

medartis

2023 Annual Report
Highlights



Key Financial Figures 2023

Net sales

212.0 CHF m

Driven by strong performance in EMEA, LATAM and the US

Internal growth¹

17.4%

Sales in 3 out of 4 regions soared in the 20% range

Underlying² EBITDA

33.6 CHF m

EBITDA margin increased from 12.8% to 15.9%

Net result

0.6 CHF m

Basic earnings per share reached 0.05

Investments

37.8 CHF m

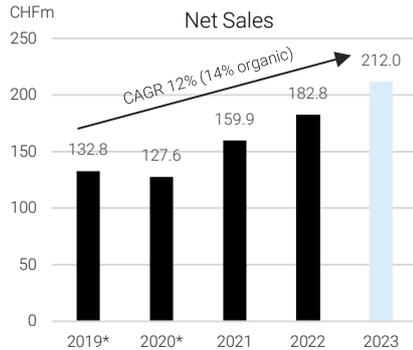
Investment in machinery, consignment sets and M&A

in CHF million, rounded	FY 2023			FY 2022			Underlying YoY change	
	Reported	One-off costs ²	Underlying	Reported	One-off costs ²	Underlying	in CHF	at CER
Total net sales	212.0			182.8			16.0%	20.5%
Internal net sales ¹	201.2			177.8				17.4%
Gross profit	167.6	(0.5)	168.1	149.5	(0.2)	149.6	12.3%	17.7%
EBITDA	31.9	(1.8)	33.6	16.2	(7.2)	23.4	43.4%	54.6%
EBIT	9.1	(1.8)	10.9	(1.9)	(7.2)	5.3	103.8%	237.8%
Net profit / loss	0.6			(5.8)				
Headcount (31 Dec)	829			866				(4.3%)
Margins in % of sales							Change in %-points (PP)	
Gross profit	79.0%		79.3%	81.8%		81.9%	(2.6 PP)	(1.9 PP)
EBITDA	15.0%		15.9%	8.9%		12.8%	3.0 PP	3.6 PP
EBIT	4.3%		5.1%	(1.1%)		2.9%	2.2 PP	3.3 PP
Net profit / loss	0.3%		1.1%	(3.2%)		0.8%	0.3 PP	

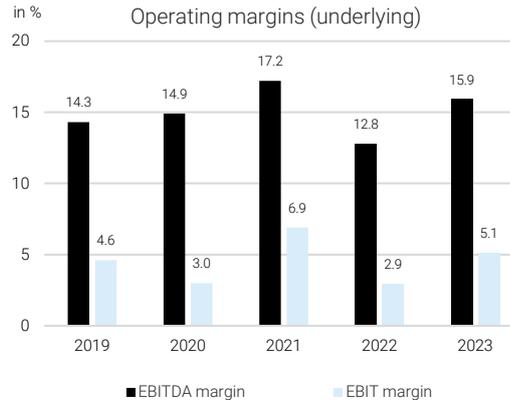
¹"Internal growth" denotes the increase in sales at constant exchange rates (CER), excluding the impact of mergers, acquisitions, and divestments. The NSI's contract manufacturing business is classified as non-strategic and is therefore excluded from this calculation. Internal growth serves as a crucial performance indicator for management.

²The one-off costs in 2023 are related to the costs of remediating the IT attack in May. The figures for 2022 exclude the one-off costs for the NSI acquisition and the discontinued China business in order to facilitate an assessment of the underlying operational performance.

	Unit	2023	2022
Total liabilities and equity	in CHF million	349.5	327.9
Total shareholder's equity	in CHF million	255.0	237.8
Total liabilities	in CHF million	94.6	90.1
Equity ratio	in %	72.9%	73.0%
Operating Cash flow	in CHF million	20.0	(3.9)
Capital expenditures	in CHF million	(18.8)	(15.2)
Free Cash flow	in CHF million	(17.9)	(56.8)
Share price at year-end	in CHF	84.0	82.0
Outstanding shares	shares	12,359,185	11,856,569
Market Capitalisation 31 Dec.	in CHF million	1,038.2	972.2
Earnings per share	in CHF	0.05	(0.49)



*restated





Dr. Christoph Brönnimann
Chief Executive Officer

Marco Gadola
Chairman of the Board of Directors

Chairman and CEO Letter

Dear stakeholders,

We look back on a successful 2023. Medartis has delivered a solid financial performance in line with its financial targets and achieved important improvements in many areas. Total Net Sales increased by 20.5% which is at the upper end of our guidance and approx. four times higher than the market average. In three out of four regions sales grew by just around 20%. Only in the Asia Pacific region did sales increase by less than 10%, as the authorities in Australia, our largest regional market, have imposed price cuts of 12 % (affecting H1) and a further 5% (affecting H2). In our largest region, EMEA, revenue surpassed the CHF 100 million mark with further market share gains. The strong performance of our sales teams, the launch of new products and the strong demand for Keri Medical products, which we sell in the DACH countries and the UK, were the main contributors to this success. We currently hold 47% of Keri Medical's share capital, and our plan is to launch the Keri Medical portfolio in Australia during Q4 2024. In addition to the strong topline development, profitability also improved significantly. The underlying profit (EBITDA) surged by 43.4% to CHF 33.6 million, corresponding to margin of 15.9% compared with 12.8% in 2022.

The US business is the management's top priority in 2024 and beyond

The US is the market in which Medartis has the greatest growth potential with market shares still significantly lower compared to what we have achieved in EMEA, Latin America, and APAC. To live up to our plans to gain significant share in the by far most important market in our industry is the number one priority of our leadership team and the board.

Total sales growth of 34.1% shows that we are accelerating and heading towards our medium-term target of USD 80 million, which we aim to achieve in 2025. The acceleration is the result of the strengthening and expansion of our sales force and significant investments in surgeon training and education (T&E). We have made good progress in the hand and wrist segment, while the results in our lower extremities business have fallen short of expectations. We have realised that building the sales channel and training the salesforce requires more effort and time than originally anticipated.

With the integration of the former NSI business, we have laid the foundation to scale up our US business. We can now count on a dedicated US design team focussed on developing products in line with market preferences and on local manufacturing capabilities co-located at our US headquarters in Warsaw, Indiana.

In 2024, our focus will be on further building and strengthening our sales team, maximising the potential of our differentiating product portfolio, leveraging the benefits of our strategic partnerships with Keri Medical and Field Orthopaedics and intensifying surgeon training to successfully position the NSI technologies in the US lower extremities market.

Customer focus is the key to fostering innovation

Surgeon-centricity and patient-focus are deeply rooted in Medartis' DNA, enabling us to continuously challenge the status quo and conventional treatment approaches. Polyaxially angular stable hand plates, the innovative olecranon double plating fixation, the new ultra-skinny radial head plate, the world's first scaphoid plate and the tendon-sparing Y-shape of the FPL wrist plate are examples of innovative products that hold significant meaning for both surgeons and patients.

The IBRA Institute in Basel is an important step to live up to our commitment to excellence in T&E

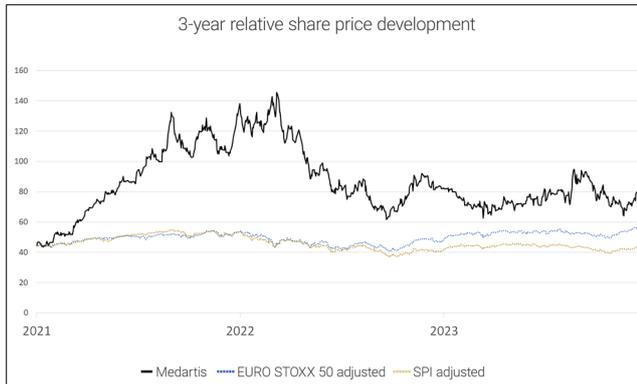
Even the most ground-breaking innovations are useless if we are not able to convey the underlying concepts to surgeons or if the users lack confidence in applying them. Recognising this, we place significant emphasis on providing practical training and continuing education modules on a global scale. One great example of our commitment to this is the foundation of the **IBRA Institute** in Basel last year. The certified centre serves as an important resource for medical professionals, fellows and residents alike, offering opportunities to deepen their practical skills through

hands-on experiences with human specimens. This addresses a need that is prevalent in many countries and it allows to bring together a team of surgeons, design engineers and manufacturing specialists under one roof.

We are confident that we will continue to gain market share in 2024 and make significant progress in the US and our other core markets. Challenges will persist in Australia as we will face another 5% price reduction in July due to government intervention. At a group level we are aiming for internal growth in the mid-teens. By balancing further operational efficiency improvements with strategic investments, we expect to further improve EBITDA margin (at CER) by one percentage point in 2024.

New Sustainability Report encompassing all 3 scopes of carbon emissions

As we present this Annual Report, we would like to draw attention to our new **Sustainability Report**. This report marks a significant expansion compared to the previous year, now incorporating Scope 3 emissions inventories for the year 2023. Notably, the disclosure aligns with the internationally recognised GRI standard, elevating the report's comprehensiveness and adherence to global sustainability guidelines. Furthermore, it addresses local market requirements, including details on due diligence and transparency obligations concerning minerals and metals from conflict areas and child labour. We remain committed to fostering ongoing progress and accountability in this crucial respect.



Thanks to our customers and employees

We would like to take the opportunity to thank all our **customers** for their trust and confidence in our company. A special thank you goes to our design surgeons, research and training partners, and IBRA fellows – they have been instrumental in supporting Medartis in our effort to stay the most innovative and customer focused company in our industry.

In May 2023, we faced an unforeseen important challenge – a hostile IT attack brought our operations to a standstill for an entire week. The reaction of all our more than 800 **colleagues** worldwide has been exemplary. Thanks to their exceptional efforts in overcoming the challenges posed by this cyber attack we were able to restore operations to full speed already during June and returning quickly on growth path.

Last, but not least, we would like to thank our long-term **shareholders**. We appreciate the trust into our company and the always constructive feedback and input.

Our **Annual General Meeting** is scheduled for Wednesday, 17 April 2024 at our headquarters 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. The agenda for the meeting will be distributed in due course. For the first time, you will also have the opportunity to choose between paper or electronic copies of the documents. Another novelty at this year's AGM: you will have the opportunity to cast your vote not only for the financial report, but also for our non-financial disclosure, referred to as the sustainability report. The Medartis Board of Directors recommends endorsing these and all other items on the agenda. We hope to see many of you in person, providing an opportunity to connect.

Thank you once again for your enduring support.

Sincerely,

Marco Gadola
Chairman of the Board of Directors

Dr. Christoph Brönnimann
Chief Executive Officer

Basel, March 2024

Business Review

Medartis reported sales of CHF 212.0 million for the full year 2023, representing growth of 20.5% (CER). Internal growth of 17.4% was driven by strong performance in EMEA, LATAM and the US. The EMEA business made the largest contribution to growth with an increase of 19.8%, further expanding its strong market position in both upper and lower limb.

The company's sales grew due to the strong performance of existing products and the successful launch of new products for the upper and lower extremities. The conversion from the first generation to the Modus 2 system in the head segment (cranio-maxillofacial) additionally contributed to growth. The remarkable acceleration of Keri Medical, and in particular the strong demand for the TOUCH saddle joint prosthesis, played a significant role in the company's success in EMEA. In the important US market, the expansion of the distribution channel and the launch of the Field Orthopaedics hand nails as well as KeriFlex were the most important growth factors.

Thanks to the strong sales growth, Medartis also achieved higher profitability in 2023. EBITDA totalled CHF 31.9 million, which corresponds to a margin of 15.0%. In May, Medartis faced an IT attack. This was swiftly resolved, but the resulting one-off costs lowered the EBITDA margin by 0.9 percentage points. Excluding non-recurring effects in both periods, the underlying EBITDA margin

increased from 12.8% to 15.9%. The decline in the gross margin was attributable to a less favourable product mix, characterised by increased third-party custom manufacturing business and a higher proportion of distribution products (Keri Medical, Field Orthopaedics). However, this was more than offset by strong operating leverage and effective cost control measures. After taking financial expenses and taxes into account, net profit totalled CHF 0.6 million.

PERFORMANCE BY REGION AND PRODUCT CATEGORY

The largest region, **EMEA**, performed very strongly across almost all markets and business segments and achieved year-on-year growth of 19.8% at CER. This allowed the company to surpass the CHF 100 million regional sales threshold for the first time. The important DACH region (Germany, Austria, Switzerland) grew significantly and exceeded expectations despite already holding a significant market share. France and the United Kingdom in particular grew rapidly over the course of the year. The performance in the UK was driven by strong demand across all businesses and by new customers, many of whom were attracted by the Keri Medical portfolio. Medartis acquired the distribution rights for the Keri Medical products in the UK in H2 2021. In the third year since the Spanish subsidiary was

founded, the company continued the dynamic growth trajectory of the previous years and delivered again an impressive increase. Poland and the distributor markets also saw significant expansion. From a financial perspective, the traditional EMEA subsidiaries generate a robust cash flow that enables the company to strategically develop new markets, expand further in existing markets and acquire new customers.

Keri Medical played a pivotal role in the growth of the German, Austrian, and British subsidiaries and contributed half of the growth in the upper extremities segment. In addition, the overall growth in the upper extremities segment was further bolstered by the recent launches of clavicle, ulna shortening, and forearm implants, as well as significant market growth in Medartis' core business – the wrist.

In 2023, Medartis introduced several solutions aimed at broadening its product portfolio and strengthening its position as a leading pure-play extremity company. Enhancing its upper extremities portfolio, the 'APTUS Distal Ulna System 2.5' offers surgeons a versatile and anatomical solution for treating a range of distal ulna fractures, from simple extraarticular to complex intraarticular head fractures. It integrates seamlessly with the company's distal radius system, the company's best-selling product.

The lower extremities business enjoyed an impressive surge of 41% in EMEA with strong contributions from the 'Ankle Trauma' and the 'CCS compression screw' products. The implant portfolio is complemented by the digital and patient-specific service of the CMX

foot and ankle applications, which has been available in selected markets since August 2023. Medartis attaches great strategic importance to the area of lower extremities and aims to increase its market share in the coming years. Three systems were launched in 2023 and more will follow in 2024, targeting the treatment of flatfoot deformities and arthritic feet. The momentum gained from these launches is expected to fuel further growth in 2024.

In CMF, Medartis continued to successfully migrate existing customers from "Modus 1" to the next-generation "Modus 2" system, resulting in an increased market share. Many countries also sent customers to the new "IBRA Institute" in Basel, where participants were able to benefit from real-life training modules with pre-fractured human bone models. Positive feedback from attending surgeons confirmed both the necessity and the success of these training courses.

More than a quarter of growth contributed by new sales agents

Medartis' **US business** grew by 34.1% (CER) and generated full-year sales of CHF 51.9 million, including CHF 10.8 million from contract manufacturing orders for third-party customers. Excluding these external sales, internal growth saw a positive trend and surged by 20.5% (2022: 12.8%). According to independent market data, this is 3-4 times higher than the market average. More than a quarter of

this growth was contributed by the new independent sales agents who have joined the Medartis network over the last two years.

Revenue by region and year-on-year changes:

in CHF million, rounded	FY 2023	FY 2022	Change in CHF	Change in CER	Internal growth (CER)
EMEA	106.5	91.4	16.5%	19.8%	19.8%
US	51.9	41.0	26.4%	34.1%	20.5%
APAC	31.5	32.1	-2.0%	5.6%	5.6%
LATAM	22.2	18.3	21.0%	19.4%	19.4%
Total Group	212.0	182.8	16.0%	20.5%	17.4%

The 20.5% growth was recorded across all product categories, but demand was particularly strong in foot and ankle, wrist, and hand. The contributions from KeriFlex and Field Orthopaedics supported this positive trajectory. In the US, the addition of Field Orthopaedics' intramedullary nail portfolio seamlessly complemented Medartis' hand portfolio. These products, distributed alongside Medartis' own product portfolio, give surgeons the option of using different fixation technologies. The company also launched LapiPrep in Q2 2023, a technology acquired with the former NSI. LapiPrep offers hands-free, triplanar correction-angle correction for bunion (hallux valgus) treatment cases, promising repeatable treatment results. While customer feedback is promising, initial experiences underscore the significance of medical training and education as well as clinical

research and affairs. These elements will continue to be key focal points for the company in 2024 in order to strengthen its market position in the lower extremities segment and promote surgeon engagement. In view of current and upcoming product launches, Medartis plans to further expand its sales network, which currently boasts 247 sales agents and representatives. In 2024, the company aims to broaden its sales channels even more while enhancing its medical training capabilities. The recruitment of new talent in crucial commercial areas, including marketing, training and education, and sales, underscores the company's commitment to developing the organisation further.

Following the integration of NSI and Medartis US over the past year and a half, the company has strategically realigned key functions such as manufacturing, logistics, quality, R&D and finance under global oversight. Preparations for the transfer of Medartis products from Basel to Warsaw have concluded. Following validation tests, the inaugural production of screws began in February 2024, with plates and surgical guides set to follow later in the spring. This strategic move is aimed at leveraging the manufacturing and engineering expertise housed in the modern 6,500-square-meter (69,500-square-foot) production facility in Warsaw.

The commercial and R&D departments are now seamlessly integrated into global functional metrics, bundling capabilities and enhancing mutual support for both current and upcoming product launches. As part of early succession planning, the current US President, Rod K. Mayer, has decided to retire following the

completion of the NSI integration. The company is well advanced in its search for a new President of Sales & Marketing and sees this as an opportunity to further expand its commercial footprint in the US market.

In the **APAC region**, full-year sales increased by 5.6% (CER) and reached CHF 31.5 million. In Swiss francs, however, sales decreased by 2.0% due to unfavourable currency effects. The region, particularly the Australian market, underwent a transformative phase in 2023. The local authorities have imposed price cuts of 12 % (affecting H1) and a further 5% (affecting H2), which had a significant impact on the industry. Thanks to strong volume growth in the mid-teens percentage range, Medartis Australia was able to compensate for the effects of the price adjustments and further improve its market position. To reflect the new pricing landscape, Medartis Australia has adjusted its organisation and implemented a more adaptable sales model, wherein certain sales representatives now operate as exclusive independent agents.

In Japan, Medartis strengthened its direct organisation, achieving high double-digit growth in the lower extremities segment. This development will require additional set investments and the recruitment of new sales representatives, but enables systematic expansion of its market presence under one single management, with robust backing from IBRA and a significantly strengthened franchise covering both lower and upper extremities. Responding to local market needs, the company has also expanded its in-house capacity for sterile packaging at its headquarters.

Sales in the **LATAM region** reached CHF 22.2 million, corresponding to a strong increase of 19.4% at CER. Compared to the very strong growth in 2022, Brazil experienced a more moderate growth rate in 2023 on the back of alterations to the Brazilian Health Regulatory Agency (ANVISA) registration processes and political uncertainty in H1 2023. The regulatory changes led to a delay in new product approvals which extended into H2 2023. Conversely, Medartis reported significant growth in Mexico, primarily as a result of the acquisition of new tenders, selective price increases, and the continuous optimisation of both direct and distributor sales channels.

Revenue by product category¹ and year-on-year changes:

in CHF million, rounded	FY 2023	FY 2022	Change in CHF	Change in CER	Internal growth (CER)
Upper extremities	137.2	123.8	10.8%	15.5%	15.5%
Lower extremities	35.4	28.2	25.5%	31.8%	31.8%
CMF & other products	39.4	30.8	27.8%	33.7%	15.3%
Total Group	212.0	182.8	16.0%	20.5%	17.4%

¹CMF & other product sales in 2023 include a CHF 10.8 million contribution from NSI's third party manufacturing business.

Sales in the distributor markets Colombia and Costa Rica grew strongly, reflecting a more systematic management approach marked by clear key performance indicators (KPIs) and a strong emphasis on building customer relationships. In Q4, the newly inaugurated IBRA Institute in Basel welcomed a delegation of 65 surgeons from Brazil, who took part in intensive CMF training courses. The region further reinforced its relationships with regional business partners by inviting 45 sales representatives to the Medartis HQ in Basel, providing updates on Medartis' strategy, and conducting thorough training sessions for both existing and new products. In addition, Medartis Brazil and Mexico received the employer branding label "Great Place to Work", underscoring the positive workplace environment.

New CHRO appointed in March

Following the merger of Nextremity Solutions Inc. with Medartis US and the consolidation to a single location, the company has harnessed synergies and enhanced its regional profitability. Consequently, Medartis' workforce saw a 4% reduction in 2023, resulting in a total of 829 employees. In Switzerland, where Medartis has its headquarters and main production facility, the number of employees remained relatively stable and totalled 330 at year-end.

There was also a recent change at top management level, as the Chief Human Resources Officer (CHRO), Anthony Durieux-Menage, has decided to leave the company by the end of March 2024 to

pursue a new professional challenge outside the orthopaedics industry. He will be seamlessly succeeded by Inge Maes, who brings over 20 years of experience in the life sciences industry from her work in clinical development as well as leading HR positions at Sandoz and Novartis.

Improving profitability and cash management

In 2023, Medartis began enhancing its financial key performance indicator (KPI) management, shifting towards a more cash-centric framework that balances sales growth, profitability, and the optimisation of capital employed. While sustainable growth remains a primary value driver in all regions, awareness of total cash flow generation has increased in all countries and functions of the organisation. This has resulted in the optimisation of inventory levels and improved accounts receivable management. At the same time, investments in new surgical kits were made primarily for the launch of new products and customer acquisition. The financial impact of these proactive measures can be seen in the income and cash flow statement as well as the balance sheet for 2023.

In 2023, the gross margin decreased by 2.6% PP to 79.0% due to a combination of various factors. In addition to unfavourable exchange rate effects, which accounted for 0.7 PP, the largest impact (2.4 PP) was due to the strong volume growth of NSI's third-party business, which generates low margins. Excluding third-party manufacturing,

Medartis' gross margin would have remained stable compared to the previous year at around 82.5%. Demand for NSI's low-margin contract manufacturing business is expected to decline in 2024.

Medartis is using the acquired manufacturing capacities at its new plant in Warsaw opportunistically as long as the ramp-up for Medartis own products is not yet complete. Another factor diluting the margin is the very strong growth of Keri Medical and Field Orthopaedic's products, which are distributed by Medartis under a distribution agreement. Selective price increases, a positive country mix and efficiency gains in manufacturing protected the gross margin despite higher supplier costs. The IT attack reported in H1 and the brief business interruption had a minor impact of 0.3 PP on the gross margin.

The reported OpEx ratio of 74.7% has improved by around 8 PP compared to the previous year. In addition to currency effects, this is primarily due to initial cost efficiency improvements in the US just one and a half years after the NSI acquisition. Cost efficiency at the headquarters was also further improved in 2023. Medartis continued to invest in sales and marketing as well as medical education in all regions. In 2023, investments totalling 46% of sales (or 62% of total OpEx) were made for customer-facing activities.

A further 12% of sales (or 16% of total OpEx) was dedicated to product development, R&D and IBRA education. This reflects the company's commitment to delivering continuous innovation to its customers worldwide. Earnings before interest, taxes, depreciation

and amortisation (EBITDA) almost doubled to CHF 31.9 million, resulting in a reported EBITDA margin of 15.0%. Excluding the one-off costs of CHF 1.8 million in connection with the IT attack, the adjusted EBITDA margin would have been 15.9%, 3.0 PP higher than in the prior year.

The underlying operating profit (EBIT) improved from CHF 5.3 million in 2022 to CHF 10.9 million, corresponding to a margin of 5.1% (2022: 2.9%). The share attributable to the associate Keri Medical was CHF -0.6 million, thus reflecting the additional growth expenses and the expansion of Keri Medical's production capacity in Archamps, France.

Medartis reported a positive net result of CHF 0.6 million compared to a net loss of CHF 5.8 million in the previous year. This includes a negative financial result of CHF 7.3m (2022: -CHF 5.2m), mainly driven by adverse currency movements as well as interest expenses from the NSI acquisition (contingent consideration of CHF 1.4 million). Earnings per share increased from -0.49 to 0.05.

The measures implemented with a view to optimising capital efficiency yielded positive results in 2023, particularly in the enhancement of set and trade receivables management. Despite strong double-digit growth, trade and other receivables saw only a marginal increase of CHF 0.3 million compared to a CHF 7.5 million increase in the previous year. In addition, inventories were reduced by CHF 1.6 million. Together with improved accounts

payable management and a better operating result, this contributed to the improvement in cash flow.

Cash flow from operating activities increased by CHF 23.9 million in 2023 and totalled CHF 20.0 million. In 2023, investments in property, plant, and equipment (CapEx) of CHF -14.9 million included CHF 8.7 million in consignment set investments to drive future procedure volumes. Set investments mainly related to the upgrade from Modus 1 to Modus 2 in CMF and to the expansion of the Keri Medical and Field Orthopaedics products. The changes in cash outflow used for investing and financing activities was mainly due to an increase in Medartis' ownership in Keri Medical SA (current: 47.0%) for CHF 18.1 million, which was financed by net proceeds of CHF 29.8 million from a capital increase in March. At year-end, Medartis reported a cash position of CHF 25.2 million, which represents an increase of CHF 4.6 million compared to one year previously.

Changes to the Board proposed

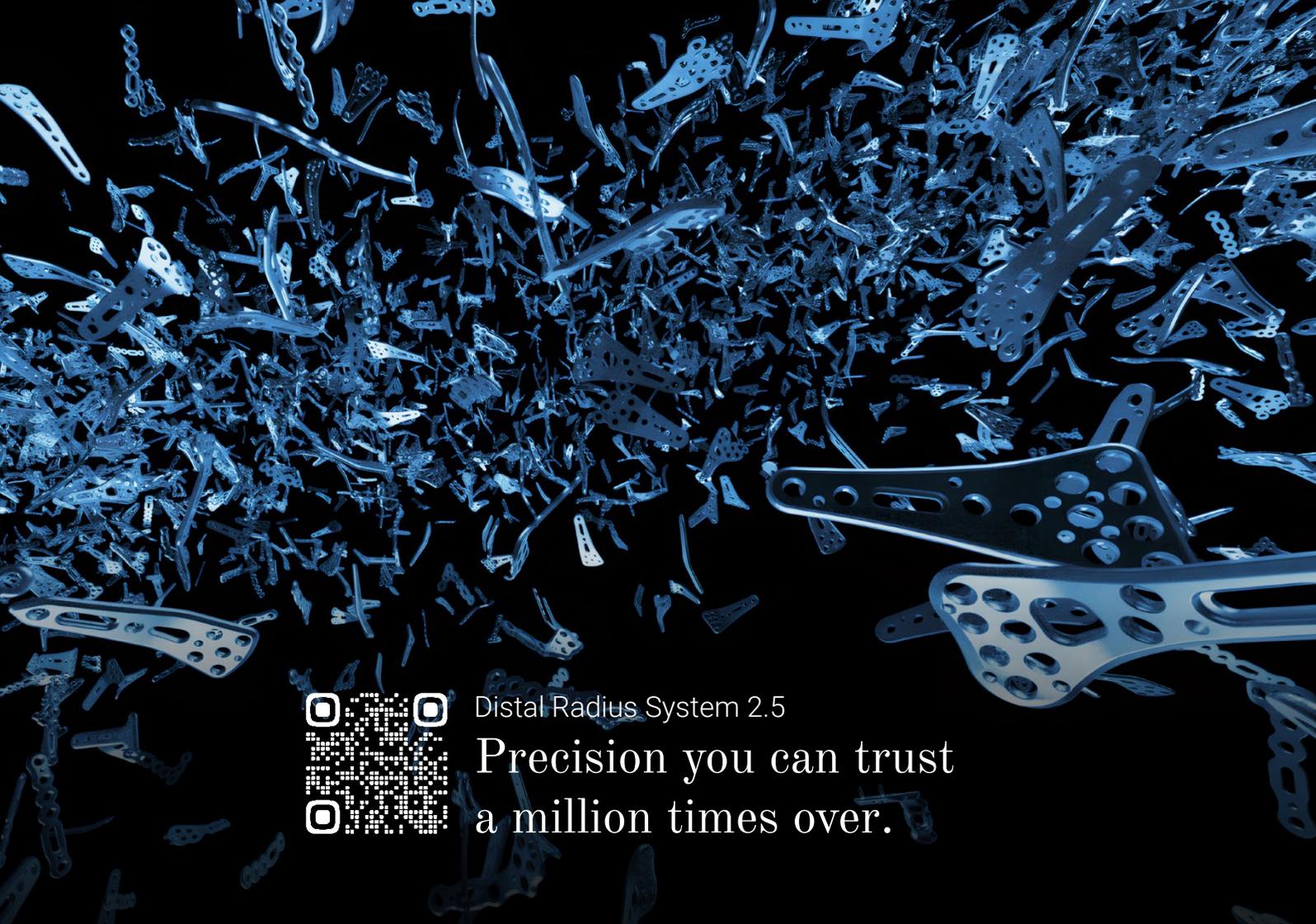
After seven years serving for Medartis, Dr. med. Daniel B. Herren has decided not to seek re-election as Board member at the Annual General Meeting 2024. The Board of Directors will propose **Martha Shadan** and **Jennifer Dean** as new members. Both will be appointed as Independent Non-Executive Directors at the upcoming Annual General Meeting on 17 April 2024, subject to shareholder approval. Mrs. Shadan, who was previously CEO of the US medical technology companies Miach Orthopaedics and Rotation medical (now Smith &

Nephew), has held senior positions at Zimmer Biomet and Covidien. With her extensive experience of the US orthopaedic market, she will be very valuable in supporting the management and the Board of Directors in the further expansion in the US. Mrs Dean, on the other hand, is currently CFO of medmix, a medical technology company listed on the Swiss stock exchange. Prior to joining medmix, she gained valuable international management experience at Sulzer, GE and Alstom. She 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. With her extensive international financial experience, she will be a natural addition to the company's Finance and Audit Committee.

FULL-YEAR 2024 OUTLOOK

(barring any unforeseen circumstances)

Medartis is confident that it will continue to gain market share and make significant progress in the US and its other core markets in 2024. Management expects market conditions to remain challenging in Australia, where it will face a further 5% price cut in July due to government intervention. Taking all this into account, the company is aiming for internal growth in the in the mid-teens (15-17%) worldwide. The underlying EBITDA margin at CER is to be improved by around 1 PP in 2024 by striking a balance between further operational efficiency improvements and strategic investments.



Distal Radius System 2.5

Precision you can trust
a million times over.

Annual Highlights 2023

For Medartis, the year 2023 was again characterised by many events and accomplishments. We invite you to take a look at the highlights of the year.

March



Following the acquisition of Nextremity Solutions Inc. in 2022, Medartis has consolidated all its US activities under one roof in Warsaw, Indiana. In addition to the design, development and production of indication- and market-specific technologies for the treatment of fractures and deformities of the upper and lower

extremities, the sales force and training organisation are being continuously expanded in order to meet the ambitious growth targets. With its supplementary manufacturing capacity, the site will also support Medartis' global business in the future.

May

Precision you can trust a million times over: The Medartis Distal Radius System 2.5 has proven to be a highly valued solution for distal radius osteosynthesis. This year, Medartis sold its one millionth APTUS Distal Radius 2.5 plate. This remarkable milestone was celebrated on 24 May at the Kantonsspital Schaffhausen in Switzerland, together with Dr Markus Rau (pictured right, with Daniel Kainz, Senior Global Product Manager), who placed the order. The products, developed in close collaboration with renowned surgeons, have been well established in the markets since the system's launch in 2005.



March



To strengthen its ties with its strategic partner Keri Medical, Medartis increased the stake in the Geneva-based company from just under 30% to 47%. This increase in ownership is another step in Medartis' strategy to becoming a one-stop shop for hand and wrist solutions and to increasing its presence in joint replacement for

extremities. It allows both companies not only to leverage their customer relationships, but also to benefit from each other's expertise in development and innovation. Medartis is an official distributor of Keri Medical products in Germany, Austria and the UK, with more countries to follow.

July

Medartis introduced APTUS CMX Ankle, the latest addition to its CMX service. It includes customised guides and bone models for the treatment of complex ankle deformities. CMX Ankle offers a pre-operative planning service and helps to diagnose three-dimensional deformities more easily. The 3D-printed drilling and cutting guides make the procedure precise and convenient, as the pre-operative planning can be easily transferred to the operating room. CMX Ankle custom-made devices are used with implants from the proven APTUS Ankle Trauma 2.8 / 3.5 system and are currently available in Germany, Switzerland, Austria and the UK.



August



After careful evaluation and planning, the new IBRA Institute in Basel was officially inaugurated on 24 August. An ideal location for practical training, education and the development of new surgical techniques, the Cad-Lab features wet and dry laboratories, two X-ray rooms, a CT room, production and R&D facilities, a film studio

for recordings and live broadcasts, as well as an exhibition and stand area. It provides a realistic environment in which medical professionals and students alike can deepen their understanding of human anatomy and physiology and improve their practical skills.

October

After the inaugural course in September, another major international course was held in the brand new training centre at the beginning of October. Thirty-five doctors from São Paulo specialising in orthognathic surgery and reconstruction of traumatic head injuries met at the new IBRA Institute in Basel to learn from leading experts in the field through lectures and hands-on training. The group of doctors gathered in Basel for the first time to take part in this Master Course under the guidance of key opinion leaders such as Dr Sergio Gonçalves, Dr Marcos Pitta and Dr Roberto Piteri, and all appreciated the peer-to-peer exchange and the state-of-the-art facilities.



September



Two years ago, the company embarked on a journey to redefine its core values and build a high-performance, player-learner culture. To further support this, an extensive leadership development programme was introduced in 2023 to instil this mindset in leaders and new hires. The programme, which included workshops and remote peer

learning sessions, saw the active participation of 236 leaders globally and included a unique 360-degree feedback for self-reflection and growth. Another highlight was the Authentic Leadership course for middle leadership from all sales areas, with a retreat near Basel. Building on its success, the programme is to be rolled out across the organisation in 2024 to first-level managers, involving 116 individuals.

December

Medartis has reached another milestone with the successful installation of a new screw production line at its manufacturing facility in Warsaw, IN. The transfer of expertise for the production of Medartis implants to the US is of strategic importance to the company and will take place in three stages. Starting in February 2024, cortical screws will be produced first, followed by plates for the foot portfolio and drill sleeves in March/April. After production and cleaning, the semi-finished products will be returned to Switzerland for further processing, including anodising, packaging and sterilisation.



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 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, available on www.medartis.com.

Name	Born	Nationality	Position	Independence Status	Elected since	Strategy and Innovation Committee (SIC)	Finance and Audit Committee (FAC)	Human Resources and Compensation Committee (HRCC)
Marco Gadola	1963	Swiss	Chairman	Independent	2020			
Dr. h.c. Thomas Straumann	1963	Swiss	Vice-Chairman	Founder	1998	Member		
Willi Miesch	1964	Swiss	Member of the Board	Independent	2010	Chair		
Dr. med. Daniel B. Herren	1962	Swiss	Member of the Board	Independent	2017	Member		Member
Damien Tappy	1969	Swiss	Member of the Board	Independent	2018		Member	Chair
Nadia Tarolli Schmidt	1973	Swiss	Member of the Board	Independent	2022		Chair ESG representative	
Ciro Römer	1962	Dutch	Member of the Board	Independent	2022	Member	Member	

New Board members proposed for election

The Board of Directors of Medartis will propose the following two additions to the Board of Directors at the upcoming Annual General Meeting on 17 April 2024, following a vacancy and the resignation of Dr Daniel Herren. After seven years with Medartis, Daniel B. Herren has decided not to stand for re-election as a member of the Board of Directors at the 2024 Annual General Meeting.



Martha Shadan

Non-executive member, independent | US American (born 1955)

Ms Shadan was previously CEO of the US medical technology companies Miach Orthopaedics and Rotation Medical (now Smith & Nephew), and she has worked for Zimmer Biomet and Covidien in senior positions. With her extensive experience in the US orthopaedic market, she will be very valuable in supporting the management and the Board of Directors in the further expansion in the US. Ms. Shadan's contributions extend beyond her professional career, as she also serves on various boards and foundations. A biologist by training, she holds an MBA from Northeastern University in Boston, Massachusetts, USA, and will be joining our Board as an independent member.



Jennifer Dean

Non-executive member, independent | Australian citizen (born 1968)

Jennifer Dean is currently Chief Financial Officer of medmix, a medical technology company listed on the Swiss stock exchange. Prior to joining medmix, she gained valuable international management experience at Sulzer and GE and Alstom and is currently a Board member of the Australian Swiss Chamber of Commerce. Mrs. 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. With her extensive international financial experience, she will be a natural addition to the company's Finance and Audit Committee. She will also join as an independent member to the Board.

Members of the Executive Management Board (EMB)

There were no changes to the Medartis Executive Management Board in 2023. 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 report.

Name	Born	Nationality	Position	In position since
Dr. Christoph Brönnimann	1966	Swiss	Chief Executive Officer	2019
Anthony Durieux-Menage	1974	French	Chief Human Resources Officer	2019
Mareike Loch	1970	Swiss	Vice President EMEA	2020
Manuel Schaer	1970	Swiss	Chief Technology Officer	2020
Dr. Dirk Kirsten	1968	German & Swiss	Chief Financial Officer	2021
Mario Della Casa	1975	Italien & Swiss	Chief Operating Officer	2022



medartis®

Medartis Headquarters, Basel, Switzerland

Financial calendar

12 March 2024	2023 full-year results publication
17 April 2024	Annual General Meeting 2024
20 August 2024	2024 first-half results publication
18 March 2025	2024 full-year results publication
25 April 2025	Annual General Meeting 2025

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

Important links

www.medartis.com/investors

- [Articles of Association / Statuten der Medartis Holding AG](#)
- [Organisational Regulations of Medartis Holding AG](#)
- [Statement Independence of the Board of Directors / Unabhängigkeit des Verwaltungsrats](#)

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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.

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Please refer to the Annual Report 2023
for further details on compensation and
Medartis' sustainability initiatives.

