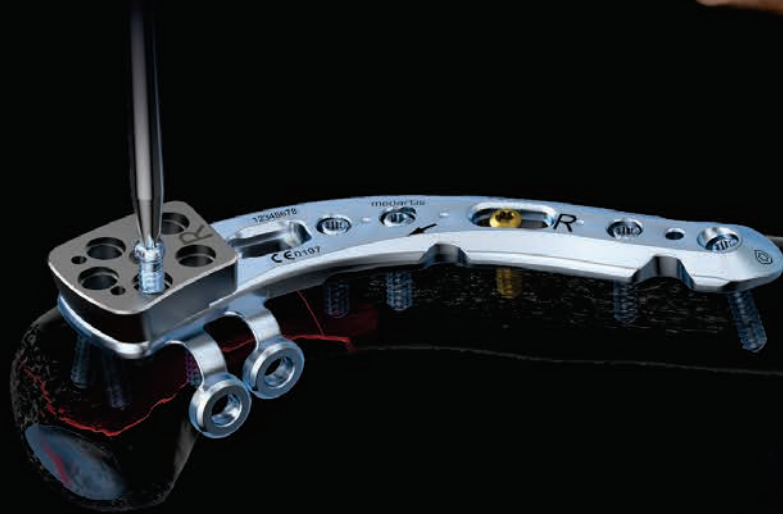


# Compensation Report

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# 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 HRCC, 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

##### Focus

- Financial Health
- Risk Management
- Legal & Compliance
- M&A and Alliances (Legal and Agreements)

##### Human Resources & Compensation Committee

Chair: Damien Tappy  
Member: Marco Gadola

##### Focus

- Nomination
- Compensation
- Human Capital
- Culture

##### Strategy & Innovation Committee

Chair: Willi Miesch  
Member: Dr. h.c. Thomas Straumann

##### Focus

- Growth initiatives and growth management
- Innovation
- Technology
- M&A

##### US Expansion Committee<sup>1</sup>

Chair: Ciro Roemer  
Member: Martha Shadan

##### Focus

- US Marketing & Sales:
- Product registrations and launches in the US market incl. KM products
  - KOL relationship management
  - Sales excellence management

<sup>1</sup>Board 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:

- the actual compensation paid to the BOD for the period between AGM 2024 and 2025;
- the actual compensation paid to the EMB for 2024;
- other compensation-related information under the OaEC;
- a general pay-for-performance review;
- comments on the alignment between paid and pre-approved amounts;
- information on shareholdings of members of the BOD and of the EMB;
- 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 <sup>1</sup>	Total
Marco Gadola Chair of the BOD, Member of the HRCC	500'000	35'280	0	0	535'280
	<i>375'000</i>	<i>36'114</i>	<i>125'000</i>	<i>31'944</i>	<i>568'058</i>
Thomas Straumann Vice-Chair of the BOD, Member of the SIC	229'282	62'779	0	0	292'061
	<i>229'021</i>	<i>62'953</i>	<i>0</i>	<i>0</i>	<i>291'974</i>
Willi Miesch Chair of the SIC	150'000	11'725	0	0	161'725
	<i>150'000</i>	<i>11'680</i>	<i>0</i>	<i>0</i>	<i>161'680</i>
Nadia Tarolli Chair of the FAC	112'500	11'768	37'500	5'353	167'121
	<i>112'500</i>	<i>11'974</i>	<i>37'500</i>	<i>9'554</i>	<i>171'527</i>
Ciro Roemer Chair of the UEC	150'000	0	0	0	150'000
	<i>50'000</i>	<i>0</i>	<i>50'000</i>	<i>12'763</i>	<i>112'763</i>
Damien Tappy Chair of the HRCC	0	0	150'000	21'654	171'654
	<i>0</i>	<i>0</i>	<i>150'000</i>	<i>38'288</i>	<i>188'288</i>
Martha Shadan Member of the UEC	100'000	0	0	0	100'000
	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Jennifer Dean Member of the FAC	100'000	7'830	0	0	107'830
	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Daniel Herren Member of the SIC	0	0	0	0	0
	<i>100'000</i>	<i>7'800</i>	<i>0</i>	<i>0</i>	<i>107'800</i>
<b>Total all members</b>	<b>1'341'782</b>	<b>129'382</b>	<b>187'500</b>	<b>27'007</b>	<b>1'685'672</b>
	<i>1'016'522</i>	<i>130'520</i>	<i>362'500</i>	<i>92'548</i>	<i>1'602'090</i>

<sup>1</sup>The 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.

<sup>2</sup>New members: Martha Shadan and Jennifer Dean joined the BOD as of the AGM 2024 as members.

<sup>3</sup>Former 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 <sup>1</sup>	116'667	58'333	568'636	125'063	868'699
	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Christoph Brönnimann CEO	500'000	375'000	500'000	302'476	1'677'476
	<i>500'000</i>	<i>558'294</i>	<i>500'000</i>	<i>308'643</i>	<i>1'866'937</i>
Other members of the EMB	1'529'837	858'148	417'935	778'059	3'583'979
	<i>1'427'171</i>	<i>705'434</i>	<i>523'455</i>	<i>703'545</i>	<i>3'359'606</i>
<b>Total EMB</b>	<b>2'146'504</b>	<b>1'291'481</b>	<b>1'486'571</b>	<b>1'205'598</b>	<b>6'130'154</b>
	<i>1'927'171</i>	<i>1'263'728</i>	<i>1'023'455</i>	<i>1'012'188</i>	<i>5'226'543</i>

<sup>1</sup>CEO 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
<b>Board of Directors</b>					
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 <sup>1</sup>	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	1309	0
Martha Shadan	0	0	0	0	0
Jennifer Dean	0	0	0	0	0
Daniel Herren				1493	0
<b>Total</b>	<b>629047</b>	<b>907330</b>	<b>1536377</b>	<b>621701</b>	<b>0</b>

<sup>1</sup> 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
<b>Executive Management Board</b>					
Matthias Schupp	1800	0	1800	0	10472
Christoph Brönnimann <sup>1</sup>	23838	0	23838	36699	0
Mareike Loch	10032	0	10032	7265	1228
Manuel Schär	3437	0	3437	2307	768
Dirk Kirsten	6446	0	6446	3971	1228
Mario Della Casa	1575	0	1575	364	1228
Inge Maes	0	0	0	0	0
Anthony Durieux-Menage <sup>2</sup>				775	0
<b>Total</b>	<b>47128</b>	<b>0</b>	<b>47128</b>	<b>51351</b>	<b>14924</b>

<sup>1</sup> CEO until 31 October 2024

<sup>2</sup> 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	
<b>Marco Gadola</b>	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
<b>Thomas Straumann</b>	Straumann Holding AG			Board member	Board member	
		Centervision AG		Chairman	Chairman	
		CHI Classics Basel AG		Chairman	Chairman	
		STMN Equestrian AG		Chairman		
<b>Willi Miesch</b>		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
<b>Nadia Tarolli Schmidt</b>	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	
<b>Ciro Roemer</b>		Warburg Pincus LLC		Strategic advisor	Strategic advisor
<b>Damien Tappy</b>	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
<b>Martha Shadan</b>	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	
<b>Jennifer Dean</b>			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



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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