

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Medartis delivers 12% core sales growth in 2024 and improves its core EBITDA margin from 17% to 19%

- Core sales¹ in 2024 grew 11.7% (CER) to CHF 219.6 million (total sales: CHF 224.8 million), driven by double-digit growth in EMEA and US
- Core EBITDA margin increased 1.9PP to 19.0% (reported: 21.4%) driven by gross margin expansion and disciplined cost management
- New US President joined in January 2025 and will focus on sales growth and commercial execution
- Keri Medical achieved substantial growth through Medartis distribution (+89%) and across all its markets (+39%); preparing for full takeover following FDA approval of the TOUCH prosthesis
- Acquisition of a 51% controlling stake in Brazilian company NeoOrtho marks strategic entry into attractive value segment
- Guidance 2025: Medartis expects organic growth in core sales of 13-15% in 2025 along with a high teens core EBITDA margin

FULL-YEAR 2024 KEY FINANCIALS

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

Basel, 18 March 2025: Medartis Holding AG (MED:SW), a leading orthopaedic company specialising in head and extremity surgery, today 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.

^{1,2} This media release 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 of the Annual Report 2024.

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

Matthias Schupp, CEO of Medartis since November 2024, comments on the result: "I am honoured to be part of this company and convinced of its potential to become the global leader in our core categories. The company has built an excellent reputation for product excellence and is highly valued by customers for its comprehensive portfolio and precision quality. In my first few months, I have met a very dedicated team. We are committed to providing our customers complete solutions, and our right to win in the market will be determined by innovative solutions, customer centricity, and enhanced digital offerings. By combining our premium offerings with targeted value propositions, we aim to capture additional growth opportunities across different market segments. This will be a multi-year journey, and our financial guidance for 2025 should be seen as a first step in this direction."

PERFORMANCE BY REGION AND PRODUCT CATEGORY

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.

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%
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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 57 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 today's 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 sales⁴ 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.

MEDARTIS TO HOST FULL-YEAR 2024 RESULTS CONFERENCE WITH Q&A

Medartis will present its full-year 2024 results today at 10:30 a.m. CET at its headquarters in Basel. The new CEO, Matthias Schupp, and CFO, Dirk Kirsten, will host the event. The conference will be held in English. The presentation materials, Annual Report and a recording of the event is available on the Medartis website (www.medartis.com).

If you cannot attend in person, use the [webcast link](#) to follow the slide presentation and submit questions in writing or via the webcast.

IMPORTANT DATES AND UPCOMING INVESTOR EVENTS

Date	Event	Broker	Destination
18 March	2024 full-year results publication		Basel, hybrid
19 March	Investor meetings	ZKB	Zurich
20 March	Investor meetings	Stifel	London
25 April	Annual General Meeting 2025		Basel, HQ
19 August	2025 half-year results publication		Webcast
5-7 November	Swiss Equity Conference	ZKB	Zurich, CH

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About Medartis

Founded in 1997 and headquartered in Basel, Switzerland, Medartis is one of the world's leading manufacturers and providers of medical devices for surgical fixation of bone fractures for upper and lower extremities as well as for the craniomaxillofacial region. Medartis employs approx. 950 individuals across its 13 locations, with products offered in over 50 countries globally. Medartis is

⁴ Excluding sales from NSI contract manufacturing business and other M&A.

committed to providing surgeons and operating theatre personnel with the most innovative titanium implants and instruments as well as best-in-class service. For more information, please visit www.medartis.com.

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