate Information

The consolidated financial statements incorporate the financial statements of Medartis Holding AG (SIX: MED), a public company domiciled and incorporated in Switzerland, and its subsidiaries (together referred to as "Medartis" or "Medartis Group" or "Group"). Medartis Holding AG is listed at SIX Swiss Exchange in Zurich.

Medartis' principal executive offices are at Hochbergerstrasse 60E, 4057 Basel, Switzerland.

Medartis is a global medical device company focused on developing, manufacturing and selling advanced and efficient implant solutions for internal surgical fixation.

The core business of the Medartis Group is the distribution of innovative implants for craniomaxillofacial surgery and extremities (i.e. hand, wrist, elbow, shoulder and foot). Medartis works closely with surgeons, scientists, universities and hospitals to ensure quality and innovation. Medartis' customer base consists of surgeons, hospitals and medical centres as well as group purchasing organisations.

Implants are delivered to customers in pre-configured sets, including the necessary instruments for proper fixation. The implants and instruments are packaged in containers to complete the set. The sets are typically customised for each customer, depending on the types of surgeries that the customer typically performs. Digital planning solutions (CMX) have been part of the Medartis offering since 2020. They support the planning and execution of complex procedures with patient-specific 3D printed guides and bone models as well as patient-specific implants.

1.2 Group information

Information about the subsidiaries and associate

Subsidiaries	Share capital	Investment 2024	Investment 2023
Medartis AG, Switzerland (Basel)	CHF 1'000'000	100%	100%
Mimedis AG, Switzerland (Basel)	CHF 100'000	100%	100%
Medartis GmbH, Germany (Umkirch)	EUR 51'129	100%	100%
Medartis Iberia SL, Spain (Barcelona)	EUR 3'000	100%	100%
Medartis S.a.r.l., France (Lyon)	EUR 15'000	100%	100%
Medartis International Finance SAS (Lyon) ¹⁾	EUR 1	100%	-
Medartis GmbH, Austria (Vienna)	EUR 35'000	100%	100%
Medartis Co. Ltd., Japan (Tokyo)	JPY 10'000'000	100%	100%
Medartis Ltd, UK (Derby)	GBP 3'700'000	100%	100%
Medartis do Brasil (São Paulo)	BRL 25'157'562	100%	100%
Extera Imp.&Exp. Ltda., Brasil (São Paulo)	BRL 18'000'000	100%	100%
Medartis Inc, USA (Delaware)	USD 10	100%	100%
Lakeland Technology Holdings LLC (Warsaw)	USD 0.01	100%	100%
Medartis S.A. de C.V, Mexico (Mexico)	MXN 100'000	100%	100%
Medartis Sp.z.o.o, Poland (Wroclaw)	PLN 200'000	100%	100%
Medartis Australia and New Zealand Pty Ltd, Australia (Albion)	AUD 1'203'000	100%	100%
Medartis New Zealand Ltd, New Zealand (Auckland)	NZD 1'000	100%	100%

Associate	Share capital	Investment 2024	Investment 2023
Keri Medical SA, Switzerland (Geneva)	CHF 35'267'277	47%	47%

¹⁾Incorporated in 2024

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on an historical cost basis, except for items measured at fair value. The accounting policies applied are consistent with those for the prior year except as stated further below in note 2.3.

The consolidated financial statements are presented in Swiss franc ("CHF") as this is also the major currency in which operational activities and financing of Medartis Holding AG and Medartis AG is denominated. Rounding differences may occur.

The consolidated financial statements were approved for issue by the Board of Directors on 14 March 2025 and are subject to approval by the Annual General Meeting on 25 April 2025.

§ Accounting policies

Some general accounting policies are described below. The accounting policies related to specific transactions are embedded in the notes to which they relate.

Principles of consolidation

The consolidated financial statements of Medartis Holding AG include all entities that are controlled by the Group.

All intercompany transactions and balances between Group companies are eliminated in full. The financial statements of the Group Companies as of 31 December are prepared using uniform accounting policies.

Foreign currency transactions and translation

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the

spot rates of exchange at the reporting date with the resulting foreign exchange gains and losses, net, recognized in finance income or expense.

The Group uses the direct method of consolidation recognizing all exchange differences resulting from the translation of assets and liabilities, income and expenses of subsidiaries into the presentation currency in other comprehensive income. Differences arising on translation of intragroup loans that, in substance, form part of the net investment in a foreign operation are recognised and accumulated in other comprehensive income (OCI). On disposal of a foreign operation, the cumulative translation differences related to that subsidiary is reclassified to profit or loss.

For foreign exchange rates, which were applied for the consolidated financial statements at 31 December 2024 and the comparative period please refer to Note 11.

2.2 Significant estimates and assumptions

For the preparation of the consolidated financial statements, it is necessary to make judgments, estimates and assumptions to form the basis of presentation, recognition and measurement of Medartis assets, liabilities, items of income statements, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

Medartis Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Medartis Group. Such changes are reflected in the assumptions when they occur.

Significant estimates and judgments of Medartis Group include:

- **Expected credit losses** – value adjustments of receivables reflected by expected credit losses, refer to note 7.1.
- **Post-employment benefits** – key assumptions for measuring defined benefit for measuring post-employment benefit expense for a period and the defined benefit obligation at the period end, refer to note 7.12.
- **Deferred tax assets** – the ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods. Estimates of future taxable income are subject to change due to both market related and government related uncertainties, as well as Medartis' own future decisions on restructuring and other matters, refer to note 6.7.
- **Impairment testing of intangible assets (goodwill and product technology)** – assumptions regarding expected future cash flows and discount rates, refer to note 7.6.
- **Fair value measurement of contingent consideration liabilities** – assumptions regarding future business development, refer to note 3.2.
- **Provisions** – The recognition and measurement of provisions such as litigation provisions requires an estimate of the expenditure and timing of the settlement. The litigations and claims to which the Group is exposed are assessed by management with the assistance of the legal department and in certain cases with the support of external specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require significant judgment, refer to note 7.9.

2.3 Changes in accounting policies and disclosures

Amendments effective in 2024

The following amendments have been applied for the first time in 2024.

- IAS 1 Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- IAS 7 and IFRS 7 Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- IFRS 16 Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

These amendments have not had a material impact on the consolidated financial statements of the Group.

Amendments effective in future periods

The Group has assessed the potential impact of various revised standards that will become mandatory on or after 1 January 2025.

		Effective for annual periods on, or after	Planned adoption by Medartis
IAS 21	Lack of exchangeability - Amendments to IAS 21	1 January 2025	Financial Year 2025
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures) and Contracts Referencing Nature-dependent Electricity	1 January 2026	Financial Year 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027	Financial Year 2027

With the exception of IFRS 18 none of these changes in IFRS Accounting Standards are expected to have a significant impact on the Group's financial statements.

Change in the presentation of the income statement

Medartis Group changed its accounting policy with respect to the presentation of fair value changes of contingent consideration arrangements within operating profit/(loss) rather than finance income/expense. This reflects the operating nature of the released earn-out contingency.

In the comparative figures for 2024 CHF 1.4 million of changes in fair value on contingent consideration have been reclassified from finance expense to other operating expense within operating profit/(loss).

The result of the adjustment within the consolidated income statement for the comparative period is shown in the following table:

Consolidated Income Statement

	2023	Restatement	2023
	Reported	Fair value contingent consideration	Restated
(in CHF thousands)			
Net revenue	212'006		212'006
Cost of goods sold	(44'434)		(44'434)
Gross profit	167'572	-	167'572
Selling and distribution	(97'509)		(97'509)
Research and development	(25'906)		(25'906)
General and administration	(34'480)		(34'480)
Share of results of associate	(572)		(572)
Other operating income	-		-
Other operating expense	-	(1'357)	(1'357)
Operating profit/(loss)	9'104	(1'357)	7'747
Finance income	337		337
Finance expense	(7'647)	1'357	(6'290)
Income/(loss) before taxes	1'794	-	1'794
Income tax expense/income	(1'174)		(1'174)
Net income/(loss)	619	-	619

to a lesser degree, interest rate risks. Main currency exposures are the US Dollar, Australian Dollar and the Euro, which are not hedged.

The following table demonstrates the impact of reasonably possible currency rate changes on the Group's profit before tax and the Group's equity, with all other variables held constant. The sensitivity analysis considers major foreign currency risk exposures.

(CHF) million	2024		
Currency	Increase/Decrease (in%)	Effect on profit before tax	Effect on equity
AUD/CHF	10	-1.3	-2.4
EUR/CHF	10	0.4	-0.4
USD/CHF	10	-2.2	-2.2
AUD/CHF	-10	1.3	2.4
EUR/CHF	-10	-0.4	0.4
USD/CHF	-10	2.2	2.2

(CHF) million	2023		
Currency	Increase/Decrease (in%)	Effect on profit before tax	Effect on equity
AUD/CHF	10	-2.2	2.5
EUR/CHF	10	-0.4	0.4
USD/CHF	10	-2.4	2.1
AUD/CHF	-10	2.2	-2.5
EUR/CHF	-10	0.4	-0.4
USD/CHF	-10	2.4	-2.1

3. OTHER DISCLOSURES

3.1 Financial Instruments risk management objectives and policies

The nature of Medartis' business and its global presence exposes the Group to market risks, credit risks and liquidity risks. The Board of Directors is responsible for overseeing the Group's internal control system, which addresses risks to which the Group is exposed. Management is responsible for identifying and assessing risks that are of significance for the respective country.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risks consist primarily of foreign currency risks and,

Credit risk

Credit risk is managed in accordance with established policies, procedures, and controls. At the reporting date, the maximum exposure to credit risk is the carrying amount of financial assets disclosed in Note 3.2. The Group does not hold collateral as security. The concentration of credit risk in Accounts receivable trade is considered low, as customers operate in largely independent markets. However, the funds from the convertible bonds issued in 2024 are predominantly held at ZKB.

Interest rate risks

Interest rate risks arise from changes in interest rates, which have negative repercussions on the Group's asset and earnings situation. Interest rate fluctuations lead to changes in interest income and interest expense on interest-bearing assets and liabilities. The convertible bonds carry a fixed rate, and the liability component accounted for at amortized cost is not subject to interest rate risk. The remaining low level of external financing the interest rate risk is immaterial at 31 December 2024 and 2023.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Medartis defines Liquidity risk, a risk of being unable to meet payment obligations when they fall due. The main policy is to maintain sufficient liquidity reserves in order to meet payment obligations and maintain an adequate liquidity margin.

The Group has committed credit lines with various financial institutions totalling CHF 40 million. As of 31 December 2024 and 2023 no debt has been drawn under these credit lines.

The following table illustrates the group's future cash outflows:

2024	Carrying amount		Cash outflows		
	31.12.2024	Total	Up to 1 year	1 to 5 years	More than 5 years
Accounts payable trade	8'856	8'856	8'856	-	-
Accounts payable other	1'795	1'795	1'795	-	-
Accrued expenses	3'802	3'802	3'802	-	-
Lease liabilities	25'199	25'199	7'331	16'200	1'667
Interest on lease liabilities	-	1'329	515	768	46
Other financial liabilities	935	935	453	482	-
Contingent consideration liabilities	9'136	9'178	8'272	906	-
Convertible bonds liabilities	95'093	115'800	-	-	115'800
Interest on convertible bonds liabilities	-	21'805	3'474	17'380	952
Total	144'817	188'700	34'499	35'736	118'465

2023	Carrying amount		Cash outflows		
	31.12.2023	Total	Up to 1 year	1 to 5 years	More than 5 years
Accounts payable trade	8'240	8'240	8'240	-	-
Accounts payable other	1'589	1'589	1'589	-	-
Accrued expenses	3'316	3'316	3'316	-	-
Lease liabilities	26'924	26'924	6'297	18'172	2'454
Interest on lease liabilities	-	1'899	636	1'174	90
Other financial liabilities	462	462	462	-	-
Contingent consideration liabilities	23'173	25'199	8'400	16'799	-
Total	63'705	67'630	28'940	36'145	2'545

Capital Management

The primary objective of Medartis capital management is to maintain healthy capital ratios to support its business and maximize shareholder value. Capital represents equity as reported in the balance sheet.

According to changes in economic conditions, Medartis manages its capital structure and implements adjustments. Medartis supervises capital using equity ratio.

	2024	2023
Total assets	459'961	349'534
Equity	269'646	254'959
Equity ratio	59%	73%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

3.2 Fair value measurement

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

in the principal market or in the most advantageous market, if a principal market does not exist. The principal or the most advantageous market must be accessible by the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the responsible management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the responsible management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The responsible management also compares the change in the fair value of each asset and liability with relevant external sources, and if required external valuers, to determine whether the change is reasonable.

The following tables show the carrying amounts and fair values of financial assets and liabilities by category of financial instrument in the balance sheet at 31 December 2024 and 2023. The fair value hierarchy level is shown for those financial assets and liabilities that are carried at fair value in the balance sheet. For all other financial assets and liabilities the carrying amount is a reasonable approximation of fair value due to their short-term nature, except for the convertible bonds.

Carrying amount (based on measurement basis)					
	Amortized cost	Fair value level 1	Fair value level 2	Fair value level 3	Total
31 December 2024					
Financial Assets					
Cash and cash equivalents	138'686	-	-	-	138'686
Accounts receivable trade	41'419	-	-	-	41'419
Other non-current financial assets	790	-	-	-	790
Total	180'895	-	-	-	180'895
Financial liabilities					
Accounts payable trade	8'856	-	-	-	8'856
Accounts payable other	1'795	-	-	-	1'795
Accrued expenses	3'802	-	-	-	3'802
Current financial debt and other financial liabilities	7'784	-	-	-	7'784
Non-current financial debt and other financial liabilities	18'350	-	-	-	18'350
Convertible bonds	95'093	-	-	-	95'093
Contingent consideration liabilities	-	-	-	9'136	9'136
Total	135'681	-	-	9'136	144'817

The carrying amount approximates the estimated fair value of most financial instruments due to their short-term nature. The convertible bonds liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent measurement of the bonds is at amortized cost. The fair value of the bonds at 31 December 2024 have been determined at CHF 111.9 million based on latest available information and assumptions, including the prevailing share price, volatility, and interest rates as of 31 December 2024 and represents level 2.

The contingent consideration liabilities (level 3) relate to the acquisition of Nextremity Solutions Inc. (NSI) in H1 2022. They amount to CHF 9.1 million (USD 10.1 million) in 2024 and 2023: CHF 23.2 million (USD 27.6 million) in total.

The business combination included contingent consideration arrangements that require Medartis Inc. to pay the former owners of NSI up to CHF 18.1 million (USD 20.0 million) (undiscounted) in three payments upon the launch of various milestone products in 2023-2025 ("the milestone payments"). An

Carrying amount (based on measurement basis)					
	Amortized cost	Fair value level 1	Fair value level 2	Fair value level 3	Total
31 December 2023					
Financial Assets					
Cash and cash equivalents	25'201	-	-	-	25'201
Accounts receivable trade	40'476	-	-	-	40'476
Other non-current financial assets	998	-	-	-	998
Total	66'675	-	-	-	66'675
Financial liabilities					
Accounts payable trade	8'240	-	-	-	8'240
Accounts payable other	1'589	-	-	-	1'589
Accrued expenses	3'316	-	-	-	3'316
Current financial debt and other financial liabilities	6'759	-	-	-	6'759
Non-current financial debt and other financial liabilities	20'627	-	-	-	20'627
Contingent consideration liabilities	-	-	-	23'173	23'173
Total	40'531	-	-	23'173	63'705

additional CHF 9.1 million (USD 10.0 million) (undiscounted) would be payable upon reaching a certain level of aggregate sales of all milestone products in 2025 ("Earn-out payment").

During 2024 the first milestone payment in the amount of CHF 8.5 million (USD 9.9 million) was made. The fair value losses recognised in other operating income/(expense) related to the milestone payments amount to CHF 0.3 million / USD 0.4 million (2023: CHF 1.4 million / USD 1.5. million).

The fair value of the remaining two milestone payments has been determined by discounting the maximum amount by the cost of debt resulting in discount rates between 3.7% and 3.8% (2023: between 3.4% and 3.8%). The valuation is based on significant inputs that are unobservable, which are considered Level 3 inputs.

The fair value of the earn-out payment is CHF 0 (2023: CHF 6.7 million / USD 8 million). In 2023 the fair value of the earn-out payments was determined by discounting the nominal amount of the payments expected to occur according to the expiry date (2024-2025) using Medartis Inc.'s cost of borrowing,

The contingent consideration liability for the earn out payment of CHF 7.6 million (USD 8.5 million) was fully released to other operating income in 2024 based on reduced sales expectations regarding the acquired products (refer to Note 10 Impairment).

The change in carrying values associated with Level 3 contingent consideration liabilities is shown in the following table:

	2024	2023
1 January	23'173	24'083
Settlement in cash	(8'513)	-
Release of earn-out	(7'606)	-
Fair value adjustment	726	1'357
Currency translation adjustments	1'356	(2'266)
31 December	9'136	23'173

4. SEGMENTAL BREAKDOWN OF KEY FIGURES FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

Segment reporting reflects the internal organizational and management structure used within the Group as well as the internal financial reporting to the Chief Operating Decision Maker (CODM), which has been identified as the Executive Management Board (EMB). The EMB is responsible for the operational management of the Group, in line with the instructions issued by the Board of Directors.

Based on the Group's structure Medartis' main entity which performs production and procurement is located in Switzerland. In addition, there is a smaller-scale production facility located in the USA. All other entities are retail entities. The EMB monitors performance at the Medartis Group level. Additionally, the EMB monitors all revenues on a country and product basis. Revenues are allocated to the regions by location of the customer.

2024	Switzerland	Germany	United States	Australia	Other	Total
Net revenue	26'487	52'945	52'378	19'124	73'898	224'831
Non-current assets ¹⁾	89'299	5'794	52'229	1'875	12'994	162'190

2023	Switzerland	Germany	United States	Australia	Other	Total
Net revenue	27'020	47'599	51'860	20'271	65'257	212'006
Non-current assets ¹⁾	90'599	5'184	67'794	2'516	11'887	177'979

¹⁾Property, plant and equipment, right of use assets, intangible assets and investment in associate

5. SIGNIFICANT TRANSACTIONS AND EVENTS

5.1 Business combinations, acquisition of investment in associate and divestments

During the reporting period 2024 no acquisitions or divestments took place. For investments in associate please refer to Note 5.2. For changes in contingent consideration liabilities related to the Nextremity Solutions Inc. acquisition refer to Note 3.2.

§ Accounting policies

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with the changes in fair value recognised in the statement of profit or loss as other operating income or other operating loss. Contingent consideration classified as equity is not remeasured.

5.2 Investments in associate

The Group has one investment in an associate.

Keri Medical SA is an unlisted company specialized in implants for hand and wrist surgery based in Geneva, Switzerland.

During the reporting period 2024 no investments in associates took place.

In January 2023, Medartis participated in a capital increase in the amount of CHF 1.5 million.

In March 2023, Medartis acquired an additional 18.25% investment in Keri Medical SA at the cost of CHF 18.1 million resulting in a total stake of 46.97%. The share of identifiable net assets amounted to CHF 3.9 million and the notional goodwill applicable to the 18.25% investment amounted to CHF 13.7 million.

The tables below provide summarized financial information for Keri Medical SA. The information disclosed reflects the amounts presented in the financial statements of the company, 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 and modifications for differences in accounting policies. The summarized financial information presented below are based on the amounts of Keri Medical prepared in accordance with IFRS Accounting Standards.

	2024 ¹⁾	2023
Current assets	15'997	15'106
Non-current assets	25'010	20'108
Current liabilities	(6'516)	(3'489)
Non-current liabilities	(8'300)	(7'919)
Net assets	26'190	23'807
Reconciliation to carrying amount		
Opening net assets	23'807	16'164
Result for the period	2'007	30
Capital increase	-	8'132
Other comprehensive income	376	(519)
Closing net assets at 31 December	26'190	23'807
Group's share in %	46.97	46.97
Group's share in CHF	12'303	11'183
Goodwill	22'076	22'076
Carrying amount	34'379	33'259

1) Based on preliminary unaudited amounts of Keri Medical determined at the balance sheet date

Summarized comprehensive income statements of Keri Medical SA for the period, where the Group has significant influence:

	2024	2023
Revenue	31'047	22'356
Result from continuing operations	2'007	30
Profit for the period	2'007	30
Other comprehensive income	376	(519)
Total comprehensive income	2'384	(489)
Group's share of profit for the period before elimination	943	14
Elimination of unrealized profit on sale by Keri Medical to Medartis	(305)	(586)
Group's share of profit for the period after elimination	638	(572)
Group's share of OCI for the period	177	(244)

§ Accounting Policy

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 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.

5.3 Other operating result

Insurance proceeds

In 2024 the company has received an insurance payment in the amount of CHF 4.8 million for the incurred losses from the 2023 Cybersecurity attack. These proceeds have been recorded as other operating income.

Fair value adjustment of contingent consideration

Based on the likelihood of achieving the sales milestone from the Nextremity Solutions Inc. (NSI) acquisition, the company has recorded fair value adjustments of the contingent consideration in the amount of CHF 6.9 million as other operating income (2023: CHF 1.3 million as other operating expense). Please refer to Note 3.2.

Release of legal provisions

In 2024 provisions for contingent payments related to the Extera acquisition in the amount of CHF 0.6 million have been released and recorded as other operating income. Please refer to Note 10.2.

5.4 Significant Transactions

Convertible Bonds

Medartis Holding AG placed senior unsecured guaranteed convertible bonds due 2031 for an amount of CHF 115.8 million, convertible into newly issued and/or existing registered shares of the Company. For further information please refer to Note 7.11.

Impairment of intangible assets

During 2024 impairment charges of CHF 17.9 million (USD 20.1 million) to intangible assets were recorded. The charges were driven by reduced sales expectations regarding the acquired products of the NSI acquisition. Please refer to Note 7.6 for further information.

5.5 Events after the reporting period

There have been no events occurring after the reporting period which would have a material effect on the Medartis Group financials as of 31 December 2024

6. DETAILED INFORMATION ON CONSOLIDATED INCOME STATEMENT ITEMS

This section provides additional information about individual line items in the income statement, including relevant accounting policies, other income and expenses by type.

6.1 Revenue

Revenue from contracts with customers grouped by implants and services for the years ended 31 December 2024, and 2023 is as follows:

	2024	2023
Net proceeds from deliveries of implants	222'826	210'339
Net proceeds from services	2'005	1'666
Total net revenue	224'831	212'006

Disaggregation of revenue:

	2024	2023
Upper Extremities	148'193	137'202
Lower Extremities	40'659	35'432
Cranio-Maxillofacial (CMF) and Others ¹⁾	35'979	39'372
Total net revenue	224'831	212'006

¹⁾ CMF and Others includes revenue with Nextremity products.

§ Accounting Policy

Medartis enters into the following two different types of arrangements related to net proceeds from deliveries of implants.

Sale of complete sets to distributors:

Medartis sells sets to distributors in countries where Medartis has no own presence. Sets containing implants, tools and container are configured according to customer specification and packed in containers. Pricing and billing refers to complete sets. Revenue is recognized at the point in time when control transfers to the customer. Medartis generally provides an assurance type warranty for up to one year.

Sale of implants based on reported use:

Sets are located at the customer site (i.e., in hospitals) but remain legal property of Medartis Group. During a surgery, implants are consumed from the sets, the set is subsequently returned, cleaned and shipped back to the customer. Medartis' performance is sale of implants, which are invoiced following the use of the implant and revenue is recognized at a point in time. Pricing and billing refers to the implants.

Proceeds of services:

Medartis charges a so-called "handling-charge" for "Springer sets" in addition to the use of the plates. A client ordering a "Springer set" benefits from the availability of the set regardless of whether he actually uses an implant; at least he can offer patients the potential treatment. As the handling charge is directly connected to the "Springer sets" itself, it is not classified as a separate performance obligation.

Sets are in most transactions sold at pre-defined, fixed prices, often based on regulated prices. Variable components of the transaction price are generally negligible.

Tools and containers are not charged separately as control does not transfer to the customer.

Revenue is recognised as soon as the performance obligation is satisfied by transferring the promised goods or services to the customer. Goods or services are transferred when the customer obtains control over the promised goods or services.

Sale of sets to distributors is billed upon transfer of control with average payment terms of 60 days. Billed amounts are included in accounts receivable trade. The use of implants is reported shortly after the surgery and billed immediately. Average payment terms are 60 days.

6.2 Personnel expense

Personnel expense for the years ended 31 December 2024 and 2023 is as follows:

	2024	2023
Wages and salaries	(73'135)	(69'646)
Pensions	(3'864)	(3'092)
Share-based payments	(966)	(1'534)
Bonus payments	(9'092)	(6'483)
Social security expense	(12'174)	(11'690)
Other personnel expense	(4'190)	(4'295)
Total personnel expense	(103'420)	(96'739)

	2024	2023
Cost of goods sold	(11'198)	(11'204)
Selling and distribution	(54'777)	(49'980)
Research and development	(14'445)	(15'578)
General and administration	(23'000)	(19'977)
Total personnel expense	(103'420)	(96'739)

Average number of employees during the year	848	831
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§ Accounting policies

Wages and salaries, social security contributions, leave and sick leave, bonuses and non-monetary benefits are recognized in the financial year in which the services are rendered by employees of Medartis. Whenever Medartis provides long-term employee benefits, costs are accrued to match the rendering of the services by the employees.

6.3 Research and development expenses

Medartis' development activities include costs relating to the design and testing of new product lines. Research and development expenses that are not eligible for capitalization have been expensed in the period incurred and are recognized in research and development expenses.

	2024	2023
Research and development		
General ¹⁾	(25'078)	(9'989)
Testing	(2'764)	(2'814)
Prototype	(3'375)	(2'643)
Quality	(7'657)	(7'116)
IBRA (International Bone Research Association)	(4'230)	(3'344)
Total Research and development expenses	(43'104)	(25'906)

1) Includes impairment in product technology (intangible assets) of CHF 17.9 million, refer to note 7.6

6.4 General and administration expenses

General and administration expenses for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
General administration	(2'154)	(1'713)
Financial administration	(5'504)	(6'640)
IT administration	(7'824)	(6'895)
Human resources administration	(6'231)	(4'748)
Building administration	(2'517)	(2'757)
Management administration	(14'484)	(11'594)
Subsidiary administration	141	(133)
Total general and administrative expenses	(38'573)	(34'480)

General and administration expenses include share-based payments expenses amounting to CHF 0.6 million in 2024 (2023: CHF 1.1 million). Refer to Note 8.

6.5 Depreciation, amortization and impairment

Depreciation, amortization and impairment at 31 December 2024 and 2023 are as follows:

	2024	2023
Depreciation and impairment of property, plant and equipment and right-of-use assets		
Cost of goods sold	(5'199)	(4'977)
Research and development	(1'267)	(880)
Selling and distribution	(8'686)	(8'519)
General and administration	(4'050)	(4'292)
Total depreciation and impairment losses	(19'202)	(18'667)
	2024	2023
Amortisation and impairment of intangible assets		
Cost of goods sold	(6)	(10)
Research and development	(18'929)	(896)
Selling and distribution	(1'337)	(1'015)
General and administration	(686)	(2'173)
Total amortisation and impairment losses	(20'959)	(4'094)

Research and development expenses include an impairment relating to product technology (intangible assets) of CHF 17.9 million in 2024 (2023: CHF 0 million). Refer to Note 7.6.

6.6 Net finance income and expense

	2024	2023
Finance income from loans and receivables measured at amortized cost:		
Interest income, bank	1'245	297
Interest income, loans and receivables	81	40
Foreign exchange gains	110	-
Total finance income	1'436	337
	2024	2023 - restated ¹⁾
Finance costs from financial liabilities measured at amortized cost:		
Foreign exchange losses	-	(4'554)
Interest on loans and borrowings	(4'666)	(18)
Interest on lease liabilities	(719)	(810)
Other finance costs	(1'418)	(908)
Total finance expense	(6'802)	(6'290)

1) please refer to note 2.3.

§ Accounting policies

Finance income and expense comprise interest income and expenses, realized and unrealized foreign exchange gains and losses on payables/receivables and transactions in foreign currencies.

For all financial instruments measured at amortized cost, interest income or expense is recognized using the effective interest rate method, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

6.7 Income taxes

	2024	2023
Income taxes from current period	108	(3'641)
Income taxes from other periods	(27)	155
Deferred taxes	949	2'311
Total income tax income/expense	1'029	(1'174)
Effective income tax rate (in %)	-41%	65%

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

	2024	2023
Profit before tax	2'499	1'794
Applicable Group tax rate	13.04%	13.04%
Income tax at the applicable Group tax rate	(326)	(234)
Higher or lower tax rate of subsidiaries in other jurisdiction	3'122	1'875
Non-deductible expenses	730	(1'268)
Additional tax deductions ¹⁾	5'700	736
Previously unrecognized tax losses or tax credits	126	1'445
Effect of changes in tax rates or imposition of new taxes	-	-
Prior year adjustments	(27)	155
Prior year adjustments deferred tax	(212)	1'482
Unrecognized tax losses / deferred taxes in current year ²⁾	(752)	(865)
Not recognized temporary differences ³⁾	(7'226)	(4'375)
Write-off of deferred tax assets ⁴⁾	-	-
Other	(106)	(125)
Effective income tax income/expense	1'029	(1'174)

¹⁾ The position relates to tax-deductible impairments in the statutory financial statements of Group entities based in Switzerland.

²⁾ Unrecognized tax losses and deferred tax assets which arise from tax loss carry forwards

³⁾ Not recognized temporary differences which arise from intercompany profits and local temporary differences in subsidiaries

⁴⁾ Write-off of deferred tax assets on intercompany profits and losses carry forward

The following table explains movements in tax loss carry forwards and tax credits:

	2024	2023
At 1 January	45'938	39'188
Currency translation adjustments	(1'622)	(1'925)
Tax losses and credits arising from current year	7'784	9'587
Tax losses and credits utilized against current year profits	(1'615)	(911)
Total available tax loss carry forwards and tax credits	50'485	45'938

Deferred tax assets have not been recognized in respect of tax losses of CHF 26.6 million (2023: CHF 27.1 million) as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. There is no expiry date on the concerned tax losses.

Deferred income taxes

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

2024

(CHF)	Property, plant and equipment	Intangible assets	Inventory valuation	Tax loss carry-forward, tax credits	Other	Total
Deferred tax assets at 1 January	284	1'395	26'491	4'053	7'483	39'705
Deferred tax liabilities at 1 January	(5'897)	(4'413)	-	(40)	(418)	(10'768)
Net deferred tax balance at 1 January	(5'614)	(3'017)	26'491	4'013	7'065	28'938
(Charged) / credited to income statement	374	4'608	(3'687)	1'179	(1'526)	949
Charged to statement of comprehensive income	-	-	-	-	936	936
Recognised in equity	-	-	-	-	(4'858)	(4'858)
Currency translation adjustments	(167)	(237)	34	235	227	92
Net deferred tax balance at 31 December	(5'407)	1'354	22'838	5'427	1'844	26'057
Deferred tax assets at 31 December	294	1'642	22'838	5'427	7'480	37'681
Deferred tax assets after netting at 31 December	-	-	-	-	-	31'036
Deferred tax liabilities at 31 December	(5'700)	(288)	-	-	(5'635)	(11'624)
Deferred tax liabilities after netting at 31 December	-	-	-	-	-	(4'979)

2023

(CHF)	Property, plant and equipment	Intangible assets	Inventory valuation	Tax loss carry-forward, tax credits	Other	Total
Deferred tax assets at 1 January	2'063	381	27'292	2'810	4'419	36'966
Deferred tax liabilities at 1 January	(6'150)	(4'880)	(76)	-	(659)	(11'765)
Net deferred tax balance at 1 January	(4'087)	(4'499)	27'216	2'810	3'760	25'201
(Charged) / credited to income statement	(1'668)	1'075	(711)	1'434	2'182	2'311
Charged to statement of comprehensive income	-	-	-	-	1'285	1'285
Currency translation adjustments	142	406	(14)	(231)	(162)	141
Net deferred tax balance at 31 December	(5'614)	(3'017)	26'491	4'013	7'065	28'938
Deferred tax assets at 31 December	284	1'395	26'491	4'053	7'483	39'705
Deferred tax assets after netting at 31 December	-	-	-	-	-	29'138
Deferred tax liabilities at 31 December	(5'897)	(4'413)	-	(40)	(418)	(10'768)
Deferred tax liabilities after netting at 31 December	-	-	-	-	-	(200)

At 31 December 2024, there was no recognized deferred tax liability (2023: CHF 0) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group does not expect any distribution of retained earnings to the parent Company within the next twelve months.

§ Accounting policies

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or payable to the respective tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance-sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred 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. Deductible temporary differences, carry-forwards of unused tax credits and unused tax losses can be offset against taxable profit except where the deferred 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.

In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies. Significant judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax positions associated with investments in subsidiaries are only recognized 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 they can be utilized. Deferred tax assets and liabilities are offset if the Medartis Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same tax authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year the asset is realized or the liability settled, based on tax rates (and tax laws) enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if the Medartis Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same tax authority.

Uncertain tax positions

Medartis Group's operations are international. Intellectual property rights are used within each subsidiary. This set up exposes Medartis' transfer prices for the delivery of goods, arrangements to share research and development costs and charges for shared services to challenges by national tax authorities in any of the countries in which Medartis has operations. Different interpretations of taxation rules regarding financing arrangements can also lead to uncertain tax positions. This applies also to the withholding tax applied for distributions out of retained earnings.

Medartis therefore estimates and accrues taxes that will be ultimately payable upon tax reviews. These estimates are the result of management judgment about potential outcome of such reviews. Actual outcomes might differ from management's expectations which in turn affects the income tax expense in future reporting periods.

6.8 Earnings per share

Basic earnings per share is calculated by dividing net income for the year attributable to registered shareholders of Medartis Holding AG by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Net income attributable to shareholders	3'528	619
Weighted average number of shares	12'377'721	12'231'883
Basic earnings per share (in CHF)	0.29	0.05

Diluted earnings per share is calculated by dividing adjusted net income for the year attributable to registered shareholders of Medartis Holding AG by the weighted average number of ordinary shares outstanding and 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.

	2024	2023
Net income attributable to shareholders	3'528	619
Weighted average number of shares - basic	12'377'721	12'231'883
Adjustment for share based compensation	28'303	38'701
Weighted average number of shares used to calculate diluted earnings per share	12'406'024	12'270'584
Diluted earnings per share (in CHF)	0.28	0.05

The convertible bonds were not included in the calculation of diluted earnings per share in 2024 because they are antidilutive.

7. DETAILED INFORMATION ON STATEMENT OF FINANCIAL POSITION ITEMS

7.1 ACCOUNTS RECEIVABLE TRADE AND OTHER

Trade accounts receivables and other accounts receivable at 31 December 2024 and 2023 are as follows:

	2024	2023
Accounts receivable trade	41'419	40'476
Total accounts receivable other	4'800	5'664

Movements in the provision for doubtful trade receivables are as follows:

	2024	2023
1 January	(3'514)	(1'209)
Additional provision created/released	24	(2'305)
31 December	(3'491)	(3'514)

The ageing of trade receivables at 31 December 2024 and 2023 past due, are as follows:

2024	Not past due	Total past due	Overdue up to 1 month	Overdue 1-3 months	Overdue 3-6 months	Overdue 6-12 months	Overdue more than 1 year
Trade receivables, gross	28'845	15'973	5'477	3'503	2'649	2'256	2'088
Expected credit loss	(11)	(3'388)	(10)	(0)	(123)	(843)	(2'088)

2023	Not past due	Total past due	Overdue up to 1 month	Overdue 1-3 months	Overdue 3-6 months	Overdue 6-12 months	Overdue more than 1 year
Trade receivables, gross	27'757	16'234	5'494	4'097	1'020	3'282	2'340
Expected credit loss	(2)	(3'512)	(23)	(13)	(133)	(1'003)	(2'340)

§ Accounting policies

Under IFRS 9, the Group applies the simplified approach to measure expected credit losses (ECL) on trade receivables, recognizing lifetime ECL at each reporting date. The ECL assessment is based on a provision matrix that considers historical loss rates, adjusted for current conditions and forward-looking information. Trade receivables are grouped into aging buckets, and an impairment allowance is recognized based on expected default rates for each bucket. The aging analysis and corresponding expected credit loss rates are reviewed periodically to reflect updated risk assessments. Impairment losses are recognized in the Consolidated Income Statement under "Selling and distribution".

Medartis' customer base consists of hospitals and specialists. The timing and amount of cash inflows is impacted by the number of surgeries as well as economic and political risks. The cash flows of distributors that supply Medartis' products to hospitals in countries where Medartis is not present are also impacted by these factors. For instance, state hospitals depend on solvent governments and pay a limited price based on law. Distributors supplying emerging markets are more exposed to those risks than Medartis subsidiaries operating in developed markets. Medartis monitors these risks annually and recognizes any adjustments if needed taking these factors into consideration.

7.2 Inventories

	2024	2023
Goods for sale	21'655	19'939
Implants in sets	40'972	31'671
Raw materials	1'243	911
Semi-finished products	10'374	10'017
Packaging	626	294
Work in progress	3'572	5'183
Goods in transit	705	286
Total (including write-downs)	79'148	68'301

	2024	2023
Write-down Goods for sale	(3'281)	(2'547)
Write-down Sets	(7'103)	(6'594)
Write down Raw materials	(272)	(400)
Total write-downs	(10'656)	(9'542)

§ Accounting policies

Inventories are calculated at the lower of initial cost and net realisable value. The cost of inventories shall comprise all costs of purchase (based on first-in, first-out method), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Following methodologies for write downs have been applied:

Raw Material:

The provision is calculated on basis of the turnover of the raw material and can be up to 100%.

Finished and semi-finished goods:

The provision is calculated on basis of the aging of the products. The provision increases with the age of the materials and can be up to 100%.

Implants in sets:

Sets are provisioned on basis of their number of surgeries.

For products at the end of their lifecycle, individual write-downs are recognized during the phase-out period.

Net realisable 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.

7.3 Prepaid expenses

§ Accounting policies

Prepayment made is an asset for which an entity expects to receive goods or services in exchange in the future.

Prepayments are measured at nominal amount.

7.4 Property, plant and equipment

Reconciliation of beginning and ending balance by classes of assets:

	Machinery	Furniture	Hardware	Vehicles	Sets	Leasehold improvements	Other	Total
Cost or valuation								
At 1 January 2023	34'089	5'392	7'453	1'198	49'623	33'682	620	132'057
Additions	2'069	117	925	22	7'741	3'997	63	14'934
Retirements and disposals	(1)	(168)	(355)	(315)	(525)	(506)	(44)	(1'915)
Currency translation effects and other	(782)	(66)	(68)	1	(2'689)	(141)	(25)	(3'770)
At 31 December 2023	35'375	5'276	7'955	906	54'150	37'031	614	141'306
Additions	829	130	295	-	4'066	1'821	41	7'181
Retirements and disposals	379	(1)	(22)	(258)	(839)	4	(0)	(737)
Currency translation effects and other	1'225	58	(22)	8	1'695	73	(1)	3'035
At 31 December 2024	37'808	5'463	8'206	656	59'072	38'929	653	150'786
Depreciation and impairment losses								
At 1 January 2023	(19'265)	(3'386)	(5'419)	(1'086)	(33'965)	(15'848)	(465)	(79'434)
Depreciation charge	(2'467)	(394)	(990)	(55)	(6'433)	(1'826)	(49)	(12'216)
Depreciation on retirements and disposals	1	168	355	315	472	38	40	1'390
Currency translation effects and other	181	38	68	(1)	2'672	58	17	3'034
At 31 December 2023	(21'549)	(3'574)	(5'987)	(826)	(37'254)	(17'579)	(457)	(87'226)
Depreciation charge	(2'613)	(383)	(923)	(25)	(6'281)	(2'344)	(56)	(12'624)
Depreciation on retirements and disposals	93	1	22	258	755	-	0	1'129
Currency translation effects and other	(1'372)	(336)	466	(36)	487	(7)	1	(795)
At 31 December 2024	(25'441)	(4'292)	(6'421)	(630)	(42'292)	(19'929)	(511)	(99'517)
Net book value - 1 January 2023	14'824	2'006	2'034	112	15'657	17'834	155	52'623
Net book value - 31 December 2023	13'826	1'702	1'968	80	16'896	19'453	156	54'080
Net book value - 31 December 2024	12'367	1'171	1'784	27	16'780	19'000	142	51'269

§ Accounting policies

Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost for repair and maintenance are recognized in profit or loss as incurred.

Each item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated over its useful life. At least annually, the Group reviews depreciation method, useful life on an asset and residual value, and if appropriate adjusts prospectively.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of major classes of depreciation assets:

Asset class	Depreciation method	Useful life
Machinery	Straight-line	8 years
Furniture	Straight-line	8 years
Hardware	Straight-line	4 years
Vehicles	Straight-line	3 years
Sets	Straight-line	5 years
Leasehold improvements	Straight-line	20 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

7.5 Leases

Right-of-use assets (ROA)	Office property	Machinery	Vehicles	Total
At 1 January 2023	21'233	4'303	1'125	26'661
Additions	1'915	2'906	373	5'194
Depreciation expense	(4'548)	(1'296)	(607)	(6'451)
Currency translation effects	484	-	99	583
At 31 December 2023	19'085	5'913	989	25'987
Additions	1'875	1'530	1'769	5'174
Depreciation expense	(4'242)	(1'387)	(950)	(6'578)
Currency translation effects	124	-	(26)	98
At 31 December 2024	16'843	6'056	1'783	24'681

The amounts recognised in the Consolidated Income Statement are as follows:

Profit or loss	2024	2023
Depreciation right of use assets	(6'578)	(6'451)
Interest expense lease liabilities	(719)	(810)
Expense: short-term leases	(520)	(383)
Variable lease payments	(721)	(804)

The Group recognized a total cash outflow of CHF 8.9 million (2023: CHF 7.3 million) for leases.

The maturity analysis of lease liabilities is disclosed in Note 3.

§ Accounting policies for lessees

Right-of-use assets

The Group recognises right-of-use assets (ROA) at the commencement date of the lease (i.e., the date

the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (3-8 years). Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below CHF 5'000). Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

7.6 Intangible assets

Reconciliation of beginning and ending balance by classes of assets:

	Goodwill	Development	Product Technology	Software	Other ¹⁾	Total
Cost						
At 1 January 2023	38'549	8'664	20'010	10'796	2'025	80'044
Additions	-	2'232	-	1'581	60	3'874
Retirements and disposals	-	-	-	(1'762) ²⁾	-	(1'762)
Currency translation effects	(3'270)	-	(1'845)	(31)	-	(5'147)
At 31 December 2023	35'279	10'897	18'165	10'585	2'085	77'009
Additions	-	2'028	-	1'472	1'260	4'760
Retirement and disposals	-	-	-	-	-	-
Currency translation effects	2'343	-	1'467	-	(58)	3'752
At 31 December 2024	37'622	12'925	19'632	12'056	3'286	85'522
Amortisation and impairment						
At 1 January 2023	-	(2'383)	-	(7'465)	(205)	(10'053)
Amortization charge	-	(741)	(654)	(553)	(383)	(2'332)
Impairment losses	-	-	-	(1'762) ²⁾	-	(1'762)
Retirements and disposals	-	-	-	1'762 ²⁾	-	1'762
Currency translation effects	-	-	-	29	-	29
At 31 December 2023	-	(3'125)	(654)	(7'988)	(589)	(12'356)
Amortization charge	-	(839)	(684)	(805)	(770)	(3'098)
Impairment losses	-	-	(17'862)	-	-	(17'862)
Currency translation effects	-	-	(433)	87	-	(346)
At 31 December 2024	-	(3'964)	(19'632)	(8'706)	(1'359)	(33'661)
Net book value - 1 January 2023	38'549	6'281	20'010	3'331	1'819	69'991
Net book value - 31 December 2023	35'279	7'772	17'511	2'596	1'496	64'653
Net book value - 31 December 2024	37'622	8'961	(0)	3'350	1'928	51'861

1) Includes distribution licences for Field Orthopaedics products acquired in 2022 and 2024

2) Discontinued software project. The impairment loss has been recognized within general and administration in the consolidated income statement.

The goodwill amounts to CHF 37.6 million (2023: CHF 35.3 million) thereof CHF 35.2 originated from the acquisition of NSI in 2022 and CHF 2.4 million from the acquisitions of Extera and Mimedis in 2017 and was allocated to the group of CGUs which corresponds to Medartis Group as a whole, which is consistent with the way management monitors goodwill and performance as one integrated unit. The Group performed the annual impairment test in December 2024.

The recoverable amount of Medartis Group has been determined based on a value in use calculation using cash flow projections from financial budgets covering a six-year period. The pre-tax discount rate applied to cash flow projections is 11.9% (2023: 14.6%) and cash flows beyond the six-year period are extrapolated using a 2.50% growth rate based on weighted long-term inflation rates (2023: 2.15%). The growth rate does not exceed the long-term average growth rate for the medical technology sector. The gross profit margin applied ranges from 80.1% in the year 2024 and 80.8% for the normalised terminal year. (2023: 79% to 78%).

Based on the impairment test conducted, no impairment on goodwill was recognized during the periods under review.

The acquired product technology of CHF 20 million originated from the acquisition of NSI in May 2022. Amortization started in 2023 as a result of products being introduced to the US market.

During 2024 impairment charges of CHF 17.9 million (USD 20.1million) to intangible assets were recorded. The charges were driven by reduced sales expectations regarding the acquired products of the NSI acquisition. The recoverable amount of the value in use amounts to CHF 0 (USD 0). The applied discount rate is 9.7%.

As of 31 December 2024 Development projects amounting to CHF 9.0 million were capitalized (2023: CHF 7.8 million).

At 31 December 2024, the maximum amount of unrecognised potential future commitments for the acquisition of another distribution right is CHF 0 (2023: CHF 1.3 million). These amounts are undiscounted and are not risk-adjusted, and the amounts include all such potential payments that can arise assuming that all products currently under development are successful and all possible objectives and performance targets are met.

§ Accounting policies

Intangible assets are initially recognized at cost, subsequently amortized over their useful lives less required impairments. Intangible assets with finite useful lives are tested for impairment when there is

a triggering event that indicates the need for an impairment. Intangible assets with indefinite useful life (including goodwill) are tested on an annual basis.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of major classes of depreciation assets:

Asset class	Depreciation method	Useful life
Development	Straight-line	8-10 years
Software	Straight-line	5 years

Research and development costs

Research and development costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditures as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of 8-10 years. Amortisation is recorded in cost of goods sold. During the development period, the asset is tested for impairment annually.

Licences with finite useful lives

The Group has entered into in-licensing agreements or similar arrangements which require Medartis to make certain (milestones) payments dependent on the achievement of agreed objectives or performance targets as defined in the arrangements ('variable or contingent considerations'). Executory payments are excluded from initial measurement ('cost accumulation approach'), and contingent payments are capitalised as part of the costs of intangible assets when they become probable, if they meet the definition of an asset, or expensed as incurred.

7.7 Accounts payable trade and other

The accounts payable trade and accounts payable other at 31 December 2024 and 2023 are as follows:

	2024	2023
Accounts payable trade	8'856	8'240
Salary and social security	1'015	1'244
Deferred compensation	-	680
Unused vacation	3'953	3'692
Bonus payments	9'345	6'284
Sales commission (financial instruments)	1'795	1'589
VAT and other non-income taxes	1'824	2'414
Other	1'602	1'285
Accounts payable other	19'534	17'187

§ Accounting policies

Accounts payable trade result from sourcing of goods or services from suppliers and other vendors. They do not include other payables relating to social securities, VAT, etc.

Trade payables are recognized at the trade date when goods or services and the invoice is received and are usually recorded at nominal value which approximates fair value. After initial recognition trade accounts payables are carried at amortized cost.

7.8 Current financial debt and other financial liabilities

Current financial debt at 31 December 2024 and 2023 is as follows:

	2024	2023
Lease liabilities, current	(7'331)	(6'297)
Other financial liabilities	(453)	(462)
Current financial liabilities	(7'784)	(6'759)

§ Accounting policies

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or, at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not measured at fair value through profit or loss, net of directly attributable transaction costs.

The subsequent measurement depends on classification of financial liabilities.

7.9 Provisions

Provisions at 31 December 2024 and 2023 are as follows:

	Dismantling provision	Jubilee provision	Legal provisions	Restructuring provision	Other provisions	Total
At 1 January 2024	1'100	1'509	193	510	871	4'182
Additions charged during the year	-	283	-	16	1'497	1'796
Unused amounts released	-	-	-	(24)	(35)	(59)
Amounts used	-	(65)	-	(509)	-	(574)
Currency translation adjustments	-	-	-	61	(9)	52
At 31 December 2024	1'100	1'727	193	54	2'324	5'397
Current	-	-	193	54	2'324	2'570
Non-current	1'100	1'727	-	-	-	2'827

	Dismantling provision	Jubilee provision	Legal provisions	Restructuring provision	Other provisions	Total
At 1 January 2023	1'100	1'160	3'200	1'914	957	8'330
Additions charged during the year	-	474	-	306	12	792
Unused amounts released	-	-	(715)	(39)	(6)	(761)
Amounts used	-	(125)	(2'297)	(1'528)	(92)	(4'042)
Currency translation adjustments	-	-	6	(142)	(0)	(137)
At 31 December 2023	1'100	1'509	193	510	871	4'182
Current	-	-	193	510	871	1'573
Non-current	1'100	1'509	-	-	-	2'609

The timing of payment in respect of non-current provisions is, with few exceptions, not contractually determined and requires judgment.

Dismantling provision relates to the obligation for removal of the leasehold improvement in the rented premises in Basel, Switzerland, at the end of the lease term.

Jubilee provision: Medartis has programs for long-service awards and other payments dependent on length of service which are classified as other long-term payments due to employees.

Restructuring provision includes a provision regarding the closure of the US office in Exton.

Other provisions mainly includes provisions that have been set up to cover other contractual liabilities and business risk of the Group, including provisions related to sales and other taxes as well as commercial disputes and product liabilities and are set up to cover legal and administrative proceedings. In 2024 other provisions also include the cost of the CEO change.

§ Accounting policies

Provisions are recognized when Medartis has a present obligation (legal or constructive) as a result of a past event. 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 recognized in the income statement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

7.10 Share capital

The share capital is represented by 13'595'540 registered shares (2023: 12'359'185) of CHF 0.20 (2023: CHF 0.20) par value, fully paid in.

In 2024 Medartis Holding AG increased its share capital to 13'595'540 shares by issuing a total of 1'199'665 new registered shares from its authorized share capital and 36'690 from its conditional share capital. The corresponding share capital amounted to CHF 2'719'108.00. The incremental transaction costs amounted to CHF 0 million.

In 2023 Medartis Holding AG increased its share capital to 12'359'185 shares by issuing a total of 476'190 new registered shares from its authorized share capital and 26'426 from its conditional share capital. The corresponding share capital amounted to CHF 2'471'837.00. The incremental transaction costs amounted to CHF 0.6 million.

As of 31 December 2024, the conditional share capital for employee benefits amounts to CHF 104'242.60 (2023: CHF 111'580.60), the conditional share capital for bonds and other instruments amounts to CHF 1'056'957.20 (2023: CHF 1'056'957.20).

As of 31 December 2024, Medartis Holding AG has a capital band between CHF 2'471'837.00 (lower limit) and CHF 3'557'209.40 (upper limit) within which the Board of Directors is authorized to increase and/or reduce the share capital at any time and any number of times until 20 April 2028. In 2024, the Board of Directors has used the capital band to increase the share capital by CHF 239'933.00 (2023: 95'238).

To align the presentation of the equity components to that in the individual financial statements of Medartis Holding AG, an amount of CHF 1.2 million (2023: CHF 1.1 million) has been reclassified from retained earnings to capital reserves.

In 2024 Medartis paid out no dividends to shareholders. There are no dividend payments planned for 2025.

§ Accounting policies

Incremental transaction costs related to the issue, sale and purchase of shares are recognised in equity.

7.11 Financial debt

	Maturity			
	2024	till 1 year	1-5 years	over 5 years
Lease liabilities, current	7'331	7'331	-	-
Other current financial liabilities	453	453	-	-
Current financial debt and other financial liabilities	7'784	7'784	-	-
Lease liabilities, non-current	17'867	-	16'200	1'667
Other non-current financial liabilities	482	-	482	-
Convertible bonds	95'093	-	-	95'093
Non-current financial debt and other financial liabilities	113'443	-	16'682	1'667
Contingent consideration liabilities	9'136	8'146	990	-
Total financial debt, contingent consideration and other financial liabilities	130'363	15'930	17'673	1'667

	Maturity			
	2023	till 1 year	1-5 years	over 5 years
Lease liabilities, current	6'297	6'297	-	-
Other current financial liabilities	462	462	-	-
Current financial debt and other financial liabilities	6'759	6'759	-	-
Lease liabilities, non-current	20'627	-	18'172	2'454
Non-current financial debt and other financial liabilities	20'627	-	18'172	2'454
Contingent consideration liabilities	23'173	8'392	14'781	-
Total financial debt, contingent consideration and other financial liabilities	50'559	15'151	32'954	2'454

Reconciliation of liabilities arising from financing activities

	2024	2023
1 January	50'559	52'038
Financing cash flows:		
Repayment of lease debts	(6'900)	(5'300)
Repayment current financial debt	(925)	(463)
Proceeds from convertible bonds liability component	92'967	-
Other cash flows:		
Payment of contingent consideration liabilities	(8'513)	-
Other changes		
Increase in lease liabilities (non-cash)	5'174	5'194
Increase in current financial debt	906	-
Increase in non-current financial debt	482	-
Release of earn-out	(7'606)	-
Amortized cost adjustment bonds liability component	2'126	-
Fair value loss on contingent consideration liabilities	726	1'357
Currency translation effects	1'366	(2'266)
31 December	130'363	50'559

Convertible bond

On 4 April 2024, with payment date 11 April 2024, Medartis placed a convertible bond in the amount of CHF 115.8 million due for repayment in cash in 2031, unless converted. The issue price and the redemption prices are set at 100%. The convertible bond has a coupon of 3% p.a. The shares to be delivered upon conversion will be made available by existing shares or by the issue of new shares from the conditional capital. The initial conversion price per share is CHF 100.725. This corresponds to a conversion premium of 27.5% over the share price when the bond was placed.

Medartis has the right to redeem all bonds outstanding at any time on or after 2 May 2029 until and excluding the Maturity Date, if the VWAP of a Share on each of at least 20 out of 30 consecutive Trading Days ending not earlier than 5 Trading Days prior to the date on which the relevant notice of Redemption is given has been at least 130 per cent of the Conversion Price in effect on such Trading Day.

The convertible bond is split into a liability and an equity component for accounting purposes. The liability component corresponds to the market value of an identical bond, but without conversion rights,

and is carried at amortized cost. The equity component was calculated as the difference between the issue proceeds and the liability component. The equity component is not revalued. The issue costs in the amount of CHF 3.4 million were allocated in proportion to the allocation of proceeds to the liability (CHF 2.8 million) and equity component (CHF 0.6 million).

(CHF)	2024	2023
Liability component upon issue at fair value	95'781	-
Proportional transaction costs	-2'814	-
Net liability component upon issue	92'967	-
Amortized cost adjustment convertible bond liability component	2'126	-
Net liability component at 31 December	95'093	-
Open par value	115'800	-
Equity component	20'019	-
Proportional transaction costs	-588	-
Deferred taxes	-4'858	-
Net equity component upon issue	14'573	-

No rights were converted in the reporting period. In connection with the issuance of the convertible bonds, Medartis created 1'199'665 new shares and a share lending agreement ("Securities Lending") was concluded with a financial institution. As the risks and rewards of the shares remain with Medartis, the shares lent continue to be treated as treasury shares. The purpose of this agreement is to facilitate the hedging activities of the investors. As consideration for this arrangement, Medartis receives a lending fee, which is recognised in finance income.

§ Accounting policies

After initial recognition at fair value, net of directly attributable transaction costs, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the effective and interest amortization process.

7.12 Post-employment benefits

Medartis AG operates a defined benefit plan in Switzerland. The defined benefit obligation is determined applying the projected unit credit method and plan assets are measured at fair value.

The Group's subsidiary in France also operates a defined benefit plan, which is not material to the Group. The pension liability amounting to CHF -0.2 million (2023: -0.2) is included in the following tables.

In 2024, the net pension liability amounts to CHF -17.1 million (2023: CHF -10.4 million)

	2024	2023
Fair value of plan assets	64'684	57'691
Present value of defined benefit obligation	(81'742)	(68'094)
Total employee benefit obligation	(17'058)	(10'403)

Pension plan in Switzerland

This pension plan is governed by the Swiss Federal Law on Occupational Retirement, Survivor's and Disability Pension Plans (BVG), which states that pension plans are to be managed by independent, separate legal entities. It also stipulates that a pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

Plan participants are insured against the financial consequences of old age, disability and death. The insurance benefits are subject to regulations, with the BVG specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan. If a plan is underfunded, various measures can be taken, such as a reduction in benefits by altering the conversion rates or increasing current contributions. Under the BVG employer has to fund at least 50% of the potential restructuring.

The Medartis Pension Fund has entered into an agreement with Helvetia Group Foundation. Helvetia is responsible for the governance of the plan; the Board is composed of an equal number of representatives from the employers and employees chosen from all affiliated companies. Helvetia has set up investment guidelines, defining in particular the strategic allocation with margins. Helvetia has reinsured its actuarial risks consisting of demographic risks (primarily life expectancy) and the financial risk (primarily the discount rate, future increases in salaries/wages, and the return on plan assets) with Helvetia Schweizerische Lebensversicherungsgesellschaft AG which manages the savings

capital/investments on behalf of Helvetia Group Foundation. In addition, an actuarial report is drawn up annually in accordance with BVG requirements.

The main reason for actuarial losses on defined benefit obligation of CHF 6.6 million in 2024 (actuarial losses of CHF 9.2 million in 2023) on the Swiss defined benefit obligation are due to changes in financial assumptions, mainly a decrease in the discount rate from 1.50% to 1.00% (an decrease in the discount rate from 2.20% to 1.50%, and an increase of the interest rate on retirement savings capital from 0.56% to 1.25% for 2023).

Cost of defined benefit plan

	2024	2023
Service costs		
Current service cost (employer)	3'211	2'569
Past service cost ¹	(59)	(408)
Total service cost	3'152	2'161
Administration cost (excl. cost for managing plan assets)	34	29
Net interest on employee benefits	154	28
Total pension expenses recorded in income statement	3'340	2'218

¹Past service cost 2023 relate to a decrease in conversion rates.

Remeasurements of employee benefits

	2024	2023
Actuarial gains/losses		
Changes in financial assumptions	5'717	8'772
Changes in demographic assumptions	-	67
Experience adjustments	900	329
Return on plan assets excl. interest income	564	684
Total remeasurements recorded in other comprehensive income	7'180	9'852

Change in fair value of plan assets

	2024	2023
Fair value of plan assets at 1 January	57'691	56'932
Interest income on plan assets	915	1'255
Contributions by the employer	3'869	3'472
Contributions by plan participants	1'934	1'736
Benefits deposited / (paid)	838	(5'019)
Return on plan assets excl. interest income	(564)	(684)
Fair value of plan assets at 31 December	64'684	57'691

Plan corresponds to the insurance contract with Helvetia Group Foundation.

Change in present value of defined benefit obligation

	2024	2023
Defined benefit obligation at 1 January	68'095	58'736
Interest expense on defined benefit obligation	1'069	1'282
Current service cost (employer)	3'211	2'569
Contributions by plan participants	1'934	1'736
Benefits deposited / (paid)	838	(5'019)
Past service cost	(59)	(408)
Administration cost (excl. cost for managing plan assets)	34	29
Actuarial (gain) / loss on defined benefit obligation	6'619	9'168
Defined benefit obligation at 31 December	81'742	68'094
to active members	79'980	66'267
to pensioners	1'762	1'826

The outflow of funds due to pension payments and other obligations can be reliably estimated. Contributions are paid regularly to the pension funds. Furthermore, the investment strategy respects the need to guarantee the liquidity of the plan at all times. The Group does not make use of any assets held by the pension plan.

The actual return on plan assets for 2024 in Switzerland was CHF 0.4 million (2023: CHF 0.6 million).

On 31 December 2024, the weighted average duration of the defined benefit obligation was 15.3 years (2023: 14.4).

For the reporting year 2025 employer contributions of CHF 4.3 million are expected.

Significant actuarial assumptions of the Swiss pension plan:

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method.

In %	2024	2023
Discount rate	1.00%	1.50%
Increase in salaries/wages	2.00%	2.00%

Sensitivities of significant actuarial assumptions

The discount rate and the future increase in salaries/wages were identified as significant assumptions. The following impacts on the Swiss defined benefit obligation would result from changes in actuarial assumptions:

Impact on DBO at 31.12.2024	Increase	Decrease
Discount rate (0.25%)	(2'967)	3'204
Salary increase (0.25%)	696	(701)

Impact on DBO at 31.12.2023	Increase	Decrease
Discount rate (0.25%)	(2'611)	2'189
Salary increase (0.25%)	325	(719)

The sensitivity analysis is based on reasonable possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analysed separately as part of the test. Interdependencies were not considered.

§ Accounting policies

Short term employee benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

Post-employment benefits

The Group has both defined contribution plans and defined benefit plans.

Contributions to defined contribution plans are paid to publicly or privately administered pension plans on a statutory, contractual, or voluntary basis. The group has no further obligation once the contributions have been paid.

Defined benefit plans require the Group to make contributions to individual plans, for which the ultimate benefit to the employee is based on a defined benefit, e.g., based on a final salary level, defined performance of the plan, etc.

The aggregate of the present value of the defined benefit obligation and the fair value of plan assets for each plan is recognized in the balance sheet on a net basis and presented as employee benefit obligation. The defined benefit obligation is determined at the end of each reporting period by independent actuaries using the projected unit credit method. Plan assets are not available to the creditors of the Group.

Pension costs consist of

- Service costs comprising current service costs, past service costs (gains/losses from plan amendments or curtailments), and gains/losses from plan settlements. The Group recognizes service costs under the following expenses (by function) cost of sales, selling and distribution, administration, research and development.
- Net interest is recorded in the financial result and is determined by applying the discount rate to the net defined benefit liability or net defined benefit asset that exists at the beginning of the year.
- Gains and losses resulting from the actuarial valuation are recorded in other comprehensive income (OCI) as remeasurements of employee benefits. The return on plan assets (excluding interest based on the discount rate) and any change in the effect of an asset ceiling are also recorded in OCI.

Other non-current employee benefits

Other non-current employee benefits, mainly jubilee benefits, are also measured using the projected unit credit method, however remeasurements are recorded in the consolidated income statement.

Termination benefits are recognized on the date on which the Group can no longer withdraw the offer of this type of benefit or on which restructuring provisions are recorded.

8. Share-based payments

Medartis Long-term Incentive Plan

Medartis operates a corporate long-term incentive plan with restricted shares (LTI) for Members of the Executive Management Board and certain employees. The amount of this long-term compensation is determined individually for each participant.

The 2024 LTI plan for Members of the Executive Management Board consists of an allocation of RSUs (restricted share units) representing 75% of the total grant value and PSUs (performance share units) representing the remaining 25%. The PSUs vesting multiple will range between 0% and 200% and will be solely determined by the achievement of the simplified cashflow KPI over a 3-year observation period from the year of allocation. The simplified cashflow is calculated as the difference between the EBITDA and the sum of Accounts Receivable increase, set investments, other inventory increases and total CAPEX. The RSUs will vest on a graded schedule, 1/3 each year following the year of allocation.

According to the plan, the amount for each individual participant shall be converted into RSUs and PSUs at a price of the average closing price of the share during the last 20 days before the annual general meeting. The shares are subject to a restriction period for the next two years.

During the reporting period 16'793 RS (restricted shares), 18'149 RSU and 5'990 PSU were granted. (2023: 12'662 RS and 3'745 RSU)

The related expenses amount to CHF 0.4 million (2023: CHF 1.1 million).

Medartis Board of Directors Restricted Share Plan

Medartis operates a share plan with restricted shares (RS) for the Board of Directors.

According to the plan rules, each board member may elect to receive a part of their fees in the form of restricted shares instead of cash.

The selected board fee portion shall be converted into a number of Medartis Holding AG shares at a conversion price of the volume weighted average share price during the last 20 trading days before the annual general meeting, less a discount of 15%. The shares are subject to a restriction period for the next two years.

During the reporting period 2'668 RS were granted. (2023: 6'141 RS)

The related expenses amount to CHF 0.2 million (2023: CHF 0.4 million).

Medartis Employee Share Purchase Plan (ESPP)

With a grant date of 1 November 2024, eligible employees in Switzerland, Australia, Austria, France, Germany, Spain, UK and USA have been able to purchase Medartis Holding AG shares up to a maximum of 15% of their prior year base salary as well as 100% of their last STI (short-term variable compensation) pay-out at a discount of 25%. The number of shares is calculated by applying the 20-day Volume-Weighted Average Price (VWAP) before the allocation date. The shares under the ESPP are subject to a 2-year restriction period from the purchase date.

During the reporting period, 14'607 RS (restricted shares) and 35 RSU (restricted share units) were granted. (2023: 4'546 RS and 113 RSU)

The related expenses amount to CHF 0.2 million (2023: CHF 0.0 million)

Sign on bonus for NSI employees

In context with the NSI Acquisition a larger group of former employees of Nextremity have received a sign on retention bonus in the form of restricted share units (RSU). This bonus vests in 3 instalments from 2024 – 2026, each of which are settled in restricted shares (RS) of Medartis Holding AG, with an additional selling restriction of 1 year each.

During the reporting period, 2'622 RS (restricted shares) vested. (2023: 0)

For the reporting period the related expenses amount to CHF 0.3 million (2023: CHF 0.0 million).

§ Accounting policies

The cost of equity-settled transactions is determined based on the fair value at the date the grant is made. The expense is recognised in profit or loss together with a corresponding increase in equity (in retained earnings) over the service period.

9. Transactions and agreements with related parties

Related parties primarily comprise members of Group Management, members of the Board of Directors and significant shareholders. Transactions with related parties are carried out at arm's length.

Significant transactions and balances between the Group and related parties are as follows:

	2024	2023
Sales of goods to:		
Institut Straumann AG	27	23
Purchase of goods from:		
Associate	(8'008)	(4'540)
Services rendered to:		
centerVision AG	755	627
IBRA, International Bone Research Association	810	410
Services received from:		
IBRA, International Bone Research Association	(4'963)	(4'046)
centerVision AG	(446)	-
Vischer AG	(7)	(223)
CJG Consulting	(4)	(2)
Total related party transactions	(11'836)	(7'752)

Open balances due to/from related parties recognized in the consolidated balance sheet:

	2024	2023
centerVision AG	764	632
IBRA, International Bone Research Association	384	297
Associate	(267)	(217)
Vischer AG	(1)	(34)
Total open balances	880	677

The following table shows the compensation of Key Management Personnel (Board of Directors and the Executive ManagementBoard):

	2024	2023
Fees, salaries and other short-term benefits	4'780	4'187
Post-employment benefits	1'335	1'141
Share-based payment transactions	889	1'479
Total	7'003	6'807

10. Commitments and contingencies

This section provides additional information about items not recognised in the financial statements but could potentially have a significant impact on the Group's financial position and performance.

10.1 Other commitments

At 31 December 2024, the Group had other commitments for milestone payments of CHF 0.8 million (2023: CHF 1.3 million) and contractual commitments for the acquisition of property plant and equipment of CHF 0.3 million (2023: CHF 0.3 million).

10.2 Legal claim contingency

In the ordinary course of its business, the Group is involved in lawsuits, claims of various natures, investigations and proceedings. The Group operates in countries where political, economic, social and legal developments could have an impact on the Group's operations. The Group is exposed to varying degrees of uncertainty related to tax matters, regulatory reviews and audits.

The following is a description of the material legal matters currently ongoing.

In the context of the anti-corruption investigations by the authorities in Brazil into Extera, the former Medartis distributor acquired in 2017 due to possible compliance violations Medartis had been maintaining provisions for contingent payments related to the Extera acquisition in the amount of BRL 3.9 million (current value CHF 0.6 million) to be offset against the costs incurred in connection with this matter. This withholding has been released following the court's decision confirming the contractual compliance violations conducted by the former owners of Extera. Medartis is upholding a provision in connection with these compliance violations for anticipated legal costs and other related expenses amounting to CHF 0.2 million (2024: CHF 0.2 million). (please refer to Note 7.9).

11. PRINCIPAL CURRENCY TRANSLATION RATES

Year-end rates used for the consolidated balance sheets at 31 December, to translate the following currencies into CHF, are:

	2024 per CHF	2023 per CHF
Euro (EUR)	1.0625	1.0726
US Dollar (USD)	1.1038	1.1905
Australian Dollar (AUD)	1.7820	1.7400

Average rates during the years ended 31 December, used for the consolidated income and cash flow statements, to translate the following currencies into CHF, are:

	2024 per CHF	2023 per CHF
Euro (EUR)	1.0489	1.0271
US Dollar (USD)	1.1332	1.1106
Australian Dollar (AUD)	1.7238	1.6702

Report of the statutory Auditor



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2

To the General Meeting of
Medartis Holding AG, Basle

Basle, 14 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion
We have audited the consolidated financial statements of Medartis Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, 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 Medartis Group consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 134–176) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 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, 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), and 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 each 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 matters below, provide the basis for our audit opinion on the consolidated financial statements.

Goodwill impairment test

Risk The Group recognizes significant goodwill in the amount of MCHF 37.6 (8% of total assets). As disclosed in note 7.6 of the consolidated financial statements, an annual impairment test for goodwill is carried out by the management to identify potential impairment. Goodwill is tested by determining the recoverable amount of the cash generating unit ("CGU") to which the goodwill is allocated.

In performing the impairment analysis, management applies judgment in estimating, amongst other factors, future revenues and margins, long-term growth and discount rates. Changes in these assumptions might lead to a change in the carrying value of goodwill.

Our audit response We assessed and tested the assumptions, including weighted average cost of capital (WACC), methodologies and technical input parameters for the valuation model applied by the Group. We involved our internal valuation specialists to assist us with these audit procedures. In addition, we evaluated the cash flow projection for the CGU by performing a retrospective assessment of the accuracy of management's past projections and analyzing management's business forecast. Furthermore, we assessed whether significant changes in key assumptions could result in an impairment loss by means of sensitivity analyses.

Our audit procedures did not lead to any reservations regarding the carrying value of goodwill.

Recoverability of deferred tax assets

Risk Medartis Group operates in multiple jurisdictions and is therefore exposed to numerous tax laws around the world.

The recognition of deferred tax assets from temporary differences and loss carry forwards requires management's assessment of whether it is probable that sufficient taxable profits will be available against which deferred tax assets can be utilized.

The significance of the deferred income tax assets and the judgment involved in assessing their recoverability made us conclude that the recoverability of deferred tax assets is a key audit matter of our audit (Note 6.7).

Our audit response We evaluated the Group process for the identification and evaluation of deferred tax assets.



3

We also considered the Group process for the recording and continuous re-assessment of deferred taxes.

We tested the calculation of deferred tax assets and liabilities and considered the management estimates relating to the recoverability of deferred tax assets. We analyzed with the involvement of our internal tax experts the probability that future taxable profit will be available against which deductible temporary differences will be utilized.

We analyzed the off-setting and presentation of deferred tax positions.

Our audit procedures did not lead to any reservations concerning deferred tax assets.



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 remuneration 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



4

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.

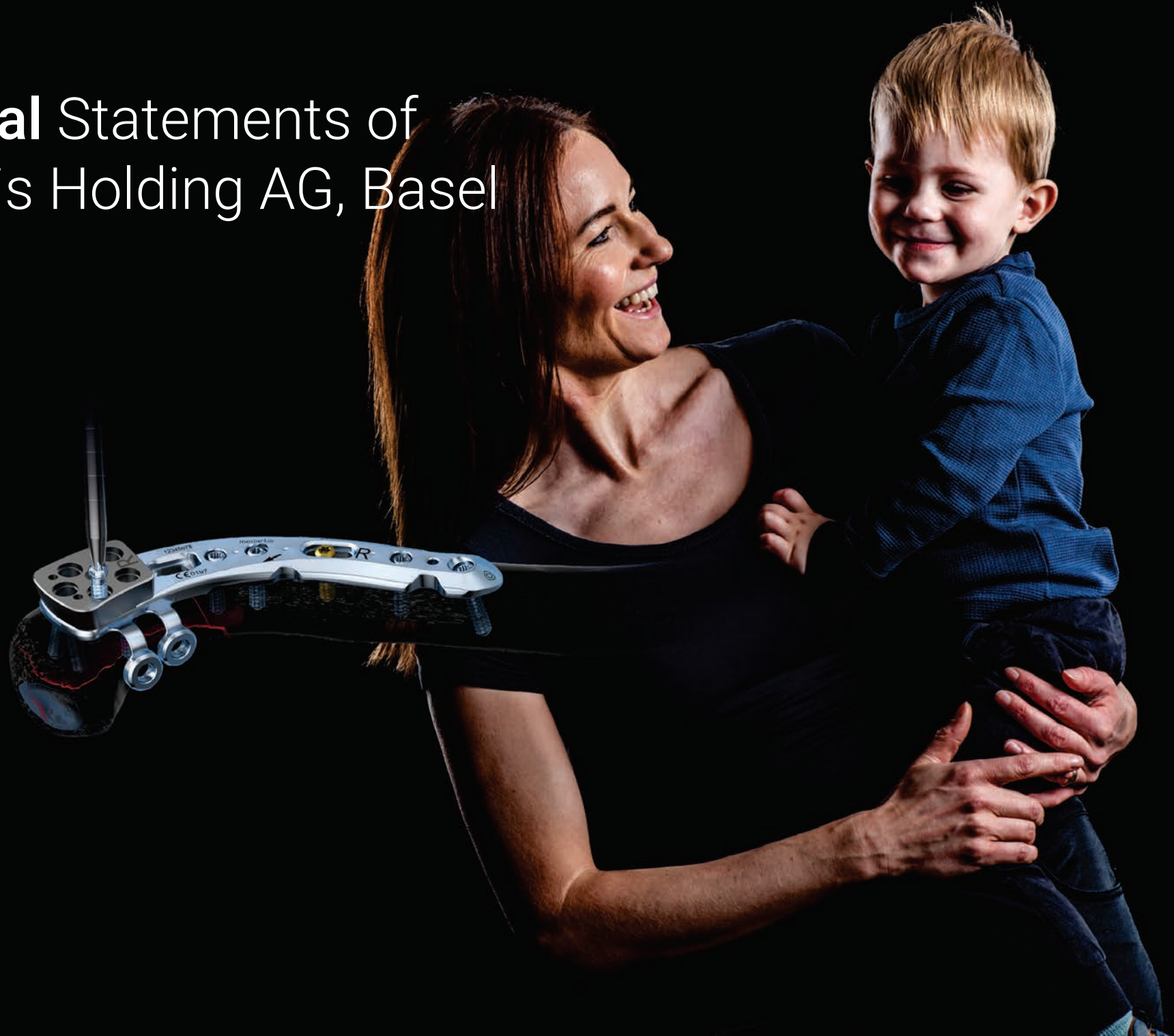
We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Kaspar Streiff
Licensed audit expert
(Auditor in charge)

Dominik Ritter
Licensed audit expert

Financial Statements of Medartis Holding AG, Basel



Financial Statements of Medartis Holding AG, Basel

BALANCE SHEET

(CHF thousands)	Notes	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents		1'302	308
Accounts receivable trade	2	12'663	5'872
Accounts receivable other	3	138	175
Total current assets		14'103	6'355
Financial assets	4	372'328	261'104
Shareholdings	5	1'000	1'000
Total non-current assets		373'328	262'104
Total assets		387'431	268'459

	Notes	31 December 2024	31 December 2023
Equity and liabilities			
Accounts payable trade	6	9	196
Accounts payable other	7	7'086	3'896
Deferred income and accrued expenses		225	12
Current provisions	8	333	504
Total current liabilities		7'653	4'608
Financial liabilities	9	112'385	-
Total non-current liabilities		112'385	-
Share capital	15	2'719	2'472
Legal capital reserves			
Capital contribution reserves	16	291'355	289'506
Legal retained earnings			
Reserves for treasury shares held by subsidiaries (capital contribution reserves)	17	240	-
Available earnings			
Loss carried forward		(28'127)	(28'573)
Net result for the year		1'206	446
Total equity		267'393	263'851
Total liabilities and equity		387'431	268'459

INCOME STATEMENT

(CHF thousands)	Notes	2024	2023
Financial income	11	6'831	3'813
Total income		6'831	3'813
Financial expense	11	(3'029)	(87)
Other operating expense	10	(2'467)	(3'280)
Total expense		(5'496)	(3'367)
Operating result before taxes		1'335	446
Income taxes		(129)	-
Net result for the year		1'206	446

Notes to the financial statements

(in CHF thousands, except otherwise indicated)

1. PRINCIPLES APPLIED IN THESE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the principles of Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations, 'CO').

The preparation of financial statements requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, contingent liabilities, revenue and expenses. The Board of Directors uses judgment in applying the Company's accounting policies. Depreciations, write-downs and provisions exceeding the economically necessary amounts can be accounted for based on prudence considerations.

2. ACCOUNTS RECEIVABLE TRADE

	31 December 2024	31 December 2023
Subsidiaries	12'663	5'872
Total accounts receivable trade	12'663	5'872

3. ACCOUNTS RECEIVABLE OTHER

	31 December 2024	31 December 2023
Tax	138	175
Total accounts receivable other	138	175

4. FINANCIAL ASSETS

	31 December 2024	31 December 2023
Loans to subsidiaries	372'328	261'104
Total financial assets	372'328	261'104

5. SHAREHOLDINGS

Company	Country	Investment	2024	2023	Voting & capital rights	
					2024	2023
Medartis AG, Switzerland (Basel)	Switzerland	direct	100%	100%	CHF	1'000'000
Mimedis AG, Switzerland (Basel)	Switzerland	indirect	100%	100%	CHF	100'000
Medartis GmbH, Germany (Umkirch)	Germany	indirect	100%	100%	EUR	51'129
Medartis Iberia SL, Spain (Barcelona)	Spain	indirect	100%	100%	EUR	3'000
Medartis S.a.r.l., France (Lyon)	France	indirect	100%	100%	EUR	15'000
Medartis International Finance SAS (Vienne)	France	indirect	100%	-	EUR	1
Medartis GmbH, Austria (Vienna)	Austria	indirect	100%	100%	EUR	35'000
Medartis Co. Ltd., Japan (Tokyo)	Japan	indirect	100%	100%	JPY	10'000'000
Medartis Ltd, UK (Derby)	United Kingdom	indirect	100%	100%	GBP	3'700'000
Medartis do Brasil (São Paulo)	Brazil	indirect	100%	100%	BRL	25'157'562
Extera Imp.&Exp. Ltda., Brasil (São Paulo)	Brazil	indirect	100%	100%	BRL	18'000'000
Medartis Inc, USA (Delaware)	United States	indirect	100%	100%	USD	10
Lakeland Technology Holdings LLC (Warsaw)	United States	indirect	100%	100%	USD	-
Medartis S.A. de C.V, Mexico (Mexico)	Mexico	indirect	100%	100%	MXN	100'000
Medartis Sp.z.o.o, Poland (Wroclaw)	Poland	indirect	100%	100%	PLN	200'000
Medartis Australia and New Zealand Pty Ltd, Australia (Albion)	Australia	indirect	100%	100%	AUD	1'203'000
Medartis New Zealand Ltd, New Zealand (Auckland)	New Zealand	indirect	100%	100%	NZD	1'000
Keri Medical SA, Switzerland (Geneva)	Switzerland	indirect	47%	47%	CHF	35'267'277

6. ACCOUNTS PAYABLE TRADE

	31 December 2024	31 December 2023
Third parties	9	196
Total accounts payable trade	9	196

7. ACCOUNTS PAYABLE OTHER

	31 December 2024	31 December 2023
Subsidiaries	7'086	3'896
Total accounts payable other	7'086	3'896

8. CURRENT PROVISIONS

	31 December 2024	31 December 2023
Other provisions	333	504
Total current provisions	333	504

9. FINANCIAL LIABILITIES

	31 December 2024	31 December 2023
Subsidiaries	112'385	-
Total financial liabilities	112'385	-

10. OTHER OPERATING EXPENSES

	2024	2023
Administrative expense	(2'427)	(2'942)
Expense for patents, trademarks and licences	(41)	(338)
Total other operating expenses	(2'467)	(3'280)

11. FINANCIAL EXPENSE AND FINANCIAL INCOME

	2024	2023
Interest cost	(3'026)	(86)
Exchange losses	(3)	(1)
Total financial expense	(3'029)	(87)

	2024	2023
Interest income	6'825	3'811
Exchange gains	6	2
Total financial income	6'831	3'813

12. NUMBER OF EMPLOYEES

Medartis Holding AG has no employees.

13. FEES OF THE AUDITORS

	2024	2023
Fees for audit services (Medartis Group)	344	278
Fees for other services	-	-
Total fees of the auditors	344	278

14. CONTINGENT LIABILITIES

	31 December 2024	31 December 2023
Guarantee for the bank current account of Medartis AG	10'000	10'000
Guarantee for the lease liabilities and loans of Medartis AG	43'000	43'000

15. SHARE CAPITAL

The share capital as of 31 December 2024 has a nominal value of CHF 2'719'108.00 (2023: CHF 2'471'837.00), consisting of 13'595'540 (2023: CHF 12'359'185.00) fully paid-in registered shares with a nominal value of CHF 0.20 (2023: CHF 0.20) each.

As of 31 December 2024, Medartis Holding AG has a capital band between CHF 2'471'837.00 (lower limit), corresponding to 12'359'185 registered shares with a nominal value of CHF 0.20 each, and CHF 3'557'209.40 (upper limit), corresponding to 17'786'047 registered shares with a nominal value of CHF 0.20 each, within which the Board of Directors is authorized to increase and/or reduce the share capital at any time and any number of times until 20 April 2028. For further information, see Articles 3a and 5 of the Articles of Association.

In 2024, the Board of Directors has used the capital band to increase the share capital by CHF 239'933.00, corresponding to 1'199'665 shares (2023: CHF 95'238.00, corresponding to 476'190 shares).

As of 31 December 2024 the conditional share capital for employee benefits amounts to CHF 104'242.60 corresponding to 521'213 registered shares with a nominal value of CHF 0.20 each (2023: CHF 111'580.60 corresponding to 557'903 registered shares with a nominal value of CHF 0.20 each), the conditional share capital for bonds and other instruments amounts to CHF 1'056'957.20 corresponding to 5'284'786 registered shares with a nominal value of CHF 0.20 each (2023: CHF 1'056'957.20 corresponding to 5'284'786 registered shares with a nominal value of CHF 0.20 each).

16. LEGAL CAPITAL CONTRIBUTION RESERVES

Emission levy in the amount of CHF 4 million (2023: CHF 4 million) are not deducted from the disclosed amount of CHF 291.4 million (2023: CHF 289.5 million). In the case of a repayment of the reserves from capital contributions only the amount of CHF 287.4 million (2023: CHF 285.5 million) is not subject to income and withholding tax. The qualification of legal capital contribution reserves in the amount of CHF 33 million (2023: CHF 34.5 million) is subject to the final approval of the Swiss Federal Tax Administration (SFTA).

17. TREASURY SHARES RESERVES

At 31 December 2024 Medartis AG holds 1'199'665 treasury shares of Medartis Holding AG at cost of CHF 239'933 (2023: 0) with an average value of CHF 0.2. Medartis Holding AG has allocated reserves for treasury shares held by subsidiaries in the same amount.

18. EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date and until the approval of the financial statements on 14 March 2025 by the Board of Directors no material events, which would affect the financial statements 2024 have occurred.

19. EQUITY INSTRUMENTS DISCLOSURES FOR THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT BOARD

The following table provides a summary of equity grants (restricted shares (RS)) to the Board of Directors and the Executive Management Board for the years ended 31 December 2024 and 2023.

	2024		2023	
	Number granted	Weighted average fair value at grant date in CHF	Number granted	Weighted average fair value at grant date in CHF
Board of Directors				
Shares granted during the year	2'668	80.40	6'141	74.10
Executive Management Board				
Shares granted during the year	15'075	79.10	14'962	72.88

Report of the statutory auditor



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To the General Meeting of
Medartis Holding AG, Basle

Basle, 14 March 2025

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of Medartis Holding AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 180–187) 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, and 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 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 accompanying financial statements.



2

VALUATION OF INVESTMENTS IN AND LOANS TO SUBSIDIARIES

Risk	Investments in and loans to subsidiaries as of balance sheet date amount to CHF 373.3 million or 96% of total assets. There is a risk that the carrying amount of the investments and loans may no longer be supported through their value in use calculated on the basis of budgeted future cash flows.
	The significant estimates and judgments required by management in valuing the investment in and loans to subsidiaries made us conclude that this is a key audit matter of our audit.
Our audit response	We assessed, with involvement of EY valuation specialists, the valuation methodology, the underlying assumptions and the mathematical accuracy of the valuation models. Furthermore, we compared management earlier estimates to forecast.
	Our audit procedures did not lead to any reservations concerning the 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 remuneration 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.



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.

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

Ernst & Young Ltd

Kaspar Streiff
Licensed audit expert
(Auditor in charge)

Dominik Ritter
Licensed audit expert

Upcoming corporate events

18 March 2025	2024 full-year results publication
25 April 2025	Annual General Meeting 2025
19 August 2025	2025 first-half results publication
17 March 2026	2025 full-year results publication
23 April 2026	Annual General Meeting 2026

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Ticker symbols

The Medartis shares are listed at the SIX Swiss Exchange since the company's initial public offering in 2018 and are a constituent of the SPI, SPI Extra as well as further SXI healthcare indices.

Valor:	38620023
ISIN:	CH0386200239
Symbol:	MED
Bloomberg:	MED:SW
Reuters:	MEDA.S
LEI:	506700VUSP6HG3F28846

Disclaimer

Forward-looking statements

This Annual Report contains specific forward-looking statements, beliefs or opinions, including statements with respect to the product pipelines, potential benefits of product candidates and objectives, estimated market sizes and opportunities as well as the milestone potential under existing collaboration agreements, which are based on current beliefs, expectations and projections about future events. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may result in a substantial divergence between the actual results, financial situation, development or performance of Medartis Holding AG and its subsidiaries (the "Group") and those explicitly or implicitly presumed in these statements. The forward-looking statements are based on the information available to the Group on the date of this Annual Report and the Groups' current beliefs, forecasts and assumptions regarding a large number of factors affecting its business. Such beliefs and assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Group. There can be no assurance that: (i) the Group has correctly measured or identified all the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Group's analysis is based is complete or accurate, (iii) the Group's analysis is correct or (iv) the Group's strategy, which is based in part on this analysis, will be successful. Factors that affect the Group's business include, but are not limited to, (i) general market, governmental and regulatory trends, (ii) competitive pressures, (iii) technological developments, (iv) effectiveness and safety of the Group's products, (v) management changes, (vi) changes in the market in which the Group operates and (vii) changes in the financial position or credit-worthiness of the Group's customers and partners. The Group assumes no liability to update forward-looking statements or to conform them to future events or developments.

Important links

www.medartis.com/en/investors

- [Articles of Association \(Statuten der Medartis Holding AG\)](#)
- [Organisational Regulations of Medartis Holding AG](#)
- [Statement: Independence of the Board of Directors](#)

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