

medartis



2022 Annual Report
Highlights

Full-year 2022 key financials

	Unit	2022	2022 excl. one-off effects ²	2021
Nets sales	in CHF million	182.8	182.8	159.9
Change in CHF	in %	14.4%	14.4%	25.3%
Change in CER ¹	in %	17.8%	17.8%	24.8%
Organic growth ¹	in %	14.6%	14.6%	24.8%
Gross profit	in CHF million	149.5	149.5	134.1
in % of sales	in %	81.8%	81.8%	83.9%
EBITDA	in CHF million	16.2	23.4	27.4
in % of sales	in %	8.9%	12.8%	17.2%
EBIT	in CHF million	(1.9)	5.3	11.1
in % of sales	in %	(1.1)%	2.9%	6.9%
Net result	in CHF million	(5.8)	1.5	6.8
Earnings per share	in CHF	(0.49)		0.58
Total liabilities and equity	in CHF million	327.9		298.2
Total shareholder's equity	in CHF million	237.8		224.0
Total liabilities	in CHF million	90.1		74.2
Equity ratio	in %	73%		75%
Operating Cash flow	in CHF million	(3.9)		21.0
Capital expenditures	in CHF million	(15.2)		-8.0
Free Cash flow	in CHF million	(56.8)		5.1
Share price at year-end	in CHF	82.0		130.2
Outstanding shares	shares	11'856'569		11'814'368
Market Capitalisation 31 Dec.	in CHF million	972.24		1'538.23

¹ CER (=constant exchange rates) excludes currency effects between two reporting periods. Unless otherwise stated, Medartis generally expresses growth rates at CER. Organic growth refers to growth achieved through internal initiatives and therefore excludes effects from mergers, acquisitions, divestitures in addition to FX.

Net sales

182.8 CHF m
+17.8% growth at CER¹

Organic growth¹

14.6%
Double-digit growth
in EMEA, US and LATAM

Underlying² EBITDA

23.4 CHF m
12.8% EBITDA margin

Net result

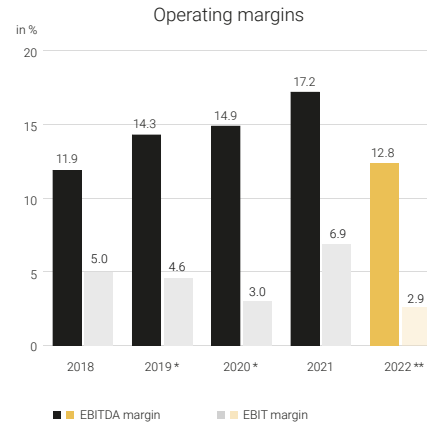
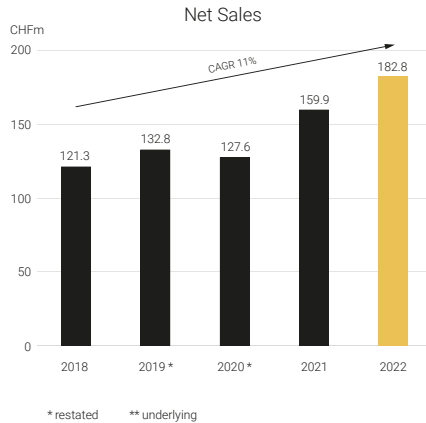
(5.8) CHF m
Basic EPS (0.49) CHF

Employees

866
85 new jobs created in
2022 and 97 people
joined from NSI

Investments

52.9 CHF m
Increased investment in
machinery, consignment
sets and M&A



² The term "underlying" in this report excludes one-off costs of CHF 7.2 million related to the recent NSI acquisition and the discontinued China business. To present the operating performance on a comparable basis, the company believes this adjustment is appropriate.



Dr. Christoph Brönnimann
Chief Executive Officer

Marco Gadola
Chairman of the Board of Directors

Message from the Chairman and the Medartis CEO

Dear shareholders,

In November 1997, Thomas Straumann had a bold idea. Together with his best friend Willi Miesch, he founded Medartis AG. Thanks to clever technologies and a hands-on approach, this start-up developed into a global innovation leader in head and extremity surgery. 25 years later, Medartis has 866 employees, generates more than CHF 180 million in sales, and our products and services enable healthier lives for more than 350 000 people in over 50 countries.

After two intense years marked by the pandemic, we – and you – hoped to return to a more stable environment in 2022. Unfortunately, the opposite was the case. The business and economic environment has changed significantly. Many hospitals – especially in the Asia Pacific region – are still struggling with the aftermath of the pandemic and are facing low levels of elective surgery. In other countries, the pandemic situation has largely normalised, but staff shortages have become a major problem with many hospital employees absent due to illness or leaving due to low morale.

In this world of increasing volatility, we delivered again above-market sales growth and invested in new growth opportunities

and capacity expansions on an unprecedented scale to drive market penetration and customer conversion fuelled by many new products and solutions. Together with our professional education partner IBRA, we have returned to high levels of professional education. We continued our investments in research and development to create new and better treatment options for our surgeons and operating theatre staff.

Resilience of our business

Characterised by economic woes, 2022 was also a turbulent year for global stock markets. After seven years of rising valuations, investors became more risk averse and medical device and technology stocks suffered the most. Medartis was not immune either. The share price fell 41 % after rising 180 % in 2021. The last two years have confirmed the resilience of our business and the untapped potential we have in the extremities and head surgery segment based on innovative products made in Switzerland. In 2022, our sales grew by 17.8 % (CER) and 14.6 % on an organic basis. We have invested considerably to strengthen our foundation for future growth. We placed further consignment stock in the market, paid the first tranche of the

purchase price of Nextremity Solutions (NSI) and increased our stake in KeriMedical to 30%. Furthermore, we recently signed an agreement with the private founders to acquire an additional stake of 18% for a purchase consideration of approx. CHF 18 million.

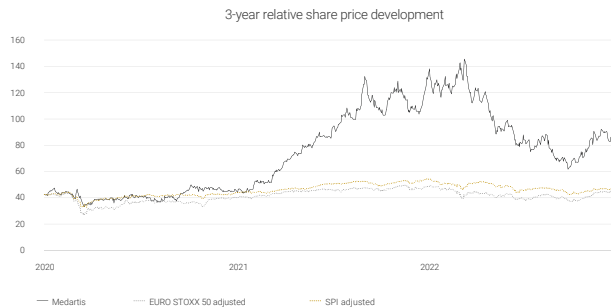
Our stronghold EMEA (+17.3%) was the largest growth contributor, while Latin America was our fastest growing region (+27.7%). Our US business grew 28.7% (12.8% organic), while the development in Asia Pacific region was modest (3.5%) due to challenging conditions as described above. A highlight of the year was the successful commercialization of the product range of our partner KeriMedical. The dual mobility thumb prosthesis TOUCH® in particular has been in high demand and has given a further impetus to our growth in EMEA. KeriFlex®

was the first product to receive FDA approval in Q4. We are currently exploring how we can deepen and broaden our partnership going forward.

A year of change in the US

For the US, it was a year of change triggered by the largest acquisition in our company's history: new leadership, a new organisation, and the concentration of our operations under one roof in Warsaw, Indiana, USA, the "orthopaedic capital of the world". The simplified organisational structure will provide us with a strong foundation for growth in the world's largest market for orthopaedic solutions and the one with the biggest growth potential for us. Although we achieved double-digit growth and have gained market share in our key segments we fell short of our ambitious targets. We continue to expand our distribution network by onboarding new independent sales agencies and strengthening our existing direct sales channel. NSI's first legacy products, which close portfolio gaps and expand the range of indications in foot and ankle, have been launched in Q1 2023 with positive feedback from surgeons on 'StealthFix', 'LapiPrep' and 'Lapidus CutGuide', which give us confidence that we are on the right track to further accelerate growth in the US.

Profitability in 2022 decreased and was below our initial projections. Our key financial measurement EBITDA amounted



to CHF 16.2 million, corresponding to a margin of 8.9%. Excluding one-off integration and reorganisation costs in the US and China, the margin would have been 12.8%. As communicated a year ago, the investments in NSI and the build-up of our local distribution channel in the US will dilute our margins in the first three years. In addition to these one-off effects, we also incurred FX losses of CHF 3.2 million due to the depreciation of the US dollar and the Euro against the Swiss franc.

Surgeon-centric and patient-focused

Thanks to our highly committed employees we have made substantial progress in our culture journey and our corporate responsibility initiatives. Customers' requirements are constantly changing and we need to anticipate them as much as possible by staying close to them and jointly developing innovative solutions that are targeted on the needs of the local market. This must remain our obsession and a distinguishing feature. We are still a relatively small player in the orthopaedic industry but have demonstrated now over many years that our passion to be surgeon-centric and patient-focused enables us to gain significant market share year after year. We have also made progress on the important issue of sustainability by creating clear lines of responsibility at the Board of Directors and the Executive Board level and with a dedicated, interdisciplinary ESG project group, we will further improve transparency in reporting

to the outside world and awareness internally.

On behalf of the entire Board of Directors, we would like to thank all our 866 passionate employees worldwide for their continued commitment to serving our customers and expanding our business. While some of the challenges we faced last year will continue into 2023, we are confident that we have the strategy and culture in place to continue to gain market share and deliver better financial results than in 2022.

We would also like to thank you, dear shareholders, for your unwavering trust and support. We are pleased to announce that our Annual General Meeting will take place on Friday, April 21st, 2023 at our headquarters in Basel. We hope to see many of you in person and have the opportunity to engage with you face-to-face again.

Sincerely,



Marco Gadola
Chairman of the Board of Directors



Dr. Christoph Brönnimann
Chief Executive Officer

Basel, March 2023

Business Review

Medartis reported net sales growth of 17.8 % (CER) in 2022. The EMEA business made the largest contribution to this growth with an increase of 17.3 %, strengthening its competitive position. Latin America was again the fastest-growing territory (+27.7 %) and the subdued growth trend in the APAC region (3.5 %) continued in H2, reflecting reduced hospital capacity for elective procedures due to prolonged COVID 19 recovery in Australia. The growth momentum in the USA led to organic growth of 12.8 % (CER 28.7 %).

The reported EBITDA margin in 2022 decreased to 8.9 % and excluding CHF 7.2 million one-off costs related to the recent NSI acquisition and the divestiture of its China business, the underlying margin amounted to 12.8 %. The double-digit sales growth helped to mitigate some of the impact of higher operating expenses (OpEx) on margins. As part of the NSI acquisition, 97 employees in the areas of R&D, quality management, regulatory affairs, and manufacturing were taken on. Since the acquisition in May, Medartis US also made important strategic investments to enhance and grow its sales management, marketing, and sales support functions.

Strategic Steps

In September, Medartis signed an exclusive global distribution partnership with Australia-based **Field Orthopaedics**. This strategic partnership includes the addition of the NX Nail system to Medartis' comprehensive hand portfolio, which comprises a range of threaded intramedullary nails and instruments for use in fractures, osteotomies, and non-union revisions in the hand and forearm. The NX Nail system addresses surgeon's growing need

for an efficient, less invasive treatment that enables rapid recovery of patients after a finger fracture. NX Nail is the most comprehensive hand nailing system on the market and offers Medartis customers additional treatment options alongside plates and CCS screws. This agreement provides Medartis with additional growth opportunities in the US extremity market and potentially in other countries once regulatory approvals are obtained. Following the signing of the agreement, Medartis made its first sales in the US in Q4.

Strengthen ties with KeriMedical

To strengthen its ties with its strategic partner KeriMedical, Medartis increased the stake in the company from 25 % originally to just under 30 % in 2022. It also recently signed an agreement with the private founders to acquire an additional stake of 18 % for a purchase consideration of approximately CHF 18 million. This increase in ownership to 47 % is another step in Medartis' strategy to become a one-stop shop for hand and wrist solutions and to increase its presence in joint replacement for extremities. It allows both companies not only to leverage their KOL relationships, but also to benefit from each other's expertise in development, regulatory affairs and innovation. The founding shareholders will retain control of KeriMedical SA under this agreement. The additional share purchase is expected to be completed by the end of the first or beginning of the second quarter and will be financed from existing cash resources, credit lines and/or additional financing options.

Revenue development per region

in CHF million, rounded	FY 2022	FY 2021	Change in CHF vs. PY	Change in CER vs. PY
EMEA	91.4	83.4	9.6%	17.3%
US	41.0	30.8	33.3%	28.7%
APAC	32.1	32.0	0.3%	3.5%
LATAM	18.3	13.7	33.6%	27.7%
Total Group	182.8	159.9	14.4%	17.8%

Regional Performance

In the **EMEA region**, Medartis' business developed very favourably. With year-on-year growth of 17.3 % (CER), full-year sales reached CHF 91.4 million. A currency headwind of almost 8 percentage points squeezed growth in Swiss francs. The DACH region, where Medartis already has a large market share in upper extremities, grew again by more than 10 %. Growth in France, the UK, Poland and Spain was over 20 %, making them among the fastest growing markets. The subsidiary in Spain, which was founded in 2020, doubled the size in just one year and has signed agreements with most health insurance companies. These results were driven mainly by commercial execution, further share gains in core hand and wrist systems and strong uptake of new products launched in 2020-2021, namely implants for the treatment of the clavicle and the ankle joint as well as the versatile CCS screw extensions. In Germany, Austria and the UK, where

Medartis has exclusive distribution rights, KeriMedical sales also contributed significantly to the result, accounting for around 30 % of growth. The migration from existing Modus 1 clinics to Modus 2 in the CMF product area continued, but the full market potential has yet to be exploited.

Medartis' **US business** grew 28.7 % at CER, lifting regional sales in 2022 to CHF 41.0 million. This includes a sales contribution of CHF 5.1 million from the acquired NSI third party contract manufacturing business, which will not be part of the Medartis' core business going forward. In organic terms, sales increased by 12.8 %, improving from 9.8 % to 15.5 % between the first and second half of the year. Strong demand particularly for products in key indications such as wrist, ankle and shoulder were the

main drivers for the double-digit growth. In contrast, sales in forefoot and midfoot fell short of expectations. The Field Orthopaedics nail system recorded its first sales in Q4 and received positive customer feedback. In October, the company also received FDA clearance for the silicone finger joint implant KERIFLEX® to replace PIP or MCP joints affected by rheumatoid arthritis, osteoarthritis or traumatic arthritis. This is the first product from KeriMedical's promising portfolio to be approved for distribution in the US. In addition to this gratifying product approval, the US team concluded the NSI integration in Q4. Thanks to the acquisition of NSI, Medartis US evolved from a pure sales entity to a fully-fledged organisations with R&D, regulatory, manufacturing, supply chain and sales support. In just one year, the local workforce grew from 74 to 185 people.

Revenue development by product category

in CHF million, rounded	FY 2022	FY 2021	Change in CHF	Change in CER
Upper extremities	123.8	112.0	10.5%	14.0%
Lower extremities	28.2	24.6	14.6%	19.3%
CMF & other products ¹	30.8	23.2	32.8%	34.8%
Total	182.8	159.9	14.4%	17.8%

1) CMF & other product sales in 2022 include a CHF 5.1 million contribution from NSI's third party contract manufacturing business.

As planned, Medartis increased its regional sales team from 160 to 220 in one year and intends to expand it further, with a focus on productivity. The expansion was done entirely through independent sales agents with a focus on the 20 largest states representing three quarters of the national case volume. Under the new management, existing agent contracts were adapted and new partnerships signed, always with the aim of increasing exclusivity, Medartis' share-of-voice and surgeon conversion. The many new product launches (i.e. NSI legacy products, KeriMedical and Field Orthopaedics) will close existing portfolio gaps and will allow the company to expand its local opinion leader (KOL) network. Thanks to all these measures, Medartis is confident of accelerating momentum, outperforming the market and has set an ambitious sales target of approximately USD 80 million by 2025.

In the **APAC region**, sales for the full year increased by 0.3 % over 2021 to CHF 32.1 million. At CER, growth amounted to 3.5 %. Medartis Japan reported strong growth in its extremity business, but distributor sales in CMF were lower than in previous periods, mainly due to the strong comparative baseline in 2021, when the new distributor made its initial set investments. The sales trend in Australia and New Zealand was adversely impacted by dynamics related to the pandemic. Hospital capacity for elective surgery has remained muted since the outbreak of the pandemic, affecting the forefoot and midfoot product category in particular since these are predominantly elective surgeries. Business in

Australia improved, from 0 % in H1 to 7 % in H2, but unit growth remains below pre-pandemic levels.

In H2, the position of International Sales Manager was created in APAC to serve the growing distributor markets in the region. IBRA training in the APAC region also resumed to meet the strong demand for T&E opportunities at both fellowship and residency levels.

The Chinese government's decision to introduce a centralised procurement system (VBP) for medical device products has had a significant impact on tender prices in that market, leaving Medartis little room to grow profitably in the future. In response, Medartis has carefully reviewed its strategic positioning and decided to withdraw from the market.

The **LATAM region** continued its track record of strong growth in 2022. Sales for the full year increased by 33.6 % over 2021 to CHF 18.3 million or 27.7 % at CER. Reported growth rates in H2 were lower than in H1, but momentum was at a similar level considering timing of the easing of COVID-19 restrictions in the previous year. Strong growth was notable across Brazil, Mexico and the distributors. By product category, the distal radius, hand and CCS screw product lines were the top performers. Medartis was able to gain market share in both the private and public markets. The company also highlighted the recovery of the CMF market in Brazil. After the end of the pandemic, Medartis resumed its usual presence at exhibitions and congresses.

Performance by Product Category

By product category, growth in the 'CMF and other products' of 34.8% outpaced the other areas. If the NSI contract manufacturing business is excluded, the performance in organic terms is fairly balanced: Upper extremities, which accounts for two-thirds of sales, grew by 14.0%, Foot and Ankle by 19.3% and CMF advanced 13.0%. In **upper extremities**, shoulder and wrist were the fastest growing categories. All subsidiaries increased their wrist sales, with Spain, Mexico, Brazil and the UK exhibiting the highest distal radius growth.

The category also benefitted from additional contributions from the KeriMedical products, mainly from the flagship product TOUCH®. Joint replacement for the treatment of rhizarthrosis is an important growth driver for the company, as confirmed by the response from customers in Germany, Austria and the UK. Based on recent studies, the thumb joint is one of the most commonly affected areas by osteoarthritis. It is the second most commonly affected joint after the knee and significantly more common than the hip joint, which highlights the need of addressing osteoarthritis in the thumb and offering alternative treatments for surgeons that bring clear benefits to the patient.

Implants for the foot and ankle as well as cannulated CCS screws were the main growth drivers in **lower extremities**. Following the launch of the Ankle Trauma System in 2021,

Medartis introduced the 3.5 Straight Plate, a versatile locking plate that is fully compatible with the ankle trauma system. Medartis has continued to expand its CCS portfolio over the past year to further strengthen its competitive advantage. In Q3, 79 additional screw configurations are planned, for example to treat metacarpal and phalangeal fractures intramedullary.

Strong growth in Orthognathic and Cranium products were the main performance driver in **CMF and other products**, which include surgical implants for the head as well as instruments and sets. Geographically, the category grew the most in LATAM, which will migrate to Modus 2 in 2023. CMF sales in APAC declined from a comparatively high baseline in the prior year, when Medartis benefitted from a stocking effect of the new CMF distributor in Japan. The demand for the CMX digital planning service also developed positively. With this proprietary digital planning platform for patient-specific solutions, Medartis is well positioned to attract new customers and deepen relationships with existing ones who look for total solutions from a single source.

In 2022, Medartis continued to expand its global workforce by 27%, from 684 to 866 employees. 80% of the additional 182 employees have been recruited in its sales subsidiaries; the majority in the focus market US. At Medartis' headquarters in Switzerland, 37 new jobs mainly in manufacturing and R&D were created last year.

In October, Medartis created the new senior leadership position of Chief Operating Officer (COO) and filled the position with 47-year-old **Mario Della Casa**. He brings a wealth of industry experience expertise in the medical device and automotive industries to the company, making him well equipped to lead the acceleration of digital processes in manufacturing, planning, and logistics. As COO, Mario Della Casa takes global responsibility for purchasing, production, quality, and supply chain. He is well positioned to help Medartis expand its manufacturing network to meet its ambitious growth targets in the coming years. He also has extensive knowledge of change management, lean management and cleanroom operations. At the same time, Chief Production Officer (CPO) Axel Maltzen relinquished his responsibilities in the EMB and assumed global responsibility for Quality Management, Sustainability (ESG) and the Project Management Office.

Financial Performance

Medartis **gross profit margin** decreased by 2.1 percentage points from 83.9 % in the previous year to 81.8 % in 2022, mainly due to the impact of the NSI contract manufacturing business, which has a lower margin profile. Excluding this non-strategic business, the gross margin would have amounted to 83.0 %. The remaining difference results from unfavourable product mix (more distribution sales of KeriMedical) as well as adverse

country mix effect (e.g. lower growth from countries with higher ASPs). On the actual production side, there were only two minor influences, mainly due to higher supplier costs and the ramp-up of the new clean room in Basel. These factors were almost completely offset by improved capacity allocation and process efficiency.

Medartis **OpEx-ratio** increased 5.8 percentage points to 82.8 %. This increase follows the acquisition of NSI and includes personnel and other operating costs of the acquired company as well as one-off costs such as restructuring, legal and audit costs for the acquisition as well as write-off of old set inventories. It also comprises one-off costs from the closing of Medartis former China business. Excluding these one-off factors, the underlying OpEx ratio reached 78.9 %, 1.9 percentage points higher than in 2021. With the exception of R&D, absolute expenses for headquarters functions did not increase compared to the prior year. In contrast, the subsidiaries strengthened their sales team as well as in T&E. In the US, various new positions for marketing and product management were created. For APAC, a new team for distributor management was established in Singapore. New direct markets such as Spain and Japan have further strengthened their organisations to sustain their high growth rates.

R&D expenses in 2022 amounted to CHF 25.3 million (2021: CHF 20.0 million) and include a one million higher financial

contribution for the International Bone Research Association (IBRA) and additional expenses for the acquired development centre in Warsaw, USA. In 2022, IBRA ran 40 intensive training courses worldwide, attended by 1400 orthopaedic professionals (for more details, see the Annual Report on page 27). The **share of the company's associate** KeriMedical was slightly down, reflecting KeriMedical's additional expenses in sales & marketing and the operating costs for the newly built production and training centre in Archamps, France.

Due to the abovementioned items, earnings before interest, tax, depreciation, amortisation (**EBITDA**) and one-off items decreased by CHF 4.0 million to CHF 23.4 million, with the corresponding margin declining to 12.8% (-4.4 percentage points year-on-year). Including depreciation and amortisation, reported **EBIT** was CHF -1.9 million (2021: CHF 11.1 million). Excluding the various one-off factors as mentioned above, the underlying EBIT margin amounted to 2.9% compared to 6.9% a year before. The deviation is almost entirely due to the abovementioned additional COGS and OpEx costs following the NSI acquisition.

Net financial result for 2022 amounted to CHF -5.2 million (2021: CHF -2.8 million). The higher financial loss includes CHF 0.9 million interest expenses accruals for NSI acquisition

accounting (contingent consideration liabilities for potential future milestone payments¹) and FX losses of CHF 3.2 million (2021: loss of CHF 1.4 million) due to the EURO weakness as well as the strong USD weakening at year-end. For the reporting period, Medartis records a **tax income** of CHF 1.4 million compared to a tax expenses of CHF 1.5 million in 2021. Although Medartis paid taxes in countries with a positive local result, the negative operating result in the US as well as the relief of tax assets from prior periods resulted in an overall positive tax income for the year 2022. As a result of all these factors, Medartis incurred a net loss of CHF 5.8 million in 2022 compared to a net profit of CHF 6.8 million in 2021. Excluding the aforementioned one-off effects, Medartis reported a net profit of CHF 1.5 million. Basic EPS decreased from CHF 0.58 to CHF -0.49 per share year-on-year.

Investments in CAPEX, NSI and KeriMedical

Operating cashflow for 2022 decreased to CHF -3.9 million (2021: CHF 21.0 million) and was mainly the result of lower profitability, additional set investments and a build-up of inventory. In the current environment characterised by supply chain disruptions and longer lead times, Medartis adopted a

1) Further details in Note 5.1.1 of the financial section of the Annual Report 2022.

prudent approach to avoid backlogs with external suppliers. The **cash outflow for investing activities** of CHF 52.9 million contrasts with investments of CHF 15.9 million in 2021 and the difference results mainly from equity investments in NSI (first tranche of CHF 36.1 million) and KeriMedical (additional investment of CHF 3.7 million to increase the equity share by 4.7 % to 30 %). In 2022, 7.4 million more CAPEX investments for property, plant and equipment (PPE) were also made. **Cash outflow** of CHF 3.9 million used **for financing activities** was almost unchanged and mainly includes the repayment of lease liabilities. As of 31 December 2022, Medartis had cash reserves of CHF 20.6 million (2021: CHF 82.6 million). In addition to these cash & cash equivalents in the balance sheet, Medartis entered into a CHF 40.0 million credit agreement with two banks to secure future cash requirements and gain additional financial flexibility.

Full-Year 2023 Outlook

(barring any unforeseen circumstances)

Against the backdrop of a continued recovery in elective procedures and hospital capacities, Medartis is optimistic about its organic sales growth, which is expected to be in the

range of 15 % to 18 %. To support further growth investments, Medartis aims to expand its underlying EBITDA margin to 13 % to 15 % in 2023, by benefiting from its operating leverage. In the medium term, Medartis is focused on expanding its portfolio and maintaining its innovative edge, which will be a key determinant to gain further market share.

Annual Highlights 2022

The year of Medartis' 25th anniversary was characterised by many events and accomplishments. We invite you to take a look at our highlights of 2022.



March

On 7 March, Medartis announced its acquisition of Nextremitry Solutions Inc., a highly regarded MedTech company based in Warsaw, Indiana, USA. Nextremitry Solutions specialises in design, development and manufacturing of indication-specific technologies for treatment of fractures and deformities in the upper and lower extremities. In line with Medartis' strategy and focus on extremities and CMF, this acquisition will accelerate Medartis' business in the USA as well as worldwide. All Medartis activities in the USA will be domiciled in Warsaw under one roof as of spring 2023.

June

Responsibilities were reorganised in the Asia-Pacific region (APAC) with the appointment of Kathryn Constance as Regional Director APAC and Chiew Leong Ong as International Sales Manager to support APAC distributor markets. Marcos Sylvestre was also appointed Regional Director for the Latin American market (LATAM) earlier this year. By regionalising sales-related functions, Medartis aims to increase its customer proximity and responsiveness in local markets. Local decision-making improves agility, flexibility and thus sales performance in designated markets.

August

Medartis reached another major milestone by becoming UK certified. UKCA (UK Conformity Assessed) is the new UK product marking required for medical devices marketed in the UK (England, Wales and Scotland), most of which previously required the CE mark. BSI, the UK's national standards body, conducted the extensive certification process.

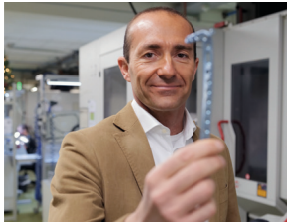
September

The popular IBRA Advanced Orthognathics course took place in Basel on 22 and 23 September and was fully booked within a very short time. More than 40 attendees from all over the world gathered for an intensive two-day seminar that included hands-on training in the University of Basel's Institute of Anatomy. The course program focused on planning, treatment concepts and surgical management as well as optimisation of aesthetic results in orthognathic surgery. Participants also enjoyed a visit to Medartis that encompassed a company tour and strategy presentation.



October

Medartis CEO Christoph Brönnimann and the Executive Management Board welcomed Indiana Governor Eric Holcomb, Indiana Secretary of Commerce Bradley B. Chambers, and a delegation from the Indiana Economic Development Corporation in order to explore future possibilities in innovation and talent development. Warsaw, Indiana, where Medartis' new acquisition is located, is commonly referred to as the "Orthopaedic Capital of the World". The visit was highly appreciated and an excellent opportunity to strengthen Medartis' relationship with business decision makers in the USA.



October

Mario Della Casa joins Medartis' Executive Management Board in the new role of Chief Operating Officer (COO), which entails global responsibility for purchasing, production, quality and supply chain. This new leadership position will drive and guide acceleration of digital processes in manufacturing, planning, logistics and more. Mr Della Casa's operational experience in manufacturing and supply chain as well as commercial expertise in the automotive and medical device industries make him a valuable addition to the team.

October

On the occasion of this year's annual meeting of the Small Advanced Economies Initiative (SAEI) in Basel, the delegates also visited Stücki Business Park with Medartis as a prominent representative of the medical technology sector. SAEI brings together seven countries of a similar level of economic and social development (Denmark, Finland, Ireland, Israel, New Zealand, Singapore and Switzerland) and enables effective networking and direct exchange on current issues thanks to its lean and informal organisational structure.



November

Medartis supports National Future Day held every November throughout Switzerland. This event gives children insight into the working world and prompts them to think about what profession they would like to pursue in the future. Boys and girls also swap places to get to know the other gender's areas of work and to gain life experience. This opens up new horizons for the children and helps them develop the courage and self-confidence to take their future into their own hands without rigid gender prejudices.



November

Medartis prides itself on its quarter century of innovation, precision and passion. Company founder and Board of Directors member Thomas Straumann and CEO Christoph Brönnimann expressed their deep gratitude and respect for Medartis employees at Medartis' 25th anniversary reception on 3 November at its Basel headquarters. Photo left: In the evening, many guests from the areas of politics, science, business and medicine met in Basel's Fondation Beyeler to share their unwavering passion for the "symbiosis of industry and science", as Dr Straumann put it in conversation with Willi Miesch, the former long-serving CEO of Medartis.

December

After two years of planning and a test phase, the semi-automatic storage and picking system by Swiss manufacturer Kardex was launched. The 400 m² facility with around 6,000 storage locations in the form of rotating boxes make an important contribution to the company's delivery readiness and future growth. Earlier this year, we celebrated our clean room TÜV certification, allowing us to gradually transfer previously outsourced packaging of Medartis implants to the company's own premises in order to optimise cost efficiency and delivery times. In manufacturing, two new machines began operations in 2022, bringing the total number to 76 machines now compared to 22 machines in 2009.



Board of Directors

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 Board member as of the date of this Report. All members of the Board of Directors are non-executive members.

Except for Willi Miesch, who was the CEO of Medartis from 1998-2019, no other Board had an operational management function at Medartis Holding AG or any company it controls in the last three years, furthermore no member of the Board has outside the

Board membership any significant business relationship with Medartis Holding AG or any company it controls.

The long-standing Board member and current Chairman of the Human Resources & Compensation Committee (HRCC), Dominik Ellenrieder, has decided to retire from the Medartis Board at the upcoming AGM in order to focus fully on his strategic and operational activities at Sentec AG. His position is not being replaced.

Name	Born	Nationality	Position	Committee Membership	Independence Status*	First Elected
Marco Gadola	1963	Swiss	Chairman		Independent	2020
Dr. h.c. Thomas Straumann	1963	Swiss	Vice-Chairman	Member of the SIC	Founder	1998
Dominik Ellenrieder	1958	Swiss	Member of the Board	Chairman of the HRCC Member of the SIC	Independent	2000
Willi Miesch	1964	Swiss	Member of the Board	Chairman of the SIC	Former executive	2010
Dr. med. Daniel B. Herren	1962	Swiss	Member of the Board	Member of the HRCC Member of the SIC	Independent	2017
Damien Tappy	1969	Swiss	Member of the Board	Member of the FAC Member of the HRCC	Independent	2018
Nadia Tarolli Schmidt	1973	Swiss	Member of the Board	Chairman of the FAC	Independent	2022
Ciro Roemer	1962	Dutch	Member of the Board	Member of the FAC Member of the SIC	Independent	2022

* For further details please read the company's independence statement

Executive Management Board

Members of the Executive Management Board (EMB)

There were two changes to the Medartis senior leadership team in 2022. The Board of Directors appointed Mario Della Casa as the new Chief Operating Officer and member of the EMB in October 2022. Axel Maltzen has relinquished his duties in the EMB and has taken on the role of Director Global QM/ESG/PMO, where he takes global responsibility for the important business tasks of quality management, sustainability (ESG) and the Global Project Management Office.

Lisa C. Thompson, President US, has decided to step down in May following the acquisition of NSI. Rod K. Mayer, who joined from NSI, has been appointed President of Medartis US as a non-executive director. He has since led the merged organisation in the US together with Regional Chief Financial Officer Dan Stichter.

The table below sets forth the name, year of birth, nationality, function, and term of office of each Executive Management Board 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	France	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

Information for Investors and Journalists

The Medartis' shares (Symbol: MED and ISIN: CH0386200239) 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.

Financial calendar

14 March 2023	2022 full-year results publication
21 April 2023	Annual General Meeting 2023
15 August 2023	2023 first-half results publication
12 March 2024	2023 full-year results publication
17 April 2024	Annual General Meeting 2024

Contact us

Investor Relations Office:
investor.relations@medartis.com
Phone: +41 61 633 37 36

Media Office:
corporate.communication@medartis.com
Phone: +41 61 633 37 34

Medartis AG
Hochbergerstrasse 60E
CH-4057 Basel
medartis.com

Imprint

Publisher

Medartis Holding AG

Design

Eduard Lorenz

Cover

Jiří Chmelík, Noir Associates

Headquarters

Medartis Holding AG
Hochbergerstrasse 60E
CH-4057 Basel
medartis.com

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.

Please refer to the Annual Report 2022
for further details on compensation and
Medartis' sustainability initiatives.

