Annual report 2023*

* With amended chart on page 46

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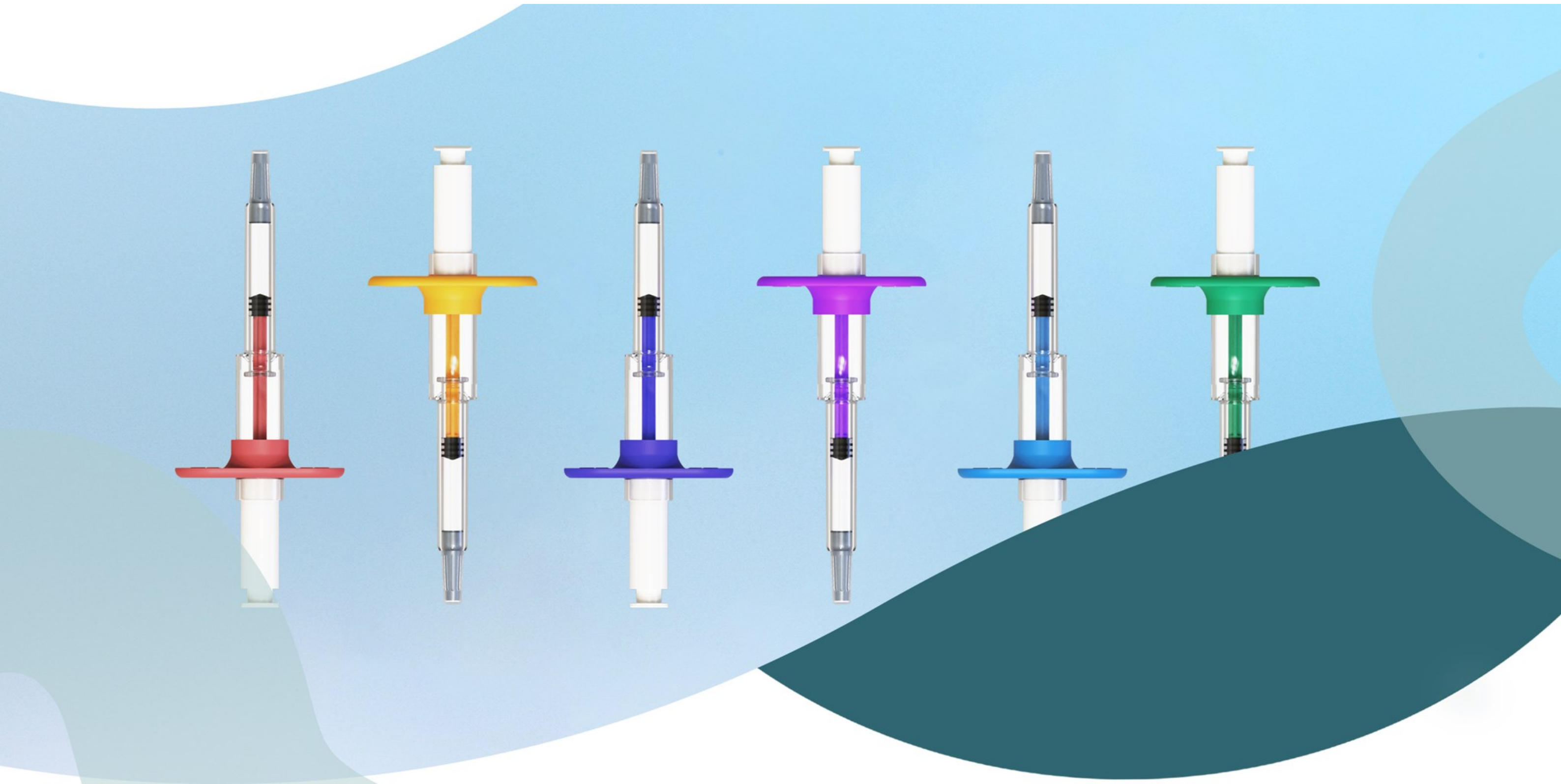
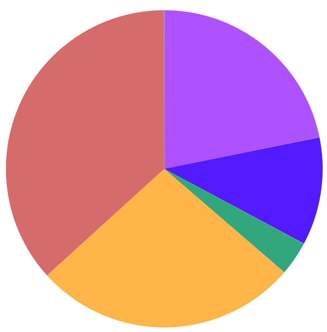


medmix Drug Delivery: SicuroJect™

Our key figures

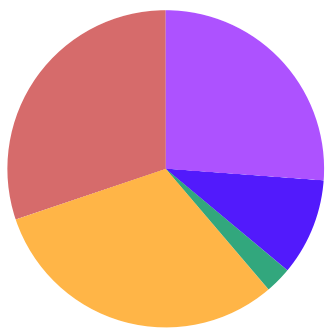
Our revenue increased by 2.0% (1.1% organically). We delivered profitability of 19.1% adjusted EBITDA margin and a free cash flow of CHF 3.4 million.

Share of revenue by market segment
2023



- **21.8%** Dental
- **11.0%** Drug Delivery
- **3.5%** Surgery
- **26.9%** Industry
- **36.7%** Beauty

Share of revenue by market segment
2022



- **26.2%** Dental
- **9.9%** Drug Delivery
- **2.7%** Surgery
- **31.1%** Industry
- **30.2%** Beauty

Key figures

millions of CHF	2023	% of revenue	+/–% change	2022	% of revenue
Revenue	486.6	100.0%	2.0%	477.1	100.0%
Organic revenue growth [1)			1.1%		
Gross profit	157.6	32.4%	–10.1%	175.4	36.8%
Operating income (EBIT)	16.0	3.3%	–18.5%	19.6	4.1%
EBITDA	74.4	15.3%	5.2%	70.7	14.8%
Adjusted EBITDA	93.1	19.1%	–11.7%	105.4	22.1%
Net income attributable to shareholders of medmix Ltd	0.3	0.1%	–97.5%	11.6	2.4%
Adjusted net income	36.9	7.6%	–37.2%	58.7	12.3%
Adjusted diluted earnings per share, attributable to a shareholder of medmix Ltd (in CHF)	0.90		–37.3%	1.43	
Free cash flow (FCF)	3.4		–67.5%	10.3	
Adjusted operating net cash flow (adjusted ONCF)	40.8		9.3%	37.3	
Capital expenditure, net (capex, net)	66.3		77.6%	37.3	
Net debt as of December 31	219.0		39.8%	156.7	
Net debt adjusted EBITDA ratio as of December 31	2.35		58.2%	1.49	
Employees (number of full-time equivalents) as of December 31	2’658		28.6%	2’067	

1) Adjusted for acquisition and currency effects.

Stock market information

	2023	2022
Registered share (in CHF)		
– high	26.38	47.00
– low	16.45	15.70
– year-end	19.00	17.60
Market capitalization as of December 31		
– number of shares issued	41’262’370	41’262’370
– in millions of CHF	784	726
– in percentage of equity	168%	144%
P/E ratio as of December 31	2’674.3x	62.4x
Dividend yield as of December 31	2.6%	2.8%

Data per share

CHF	2023	2022
Net income attributable to a shareholder of medmix Ltd	0.01	0.28
Equity attributable to a shareholder of medmix Ltd	11.30	12.20
Ordinary dividend	0.50[1)]	0.50
Payout ratio	7’038%	177%
Average number of shares outstanding	40’868’426	40’957’744

1) Proposal to the Annual General Meeting.

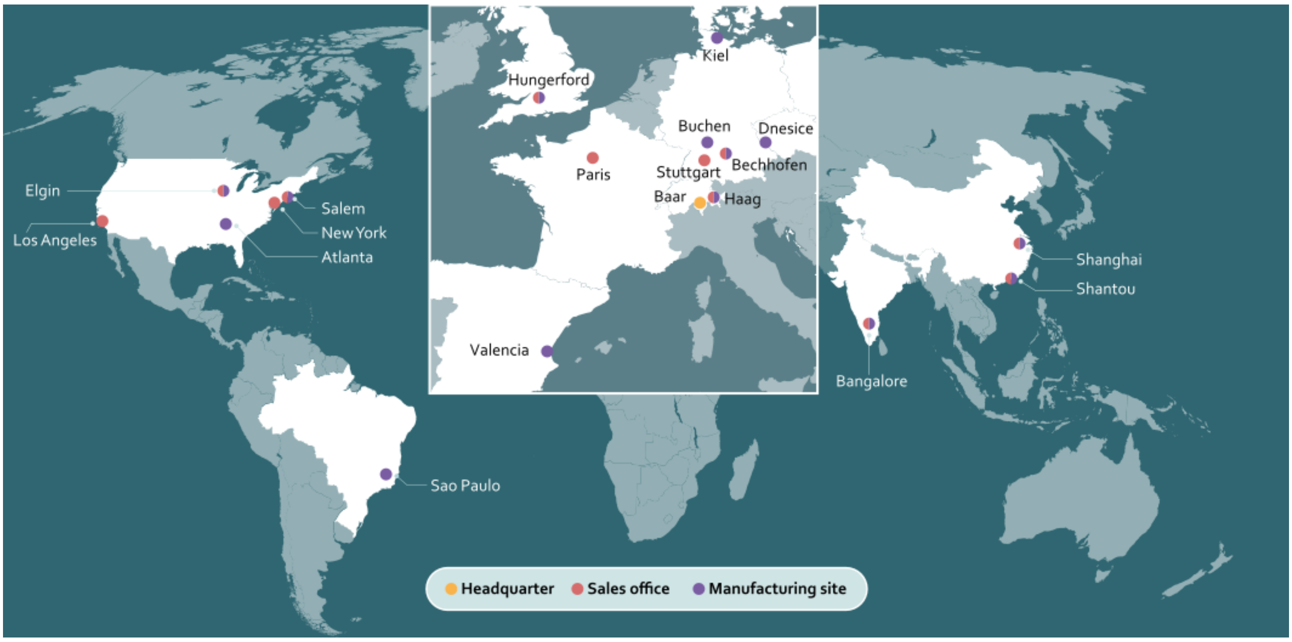
Shareholder structure as per December 31, 2023

Number of shares	Number of shareholders	Shareholding
1–100	2’883	0.4%
101–1’000	4’187	3.9%
1’001–10’000	783	5.1%
10’001–100’000	92	6.2%
More than 100’000	22	52.6%
Total registered shareholders and shares (excluding treasury shares medmix Ltd)	**7’967**	**68.2%**

Shareholder structure as per December 31, 2022

Number of shares	Number of shareholders	Shareholding
1–100	3’127	0.4%
101–1’000	4’677	4.2%
1’001–10’000	743	4.9%
10’001–100’000	91	5.8%
More than 100’000	23	55.1%
Total registered shareholders and shares (excluding treasury shares medmix Ltd)	**8’661**	**70.4%**

Global reach, local presence



Year 2023 at medmix

JAN

JANUARY

MEDMIX JOINS THE UN GLOBAL COMPACT, THE WORLD'S LARGEST CORPORATE SUSTAINABILITY INITIATIVE

By adopting the Ten Principles of the UN Global Compact, we are not only upholding our basic responsibilities to people and our planet, but also setting the stage for long-term success. As a responsible globally acting business we strive to enact the same values and principles wherever we have a presence. See our Sustainability Review.

MARCH

LAUNCH OF ALL-NEW PATENTED SHADOW PRINTING SERVICE. A MORE SUSTAINABLE[1] PROCESS USING NO ADDITIONAL FOIL OR INK, HELPING CUSTOMERS ACHIEVE PERFECT BRAND AESTHETICS

The new process modifies the surface of cosmetics products and packaging without impacting its recyclability, supporting our customers in reducing their carbon footprints while also contributing to the circular economy.

JUNE

JULY

ACQUISITION OF CHINA-BASED QIAOYI PLASTIC CO. LTD, STRENGTHENING OUR PRESENCE IN THE SECOND LARGEST COSMETICS MARKET

Qiaoyi is a leading manufacturer serving the Chinese cosmetics market with innovative products for 35 years. This acquisition enables us to strengthen our Asia footprint in the Beauty segment and enables medmix to access local players in this key market with a broader portfolio.

AUGUST

NEW HEALTHCARE PRODUCTION FACILITY FOR OUR US CUSTOMERS

Preparations are underway to receive ISO and FDA certification in Q2 at our new Atlanta facility. medmix Surgery customers will start receiving products from the site around mid year 2024. The site will be equipped with a state-of-the-art clean room with ISO 13485 and GMP (Good Manufacturing Practice) standards.

SEPTEMBER

LAUNCH OF ZEROFLOX™ - THE LATEST INNOVATION FOR OUR DENTAL CUSTOMERS

The ZeroFloX™ micro applicator features a soft, pliable head with injection molded, flock-free elastomer bristles. It can be used to apply medication or bonding agents during clinical procedures without the risk of contamination of the cavity with fibers or flocks.

OCTOBER

STRATEGIC ALLIANCE through minority stake in AARDEX, THE LEADING GLOBAL PLAYER IN DIGITAL MEDICATION ADHERENCE IN CLINICAL TRIALS

Through the unique combination of AARDEX MEMS® and our Haselmeier™ device platforms D-Flex™ and PiccoJect™, two pioneers in the field of drug delivery can now offer innovative solutions that simplify patient dosing management and monitoring in clinical trials and thus provide even more accurate study results.

NOVEMBER

FULL OPERATION STARTED AT OUR PLANT IN SPAIN

Our production facility in Valencia, acquired in 2022, meets the growing demand from European and global customers in our Industry segment for cartridges, mixers and accessories for construction and industrial adhesives. Following the acquisition in August 2022, all equipment from the former Polish production facility - almost 70 machines, molds and inventory - was relocated to this new plant. The official inauguration took place on 23 November 2023.

NOVEMBER

LAUNCH OF MIXPAC greenLineTM B system (50 ml) – A NEW SUSTAINABLE[1] DISPENSING SOLUTION MADE OF UP TO 100% POST-CONSUMER RECYCLED (PCR) POLYPROPYLENE

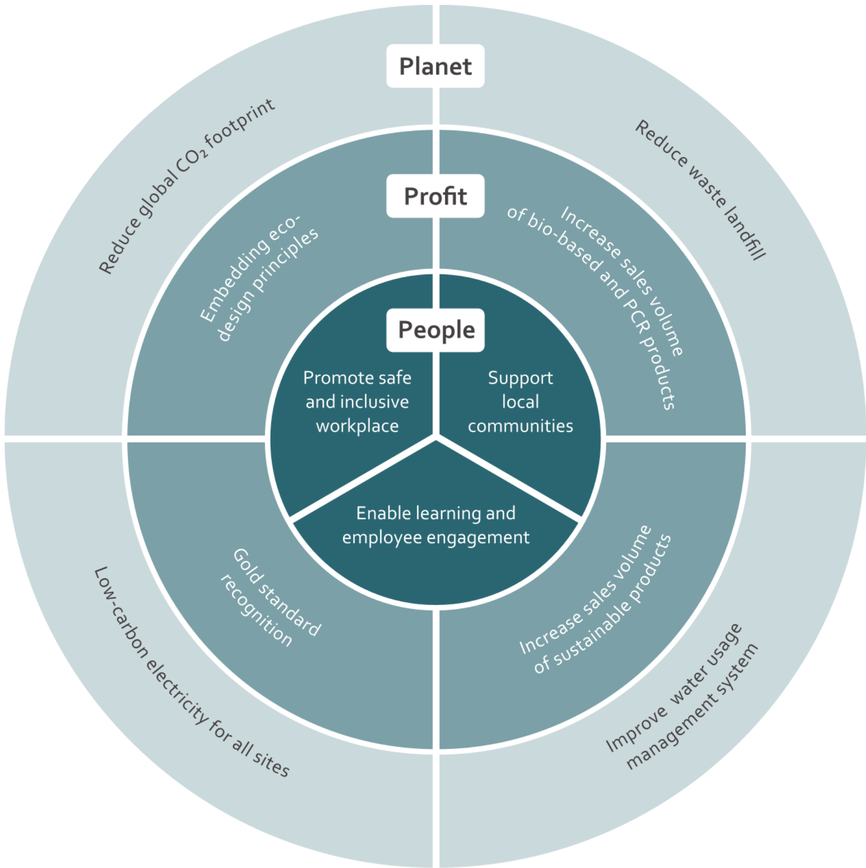
The latest result of our pioneering sustainability focused, product development efforts is the MIXPAC greenLineTM B system (50 ml): The polypropylene cartridge made from 100% post-consumer recycled (PCR) is a process-safe precision system that also supports our customers in achieving their CO2e goals.

DEC

[1] At least 30% less CO2e than the standard product

Sustainability strategy and impact

Our strategy, long-standing commitments and ambitious targets are reflected in a comprehensive and pragmatic framework:



At medmix we recognize our responsibility regarding our impact on the environment and society, both within the company and in the various communities where we operate. Our goal is to further strengthen our sustainability efforts and promote competitiveness and innovation. We work to minimize adverse impacts and maximize benefits, future-proof our growth and invest in building capabilities within our organization to adapt to the changing regulatory landscape.

People

As an aspiring employer of choice, we enable an inclusive workforce, develop impactful development opportunities, and support employee engagement through an open and empowering culture.

We work to support our communities and our employees, whose safety is a key priority. We promote a safe and healthy work environment and are committed to eliminating hazards, reducing occupational health and safety risks for everyone present at our sites.

Planet

At medmix, we recognize the importance of taking a science-based approach to the reduction of our greenhouse gases to meet the goals of the Paris Agreement in limiting global warming to well-below 2°C above pre-industrial levels, and to pursue efforts to limit global warming to 1.5°C.

We have a responsibility to act in tackling climate change, reducing pollution and waste, and being a good water steward to ensure a sustainable future for our planet.

Profit

We recognize that our responsibilities are not limited to delivering strong financial results. We proactively direct our resources towards innovations that contribute to more sustainable solutions. medmix is committed to preventing corruption and has a zero-tolerance policy towards corrupt practices.

Commitments and progress

In 2023, medmix was accepted into the United Nations Global Compact (UNGC) and became a member of the UNGC Switzerland and Liechtenstein local network. We made its principles part of our strategy, and we support the Sustainable Development Goals (SDGs) and act to help achieve them.

We completed our materiality assessment and reviewed our actions and progress. Below are a few of the important milestones towards addressing our material issues - our progress is on track:

People

- Promotion of inclusion, with an initial focus on diversity
- Improvement in human rights risk management
- Improvement in safety and health risk identification and control
- Learning and growth opportunities for employees

Planet

- 30% reduction in Scope 1, 2 and partial 3 CO_{2e} emissions[1] by 2025
- 50% reduction in Scope 1, 2 and 3 CO_{2e} emissions by 2030
- Net zero CO_{2e} emissions by 2050
- 100% low carbon purchased electricity by 2025
- Zero waste to landfill by 2025

Profit

- Increase sales of sustainable[2] products, making 15 available during 2023
- CDP Climate Change “C” Assessment by 2025
- EcoVadis Gold rating of all manufacturing sites by 2025

1 Scope 1, Scope 2, and partial Scope 3 (fuel and energy related activities + business travel)
2 Minimum 30% reduction in CO_{2e} cradle-to-gate compared to standard product.

Leading brands

Our company is organized into two business areas — Healthcare and Consumer & Industrial — and five market segments:

All of our market segments benefit from our diversified exposure to growing end markets that are supported by long-term mega trends, such as the growing middle class, an aging population and the trend towards increased urbanization, homecare and sustainability.

Helping people live healthier and more confident lives

Our Healthcare business area is divided into the Dental, Drug Delivery and Surgery segments. In the Dental segment, our customers use our mixing and delivery devices for a broad range of applications, such as prosthetics, restorations, anesthetics and aesthetics. The Drug Delivery segment offers drug delivery devices that are used to inject fertility drugs and growth hormones and to treat niche diabetes indications, osteoporosis and rare diseases. In the Surgery segment, our mixing and delivery devices are used to inject bone tissue and to apply hemostatic sealants for internal and external wound treatment during surgical procedures.

medmix HEALTHCARE

Innovative, high-precision delivery

In our Consumer & Industrial business area, we operate through the Industry and Beauty segments. In the Industry segment, our dispensers, cartridges and mixers are used in the construction, transportation (automotive, railways and aerospace), electronics assembly, infrastructure and DIY industries. In the Beauty segment, our micro-brushes are used for the application of makeup treatments, such as lash & brow serum or spot correctors, as well as for the application of skincare treatments such as anti-aging treatments.

We have a strong legacy of setting industry standards through the continuous launch of innovative products in the business-to-business (B2B) markets in which we operate.

medmix CONSUMER & INDUSTRIAL

Dear Shareholders,

2023 was characterized by a continuation towards normalization for many of the post-pandemic trends we experienced in the past couple of years. Raw material and workforce availability along with global logistics continued to improve throughout the year, making supply chains more predictable and aiding recovery in some of our end markets. On the other hand, easing inflationary pressures gave way to multi-year high interest rates, adding a new layer of challenges to economies around the world. This resulted in the slowdown of large infrastructure development, more cautious spending and prudent working capital management.

At medmix we have kept pace with these developments to deliver our mission, helping millions of people live healthier and more confident lives. We remained focused on driving forward our strategic agenda and succeeded in reaching several important strategic milestones in 2023.

Industry recovery, ramp up and opening of the Valencia plant

We successfully launched and finalized the creation of our new European production hub for the Industry segment in Valencia, Spain. Working around the clock and within the time frame of less than a year, our teams delivered this crucial project in record time, enabling us to be ready to recover full manufacturing capacity for the Industry segment. The facility, with a size of over 14,000m^2 and more than 200 employees, is now fully geared to deliver high-quality products for the adhesives and sealant industries.

Building a base for Healthcare growth, new plant in Atlanta

During the year, we commenced the buildup of our new manufacturing facility for the Healthcare business area in Atlanta, USA. The project is on time and in budget, aiming for ISO and FDA certification in Q2. We aim to start serving our Surgery customers from this new facility from mid-2024, strengthening our presence in the world's largest healthcare market. With fully equipped clean room operations this site is set to serve our Healthcare customers with a North America focus.

"2023 saw the achievement of significant milestones in our strategic ambition, through the opening of our two greenfield factories in Atlanta, USA, for Healthcare and Valencia, Spain for Industry and the successful integration of our Beauty acquisition, Qiaoyi, in China."

ROB TEN HOEDT
CHAIRMAN OF THE BOARD OF DIRECTORS

Continuing excellence in product innovation

In 2023, we continued our focus on sustainable product innovation. We further strengthened our market leading portfolio of sustainable products, with a focus on eco-design and waste reduction across all our segments.

Keeping pace with the evolving consumer trends in our Consumer & Industrial business area, we launched the innovative Shadow Printing (patent pending) decoration technology for our Beauty customers. This sustainable process modifies the surface of cosmetics products and packaging without impacting its recyclability as no additional foil or ink is used. The innovative micro-bristle applicator continued to gain success in 2023, with seven new projects signed with cosmetic companies in the US and Europe.

For our Industry market segment, we expanded our portfolio of lower CO_2 footprint products with a new sustainable dispensing solution made of up to 100% post-consumer recycled (PCR) polypropylene. In early 2024 the MIXPAC greenLine™ 400 mL won the BIG (Business Intelligence Group) innovation award in the construction category. Designed for seamless integration into existing compatible dispensers, this novel solution offers a reduced carbon footprint and supports the circular economy without requiring any process changes. Several new dispensers for this market segment, including the COX speedfleX™, a revolutionary ultra-compact battery powered dispenser were developed and launched with remarkable speed.

Strengthening our portfolio of innovative products in the Healthcare area, we launched ZerofloX™, a game-changing flock-free micro applicator for Dental use. This injection molded applicator can be used to apply medication or bonding agents during clinical procedures without the risk of contamination of the cavity with fibers or flocks. Early in 2024, ZerofloX was awarded the 2024 Research Award by Dental Advisor.

In the course of the year, we were delighted to start the first customer deliveries for our innovative D-Flex™ injector pen in the Drug Delivery market segment. This device bridges the gap between fixed and variable-dose pens and paves the way for digitally connected commercial devices. Meanwhile, the Surgery market segment successfully launched a co-development project with a major wound care solutions provider, expanding our presence in an adjacent therapy application and laying foundations for continued strong growth in Surgery.

Making strides in inorganic growth

Reflecting our strong M&A track record, 2023 also witnessed our successful integration of the majority stake in Qiaoyi, a Chinese beauty manufacturing business, bringing to life our local-for-local strategy for this key market.

Furthermore, our Drug Delivery market segment entered a strategic alliance with AARDEX, the leading global player in digital medication adherence in clinical trials, by acquiring a minority stake in the company. With medication adherence monitoring fast becoming a priority for pharma and biotech, this investment partnership gives us the advantage of increased proximity to pharma customers from an early stage.

In another positive development, we successfully sold our legal entity in Wroclaw, Poland, and have been removed from the Polish list of sanctioned entities.

Delivering on our sustainability ambitions

We have made strong progress towards meeting our sustainability commitments and are on track towards achieving them within the agreed timeframe.

We have been accepted into the Science Based Target initiative (SBTi), by committing to the 1.5°C emission goal and setting a robust emissions reduction target at the pace and scale required by climate science. Additionally, we have aligned our sustainability strategy and efforts with the United Nations Global Compact principles and have been awarded EcoVadis best-in-class ratings.

We also adapted our sustainability governance and sustainability reporting to the new provisions of the Swiss Code of Obligations.

Financial results

In 2023, we generated revenues of CHF 486.6 million, 2.0% higher than 2022 revenues, with acquisition effects (primarily of Guangdong Qiaoyi Plastic in China) more than offsetting foreign exchange effects. Organic revenue growth was positive year-on-year (+1.1%), matching our full-year guidance of "broadly flat". The five market segments presented a contrasting organic growth picture. Temporary weakness in the Dental segment, driven by lower market demand and higher interest rate levels leading to destocking and softer Industry market demand towards the end of the year, substantially offset the double digit growth of the other segments.

Adjusted EBITDA declined by -11.7% to CHF 93.1 million, delivering an adjusted EBITDA margin of 19.1% compared to 22.1% for full-year 2022 (-300 basis points). This trend was driven primarily by an adverse product mix due to lower Dental customer orders and the transition of Industry market segment production from Poland to Spain.

Outlook

Our take on 2024 is cautiously optimistic. In the Healthcare business area, we expect the destocking in the Dental segment to end in the course of the year and gradually return to normal business pattern. The Drug Delivery segment will benefit from full-year D-Flex device revenues and from new projects. The Surgery segment will be fueled by a new product launch.

For the Consumer & Industrial business area we expect the end markets in electronics to see recovery in 2024 while Beauty will return to a more normalized market growth after the post-pandemic surge.

Reflecting this, we expect organic revenue growth rate to be in the range of 4% to 6% (vs. 1.1% in 2023) and adjusted EBITDA margin of at least 20% (vs. 19.1% in 2023).

Our 2024 priorities:

- Continue on our path of innovation and sustainability.
- Deliver to Surgery customers from our new Healthcare production site in Atlanta, USA.
- Phase out interim manufacturing and ramp up production efficiency in Valencia, Spain.
- Further expand growth in China and Asia from our accretive Beauty acquisition of Qiaoyi.
- Continue to pursue measures to streamline and improve cost effectiveness across our operations.

"For 2024, we are cautiously optimistic. We expect all our segments to deliver revenue growth above their respective market growth while our operations teams will focus on efficiency improvement in our new plant in Valencia to bring back our profitability in Industry to prior levels."

GIRTS CIMERMANS
CHIEF EXECUTIVE OFFICER

Thank you

As we reflect on 2023, we are filled with gratitude for the contributions of our teams. Their dedication to excellence and innovation has been the driving force behind our progress. Our thanks also go to our valued shareholders who have entrusted us with their resources, believing in our vision and our commitment to achieving our goals.

Rob ten Hoedt
Chairman of the Board of Directors

Girts Cimermans
Chief Executive Officer

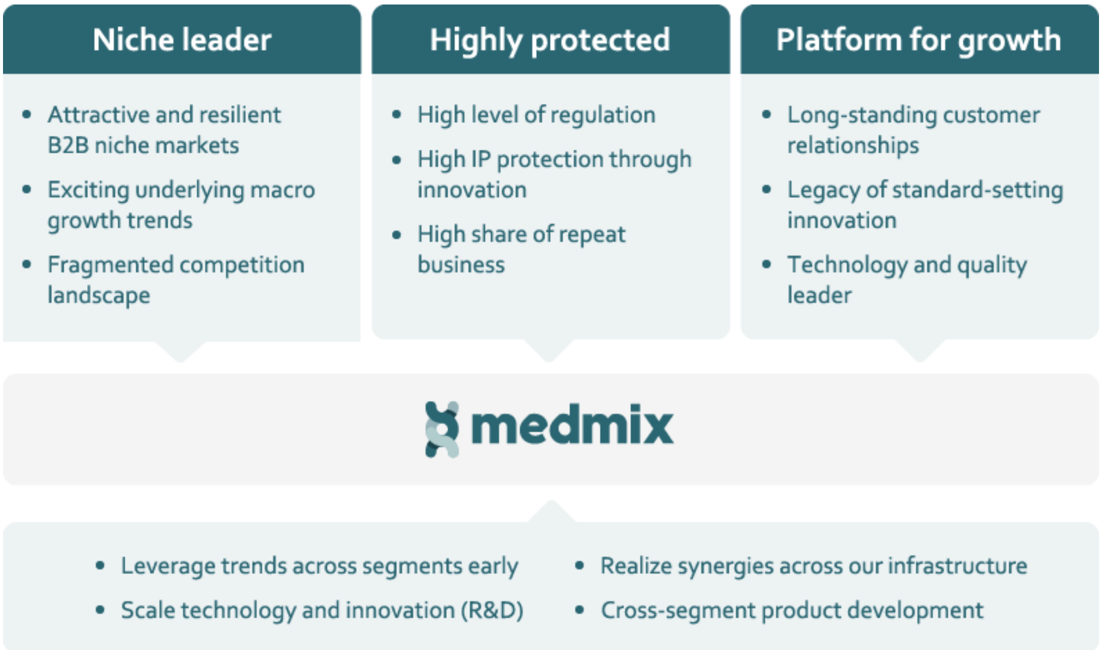
medmix Beauty: rebornBRUSH

Strategy

Platform for growth

Our heritage is firmly rooted in the design, development and manufacturing of high precision delivery devices for the healthcare and consumer & industrial markets. Our core competences are in fluid handling and mixing, plastics injection molding and applicator technologies, alongside automation expertise. Based on these fundamental assets, we have expanded from Industry & Dental applications into Drug Delivery, Surgery and Beauty segments. In each of our segments, we have identified profitable and resilient niche markets with strong customer relationships and long-term growth potential. Notably, these markets are also supported by global trends such as the growing middle class, an aging population, increased urbanization, self-administered treatment and sustainability.

High-precision delivery devices in attractive end markets



We believe that we benefit from long-standing customer relationships and strong brand recognition in the industries we serve. These factors combined with positive macro trends in the end markets we address, are expected to provide us with significant growth opportunities as we expand our target markets.

Innovative, sustainability-focused product development

Macro trends	Main segment trends
Growing middle class	• Emerging markets shift away from hand- to device-mixing • Trend to unit-dose to avoid cross contamination • Growing number of dentists in emerging markets
Aging population	• Trend towards self-injection at home • Growth in biosimilars for self-administration • Increasing number of biologics in pipelines
Urbanization	• Increasing use of bone cement for trauma • More biomaterials in wound healing reducing post-op risks
Healthcare at home	• Shift to adhesive bonding due to cost and time savings • Innovative adhesives and sealants expanding application areas
Sustainability	• Increasing customization and premiumization – even for mass market products • Demand for sustainable materials and local supply chains • Indie and mid-sized brands demanding full-service offering

We are a lean, innovative and customer-centric solutions provider. Our goal is to further exploit our strategic setup across all segments by leveraging our industrial DNA. This approach enables us to create synergies and scale through knowledge sharing across the medmix group.

We work to leverage early trends and best practices across all segments. Moreover, sustainable innovation is deeply ingrained in medmix' identity and built into our product development process. In 2023, we launched an all-new Shadow Printing (patent pending) decoration technology for our Beauty segment. This innovative solution is a more sustainable process, reducing the use of ink and the need for additional foil while achieving visually effective results. Reflecting the increased interest among our Industry customers in achieving their sustainability goals, we launched a new dispensing solution made of up to 100% post-consumer recycled (PCR) polypropylene. The MIXPAC greenLine B system, a process-safe precision system with a lower CO_2 footprint, demonstrates our market leading expertise in this area.

Being accepted into the Science Based Target initiative (SBTi) reflects our dedication to the 1.5°C emission goal and our commitment to a robust emissions reduction target, aimed at reducing the CO_2 footprint across our supply chain in the foreseeable future.

We are dedicated to improving our own sustainability performance and delivering sustainable solutions to meet our customers needs.

Global reach, local presence

Our global network of production and warehousing facilities puts us in every major market and is valued by our customers.

In 2023, we strengthened our footprint with the finalization of a new European production hub for the Industry segment in Valencia. This greenfield project was a key element in recovering capacity for our Industry customers. With a fully validated production capability we are now able to deliver for our complete range of high-precision Industrial delivery devices and systems.

Strengthening our production capacity in North America, we are on track to start delivering to our Surgery customers from our new state-of-the-art Healthcare manufacturing facility in Atlanta in mid-2024. This new facility positions us in the world's largest healthcare market and further enables our planned growth in all segments in this sector and strengthens our commitment to our US customers.

Strong M&A focus

We have an established M&A track record over the past 7 years by concentrating on acquiring companies that ensure a strong strategic fit with our existing product offering globally. Our M&A strategy comprises two pillars:

- For Healthcare, we aim to focus on expanding our core product portfolio and enter into adjacencies.

In 2023, our Drug Delivery market segment entered a strategic alliance with AARDEX, the leading global player in digital medication adherence in clinical trials and acquired a minority stake in the company. Through this investment partnership, we gain a strategic advantage by being in proximity to our customers early on. It also underscores one of our key strategic priorities to be a technology and innovation leader with strong IP and digital capabilities.

- For Consumer & Industry, our focus will be local-for-local acquisitions in China to take advantage of the growth in the local markets

During 2023, we closed our acquisition of the China-based Guangdong Qiaoyi Plastic Co. Ltd. Qiaoyi is a leading manufacturer and has been serving the Chinese cosmetics market for 35 years. In line with our strategic priorities, this acquisition strengthens our presence in China, the second largest cosmetics market worldwide, opens new growth avenues in South East Asia and facilitates cross-selling opportunities across our two Beauty brands, GEKA and Qiaoyi.

medmix Industry: MIXPAC™ greenLine™ B-System

BUSINESS REVIEW

medmix Surgery: K-System

Financial review

Unless otherwise indicated, changes from the previous year are based on nominal figures.

Solid results in a complex operating environment

In 2023, medmix generated revenues of CHF 486.6 million, 2.0% higher than 2022 revenues of CHF 477.1 million, with acquisition effects (primarily of Guangdong Qiaoyi Plastic in China) more than offsetting foreign exchange effects. The key metric of organic revenue growth was positive year-on-year (+1.1%), matching our full-year guidance of "broadly flat". The group generated strong double-digit organic growth in each of the Drug Delivery (18.6%), Surgery (34.2%) and Beauty (16.6%) market segments. In the second half, the Beauty market segment growth moderated as expected, while the Surgery market segment growth accelerated significantly. The Industry market segment, limited by production capacity and a softening of end market demand, especially towards the end of the year, delivered full-year organic revenue growth of -10.3%, marked by a slowdown in the second half driven by lower customer order quantities on the back of soft end user demand and higher interest rates. As communicated last October, Dental market segment customers throughout the value chain continued to reduce their inventories in the second half. Full-year revenue represents a decline of 13.3% year-on-year. We expect both market segments' revenues to improve progressively during 2024, with the recovery skewed towards the second half.

Driven mainly by the consolidation of Guangdong Qiaoyi Plastic in China, acquisitions contributed 470 basis points to group revenue growth, while currency exchange rates accounted for a negative impact of 380 basis points.

"In a complex operating environment, medmix was able to deliver solid results thanks to our focused key growth and efficiency initiatives in all our market segments."

JENNIFER DEAN
CHIEF FINANCIAL OFFICER

Revenue by market segment

millions of CHF	2023	% of group revenue	+/–% change	+/–% organic[2]	2022	% of group revenue
Revenue Dental	106.2	21.8%	–15.1%	–13.3%	125.1	26.2%
Revenue Drug Delivery	53.6	11.0%	14.1%	18.6%	47.0	9.9%
Revenue Surgery	17.2	3.5%	34.2%	34.2%	12.8	2.7%
Total revenue Healthcare (HC) [1]	**177.0**	**36.4%**	**–4.3%**	**–1.9%**	**184.9**	**38.7%**
Revenue Industry	130.9	26.9%	–11.6%	–10.3%	148.2	31.1%
Revenue Beauty	178.6	36.7%	23.9%	16.6%	144.1	30.2%
Total revenue Consumer & Industrial (C&I) [1]	**309.6**	**63.6%**	**5.9%**	**2.9%**	**292.3**	**61.3%**
Total revenue	**486.6**	**100.0%**	**2.0%**	**1.1%**	**477.1**	**100.0%**

1) Revenue from external customers.
2) Adjusted for acquisition and currency effects.

Business area gross profit

Business area gross profit was broadly stable at CHF 216.4 million, delivering a margin of 44.5%, a year-on-year decrease of 120 basis points. This decline in profitability was driven by an adverse product mix given that the Healthcare business area gross profit margins are significantly higher than the group average, compounded by one-off expenses in the Industry market segment relating to the higher cost of temporary production in our Haag, Switzerland, factory. In the second half of 2023, business area gross profit margins improved by 190 basis points compared to the second half of 2022 and by 140 basis points compared to the first half of 2023.

Business area gross profit margin by business area

	Healthcare		Consumer & Industrial		Total medmix	
millions of CHF	2023	2022	2023	2022	2023	2022
Revenue[1]	**177.0**	**184.9**	**309.6**	**292.3**	**486.6**	**477.1**
Business area cost of goods sold	–69.7	–72.1	–200.5	–187.0	–270.2	–259.1
Business area gross profit	**107.3**	**112.7**	**109.0**	**105.3**	**216.4**	**218.0**
Business area gross profit margin	60.6%	61.0%	35.2%	36.0%	44.5%	45.7%

1) Revenue from external customers.

Gross profit, which includes shared costs and under absorption, declined by 10.1% year-on-year to CHF 157.6 million. Gross profit margin reached 32.4%, a decrease of -440 basis points. This decline was driven primarily by the volume shortfalls in the Dental and Industry market segments.

Profitability impacted by product mix

Adjusted EBITDA declined by -11.7% to CHF 93.1 million, delivering an adjusted EBITDA margin of 19.1% compared to 22.1% for full-year 2022 (-300 basis points). This trend was driven primarily by an adverse product mix due to lower Dental customer orders and the transition of Industry market segment production from Poland to Spain.

Bridge from operating income (EBIT) to adjusted EBITDA

millions of CHF	2023	2022
Operating income (EBIT)	**16.0**	**19.6**
Depreciation	32.4	28.8
Amortization	23.0	20.8
Impairments on tangible and intangible assets	3.0	1.5
EBITDA	**74.4**	**70.7**
Restructuring expenses	0.8	1.1
Non-operational items[1)]	18.0	33.6
Adjusted EBITDA	**93.1**	**105.4**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Adjusted EBITDA margin

millions of CHF	2023	2022
Adjusted EBITDA	93.1	105.4
Revenue	486.6	477.1
Adjusted EBITDA margin	**19.1%**	**22.1%**

Financial income and expenses

Total financial income / (expenses), net, amounted to CHF -13.0 million, compared with CHF -7.4 million in 2022. The financial expenses are mainly driven by interest expenses on borrowings and realized fair value changes on derivative financial instruments.

Total interest income / (expenses), net, increased from CHF -5.8 million to CHF -8.7 million in 2023 due to higher interest rates on borrowings.

Other financial income / (expenses), net, amounted to CHF -4.4 million in 2023, compared to CHF -1.6 million in 2022, mostly driven by realized fair value changes on derivative financial instruments.

Income tax expenses

The effective income tax rate in 2023 is 76.7%, compared to 5.1% in 2022. The higher income tax rate in 2023 is mainly the result of changes in tax rates and legislation resulting in a release of a deferred tax asset of CHF 2.2 million and prior-year adjustments of CHF 1.0 million as well as a slightly different geographical spread of profit before tax. In addition, the lower income tax rate in 2022 was mainly the result of tax-deductible impairments of foreign subsidiaries, partly offset by deconsolidating the net assets of the former subsidiary in Poland.

Net income and adjusted net income

Net income declined by CHF 10.9 million to CHF 0.7 million (thereof CHF 0.3 million attributable to shareholders of medmix AG) from CHF 11.6 million (thereof CHF 11.6 million attributable to shareholders of medmix AG) in the prior period.

Adjusted net income attributable to medmix shareholders declined by roughly one-third to CHF 36.9 million from CHF 58.7 million in 2022, primarily due to the lower operating result.

Bridge from net income to adjusted net income

millions of CHF	2023	2022
Net income attributable to shareholders of medmix Ltd	**0.3**	**11.6**
Amortization	23.0	20.8
Impairments on tangible and intangible assets	3.0	1.5
Restructuring expenses	0.8	1.1
Non-operational items[1)]	18.0	33.6
Tax impact on above items	–8.1	–9.9
Adjusted net income	**36.9**	**58.7**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Adjusted diluted EPS

Adjusted diluted EPS declined from CHF 1.43 in the prior period to CHF 0.90 in 2023.

Bridge from diluted EPS to adjusted diluted EPS

CHF	2023	2022
Diluted earnings per share, attributable to a shareholder of medmix Ltd (in CHF) as of December 31	**0.01**	**0.28**
Amortization	0.56	0.51
Impairments on tangible and intangible assets	0.07	0.04
Restructuring expenses	0.02	0.03
Non-operational items[1)]	0.44	0.82
Tax impact on above items	–0.20	–0.24
Adjusted diluted earnings per share, attributable to a shareholder of medmix Ltd (in CHF) as of December 31	**0.90**	**1.43**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Key balance sheet positions

Total assets as of December 31, 2023, amounted to CHF 1'006.8 million compared to CHF 1'105.9 million as of December 31, 2022. Non-current assets increased from CHF 617.0 million to CHF 698.7 million. Purchases of property, plant and equipment of CHF 60.1 million, reflecting mainly the investments in our new Industry production facility in Spain and our new Healthcare manufacturing facility in Atlanta, were partly offset by depreciation (CHF 22.8 million), amortization (CHF 23.0 million) and impairments (CHF 3.0 million). The acquisition of Qiaoyi increased goodwill by CHF 24.2 million, other intangible assets by CHF 24.0 million and property, plant and equipment by CHF 5.1 million. In 2023, the group acquired non-controlling interests of 25% in AARDEX for CHF 5.7 million. Defined benefit assets increased in 2023 by CHF 22.1 million. Negative currency translation effects on non-current assets amounted to CHF 27.1 million.

Current assets decreased by CHF 180.9 million to CHF 308.1 million, mainly due to lower cash and cash equivalents. Besides regular cash flow generation and investing activities, the decrease in cash and cash equivalents is the result of lower borrowings after the group repaid CHF 120.0 million (net) of the syndicated credit facility.

Equity amounted to CHF 474.3 million as of December 31, 2023, down by CHF 30.5 million compared to the previous year. The dividend of CHF 20.5 million, currency translation differences of CHF 25.0 million, the recognition of a put option liability of CHF 9.8 million and the acquisition of treasury shares of CHF 3.1 million reduced equity. The remeasurements of defined benefit plans of CHF 19.5 million and the acquisition of a subsidiary with non-controlling interests of CHF 9.0 million increased equity. Net income for the period added CHF 0.7 million to equity.

Non-current liabilities increased by CHF 24.4 million to CHF 354.4 million. The main drivers were a recognized put option liability for the Qiaoyi acquisition based on the discounted put exercise price (CHF 9.8 million) and a liability from sale of investments in subsidiaries in the amount of CHF 11.4 million. Current liabilities decreased by CHF 93.0 million to CHF 178.1 million. This was mainly driven by lower current borrowings (CHF 123.6 million) due to the repayment of the syndicated credit facility, higher current provisions (CHF 12.6 million) and higher current income tax liabilities (CHF 8.0 million).

Net debt increased in 2023 by CHF 62.3 million to CHF 219.0 million. Net debt to adjusted EBITDA ratio was 2.35 in 2023 compared to 1.49 in 2022 (see note 6 for net debt calculations).

Capital expenditure

Gross capital expenditure in 2023 significantly increased year-on-year to CHF 66.3 million, up 77.6%, to reach 13.7% of revenues compared to 7.8% of revenues in 2022. This was primarily due to the exceptional investments in our new Industry production facilities in Valencia, Spain and planned growth investments in Atlanta, USA.

Bridge to capital expenditure, net

millions of CHF	2023	2022
Additions to intangible assets	6.5	2.2
Additions to property, plant and equipment	60.1	36.4
Capital expenditure, gross	**66.5**	**38.6**
Disposals of intangible assets gross amount	–1.2	–0.1
Disposals of intangible assets accumulated amortization and impairment losses	1.1	0.1
Disposals of property, plant and equipment gross amount	–9.5	–9.3
Disposals of property, plant and equipment accumulated depreciation and impairment losses	9.3	8.0
Capital expenditure, net	**66.3**	**37.3**

Cash flow

Cash flow from operating activities was CHF 56.1 million, up from CHF 47.6 million in 2022, mainly as a result of lower net working capital changes partly offset by a lower net income in 2023. Net income in 2023 amounted to CHF 0.7 million compared to a net income before loss on net assets derecognized and retained investments in 2022 of CHF 27.0 million (year-on-year change of CHF 26.3 million). Current trade assets and liabilities (inventory, advance payments to suppliers, trade accounts receivable/payable and other net current assets) increased in 2023 by CHF 7.3 million whereas in 2022 they increased by CHF 39.4 million, leading to a year-on year impact of CHF 32.1 million. The group paid interest and income taxes in 2023 of CHF 14.2 million compared to CHF 17.0 million in 2022.

Cash out from investing activities was CHF 80.6 million, associated to the purchase of property, plant and equipment (CHF 46.4 million), the acquisition of subsidiaries (CHF 29.4 million) and the acquisition of associates (CHF 5.7 million).

Negative cash flow from financing activities amounted to CHF 153.8 million, mainly related to net repayments from borrowings of CHF 123.6 million. Dividends paid to shareholders amounted to CHF 15.0 million and dividends paid to non-controlling interests in subsidiaries were CHF 1.3 million. The group further purchased treasury shares of CHF 3.1 million to cover its exposure related to share-based payment plans and paid lease liabilities of CHF 10.4 million.

The lower year-on-year EBITDA and the elevated capital expenditure described above, combined with higher-than-usual inventories to ensure continuity of supply ahead of the opening of the factory in Valencia, Spain, delivered a modest free cash flow of CHF 3.4 million, down by around two-thirds compared to CHF 10.3 million in 2022. By contrast, medmix' key metric of adjusted operating net cash flow, which is operating cash flow adjusted for capital expenditure and exceptional and non-operating items, increased by 9.3% to CHF 40.8 million compared to CHF 37.3 million in 2022.

Bridge from cash flow from operating activities to free cash flow and adjusted operating net cash flow

millions of CHF	2023	2022
Cash flow from operating activities	56.1	47.6
Purchase of intangible assets	–6.5	–2.2
Sale of intangible assets	0.0	–
Purchase of property, plant and equipment	–46.4	–36.4
Sale of property, plant and equipment	0.2	1.3
Free cash flow (FCF)	**3.4**	**10.3**
Interest received	–1.3	–0.6
Interest paid	6.3	6.5
Other financial income / (expenses), net	4.4	1.6
Income tax paid	7.9	10.5
Other items	–2.7	–10.1
Operating net cash flow (ONCF)	**17.9**	**18.2**
Non-operational items[1)]	22.9	19.1
Adjusted operating net cash flow (adjusted ONCF)	**40.8**	**37.3**

1) Non-operational items include significant acquisition-related payments, cash flow from the sale of businesses or real estate, and cash flow for certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

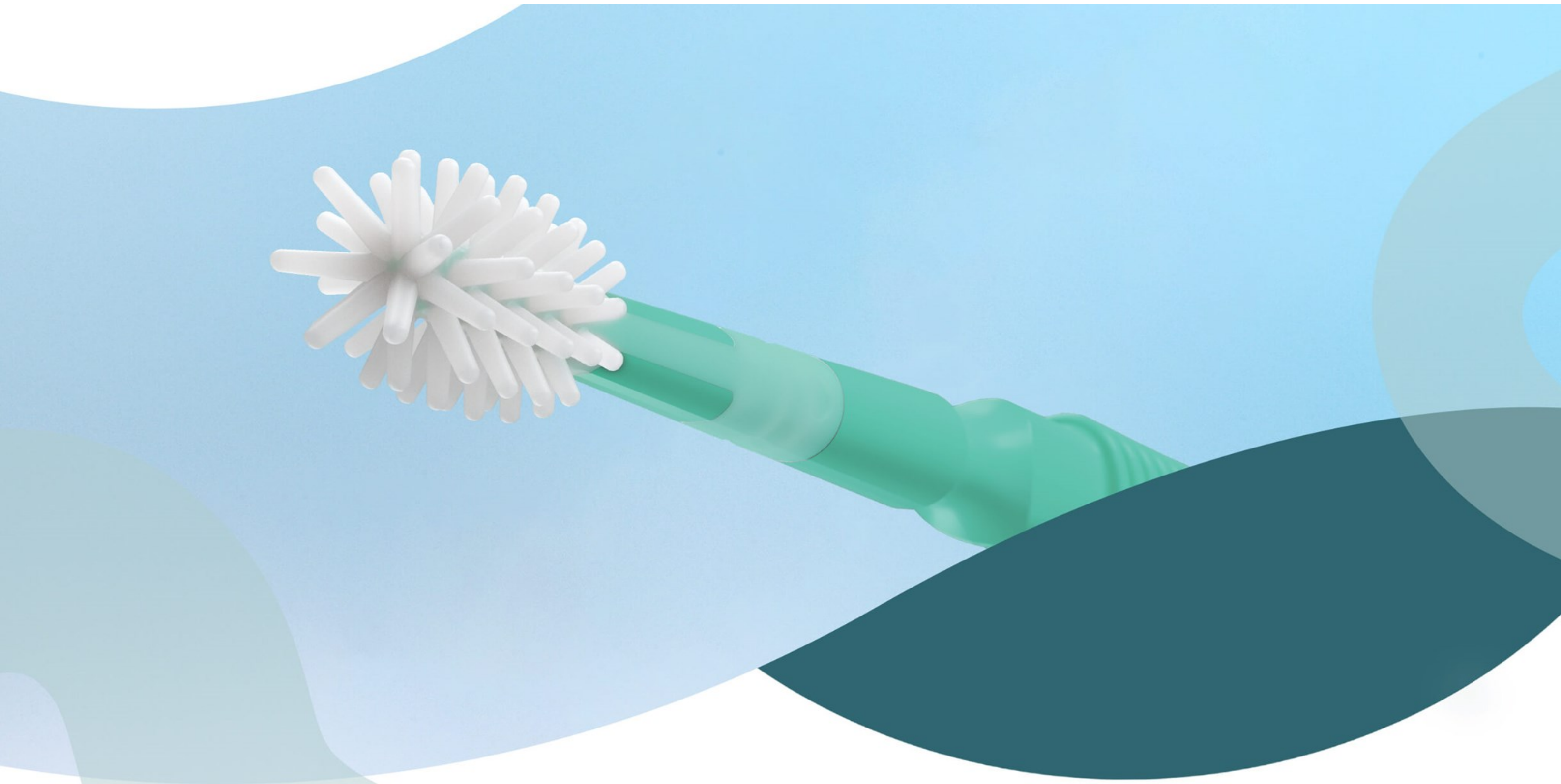
Outlook

Reference is made to the letter to the shareholders.

Alternative performance measures (APM)

For the definition of the alternative performance measures, please refer to the chapter alternative performance measures.

Abbreviations:
CAGR: Compound annual growth rate
EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation and amortization
ONCF: Operating net cash flow



medmix Dental: ZerofloX™

Healthcare review

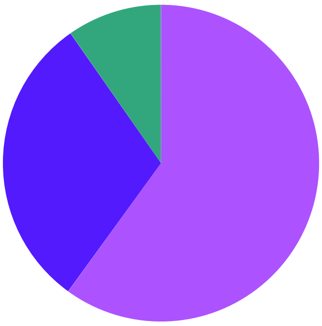
Our Healthcare business area includes the Dental, Drug Delivery and Surgery segments, which design, produce and market a broad range of products such as dispensers, cartridges, mixers, tips, syringes, pen injectors for subcutaneous delivery of biological products and delivery devices for bone repair and tissue treatment. These devices are used in a variety of applications by our end customers. In the Dental business, our products are used for prosthetics, restoratives, anesthetics and aesthetics. The pen injectors produced and marketed by our Drug Delivery segment are used in fertility and growth hormone treatments, and to deliver medical substances to treat diabetes, osteoporosis and rare diseases. The delivery devices designed, produced and marketed by our Surgery segment are used by tissue banks for bone repair and bone cement in trauma surgeries, and by pharma customers with other medical substances for internal and external wound healing.

Key figures

millions of CHF	2023	% of HC revenue	+/–% change	+/–% organic[2]	2022	% of HC revenue
Revenue Dental	106.2	60.0%	–15.1%	–13.3%	125.1	67.6%
Revenue Drug Delivery	53.6	30.3%	14.1%	18.6%	47.0	25.4%
Revenue Surgery	17.2	9.7%	34.2%	34.2%	12.8	6.9%
Total revenue Healthcare (HC) [1]	**177.0**	**100.0%**	**–4.3%**	**–1.9%**	**184.9**	**100.0%**
Business area cost of goods sold	–69.7	–39.4%	3.4%		–72.1	–39.0%
Business area gross profit	**107.3**	**60.6%**	**–4.8%**		**112.7**	**61.0%**

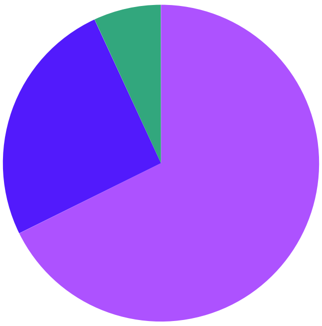
1) Revenue from external customers.
2) Adjusted for acquisition and currency effects.

Revenue by market segment 2023



- **60.0%** Dental
- **30.3%** Drug Delivery
- **9.7%** Surgery

Revenue by market segment 2022



- **67.7%** Dental
- **25.4%** Drug Delivery
- **6.9%** Surgery

Dental – Continued destocking due to the new capital allocation focus of customers

Revenues in the Dental market segment were CHF 106.2 million in 2023 compared to CHF 125.1 million in 2022, a decline of -13.3% on an organic basis.

In the second half of 2023, the Dental market segment entered a new phase of customer destocking that was initially reported in the first half of 2022, going beyond the correction of overstocking seen after the pandemic and ahead of 2022 price increases. All Dental market participants, end users as well as direct customers, adopted a new capital allocation focus prompted by increasing interest rates. Global supply chains stabilized at the same time, making it increasingly expensive and unnecessary to hold large inventories.

Given that the Dental end market has continued to grow in the meantime, albeit at a more modest 1% to 2% rate, we expect a normalization of our revenues during the course of 2024 as customer inventories attain their new equilibrium.

Innovation is a top priority to delivering game-changing solutions and growth. In the second half of 2023, we launched the ZerofloX™ micro applicator, indicated for a variety of dental applications and dental materials. This injection molded applicator can be used to apply medication or bonding agents during clinical procedures without the risk of contamination of the cavity with fibers or flocks. Early in 2024, ZerofloX was awarded the 2024 Research Award by Dental Advisor.

Key to our growth ambition in Dental remains our focus on product expansion, the development of new products for adjacent applications and the entry into new markets.

Drug Delivery – Record full-year revenues reflecting our strong device and project pipeline

The Drug Delivery market segment achieved record full-year revenues of CHF 53.6 million compared to CHF 47.0 million in 2022. This represents organic growth of 18.6%, reflecting our strong device and project pipeline. Last year saw the commercial launch of our D-Flex injector pen, with the launch customer making first shipments to the European Union. This device bridges the gap between fixed and variable-dose pens, and paves the way for digitally connected commercial devices. A human factors study on PiccoJect demonstrated a strong end user preference for our autoinjector in terms of handling and convenience compared to competitor products.

Our Drug Delivery market segment collaborates closely with existing and new customers in the pharma- and biopharmaceutical industries. In 2023, medmix won eight new projects and entered a strategic investment in AARDEX, a global player in digital medication adherence in clinical trials, with a stake representing 25% of AARDEX capital. This step reinforces medmix' Drug Delivery business under the Haselmeier™ brand. The unique combination offers innovative solutions that simplify patient dosing management in clinical trials and thus provide more accurate study results.

Surgery – Continued strong growth from the conversion of tissue banks

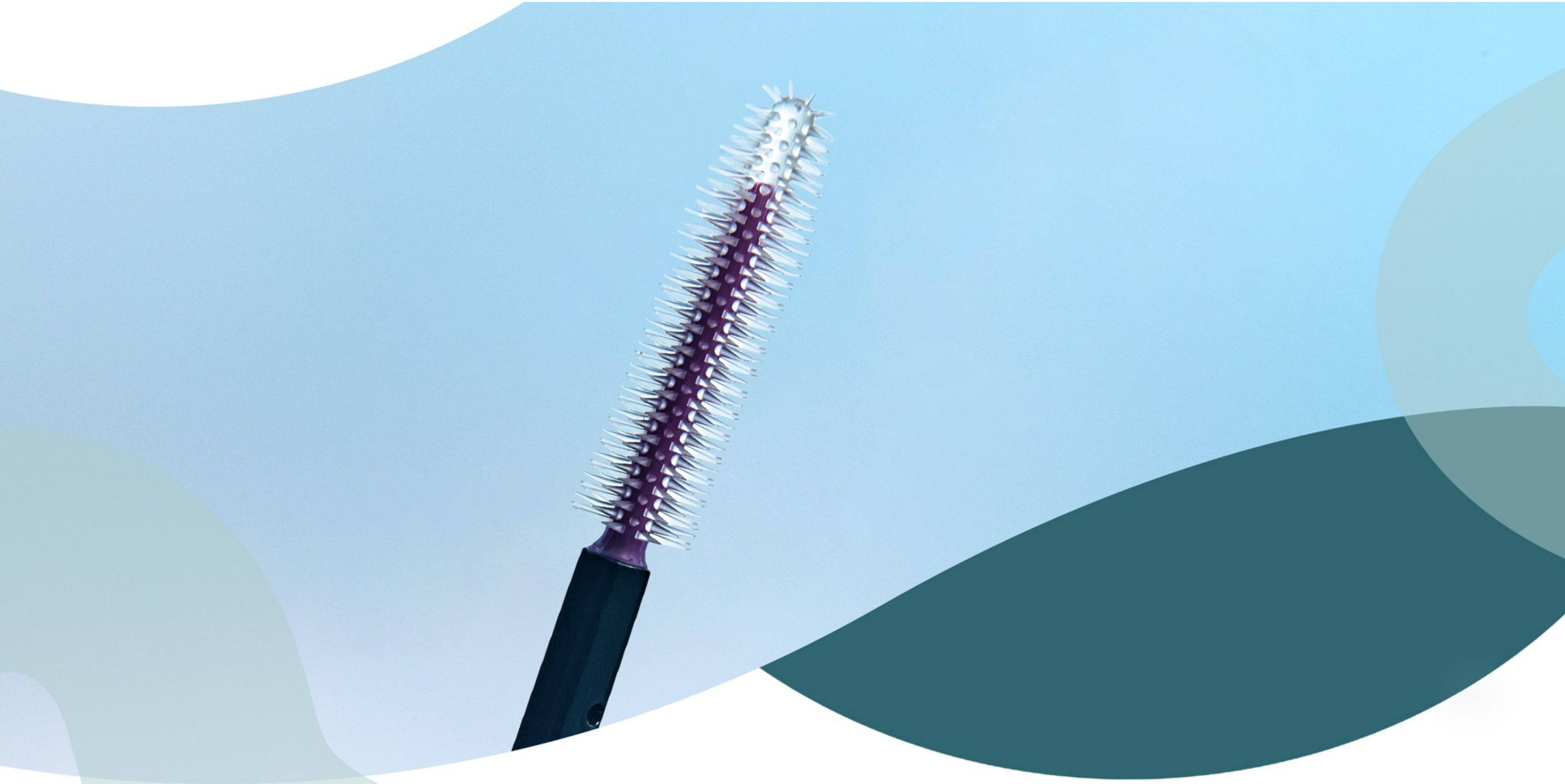
In 2023, our Surgery segment delivered revenues of CHF 17.2 million compared to CHF 12.8 million a year earlier. This jump of 34.2% on an organic basis represents an all-time high revenue. After the Surgery segment recovered strongly from the pandemic-induced reduction in elective surgeries in 2022, its double-digit growth path continued to benefit from robust underlying market growth as well as the conversion of tissue banks from bulk bags of allograft to medmix syringes that our customers prefill with allograft, offering surgeons a significant convenience benefit. The tissue bank revenue recorded a growth rate of 40.8%.

Our Surgery segment specializes in the design and production of surgical delivery devices of biomaterials for trauma, bone repair and tissue regeneration. In 2023, we continued to focus on growing our business by collaborating with tissue banks and large original equipment manufacturer (OEM) customers on designing and developing tailor-made solutions for managing their biomaterials.

For the benefit of US customers of all three segments in Healthcare, we signed a lease in 2022 for a new production facility in Atlanta, USA. This project is on track in terms of time and budget, aiming for ISO and FDA certification in Q2 2024. We aim to start serving our Surgery customers from this new facility from mid-2024, strengthening our presence in the world's largest healthcare market. With fully equipped clean room operations, this site is set to serve our Healthcare customers with a North America focus.

Definition of alternative performance measures (APMs)

For the definition of the alternative performance measures, please refer to the chapter alternative performance measures.



medmix Beauty: pureDEFINITION brush

Consumer & Industrial review

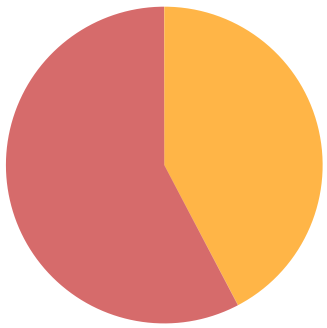
In our Consumer & Industrial business area, we provide our customers with high-quality products and outstanding services adapted to our customers' needs. In the Industry segment, we design, develop and market a broad range of products such as dispensers, cartridges and mixers for two-component adhesives and sealants for use in the construction, transportation, electronics, infrastructure and general industrial sectors, as well as in the DIY market. Micro-brushes and applicators for eyes, eyelashes, lips and facial make-up are the most important products of our Beauty segment. They are sold to a broad customer base that ranges from the most iconic names in the beauty industry to independent ("Indie") labels and regional brands.

Key figures

millions of CHF	2023	% of C&I revenue	+/–% change	+/–% organic[2]	2022	% of C&I revenue
Revenue Industry	130.9	42.3%	–11.6%	–10.3%	148.2	50.7%
Revenue Beauty	178.6	57.7%	23.9%	16.6%	144.1	49.3%
Total revenue Consumer & Industrial (C&I) [1]	**309.6**	**100.0%**	**5.9%**	**2.9%**	**292.3**	**100.0%**
Business area cost of goods sold	–200.5	–64.8%	–7.2%		–187.0	–64.0%
Business area gross profit	**109.0**	**35.2%**	**3.6%**		**105.3**	**36.0%**

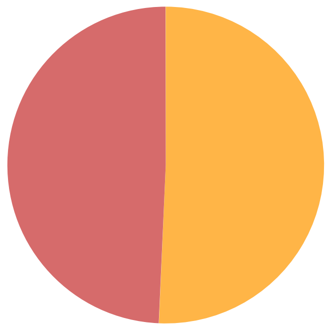
1) Revenue from external customers.
2) Adjusted for acquisition and currency effects.

Revenue by market segment
2023



42.3% Industry
57.7% Beauty

Revenue by market segment
2022



50.7% Industry
49.3% Beauty

Industry now at full operation to meet demand going forward

The Industry segment achieved a revenue of CHF 130.9 million compared to CHF 148.2 million in 2022, a decrease of -10.3% on an organic basis. The acquisition in 2022 of the plastics business of Universal de Suministros, S.L. contributed 240 basis points to market segment growth and 120 basis points to business area growth. Universal de Suministros, S.L. is a Spanish manufacturer of cartridges, mixers and accessories for construction and industrial adhesives.

Throughout 2023, revenues were restrained by limited production capacity and the restricted availability of certain products. Despite these constraints, the market segment retained all significant customers and even gained new business. Towards the end of the year, in the context of softer end user demand and higher interest rates, customers reduced order quantities. In 2024, with our new production facility in Spain now able to produce the complete range of fully validated products, the segment's focus will be on increasing production efficiency.

The segment's innovation efforts resulted in an expansion of our portfolio of lower CO_2 footprint products with a new sustainable dispensing solution made of up to 100% post-consumer recycled (PCR) polypropylene in November 2023. The MIXPAC greenLine™ B system (50 ml) is a process-safe precision system which supports our customers in achieving their corporate sustainability goals.

In early 2024, the MIXPAC greenLine™ 400 ml won the BIG (Business Intelligence Group) innovation award in the construction category. Designed for seamless integration into existing compatible dispensers, this novel solution offers a reduced carbon footprint and supports the circular economy without requiring any process changes. Several new dispensers for this market segment, including the COX speedfleX™, a revolutionary ultra-compact battery powered dispenser, were developed and launched with remarkable speed.

With the official inauguration of our production facility in Valencia we are now at full operation and back on track to meet the growing demand from European and global customers in our Industry segment.

Beauty benefiting from several customer product launches

The Beauty market segment grew organically by 16.6%. Revenues were CHF 178.6 million in 2023 compared to CHF 144.1 million a year earlier, benefiting from several customer product launches in the first half of the year. Our own innovation, the new Micro Bristle Applicator, successfully gained footholds in new cosmetic fields outside our core eyelash applications with seven launches in 2023. Despite organic growth moderating in the second half as expected, the Beauty market segment reached all-time high half-year revenues of CHF 92.4 million due to the first-time consolidation of Guangdong Qiaoyi Plastic. Qiaoyi added CHF 16.8 million of revenue, representing 1'300 basis point of Beauty market segment growth and 640 basis points of business area growth.

In 2024, we expect Beauty segment growth to continue, although at a more moderate pace, driven by ongoing customer launch activity and our own initiatives. The market segment will also benefit from the full-year consolidation of Qiaoyi.

Sustainable designs, materials and production processes remain key in the Beauty segment going forward. Our ability to focus on sustainable innovation was proven by the launch of an all-new shadow printing (patent pending) service. The process modifies the surface of cosmetics products and packing without impacting recyclability as no additional foil or ink is used. It delivers striking surface finishes for perfect brand aesthetics.

Definition of alternative performance measures (APMs):
For the definition of the alternative performance measures, please refer to the chapter alternative performance measures.


medmix Beauty: Natural mascara PCR brush

SUSTAINABILITY REVIEW

Sustainability review

Governance

Sound governance is fundamental to building trust and operating responsibly and successfully. It is a cornerstone to our ability to achieve our mission and secure long-term and sustainable value for our stakeholders.

medmix is subject to the laws of Switzerland, in particular Swiss corporate and stock exchange laws. The company also applies the Swiss Code of Best Practice for Corporate Governance.

The governance structure enables our strategy and supports our commitments. Our Environmental, Social and Governance (ESG) and Sustainability Strategy and performance are discussed by the Executive Committee but also reviewed, and formally approved when required by the Board of Directors.

For each resolution to be taken by the Board of Directors, written documentation is distributed to the members of the Board of Directors ahead of each meeting. The Board of Directors and the Executive Committee meet as often as required. The Board of Directors meets at least five times per year, the Executive Committee has a sustainability update scheduled at least four times per year.

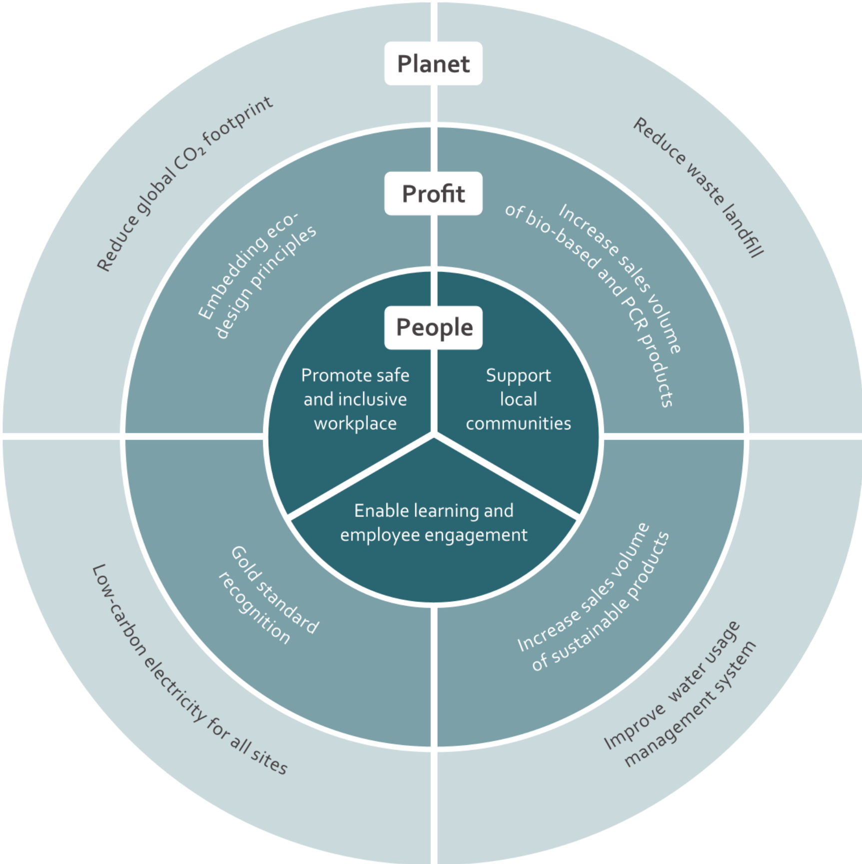
During this reporting period, the Board of Directors was consulted twice for their strategic guidance and their performance evaluation of medmix' sustainability and ESG initiatives.

ESG metrics are built into our compensation framework and we track performance indicators related to corruption, environment, especially climate-related; social; employee-related; and human rights.

Full details of medmix Corporate Governance can be found in the corresponding section of this report.

Strategy and business model

Our long-term success depends on sustainable and profitable growth and an intact planet. As a company with a long tradition in the world of precision instruments, we want to continue to have a positive influence on our industry by reconciling economic, social and environmental aspects and promoting sustainable practices, illustrated by the following model with drivers and actions:



medmix recognizes the responsibility we have for the environment and society within the company, but also in the various communities in which we operate. Our goal is to further strengthen our sustainability efforts to minimize adverse impacts and maximize benefits, future-proof our growth and invest in building capabilities within our organization to adapt to the changing regulatory landscape and promote competitiveness and innovation.

Our strategy, long-standing commitments and ambitious targets are reflected in a comprehensive and pragmatic framework:

People

As an aspiring employer of choice, we enable an inclusive workforce, develop impactful development opportunities, and support employee engagement through an open and empowering culture.

We work to support our communities and our employees, whose safety is a key priority. We promote a safe and healthy work environment and are committed to eliminating hazards, reducing occupational health and safety risks for everyone present at our sites.

Planet

At medmix, we recognize the importance of taking a science-based approach to the reduction of our greenhouse gases to meet the goals of the Paris Agreement in limiting global warming to well-below 2°C above pre-industrial levels, and to pursue efforts to limit global warming to 1.5°C.

We have a responsibility to act in tackling climate change, reducing pollution and waste, and being a good water steward to ensure a sustainable future for our planet.

Profit

We recognize that our responsibilities are not limited to delivering strong financial results. We proactively direct our resources towards innovations that contribute to more sustainable solutions. medmix is committed to preventing corruption and has a zero-tolerance policy towards corrupt practices.

"Sustainability has pride of place at medmix, and is engrained in our company values as *Sustainable Innovation*. This allows us to champion, raise the visibility of and celebrate product and process innovations that contribute to the planet and people."

ITEE SATPATHY
CHIEF HUMAN RESOURCES, SUSTAINABILITY & COMMUNICATION OFFICER

In 2023, medmix was accepted into the United Nations Global Compact (UNGC) and became a member of the UNGC Switzerland and Liechtenstein local network. We made its principles part of our strategy, and we support the Sustainable Development Goals (SDGs) and act to help achieve them.

Per the UNGC requirements, we will report our progress (Communication of Progress) for the first time during 2024.

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People and culture

The medmix team with its nearly 2’700 employees at our 19 production, sales and service sites across the world are focused on our mission, to provide innovative solutions to help millions of people live healthier and more confident lives.

We pride ourselves on our Swiss heritage and work to create an environment where our colleagues from over 70 nationalities can feel included and inspired to do their best.

The gender diversity of our teams reflects our local talent pools and we continue to make improvements, particularly in the share of women in management roles which has grown from 29% in 2022 to 33% in 2023. In our last global employee survey, we were happy to see inclusion in the top 5 scoring areas in comparison to the external norm.

We offer ongoing development opportunities to our employees, over 1’500 of whom have been invited to join the medmix Learning Hour series, an inhouse engagement focused on a wide range of topics covering sustainability, AI at work, health and wellbeing, among others. We have also invested in virtual learning programs enabling employees to set their own learning goals and learn at their desired pace.

Our corporate culture is based on our dedication to our mission and supported by a clear framework of values, which guide how we fulfil our responsibilities towards our stakeholders. For medmix, this represents a commitment to Customer Focus, Trust and Teamwork, Sustainable Innovation and Quality and Accountability. We celebrate our teams as they offer outstanding examples of how these values are brought to life.

Quality and Accountability

We pride ourselves on our commitment to quality and the key principle of accountability for doing our best every day. The winning team from Valencia rose to the challenge of setting up the new site while maintaining operations in an acquired company. Working with an entrepreneurial spirit, they showed discipline, responsibility for decisions and resilience in the face of adversity.

Customer Focus

94% of employees agree* they go beyond what is needed to deliver for our customers. This mind-set was fully reflected by the winners of the 2023 Customer Focus value award, who won for their exemplary efforts in enabling the design verification phase of a highly customized reconstitution pen for a key biotech customer.

*: Data from our latest global employee engagement survey.

Trust and Teamwork

Our teams represent the diversity of experiences and spirit of inclusion that sets our company apart. The canteen team at our Bechhofen site were the winners for the Trust and Teamwork value award, delivering a consistently positive lunch break experience at our largest facility. Their focus on offering healthy food options and commitment to sustainable sourcing of regional produce is much appreciated.

Sustainable Innovation

Our focus on sustainability is also reflected in our core values. The winning team for Sustainable Innovation from medmix Beauty (GEKA) have developed a completely new type of decoration technology, the shadow printing (patent pending) technology that reduces the carbon footprint compared to existing technologies. An achievement made possible thanks to the innovation mindset that builds on sustainability principles.

Approach and progress

Materiality Assessment

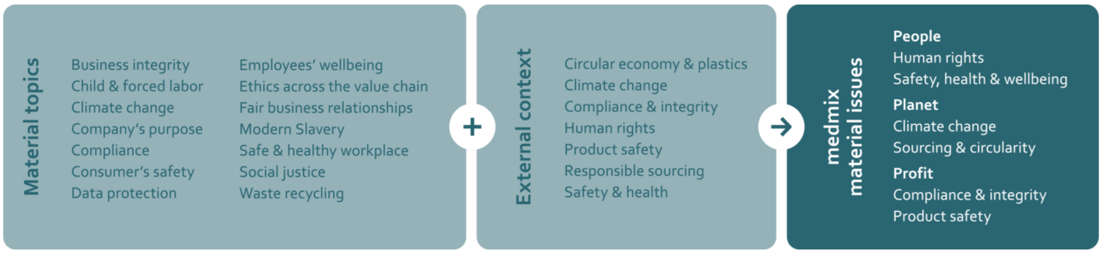
During 2023, medmix conducted a materiality assessment to identify and assess the potential environmental, social, employee-related, human rights and combatting corruption topics that could affect the company's business performance.

The assessment was performed in accordance with the requirements of the Swiss Code of Obligations and the reporting standard of the Global Reporting Initiative (GRI).

The following steps were taken during the assessment process:

Step 1: Material topics selection	The set of 38 topics was created, based the historical list, and on competitive analysis. The requirements of the Global Reporting Initiative (GRI) and the Sustainable Development Goals (SDGs) were also considered.
Step 2: Establish external context	The expectations of external stakeholders were determined by analyzing regulatory trends and legislative proposals, as well as the activities of competitors, media coverage and results from ratings organizations.
Step 3: Stakeholder engagement	To analyze the importance and impact on medmix' business success, a questionnaire was sent to a representative group of medmix employees across the five business segments and the different business functions.
Step 4: Materiality assessment	The quantitative and qualitative input received from above stakeholders was assessed and plotted on a matrix reflecting the topics' relevance to medmix and to people and the environment. The 14 topics assessed as being most relevant were then grouped to form the medmix Material Issues.
Step 5: Review strategies	Risks and opportunities were identified from the results, and medmix' established priorities and actions were reviewed.

As a result of the assessment, medmix identified six material issues, covering the 14 most relevant topics, and in line with the Sustainability Strategy:



Presentation of concepts

Business Code of Conduct

medmix is committed to preventing corruption and has a zero-tolerance policy towards corrupt practices. We have developed controls to mitigate the risk of corruption, such as the implementation of our Business Code of Conduct, the Anti-Corruption Directive, the Healthcare Compliance Directive and our Delegation of Authority Directive. We have established a system for monitoring and reporting corruption and for investigating and addressing corruption-related issues. The policy document addresses the combatting corruption material issue.

Quality Policy

medmix is active in the design, development and manufacturing of plastic components and finished products, for the Healthcare and Consumer & Industrial business areas, mostly within the business-to-business (B2B) framework but also as legal manufacturer of selected products (applicator systems as medical devices and dispensers as machinery) in selected countries. For the Healthcare business area, medmix is also active as a service provider of specific services such as the filling of dental material and contract manufacturing of combination products.

Product and service quality and customer satisfaction – for the B2B framework – and product safety and regulatory compliance – for the business as legal manufacturer – represent key drivers and objectives for medmix. This policy responds to the product safety material issue.

Sustainability Policy

Sustainability is engrained in our corporate strategy and embedded in daily business – with the necessary management frameworks, systems and processes. This policy considers the material issues of climate change, human rights, safety, health & wellbeing and sourcing & circularity.

Due diligence

In line with the new requirement of the Swiss Code of Obligations to undertake due diligence into the reasonable suspicion of child labor within medmix and the supply chain, as well as that of the importation and use of conflict minerals, medmix established internal investigative and assessment processes, and performed thorough reviews into these topics.

No suspicious cases were identified.

Presentation of measures adopted

The main milestones established in line with the medmix sustainability strategy are being satisfactorily met:

People

- Improvement in human rights risk management ✔
- Improvement in safety & health risk identification and control ✔
- ISO 45001 certification of all manufacturing sites by 2025 ✔
- Promote inclusion, with an initial focus on diversity ✔
- Virtual learning training opportunities for employees ✔

Planet

- 30% reduction in medmix-own CO_2e emissions by 2025 ✔
- 50% reduction in Scope 1, 2 and 3 CO_2e emissions by 2030 ✔
- 100% low-carbon electricity purchased by 2025 ✔
- Net Zero CO_2e emissions by 2050 ✔
- Zero waste to landfill by 2025 ✔

Profit

- CDP Climate Change "C" Assessment by 2025 ✔
- EcoVadis Gold rating of all manufacturing sites by 2025 ✔
- Increase sales of sustainable products, making 15 available during 2023 ✔

Further details on these milestones are presented in the following sections.

Presentation of key activities

To achieve these milestones and progress towards the established goals, the following key activities were undertaken during 2023 and their effectiveness determined:

Material Issues	Pillars	Key activities	Performance
Human rights	• Child & forced labor • Modern slavery & human trafficking	• Due diligence performed for medmix and the supply chain • Human rights risks integrated into risk management • Signed the UK Modern Slavery Act statement	• Zero suspicious cases (child & forced labor, modern slavery & human trafficking) identified within medmix or within the supply chain
	• Enable learning & employee engagement	• Launch of Learning Hour sessions • Launch of virtual learning platform	• 1'500 employees invited to join Learning Hour sessions • 100 employees onboarded to virtual learning platform
	• Promote a safe and inclusive workplace	• Signatory to the UN Women's Empowerment Principles • ISO 45001 certification of manufacturing sites • Environment, health & safety walks and observations in all manufacturing sites	• 33% of women in management, an increase from 29% in 2022 • 46% of women in the workforce, consistent with 2022 • One new site, Sao Paulo, was certified ISO 45001. The number of certified sites rose to five • 2'281 safety walks and observations were made (+14% more than target), and while regrettably there was an increase in the lost time injury frequency rate (+9%), the severity of injuries (-23%) and number of lost working days (-3%) decreased
Safety, health & wellbeing	• Support local communities	• Development of social initiatives in the group's main markets • Volunteering of employees in local initiatives with social impact	• Corporate support to the International Committee of the Red Cross with medmix matching employee contributions • 34 site-led projects, benefiting flood relief, homeless and underprivileged persons, diversity & inclusion projects, youth and other local and worthy causes
	• Reduce global CO_{2e} footprint	• Increase use of ISCC+ and post-consumer recycled materials • CDP Climate Change Assessment • ISO 14001 certification • ISO 50001 certification • Identification and reduction of refrigerant leakage • Machinery and lighting upgrades to increase energy efficiency • Sourcing of low-carbon electricity for all sites by 2025	• medmix Scope 1, Scope 2 and partial Scope 3 (fuel and energy related activities + business travel) reduced (-69%) vs. the baseline year (2019), although there was an increase (+2%) in 2023 vs. 2022 due to business travel • medmix achieved a "B" rating for CDP Climate Change Assessment 2023 performance, an improvement from "C" in 2022, recognizing the coordinated actions being taken on climate issues • Two new sites, Dnesice and Sao Paulo were certified ISO 14001. The number of certified sites rose to six • Two new sites, Salem and Sao Paulo, were supplied with low-carbon electricity. The number of sites sourcing low-carbon electrify rose to 13 • medmix energy efficiency improved 10% vs. 2022, normalized with company revenue
Climate change	• Water stewardship	• Equipment upgrades to increase water efficiency • WASH assessment of manufacturing sites	• All relevant sites were assessed, achieving medmix commitment. The average WASH result was 99% • medmix water withdrawal efficiency improved 22% vs. 2022, normalized with company revenue
Sourcing & circularity	• Increase sales of sustainable[3] products	• Use of post-consumer recycled and bio-based resins • Improved competency and capability in life cycle assessment	• 20 sustainable[1] products launched during 2023, an increase from 5 during the previous year • Within Beauty, 12% of GEKA GmbH Sales met the definition, vs. 11% in 2022 • Life Cycle Assessment and Communication Directive, standardizing climate change internal screenings for product design and communication
Compliance & integrity	• Combatting corruption	• Launch of eLearning on our Business Code of Conduct, providing training on human rights and how to identify and report human rights abuses • Implementation of an independent tool to enable our employees to report human rights and corruption abuses, followed by an investigation process	• 1'500 employees were invited to participate in the eLearning • Following investigations, 10 whistle blower messages were substantiated and actions defined
Product safety	• Ensure quality of products	• Implement a certified Quality Management System for each medmix legal entity • For products where medmix acts as legal manufacturer, obtain approval for the applicable processes/products from the designated agencies and authorities	• Each legal entity certified (ISO 9001 for INDUSTRY & CONSUMER and ISO 13845 for HEALTHCARE) • All relevant certifications, approvals and declarations obtained to act as legal manufacturer

1) Minimum 30% reduction in CO_{2e} cradle-to-gate compared to standard product

Description of risks

At medmix, risks are assessed regularly as part of the company's integrated risk management process. The procedure to understand and manage risk is based on a landscape framed by medmix' objectives and operating environment. medmix Enterprise Risk Management (ERM) involves viewing risk holistically across the organization. Both insurable and non-insurable risks are identified, with the objective to eliminate, mitigate or transfer such risk or prepare to accept them. The medmix ERM embodies the organizational culture of prudent risk-taking and is the process of identifying, assessing and responding to risks, and communicating the outcomes of these analyses in a timely manner. The Executive Committee encourages a strong organizational culture and awareness of risk to ensure that the organization can overcome the factors that inhibit effective risk management.

The following risks and management activities are associated with the medmix identified material issues:

Risk	Rationale	Management Activities
Climate change		**Mitigate**
Factory disrupted or unable to operate. Leads to economic impact, contractual risk and reputation risk	1. Unable to operate site (due to climate change) 2. Lead time and capex of relocation, capacity constraints 3. Delay in equipment commissioning 4. Duplicates reduce profitability	1. Global manufacturing footprint (limit single site risk) 2. Deploy BCP and crisis management system 3. Risk management guidelines 4. Obtain business risk insurance 5. Monitor climate change impact, pandemic and policy decisions
Sourcing & circularity		**Anticipate**
Unable to source (energy, raw materials, transportation or equipment) on time and in the required quantity	Inability to source and ship, delays and inflated growth and sales plans	1. Global procurement (avoid single sources) 2. Deploy regional inventory and logistic models to mitigate global products availability concerns 3. Global monitoring of supply chain risks
Product safety		**Reduce**
medmix portfolio becoming partly unfit due to changes in regulations for products	Enaction of laws restricting the use of disposable products; new legislation from taxes to bans	1. Monitor regulations and trends 2. Assess customers' evolving demand and the fitness of the portfolio 3. Assess alternatives in product R&D
Compliance & integrity		**Reduce**
Non-compliant or unethical behavior leading to contract breach, reputational damage, fines and liability	Enaction of laws restricting the use of disposable products; new legislation from taxes to bans	1. Active fostering of high ethical standards by tone from the top and middle management 2. Monitoring and assessment of potential exposure 3. Wide roll out of Code of Business Conduct and supporting rules (e.g., anticorruption, antitrust, trade control) 4. Third-party due diligence process including human rights and environmental risks 5. Compliance training (incl. e-learning) and audits 6. Speak-up culture, compliance hotline and sanction checks
Safety, health & wellbeing		**Anticipate**
Potential danger to the well-being of employees in the workplace. It can be caused by a range of factors such as physical hazards, ergonomic hazards, psychosocial hazards, biological hazards and environmental hazards	Industrial accident: accident or oil spill can result in loss of life, environmental damage, regulatory fines, damage to reputation and loss of operating license	1. Implement measures that avoid the occurrence of impacts and thus avoid harm or even produce positive outcomes. This can include measures such as providing personal protective equipment (PPE) 2. Conduct regular safety inspections and process assessments 3. Provide training to employees on safe work practices
Human rights		**Anticipate**
Potential danger to the well-being of children who are subjected to work that is likely to harm their health, safety or morals	Damage to reputation and legal non-compliance from unidentified reasonable suspicion of child labor in our supply chain	1. medmix Business Code of Conduct and the respective training commit in respecting human rights, and a zero-tolerance policy towards human rights abuses 2. Continuous risk assessment in our supply chain and HR 3. Training on human rights and how to identify and report human rights abuses 4. Ensure monitoring and reporting via a compliance hotline and an investigation process 5. Require suppliers to sign medmix Business Code of Conduct, aligning with the Global Compact principles

Main performance indicators

medmix defines and determines its main performance indicators with reference to the Global Reporting Initiative (GRI) Consolidated Set of Standards 2021.

New acquisitions are integrated into the medmix performance indicator reporting at the start of the subsequent financial year.

Combatting corruption

Indicator	2023	2022
Number of substantiated whistle-blower messages	10	7

Whistle-blower substantiated messages by category	Reference	Messages substantiated 2023
Assets		2
Business-related		4
Employee-related		4
Environmental		0
Human rights	GRI 408, 409	0
Corruption		0

People

	Indicator	Reference	2023	2022
Management system	Number of manufacturing sites certified ISO 45001	GRI 403-1	5	4
Human rights	Number of suspected cases of child, forced or compulsory labor	GRI 408, 409	0	0
	Number of employee work-related fatalities	GRI 403-9	0	0
	Employee recordable injury rate[2]	GRI 403-9	4.1	3.6
	Employee lost time injury rate[2]	GRI 403-9	3.2	2.4
	Employee injury severity rate[3]		46.2	50.2
	Environment, health, and safety observations		933	1'036
	Safety walks		1'348	1'610
	% women in management[4]	GRI 405-1	33%	29%
	% women in workforce	GRI 405-1	46%	46%
Promote a safe and inclusive workplace	% workforce over 50 years old	GRI 405-1	39%	29%
	Number of employees invited to Learning Hour sessions		1'500	NA
Enable learning and employee engagement	Number of employees onboarded to virtual learning platform		100	NA
Support local communities	Number of community engagement projects	GRI 413-1	34	32

2) Per million hours worked, employees only
3) # of lost workdays per million hours worked, employees only
4) Management Level 5 and above, excluding Board of Directors

Planet

	Indicator	Reference	2023	2022
	Number of manufacturing sites certified ISO 14001		6	4
Management system	Number of manufacturing sites certified ISO 50001		1	1
	medmix-own emissions (t CO_{2e})	GRI 305	9’292	9’149
	medmix Scope 1 emissions (t CO_{2e})	GRI 305-1	5’235	5’408
	medmix Scope 2 emissions (t CO_{2e})	GRI 305-2	1’373	1’656
	medmix partial Scope 3 emissions (t CO_{2e})[5]	GRI 305-3	2’683	2’085
	Number of sites purchasing low-carbon electricity		13	11
	Energy consumption (GJ)	GRI 302-1	221’909	242’474
	Energy purchased that is renewable or low-carbon electricity (GJ)	GRI 302-1	86’373	100’601
	Energy produced that is renewable electricity (GJ)	GRI 302-1	472	403
Climate change	Total grid electricity consumed (GJ)	GRI 302-1	125’802	143’461
	Number of manufacturing sites assessed WASH	WRC-WA May 2021	11	NA
	Water withdrawal (m^3)	GRI 303-3	570’759	713’703
	Water consumption (m^3)	GRI 303-5	19’003	23’079
Water stewardship	Water discharge (m^3)	GRI 303-4	551’003	690’625
	Total waste (t)	GRI 306-3	2’437	2’502
Waste for disposal	Waste to landfill (t)	GRI 306-5	115	88

5) Fuel and energy-related activities + business travel

Profit

	Indicator	Reference	2023	2022
Increase sales of sustainable products	Number of products launched meeting definition of “sustainable[6]”		20	5
	Number of manufacturing sites rated at least Gold by EcoVadis		3*	4
Gold standard recognition	medmix CDP Climate Change rating		B	C

6) Minimum of 30% reduction in CO_{2e} cradle-to-gate compared to standard product
* As amended on May 2, 2024

medmix Drug Delivery: Re-Vario™ A

CORPORATE GOVERNANCE

Group structure and shareholders

medmix Ltd is subject to the laws of Switzerland, in particular Swiss corporate and stock exchange laws. The company also applies the Swiss Code of Best Practice for Corporate Governance. medmix Ltd has a single share class and has separated the functions of Chairman of the Board of Directors and CEO. The information in the following section is set out in the order defined by the SIX Exchange Regulation AG Directive on Information Relating to Corporate Governance (RLCG), with subsections summarized as far as possible. medmix Ltd.'s consolidated financial statements are prepared in accordance with IFRS Accounting Standards, and, in certain sections, readers are referred to the financial reporting section in this annual report 2023. medmix Ltd reports the compensation of the Board of Directors and the Executive Committee in the compensation report. Unless otherwise indicated, the following information refers to the situation on December 31, 2023. Further information on corporate governance is published on medmix.swiss/en/Investors/Governance.

Group structure

The group is organized into two business areas, Healthcare and Consumer & Industrial, and the operational group structure corresponds to these reported business areas. More information on the group structure can be found under note 3 to the consolidated financial statements in the financial reporting section. medmix Ltd is the only legal entity belonging to the medmix group which is listed on a stock exchange. medmix Ltd has its registered office in Baar, Switzerland. Its shares are listed and traded on the SIX Swiss Exchange in Zurich (ISIN CH1129677105). On December 31, 2023, the market capitalization of all issued shares of medmix Ltd was CHF 783'985'030.00. Information on the subsidiaries included in the consolidation can be found under note 33 to the consolidated financial statements. The list comprises all majority-owned consolidated direct and indirect subsidiaries of medmix Ltd.

Significant shareholders

According to notifications in accordance with the Swiss Financial Market Infrastructure Act received from shareholders of medmix Ltd, the following shareholders held more than 3% of medmix Ltd's registered share capital: As published on the SIX disclosure platform on October 8, 2021, Viktor F. Vekselberg held 40.54% of medmix Ltd's shares. The shares are directly held by Tiwel Holding AG. Further, The Capital Group Companies, Inc. held 3.03% of medmix Ltd's shares as published on the SIX disclosure platform on August 24, 2023, while FIL Limited held 4.90%, as published on November 17, 2021. As published on October 8, 2021, UBS Fund Management (Switzerland) AG held 4.35% of medmix Ltd's shares. For information on shareholders of medmix Ltd that have reported shareholdings of over 3% or a reduction of shareholdings below 3%, please refer to the website of the Disclosure Office of SIX Swiss Exchange (https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/). For the positions held by medmix Ltd and information on shareholders, see note 21 to the consolidated financial statements.

Cross-shareholdings

There are no cross-shareholdings where the capital or voting stakes on either side exceed the threshold of 5%.

Capital structure

Capital

As of December 31, 2023, the fully paid-up share capital of medmix Ltd amounts to CHF 412’623.70

The authorized capital foreseen in Art. 3a of the Articles of Association expired on September 20, 2023. There is no conditional capital, nor are there any participation or dividend certificates. As of December 31, 2023, medmix Ltd has not introduced a capital band.

Changes in capital

In September 2021, the company increased its share capital from CHF 342’623.70 to CHF 412’623.70, by issuing 7’000’000 fully paid in shares with a nominal value of CHF 0.01. The Board of Directors decided to withdraw the subscription rights of the existing shareholders and to allocate them to a third-party for placement of the new shares on the capital market at market conditions. No changes in share capital have occurred since then.

Shares and participation certificates and dividend-right certificates

The company's share capital is divided into 41’262’370 registered shares with a par value of CHF 0.01 per share.

All shares are issued in the form of uncertificated securities within the meaning of Art. 973c of the Swiss Code of Obligations and are held as intermediated securities within the meaning of the Swiss Federal Act on Intermediated Securities. Each registered share entitles the holder to one vote at the Shareholders’ Meeting and all shares have equal dividend rights.

The latest version of the Articles of Association is available on medmix.swiss/en/Investors/Governance (under Downloads). As of December 31, 2023, medmix Ltd held 480’523 of its own shares, which represents 1.16% of the total number of issued shares.

The company has not issued any participation certificates or dividend-right certificates.

Limitations on transferability and nominee registrations

medmix Ltd`s shares are freely transferable. Upon proof of a proper transfer, transferees will be registered in the share register as shareholders with voting rights; provided, however that the company may refuse such registrations if, when requested by the company to do so, the transferees do not certify that

- they have purchased and will hold the shares in their own name and for their own account,
- there is no agreement on the redemption of the relevant shares and
- they bear the economic risk associated with the shares (see Art. 6 of the Articles of Association; on medmix.swiss/en/Investors/Governance; under Downloads).

Nevertheless, the Board of Directors shall record persons who fail to make the required certifications if the following conditions are met:

- the nominee is subject to the supervision of a recognized banking and financial market regulator and has entered into an agreement with the Board of Directors concerning the nominee`s status;
- the share capital held by the nominee does not exceed 3% of the share capital registered in the commercial register; and
- the names, addresses and number of shares of the persons for whose accounts the nominee holds at least 0.5% of the share capital registered in the commercial register have been disclosed.

The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register if the above-mentioned conditions are not met (see Art. 6a of the Articles of Association). Further, after hearing the registered shareholder or nominee, the Board of Directors may cancel registrations in the share register retroactively as of the date of registration if such registrations were made based on incorrect information. In any event, the shareholders concerned shall be informed immediately about such cancellation (see Art. 6a of the Articles of Association).

In the 2023 reporting period, no nominees applied for registration with voting rights. The 12 nominees, holding a total of 1’193’398 shares (2.9% of total shares), who applied in 2021 have not signed the requested agreement, thus all shares held by these nominees have been entered in the share register without voting rights. Neither in the 2022 reporting period nor in the 2023 reporting period, the Board of Directors had to cancel any registrations in the share register retroactively as of the date of entry. Other than these restrictions on nominee voting, there are no transfer restrictions and no privileges under the Articles of Association. A removal or amendment of the nominee voting restriction requires a shareholders’ resolution with a majority of at least two-thirds of the votes represented.

Convertible bonds and options

No convertible bonds or warrants were outstanding as of December 31, 2023. Details of the restricted share units (RSUs) held by the members of the Board of Directors and performance share units (PSUs) held by the members of the Executive Committee are set out in the Compensation Report.

Board of Directors

None of the board members has been, or currently is, a member of the Executive Committee of medmix Ltd or any of its subsidiaries. In addition, no significant business relationships exist between members of the Board of Directors and medmix Ltd or subsidiaries of medmix Ltd.

medmix group is the former Applicator Systems division of Sulzer group, which was spun off on September 20, 2021, and became medmix Ltd. Hence, medmix Ltd was only incorporated on September 20, 2021. Until June 30, 2023, Sulzer Management Ltd (either directly or through its affiliates) provided certain corporate support services, such as accounting, treasury, tax, internal audit, legal, risk management, compliance and investor relations services. For detailed information on transactions with related parties, please see note 29 to the consolidated financial statements.

Members of the Board of Directors

Rob ten Hoedt, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee, is a Dutch citizen born in 1960.

Binding interests: Member of Medtronic's Executive Committee since 2011. Chairman of the Board of MedTech Europe (the Association representing the medical technology industry in Europe) since 2013; member of the Board of Directors of Fagron International since 2019, and Chairman of the Supervisory Board of NLC Health since 2020.

Rob ten Hoedt is the Executive Vice President & President, Global Regions of Medtronic. From 2014, his role was Executive Vice President & President Europe, Middle East & Africa (EMEA) to which Asia-Pacific (APAC) was added in May 2022. He has previously held different business and regional leadership positions since joining Medtronic in 1991. Prior to Medtronic, Rob worked in several medical technology companies including Arjo Hospital Equipment and Polystan Benelux and he also ran his own medical equipment distribution company.

Rob graduated with a degree in Commercial Economy from the H.E.A.O., the Netherlands, and holds a Master's in Marketing from the NIMA Business School.

Marco Musetti, Vice Chairman of the Board of Directors and Chairman of the Audit Committee, is a Swiss and Italian citizen born in 1969.

Binding interests: Member of the Board of Directors of Octo Telematics since 2017; President of the Board of Directors of GEM Capital Ltd since 2018; member of the Board of Directors of UMK since 2014, member of the Board of Kalahari Minerals Marketing Ltd since 2021.

Marco Musetti was a member of the Board of Directors of Sulzer Ltd from 2011 to April 2021, a member of the Board of Directors of Schmolz+Bickenbach AG (today Swiss Steel Holding AG) (2013 - 2019), a member of the Board of Directors of United Company Rusal Plc (today United Company RUSAL, international public joint-stock company) (2016 – 2023), and a member of the Board of Directors of Kalahari Trading Ltd (2017 - 2021). Previously, he was COO and deputy CEO of Aluminium Silicon Marketing (Sual Group) (2000 - 2007), Head of Metals and Structured Finance Desk for Banque Cantonale Vaudoise (1998 - 2000), and Deputy Head of Metals Desk for Banque Bruxelles Lambert (1992 - 1998).

Marco Musetti holds a Master of Science in Accounting and Finance from the London School of Economics and Political Science, UK, and a degree in Economics from the University of Lausanne, Switzerland.

Greg Poux-Guillaume, member of the Board of Directors, is a French citizen born in 1970.

Binding interests: Chief Executive Officer and Chairman of the Board of Management of Akzo Nobel N.V. SA since November 2022, and member of the Board of Directors of the Swiss-American Chamber of Commerce since 2019.

Before joining Akzo Nobel, he was Chief Executive Officer of Sulzer Ltd (2015-2022). He joined Sulzer from General Electric (2011 - 2015), where he had been named CEO of GE Grid Solutions upon GE's takeover of Alstom's energy businesses. Previously, he was a member of the Board of Directors of Delachaux SA (2012 to 2018). He was Executive Vice President of Alstom Group (member of the Executive Committee) and served as President and CEO of Alstom Grid (2011 – 2015). From 2009 to 2011, he was a Senior Managing Director at CVC Capital Partners. Prior to this, he held various positions with Alstom Group in technology venture capital with Softbank and in consulting with McKinsey & Company. Greg Poux-Guillaume started his career in Exploration and Production with Total.

He holds a MBA from Harvard Business School, USA and a Master of Science, Mechanical Engineering from the Ecole Centrale Paris, France.

Barbara Angehrn, member of the Board of Directors and member of the Nomination and Remuneration Committee, is a Swiss and Serbian citizen born in 1974.

Binding interests: Chief Executive Officer and member of the Board of Asceneuron SA since October 2023, Non-Executive Director of Bellevue Group since March 2023, and owner and managing officer of STEPSTONE Pharma GmbH since January 2015.

Prior to her role at Asceneuron, a research and development-focused biotech, she spent over four years (2018-2022) as a Member of the Executive Committee (EVP) and Chief Business / Marketing Officer at Vifor Pharma Group (acquired in August 2022 by CSL). During her time as an Executive at Vifor, Barbara had various responsibilities ranging from Global commercial, Vifor's nephrology portfolio as well as managing operations like manufacturing, IT, IR & corporate communications etc. Before joining Vifor Pharma, Barbara served as the Chief Executive Officer and founder of STEPSTONE Pharma from January 2015 to November 2018. She was also Vice President Europe at Exelixis from February 2014 to January 2015, and Head of Commercial EMEA at Onyx Pharmaceuticals from 2012 to 2014. Prior to these roles, Barbara spent more than 10 years at Amgen in various leadership positions.

Barbara Angehrn holds a Master's degree in Finance and Capital Markets from the University of St. Gallen in Switzerland.

René Willi, member of the Board of Directors and member of the Audit Committee, is a Swiss citizen born in 1967.

Binding interests: Chief Executive Officer of the Global Oral Reconstruction Group at Henry Schein Inc. and a member of the Henry Schein Inc. Executive Management Committee since 2021. Board member of the following companies controlled by Henry Schein Inc: BioHorizons Inc. (since 2014), Camlog Holding AG (since 2013), Biotech Dental SAS (since 2023), Medentis Medical GmbH (since 2018), and ACE Surgical Supply Co., Inc. (since 2019).

Before joining Henry Schein in 2013, René Willi was Executive Vice President, Surgical Business Unit, at Institut Straumann AG in Basel, Switzerland, a company he joined in 2005. Prior to Straumann, René held roles in the cardiovascular division of Medtronic. Before that, René served as a management consultant with McKinsey & Company. René started his career in plant engineering as a process engineer (Ems-Inventa) and senior manager sales & engineering (Von Roll Inova AG).

René graduated from the ETH Zürich with a PhD in Chemistry and a Master’s in Industrial Management.

David Metzger, member of the Board of Directors and member of the Nomination and Remuneration Committee, is a Swiss and French citizen born in 1969.

Binding interests: Member of the Board of Directors of Sulzer Ltd since 2021 and of Swiss Steel Holding AG since 2020. Investment and portfolio manager for Liwet Holding AG.

David Metzger is an experienced investment professional serving a range of international companies in the areas of investments, M&A and portfolio strategy. David Metzger is investment and portfolio manager for Liwet Holding AG since January 2015. Previously, he was investment director at renewable energy fund Good Energies AG (now Bregal Energy, part of COFRA Holding, 2007 to 2011), senior manager at Bain & Company (2000 to 2007) and has also worked at Novartis and Morgan Stanley. David Metzger was also a member of the Board of Directors of OC Oerlikon (2016 -2021), Octo Telematics SpA (2014 - 2023), and Norsun (2008 - 2009).

David graduated from the University of Zurich with a Master’s degree in Finance, as well as from INSEAD with a MBA.

Daniel Flammer, member of the Board of Directors and member of the Audit Committee, is a Swiss citizen born in 1969.

Binding interests: Member of Board of Directors of AdvisReal AG since 2018 and AR Professional Services AG since 2021. Chairman of the Board of Directors of Tiwel Holding AG since 2019. Chairman/Member of the Board of Directors of altrimo treuhand group AG since 2020.

Daniel Flammer is the Managing Partner of AR Financial Advisory AG in Zurich since April 2018. Previously, he was a partner in Audit & Advisory at Deloitte AG Zurich (2004 to 2018), a firm he joined in 1998 after starting his career with Hess Revisions- und Wirtschaftsberatungs AG & Hess Grant Thornton AG, ALFA Treuhand- und Revisions AG and Communal Administration of Niederburen in St. Gallen. Daniel qualified as a certified public accountant in 1997 and previously graduated from the University of Applied Sciences for Business HWV St. Gallen (Betriebsökonom HWV/FHSG). He was certified as an International Director at INSEAD in 2018.

Number of permitted activities

According to Art. 33 of medmix' Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads), the maximum number of additional mandates held by members of the Board of Directors outside the medmix group is ten, of which a maximum of four mandates may be with listed companies. Exceptions (e.g., for mandates held at the request of medmix) are also defined in Art. 33 of the Articles of Association. All Board of Directors` members comply with these requirements and no exceptions were granted in the reporting period.

Elections and terms of office

Art. 18 of the Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads) stipulates that the Board of Directors of medmix Ltd shall comprise three to seven members. Each member is elected individually. The term for members of the Board of Directors is one year until the next AGM, but re-election is possible. At the AGM of April 28, 2023, all seven Board members were re-elected, all for terms of one year. Rob ten Hoedt was elected as new Chairman of the Board of Directors, Greg Poux-Guillaume did not stand for re-election as Chairman. The Board of Directors holds the following nationalities: two from Switzerland, one from Switzerland/Serbia, one from the Netherlands, one from Switzerland/France, one from Switzerland/Italy and one from France. Professional expertise and international experience played a key role in the selection of the members of the Board of Directors.

According to Art. 4 of the Organizational Regulations of the Board of Directors (on medmix.swiss/en/Investors/Governance; under Downloads), the term of office of a board member ends no later than on the date of the AGM in the year when the member reaches the age of 70. The Board of Directors can make exceptions up to but not exceeding the year in which the member reaches the age of 73.

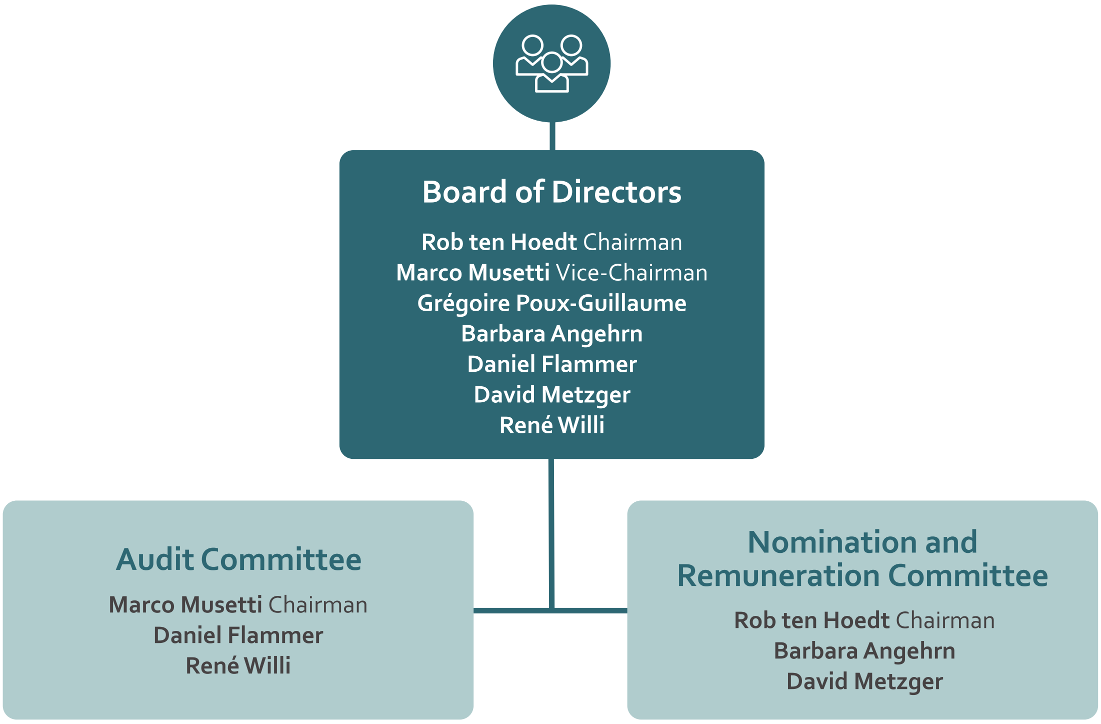
At the AGM of April 28, 2023, Proxy Voting Services GmbH was elected as the independent proxy of medmix Ltd for a term of office extending until completion of the next AGM. The Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads) do not contain rules on the granting of instructions to the independent proxy and the electronic participation in the Shareholders' Meeting that deviate from the default Swiss law.

Internal organizational structure

The Board of Directors constitutes itself, except for the Chairman of the Board of Directors who is elected by the Shareholders' Meeting. The Board of Directors appoints from among its members the Vice-Chairman of the Board of Directors and the members of the Board Committees, except for the members of the Nomination and Remuneration Committee, who are elected by the Shareholders' Meeting. In addition, the Board of Directors appoints a secretary, who does not need to be a member of the Board.

There are currently two standing Board Committees (for their constitutions, see below):

- the Audit Committee, and
- the Nomination and Remuneration Committee.



The Organizational Regulations of the Board of Directors and the relevant Committee Regulations, which are published on medmix.swiss/en/Investors/Governance (under Downloads), define the division of responsibilities between the Board of Directors and the CEO. They also define the authorities and responsibilities of the Chairman of the Board of Directors and of the two standing Board Committees.

For each resolution to be taken by the Board of Directors, written documentation is distributed to the members of the Board of Directors ahead of each meeting. The Board of Directors and the Committees meet as often as required by the circumstances. The Board of Directors meets at least five times per year, the Audit Committee and the Nomination and Remuneration Committee meet at least twice annually. The Board of Directors shall be deemed quorate if at least half of its members are present and if the majority of the members present are not representatives of a shareholder subject to sanctions pursuant to Article 18 of the Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads). Resolutions of the Board of Directors are passed upon the majority of votes cast. In case of a tie, the chairman of the meeting shall have the casting vote.

In 2023, the Board held five ordinary meetings in person, lasting on average 5 hours 20 minutes and two extraordinary meetings (held via video conference), lasting on average 70 minutes. The Nomination and Remuneration Committee held four meetings in 2023, lasting an average of 1.5 hours, and the Audit Committee also held four meetings, lasting an average of 1.5 hours. For further details, see the table below. The CEO, the CFO and the secretary of the Board of Directors also generally attend the Board of Directors` meetings in an advisory role. Other members of the Executive Committee, the extended Executive Team as well as other selected executives are invited to attend Board of Directors` meetings as required to provide their specific input on midterm planning, the strategy, the budget, market segment-specific items or investments and acquisitions.

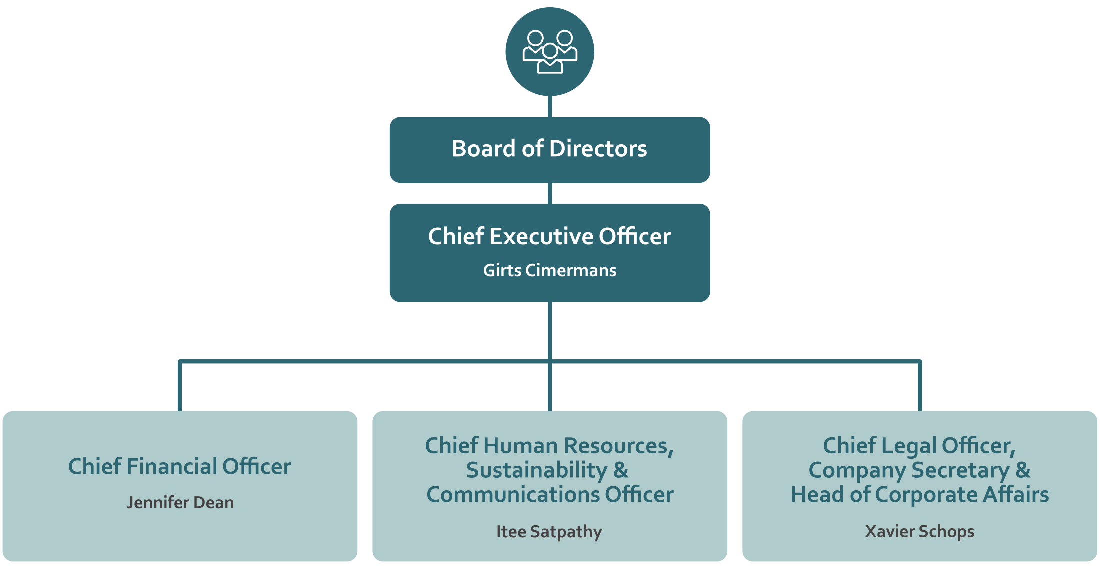
The Committees do not make any decisions, but rather review and discuss the matters assigned to them and submit the required proposals to the Board of Directors for a decision. At the next Board meeting following the Committee meeting, the chairpersons of the Committees report to the Board of Directors on all matters discussed, including key findings, opinions and recommendations.

Members of the Board

					Attending meetings of the		
Name	**Nationality**	**Position**	**Entry**	**Elected until**	**Board**	**AC**	**NRC**
Rob ten Hoedt	Dutch	Chairman of the Board[1]	April 2022	2024	5		
		Chairman NRC[2]					4
Marco Musetti	Swiss/Italian	Vice-Chairman of the Board[3]	September 2021	2024	6		
		Chairman AC[4]				4	
Barbara Angehrn	Swiss/Serbian	Member NRC[5]	April 2022	2024	6		4
Grégoire Poux-Guillaume	French	Member of the Board[6]	September 2021	2024	3		
		Member NRC[7]					0
René Willi	Swiss	Member AC[8]	April 2022	2024	5	4	
David Metzger	Swiss/French	Member NRC[9]	April 2022	2024	6		3
Daniel Flammer	Swiss	Member AC[10]	April 2022	2024	6	4	

AC = Audit Committee, NRC = Nomination and Remuneration Committee

1) Since April 28, 2023.
2) Since April 12, 2022.
3) Since September 20, 2021.
4) Since April 12, 2022.
5) Since April 12, 2022.
6) Since September 20, 2021.
7) Until April 28, 2023.
8) Since April 12, 2022.
9) Since April 28, 2023.
10) Since April 12, 2022.



Audit Committee

The Audit Committee (members listed above) assesses the midyear and annual consolidated financial statements and, in particular, the activities – including effectiveness and independence – of the internal and statutory auditor and the cooperation between the two bodies. It also assesses the internal control system as well as risk management and compliance, with at least one meeting per year dedicated to risk management and compliance. The Regulations of the Audit Committee can be viewed on medmix.swiss/en/Investors/Governance (under Downloads). The CFO, the secretary of the Board of Directors, the Deputy CFO (who is also the secretary of the Audit Committee) and the external auditor-in-charge attend the meetings of the Audit Committee. In 2023, the Audit Committee held four meetings. The statutory auditor attended all the meetings, and internal subject matter experts gave presentations to the Audit Committee during the meetings.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assesses the compensation systems and recommends compensation for the members of the Board of Directors and the Executive Committee (including short-term and long-term incentive components) to the Board of Directors in accordance with its specifications. It carries out broad compensation benchmarking with an international comparison group, supported by studies of consulting firms, if necessary, and it scrutinizes the work of internal and external consultants. The Nomination and Remuneration Committee also deals with nomination matters and assesses the criteria for the election and re-election of Board of Directors` members and the nomination of candidates for the Executive Committee. It is furthermore responsible for the succession planning for the CEO and the Executive Committee. The members of the Nomination and Remuneration Committee are elected by the Shareholders' Meeting. The Nomination and Remuneration Committee Regulations are available on medmix.swiss/en/Investors/Governance (under Downloads). The CEO and the Chief Human Resources Officer attend the meetings of the Nomination and Remuneration Committee. In 2023 the Nomination and Remuneration Committee held five meetings.

Definition of areas of responsibility

The Board of Directors has largely delegated executive management powers to the CEO. However, it is still responsible for matters that cannot be delegated in accordance with Art. 716a of the Swiss Code of Obligations. These matters include corporate strategy, the approval of mid-term planning and the annual budget, and key personnel decisions. The same applies to acquisition and divestiture decisions exceeding CHF 20 million, investments in fixed assets exceeding CHF 10 million, major corporate restructurings, approval of dispute settlements with an impact on operating income of more than CHF 5 million, approval of research and development projects exceeding CHF 5 million, other matters relevant to the company, and decisions that must be made by law by the Board of Directors. The competency regulations and the nature of the collaboration between the Board of Directors and the Executive Committee can be viewed in the Organizational Regulations of the Board of Directors on medmix.swiss/en/Investors/Governance (under Downloads).

Information and control instruments

Each member of the Board of Directors receives a copy of the monthly financial information, the midyear report and annual financial statements. These include information about the balance sheet, the income and cash flow statements, as well as key figures for the company and its market segments. They incorporate comments on the respective business results and a rolling forecast for the current business year. The CEO and CFO report at every Board of Directors` meeting on financial performance, business development and initiatives for each business segment, together with key organic and inorganic projects, as well as all matters relevant to the company. Updates regarding employees, sustainability and compliance are given. Once per year, the Board receives the forecasted annual results. During these Board of Directors` meetings, the chairpersons of the Committees also report on all matters discussed by their Committees, and on the key findings and assessments, and they submit proposals as required. Each year, the Board of Directors discusses and approves the budget for the following year and the midterm plan, the latter being subject to periodic review. The Board also reviews the strategy for the company. The Chairman of the Board of Directors regularly consults with the CEO and other representatives of the Executive Committee with respect to strategic matters and focus areas. In addition, the Board of Directors receives a status update on investor relations on a regular basis, and each member of the Board of Directors may request information regarding all matters relating to the group's business.

Group Internal Audit

While in 2022 medmix Group Internal Audit received support from Sulzer group under the Transitional Services Agreement, in 2023 the establishment of a stand-alone in-house Group Internal Audit team has been finalized and the Group Internal Audit function operated independently on all assignments. The objective of Group Internal Audit is to provide independent objective assurance and other services to help ensure that the medmix group operates in accordance with the management, internal controls and governance processes, which are adequate for the achievement of business objectives. Group Internal Audit is approved to provide assurance services to both medmix and external stakeholders such as external auditors. Meetings between internal audit and the statutory auditor take place on an annual basis, to discuss the internal audit organization and approach.

Group companies are audited by Group Internal Audit based on an audit plan that is approved by the Audit Committee. Special audit assignments may be performed upon request of a member of the Board of Directors, the Executive Committee or the management of the relevant group company, with prior approval from the chairperson of the Audit Committee.

In 2023, Group Internal Audit carried out ten audit assignments. Five of those assignments included follow-up reviews to verify the implementation of recommendations from previous audits. One of the focal points was the internal control system as well as compliance with the company's governance structure.

The results of each audit and key remediation measures are discussed in detail and agreed upon with the relevant group companies, and also shared with members of the Executive Committee. The Chairman of the Board of Directors, the members of the Audit Committee, the CEO, the CFO, the Deputy CFO, the COO and other line managers of the audited group company receive a copy of the audit report. Significant findings and recommendations are also presented to and discussed with the Executive Committee. A follow-up process is in place for all internal audits, which allows efficient and effective monitoring of how the improvement measures are being implemented.

Group Internal Audit prepares a summary of audit activities and results, along with the status of implementation of improvement measures. On a quarterly basis, the Head of Internal Audit presents the summary to the Audit Committee and, thereafter, it is reported to the Board of Directors.

Risk management and compliance

In 2023, compliance management and risk at medmix were autonomously established, independent of Sulzer support. The transition from TSA relative to compliance concluded at the end of 2022, and support from Sulzer ceased. medmix took charge of compliance management, utilizing proprietary IT Systems for campaigns, reporting, hotline, screening and due diligence. The revised structure includes the appointment of two regional compliance heads for Asia and the US. Corporate Compliance primarily falls under the purview of the Chief Compliance Officer, overseeing global compliance programs. Regional compliance is tasked with establishing and managing compliance initiatives specific to their respective areas.

At the end of 2022, medmix launched its own compliance hotline and incident reporting system, in addition to its comprehensive compliance program. Such reports can be made anonymously via a dedicated website. Furthermore, a directive sets clear rules for internal investigations. During 2023, 1'579 employees in defined targeted groups participated in a Business Code of Conduct compliance e-learning module to ensure understanding and adherence to ethical standards, legal regulations, and company policies. This training fostered a culture of integrity, reduces the risk of misconduct, and promotes a positive work environment, demonstrating a commitment to responsible business practices. With this campaign in 2023, medmix contributes to ethical decision-making, legal compliance, and the overall success and sustainability of the business.

medmix places high priority on conducting its business with integrity, in compliance with all applicable laws and internal rules, and on accepting only reasonable risks.

An internal control system as well as several policies and directives are in place, addressing different compliance topics, such as a Code of Business Conduct published on medmix.swiss/en/Investors/Governance (under Downloads), rules regarding antitrust risks, bribery and corruption, export control and other risks (e.g., non-compliance with stock exchange laws and regulations, insufficient protection of intellectual property and know-how, violations of privacy and data protection or with regard to environment, quality, safety and health are monitored. The Chief Compliance Officer is responsible for the further development of medmix group’s compliance management system.

Under the lead of the Chief Compliance Officer, a compliance risk analysis took place that formed the basis of the medmix integrated Compliance Management System (CMS), covering organizational and procedural principles and measures to ensure compliance with legal requirements and internal company guidelines. The medmix CMS targets the principles of good corporate governance, proportionality, integrity, transparency, accountability, and sustainability and is structured in three main pillars: Prevention, Detect and React.

- Prevention measures to avoid misconduct and compliance risks were implemented through the medmix compliance hotline, the worldwide centralized Compliance Training and Campaign Platform, the corporate due diligence process performing integrity checks and the Policy Manager accessible to all employees. The Code of Business Conduct carries the measures at its core.
- Detect: instruments for detecting misconduct were established through the whistleblower system, internal audit, and compliance controls.
- React: continuous improvement through monitoring, audits, and investigations to correct or eliminate weaknesses in processes and controls, as well as defining disciplinary measures.

The CMS is regularly reviewed, evaluated, and, if necessary, adapted. This enables a continuous risk assessment and adaptation to the actual risk situation of the company with a formal yearly Enterprise Risk Management review as described thereafter.

At medmix, risks are assessed regularly as part of the company's integrated risk management process. The procedure to understand and manage risk is based on a landscape framed by medmix' objectives and operating environment. medmix ERM involves viewing risk holistically across the organization. Both insurable and non-insurable risks are identified, with the objective to eliminate, mitigate, or transfer such risk, or prepare to accept them. The medmix ERM embodies the organizational culture of prudent risk-taking and is the process of identifying, assessing, and responding to risks, and communicating the outcomes of these analyses in a timely manner. The Executive Committee encourages a strong organizational culture and awareness of risk to ensure that the organization can overcome the factors that inhibit effective risk management.

The analysis of the external and internal context shows the environment in which medmix seeks to define and achieve its objectives.

The primary external influences relate to the social, cultural, political, legal, regulatory, financial, technological, and economic environments within which medmix operates. These external influences occur at international, national, state, regional, or local levels. Influences on the internal environment for medmix include medmix current operations and business objectives.

External Risks

Risk	Rationale	Management Activities
Business Interruption		**Mitigate**
Factory disrupted or unable to operate. Leads to economic impact, contractual risk and reputation risk	1. Unable to operate site 2. Lead time and capex of relocation, capacity constraints 3. Delay in equipment commissioning 4. Duplicates reduced profitability	1. Global footprint (limit single site risk) 2. Deploy BCP and crisis management system 3. Risk management guidelines 4. Obtain business risk insurance 5. Monitor climate change impact, pandemic and policy decisions
Supply Chain Disruption		**Anticipate**
Unable to source (energy, raw material, transportation, or equipment) on time and in the required quantity	Inability to source and ship, delays and inflate growth and sales plans	1.Global procurement (avoid single source) 2. Deploy regional inventory and logistics models to mitigate global products availability concerns 3. Global monitoring of supply chain risks
Export Trade Restrictions		**Reduce**
Breach of regulations drives breach of law, fine, denied export status, liabilities	Unable to continue shipping, liability, reputation	1. Monitor regulatory space & trends 2. Leverage digital solutions 3. Resource increase in Export/Trade
Product Regulations		**Reduce**
medmix portfolio becoming partly unfit due to regulations changes on products	Enaction of laws restricting the use of disposable products; New legislation from taxes to bans	1. Monitor regulations and trends (quality or regulatory) 2. Assess customers` evolving demand and the fitness of the portfolio 3. Assess alternatives in product R&D
Intellectual Property		**Reduce**
medmix unable to defend its technology and patent portfolio, and commercialize its new products	Unable to sell or price our products	1. Fiercely defend IPR 2. Thorough IP clearance study before product introduction 3. External vendors scanning of competitors/ copier products 4. Strong IP protection of product portfolio, improvements, and of brands 5. Embed IP in M&A processes
Compliance		**Reduce**
Non-compliant or unethical behavior leading to contract breach, reputational damage, fines and liability	1. Growth focus on both China and Healthcare 2. Move to more regulated industry, compliance with complex local laws 3. Non-compliance: existing or acquired companies (bribery,corruption, Sanctions & KYC)	1. Active fostering of high ethical standards by tone from the top and middle management 2. Monitoring and assessment of potential exposure 3. Wide roll out of Code of Business Conduct and supporting rules (e.g., anticorruption, antitrust, trade control) 4. Third-party due diligence process 5. Compliance training (incl. e-learning) and audits 6. Speak-up culture, compliance hotline and sanction checks
IT Security (Cyber)		**Reduce**
Cyber risk and access to systems	1. Cyber risk and access to systems Restricted or no access to network, data and systems due to cybercrime (hack, malware).	1. 24/7 network & endpoint Service provider monitor 2. internal IR security resource, software updates 3. cybersecurity insurance compensates, not solve

Internal Risks

Risk	Rationale	Management Activities
Finance: No Secure Financing		**Reduce**
Unable to secure financing for growth due to a) size b) age of medmix c) economic conditions	1. Unable to invest in its future, miss acquisitions or technological evolution, lose leadership 2. Unable to invest in infrastructure: cost base required to grow and deliver profit expectations	1. Promote medmix to investors and finance community 2. Proactively identify source of funds
HR: Resource Optimization		**Reduce**
Inability to effectively allocate human resources and/or secure new qualified resources, or optimize business activities	Failure to attract, retain and develop people: higher cost of doing business	1. Anchor people and performance efforts to company's values and behaviors 2. Ongoing feedback through surveys 3. Robust internal communications 4. Ongoing engagement in collaborative activities 5. Visible development opportunities 6. Consistent approach to salary grading 7. Identify talents & deploy retention measures 8. Promote medmix as an employer of choice

Executive Committee

The Board of Directors has delegated the management of the company to the CEO, who has delegated certain powers to the members of the Executive Committee. The Organizational Regulations of the Board of Directors govern, among others, the delegation from the Board of Directors to the CEO and the sub delegation by the CEO. The regulations can be viewed on medmix.swiss/en/Investors/Governance (Under Downloads).

Members of the Executive Committee

Girts Cimermans, Chief Executive Officer and member of the Executive Committee, is a Latvian citizen born in 1969.

Binding interests: Member of the Board of Directors of Alpcot Ltd since 2019.

Girts Cimermans has been the CEO of medmix since Sept 2021. Before the incorporation and separate listing of medmix Ltd, Girts Cimermans was Division President of Sulzer Ltd’s Applicator Systems division and member of the Sulzer Executive Committee from 2019. From 2013 to 2018, Girts Cimermans served as CEO of Hoya Vision Care in Bangkok and Amsterdam. From 2011 to 2013, he was President Europe Middle East & Africa of Pentax Medical in Germany, and from 2009 to 2011 Director Eastern Europe of Danaher Group’s Kavo Dental GmbH. Prior to this, Girts held several positions at GE Healthcare in Germany, including President Northeastern Europe.

Girts Cimermans holds a Master’s degree from the Stockholm School of Economics, Sweden

Jennifer Dean, Chief Financial Officer and member of the Executive Committee is an Australian citizen born in 1968.

Binding interests: Member of Board of the Australian Swiss Chamber of Commerce since 2022.

Jennifer Dean has been the CFO of medmix since September 2021. Prior to the incorporation and separate listing of medmix Ltd, Jennifer Dean acted as the Chief Financial Officer for the Applicator Systems division of Sulzer Ltd (from 2017). She was CFO for Product Lines at GE Power Services from 2015 to 2017. Prior to this, she held a number of positions at Alstom, including Vice President Finance for the Thermal Services division (2013 to 2015), Finance Director for Gas Turbine Product Line (2010 to 2013), and Finance Director for Environmental Control Systems & Carbon Capture Systems (2006 to 2010).

Jennifer Dean holds a Bachelor's degree in Economics from Macquarie University, Sydney, Australia, and is a chartered accountant (Chartered Accountants Australia & New Zealand) and associate member of the Governance Institute of Australia.

Itee Satpathy, Chief Human Resources, Sustainability and Communications Officer, and member of the Executive Committee, is a Swiss citizen born in 1978.

In addition to HR, she also leads the Sustainability and Communication efforts at medmix.

Binding interests: none.

Before joining medmix Ltd in December 2021, Itee Satpathy was appointed Global Head of People Development and Internal Communications at Sulzer in 2018. Prior to joining Sulzer, she led Talent Development and Diversity at Syngenta (2013 to 2017). Previously, she held various roles of increasing responsibility at Novartis across the Human Resources function, including leadership and organization development, talent management, and diversity and inclusion (2003 to 2012). Itee started her career in India with ICICI Bank before moving to Switzerland in 2003.

Itee Satpathy holds a Master’s degree (Diploma) in Human Resources Management from XLRI School of Management, Jamshedpur, India.

Xavier Schops, Chief Legal Officer, Company Secretary, Head of Corporate Affairs and member of the Executive Committee is a French citizen born in 1968.

Binding interests: Member of the Board of ACC Europe - Association of Corporate Counsel.

Xavier Schops has been heading the Legal and Compliance department and serves as Company Secretary since August 2022. He joined the Executive Committee on November 1, 2023, as of then also serving as Head of Corporate Affairs and is in charge of Mergers & Acquisitions. He joined medmix from Sonova AG (2019-2022), where he also served as General Counsel, then supported Mergers & Acquisitions. Previously, he was General Counsel for Europe, Middle East and Africa at PPG Industries (2009-2016) and Vice President & Chief Counsel Europe for Mondelez International (2016-2019). Xavier Schops started his career at the Michelin Group, for which he worked in Europe and Asia.

Xavier Schops holds a post-graduate degree in Corporate Law and Tax from Paris University (Pantheon-Assas) and a Master’s degree in Corporate Finance and Accounting from the Neoma Business School.

Number of permitted activities

No member of the Executive Committee may hold more than five mandates, of which no more than one may be in listed companies (see Art. 33 of the Articles of Association on medmix.swiss/en/Investors/Governance; under Downloads). Exceptions (e.g., for mandates held at the request of medmix) are also defined in Art. 33 of the Articles of Association. All members of the Executive Committee comply with these requirements and no exceptions were granted in the reporting period.

Management contracts

There are no management contracts existing with third parties. None of the Executive Committee members has a contract with a notice period exceeding 12 months.

Shareholder participation rights

Voting rights restrictions and representation

Only nominees are subject to restrictions (see section capital structure of this corporate governance report). No exceptions were granted during the reporting year, and no measures to remove these restrictions are planned. According to Art. 7 of the Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads), a shareholder may be represented at a Shareholders' Meeting by the shareholder`s legal representative, by means of a written power of attorney to any other person who does not need to be a shareholder, or the independent proxy. Shares held by a shareholder may be represented by only one person. The Board of Directors determines the venue of the Shareholders' Meeting. In case the Board of Directors determines to hold a virtual or hybrid Shareholders' Meeting, shareholders who are not present in person may exercise their rights by electronic means (see Art. 12 of the Articles of Association; on medmix.swiss/en/Investors/Governance; under Downloads).

Quorums required by the Articles of Association

Subject to art. 704 CO, the Shareholders' Meeting passes its resolutions and carries out its elections upon a majority of the votes represented (see Art. 15 of the Articles of Association; on medmix.swiss/en/Investors/Governance; under Downloads). However, changes to the Articles of Association may only be approved by a majority of at least two thirds of the voting rights represented at the Shareholders' Meeting, other than ordinary share capital increases against payment in cash and without exclusion of shareholders' pre-emptive rights, which are decided by a majority of the votes represented. The dissolution or a merger of the company can only be decided upon if at least half the shares issued are represented at the Shareholders' Meeting and two thirds thereof vote in favor of the corresponding proposal (see Art. 16 of the Articles of Association, under Downloads).

Convocation of the Shareholders' Meeting

The applicable regulations regarding requesting the convocation of an extraordinary Shareholders' Meeting are in line with the applicable law regarding the convocation of a Shareholders' Meeting.

Inclusion of items on the agenda

Shareholders who, alone or together, represent an aggregate par value of at least 0.5% of the share capital or the votes may request that an item be included on the agenda of a Shareholders' Meeting or that a proposal relating to an agenda item be included in the invitation. Such inclusion must be requested in writing at least two months prior to the meeting and must specify the agenda items and proposals of the shareholder concerned (see Art. 12 of the Articles of Association; on medmix.swiss/en/Investors/Governance; under Downloads).

Entries in the share register

Voting rights may only be exercised by shareholders who are registered in the share register on the record date stated in the invitation to the respective Shareholders' Meeting. The record date is determined by the Board of Directors.

Changes of control and defence measures

Duty to make an offer

The Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads) contain neither opting-out nor opting-up clauses.

Clauses on changes of control

If there is a change of control, the number of all outstanding restricted share units (RSUs) shall be prorated based on the period from the grant date to the effective date of the change of control, in proportion to the full original vesting period, and such prorated number of RSUs shall vest immediately on the effective date of the change of control, to the extent permissible under mandatory applicable law. The Board of Directors, however, may determine any other treatment of outstanding RSUs in case of a change of control. A change of control includes a merger, consolidation, acquisition, or other transaction as a result of which securities possessing 50% or more of the total combined voting power of medmix Ltd's outstanding securities are held (directly or indirectly) by a person or persons different from the person or the persons cumulatively holding (directly or indirectly) 50% or more (and acting in concert) of the total combined voting power of medmix Ltd's outstanding securities immediately prior to such transaction, as well as the sale of all or substantially all of the assets of medmix Ltd to a third party.

With respect to the performance share units (PSUs) allocated to members of the Executive Committee and other eligible employees, in case of a change of control:

(a) the number of outstanding PSUs that continue to be eligible for vesting shall be prorated based on (i) the period from the beginning of the performance period to the day immediately prior to the date when the change of control becomes legally effective, and (ii) in relation to the total performance period;

(b) the total achievement factor for such prorated number of PSUs shall be determined by the Board of Directors based on an appropriate pro rata performance assessment through the date of the change of control, and in a way that is acceptable for mandatory legal/regulatory purposes;

(c) after application of the prorating as per (a) above, and the total achievement factor determined by the Board of Directors as per (b) above, the resulting number of vested PSUs shall vest immediately on the day on which the change of control becomes legally effective.

The Board of Directors, however, may in its sole discretion determine a different treatment of PSUs in case of a change of control.

Auditor

The statutory auditor is elected at the AGM for a one-year term of office. KPMG AG was first elected at medmix' incorporation in September 2021 and re-elected at medmix' last AGM of April 28, 2023. The acting external auditor-in-charge is Simon Niklaus who was also first elected at medmix` incorporation in September 2021 and re-elected at medmix` last AGM of April 28, 2023. Provided that KPMG remains elected, the external auditor-in-charge shall be replaced at the latest after a period of seven years. The Audit Committee is in charge of supervising and monitoring the statutory auditor, and it reports to the Board of Directors (see section Audit Committee in the chapter Board of Directors of this corporate governance report). The members of the Audit Committee receive summaries of audit findings and improvement proposals at least once a year. Generally, the external auditor-in-charge and his deputy are invited to attend meetings of the Audit Committee. In 2023, the statutory auditor was present at all Audit Committee meetings. The Audit Committee or its chairperson meets separately with the statutory auditor at least once a year to assess (among other things) the independence of the statutory auditors. The Audit Committee evaluates the work done by the statutory auditor based on the documents, reports and presentations provided by the statutory auditor, as well as on the materiality and objectivity of their statements. To do so, the Committee gathers the opinion of the CFO. The Audit Committee reviews the fee paid to the auditor regularly and compares it with the auditing fees paid by other internationally active Swiss companies. Said fee is negotiated by the CFO and approved by the Board of Directors. Further information on the auditor, in particular the auditor’s fees and any additional fees received by the auditor for advisory services outside its statutory audit mandate, is listed under note 30 to the consolidated financial statements. All advisory services provided outside the statutory audit mandate (essentially, consulting services related to audit and accounting as well as legal and tax advisory services) are compliant with the applicable independence rules.

Information policy

In accordance with Art. 38 of the Articles of Association (on medmix.swiss/en/Investors/Governance; under Downloads), the official means of publication of medmix Ltd is the Swiss Official Journal of Commerce. Notices to registered shareholders may, at the election of the Board of Directors, be validly given by publication in the Swiss Official Journal of Commerce or in a form that can be evidenced by text.

medmix Ltd reports on its financial results every half year. It also comments on business performance and outlook. In addition, the company reports on price-related facts on an ongoing basis (ad hoc publications). The reporting referred to in the compensation report (including the respective references to the financial reporting section) complies with the recommendations on the content of the compensation report as laid out in section 42 of Appendix 1 to the Swiss Code of Best Practice for Corporate Governance.

The address of medmix' main registered office is Neuhofstrasse 20, 6340 Baar, Switzerland.

Key dates in 2024

- February 22: Annual results 2023 and annual results webcast
- April 24: Annual Shareholders` Meeting 2024
- July 18: Mid-year results 2024

These dates and any changes can be viewed on medmix.swiss/en/Investors/Financial-Reports. Media releases sent via e-mail, including ad hoc disclosures, can be subscribed to on https://www.medmix.swiss/news/media-release-subscription or viewed at medmix' website under [https://www.medmix.swiss/News]. Further information is available on medmix.swiss, or by contacting Investor Relations at investorrelations@medmix.com.

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Investorrelations@medmix.com

Black-out periods

Generally and regardless of whether any inside information exists or not, pursuant to medmix' Securities Trading, Public Disclosure, and Reporting Regulations, the trading in medmix Ltd securities is prohibited for (a) the members of the Board of Directors and the Executive Committee, (b) any staff reporting to any member of the Executive Committee that has access to inside information, (c) members of Group Finance, Group Planning and M&A, Group Communications and Investor Relations, and any relevant staff with access to inside information as well as the members of the medmix management group, and (d) any external advisor having access to inside information in connection with medmix Ltd's financial reporting during the following periods: the periods starting on January 1 and July 1 up to and including the trading day of the public releases of the respective full-year or half-year reports (if published prior to 7:30 am CET) or the following trading day (if published between 5:40 pm and midnight CET).

Under certain circumstances (in particular, in case of personal hardship), the company may allow exceptions to a black-out period upon reasoned request by an employee, provided that such employee is not in possession of any inside information. Such exceptions must be issued in writing with a copy to the employee's file.

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COMPENSATION REPORT

Overview of 2023

2023 represented a year of progress and innovation, marked by our market segments' resilience and growth during 2023. At a group level we grew our revenues despite a persisting volatile environment. We are proud of the performance of our teams in reaching the critical milestones for the year, moving us forward towards our mission, to provide innovative solutions that help millions of people live healthier and more confident lives.

Building for the future

We successfully launched and finalized the creation of our new European production hub for the Industry segment in Valencia, Spain. Working round the clock and within the time frame of less than a year, our teams have delivered this crucial project in record time. The facility with a size of over 14,000m^2 and more than 200 employees is now fully geared to deliver high-quality products for the Adhesives & Sealant Industries. During the year we also commenced the buildup of our new manufacturing facility for Healthcare business area near Atlanta, USA. We aim to start serving our Surgery customers from this new facility from mid-2024, strengthening our presence in the world's largest Healthcare market.

Making strides in inorganic growth

Reflecting our strong M&A track record, 2023 also witnessed our successful integration of the majority stake in Qiaoyi, a Chinese beauty manufacturing business, bringing to life our local-for-local strategy for this key market. With nearly 400 new employees joining the medmix team from this integration, we continue to strengthen our workforce.

Furthermore, our Drug Delivery market segment entered a strategic alliance with AARDEX, the leading global player in digital medication adherence in clinical trials, by acquiring a minority stake in the company. With medication adherence monitoring fast becoming a priority for Pharma and Biotech, this investment partnership gives us the advantage of increased proximity to pharma customers from an early stage.

In another positive development, we successfully sold our legal entity in Wroclaw, Poland, and have been removed from the Polish list of sanctioned entities.

Changes to Board of Directors and Executive Committee

Further strengthening our management team, Xavier Schops was appointed to the Executive Committee in November. At the Annual General Meeting in April, Rob ten Hoedt was appointed Chairman of medmix' Board of Directors, taking over from Greg Poux-Guillaume. In addition, David Metzger became a new member of the Nomination & Remuneration Committee. With these changes, the Board of Directors continues to be well prepared for the future.

We are confident that planned operational measures, combined with the dedication of our Executive Committee, the Board of Directors as well as our employees will position us for sustained growth and success in the long term.

Ongoing support of shareholders is invaluable to us and as always, we are committed to transparency and open communication with our stakeholders. As to this, in the following you will find our Compensation Report for financial year 2023.

Compensation governance

Nomination and Remuneration Committee

The Articles of Association, the Organizational Regulations of the Board of Directors and the Nomination and Remuneration Committee Regulations (on medmix.swiss/Investors/Governance; under Downloads) define the functions of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee supports the Board of Directors in nominating and assessing candidates for the Board of Directors and Executive Committee positions, establishing and reviewing the compensation strategy and principles, and preparing the respective proposals to the Shareholders' Meeting regarding the compensation of the members of the Board of Directors and of the Executive Committee.

The Nomination and Remuneration Committee is responsible for the following activities and submits all proposals concerning these activities to the Board of Directors, which has the final decision authority:

- Periodic assessment of the membership structure of the Board of Directors, determination of selection principles, and identification of potential candidates for the Board of Directors
- Succession planning for the CEO and other Executive Committee positions
- Periodic assessment of the compensation policy and programs
- Determination of performance targets for the CEO and the other Executive Committee positions for the purpose of the incentive plans
- Preparation of the respective proposals to the Shareholders' Meeting on the maximum aggregate amounts of compensation for the Board of Directors and for the Executive Committee
- Determination of the target compensation for the CEO and for the other Executive Committee positions
- Preparation of the compensation report

The table below describes the levels of authority:

Compensation Governance: Levels of authority

	CEO	Nomination & Remuneration Committee	Board of Directors	Shareholders' Meeting
Selection criteria and succession planning for the Board of Directors		proposes	approves	
Selection criteria and succession planning for the Executive Committee	proposes	reviews	approves	
Compensation policy and programs		proposes	approves	
Aggregate maximum compensation amounts for the Executive Committee and for the Board of Directors to be submitted to vote at the AGM		proposes	reviews	approves (binding vote)
Remuneration system and Board member fees		proposes	approves	
Compensation of the CEO		proposes	approves	
Individual compensation of the members of the Executive Committee	proposes	reviews	approves	
Performance objectives and assessment of the CEO		proposes	approves	
Performance objectives and assessment of the Executive Committee	proposes	reviews	approves	
Compensation report		proposes	approves	consultative vote

The Nomination and Remuneration Committee consists of a maximum of three non-executive and independent board members. The members of the Nomination and Remuneration Committee are elected individually and annually by the Shareholders' Meeting for the period of office until the following ordinary AGM.

On April 28, 2023, David Metzger was elected for the first time and Rob ten Hoedt (Chairman) and Barbara Angehrn were re-elected as members of the Nomination and Remuneration Committee. Grégoire Poux-Guillaume did not stand for re-election.

The Nomination and Remuneration Committee meets as often as the business requires, but at least twice a year. In 2023, the Nomination and Remuneration Committee held four meetings and information on attendance is available in the Corporate Governance section of this report.

The Chairman of the Nomination and Remuneration Committee reports to the next meeting of the full Board of Directors on the activities of the Nomination and Remuneration Committee and the matters discussed. The Chairman, as far as necessary, submits the respective proposals for approval by the Board of Directors. The minutes of the Nomination and Remuneration Committee meetings are available to all members of the Board of Directors. The Nomination and Remuneration Committee may appoint third parties to provide independent advice or perform services as it deems necessary for the fulfillment of its duties. Members of the management team do not participate in meetings where their compensation is being discussed and resolved.

Shareholders’ role and engagement

The company is keen to receive shareholders’ feedback on the compensation policy and programs. Further, the company proposes to regularly meet with shareholders and shareholder representatives to understand their perspectives. At the AGM, shareholders will consider and approve the maximum aggregate compensation amounts for the Board of Directors and for the Executive Committee in an annual binding vote. The compensation report will be submitted for shareholder approval in an advisory vote.

Further, the Articles of Association, which are also subject to shareholders’ approval, regulate the principles of compensation. Minor changes were made to the Articles of Association at the AGM 2023 as the Swiss Parliament adopted a revision of the corporate law on June 19, 2020, which entered into force on January 1, 2023 (subject to certain transitional provisions). Pursuant to the new corporate law, Swiss corporations are obliged to revise their corporate documents to comply with the new law by the end of 2024. Thus, Articles 30 and 32 of the Articles of Association were slightly amended:

- Article 30 no longer foresees an authorization to increase already approved compensation (supplemental amount) for internal promotions within the executive management.
- Article 32 now includes a cap for a maximum non-compete compensation in connection with post-contractual non-compete agreements with members of the Board of Directors and the Executive Committee (max. average total annual compensation over the last three financial years).

The Articles of Association in the current version include the following provisions related to compensation: (the full version of the Articles of Association can be found on medmix.swiss/Investors/Governance, under Downloads).

- Principles of compensation (Article 31): non-executive members of the Board of Directors receive fixed compensation only. Members of the Executive Committee receive fixed and variable compensation elements. The variable compensation may include short-term and long-term variable compensation components. These are governed by performance metrics that take into account the performance of the company, the group or parts of it, targets in relation to the market, other companies or comparable benchmarks and/or individual targets, as well as strategic and/or financial objectives. Compensation may be paid in the form of cash, shares, options, financial instruments or similar units, in kind, in services, or in other types of benefits.
- Shareholders’ binding vote on remuneration (Article 29): the Shareholders’ Meeting shall approve the maximum aggregate amount of compensation for the Board of Directors for the next term of office and the maximum aggregate amount of compensation for the Executive Committee for the following financial year. The Board of Directors shall submit the annual compensation report to an advisory vote at the AGM.
- Additional amount for members of the Executive Committee hired after the vote on remuneration by the Shareholders’ Meeting (Article 30): if the maximum aggregate amount of compensation as approved by the Shareholders’ Meeting is insufficient, up to 40% of the maximum aggregate amount of compensation approved for the Executive Committee shall be available, without further approval, for the compensation of the members of the Executive Committee who were appointed after the AGM.
- Agreements with Members of the Board of Directors and the Executive Committee (Article 32): Employment agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Employment agreements for an indefinite term may have a termination notice period not exceeding twelve months. Non-compete agreements for the time after termination of an employment agreement are permissible and shall not exceed one year. Their consideration shall not exceed the last total annual target compensation such member was entitled to prior to termination and shall in no event exceed the average of the compensation of the last three financial years.

- Loans, credit facilities, and post-employment benefits for members of the Board of Directors and of the Executive Committee (Article 34): the company may not grant loans or credits to members of the Board of Directors and of the Executive Committee.

Activities in other organizations

Based on Article 734e of the Swiss Code of Obligations, the compensation report must specify the functions of the members of the Board of Directors and the Executive Committee in other for-profit entities within the meaning of Article 626 para. 2 no. 1 of the Swiss Code of Obligations (external mandates). For this, the following table includes the name of the company and the function exercised.

Member	Name of company	Function
Rob ten Hoedt	Medtronic AG, CH	Executive Vice President & President, Europe, Middle East & Africa (EMEA) and Asia-Pacific (APAC), Member of the Executive Committee
	Fagron International NV, NL	Member of the Board of Directors
	NLC Health, NL	Chairman of the Supervisory Board
Barbara Angehrn	Asceneuron SA, CH	Chief Executive Officer, Member of the Board of Directors
	Bellevue Group AG, CH	Member of the Board of Directors
	Stepstone Pharma GmbH, CH	Managing Director
Daniel O. Flammer	AdvisReal AG, CH	Member of the Board of Directors
	Altrimo Treuhand Group AG, CH	Member of the Board of Directors
	AR Financial Advisory AG, CH	Member of the Board of Directors, Managing Partner
	AR Professional Services AG, CH	Member of the Board of Directors, President
	Tiwel Holding AG, CH	President of the Board of Directors
David Metzger	Mealda Capital GmbH, CH	Managing Director
	Sopeli Capital GmbH, CH	Managing Director
	Sulzer AG, CH	Member of the Board of Directors
	Swiss Steel Holding AG, CH	Member of the Board of Directors
Greg Poux-Guillaume	AkzoNobel N.V., NL	Chief Executive Officer and Chairman of the Board of Directors
Marco Musetti	Octo Telematics S.p.a., IT	Member of the Board of Directors
	GEM Capital Ltd, CH	Chairman
	United Manganese of Kalahari Ltd., ZA	Member of the Board of Directors

	Tennine AG, CH	Member of the Board of Directors
	Kalahari Minerals Marketing AG, CH	Member of the Board of Directors
	Afro Minerals Trading AG, CH	Member of the Board of Directors
Dr. René Willi	Henry Schein, Inc., US	Member of the Executive Management Committee
	ACE Surgical Supply Co. Inc., US	Member of the Board of Directors
	BioHorizons, Inc., US	Member of the Board of Directors
	Biotech Dental S.A.S., FR	Member of the Board of Directors
	Camlog Holding AG, CH	Member of the Board of Directors
	medentis medical GmbH, DE	Member of the Board of Directors
Girts Cimermans	Alpcot Ltd., UK	Director

Compensation architecture for the Executive Committee

Compensation principles

The compensation of the Executive Committee is driven by the main principle of pay for performance. The compensation policy and programs are designed to reward performance, sustainable growth and long-term shareholder value creation, while offering competitive compensation to be able to attract and retain highly qualified employees. The compensation system is based on the following guiding principles:

Guiding principles	
Pay for performance	The variable compensation is linked to the individual as well as the company performance and represents a substantial part of the overall compensation package.
Link to strategy	The performance indicators of the variable compensation are selected to create incentives to implement the defined strategic and operational goals of medmix.
Shareholder alignment	Part of the variable compensation is directly dependent on the capital market performance of the medmix share, to align the compensation of the Executive Committee with shareholder interests.
Market practice	The compensation for the Executive Committee is designed to offer a fair and competitive compensation package that is in line with market practice.
Good corporate governance	medmix is committed to the principles of good corporate governance. The compensation system is designed to comply with the Swiss Code of Best Practice for Corporate Governance.
Clear structure	The compensation system is structured in a clear and comprehensible manner and is transparently disclosed in the compensation report.

Assessment of level of compensation

To ensure compensation levels that are competitive and in line with market practice, the compensation of the Board of Directors and of the Executive Committee is regularly benchmarked against that of similar roles in comparable companies every one to two years. For this purpose, the Nomination and Remuneration Committee selected a peer group of international industrial and medical technology companies headquartered in Switzerland, based on their revenue and number of employees. medmix is positioned between the first quartile and median of the peer group. The comparison group reflects medmix' ambitious business strategy:

- Aevis Victoria
- Bachem
- Comet
- Galenica
- INFICON
- Landis+Gyr
- Medacta
- Medartis
- Siegfried
- Tecan
- Ypsomed

The intention is to pay target compensation around the median of the relevant market. Nevertheless, potential compensation increases are not granted based on benchmark results alone. The role and responsibility as well as current performance of the individual Executive Committee member is assessed at the same time. A globally consistent job-grading structure fosters internal equity.

Compensation elements and their application for financial year 2023

The compensation of the Executive Committee comprises fixed and variable components. The fixed compensation of the members of the Executive Committee consists of a base salary, allowances payable in cash and contributions to pension schemes or similar benefits. In addition, the members of the Executive Committee are eligible for performance-based short-term variable compensation (performance bonus plan) paid in cash and long-term variable compensation (performance share plan (PSP)) paid in performance share units (PSUs). These variable compensation components foster a successful development of medmix in the short term as well as in the long term.

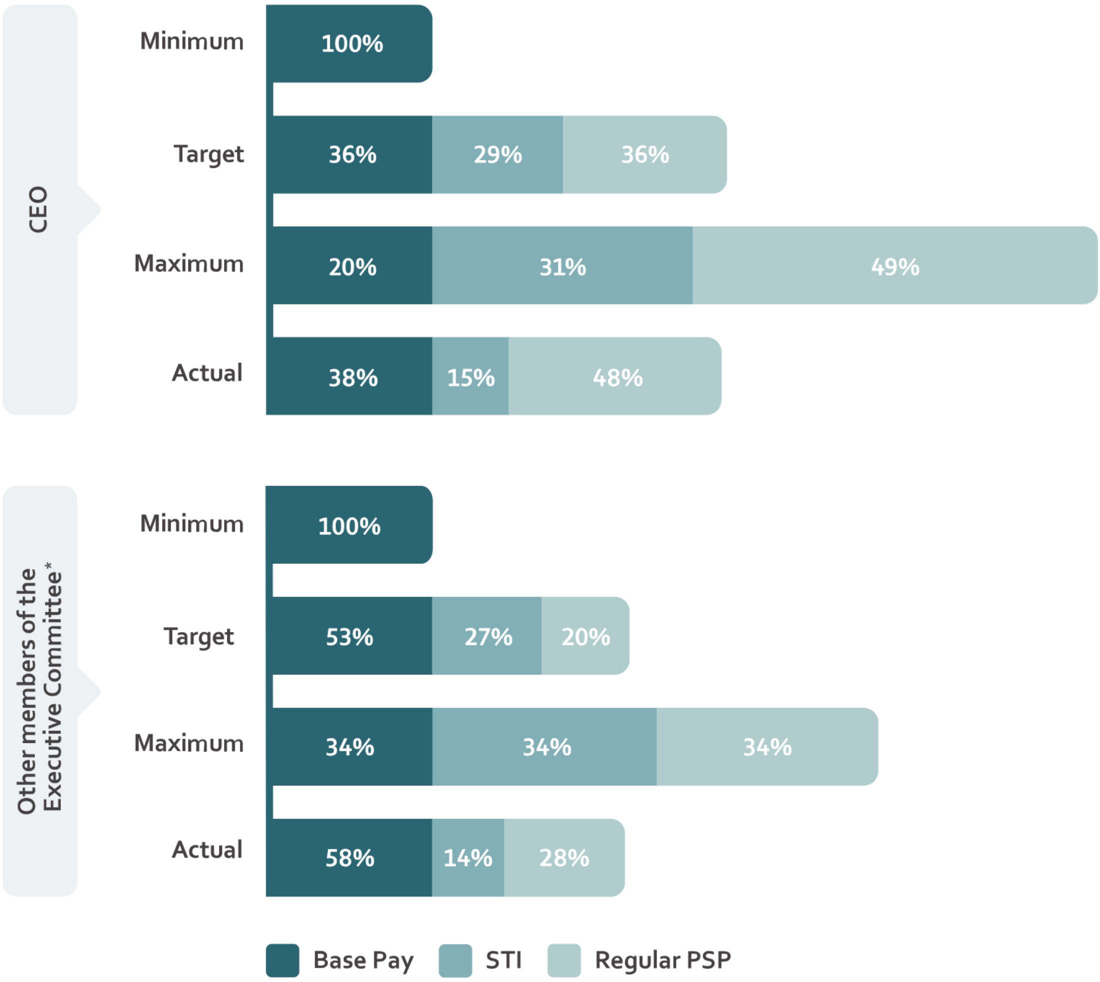
The following table shows the compensation components and provides a brief description of how these components are linked to the guiding principles:

Compensation elements for the members of the Executive Committee

	Base salary	Fringe benefits and pension contributions	Short-term variable compensation (STI)	Long-term variable compensation (PSP 2023)	Share ownership guidelines (SOG)
Main parameters	Function, level of role, profile of incumbent (skill set, experience)	Pension and social security contributions, fringe benefits	Achievement of annual financial and individual objectives	Achievement of long-term, company-wide objectives, share price development	Level of role
Key drivers	Labor market, internal job-grading	Protection against risks, labor market, internal job-grading	Revenue, operational profitability %, adjusted operating net cash flow (adjusted ONCF)%	Growth, profitability and share development	Share price development
Link to compensation principles	Competitive compensation	Competitive compensation	Pay for performance, strategy alignment	Pay for performance, strategy alignment, ownership	Ownership
Vehicle	Cash	Pension and insurance plans, perquisites	Cash	Performance share units (PSU) settled in shares	Obligation to hold required threshold of shares until the end of the service period
Amount	Fixed	Fixed	Variable, capped at 200% of target bonus. Target bonus amounts to 80% of annual base salary for the CEO and 50% of annual base salary for the other members of the Executive Committee. Clawback provisions implemented.	Variable. Grant value is defined based on the global grade structure and corresponds to CHF 550’000 for the CEO and between CHF 130’000 and CHF 160’000 for the other members of the Executive Committee (EC). Vesting payout percentage is capped at 250%. Malus and clawback provisions implemented.	CEO: 200% of base salary. Other members of the Executive Committee: 100% of base salary.
Grant/vesting/ payment date	Monthly	Monthly and/or annually	March of the following year	Grant: April 1, 2023 Vesting: January 1, 2026 Share delivery: not later than March 31, 2026	–
Performance period	–	–	1 year (January 1, 2023–December 31, 2023)	3 years (January 1, 2023–December 31, 2025)	–

The variable compensation of medmix is designed to create reasonable incentives for the Executive Committee, to align the interests of the Executive Committee and shareholders, to ensure pay for performance and to implement the company’s strategy in the compensation of the Executive Committee.

The Executive Committee’s compensation puts a clear focus on the fulfillment of the performance targets defined within the variable compensation. The following illustration highlights the strong link between performance and compensation based on selected performance scenarios. It represents the compensation structure, i.e., the ratio between base salary, short-term variable compensation and long-term variable compensation, for three different scenarios (100% target achievement, maximum target achievement not considering any share price increase and actual target achievement) for the financial year 2023.



Minimum refers to Base pay
* Xavier Schops member of Executive Committee as of November 01, 2023

In line with the pay for performance principle, a significant portion (~53%) of the target compensation of the CEO and of the other members of the Executive Committee consists of variable incentives based on performance. Furthermore, the compensation structure ensures sustainable long-term growth as the long-term variable compensation makes up the largest portion of the target total compensation.

Fixed compensation

Base salary

The base salary is determined at the discretion of the Board of Directors based on the market value of the respective position and the incumbent's qualifications, skill set and experience and is paid out in cash. A global job-grading structure provides orientation and fosters internal equity.

Fringe benefits

As additional fixed compensation elements, the members of the Executive Committee receive allowances such as relocation allowances, tax services or child allowances. All such allowances are paid in cash. Furthermore, they receive contributions to social security.

Pension

Members of the Executive Committee participate in the regular employee pension funds applicable to all employees in Switzerland. The retirement plan consists of a basic plan that covers annual earnings up to CHF 152'869 per year and a supplementary plan in which income over this limit, up to the ceiling set by law, is insured (including variable cash compensation). The contributions are age-related and are shared between the employer and the employee.

Variable compensation

Short-term variable compensation

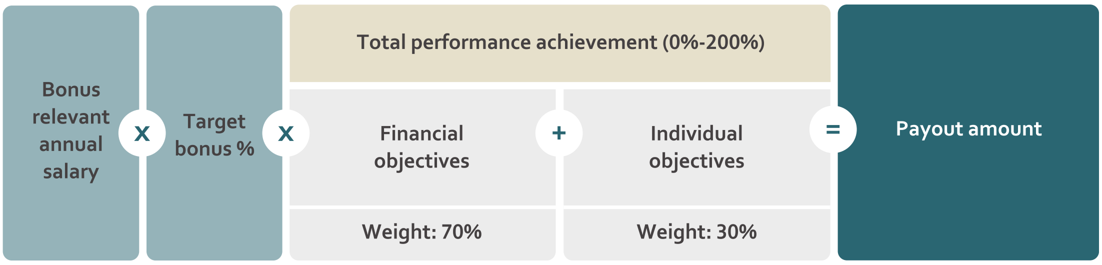
General functionality

As short-term variable compensation, Executive Committee members are granted the performance bonus plan under which they receive annual, variable, and performance-related compensation.

Under the performance bonus plan, the members of the Executive Committee receive an annual target bonus amount that is expressed as a percentage of the annual base salary (CEO: 80% of base salary; other members of the Executive Committee: 50% of base salary).

The determination period of the performance bonus plan is one financial year. The final payout amount depends on the performance assessed against the predefined performance objectives during the respective performance period. The performance bonus plan comprises financial objectives with a weighting of 70% as well as individual objectives with a weighting of 30%. The relevant performance objectives and their respective weighting are defined at the beginning of the year during the annual target setting. The selected performance objectives are thereby clearly aligned with the corporate strategy of medmix and support the short-term success of the company. They reflect the areas of focus for medmix and relate to key value drivers by underpinning the financial performance of the medmix group. The target achievement of the financial and individual objectives depends on the performance during the financial year and can range between 0% and 200% for each objective. The achievement is assessed against each of the predefined objectives after year-end and directly impacts the payout.

The final payout amount is determined by multiplying the bonus-relevant annual salary with the target bonus percentage amount with the overall target achievement, which is calculated based on the target achievement in the performance objectives taking into account their respective weighting.



The financial and individual achievements of the members of the Executive Committee are subject to review and approval by the Nomination and Remuneration Committee and the Board of Directors, respectively.

Relevant objectives

For the CEO and the other members of the Executive Committee, the payout amount of the performance bonus plan depends on the appraisal of performance against a maximum of six financial objectives and six individual objectives. The objectives for the financial year 2023, as well as their respective weighting, are described in the table below:

Performance bonus plan objectives

Category	Category weighting	Objective	Rationale	Objective weighting
		Revenue	Measure of growth (top line)	30%
		Adjusted EBITDA margin	Measure of profitability (bottom line)	25%
Financial objectives	70%	Adjusted operating net cash flow (adjusted ONCF)	Measure of cash generated by the revenues	15%
		Cost-efficiency	Achieving growth targets while aiming for increased profitability	8.33%
		Growth initiatives	Include initiatives that support the growth of medmix, such as M&A projects, breaking into new markets or new accounts	8.33%
		Operational excellence	Initiatives focused on the product launches, manufacturing capacities and improving speed and efficiency of processes	8.33%
Individual objectives	30%	Sustainability (ESG)	Objectives linked to improvements in the areas of environment, employee engagement and local communities, corporate governance	5%
Total target achievement				**100%**

The objectives are set within the annual target-setting process. For each financial objective, the following parameters are set up front:

- An expected level of performance ("target"), the achievement of which leads to a target achievement (on the respective performance metric) of 100%.
- A minimum level of performance ("threshold") below which the respective target achievement is zero.
- A maximum level of performance ("cap") above which the respective target achievement is capped at 200%. With respect to the financial objectives, a performance of 200% of the target figure is required to achieve a target achievement of 200%.

Between threshold and target, as well as between target and cap, the target achievement is interpolated linearly.

As part of the assessment of their individual performance, each Executive Committee member is given objectives for their respective area of responsibility and an additional objective related to supporting sustainability through environment, social, and governance (ESG) efforts.

This Sustainability (ESG) objective includes improvements in health and safety, emissions, water and energy efficiency, initiatives and actions taken to increase employee and community engagement or efforts in R&D for more efficient or sustainable products. The CEO reviews the individual performance based on the personal objectives of each Executive Committee member, which in turn is reviewed by the Nomination and Remuneration Committee. The CEO's individual performance is assessed by the Nomination and Remuneration Committee.

medmix strives for transparency in relation to pay for performance. However, further disclosure of financial and individual objectives may create a competitive disadvantage to the company because it renders sensitive insights into medmix' strategy. To ensure transparency while avoiding competitive risk, medmix provides a general performance assessment for each financial objective as well as the aggregated individual performance at the end of the performance cycle.

Payout from the performance bonus plan 2023

Due to operational challenges in financial year 2023, the level of payouts from the performance bonus plan is at 49.2%. For financial year 2022 it was 104% for the CEO and 100% as average of the other members of Executive Committee. The final payout amount of the performance bonus 2023 is based on the total target achievement and the target bonus amount. The total target achievement is calculated by taking the sum of the target achievement of the financial objectives and the individual objectives multiplied with their respective weighting. The payout from the performance bonus plan 2023 can be summarized as follows:

Performance bonus plan 2023: Summary

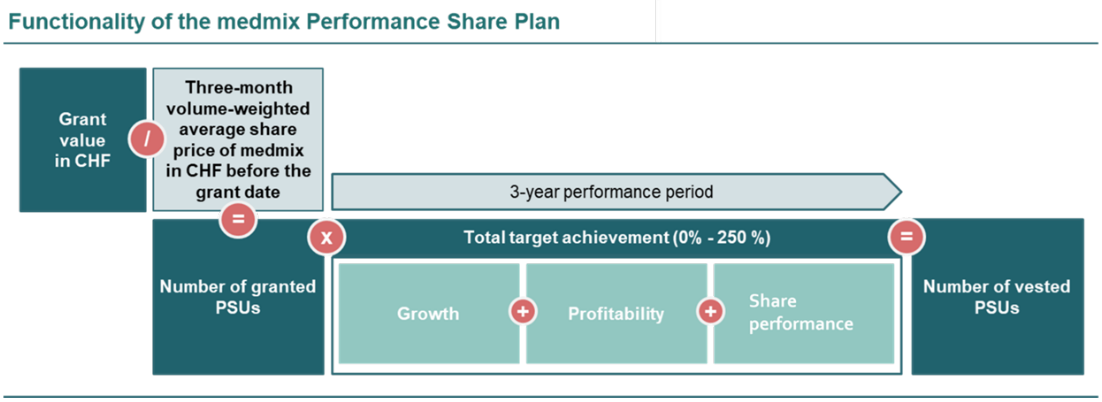
	Target bonus amount	Target achievement			Payout amount
thousands of CHF		Financial objectives (weighting 70%)	Individual objectives (weighting 30%)	Total	
Girts Cimermans, CEO	440	27.4%	100%	49.2%	216
Other members of the Executive Committee	388	27.4%	100%	49.2%	191

Long-term variable compensation

General functionality of the medmix performance share plan

Members of the Executive Committee and other selected employees are eligible to participate in a long-term variable compensation component, called a performance share plan (PSP). The PSP consists of rolling annual plans, which allows the Board of Directors to review and adjust the terms and targets on an annual basis.

The PSP incentivizes long-term shareholder orientation and value creation and aligns the interests of the participants with those of the shareholders by delivering a substantial portion of the compensation as company equity. This underlines the focus of medmix on pay for performance and sustainable growth, with a long-term perspective and additional retention effect on employees.



The grant value is determined based on the level of the executive's role and amounts to CHF 550'000 for the CEO and to between CHF 130'000 and CHF 160'000 (determined by the Board of Directors) for the other members of the Executive Committee. The number of PSUs granted is calculated by dividing the individual grant value by the three-month volume-weighted average share price of medmix before the grant date, rounded up to the next full number of PSUs.

PSUs are conditional awards to receive a certain number of shares after the performance period. Until the actual transfer of shares, PSUs do not constitute any shareholder rights (voting, dividend, etc.).

Relevant objectives

The vesting of PSUs is subject to the achievement of pre-determined performance conditions. The objectives are linked to medmix' strategy. To support this, they are chosen to provide different incentives for profitable growth and shareholder value creation. The key performance criteria are measured over a 3-year performance period and consist of:

- Growth: measured by the revenue of medmix based on the consolidated financial statements, weighted with 30%.
- Profitability: measured by the adjusted EBITDA margin, weighted with 30%.
- Share performance: measured by the relative share price development in comparison to the Swiss Performance Index excluding dividends, weighted with 40%.

For each performance condition of the PSP, a threshold, target and cap performance level is determined, which in turn determines the achievement factor.

For growth and profitability, the thresholds, targets and cap performance levels are determined as follows:

Level of performance	Achievement factor
Below threshold	0%
Threshold	50%
Target	100%
Cap	250%
Points in between	Linear interpolation

For share performance in comparison to the Swiss Performance Index of the PSP, the threshold, target and cap performance level is determined as the following:

Level of performance	Achievement factor
≤ Threshold	0%
Target	100%
Cap	250%

The number of vested PSUs will be determined by multiplying the number of originally granted PSUs by the total achievement factor, rounded up to the next full number of vested PSUs. For each vested PSU, one share will be transferred to the individual's securities account on the share delivery date.

In case of termination of employment, the following provisions apply:

Type of termination	Provision
By the employer for cause	All relevant outstanding PSUs, whether vested or not, shall lapse immediately on the notice date without any compensation.
As a result of retirement	Outstanding PSUs shall continue unchanged.
Any other reason	The number of outstanding PSUs shall remain unchanged, where the number of outstanding PSUs that continue to be eligible for vesting shall be prorated and the effective total achievement factor shall be applied after expiry of the full performance period.

Upon the occurrence of a change of control, the number of outstanding PSUs shall be prorated and vest immediately.

Based on the grant values for the members of the Executive Committee, the following number of PSUs were granted in financial year 2023:

	Grant value	Three-month volume-weighted average share price of medmix before the grant date	Number of PSUs granted
Girts Cimermans	550’000	17.85	30’813
Jennifer Dean	160’000	17.85	8’964
Itee Sapathy	130’000	17.85	7’283
Xavier Schops[1)]	n/a	-	-

1) no grants in 2023 as Executive Committee member, received PSP for his previous function

Contractual arrangements

Service contracts

The employment contracts of the Executive Committee are of undetermined duration and have a maximum notice period of 12 months. Members of the Executive Committee are not entitled to any impermissible severance or change of control payments. The employment contracts of the Executive Committee may include non-compete agreements with a time limit of one year and with a maximum total compensation not to exceed the last total annual target compensation such member was entitled to prior to termination and in no event to exceed the average of the compensation of the last three financial years.

Shareholding requirements

Shareholding requirements for members of the Executive Committee were introduced in 2022. According to these share ownership guidelines (SOG), the members of the Executive Committee are obliged to hold part of their shares until the end of their service period. The value of the shares to be held is set at 200% of the annual gross base salary for the CEO and 100% of the annual gross base salary for the other members of the Executive Committee.

Function	Shareholding requirement in % of base salary
CEO	200%
Other Executive Committee members	100%

Malus and clawback

The Board of Directors may determine that long-term variable compensation is forfeited in full or in part (malus) or that a vested award will be recovered in full or in part (clawback) in situations of material misstatement of the financial results, an error in assessing a performance condition or in the information or assumptions on which the award was granted or vested, serious reputational damage to the company, gross negligence, or willful misconduct on the part of the participant. Since 2022, the clawback clause was extended to cover performance bonus payments, whereby medmix may recover in full or in part any relevant bonus compensation from Executive Committee members in situations of material misstatement of the financial results, an error in assessing a performance condition or gross misconduct of the participant.

Compensation of the Executive Committee for 2023

The following table discloses the actual compensation paid to the members of the Executive Committee in detail for financial year 2023 while performing services for medmix.

							2023
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus[2]	Other[3]	Pension and social security contributions[4]	Total cash-based compensation	Estimated value of share-based grant under the Performance Share Plan (PSP)[5]	Total (incl. conditional share-based grant)
thereof highest single compensation G. Cimermans, CEO	550	216	25	277	1'068	698	1'765
Total Executive Committee[1]	**1'325**	**407**	**29**	**623**	**2'383**	**1'065**	**3'449**

							2022
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus	Other	Pension and social security contributions[4]	Total cash-based compensation	Estimated value of share-based grant under the Performance Share Plan (PSP)[6]	Total (incl. conditional share-based grant)
thereof highest single compensation G. Cimermans, CEO	550	458	27	331	1'366	1'114	2'480
Total Executive Committee	**1'270**	**818**	**31**	**676**	**2'795**	**1'575**	**4'370**

1) The total Executive Committee compensation for 2023 includes the compensation of Xavier Schops, Executive Committee member since November 1, 2023, excluding the PSP grant as Executive Committee member, which will take place in 2024.
2) Expected bonus for the performance years 2023, to be paid out in the following year (accrual principle).
3) Other consists of child, schooling allowances, insurance allowances and tax services.
4) Includes the employer contribution to social security.
5) Represents the full fair value of the PSUs granted under PSP 2023. Grant price was CHF 17.85 (three-month volume weighted average share price) and the fair value was CHF 22.64 based on a third-party calculation.
6) Represents the full fair value of the PSUs granted under PSP 2022. Grant price was CHF 31.81 (three-month volume weighted average share price) and the fair value was CHF 33.87 based on a third-party calculation.

The total compensation of kCHF 3'449 awarded to the members of the Executive Committee for the financial year 2023 is within the maximum aggregate compensation amount of kCHF 8'500 that was approved by the shareholders at the 2022 AGM for financial year 2023.

No severance payments to members of the Executive Committee were made during the reporting year and the prior year. As of December 31, 2023 and 2022, respectively, there were no outstanding loans or credits granted to the members of the Executive Committee or former members of the Executive Committee. In 2023 and 2022, respectively, no compensation, loans or credits were granted to former members of the Executive Committee or related parties.

Compensation architecture for the Board of Directors

The compensation of the Board of Directors is fixed and does not contain any performance-based variable component. This ensures that the Board of Directors is truly independent in fulfilling its supervisory duties towards the Executive Committee.

The compensation of the Board of Directors is governed by a compensation regulation, is reviewed by the Nomination and Remuneration Committee annually and, if necessary, adjusted by a decision of the full Board of Directors based on a proposal by the Nomination and Remuneration Committee.

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. The fixed grant value equals 50% of the Board fees (total amount, including the basic fees as well as any additional fees but excluding any lump-sum expenses) while the other 50% are paid out in cash. Each RSU represents a right to receive a medmix share free of charge after a certain period, as further detailed below. Further, members of the Board of Directors are entitled to a lump sum to cover business expenses. In addition to the lump-sum amounts, members of the Board of Directors living abroad will be reimbursed for any expenses incurred in connection with the travel for the attendance of Board meetings.

The ongoing compensation structure and amounts for the members of the Board of Directors are described in the table below:

Compensation structure of the Board of Directors [1)]

thousands of CHF	Cash component	Grant value of restricted share units	Lump-sum expenses
Base fee for Board chairmanship [2)]	150	150	10
Base fee for Board membership	60	60	5
Additional committee fees:			
Committee chairmanship	12.5	12.5	
Committee membership	5	5	

1) Compensation for the period of service (from AGM to AGM).
2) The Chairman of the Board of Directors does not receive additional remuneration for committee activities.

The RSU component strengthens the long-term alignment of the interests of the Board of Directors with those of the shareholders. To reinforce the focus of the Board of Directors on the long-term strategy and to strengthen its independence from the Executive.

Committee, the compensation of the Board of Directors contains no performance-related elements and members of the Board of Directors are not entitled to pension benefits.

The amount of compensation for the Chairman and for the other members of the Board of Directors is determined based on the relevant compensation benchmarks. The compensation reflects the responsibility and complexity of their respective function, the professional and personal requirements placed on them, and the expected time required to fulfill their duties.

The members of the Board of Directors are remunerated for their service during their term of office (from one AGM to the next AGM). The cash compensation is paid in quarterly installments for the members of the Board of Directors; the expense lump-sum is paid out typically in December and the RSUs are granted once a year.

The number of RSUs is determined by dividing the fixed grant value by the volume-weighted average share price of the last three weeks prior to the grant date (“grant reference price”).

One-third of the RSUs each vest after the first, second and third anniversary of the grant date respectively.

The following table summarizes the awarded RSUs as well as the corresponding grant reference price and the corresponding vesting schedule of the awarded RSUs:

RSUs for the Board of Directors

				Vested RSUs		
thousands of CHF	Grant value	Grant reference price	Number of awarded RSUs	2024	2025	2026
Rob ten Hoedt, Chairman	150	21.57	6’954	1/3	1/3	1/3
Barbara Angehrn	65	21.57	3’014	1/3	1/3	1/3
Daniel O. Flammer	65	21.57	3’014	1/3	1/3	1/3
David Metzger	65	21.57	3’014	1/3	1/3	1/3
Greg Poux-Guillaume	60	21.57	2’782	1/3	1/3	1/3
Marco Musetti	73	21.57	3’361	1/3	1/3	1/3
René Willi	65	21.57	3’014	1/3	1/3	1/3
Board of Directors Total	**543**		**25’153**			

Compensation of the Board of Directors for 2023

The following table discloses the compensation paid to the members of the Board of Directors for financial year 2023 while performing services for medmix:

	2023			
thousands of CHF	Cash fees	Restricted share unit (RSU) plan[3]	Social security contributions[5]	**Total**
Rob ten Hoedt, Chairman [2]	131	150	21	302
Barbara Angehrn [2]	70	65	11	146
Daniel O. Flammer [2]	70	65	11	146
David Metzger [2]	68	65	11	144
Greg Poux-Guillaume[1]	95	60	12	167
Marco Musetti [1]	78	73	12	163
René Willi [2]	70	65	11	146
Board of Directors	**582**	**543**	**89**	**1'214**

The following table discloses the compensation paid to the members of the Board of Directors for financial year 2022 while performing services for medmix:

	2022			
thousands of CHF	Cash fees	Restricted share unit (RSU) plan[4]	Social security contributions[5]	**Total**
Greg Poux-Guillaume, Chairman [1]	150	150	23	323
Barbara Angehrn [2]	49	65	9	123
Daniel O. Flammer [2]	49	65	9	123
David Metzger [2]	45	60	8	113
Marco Musetti [1]	74	73	12	159
René Willi [2]	49	65	9	123
Rob ten Hoedt [2]	54	73	10	137
Jill Lee [6]	19	0	2	21
Board of Directors	**489**	**551**	**82**	**1'122**

1) Member of the Board of Directors since September 20, 2021.
2) Member of the Board of Directors since April 12, 2022.
3) RSU awards granted in 2023. Grant price was CHF 21.57 (three-month volume weighted average share price) and fair value was CHF 20.65.
4) RSU awards granted in 2022. Grant price was CHF 32.74 (three-month volume weighted average share price) and fair value was CHF 32.08.
5) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) paid by the company on behalf of the Board members.
6) Member of the Board of Directors from September 20, 2021 to April 12, 2022.

As of December 31, 2023 and 2022, respectively, there were no outstanding loans or credits granted to the members of the Board of Directors, former members of the Board of Directors or related parties. In 2023 and 2022, respectively, no compensation, loans or credits were granted to former members of the Board of Directors or related parties.

Reconciliation between the reported board compensation and the amount approved by the shareholders at AGM

At the AGM 2023, shareholders approved a maximum aggregate compensation amount of CHF 1'500'000 for the Board of Directors for the period of office from the 2023 AGM until the end of the 2024 AGM. The table below shows the reconciliation between the compensation that was/will be paid out for the periods of office and the maximum aggregate compensation amounts approved by the shareholders.

thousands of CHF	Compensation earned during financial year as reported (A)	Less compensation earned from Jan to AGM of financial year (B)	Plus compensation accrued from Jan to AGM of year following financial year (C)	Total compensation earned for the period from AGM to AGM of medmix (A-B+C)	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
2023 AGM - 2024 AGM	2023	January 01, 2023 to 2023 AGM medmix	January 01, 2024 to 2024 AGM medmix	2023 AGM to 2024 AGM	2023 AGM	2023 AGM
Board of Directors Total	**1'214**	**202**	**197**	**1'208**	**1'500**	**80.6%**

	Compensation earned during financial year as reported (A)	Less compensation earned from Jan to AGM of financial year (B)	Plus compensation accrued from Jan to AGM of year following financial year (C)	Total compensation earned for the period from AGM to AGM of medmix (A-B+C)	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
2022 AGM - 2023 AGM	2022	January 01, 2022 to 2022 AGM medmix	January 01, 2023 to 2023 AGM medmix	2022 AGM to 2023 AGM	2022 AGM	2022 AGM
Board of Directors Total	**1'122**	**82**	**150**	**1'188**	**1'500**	**79.2%**

Shareholdings

Shareholdings of members of the Executive Committee

As of the end of financial year 2023, the members of the Executive Committee held the following shares and performance share units in the company:

Shareholdings at December 31, 2023	medmix shares	Performance share units (PSU) 2023	Performance share units (PSU) 2022 [1]
Girts Cimermans	7’000	30’813	35’010
Jennifer Dean	1’976	8’964	10’001
Itee Satpathy	0	7’283	3’838
Xavier Schops [2]	950	5’603	1’125

As of the end of financial year 2022, the members of the Executive Committee held the following shares and performance share units in the company:

Shareholdings at December 31, 2022	medmix shares	Performance share units (PSU) 2022 [1]
Girts Cimermans	5’000	35’010
Jennifer Dean	1’976	10’001
Itee Satpathy	0	3’838

1) 2022 PSU included compensation adjustment for Sulzer PSP
2) Listing 2022 and 2023 PSP grants including before EC membership

Shareholdings of the Board of Directors

As of the end of 2023, the members of the Board of Directors held the following shares and restricted share units in the company:

Shareholdings at December 31, 2023	medmix shares	Restricted share units (RSU)	**Total share awards and shares**
Rob ten Hoedt, Chairman	690	8'430	9'120
Barbara Angehrn	619	4'337	4'956
Daniel O. Flammer	619	4'337	4'956
David Metzger	1'571	4'236	5'807
Greg Poux-Guillaume	45'596	6'439	52'035
Marco Musetti	13'039	5'149	18'188
René Willi	619	4'337	4'956

As of the end of 2022, the members of the Board of Directors held the following shares and restricted share units in the company:

Shareholdings at December 31, 2022	medmix shares	Restricted share units (RSU)	**Total share awards and shares**
Greg Poux-Guillaume, Chairman	43'603	5'787	49'390
Barbara Angehrn	0	1'985	1'985
Daniel O. Flammer	0	1'985	1'985
David Metzger	0	1'833	1'833
Marco Musetti	12'057	2'838	14'895
René Willi	0	1'985	1'985
Rob ten Hoedt	0	2'214	2'214

Report of the Statutory Auditor

To the General Meeting of medmix Ltd, Baar

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of medmix Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the sections "Compensation of the Executive Committee for 2023", "Compensation of the Board of Directors for 2023", “Shareholdings” and "Activities in other organizations" of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying 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 Remuneration 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 preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors 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 judgement 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.

KPMG AG

S.Niklaus

Simon Niklaus
Licensed Audit Expert
Auditor in Charge

Anita Benz
Licensed Audit Expert

Zurich, 20 February 2024

medmix Surgery: ErgoSyringe

FINANCIAL REPORTING

Consolidated income statement

January 1 – December 31

millions of CHF	Notes	2023	2022
Revenue	3, 17	486.6	477.1
Cost of goods sold	17	–328.9	–301.7
Gross profit	17	**157.6**	**175.4**
Selling and administrative expenses		–119.0	–103.0
Research and development expenses		–25.7	–23.6
Other operating income / (expenses), net	9	3.1	–29.3
Share of the profit / (loss) of associates	2	–0.0	–
Operating income		**16.0**	**19.6**
Interest income	10	1.3	0.7
Interest expenses	10	–10.0	–6.5
Other financial income / (expenses), net	10	–4.4	–1.6
Income before tax expenses		**2.9**	**12.2**
Income tax expenses	11	–2.2	–0.6
Total net income		**0.7**	**11.6**
Attributable to shareholders of the parent		0.3	11.6
Attributable to non-controlling interests		0.4	–
Earnings per share (in CHF)			
Basic earnings per share	22	0.01	0.28
Diluted earnings per share	22	0.01	0.28

Consolidated statement of comprehensive income

January 1 – December 31

millions of CHF	Notes	2023	2022
Net income		**0.7**	**11.6**
Items that are or may be reclassified subsequently to the income statement			
Cash flow hedges, net of tax	26	–1.6	1.2
Currency translation differences		–25.0	–11.9
Total items that are or may be reclassified subsequently to the income statement		**–26.6**	**–10.7**
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit plans, net of tax	8	19.5	–4.7
Total items that will not be reclassified to the income statement		**19.5**	**–4.7**
Total other comprehensive income		**–7.1**	**–15.4**
Total comprehensive income for the period		**–6.4**	**–3.9**

Consolidated balance sheet

December 31

millions of CHF	Notes	2023	2022
Non-current assets			
Goodwill	12	268.5	254.4
Other intangible assets	12	127.6	120.4
Property, plant and equipment	13	184.2	157.6
Lease assets	14	73.9	72.1
Investments in associates	2	5.7	–
Non-current financial assets		7.7	6.5
Defined benefit assets	8	22.1	–
Non-current receivables		0.3	0.1
Deferred income tax assets	11	8.7	5.8
Total non-current assets		**698.7**	**617.0**
Current assets			
Inventory	16	88.4	91.8
Current income tax receivables		–	0.0
Advance payments to suppliers		4.7	4.0
Contract assets	17	1.3	1.0
Trade accounts receivable	18	56.8	59.6
Other current receivables and prepaid expenses	19	26.3	15.8
Current financial assets		–	3.3
Cash and cash equivalents	20	130.6	313.5
Total current assets		**308.1**	**489.0**
Total assets		**1’006.8**	**1’105.9**
Equity			
Share capital	21	0.4	0.4
Reserves		465.0	504.4
Equity attributable to shareholders of medmix Ltd	21	**465.4**	**504.8**
Non-controlling interests	21	9.0	–
Total equity	21	**474.3**	**504.8**
Non-current liabilities			
Non-current borrowings	23	247.3	246.9
Non-current lease liabilities	14	60.2	62.5
Deferred income tax liabilities	11	19.4	16.1
Defined benefit obligations	8	1.5	1.0
Non-current provisions	24	2.7	3.6
Other non-current liabilities	25	23.4	–
Total non-current liabilities		**354.4**	**330.0**
Current liabilities			
Current borrowings	23	31.5	155.1
Current lease liabilities	14	10.7	9.0
Current income tax liabilities	11	12.7	4.7
Current provisions	24	18.3	5.7
Contract liabilities	17	4.2	3.9
Trade accounts payable		49.4	47.4
Other current and accrued liabilities	25	51.2	45.2
Total current liabilities		**178.1**	**271.1**
Total liabilities		**532.5**	**601.1**
Total equity and liabilities		**1’006.8**	**1’105.9**

Consolidated statement of changes in equity

January 1 – December 31

millions of CHF	Notes	Attributable to shareholders of medmix Ltd Share capital	Retained earnings	Treasury shares	Cash flow hedge reserve	Currency translation adjustment	Total	Non-controlling interests	Total equity
Equity as of January 1, 2022		**0.4**	**552.8**	**–6.5**	**–0.6**	**–12.2**	**533.9**	**–**	**533.9**
Comprehensive income for the period:									
Net income			11.6				11.6	–	11.6
– Cash flow hedges, net of tax	26		–	–	1.2	–	1.2	–	1.2
– Remeasurements of defined benefit plans, net of tax	8		–4.7	–	–	–	–4.7	–	–4.7
– Currency translation differences			–	–	–	–11.9	–11.9	–	–11.9
Other comprehensive income			–4.7	–	1.2	–11.9	–15.4	–	–15.4
Total comprehensive income for the period			**6.8**	**–**	**1.2**	**–11.9**	**–3.9**	**–**	**–3.9**
Contribution to the Sulzer group	21		–0.4	–	–	–	–0.4	–	–0.4
Transactions with owners of the company:									
Allocation of treasury shares to share plan participants	21		–0.1	0.1	–	–	–	–	–
Purchase of treasury shares	21		–	–6.1	–	–	–6.1	–	–6.1
Share-based payments	28		1.8	–	–	–	1.8	–	1.8
Dividends	21		–20.5	–	–	–	–20.5	–	–20.5
Equity as of December 31, 2022	21	**0.4**	**540.3**	**–12.5**	**0.7**	**–24.1**	**504.8**	**–**	**504.8**
Equity as of January 1, 2023		**0.4**	**540.3**	**–12.5**	**0.7**	**–24.1**	**504.8**	**–**	**504.8**
Comprehensive income for the period:									
Net income			0.3				0.3	0.4	0.7
– Cash flow hedges, net of tax	26	–	–	–	–1.6	–	–1.6	–	–1.6
– Remeasurements of defined benefit plans, net of tax	8	–	19.5	–	–	–	19.5	–	19.5
– Currency translation differences		–	–	–	–	–24.6	–24.6	–0.4	–25.0
Other comprehensive income		–	19.5	–	–1.6	–24.6	–6.7	–0.4	–7.1
Total comprehensive income for the period		**–**	**19.8**	**–**	**–1.6**	**–24.6**	**–6.4**	**–0.0**	**–6.4**
Sale of investments in subsidiaries		–	–2.0	–	–	–	–2.0	–	–2.0
Put option liability	4	–	–9.8	–	–	–	–9.8	–	–9.8
Contribution to the Sulzer group	21	–	–0.3	–	–	–	–0.3	–	–0.3
Transactions with owners of the company:									
Acquisition of subsidiary with non-controlling interests	4	–	–	–	–	–	–	9.0	9.0
Allocation of treasury shares to share plan participants	21	–	–0.4	0.4	–	–	–	–	–
Purchase of treasury shares	21	–	–	–3.1	–	–	–3.1	–	–3.1
Share-based payments	28	–	2.5	–	–	–	2.5	–	2.5
Dividends	21	–	–20.5	–	–	–	–20.5	–	–20.5
Equity as of December 31, 2023	21	**0.4**	**529.8**	**–15.2**	**–0.9**	**–48.7**	**465.4**	**9.0**	**474.3**

Consolidated statement of cash flows

January 1 – December 31

millions of CHF	Notes	2023	2022
Cash and cash equivalents as of January 1	20	**313.5**	**209.8**
Net income		0.7	11.6
Loss on net assets derecognized and retained investment	15	–	15.4
Interest income	10	–1.3	–0.7
Interest expenses	10	10.0	6.5
Income tax expenses	11	2.2	0.6
Depreciation, amortization and impairments	12, 13, 14	58.4	51.1
(Gains) / losses from disposals of tangible and intangible assets	9	0.0	0.0
Changes in inventory		1.2	–30.5
Changes in advance payments to suppliers		–0.8	1.3
Changes in contract assets		–0.3	–1.0
Changes in trade accounts receivable		2.3	–37.9
Changes in contract liabilities		0.2	–0.3
Changes in trade accounts payable		–3.3	10.0
Changes in employee benefit plans		–0.1	–5.9
Changes in provisions		5.7	–1.0
Changes in other net current assets		–6.7	17.7
Other non-cash items		0.7	27.1
Interest received		1.3	0.6
Interest paid		–6.3	–6.5
Income tax paid		–7.9	–10.5
Total cash flow from operating activities		**56.1**	**47.6**
Purchase of intangible assets	12	–6.5	–2.2
Purchase of property, plant and equipment		–46.4	–36.4
Sale of property, plant and equipment	13	0.2	1.3
Cash consideration for acquisitions, net of cash acquired	4	–29.4	–14.7
Deconsolidation of medmix Poland, cash derecognized	15	–	–2.0
Acquisitions of associates	2	–5.7	–
Divestitures of investments in subsidiaries		4.0	–
Sale of other non-current financial assets		–	0.1
Purchase of current financial assets		–	–3.3
Sale of current financial assets		3.3	0.2
Total cash flow from investing activities		**–80.6**	**–57.0**
Dividends paid to shareholders	21	–15.0	–15.0
Dividends paid to non-controlling interests in subsidiaries		–1.3	–
Purchase of treasury shares	21	–3.1	–6.1
Payments of lease liabilities	14	–10.4	–8.9
Transaction costs related to loans and borrowings		–0.4	–
Repayments of non-current borrowings	23	–	–3.0
Proceeds from current borrowings	23	33.6	310.5
Repayments of current borrowings	23	–157.2	–161.6
Total cash flow from financing activities		**–153.8**	**116.1**
Exchange gains / (losses) on cash and cash equivalents		–4.6	–2.9
Net change in cash and cash equivalents		**–182.9**	**103.7**
Cash and cash equivalents as of December 31	20	**130.6**	**313.5**

For the calculation of free cash flow (FCF), reference is made to the section financial review.

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1 General information and basis of preparation

1.1 General information

medmix Ltd (the "company") is a company domiciled in Switzerland. The address of the company's registered office is Neuhofstrasse 20 in Baar, Switzerland. The consolidated financial statements for the year ended December 31, 2023, comprise the company and its subsidiaries (together referred to as the "group" and individually as the "subsidiaries").

The group is a global market leader in high-precision delivery devices for the healthcare and consumer and industrial business areas. The group specializes in the design and production of innovative, high-precision delivery devices and applicators for the dental, drug delivery, surgery, industrial and beauty markets. The group employs 2'658 people at 19 production, sales and service sites around the world.

medmix Ltd is listed on SIX Swiss Exchange in Zurich, Switzerland (symbol: MEDX).

Details of the group's accounting policies are included in note 31.

1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards using the historical cost convention except for

- financial assets at fair value through profit and loss; and
- net position from defined benefit plans, where plan assets are measured at fair value and the plan liabilities are measured at the present value of the defined benefit obligation.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

Rounding

Due to rounding, numbers presented throughout the report may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.

2 Significant events and transactions during the reporting period

The financial position and performance of the group were particularly affected by the following events and transactions during the reporting period:

- Revenue increased from CHF 477.1 million in 2022 to CHF 486.6 million in 2023. The group generated growth in each of the Drug Delivery, Surgery and Beauty market segments. The Industry market segment, limited by production capacity and a softening of end market demand, and the Dental market segment delivered negative revenue growth. Dental market segment customers throughout the value chain reduced their inventories in 2023.
- Property, plant and equipment increased by CHF 26.6 million from CHF 157.6 million to CHF 184.2 million. This increase is mainly due to significant investments in the new production facility for the Industry market segment in Valencia, Spain, and a state-of-the-art Healthcare manufacturing facility near Atlanta, USA.
- On July 5, 2023, the group acquired 70% of the issued share capital and voting interests in Guangdong Qiaoyi Plastic Co. Ltd. (“Qiaoyi”) for CHF 31.3 million. Qiaoyi employs nearly 400 people and is a beauty manufacturer serving in particular the Chinese and South East Asia cosmetics market with innovative products, located in Shantou (China). Qiaoyi operates as part of medmix' Beauty market segment. Since the acquisition date, Qiaoyi contributed revenues of CHF 16.8 million and net income of CHF 2.0 million to the group. The acquisition resulted in an increase in goodwill of CHF 24.2 million and other intangible assets of CHF 24.0 million at the date of acquisition (see note 4).
- In December 2023, the group acquired a non-controlling interest of 25% in AARDEX Group SA (“AARDEX”) for CHF 5.7 million to reinforce medmix' drug delivery business under the Haselmeier brand. AARDEX is a global software-as-a-service (SaaS) provider of digital solutions for measuring and managing medication adherence in clinical trials, located in Seraing, Belgium. AARDEX offers its solutions with expertise and patents in the algorithms that analyze, visualize and interpret patient’s adherence behaviors. The group has significant influence over AARDEX and is therefore applying the equity accounting method. The acquisition resulted in an increase in investments in associates of CHF 5.7 million at the date of acquisition. Since the acquisition date, AARDEX contributed net income of CHF -0.0 million to the group.

For a detailed discussion about the group’s performance and financial position, please refer to the section financial review.

3 Segment information

Segment information by business areas

	Healthcare		Consumer & Industrial		Total medmix	
millions of CHF	2023	2022	2023	2022	2023	2022
Revenue[1]	**177.0**	**184.9**	**309.6**	**292.3**	**486.6**	**477.1**
Business area cost of goods sold	–69.7	–72.1	–200.5	–187.0	–270.2	–259.1
Business area gross profit	**107.3**	**112.7**	**109.0**	**105.3**	**216.4**	**218.0**
Business area gross profit margin	60.6%	61.0%	35.2%	36.0%	44.5%	45.7%

1) Revenue from external customers.

Certain expenses are not attributable to a particular business area and are reviewed as a whole across the group irrespective of the business area. These expenses are presented in the following reconciliation statement.

Bridge from business area gross profit to adjusted EBITDA

millions of CHF	2023	2022
Business area gross profit	**216.4**	**218.0**
Other cost of goods sold	–58.7	–42.6
Gross profit	**157.6**	**175.4**
Operating expenses	–141.7	–155.8
Operating income (EBIT)	**16.0**	**19.6**
Depreciation	32.4	28.8
Amortization	23.0	20.8
Impairments on tangible and intangible assets	3.0	1.5
EBITDA	**74.4**	**70.7**
Restructuring expenses	0.8	1.1
Non-operational items[1]	18.0	33.6
Adjusted EBITDA	**93.1**	**105.4**
Adjusted EBITDA margin	19.1%	22.1%

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Information about reportable segments

Operating segments are determined based on the reports reviewed by the Board of Directors (BoD, chief operating decision maker) that are used to measure performance, make strategic decisions and allocate resources to the segments. The business is managed based on business areas, and the reportable segments have been identified as disclosed below. The BoD assesses the performance of the two segments based on the business areas' revenue, gross profit and gross profit margin.

The BoD assesses performance of the group using alternative performance measures (APM), which are derived from the financial statements prepared in accordance with IFRS Accounting Standards. The APMs are prepared in addition to IFRS Accounting Standards to assist in comparability of information across periods by adjusting for depreciation, amortization, impairment, restructuring and other non-operational items (see section alternative performance measures (APM)). In this context, the BoD assesses the performance of the group based on adjusted EBITDA and free cash flow in addition to each business area's revenue and gross profit.

Revenue from external customers reported to the BoD is measured in a manner consistent with that in the income statement. There is no significant revenue between the segments. No individual customer represents a significant portion of the group's revenue.

Healthcare

Through its well-known brands Haselmeier, Medmix, Mixpac and Transcodent, the Healthcare business area specializes in the design and production of innovative, high-precision delivery devices and services within the drug delivery, surgery and dental markets. Products include injection pens for subcutaneous delivery of drugs, surgical delivery devices focusing on trauma bone repair and wound-healing tissue treatment, and mixing, filling and delivery device systems for the dental consumable industry.

The business area's IP-protected solutions make the customers' products precise, safe, unique and more sustainable, leveraging the business's expertise in drug delivery, plastic-injection technology, molding and two-component mixing.

Consumer & Industrial

Through its well-known brands Mixpac, MK, Cox and Geka, the Consumer & Industrial business area specializes in the design and production of innovative, high-precision delivery devices and services within the Industry market segment, such as adhesives used in construction, electronics, automotive, aerospace and various industries, and consumer markets such as beauty and other microbrush applications. Products include hand-held mixing and dispensing delivery devices for two-component adhesives and sealants, mixing tips, cartridges, high-precision make-up applicators and microbrushes.

The business area's IP-protected solutions make the customers' products precise, safe, unique and more sustainable, leveraging the business's expertise in plastic injection molding, two-component mixing, fluid handling, material design and microbrushes.

Regional segment information

The allocation of assets is based on their geographical location. Non-current assets exclude non-current financial assets (other than investments in associates), deferred income tax assets and defined benefit assets. The allocation of revenue from external customers is based on the ship-to location defined by the group's customer, which does not necessarily correspond with the location of the end customer.

Non-current assets by region

millions of CHF	2023	2022
Europe, the Middle East and Africa	**548.3**	**547.7**
– thereof Germany	288.5	319.8
– thereof Switzerland	203.1	188.8
– thereof Spain	34.5	13.3
Americas	**55.4**	**48.6**
– thereof USA	53.9	47.0
Asia-Pacific	**56.5**	**8.3**
– thereof China	56.1	7.6
Total non-current assets	**660.2**	**604.6**

Revenue by region

millions of CHF	2023	2022
Europe, the Middle East and Africa	**298.2**	**274.9**
– thereof Germany	99.2	98.5
– thereof Italy	51.6	42.8
– thereof France	32.6	27.1
– thereof Switzerland	26.0	23.3
Americas	**139.2**	**162.8**
– thereof USA	113.9	143.5
Asia-Pacific	**49.1**	**39.4**
– thereof China	20.4	18.6
– thereof Japan	13.1	11.8
Total revenue	**486.6**	**477.1**

Market segment information

The following table shows the allocation of revenue from external customers by market segment:

Revenue by market segment

millions of CHF	2023	2022
Dental	106.2	125.1
Drug Delivery	53.6	47.0
Surgery	17.2	12.8
Total Healthcare	**177.0**	**184.9**
Industry	130.9	148.2
Beauty	178.6	144.1
Total Consumer & Industrial	**309.6**	**292.3**
Total revenue	**486.6**	**477.1**

4 Acquisition of subsidiaries

Acquisitions in 2023

On July 5, 2023, the group acquired 70% of the issued share capital and voting interests in Guangdong Qiaoyi Plastic Co. Ltd. (“Qiaoyi”) for CHF 31.3 million. Qiaoyi employs nearly 400 people and is a beauty manufacturer serving in particular the Chinese and South East Asia cosmetics market with innovative products, located in Shantou (China). Qiaoyi operates as part of medmix' Beauty market segment.

As of July 5, 2024, the group will buy another 10% equity interest held by the non-controlling shareholders for a fixed price. The group recognized other current and accrued liabilities (note 25) based on the purchase price in the amount of CHF 4.7 million (December 31, 2023: CHF 4.4 million). Since the acquisition of additional 10% in Qiaoyi represents a fixed-price forward, the group recognized an economic interest of 80% and recorded 20% for the non-controlling interests. The non-controlling interests are measured at the non-controlling interest’s proportionate share of the recognized identifiable net assets.

At any time after July 5, 2027, the non-controlling shareholders have a put option to sell, and the group has a call option to purchase, the remaining 20% equity interest held by the non-controlling shareholders for a formula-based purchase price. The group recognized a redemption liability, recorded in other non-current liabilities (note 25), based on the discounted put exercise price in equity in the amount of CHF 10.0 million, which is accreted over the contract period in equity (December 31, 2023: CHF 9.8 million, put option liability).

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition, including the resulting goodwill and the total consideration. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts recognized below, then the accounting for the acquisition will be revised.

Net assets acquired

millions of CHF	Qiaoyi
Intangible assets	24.0
Property, plant and equipment	5.1
Lease assets	1.6
Inventory	2.3
Advance payments to suppliers	0.0
Trade accounts receivable	2.1
Other current receivables and prepaid expenses	6.6
Cash and cash equivalents	1.9
Deferred income tax liability	–5.3
Current income tax liabilities	–7.2
Current provisions	–6.4
Contract liabilities	–0.6
Trade accounts payable	–0.4
Other current and accrued liabilities	–3.0
Net identifiable assets	**20.8**
Non-controlling interests	–9.0
Goodwill recognized in balance sheet	24.2
Total consideration	**36.0**
Purchase price paid	31.3
Purchase price not yet paid	4.7
Total consideration	**36.0**

The goodwill is attributable to synergies by leveraging the scale of the combined product portfolio, the geographical coverage and new channels to market.

According to the purchase agreement, the seller will reimburse the group for specific risks for which the group provided provisions. The group therefore recognized an indemnification asset in the amount of CHF 6.6 million, recorded as other current receivables and prepaid expenses (December 31, 2023: CHF 6.4 million, note 19). The indemnification asset is measured using the same measurement basis as for the provisions before reflecting management's assessment of collectability of the asset.

Transaction costs recognized in the income statement amount to CHF 0.1 million. Since the acquisition date, Qiaoyi contributed revenues of CHF 16.8 million and net income of CHF 2.0 million to the group. If the acquisition had occurred on January 1, 2023, the group estimates that consolidated revenue would have been CHF 503.4 million and consolidated net income would have been CHF 2.7 million. In determining these amounts, the group assumed that the fair value adjustments, determined previously, that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2023.

Cash flow from acquisitions of subsidiaries

millions of CHF	2023	2022
Cash consideration paid	–31.3	–14.7
Contingent consideration paid	–	–0.0
Cash acquired	1.9	–
Total cash flow from acquisitions, net of cash acquired	**–29.4**	**–14.7**

Acquisitions in 2022

On October 24, 2022, the group acquired the entire plastics business of Universal de Suministros, S.L., Spain, (“Universal”) for CHF 14.7 million and the business was integrated into medmix Spain. The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition, including the resulting goodwill and the total consideration paid.

Net assets acquired

millions of CHF	Universal
Intangible assets	8.2
Property, plant and equipment	0.9
Inventory	0.4
Net identifiable assets	**9.5**
Goodwill recognized in balance sheet	5.2
Total consideration	**14.7**
Purchase price paid by the group	14.7
Total consideration	**14.7**

5 Critical accounting estimates and judgments

In preparing these consolidated financial statements in accordance with IFRS Accounting Standards, management has made estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and contingent liabilities. All estimates and assessments are continually reviewed and are based on historical experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances. The group makes estimates and assumptions that relate to the future. By their nature, these estimates will only rarely correspond to actual subsequent events. The estimates and assumptions that carry a significant risk, in the form of a substantial adjustment to the present values of assets and liabilities within the next financial year, are set out below.

Employee benefit plans

The present value of the pension obligation and the plan assets depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Assumptions used in determining the defined benefit assets/obligations include the discount rate, future salary and pension increases, and mortality rates. The assumptions are reviewed and reassessed at the end of each year. Further details are provided in note 8 and note 31.

Income taxes

The group is obliged to pay income taxes in numerous jurisdictions. Assumptions are required in order to determine income tax provisions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Management believes that the estimates are reasonable and that the recognized liabilities for income tax-related uncertainties are adequate. Further details are disclosed in note 11.

Goodwill and other intangible assets

The group carries out an annual impairment test on goodwill in the first quarter of the year (after the budget and the three-year strategic plan have been approved), or when indications of a potential impairment exist. The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations with the terminal growth rate, the discount rate and the projected cash flows as the main variables. Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment are disclosed in note 12. The accounting policies are disclosed in note 31.

Lease assets and lease liabilities

The group has applied judgment to determine the lease term for lease contracts that include renewal and termination options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and lease assets recognized. This assessment depends on economic incentives, such as removal and relocation costs. Further details are disclosed in note 14 and note 31.

Revenue

At contract inception, the group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation. The group considers the terms of the contract and all other relevant facts, including the economic substance of the transaction. Judgment is needed to determine whether there is a single performance obligation or multiple, separate performance obligations.

If the consideration promised in a contract includes a variable amount (e.g., early payment discounts, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects to better predict the amount of consideration to which it will be entitled: the expected value or the most likely amount. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled. Depending on the outcome of the respective transactions, actual payments may differ from these estimates.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost plus margin method. Further details are disclosed in note 31.

Provisions

Provisions are made, among other reasons, for warranties, disputes, litigation and restructuring. A provision is recognized in the balance sheet when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The nature of these costs is such that judgment has to be applied to estimate the timing and amount of cash outflows. Depending on the outcome of the respective transactions, actual payments may differ from these estimates. Further details are disclosed in note 24 and note 31.

Indemnification assets

Indemnification assets are recognized for potential cash outflows covered by indemnity clauses in business combinations. An indemnification asset is recognized at the same time when the indemnified item is recognized and measured on the same basis as the indemnified item, subject to the need for a valuation allowance for uncollectible amounts. The nature of these assets is such that judgment has to be applied to estimate the timing and amount of cash inflows. Depending on the outcome of the respective transactions, actual payments may differ from these estimates. Further details about the recognized indemnification asset are disclosed in note 4.

6 Financial risk management

6.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the group's entities and businesses. Principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity, exist in writing.

a) Market risk

(I) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The group is exposed to transactional foreign currency risk to the extent that revenues, purchases, license fees, borrowings and other balance sheet items are denominated in currencies other than the functional currencies of group companies. The functional currencies of group entities are primarily CHF, EUR, USD and CNY. Management has set up a policy to require entities to manage their foreign exchange risk against their functional currency. The entities are required to hedge their major foreign exchange risk exposure using forward contracts or other standard instruments, usually transacted with Group Treasury. The group's management policy is to apply the following hedge ratios:

Contractual FX exposure

- 90% to 100% of the exposure

Non-contractual FX exposure

- 100% of the forecasted exposure for the next 1–3 months
- 60% of the forecasted exposure for the next 4–6 months
- 40% of the forecasted exposure for the next 7–12 months

The group uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date. The contracts are generally designated for hedge accounting as cash flow hedges. The group determines the existence of an economic relationship between the hedging instruments and the hedged item based on the currency, amount and timing of the respective cash flows. For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated.

Presently, most of the contracts are designated as cash flow hedges. External foreign exchange contracts are designated as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis. The group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. If required, currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. Derivative financial instruments are only used on an ad hoc basis to manage foreign currency translation risk.

The following tables show the hypothetical influence on the income statement related to the foreign exchange risk of financial instruments. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. For 2023, the currency pair with the most significant exposure and inherent risk was USD versus BRL. If, on December 31, 2023, the USD had increased by 12.2% against the BRL with all other variables held constant, profit after tax for the year would have been CHF 0.1 million higher due to foreign exchange gains on USD-denominated assets. A decrease of the rate would have caused a loss of the same amount.

Hypothetical impact of foreign exchange risk on income statement

millions of CHF			2023
Currency pair	USD/BRL	EUR/GBP	EUR/USD
Exposure	1.1	0.2	–0.1
Volatility	12.2%	4.8%	7.6%
Effect on profit after tax (rate increase)	0.1	0.0	–0.0
Effect on profit after tax (rate decrease)	–0.1	–0.0	0.0

millions of CHF			2022
Currency pair	CHF/PLN	EUR/CHF	EUR/USD
Exposure	5.6	3.1	–1.5
Volatility	13.5%	8.0%	10.5%
Effect on profit after tax (rate increase)	0.7	0.2	–0.2
Effect on profit after tax (rate decrease)	–0.7	–0.2	0.2

The following tables show the hypothetical influence on equity related to the foreign exchange risk of financial instruments for the most important currency pairs as of December 31 of the respective year. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. Most of the hypothetical effect on equity is a result of fair value changes of derivative financial instruments designated as hedges of future cash flows in foreign currencies adjusted for tax effects.

Hypothetical impact of foreign exchange risk on equity

millions of CHF			2023
Currency pair	USD/CHF	EUR/CHF	EUR/GBP
Exposure	–24.1	4.7	–4.6
Volatility	7.9%	5.1%	4.8%
Effect on equity, net of taxes (rate increase)	–1.6	0.2	–0.2
Effect on equity, net of taxes (rate decrease)	1.6	–0.2	0.2

millions of CHF			2022
Currency pair	USD/CHF	EUR/CHF	EUR/GBP
Exposure	–32.5	7.5	–6.1
Volatility	9.7%	8.0%	8.4%
Effect on equity, net of taxes (rate increase)	–3.0	0.6	–0.5
Effect on equity, net of taxes (rate decrease)	3.0	–0.6	0.5

(II) Price risk

As of December 31, 2023, and 2022, the group was not exposed to price risks related to investments in equity securities.

(III) Interest rate risk

The group's interest rate risk arises from interest-bearing assets and liabilities. Assets and liabilities at variable rates expose the group to interest rate risk. The group analyzes its interest rate exposure on a net basis and, if required, enters into derivative instruments in order to keep the volatility of net interest income or expense limited. The group's current and non-current interest-bearing liabilities mainly comprise a syndicated term loan of CHF 250.0 million with variable interest rates and CHF 150.0 million revolving credit facility, of which CHF 30.0 million are drawn as of December 31, 2023 (December 31, 2022: CHF 150.0 million drawn).

The group uses interest rate swaps to hedge its interest rate risk, with a maturity aligned to the hedged item, which is variably financed over the next five years. As of December 31, 2023, CHF 125.0 million were swapped from variable to fixed rate. The contracts are generally designated for hedge accounting as cash flow hedges. The group determines the existence of an economic relationship between the hedging instruments and the hedged item based on the interest reference, amount and timing of the respective cash flows. The group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness.

The following table shows the hypothetical influence on the income statement for variable interest-bearing assets net of liabilities at variable interest rates, assuming market interest rate levels would have increased/decreased by 100 basis points. For CHF, increasing interest rates would have a negative impact on the income statement since the value of variable interest-bearing liabilities exceeds the value of variable interest-bearing assets. For the other most significant currencies, EUR, USD, CNY and GBP, increasing interest rates would have had a positive impact on the income statement as variable interest-bearing assets (comprising mainly cash and cash equivalents) exceed the value of variable interest-bearing liabilities.

Hypothetical impact of interest rate risk on income statement

millions of CHF			2023	
			Impact on post-tax profit	
Variable interest-bearing assets / (liabilities), net	Amount	Sensitivity in basis points	Rate increase	Rate decrease
CHF	–73.5	100	–0.6	0.6
EUR	18.5	100	0.2	–0.2
USD	15.7	100	0.1	–0.1
CNY	6.5	100	0.1	–0.1
GBP	2.2	100	0.0	–0.0

millions of CHF			2022	
			Impact on post-tax profit	
Variable interest-bearing assets / (liabilities), net	Amount	Sensitivity in basis points	Rate increase	Rate decrease
CHF	–108.7	100	–1.0	1.0
EUR	36.0	100	0.3	–0.3
USD	17.2	100	0.2	–0.2
CNY	10.7	100	0.1	–0.1
GBP	2.6	100	0.0	0.0

On December 31, 2023, if the interest rates on CHF-denominated assets net of liabilities had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 0.6 million lower as a result of higher interest expenses on CHF-denominated liabilities. A decrease of interest rates on CHF-denominated liabilities net of assets would have caused a gain of the same amount. As of December 31, 2022, if the interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 1.0 million lower as a result of higher interest expenses on CHF-denominated liabilities.

The following tables show the hypothetical influence on equity related to the interest rate risk of financial instruments as of December 31 of the respective year. The sensitivity used for the calculation is 100 basis points. The hypothetical effect on equity is the result of fair value changes of derivative financial instruments designated as hedges of future cash flows from variable interest rates adjusted for tax effects.

Hypothetical impact of interest rate risk on equity

millions of CHF			2023	
			Impact on equity	
Exposure	Amount	Sensitivity in basis points	Rate increase	Rate decrease
CHF	–125.0	100	–1.0	1.0

millions of CHF			2022	
			Impact on equity	
Exposure	Amount	Sensitivity in basis points	Rate increase	Rate decrease
CHF	–	–	–	–

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with financial institutions and credit exposures to customers, including outstanding receivables, contract assets and committed transactions. The maximum exposure to credit risk per class of financial asset is disclosed by carrying amounts in the fair value table.

Credit risks of banks and financial institutions are monitored and managed centrally. Generally, only independently rated parties with a strong credit rating are accepted, and the total volume of transactions is split among several banks to reduce the individual risk with one bank.

For every customer with a large order volume, an individual risk assessment of the credit quality of the customer is performed that considers independent ratings, financial position, past experience and other factors. Additionally, bank guarantees and letters of credit are requested. For more details on the credit risk of contract assets, please refer to note 17, and on the credit risk of trade accounts receivable, please refer to note 18.

c) Liquidity risk

Prudent liquidity risk management includes the maintenance of sufficient cash and marketable securities, the availability of funding from an adequate number of committed credit facilities and the ability to close out market positions.

Management anticipates the future development of the group's liquidity reserve on the basis of expected cash flows by performing regular group-wide cash forecasts.

The following table analyzes the group's financial liabilities in relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows calculated with the year-end closing rates. Borrowings include the notional amount and interest payments.

Maturity profile of financial liabilities

					2023
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	Total
Borrowings	278.7	31.7	285.6	–	317.3
Lease liabilities	70.9	10.7	33.8	35.9	80.4
Trade accounts payable	49.4	49.4	–	–	49.4
Other current and non-current liabilities (excluding derivative liabilities)	40.8	19.6	23.6	–	43.2
Derivative liabilities	2.9	0.7	2.2	–	2.9
– thereof outflow		61.5	2.2	–	63.7
– thereof inflow		60.8	–	–	60.8

					2022
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	Total
Borrowings	402.0	157.6	282.9	-	440.5
Lease liabilities	71.5	9.3	33.1	41.4	83.8
Trade accounts payable	47.4	47.4	–	–	47.4
Other current and non-current liabilities (excluding derivative liabilities)	8.5	8.5	-	–	8.5
Derivative liabilities	0.4	0.4	–	–	0.4
– thereof outflow		24.9	–	–	24.9
– thereof inflow		24.7	–	–	24.7

6.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The following table shows the net debt/adjusted EBITDA ratio as of December 31.

Net debt/adjusted EBITDA ratio

millions of CHF	2023	2022
Cash and cash equivalents	–130.6	–313.5
Current financial assets	0.0	–3.3
Non-current borrowings	247.3	246.9
Non-current lease liabilities	60.2	62.5
Current borrowings	31.5	155.1
Current lease liabilities	10.7	9.0
Net debt as of December 31	**219.0**	**156.7**
EBIT	**16.0**	**19.6**
Depreciation	32.4	28.8
Impairments on tangible and intangible assets	3.0	1.5
Amortization	23.0	20.8
EBITDA	**74.4**	**70.7**
Restructuring expenses	0.8	1.1
Non-operational items[1)]	18.0	33.6
Adjusted EBITDA	**93.1**	**105.4**
Net debt	219.0	156.7
Adjusted EBITDA	93.1	105.4
Net debt/adjusted EBITDA ratio	**2.35**	**1.49**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

For the definition of the adjusted EBITDA and the ratio, please refer to the chapter alternative performance measures (APM).

6.3 Fair value estimation

The following tables present the carrying amounts and fair values of financial assets and liabilities as of December 31, 2023, and 2022, including their levels in the fair value hierarchy. For financial assets and financial liabilities not measured at fair value in the balance sheet, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.

Fair values are categorized into three different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Such instruments are included in level 1.

The fair values included in level 2 are based on valuation techniques using observable market input data. This may include discounted cash flow analysis, option pricing models or reference to other instruments that are substantially the same, while always making maximum use of market inputs and relying as little as possible on entity-specific inputs. The fair values of forward contracts are measured based on broker quotes for foreign exchange rates and interest rates.

Fair values measured using unobservable inputs are categorized within level 3 of the fair value hierarchy. This applies particularly to contingent considerations in business combinations.

Financial instruments table

		December 31, 2023								
		Carrying amount					Fair value			
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value										
Derivative assets – non-current	26	0.0				0.0	–	0.0	–	0.0
Derivative assets – current	19, 26	4.8				4.8	–	4.8	–	4.8
Total financial assets measured at fair value		**4.8**	**–**	**–**	**–**	**4.8**	**–**	**4.8**	**–**	**4.8**
Financial assets not measured at fair value										
Non-current financial assets (at amortized cost)	15			7.7		7.7				
Non-current receivables (excluding non-current derivative assets)				0.2		0.2				
Trade accounts receivable	18			56.8		56.8				
Other current receivables (excluding current derivative assets and other taxes)	19			7.0		7.0				
Cash and cash equivalents	20			130.6		130.6				
Total financial assets not measured at fair value		**–**	**–**	**202.3**	**–**	**202.3**				
Financial liabilities measured at fair value										
Derivative liabilities – non-current	25, 26	2.2				2.2	–	2.2	–	2.2
Derivative liabilities – current	25, 26	0.7				0.7	–	0.7	–	0.7
Total financial liabilities measured at fair value		**2.9**	**–**	**–**	**–**	**2.9**	**–**	**2.9**	**–**	**2.9**
Financial liabilities not measured at fair value										
Non-current borrowings	23				247.3	247.3				
Non-current lease liabilities	14				60.2	60.2				
Other non-current liabilities (excluding non-current derivative liabilities)	25, 26				21.2	21.2				
Current borrowings and bank loans	23				31.5	31.5				
Current lease liabilities	14				10.7	10.7				
Trade accounts payable					49.4	49.4				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	25				17.0	17.0				
Total financial liabilities not measured at fair value		**–**	**–**	**–**	**437.2**	**437.2**				

Financial instruments table

December 31, 2022

millions of CHF	Notes	Carrying amount: Fair value hedging instruments	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Fair value: Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value										
Derivative assets – current	19, 26	2.3				2.3	–	2.3	–	2.3
Total financial assets measured at fair value		**2.3**	**–**	**–**	**–**	**2.3**	**–**	**2.3**	**–**	**2.3**
Financial assets not measured at fair value										
Non-current financial assets (at amortized cost)	15			6.5		6.5				
Non-current receivables (excluding non-current derivative assets)				0.1		0.1				
Trade accounts receivable	18			59.6		59.6				
Other current receivables (excluding current derivative assets and other taxes)	19			1.4		1.4				
Current financial assets (at amortized cost)				3.3		3.3				
Cash and cash equivalents	20			313.5		313.5				
Total financial assets not measured at fair value		**–**	**–**	**384.4**	**–**	**384.4**				
Financial liabilities measured at fair value										
Derivative liabilities – current	25, 26	0.4				0.4	–	0.4	–	0.4
Total financial liabilities measured at fair value		**0.4**	**–**	**–**	**–**	**0.4**	**–**	**0.4**	**–**	**0.4**
Financial liabilities not measured at fair value										
Non-current borrowings	23				246.9	246.9				
Non-current lease liabilities	14				62.5	62.5				
Current borrowings and bank loans	23				155.1	155.1				
Current lease liabilities	14				9.0	9.0				
Trade accounts payable					47.4	47.4				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	25				6.9	6.9				
Total financial liabilities not measured at fair value		**–**	**–**	**–**	**527.8**	**527.8**				

As of December 31, 2022, non-current financial assets (at fair value) included the investment in medmix Poland of which the fair value (level 3) was assessed to be zero.

7 Personnel expenses

millions of CHF	2023	2022
Salaries and wages	135.3	120.5
Defined contribution plan expenses	1.8	1.6
Defined benefit plan expenses	5.1	5.6
Cost of share-based payment transactions	2.5	1.8
Social benefit costs	20.2	17.2
Other personnel costs	3.3	3.8
Total personnel expenses	**168.3**	**150.5**

8 Employee benefit plans

The defined benefit obligations for the active members of pension plans is the present value of accrued pension obligations at the balance sheet date considering future salary and pension increases and turnover rates (using the project unit credit method). The defined benefit obligations for the retirees are the present value of the current and future pension benefits considering future pension increases.

Reconciliation of the amount recognized in the balance sheet as of December 31

			2023
millions of CHF	Funded plans Switzerland	Unfunded plans Germany	Total
Present value of funded defined benefit obligation	–114.1	–	–114.1
Fair value of plan assets (funded plans)	135.6	–	135.6
Overfunding / (underfunding)	**21.5**	**–**	**21.5**
Present value of unfunded defined benefit obligation	–	–0.9	–0.9
Adjustment to asset ceiling	–	–	–
Asset / (liability) recognized in the balance sheet	**21.5**	**–0.9**	**20.6**
– thereof as defined benefit obligations	–0.7	–0.9	–1.5
– thereof as defined benefit assets	22.1	–	22.1

			2022
millions of CHF	Funded plans Switzerland	Unfunded plans Germany	Total
Present value of funded defined benefit obligation	–97.5	–	–97.5
Fair value of plan assets (funded plans)	121.7	–	121.7
Overfunding / (underfunding)	**24.1**	**–**	**24.1**
Present value of unfunded defined benefit obligation	–	–1.0	–1.0
Adjustment to asset ceiling	–24.1	–	–24.1
Asset / (liability) recognized in the balance sheet	**–**	**–1.0**	**–1.0**
– thereof as defined benefit obligations	–	–1.0	–1.0
– thereof as defined benefit assets	–	–	–

The group operates funded defined benefit pension plans in Switzerland. Unfunded defined benefit plans relate to pension plans in Germany. The plans are exposed to actuarial risks, e.g., longevity risk, currency risk and interest rate risk, and the funded plans additionally to market (investment) risk.

In Switzerland, the group contributes to two pension plans funded via two different pension funds, i.e., a base plan for all employees and a supplementary plan for employees with salaries exceeding CHF 152'869 per year. Both plans provide benefits depending on the pension savings at retirement. They include certain legal minimum interest credits to the pension savings (i.e., investment return) and guaranteed rates of conversion of pension savings into an annuity at retirement. In addition, the plans offer death in service and disability benefits. The two pension funds are collective funds, administrating pension plans of group companies and other companies. In case of a material underfunding of the pension plans, the regulations include predefined steps, such as higher contributions by the employer and employees or lower interest on pension savings, to eliminate the underfunding. The pension funds are legally separated from the group. The vast majority of the active participants in the two pension funds are employed by companies not belonging to the group. The Board of Trustees for the base plan comprises 10 employee representatives and 9 employer representatives. The total expenses recognized in the income statement in 2023 were CHF 5.2 million (2022: CHF 5.6 million).

In Germany, the group operates an unfunded defined benefit pension plan and benefits are paid directly by the employer to the beneficiaries as they become due. The plan is closed for new entrants. Existing employees who participated in the defined benefit plan continue to be eligible for these defined benefit pensions. The defined benefit plan offers retirement pensions and disability pensions. The total expenses recognized in the income statement in 2023 were CHF 0.0 million (2022: CHF 0.0 million).

Employee benefit plans

millions of CHF	2023	2022
Reconciliation of effect of asset ceiling		
Adjustment to asset ceiling at January 1	–24.1	–
Interest expenses / (income) on effect of asset ceiling	–0.5	–
Change in effect of asset ceiling excl. interest income / (expenses)	24.7	–24.1
Adjustment to asset ceiling at December 31	**–**	**–24.1**
Reconciliation of asset / (liability) recognized in the balance sheet		
Asset / (liability) recognized at January 1	–1.0	5.4
Defined benefit income / (expenses) recognized in the income statement	–5.2	–5.6
Defined benefit income / (expenses) recognized in OCI	21.4	–5.4
Employer contributions	5.3	4.6
Currency translation differences	0.0	0.1
Asset / (liability) recognized at December 31	**20.6**	**–1.0**
Components of defined benefit income / (expenses) in the income statement		
Current service costs (employer)	–4.4	–5.6
Interest expenses	–2.3	–0.4
Interest income on plan assets	2.8	0.4
Past service costs	–0.7	–
Interest expenses / (income) on effect of asset ceiling	–0.5	–
Other administrative costs	–0.0	–0.0
Income / (expenses) recognized in the income statement	**–5.2**	**–5.6**
– thereof charged to personnel expenses	–5.1	–5.6
– thereof charged to financial expenses	–0.0	0.0
Components of defined benefit gains / (losses) in OCI		
Actuarial gains / (losses) on defined benefit obligation	–5.2	9.9
Returns on plan assets excl. interest income	1.9	8.9
Changes in effect of asset ceiling excl. interest expenses / (income)	24.7	–24.1
Defined benefit gains / (losses) recognized in OCI[1)]	**21.4**	**–5.4**

1) The tax effect on defined benefit cost recognized in OCI amounted to CHF -1.9 million (2022: CHF 0.7 million).

Employee benefit plans

millions of CHF	2023	2022
Reconciliation of defined benefit obligation		
Defined benefit obligation as of January 1	–98.5	–95.7
Interest expenses	–2.3	–0.4
Current service costs (employer)	–4.4	–5.6
Contributions by plan participants	–3.8	–3.3
Past service costs	–0.7	–
Benefits paid / (deposited)	–0.2	–3.5
Other administrative costs	–0.0	–0.0
Actuarial gains / (losses)	–5.2	9.9
Currency translation differences	0.0	0.1
Defined benefit obligation as of December 31[1)]	**–115.0**	**–98.5**
Reconciliation of the fair value of plan assets		
Fair value of plan assets as of January 1	121.7	101.1
Interest income on plan assets	2.8	0.4
Employer contributions	5.3	4.6
Contributions by plan participants	3.8	3.3
Benefits (paid) / deposited	0.2	3.4
Returns on plan assets excl. interest income	1.9	8.9
Fair value of plan assets as of December 31	**135.6**	**121.7**
Total plan assets at fair value – quoted market price		
Cash and cash equivalents	7.2	5.0
Equity instruments	31.6	27.0
Debt instruments	35.9	34.7
Real estate funds	4.3	4.3
Others	7.7	7.3
Total assets at fair value – quoted market price as of December 31	**86.7**	**78.3**
Total plan assets at fair value – non-quoted market price		
Properties occupied by or used by third parties (real estate)	41.1	36.0
Others	7.7	7.3
Total assets at fair value – non-quoted market price as of December 31	**48.9**	**43.4**
Best estimate of contributions for upcoming financial year		
Contributions by the employer	5.3	4.6

1) The defined benefit obligation includes the funded part and the unfunded part.

Employee benefit plans

millions of CHF	2023	2022
Components of defined benefit obligation, split		
Defined benefit obligation for active members	–93.1	–75.0
Defined benefit obligation for pensioners	–21.8	–23.4
Defined benefit obligation for deferred members	–0.1	–0.1
Total defined benefit obligation as of December 31	**–115.0**	**–98.5**
Components of actuarial gains / (losses) on obligations		
Actuarial gains / (losses) arising from changes in financial assumptions	–8.3	23.1
Actuarial gains / (losses) arising from changes in demographic assumptions	0.3	–
Actuarial gains / (losses) arising from experience adjustments	2.8	–13.2
Total actuarial gains / (losses) on defined benefit obligation	**–5.2**	**9.9**
Maturity profile of defined benefit obligation		
Weighted average duration of defined benefit obligation in years	13.4	12.0

Principal actuarial assumptions as of December 31

The following were the principal actuarial assumptions:

	2023		2022	
	Funded plans Switzerland	Unfunded plans Germany	Funded plans Switzerland	Unfunded plans Germany
Discount rate for active employees	1.5%	4.2%	2.2%	3.8%
Discount rate for pensioners	1.5%	4.2%	2.3%	3.8%
Future salary increases	1.8%	0.0%	1.5%	0.0%
Future pension increases	1.5%	1.0%	0.0%	1.0%
Life expectancy at retirement age (male / female) in years	22/24	21/24	22/24	21/24

Sensitivity analysis of defined benefit obligations

Reasonably possible changes at the reporting date to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

millions of CHF	2023	2022
Discount rate (decrease 0.25 percentage points)	–3.9	–2.9
Discount rate (increase 0.25 percentage points)	3.7	2.7
Future salary growth (decrease 0.25 percentage points)	1.4	1.1
Future salary growth (increase 0.25 percentage points)	–1.5	–1.2
Life expectancy (decrease 1 year)	0.5	0.4
Life expectancy (increase 1 year)	–0.5	–0.3

9 Other operating income and expenses

millions of CHF	2023	2022
Proceeds received for the sale of the former subsidiary medmix Poland	2.0	–
Change of impairments and provisions against former subsidiary medmix Poland	2.2	–
Government assistance	0.3	–
Rental income from sub-leases	0.9	0.1
Gain from sale of property, plant and equipment	0.0	0.1
Operating currency exchange gains, net	0.7	–
Other operating income	1.0	0.7
Total other operating income	**7.0**	**0.8**
Restructuring expenses	–0.8	–1.1
Impairments on tangible and intangible assets	–3.0	–1.5
Cost for mergers and acquisitions	–0.1	–0.5
Loss from sale of property, plant and equipment	–0.0	–0.1
Operating currency exchange losses, net	–	–2.8
Deconsolidation of medmix Poland: Loss on net assets derecognized and retained investment	–	–15.4
Impairments on exposure against former subsidiary medmix Poland	–	–5.9
Write-downs on inventory acquired from former subsidiary medmix Poland	–	–2.6
Other operating expenses	–0.0	–
Total other operating expenses	**–3.9**	**–30.1**
Total other operating income / (expenses), net	**3.1**	**–29.3**

In 2023, the group received an amount of CHF 2.0 million for the sale of the former subsidiary medmix Poland to a third party, resulting in a profit recognized in other operating income and a cash flow in the amount of CHF 2.0 million. The group also recognized other operating income from the change of impairments and provisions against the former subsidiary medmix Poland in the amount of CHF 2.2 million. For more details, reference is made to note 15.

Other operating income includes income from litigation cases, government grants and incentives and recharges to third parties not qualifying as revenues from customers and other income.

For 2023, the group recognized restructuring costs of CHF 0.8 million (2022: CHF 1.1 million). The group further performed impairment tests on production machines, facilities and other intangibles assets leading to impairments of CHF 3.0 million (2022: CHF 1.5 million). For more details, refer to note 12 and note 13.

The functional allocation of the total restructuring expenses and impairments is as follows: cost of goods sold CHF 2.6 million (2022: CHF 1.8 million), selling and administrative expenses CHF 0.7 million (2022: CHF 0.7 million) and research and development expenses CHF 0.5 million (2022: CHF 0.1 million).

In 2022, the group deconsolidated medmix Poland as of April 2022. The loss on the net assets derecognized and retained investment amounted to CHF 15.4 million in 2022. Amounts owed to and from medmix Poland before loss of control were reclassified from intercompany receivables, loans and payables to third party receivables, loans and payables in the total net assets amount of CHF 11.8 million in 2022. The group further recognized impairments on the net exposure against former subsidiary medmix Poland in the amount of CHF 5.9 million in 2022. For more details, reference is made to note 15.

The functional allocation of the impairments against former subsidiary medmix Poland in 2022 was as follows: selling and administrative expenses CHF 1.1 million, other financial income and expenses CHF 4.8 million.

In 2022, after the deconsolidation of medmix Poland, the group acquired inventory from former subsidiary medmix Poland in the amount of CHF 6.2 million and subsequently wrote down the inventory by CHF 2.6 million to the net realizable value.

10 Financial income and expenses

millions of CHF	2023	2022
Interest income	1.3	0.7
Total interest income	**1.3**	**0.7**
Interest expenses on borrowings	–8.8	–5.4
Interest income / (expenses) on interest rate derivative financial instruments – transfer from cash flow hedge reserve	0.1	–
Interest expenses on lease liabilities	–1.3	–1.0
Interest expenses on employee benefit plans	–0.0	–0.0
Total interest expenses	**–10.0**	**–6.5**
Total interest income / (expenses), net	**–8.7**	**–5.8**
Fair value changes on foreign currency derivative financial instruments, unrealized	1.4	0.6
Fair value changes on foreign currency derivative financial instruments, realized	–0.0	2.6
Currency exchange gains / (losses), net	–4.6	–4.9
Other financial income / (expenses), net	–1.2	0.1
Total other financial income / (expenses), net	**–4.4**	**–1.6**
Total financial income / (expenses), net	**–13.0**	**–7.4**

Total financial income / (expenses), net, amounted to CHF -13.0 million, compared with CHF -7.4 million in 2022. The financial expenses are mainly driven by interest expenses on borrowings and realized fair value changes on derivative financial instruments.

Total interest income / (expenses), net, increased from CHF -5.8 million to CHF -8.7 million in 2023 due to higher interest rates on borrowings.

Other financial income / (expenses), net, amounted to CHF -4.4 million in 2023, compared to CHF -1.6 million in 2022, mostly driven by realized fair value changes on derivative financial instruments.

11 Income taxes

millions of CHF	2023	2022
Current income tax expenses	–9.2	–5.4
Deferred income tax income	7.0	4.8
Total income tax expenses	**–2.2**	**–0.6**

For the reconciliation of the income tax expenses, the group used the weighted average tax rate for the group tax rate. The weighted average tax rate results from applying each subsidiary’s statutory income tax rate to the income before taxes based on absolute values (that is, making all values positive). Since the group operates in countries that have differing tax laws and rates, the consolidated weighted average effective tax rate will vary from year to year according to variations in income per country and changes in applicable tax rates.

Reconciliation of income tax expenses

millions of CHF	2023	2022
Income before income tax expenses	2.9	12.2
Group tax rate	**18.2%**	**17.4%**
Income taxes at group tax rate	–0.5	–2.1
Income taxed at different tax rates	2.6	2.8
Effect of tax loss carryforwards and allowances for deferred income tax assets	–1.1	–0.9
Expenses not deductible for tax purposes	0.1	–0.8
Effect of changes in tax rates and legislation	–2.2	0.3
Prior year items and others	–1.0	0.2
Total income tax expenses	**–2.2**	**–0.6**
Effective income tax rate	76.7%	5.1%

The effective income tax rate for 2023 was 76.7%. The effect of income taxed at different tax rates in the amount of CHF 2.6 million consists partially of a tax-deductible impairment of a foreign subsidiary. Changes in tax rates and legislation in the amount of CHF –2.2 million are related to a release of deferred tax assets following a change of tax status of a legal entity in Switzerland. Without the mentioned effects, the effective income tax rate would have been 23.2%.

The effective income tax rate for 2022 was 5.1%. The effect of income taxed at different tax rates in the amount of CHF 2.8 million mainly consists of tax-deductible impairments of foreign subsidiaries, partly offset by deconsolidating the net assets of medmix Poland. Without the effects of foreign subsidiaries impairments and deconsolidating medmix Poland, the effective income tax rate would have been 14.2%.

Income tax liabilities

millions of CHF	2023	2022
Balance as of January 1	4.7	10.6
Acquired through business combination	7.2	0.0
Additions	9.2	5.4
Released as no longer required	–	–0.0
Utilized	–8.8	–11.4
Currency translation differences	0.3	0.1
Total income tax liabilities as of December 31	**12.7**	**4.7**
– thereof current	12.7	4.7

Summary of deferred income tax assets and liabilities in the balance sheet

			2023
millions of CHF	Assets	Liabilities	Net
Intangible assets	0.5	–20.6	–20.2
Property, plant and equipment	1.2	–1.9	–0.7
Other financial assets	0.9	–	0.9
Inventory	2.4	–0.7	1.8
Other assets	0.5	–4.5	–4.0
Defined benefit obligations	0.1	–2.2	–2.1
Non-current provisions	0.1	–	0.1
Current provisions	2.4	–0.1	2.3
Other liabilities	4.2	–0.0	4.2
Tax loss carryforwards	7.0	–	7.0
Tax assets / liabilities	**19.4**	**–30.1**	**–10.7**
Offset of assets and liabilities	–10.7	10.7	–
Net recorded deferred income tax assets and liabilities	8.7	–19.4	–10.7

			2022
millions of CHF	Assets	Liabilities	Net
Intangible assets	1.5	–18.8	–17.2
Property, plant and equipment	1.5	–1.0	0.5
Inventory	2.4	–1.1	1.3
Other assets	1.0	–3.3	–2.2
Defined benefit obligations	–	–	–
Non-current provisions	0.2	–	0.2
Current provisions	0.5	–0.1	0.4
Other liabilities	2.5	–0.2	2.3
Tax loss carryforwards	4.4	–	4.4
Tax assets / liabilities	**14.1**	**–24.5**	**–10.3**
Offset of assets and liabilities	–8.4	8.4	–
Net recorded deferred income tax assets and liabilities	5.8	–16.1	–10.3

Cumulative deferred income taxes recorded in equity as of December 31, 2023, amounted to CHF 3.0 million (2022: CHF 1.2 million).

The group does not recognize any deferred taxes on investments in group entities because it controls the dividend policy of its entities – i.e., the group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

Movement of deferred income tax assets and liabilities in the balance sheet

	2023					
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquisition of entities	Currency translation differences	Balance as of December 31
Intangible assets	–17.2	3.2	–	–6.0	–0.1	–20.2
Property, plant and equipment	0.5	–0.5	–	–0.7	–	–0.7
Other financial assets	–	0.9	0.0	–	–	0.9
Inventory	1.3	0.6	–	–0.1	–	1.8
Other assets	–2.2	0.1	–	–1.8	–0.1	–4.0
Defined benefit obligations	–	–0.2	–1.9	–	–	–2.1
Non-current provisions	0.2	–0.1	–	–	–	0.1
Current provisions	0.4	0.2	–	1.6	–	2.3
Other liabilities	2.4	0.2	–	1.7	–	4.2
Tax loss carryforwards	4.4	2.7	–	–	–	7.0
Total	**–10.3**	**7.0**	**–1.9**	**–5.3**	**–0.2**	**–10.7**

	2022					
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquisition of entities	Currency translation differences	Balance as of December 31
Intangible assets	–21.8	5.1	–	–	–0.5	–17.2
Property, plant and equipment	1.0	–0.8	–	–	0.3	0.5
Inventory	2.3	–1.0	–	–	0.1	1.3
Other assets	–2.2	0.2	–0.2	–	–	–2.2
Defined benefit obligations	0.1	–0.8	0.7	–	–	–
Non-current provisions	0.3	–0.0	–	–	–0.1	0.2
Current provisions	0.1	0.3	–	–	–	0.4
Other liabilities	2.3	0.0	–	–	–	2.4
Tax loss carryforwards	2.5	1.9	–	–	–	4.4
Total	**–15.4**	**4.8**	**0.5**	**–**	**–0.2**	**–10.3**

Tax loss carryforwards (TLCF)

					2023
millions of CHF	Amount	Potential tax assets	Valuation allowance	Carrying amount	Unrecognized TLCF
Expiring in the next 3 years	1.1	0.2	–0.2	–	1.1
Expiring in 4–7 years	–	–	–	–	–
Available without limitation	39.8	9.6	–2.5	7.0	11.2
Total tax loss carryforwards as of December 31	**40.9**	**9.8**	**–2.7**	**7.0**	**12.3**

					2022
millions of CHF	Amount	Potential tax assets	Valuation allowance	Carrying amount	Unrecognized TLCF
Expiring in the next 3 years	1.2	0.2	–0.2	–0.0	1.3
Expiring in 4–7 years	4.5	0.5	–0.5	0.0	4.5
Available without limitation	24.0	5.0	–0.6	4.4	3.8
Total tax loss carryforwards as of December 31	**29.8**	**5.7**	**–1.3**	**4.4**	**9.6**

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable. No deferred income tax assets have been recognized on tax loss carryforwards in the amount of CHF 12.3 million (2022: CHF 9.6 million).

12 Goodwill and other intangible assets

							2023
millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationships	Intangible assets under construction	Total
Acquisition cost							
Balance as of January 1	254.4	79.4	5.8	19.0	231.0	0.1	589.7
Acquired through business combination	24.2	3.9	–	–	20.1	–	48.2
Additions	–	–	0.0	0.2	0.1	6.1	6.5
Disposals	–	–	–0.4	–0.1	–0.7	–	–1.2
Reclassifications	–	–	0.5	1.6	–	3.4	5.5
Currency translation differences	–10.1	–0.6	–0.2	–0.3	–10.1	–0.0	–21.4
Balance as of December 31	**268.5**	**82.6**	**5.8**	**20.3**	**240.4**	**9.6**	**627.3**
Accumulated amortization and impairment losses							
Balance as of January 1	–	69.0	4.7	15.1	126.0	–	214.8
Additions	–	2.9	0.4	2.1	17.6	–	23.0
Disposals	–	–	–0.4	–0.1	–0.7	–	–1.1
Impairments	–	–	0.4	0.1	–	–	0.6
Currency translation differences	–	–0.4	–0.2	–0.3	–5.2	–	–6.0
Balance as of December 31	**–**	**71.5**	**4.9**	**17.0**	**137.8**	**–**	**231.2**
Net book value							
As of January 1	254.4	10.4	1.2	3.8	104.9	0.1	374.9
As of December 31	268.5	11.1	0.9	3.3	102.6	9.6	396.1

							2022
millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationships	Intangible assets under construction	Total
Acquisition cost							
Balance as of January 1	258.0	78.5	6.0	17.8	231.8	–	592.2
Acquired through business combination	5.2	1.3	–	–	6.9	–	13.4
Deconsolidation of medmix Poland	–	–0.0	–	–0.1	–	–	–0.2
Additions	–	0.0	0.0	2.0	–	0.1	2.2
Disposals	–	–	–	–0.1	–	–	–0.1
Currency translation differences	–8.8	–0.4	–0.2	–0.7	–7.7	–0.0	–17.8
Balance as of December 31	**254.4**	**79.4**	**5.8**	**19.0**	**231.0**	**0.1**	**589.7**
Accumulated amortization and impairment losses							
Balance as of January 1	–	66.6	4.5	14.1	113.0	–	198.3
Deconsolidation of medmix Poland	–	–0.0	–	–0.1	–	–	–0.1
Additions	–	2.6	0.4	1.3	16.5	–	20.8
Disposals	–	–	–	–0.1	–	–	–0.1
Currency translation differences	–	–0.3	–0.2	–0.1	–3.5	–	–4.1
Balance as of December 31	**–**	**69.0**	**4.7**	**15.1**	**126.0**	**–**	**214.8**
Net book value							
As of January 1	258.0	11.9	1.5	3.7	118.8	–	393.9
As of December 31	254.4	10.4	1.2	3.8	104.9	0.1	374.9

Goodwill impairment test

	2023			
millions of CHF	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Healthcare	105.5	1'428.2	2.0%	9.6%
Consumer & Industrial	163.0	282.9	2.0%	11.5%
Total as of December 31	**268.5**	**1'711.1**		

	2022			
millions of CHF	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Healthcare	69.9	1'604.3	2.0%	7.9%
Consumer & Industrial	184.5	375.8	2.0%	9.5%
Total as of December 31	**254.4**	**1'980.1**		

Goodwill is allocated to the smallest cash-generating unit at which goodwill is monitored for internal management purposes (i.e., business area). The recoverable amount of these units is determined over a five-year cash flow projection period.

The calculation is based on the budget for the first period (2023), the three-year strategic plan for the subsequent two periods (2024–2025) and a management calculation for the next two periods (2026–2027). The budget and the three-year strategic plan were approved by the Board of Directors in February 2023. Cash flows beyond the planning period are extrapolated using a terminal value including the growth rates as stated above.

As of December 31, 2023, there is no indication of goodwill impairment. Updating the impairment test would not have resulted in a goodwill impairment.

Sensitivity analyses

The recoverable amount from cash-generating units is measured based on value-in-use calculations significantly impacted by the terminal growth rate used to determine the residual value, the discount rate and the projected cash flows. The table above shows the amount by which the estimated recoverable amount of the CGU exceeds its carrying amount (headroom).

Management determined there are no reasonably possible changes in key assumptions that would result in a goodwill impairment.

13 Property, plant and equipment

					2023
millions of CHF	Land and buildings	Machinery and technical equipment	Other non-current assets	Tangible assets under construction	Total
Acquisition cost					
Balance as of January 1	68.0	203.6	17.7	31.0	320.3
Acquired through business combination	2.6	2.4	0.1	–	5.1
Additions	0.8	23.1	1.5	34.7	60.1
Disposals	–0.5	–8.7	–0.4	–	–9.5
Reclassifications	1.4	16.4	0.7	–23.9	–5.5
Currency translation differences	–2.6	–7.6	–0.7	–2.0	–13.0
Balance as of December 31	**69.8**	**229.1**	**18.9**	**39.8**	**357.6**
Accumulated depreciation					
Balance as of January 1	26.7	126.6	9.3	–	162.7
Additions	3.3	17.7	1.9	–	22.8
Disposals	–0.4	–8.5	–0.4	–	–9.3
Impairments	–	2.4	–	–	2.4
Currency translation differences	–0.6	–4.3	–0.4	–	–5.3
Balance as of December 31	**29.0**	**133.9**	**10.5**	**–**	**173.4**
Net book value					
As of January 1	41.3	76.9	8.4	31.0	157.6
As of December 31	40.8	95.2	8.4	39.8	184.2

					2022
millions of CHF	Land and buildings	Machinery and technical equipment	Other non-current assets	Tangible assets under construction	Total
Acquisition cost					
Balance as of January 1	68.9	218.6	17.1	22.6	327.1
Acquired through business combination	–	0.9	–	–	0.9
Deconsolidation of medmix Poland	–0.3	–22.9	–0.4	–1.8	–25.3
Additions	0.3	7.3	1.3	27.5	36.4
Disposals	–1.0	–7.1	–1.2	–	–9.3
Reclassifications	2.3	12.9	1.5	–16.8	–
Currency translation differences	–2.2	–6.2	–0.6	–0.5	–9.5
Balance as of December 31	**68.0**	**203.6**	**17.7**	**31.0**	**320.3**
Accumulated depreciation					
Balance as of January 1	24.6	131.4	7.1	0.6	163.7
Deconsolidation of medmix Poland	–0.1	–12.2	1.9	–	–10.4
Additions	3.0	15.7	1.6	–	20.3
Disposals	–0.5	–6.0	–1.0	–0.6	–8.0
Impairments	–	1.5	0.0	–	1.5
Currency translation differences	–0.3	–3.8	–0.2	–	–4.4
Balance as of December 31	**26.7**	**126.6**	**9.3**	**–**	**162.7**
Net book value					
As of January 1	44.2	87.1	9.9	22.0	163.3
As of December 31	41.3	76.9	8.4	31.0	157.6

The group performed impairment tests on production machines and facilities, resulting in impairments of CHF 2.4 million as of December 31, 2023 (December 31, 2022: CHF 1.5 million), all of which were charged to other operating expenses.

In 2023, the group sold property, plant and equipment with a net book value of CHF 0.2 million for CHF 0.2 million, resulting in a net gain of CHF 0.0 million (2022: property, plant and equipment with a net book value of CHF 1.3 million sold for CHF 1.3 million, resulting in a net gain of CHF 0.0 million).

14 Leases

Lease assets

				2023
millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
Balance as of January 1	53.5	17.6	1.0	72.1
Acquired through business combination	1.6	–	–	1.6
Additions	7.0	5.0	0.3	12.3
Depreciation	–7.3	–1.9	–0.4	–9.5
Remeasurements and contract modifications	0.3	–	–	0.3
Currency translation differences	–2.2	–0.6	–0.0	–2.8
Total lease assets as of December 31	**53.0**	**20.1**	**0.8**	**73.9**

				2022
millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
Balance as of January 1	46.6	18.4	1.3	66.2
Deconsolidation of medmix Poland	–3.2	–1.6	–	–4.8
Additions	17.9	2.9	0.3	21.1
Disposals	–0.0	–0.0	–0.0	–0.0
Depreciation	–6.6	–1.4	–0.5	–8.5
Remeasurements and contract modifications	0.2	–	–	0.2
Currency translation differences	–1.3	–0.7	–0.1	–2.1
Total lease assets as of December 31	**53.5**	**17.6**	**1.0**	**72.1**

Lease liabilities

			2023
millions of CHF	Non-current lease liabilities	Current lease liabilities	Total
Balance as of January 1	62.5	9.0	71.5
Additions	10.0	2.3	12.3
Interest expenses	1.1	0.2	1.3
Cash flow for repayments – principal portion	–0.0	–10.4	–10.4
Cash flow for repayments – interest portion	–1.1	–0.2	–1.3
Remeasurements and contract modifications	0.3	–	0.3
Reclassifications	–10.2	10.2	–
Currency translation differences	–2.4	–0.4	–2.8
Total lease liabilities as of December 31	**60.2**	**10.7**	**70.9**

			2022
millions of CHF	Non-current lease liabilities	Current lease liabilities	Total
Balance as of January 1	57.8	7.9	65.7
Deconsolidation of medmix Poland	–3.4	–1.1	–4.5
Additions	19.3	1.8	21.1
Interest expenses	0.9	0.1	1.0
Cash flow for repayments – principal portion	–0.4	–8.4	–8.9
Cash flow for repayments – interest portion	–0.9	–0.1	–1.0
Remeasurements and contract modifications	0.2	–	0.2
Reclassifications	–9.2	9.2	–
Currency translation differences	–1.9	–0.3	–2.1
Total lease liabilities as of December 31	**62.5**	**9.0**	**71.5**

Other leasing disclosures

millions of CHF	2023	2022
Recognized in the income statement		
Expenses relating to short-term leases	–1.7	–1.1
Expenses relating to low-value asset leases, excluding short-term leases of low-value assets	–0.1	–0.2
Expenses relating to variable lease payments not included in the lease liability	–0.3	–0.3
Income from subleasing right-of-use assets	0.9	0.1
Interest expenses on lease liabilities	–1.3	–1.0
Total recognized in the income statement	**–2.6**	**–2.5**
Recognized in the statement of cash flows		
Cash flow for short-term, low-value and variable leases (included within cash flow from operating activities)	–2.2	–1.6
Cash flow from subleasing right-of-use assets (included within cash flow from operating activities)	0.9	0.1
Cash flow for repayments of interest on lease liabilities (included within cash flow from operating activities)	–1.3	–1.0
Cash flow for repayments of the principal portion on lease liabilities (included within cash flow from financing activities)	–10.4	–8.9
Total cash flow	**–13.0**	**–11.4**

15 Deconsolidation of medmix Poland

On May 16, 2022, the group announced a suspension of operations at its manufacturing site in Wroclaw, Poland, as a result of sanctions levied by the Polish government on the medmix local affiliate. The Polish government wrongly assumed that medmix' indirect minority shareholder, Viktor Vekselberg, would have control of medmix Poland, which is false. Viktor Vekselberg has neither control nor ownership of any medmix entities and is deprived of all his economic rights in medmix.

On May 23, 2022, the Polish Ministry of the Interior and Administration denied the group's urgent request for removal from the Polish sanctions list. The group therefore started to build production capacity in other countries. Appeals against the decision by the Polish administration continued. medmix has received the full support of the Swiss government.

As of December 31, 2022, the group assessed whether it still controls medmix Poland and concluded that the group lost control at the end of April 2022, the date the sanctions were levied by the Polish government. As a result, the group stopped consolidation of medmix Poland retrospectively as of April 30 by derecognizing the assets and liabilities of the subsidiary, including any components of other comprehensive income (OCI) attributable to the entity. Total net assets at the time of deconsolidation amounted to CHF 12.5 million and currency translation differences accumulated in OCI amounted to CHF 3.0 million, which resulted in a total loss from deconsolidation of CHF 15.4 million as stated below. The group also remeasured the investment in medmix Poland to its fair value, which was assessed to be zero at initial recognition and as of December 31, 2022.

On January 11, 2023, the group announced that it was seeking to sell its Polish entity, following its decision not to resume operations in Wroclaw, Poland.

On May 31, 2023, the group received an amount of CHF 2.0 million for the sale of the former subsidiary medmix Poland to a third party, resulting in a profit recognized in other operating income (note 9) and a cash flow in the amount of CHF 2.0 million.

The group received from the Polish government the approval to purchase inventory, plant and equipment of the former subsidiary medmix Poland. As a result of the purchase of inventory, plant and equipment, the group reduced the total net exposure against the former subsidiary medmix Poland and released accumulated impairments in the amount of CHF 5.2 million.

The group contractually agreed to a net equity guarantee with the buyer. The group assessed the risk of the net equity guarantee based on the most likely outcome and recognized a provision in the amount of CHF 3.0 million. In total, the group recognized other operating income in the amount of CHF 2.2 million as a result of the change of impairments and provisions against medmix Poland (note 9).

Net assets derecognized

millions of CHF	April 30, 2022
Other intangible assets	0.0
Property, plant and equipment	15.0
Lease assets	4.8
Deferred income tax assets	0.2
Other non-current assets	–0.0
Cash and cash equivalents	2.0
Inventory	7.8
Trade accounts receivable	2.5
Other current assets	–0.0
Borrowings	–11.5
Lease liabilities	–4.5
Provisions	–0.1
Other liabilities	–3.9
Net assets derecognized	**12.5**

Loss on net assets derecognized and retained investment

millions of CHF	April 30, 2022
Net assets derecognized	–12.5
Currency translation differences recycled into the income statement	–3.0
Fair value on retained investment	–
Loss on net assets derecognized and retained investment	**–15.4**

Exposure against former subsidiary medmix Poland

			2023
millions of CHF	Gross amount	Impairments	Net book value
Non-current financial assets	–	–	–
Trade accounts receivable	1.7	–0.7	1.0
Other current receivables and prepaid expenses	–	–	–
Current provisions	–3.0	–	–3.0
Trade accounts payable	–2.3	–	–2.3
Total exposure against former subsidiary medmix Poland	**–3.6**	**–0.7**	**–4.3**

			2022
millions of CHF	Gross amount	Impairments	Net book value
Non-current financial assets	11.2	–4.7	6.5
Trade accounts receivable	2.3	–1.1	1.2
Other current receivables and prepaid expenses	0.3	–0.1	0.2
Current provisions	–	–	–
Trade accounts payable	–2.0	–	–2.0
Total exposure against former subsidiary medmix Poland	**11.8**	**–5.9**	**5.9**

16 Inventory

millions of CHF	2023	2022
Raw materials, supplies and consumables	21.9	26.8
Work in progress	23.6	23.6
Finished products and trade merchandise	42.9	41.4
Total inventory as of December 31	**88.4**	**91.8**

In 2023, the group recognized write-downs of CHF 4.2 million (2022: CHF 5.8 million) in cost of goods sold, thereof CHF 0.0 million related to its former subsidiary medmix Poland (2022: CHF 2.6 million, see note 9 for further details). The write-downs were partly offset by the release of unused write-downs of CHF 0.8 million (2022: CHF 1.6 million). Total accumulated write-downs on inventory amounted to CHF 14.2 million as of December 31, 2023 (2022: CHF 12.6 million). Material expenses in 2023 amounted to CHF 113.3 million (2022: CHF 114.1 million).

17 Assets and liabilities related to contracts with customers

millions of CHF	2023	2022
Revenue recognized over time related to ongoing performance obligations	4.0	3.0
Revenue recognized over time related to satisfied performance obligations	–	0.5
Revenue recognized over time	**4.0**	**3.5**
Revenue recognized at a point in time	482.6	473.6
Revenue	**486.6**	**477.1**
– thereof revenue recognized included in the contract liability balance at the beginning of the period	3.9	4.3
Cost of goods sold recognized over time related to ongoing performance obligations	–3.6	–1.4
Cost of goods sold recognized over time related to satisfied performance obligations	–	–
Cost of goods sold recognized over time	**–3.6**	**–1.4**
Cost of goods sold recognized at a point in time	–325.3	–300.3
Cost of goods sold	**–328.9**	**–301.7**
Gross profit recognized over time related to ongoing performance obligations	0.4	1.6
Gross profit recognized over time related to satisfied performance obligations	–	0.5
Gross profit recognized over time	**0.4**	**2.1**
Gross profit recognized at a point in time	157.2	173.3
Gross profit	**157.6**	**175.4**
Contract assets from revenue recognized over time relating to ongoing performance obligations	11.0	7.5
Netting with contract liabilities	–9.7	–6.5
Contract assets	**1.3**	**1.0**
Contract liabilities from costs recognized over time relating to ongoing performance obligations	0.2	–
Advance payments from customers relating to point in time contracts	4.0	3.9
Advance payments from customers relating to over time contracts	9.7	6.5
Netting with contract assets	–9.7	–6.5
Contract liabilities	**4.2**	**3.9**
Order backlog (aggregate amount of transaction price allocated to unsatisfied performance obligations)	133.7	155.5
– thereof expected to be recognized as revenue within 12 months	133.1	155.5

18 Trade accounts receivable

Aging structure of trade accounts receivable

	2023			
millions of CHF	Expected loss rate	Gross amount	Allowance	Net book value
Not past due	0.0%	42.5	–	42.5
Past due				
1–30 days	0.0%	9.4	–0.0	9.4
31–60 days	2.2%	1.7	–0.0	1.6
61–120 days	0.1%	0.9	–0.0	0.9
>120 days	34.7%	3.6	–1.3	2.3
Total trade accounts receivable as of December 31		**58.1**	**–1.3**	**56.8**

	2022			
millions of CHF	Expected loss rate	Gross amount	Allowance	Net book value
Not past due	0.3%	46.6	–0.1	46.4
Past due				
1–30 days	7.2%	7.9	–0.6	7.3
31–60 days	3.8%	3.1	–0.1	3.0
61–120 days	10.8%	1.2	–0.1	1.0
>120 days	43.1%	3.2	–1.4	1.8
Total trade accounts receivable as of December 31		**61.9**	**–2.3**	**59.6**

Allowance for doubtful trade accounts receivable

millions of CHF	2023	2022
Balance as of January 1	2.3	1.3
Additions	0.3	1.6
Released as no longer required	–0.6	–0.6
Utilized	–0.7	–0.1
Currency translation differences	–0.0	–0.0
Balance as of December 31	**1.3**	**2.3**

Approximately 27% (2022: 25%) of the gross amount of trade accounts receivable was past due and an allowance of CHF 1.3 million (2022: CHF 2.3 million) was recorded. The recoverability of trade accounts receivable is regularly reviewed and the credit quality of new customers is thoroughly assessed. Due to the large and heterogeneous customer base, the credit risk from individual customers of the group is limited. The allowance for doubtful trade accounts receivable is based on expected credit losses. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP).

Accounts receivable by geographical location

millions of CHF	2023	2022
Europe, the Middle East and Africa	**38.7**	**38.6**
– thereof Germany	21.3	17.0
– thereof Switzerland	13.6	18.8
Americas	**14.6**	**18.7**
Asia-Pacific	**3.4**	**2.3**
Total as of December 31	**56.8**	**59.6**

19 Other current receivables and prepaid expenses

millions of CHF	2023	2022
Taxes (VAT, withholding tax)	9.1	4.5
Derivative financial instruments	4.8	2.3
Indemnification assets	6.4	–
Other current receivables	0.7	1.4
Total other current receivables as of December 31	**20.9**	**8.2**
Prepaid expenses	5.4	7.6
Total prepaid expenses as of December 31	**5.4**	**7.6**
Total other current receivables and prepaid expenses as of December 31	**26.3**	**15.8**

Further details regarding derivative financial instruments are disclosed in note 26.

The group recognized indemnification assets in the amount of CHF 6.6 million as part of the acquisition of Qiaoyi (December 31, 2023: CHF 6.4 million). For more details, reference is made to note 4.

20 Cash and cash equivalents

millions of CHF	2023	2022
Cash	127.5	105.4
Cash equivalents	3.1	208.1
Total cash and cash equivalents as of December 31	**130.6**	**313.5**

Cash and cash equivalents as of December 31, 2023 amounted to CHF 130.6 million (2022: CHF 313.5 million), thereof CHF 18.5 million (2022: CHF 0.0 million) restricted cash. Cash equivalents represent mainly fixed-term deposits with maturities up to 3 months from the acquisition date. Further details are disclosed in the consolidated statement of cash flows.

21 Equity

Share capital

	2023		2022	
thousands of CHF	Number of shares	Share capital	Number of shares	Share capital
Balance as of December 31 (par value CHF 0.01)	**41’262’370**	**412.6**	**41’262’370**	**412.6**

The share capital amounts to CHF 412’623.70, made up of 41’262’370 shares with dividend entitlement and a par value of CHF 0.01. All shares were fully paid in and registered.

As of December 31, 2022, the company had a remaining authorized share capital of CHF 10’000.00, corresponding to 1’000’000 shares at a nominal value of CHF 0.01 each. As of September 20, 2023, the authorized share capital expired.

Share ownership

medmix shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account. Nominees will only be entered in the share register with the right to vote provided that they meet the following conditions: the nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into an agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register, provided that the above-mentioned conditions are met (see also paragraph 6a of the Articles of Association at https://www.medmix.swiss/Investors/Governance).

	Dec 31, 2023		Dec 31, 2022	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16’728’414	40.54	16’728’414	40.54
The Capital Group Companies, Inc. (direct shareholder: Capital Research and Management Company)	1’248’655	3.03	2’065’631	5.01
FIL Limited	2’025’719	4.90	2’025’719	4.90
UBS Fund Management (Switzerland) AG	1’489’532	4.35	1’489’532	4.35

Retained earnings

The retained earnings include prior years’ undistributed income of consolidated companies and all remeasurements of the net liability for defined benefit plans.

Treasury shares

In 2023, the group acquired in total 144’000 treasury shares (2022: 200’000 shares) to cover its existing exposure from share-based payment programs for consideration of CHF 3.1 million (December 31, 2022: CHF 6.1 million). During 2023, the group allocated 11’013 shares to share plan participants (2022: 2’464 shares) for a total value of CHF 0.4 million (2022: CHF 0.1 million). The total number of shares held by the group as of December 31, 2023, amounted to 480’523 (December 31, 2022: 347’536 shares).

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred. Amounts are reclassified to profit or loss when the associated hedged transaction affects the income statement.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of consolidated entities whose currency differs from the reporting currency of the group.

Non-controlling interests

The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

In 2023, the group acquired Qiaoyi with non-controlling interests of CHF 9.0 million (2022: CHF 0.0 million). For further details, reference is made to note 4.

Dividends

On April 28, 2023, the Annual General Meeting approved an ordinary dividend of CHF 0.50 per share to be paid out of reserves (2022: CHF 0.50 per share). The dividend was paid to shareholders on May 5, 2023. The total amount of the dividend to shareholders of medmix Ltd is CHF 20.5 million (2022: CHF 20.5 million), thereof paid dividends of CHF 15.0 million (2022: CHF 15.0 million) and unpaid dividends of CHF 5.5 million (2022: CHF 5.5 million). The dividend payments to one of the group's shareholders, Tiwel Holding AG, could still not be transferred as a result of US sanctions. The total outstanding dividend payments of CHF 10.9 million (2022: CHF 5.5 million) are reflected in the balance sheet position "Other current and accrued liabilities" (note 25).

The Board of Directors has decided to propose to the Annual General Meeting 2024 a dividend for the financial year 2023 of CHF 0.50 per share.

Put option liability

Reference is made to note 4.

Contribution to the Sulzer group

For 2023, the contribution to the Sulzer group of CHF -0.3 million is related to the vested Sulzer shares under the existing Sulzer share plans (2022: CHF -0.4 million).

22 Earnings per share

	2023	2022
Net income attributable to shareholders of medmix Ltd (millions of CHF)	**0.3**	**11.6**
Issued number of shares	41’262’370	41’262’370
Adjustment for the average number of treasury shares held	–393’944	–304’626
Average number of shares outstanding as of December 31	**40’868’426**	**40’957’744**
Adjustment for share participation plans	335’259	142’278
Average number of shares for calculating diluted earnings per share as of December 31	**41’203’685**	**41’100’022**
Earnings per share, attributable to a shareholder of medmix Ltd (in CHF) as of December 31		
Basic earnings per share	0.01	0.28
Diluted earnings per share	0.01	0.28

23 Borrowings

			2023
millions of CHF	Non-current borrowings	Current borrowings	Total
Balance as of January 1	246.9	155.1	402.0
Cash flow from proceeds	–	33.6	33.6
Cash flow for repayments	–	–157.2	–157.2
Transaction costs related to loans and borrowings	–0.4	–	–0.4
Changes in amortized costs	0.8	–	0.8
Currency translation differences	–	–0.1	–0.1
Total borrowings as of December 31	**247.3**	**31.5**	**278.7**

			2022
millions of CHF	Non-current borrowings	Current borrowings	Total
Balance as of January 1	238.9	16.3	255.3
Cash flow from proceeds	–	310.5	310.5
Cash flow for repayments	–3.0	–161.6	–164.6
Changes in amortized costs	1.0	–	1.0
Reclassifications	10.0	–10.0	–
Currency translation differences	–0.1	–0.1	–0.2
Total borrowings as of December 31	**246.9**	**155.1**	**402.0**

In 2021, the group arranged two committed syndicated credit facilities (A and B) for a total amount of CHF 400.0 million, both maturing in September 2028. The credit facilities include two one-year extension options (subject to lenders' approval), of which the first and the second extension option have been selected by the group and approved by the lenders.

- Facility A: syndicated term loan for an amount of CHF 250.0 million. As of December 31, 2023 and as of December 31, 2022, the facility was fully utilized.
- Facility B: syndicated revolving credit facility for an amount of CHF 150.0 million. The credit facility can be drawn until one month before maturity and includes a further option to increase the credit facility by CHF 75.0 million (subject to lenders' approval). As of December 31, 2023, the facility was drawn with CHF 30.0 million and as of December 31, 2022, the facility was fully utilized.

The committed syndicated credit facilities (A and B) are dependent on a financial covenant that defines the interest margin and the maximum leverage allowed for the group.

Borrowings by currency

			2023
	millions of CHF	in %	Interest rate
CHF	277.5	99.6	3.3%
EUR	1.2	0.4	3.3%
USD	0.0	0.0	0.0%
Total as of December 31	**278.7**	**100.0**	–

			2022
	millions of CHF	in %	Interest rate
CHF	400.7	99.7	1.4%
EUR	1.2	0.3	1.8%
USD	0.1	0.0	0.9%
Total as of December 31	**402.0**	**100.0**	–

24 Provisions

millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Other	Total
					2023
Balance as of January 1	4.8	1.2	0.3	2.9	9.3
Acquired through business combination	–	0.1	–	6.3	6.4
Additions	1.2	1.8	0.8	7.9	11.7
Released as no longer required	–1.4	–0.7	–	–0.2	–2.4
Utilized	–1.4	–0.4	–0.7	–1.2	–3.7
Currency translation differences	–0.1	–0.0	–0.0	–0.3	–0.4
Total provisions as of December 31	**3.1**	**2.1**	**0.4**	**15.4**	**21.0**
– thereof non-current	2.4	–	–	0.2	2.7
– thereof current	0.7	2.1	0.4	15.2	18.3

millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Other	Total
					2022
Balance as of January 1	4.3	1.8	0.2	4.5	10.8
Deconsolidation of medmix Poland	–	–	–	–0.1	–0.1
Additions	2.2	0.6	1.2	3.4	7.3
Released as no longer required	–0.7	–1.1	–0.0	–2.2	–4.0
Utilized	–0.9	–	–0.9	–2.4	–4.3
Currency translation differences	–0.1	–0.0	–0.0	–0.3	–0.4
Total provisions as of December 31	**4.8**	**1.2**	**0.3**	**2.9**	**9.3**
– thereof non-current	3.4	–	–	0.2	3.6
– thereof current	1.5	1.2	0.3	2.7	5.7

The category “Other employee benefits” includes provisions for jubilee gifts and other obligations to employees.

The category “Warranties/liabilities” includes provisions for warranties, customer claims, penalties, litigation and legal cases relating to goods delivered or services rendered.

The category “Other” includes provisions that do not fit into the aforementioned categories. As part of the Qiaoyi acquisition, the group recorded other provisions in the amount of CHF 6.3 million related to value added tax (VAT) risks. Further details are disclosed in note 4.

Although the group expects a large part of the category “Other” to be realized in one year, by their nature, the amounts and timing of any cash outflows are difficult to predict.

25 Other current and accrued liabilities and other non-current liabilities

Other current and accrued liabilities

millions of CHF	2023	2022
Outstanding dividend payments	10.9	5.5
Taxes (VAT, withholding tax)	1.9	1.6
Derivative financial instruments	0.7	0.4
Current payables from purchase of a subsidiary	4.4	–
Other current liabilities	2.4	1.4
Total other current liabilities as of December 31	**20.2**	**8.9**
Contract-related costs	1.1	0.6
Salaries, wages and bonuses	8.5	9.6
Vacation and overtime claims	2.5	3.0
Accrued interest expenses	3.7	–
Accrued expenses and deferred income	15.1	23.0
Total accrued liabilities as of December 31	**31.0**	**36.3**
Total other current and accrued liabilities as of December 31	**51.2**	**45.2**

The unpaid dividends amounted to CHF 10.9 million (2022: CHF 5.5 million). For more details, reference is made to note 21. Further details regarding derivative financial instruments are disclosed in note 26.

The group recognized current payables from the acquisition of Qiaoyi based on a fixed-price forward in the amount of CHF 4.4 million. For more details, reference is made to note 4.

Other non-current liabilities

millions of CHF	2023	2022
Put option liability	9.8	–
Liability from sale of investments in subsidiaries	11.4	–
Non-current financial derivative liabilities	2.2	–
Total other non-current liabilities as of December 31	**23.4**	**–**

In 2023, the group recognized a put option liability for the Qiaoyi acquisition based on the discounted put exercise price in equity in the amount of CHF 10.0 million, which is accreted over the contract period in equity (December 31, 2023: CHF 9.8 million, put option liability). For more details, reference is made to note 4.

In 2023, the group sold non-controlling interests in investments in subsidiaries without loss of control. The group has a call option to purchase until March 31, 2026, and the buyers have a put option to sell any time between March 31, 2025, and March 31, 2026, all non-controlling interests. Since the call and put option represent fixed price options, the group recognized an economic interest of 100% and recorded 0% for the non-controlling interests. The group recognized a liability based on the discounted put exercise price in equity in the amount of CHF 2.0 million and in other non-current liabilities in the amount of CHF 11.4 million.

Further details regarding derivative financial instruments are disclosed in note 26.

26 Derivative financial instruments

millions of CHF	2023 Derivative assets Notional value	2023 Derivative assets Fair value	2023 Derivative liabilities Notional value	2023 Derivative liabilities Fair value	2022 Derivative assets Notional value	2022 Derivative assets Fair value	2022 Derivative liabilities Notional value	2022 Derivative liabilities Fair value
Forward exchange rate contracts	148.4	4.8	61.5	0.7	144.1	2.3	80.0	0.4
Interest rate swaps	25.0	0.0	100.0	2.2	–	–	–	–
Total as of December 31	**173.4**	**4.8**	**161.5**	**2.9**	**144.1**	**2.3**	**80.0**	**0.4**
– thereof due in <1 year	148.4	4.8	61.5	0.7	144.1	2.3	80.0	0.4
– thereof due in 1–5 years	25.0	–	100.0	–	–	–	–	–
– thereof due in >5 years	–	0.0	–	2.2	–	–	–	–

Cash flow hedge reserve

The notional value and the fair value of derivative assets and liabilities include current and non-current derivative financial instruments. The cash flow hedges of the expected future revenues were assessed as highly effective. The following tables present the cash flow hedge reserve as of December 31, 2023, and 2022.

millions of CHF	2023 Gross amount	2023 Deferred taxes	2023 Cash flow hedge reserve in equity
Balance as of January 1	**0.8**	**–0.1**	**0.7**
Fair value adjustments	–2.5	0.1	–2.3
Reclassified to profit or loss	0.9	–0.2	0.7
Currency translation differences	–0.0	0.0	–0.0
Balance as of December 31	**–0.8**	**–0.1**	**–0.9**

millions of CHF	2022 Gross amount	2022 Deferred taxes	2022 Cash flow hedge reserve in equity
Balance as of January 1	**–0.6**	**0.1**	**–0.6**
Fair value adjustments	–1.5	–0.2	–1.7
Reclassified to profit or loss	2.9	–	2.9
Currency translation differences	0.0	–0.0	0.0
Balance as of December 31	**0.8**	**–0.1**	**0.7**

There was no ineffectiveness that arose from cash flow hedges in 2023 (2022: CHF 0.0 million). The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

The hedged, highly probable forecast transactions denominated in foreign currencies are mostly expected to occur at various dates during the next 12 months. Gains and losses recognized in the cash flow hedge reserve (cash flow hedges) in equity on forward foreign exchange contracts as of December 31, 2023, are recognized either in revenues, cost of goods sold or other operating income/expenses in the period or periods during which the hedged transaction affects the income statement. This is generally within 12 months of the balance sheet date unless the gain or loss is included in the initial amount recognized for the purchase of fixed assets, in which case recognition is over the lifetime of the asset (5 to 10 years).

The interest rate risk as shown in note 6 is hedged with financial derivatives and related to the variable financing of the group. The duration of the hedges are aligned with the duration of the hedged item. Gains and losses recognized in the cash flow hedge reserve (cash flow hedges) in equity on interest rate derivatives contracts as of December 31, 2023, are recognized in the interest expense over the next five years.

The group enters into derivative financial instruments under enforceable master netting arrangements. These agreements do not meet the criteria for offsetting derivative assets and derivative liabilities in the consolidated balance sheet. As of December 31, 2023, the amount subject to such netting arrangements was CHF 2.9 million (2022: CHF 0.4 million). Considering the effect of these agreements, the amount of derivative assets, recorded as other current receivables and prepaid expenses (note 19), would reduce from CHF 4.8 million to CHF 1.9 million (2022: from CHF 2.3 million to CHF 1.9 million) and the amount of derivative liabilities, recorded as other current and accrued liabilities or other non-current liabilities respectively (note 25), would reduce from CHF 2.9 million to CHF 0.0 million (2022: from CHF 0.4 million to CHF 0.0 million).

27 Contingent liabilities

The separation from Sulzer Ltd was effectuated by way of a symmetrical demerger in 2021 according to the Swiss Merger Act. Under the merger act, the group may be held liable by creditors of Sulzer Ltd who may be able to enforce certain claims existing at the time of the spin-off or having their basis prior to the spin-off against the group.

28 Share participation plans

Share-based payments charged to personnel expenses

millions of CHF	2023	2022
Restricted share unit plan	0.5	0.4
Performance share plan	2.1	1.3
Total charged to personnel expenses	**2.5**	**1.8**

Restricted share unit plan settled in medmix shares

This long-term incentive plan covers the Board of Directors. Restricted share units (RSUs) are granted annually. RSUs do not convey any rights to received dividends during the vesting period. Awards to members of the Board of Directors automatically vest with the departure from the Board. The plan features graded vesting over a three-year period (one third each year). One RSU award is settled with one medmix share at the end of the vesting period. The fair value of the RSUs granted is measured at the grant date closing share price of medmix Ltd, adjusted by expected dividends during the vesting period. Participants are not entitled to dividends declared during the vesting period. Consequently, the grant date fair value of the RSUs is reduced by the present value of the dividends expected to be paid during the vesting period.

Restricted share units

Grant year	2023	2022	2021	Total
Outstanding as of January 1, 2022	**–**	**–**	**3’681**	**3’681**
Granted	–	16’797	–	16’797
Exercised	–	–	–1’851	–1’851
Forfeited	–	–	–	–
Expired	–	–	–	–
Outstanding as of December 31, 2022	**–**	**16’797**	**1’830**	**18’627**
Outstanding as of January 1, 2023	**–**	**16’797**	**1’830**	**18’627**
Granted	25’153	–	–	25’153
Exercised	–	–5’600	–915	–6’515
Forfeited	–	–	–	–
Expired	–	–	–	–
Outstanding as of December 31, 2023	**25’153**	**11’197**	**915**	**37’265**
Average fair value at grant date in CHF	20.65	32.08	43.92	-

Performance share plan settled in medmix shares

This long-term incentive plan covers the members of the Executive Committee and other selected individuals employed in defined roles. Performance share units (PSU) are granted annually, depending on the organizational position of the employee. Given the spin-off of medmix from Sulzer in 2021, the first regular grant of the medmix PSP occurred in 2022.

Vesting of the PSP is based on the achievement of three pre-determined performance conditions:

- Growth: measured by the revenue of medmix based on the consolidated financial statement, weighted with 30%.
- Profitability: measured by the adjusted EBITDA margin, weighted with 30%.
- Share performance: measured by the relative share price development in comparison to the Swiss Performance Index excluding dividends, weighted with 40%. Share performance is measured with a starting value of the average share closing price over the first three months prior to the start of the 3-year performance period and an ending value of the average share closing price over the last three months of the vesting period.

The number of vested PSUs will be determined by multiplying the number of originally granted PSUs by the total achievement factor, rounded up to the next full number of vested PSUs. For each vested PSU, one medmix share will be transferred to the individual plan participant on the share delivery date.

The following inputs were used to determine the fair value of the PSUs at grant date using a Monte Carlo simulation:

Grant year	2023	2022
Fair value at grant date	22.64	31.81
Share price at grant date	17.85	32.90
Expected volatility	35.26%	36.83%
Risk-free interest rate	1.96%	0.39%

The expected volatility of the medmix shares is determined by the historical volatility. The zero-yield curve from Switzerland was used as the relevant risk-free rate. Historical data was used to arrive at an estimate for the correlation between medmix and the Swiss Performance Index.

Performance share units — terms of awards

Grant year	2023	2022
Number of awards granted	169'832	127'194
Grant date	April 01, 2023	April 01, 2022
Performance period	01/23–12/25	01/22–12/24
Fair value at grant date in CHF	22.64	31.81

Performance share units

Grant year	2023	2022
Outstanding as of January 1, 2022	**–**	**–**
Granted	–	127'194
Exercised	–	–613
Forfeited	–	–2'930
Expired	–	–
Outstanding as of December 31, 2022	**–**	**123'651**
Outstanding as of January 1, 2023	**–**	**123'651**
Granted	169'832	–
Exercised	–240	–4'258
Forfeited	–2'002	–7'704
Expired	–	–
Outstanding as of December 31, 2023	**167'590**	**111'689**

Performance share plan settled in Sulzer shares

Prior to the spin-off from the Sulzer group, employees of the group participated in the Sulzer long-term incentive plan. The share-based payment expenses have been calculated based on the number of performance share units (PSU) received under the Sulzer performance share plan (PSP) until the date of the spin-off. The PSP will vest at the end of the original vesting period on a pro rata temporis basis by comparing the effective service period until the date of the spin-off with the original service period of three years. The actual performance factors will be measured at the end of the vesting period. Accordingly, the group disclosed the relevant information for the Sulzer PSP.

Vesting of the PSP is based on three performance conditions: Sulzer operational income growth over the performance period before restructuring, amortization, impairments and non-operational items (operational profit) (weighted 25%), Sulzer average operational return on capital employed (operational ROCEA) (weighted 25%) and Sulzer's total shareholder return (TSR), compared to a selected group of peer companies (weighted 50%).

TSR is measured with a starting value of the volume-weighted average share closing price (VWAP) over the first three months of the first year and an ending value of the VWAP over the last three months of the vesting period. The rank of Sulzer's TSR at the end of the performance period determines the effective number of total shares. The exercise price of the PSU is zero.

The following inputs were used to determine the fair value of the PSUs at grant date using a Monte Carlo simulation:

Grant year	2023	2022	2021	2020	2019
Fair value at grant date	n/a	n/a	124.95	78.18	115.95
Share price at grant date	n/a	n/a	101.12	76.05	92.46
Expected volatility	n/a	n/a	34.68%	37.45%	29.64%
Risk-free interest rate	n/a	n/a	–0.58%	–0.64%	–0.57%

The expected volatility of the Sulzer shares and the peer group companies is determined by the historical volatility. The zero-yield curves of those countries in which the companies and indices are listed were used as the relevant risk-free rates. Historical data was used to arrive at an estimate for the correlation between Sulzer and the peer companies. For the TSR calculation, all dividends paid during the vesting period are added to the closing share price.

Performance share units — terms of awards

Grant year	2023	2022	2021	2020	2019
Number of awards granted	n/a	n/a	8’027	15’598	5’844
Grant date	n/a	n/a	April 1, 2021	June 1, 2020	April 1, 2019
Performance period for cumulative operational profit	n/a	n/a	01/21–12/23	01/20–12/22	01/19–12/21
Performance period for the TSR	n/a	n/a	01/21–12/23	01/20–12/22	01/19–12/21
Fair value at grant date in CHF	n/a	n/a	124.95	78.18	115.95

Performance share units

Grant year	2023	2022	2021	2020	2019	Total
Outstanding as of January 1, 2022	**–**	**–**	**4’102**	**10’987**	**6’165**	**21’254**
Employees transfer from Sulzer to medmix	–	–	1’748	2’505	–	4’253
Exercised	–	–	–274	–1’084	–6’165	–7’523
Forfeited	–	–	–536	–525		–1’061
Outstanding as of December 31, 2022	**–**	**–**	**5’040**	**11’883**	**–**	**16’923**
Outstanding as of January 1, 2023	**–**	**–**	**5’040**	**11’883**	**–**	**16’923**
Employees transfer from Sulzer to medmix	–	–	–	–	–	–
Exercised	–	–	–349	–11’883	–	–12’232
Forfeited	–	–	–	–	–	–
Outstanding as of December 31, 2023	**–**	**–**	**4’691**	**–**	**–**	**4’691**

29 Transactions with members of the Board of Directors, Executive Committee and related parties

Key management compensation

	2023				2022			
thousands of CHF	Short-term benefits	Equity-based compensation	Pension and social security contributions	Total	Short-term benefits	Equity-based compensation	Pension and social security contributions	Total
Board of Directors	582	543	89	1'214	489	551	82	1'122
Executive Committee	1'761	1'065	623	3'449	2'119	1'575	676	4'370

As of December 31, 2023 and 2022, there were no outstanding loans with members of the Board of Directors or the Executive Committee.

Related parties

There are no transactions with related parties to disclose.

30 Auditor remuneration

Fees for the audit services by KPMG as the appointed group auditor amounted to CHF 0.7 million (2022: CHF 0.5 million). Additional services provided by the group auditor amounted to a total of CHF 0.3 million (2022: CHF 0.2 million). This amount includes CHF 0.1 million (2022: CHF 0.1 million) for tax services and CHF 0.2 million for other services (2022: CHF 0.1 million).

31 Material accounting policies and valuation methods

31.1 Change in accounting policies

a) Standards, amendments and interpretations that were effective for 2023

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of the adoption of these amended standards.

b) Standards, amendments and interpretations issued but not yet effective, which the group decided not to adopt early in 2023

No IFRS Accounting Standards or interpretations not yet effective are expected to have a material impact on the group.

31.2 Business combinations

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is measured at the fair value of the assets given, the liabilities incurred to the former owner of the acquiree and the equity interest issued by the group. Any goodwill arising is tested annually for impairment. Any gain on a bargain purchase is recognized in the income statement immediately. Acquisition-related costs are expensed as incurred, except if related to the issue of debt or equity securities. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the income statement.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees (acquiree’s awards), then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination. The determination is based on the difference between the market-based measure of the replacement awards compared with the market-based measure of the acquiree’s awards and the extent to which the replacement awards relate to precombination service.

31.3 Foreign currency translation

Items included in the financial statements of consolidated entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Swiss francs (CHF).

The following table shows the major currency exchange rates:

	2023		2022	
CHF	Average rate	Year-end rate	Average rate	Year-end rate
EUR 1	0.97	0.93	1.00	0.98
USD 1	0.90	0.84	0.95	0.92
CNY 100	12.68	11.89	14.19	13.29

31.4 Intangible assets

The intangible assets with finite useful life are amortized in line with the expected useful life, usually on a straight-line basis. The period of useful life is to be assessed according to business rather than legal criteria.

a) Goodwill

Goodwill is subject to an annual impairment test and valued at its original acquisition cost less accumulated impairment losses. In cases where circumstances indicate a potential impairment, impairment tests are conducted more frequently. Profits and losses arising from the sale of a business include the book value of the goodwill assigned to the business being sold.

For impairment testing, goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill originating from the acquisition of an associated company is included in the book value of the participation in associated companies.

b) Trademarks and licenses

Trademarks, licenses and similar rights acquired from third parties are stated at acquisition cost. Such assets are amortized over their expected useful life, generally not exceeding 10 years.

c) Research and development

Expenditure on research activities is recognized in the income statement as incurred. Development costs for major projects are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in the income statement as incurred. Subsequently, such assets are measured at cost less accumulated amortization (max. five years) and any accumulated impairment loss.

d) Computer software

Acquired computer software licenses in control of the group are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (three to max. five years).

e) Customer relationships

As part of a business combination, acquired customer rights are recorded at fair value (cost at the time of acquisition). These costs are amortized over their estimated useful lives, generally not exceeding 15 years.

31.5 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less depreciation and impairments. Depreciation is provided on a straight-line basis over the estimated useful life. Land is stated at cost and is not depreciated.

The useful lives are as follows:
Buildings: 20–50 years
Machinery: 5–15 years
Technical equipment: 5–10 years
Other non-current assets: max. 5 years

31.6 Impairment of property, plant and equipment and intangible assets

An impairment loss is recorded equal to the excess of the carrying value over the recoverable amount. The recoverable amount is the higher of the fair value of the asset less disposal costs and its value in use. The value in use is based on the estimated cash flow over a five-year period and the extrapolated projections for subsequent years. The results are discounted using an appropriate pretax, long-term interest rate. For the purposes of the impairment test, assets are grouped together at the lowest level for which separate cash flows can be identified (cash-generating units).

31.7 Lease assets and lease liabilities

The group recognizes lease assets and lease liabilities for most leases (these leases are on-balance-sheet leases). However, the group has elected not to recognize lease assets and lease liabilities for some leases of low-value assets and short-term leases. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group recognizes lease assets and lease liabilities at the lease commencement date. The asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements. The lease liability is initially measured at the present value of the lease payments that are not paid on commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group’s incremental borrowing rate. In most cases, the group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised.

31.8 Derivative financial instruments and hedging activities

The group uses derivative financial instruments, such as forward currency contracts and other forward contracts, to hedge its risks associated with fluctuations in foreign currencies arising from operational and financing activities. The group uses interest rates swaps to hedge its risks associated with interest rate changes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on the derivatives during the year that do not qualify for hedge accounting are taken directly into profit or loss.

The group applies hedge accounting to secure the foreign currency risks of future cash flows that have a high probability of occurrence. These hedges are classified as “cash flow hedges”, whereas the hedge instrument is recorded on the balance sheet at fair value and the effective portions are booked against “Other comprehensive income” in the column “Cash flow hedge reserve”. If the hedge relates to a non-financial transaction that will subsequently be recorded on the balance sheet, the adjustments accumulated under “Other comprehensive income” at that time will be included in the initial book value of the asset or liability. In all other cases, the cumulative changes of fair value of the hedging instrument that have been recorded in other comprehensive income are included as a charge or credit to income when the forecasted transaction is recognized or when hedge accounting is discontinued as the criteria are no longer met.

31.9 Inventory

Raw materials, supplies and consumables are stated at the lower of cost or net realizable value. Finished products and work in progress are stated at the lower of production cost or net realizable value. Production cost includes the costs of materials, direct and indirect manufacturing costs, and contract-related costs of development. Inventory is valued by reference to weighted average costs. Provisions are made for slow-moving and excess inventory.

31.10 Trade receivables

Trade and other accounts receivable are recognized initially at fair value and subsequently measured at amortized cost, less allowances for doubtful trade accounts receivable.

The allowance for doubtful trade accounts receivable is based on expected credit losses. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP).

31.11 Cash and cash equivalents

Cash and cash equivalents comprise bills, postal giros and bank accounts, together with other short-term highly liquid investments with a maturity of three months or less from the date of acquisition. Bank overdrafts are reported within borrowings in the current liabilities.

31.12 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects. When share capital is repurchased, the amount of the consideration paid, which includes directly attributable cost, is net of any tax effects and is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is transferred to/ from retained earnings.

31.13 Borrowings

Financial debt is stated at fair value when initially recognized, after recognition of transaction costs. In subsequent periods, it is valued at amortized cost. Any difference between the amount borrowed (after deduction of transaction costs) and the repayment amount is reported in the income statement over the duration of the loan using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

31.14 Current and deferred income taxes

The current income tax charge comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operates and generates taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The liability method is used to provide deferred taxes on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are valued by applying tax rates (and regulations) substantially enacted on the balance sheet date or any that have essentially been legally approved and are expected to apply at the time when the deferred tax asset is realized or the deferred tax liability is settled.

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that a taxable profit will be available against which they can be used. Deferred tax liabilities arising as a result of temporary differences relating to investments in subsidiaries and associated companies are applied, unless the group can control when temporary differences are reversed and it is unlikely that they will be reversed in the foreseeable future.

31.15 Employee benefits

a) Defined benefit plans

The group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and deducting the fair value of any plan assets.

The calculation of defined benefit assets/obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income on plan assets) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

Defined contribution plans are defined as pure savings plans, under which the employer makes certain contributions into a separate legal entity (fund) and does not have a legal or an extendible (constructive) liability to contribute any additional amounts in the event this entity does not have enough funds to pay out benefits. A “constructive” commitment exists when it can be assumed that the employer will voluntarily make additional contributions in order not to endanger the relationship with its employees. Company contributions to such plans are considered in the income statement as personnel expenses.

c) Other employee benefits

Some subsidiaries provide other employee benefits such as early retirement benefits or jubilee gifts to their employees. Early retirement benefits are defined as termination benefits for employees accepting voluntary redundancy in exchange for those benefits. Jubilee gifts are other long-term benefits. For example, in Switzerland, the group makes provisions for jubilee benefits based on a Swiss local directive. The provisions are reported in the category “Other employee benefits”.

Short-term benefits are payable within 12 months after the end of the period in which the employees render the related employee service. In the case of liabilities of a long-term nature, the discounting effects and employee turnover are to be taken into consideration.

Obligations to employees arising from restructuring measures are included under the category “Restructuring provisions”.

31.16 Share-based compensation

The group operates one equity-settled, share-based payment plan. The restricted share plan (RSP) covers the members of the Board of Directors.

The fair value of the employee services received in exchange for the grant of the share units is recognized as a personnel expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which the specified service conditions are expected to be met.

The fair value of the restricted share units (RSUs) granted for services rendered is measured at the medmix Ltd closing share price at grant date and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds with maturities matching the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. The grant date fair value of the RSUs is consequently reduced by the present value of dividends expected to be paid during the vesting period.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the RSP. The dilutive effect of the share-based awards is considered when calculating diluted earnings per share.

31.17 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to a single item included in the class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

31.18 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the group's activities. This includes standard products (off the rack) as well as configured and engineered or tailor-made products. Revenues are shown net of value-added tax, returns, rebates and discounts and after eliminating revenues within the group.

The core principle is that revenues are recognized at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring goods or services to a customer.

Revenues are recognized when (or as) the group satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

A customer obtains control of a good or service if it has the ability to direct the use of, and obtain substantially all of the remaining benefits from, that good or service (e.g., use, consume, sale, hold). A customer could have the future right to direct the use of the asset and obtain substantially all of the benefits from it (i.e., upon making a prepayment for a specified product).

There are two methods to recognize revenues:

- **Point in time method (PIT):** revenue recognition when the performance obligation is satisfied at a certain point in time
- **Over time method (OT):** revenues, costs and profit margin recognition in line with the progress of the project

The group determines at contract inception whether control of each performance obligation transfers to a customer over time or at a point in time. Arrangements where the performance obligations are satisfied over time are not limited to services arrangements. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition.

Point in time method (PIT)

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time are met. Revenues are recognized when (or as) the customer obtains control of that asset (depending on incoterms). The following points indicate that a customer has obtained control of an asset:

- The entity has a present right to payment
- The customer has legal title
- The customer has physical possession
- The customer has the significant risks and rewards of ownership
- The customer has accepted the asset

For contracts applying the point in time method, the transfer of risks and rewards of ownership (depending on international commercial terms) typically depicts the transfer in control most appropriately.

Over time method (OT)

Revenues are recognized over time if any of the following is met:

- The customer simultaneously receives/consumes as the group performs.
- The group creates/enhances an asset and the customer controls it during this process.
- The created asset has no alternative use and the group has an enforceable right to payment (including reasonable profit margin) for performance up to date if the customer terminates the contract for convenience.

The over time method is based on the percentage of costs to date compared with the total estimated contract costs (cost-to-cost method). In rare cases, other methods, such as a milestones method, may be used for a particular project, assuming that the stage of completion can be better estimated than by applying the cost-to-cost method. Work progress of sub-suppliers is considered to determine the stage of completion. If circumstances arise that may change the original estimates of revenues, costs or the extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs, and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

The income statement contains a share of revenues, including an estimated share of profit. The balance sheet includes the corresponding contract assets if the assets exceed the advance payments from the customer of the project. When it appears probable that the total costs of an order will exceed the expected income, the total amount of expected loss is recognized immediately in the income statement.

Contract classification per business area

Revenues are measured based on the consideration specified in a contract with a customer. Revenues are recognized over time if any of the conditions above are met. If none of the criteria for satisfying a performance obligation over time are met, revenues are recognized at a point in time.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition method.

Contract classification	Characteristics	Typical revenue recognition method	
		Created asset has alternative use or the group has no enforceable right to payment (including reasonable profit margin) for performance to date if the customer terminates the contract for convenience	Created asset has no alternative use and the group has enforceable right to payment (including reasonable profit margin) for performance to date if the customer terminates the contract for convenience
Healthcare			
Standard orders	— Off-the-shelf articles of stock materials (production to stock) — Made-to-order articles	PIT	n/a
Developmental projects for drug delivery devices and medical instruments	— Highly customized products that are tailor-made to customers' specifications — Multistage process that generally includes design, development and industrialization capability phases	PIT	OT
Consumer & Industrial			
Standard orders	— Off-the-shelf articles of stock materials (production to stock) — Made-to-order articles	PIT	n/a

Payment terms

The group's general terms and conditions of supply require payments within 30 days after the invoice date.

Other payment terms may apply if otherwise defined in the customer contract, the purchase order, the respective change order or the quotation.

Variable considerations

If the consideration promised in a contract includes a variable amount (e.g., liquidated damages, early payment discount, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects will better predict the amount of consideration to which it will be entitled: the expected value method or the most likely amount method. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled.

The group's general terms and conditions of supply foresee the following warranty periods. Except in cases where the scope of supply is limited to services only, the warranty period ends on the earliest of the dates below:

- After 12 months from the initial operation of the scope of supply
- After 18 months from delivery of the scope of supply
- In the event that delivery is delayed or impeded for reasons beyond the supplier's control, after 18 months from the date of the supplier's notification that the scope of supply is ready for dispatch

Where the scope of supply is limited to services only, the warranty period ends six months after completion of such services.

If the group fails to meet the delivery date for more than two calendar weeks due to reasons for which the group is directly responsible, and provided that the purchase order expressly provides liquidated damages for such failure, the purchaser is entitled to demand that the group pay liquidated damages at the rate stated in the purchase order.

The group's obligation for warranties, liquidated damages and other obligations is accounted for as a variable consideration in the revenues and recognized as a provision.

Allocation of the transaction price

To allocate the transaction price to each performance obligation on a relative stand-alone, selling price basis, the group determines the stand-alone selling-price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

31.19 Dividend distribution

Dividend distribution to the shareholders of medmix Ltd is resolved upon decision at the Annual General Meeting and will be paid in the same reporting period.

32 Subsequent events after the balance sheet date

Subsequent events have been considered for adjustment of disclosure up to February 20, 2024, the date these consolidated financial statements were authorized for issue.

33 Major subsidiaries

	Subsidiary	Equity participation	Registered capital (including paid-in capital in the USA)	Direct participation by medmix Ltd	Research and development	Production and engineering	Sales	Service
Europe								
Switzerland	medmix Switzerland AG, Haag	100%	CHF 100'000		•	•	•	
	medmix Group AG, Baar	100%	CHF 100'000	•				
Germany	medmix Deutschland Holding GmbH, Bechhofen	100%	EUR 870'000					
	GEKA GmbH, Bechhofen	100%	EUR 878'600		•	•	•	•
	medmix Deutschland GmbH, Kiel	100%	EUR 26'000		•	•	•	•
	Haselmeier GmbH, Stuttgart	100%	EUR 2'027'700		•		•	•
Spain	medmix Spain, S.L., Valencia	100%	EUR 3'600			•	•	
UK	medmix UK Ltd., Hungerford	100%	GBP 1'000'000			•	•	
North America								
USA	medmix US Inc., Salem, New Hampshire	100%	USD 1				•	
	GEKA Manufacturing Corporation, Elgin, Illinois	100%	USD 603'719			•	•	•
	medmix Healthcare US Inc., Flowery Branch, Georgia[1)]	100%	USD 1'000					
	medmix US Holding Inc., Salem, New Hampshire	100%	USD 1'000					
Central and South America								
Brazil	GEKA do Brasil Indústria e Comércio de Embalagens Ltda., Cotia, São Paulo	100%	BRL 15'009'794			•	•	•
Asia								
India	Haselmeier India Pvt. Ltd., Bengaluru, Karnataka	100%	INR 32'309'720			•		
People's Republic of China	medmix China Ltd., Shanghai	100%	CHF 6'500'000			•		
	Guangdong Qiaoyi Plastic Co. Ltd., Shantou, Guangdong[2)]	70%	RMB 32'800'000		•	•	•	

1) Founded in 2023.
2) Acquired in 2023.

KPMG

Statutory Auditor's Report

To the General Meeting of medmix Ltd, Baar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of medmix Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 101 to 169) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

REVENUE RECOGNITION

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

Key Audit Matter

Total consolidated revenue of the financial year 2023 amounted to CHF 486.6 million (2022: CHF 477.1 million). The Group's revenue is mainly related to the sale of high-precision delivery devices in healthcare, consumer and industrial end-markets.

In line with IFRS 15, the Group recognizes revenue when a performance obligation is satisfied by transferring control over a promised good or service. Due to the Group's business model, revenues recognized with the over time method are currently not material.

Revenue is a key performance indicator and therefore in internal and external stakeholders' focus. Consequently, there might be pressure to achieve forecasted results. This could lead to an increased audit risk relating to sales cut-off and revenues not being recorded in the proper accounting period.

We consider revenue recognition to be a key audit matter due to the number of transactions that occur close to year-end and the potential impact of the cut-off date of these transactions on the consolidated financial statements.

Our response

Our audit procedures included, among others, inquiries with management regarding significant new contracts and relevant changes in existing contracts. The procedures also included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition.

Walkthroughs were performed to gain an understanding of processes and internal controls, including management reviews, with respect to revenue recognition.

On a sample basis, we reconciled revenue to the supporting documentation, such as sales orders, shipping documents and invoices.

A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the proper accounting period by comparing revenues close to the balance sheet date with the respective contractual terms.

Furthermore, we assessed the Group's disclosures relating to revenue recognition.

For further information on revenue recognition refer to the following:

- Note 3 of the consolidated financial statements
- Note 31.23 Key accounting policies and valuation methods - Revenue

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

S.Niklaus

Simon Niklaus
Licensed Audit Expert
Auditor in Charge

Anita Benz
Licensed Audit Expert

Zurich, 20 February 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Alternative performance measures (APM)

The financial information included in this report includes certain alternative performance measures (APMs), which are not accounting measures as defined by IFRS Accounting Standards. These APMs should not be used instead of, or considered as alternatives to, the group’s financial results based on IFRS Accounting Standards. These APMs may not be comparable to similarly titled measures disclosed by other companies. All APMs presented relate to the performance of the current reporting period and comparative periods.

The group believes that disclosing these performance measures enhances investors' ability to evaluate and assess the underlying performance of the group's operations and the related key business drivers. These APMs are also aligned to measures used internally to assess business performance.

Definition of alternative performance measures (APM)

Business area cost of goods sold

Business area cost of goods sold is the part of cost of goods sold that is assigned to a business area. The calculation excludes the part of cost of goods sold that is shared between business areas or cannot reasonably be allocated to any business area. Business area cost of goods sold is used to monitor the costs of a business area.

Business area gross profit

Business area gross profit is the part of gross profit that is assigned to a business area. The calculation excludes the part of cost of goods sold that is shared between business areas or cannot reasonably be allocated to any business area. Business area gross profit is used to monitor the gross profit of a business area.

Business area gross profit margin

Business area gross profit margin is the part of the gross profit margin that is assigned to a business area. Business area gross profit margin is used to monitor the margin of a business area.

Gross profit margin

The gross profit margin is calculated by dividing gross profit by revenue. The gross profit margin measures how the group turns revenue into gross profit.

Other cost of goods sold

Other cost of goods sold is the part of cost of goods sold that is not assigned to a business area. Other cost of goods sold is used to reconcile the business area gross profit to the gross profit of the group.

EBITDA (earnings before interest, taxes, depreciation and amortization)

EBITDA is defined as net income before income tax expenses, other financial income and expenses, net, interest expenses, interest and securities income, depreciation, amortization and impairments on tangible and intangible assets. In other words, EBITDA is defined as EBIT before depreciation, amortization and impairments on tangible and intangible assets. EBITDA is used to determine the net debt/EBITDA ratio.

Adjusted EBITDA

Adjusted EBITDA is defined as net income before income tax expenses, other financial income and expenses, net, interest expenses, interest and securities income, depreciation, amortization, impairments on tangible and intangible assets, restructuring expenses and other non-operational items, which include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate, and certain non-operational items that are non-recurring or do not occur in similar magnitude. Adjusted EBITDA is used to determine the profitability of the business and to determine the net debt/adjusted EBITDA ratio. Further, the group uses the APM adjusted EBITDA, which is a measure that the group considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability.

Adjusted EBITDA margin

The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue. The adjusted EBITDA margin measures how the group turns revenue into adjusted EBITDA.

Adjusted net income

Adjusted net income is defined as net income attributable to shareholders of medmix Ltd before tax-adjusted effects on restructuring, amortization, impairments and non-operational items. The group uses adjusted net income, which is a measure that the group considers to be relevant for investors who want to understand the net income excluding items affecting comparability.

Adjusted diluted earnings per share, attributable to a shareholder of medmix Ltd (adjusted diluted EPS)

Adjusted diluted EPS is defined as adjusted net income attributable to shareholders of medmix Ltd divided by the average number of shares used for calculating diluted earnings per share (see to note 22 for the calculation of the average number of shares used for calculating diluted earnings per share).

Free cash flow (FCF)

FCF is used to assess the group’s ability to generate the cash required to conduct and maintain its operations. It also indicates the group’s ability to generate cash to finance dividend payments, repay debt and to undertake merger and acquisition activities. FCF is calculated based on the cash flow from operating activities and adjusted for paid capital expenditures (net investments in property, plant and equipment and intangible assets).

Adjusted operating net cash flow (adjusted ONCF)

Adjusted ONCF is calculated based on FCF adjusted for financial income and expenses, taxes, other items and cash impacts on other non-operational items. Adjusted ONCF is used as a financial objective for the short-term variable compensation for the members of the Executive Committee (further details are provided in chapter Compensation architecture for the Executive Committee) and other employees of the group.

Capital expenditure, gross (capex, gross)

Capex, gross, is the sum of additions to intangible assets and additions to property, plant and equipment.

Capital expenditure, net (capex, net)

Capex, net, is calculated based on capex, gross, adjusted for the net book value of disposed intangible assets and property, plant and equipment.

Net debt

Net debt is used to monitor the group's overall short- and long-term liquidity. Net debt is calculated as the sum of total current and non-current borrowings and lease liabilities less cash and cash equivalents and current financial assets.

Net debt/adjusted EBITDA ratio

Net debt/adjusted EBITDA is a ratio measuring the amount of income generated and available to pay down debt before covering interest, taxes, depreciations and amortization expenses without considering impairments, restructuring expenses and other non-operational items. The net debt/adjusted EBITDA ratio is used as a measurement of adjusted leverage. It is calculated as net debt divided by adjusted EBITDA.

Currency-adjusted growth

Certain percentage changes in the financial review and the business review divisions have been calculated using constant exchange rates, which allow for an assessment of the group's financial performance with the effects of exchange rate fluctuations eliminated. The currency-adjusted growth is calculated by applying the previous year's exchange rates for the current year and calculating the growth without currency effects.

Organic growth

Organic growth measures changes with the same period in the previous year after adjusting for effects arising from acquisitions, divestments and foreign exchange differences.

The impact of the organic growth is determined as follows:

- Currency-adjusted growth as described above
- For the current-year acquisitions, by deducting the currency-adjusted amount generated during the current year by the acquired entities
- For prior-year acquisitions, by deducting the currency-adjusted amount generated over the months during which the acquired entities were not consolidated in the previous year
- For current-year disposals, by adding the currency-adjusted amount generated by the divested entities in the previous year over the months during which those entities were no longer consolidated in the current year
- For the prior-year disposals, by adding for the current year the currency-adjusted amount generated in the previous year by the divested entities

Reconciliation statements for alternative performance measures (APM)

For the reconciliation statements of business area gross profit, business area gross profit margin, EBITDA, adjusted EBITDA and adjusted EBITDA margin, please refer to note 3, for net debt and net debt/adjusted EBITDA ratio to note 6, and for adjusted net income, adjusted diluted EPS, free cash flow, adjusted ONCF, capital expenditure, gross, and capital expenditure, net, to the section financial review.

Financial statements of medmix Ltd

Balance sheet of medmix Ltd

December 31

thousands of CHF	Notes	2023	2022
Current assets			
Cash and cash equivalents		3'031	1'543
Accounts receivable from subsidiaries		10	11
Other current accounts receivable		515	1'183
Prepaid expenses and other current accounts receivable		132	218
Prepaid expenses and other current accounts receivable with subsidiaries		4	–
Current loans to subsidiaries		30'000	25'000
Total current assets		**33'691**	**27'954**
Non-current assets			
Non-current loans to subsidiaries		183'500	183'500
Investments in subsidiaries	3	424'394	424'394
Total non-current assets		**607'894**	**607'894**
Total assets		**641'585**	**635'848**
Current liabilities			
Current liabilities with subsidiaries		–	10'330
Current liabilities with shareholders		10'873	5'437
Accrued liabilities and other current liabilities		312	220
Accrued liabilities and other current liabilities with subsidiaries		154	–
Total current liabilities		**11'340**	**15'986**
Non-current liabilities			
Total non-current liabilities		**–**	**–**
Total liabilities		**11'340**	**15'986**
Equity			
Share capital	4	413	413
Legal capital reserves			
– Reserves from capital contribution	4	294'653	294'653
– Other capital reserves		50'000	50'000
Voluntary retained earnings		263'951	268'951
Treasury shares	4	–15'184	–12'470
Available earnings			
– Profit / (loss) brought forward		2'861	4'045
– Profit / (loss) for the year		33'552	14'270
Total equity		**630'246**	**619'862**
Total equity and liabilities		**641'585**	**635'848**

Income statement of medmix Ltd

January 1 – December 31

thousands of CHF	Notes	2023	2022
Income			
Investment income	6	40’000	25’000
Financial income	7	2’193	1’965
Other income		–	68
Total income		**42’193**	**27’033**
Expenses			
Administrative expenses	8	–8’363	–12’474
Financial expenses	7	–251	–51
Total expenses		**–8’614**	**–12’526**
Profit / (loss) for the year before taxes		**33’580**	**14’507**
Direct taxes		–28	–237
Profit / (loss) for the year		**33’552**	**14’270**

Statement of changes in equity of medmix Ltd

thousands of CHF	Share capital	Reserves from capital contribution	Other capital reserves	Voluntary retained earnings	Treasury shares	Profit / (loss) brought forward	Profit / (loss) for the year	Total
Equity as of January 1, 2022	**413**	**294’653**	**50’000**	**293’951**	**–6’489**	**–**	**–498**	**632’030**
Allocation of free reserves				–25’000		25’000		–
Dividend						–20’457		–20’457
Allocation of net income						–498	498	–
Profit / (loss) for the year							14’270	14’270
Change in treasury shares					–5’981			–5’981
Equity as of December 31, 2022	**413**	**294’653**	**50’000**	**268’951**	**–12’470**	**4’045**	**14’270**	**619’862**
Equity as of January 1, 2023	**413**	**294’653**	**50’000**	**268’951**	**–12’470**	**4’045**	**14’270**	**619’862**
Allocation of free reserves				–5’000		5’000		–
Dividend						–20’454		–20’454
Allocation of net income						14’270	–14’270	–
Profit / (loss) for the year							33’552	33’552
Change in treasury shares					–2’714			–2’714
Equity as of December 31, 2023	**413**	**294’653**	**50’000**	**263’951**	**–15’184**	**2’861**	**33’552**	**630’246**

Notes to the financial statements of medmix Ltd

1 General information

medmix Ltd, Baar, Switzerland (the company), is the parent company of the medmix group. Its financial statements are prepared in accordance with Swiss law and serve as complementary information to the consolidated financial statements.

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. medmix Ltd is presenting its consolidated financial statements according to IFRS Accounting Standards. As a result, medmix Ltd has applied the exemption included in Article 961d SCO and has not included additional disclosures such as a cash flow statement or a management report in its financial statements.

2 Key accounting policies and principles

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

Investments in subsidiaries

Investments are initially recognized at cost or, if the value is lower, at value in use, using generally accepted valuation principles.

Share-based payments

medmix Ltd operates a share-based payment program that covers the Board of Directors. Restricted share units (RSUs) are granted annually. The plan features graded vesting over a three-year period. One RSU award is settled with one medmix share at the end of the vesting period. Awards automatically vest with the departure from the Board. The fair value of the medmix share at vesting date is recognized as compensation to the Board of Directors.

3 Investments in subsidiaries

A list of the major subsidiaries held directly or indirectly by medmix Ltd is included in note 33 of the consolidated financial statements.

4 Equity

Share capital

The share capital as of December 31, 2023, amounted to CHF 412’623.70, made up of 41’262’370 shares with dividend entitlement and a par value of CHF 0.01. All shares were fully paid in and registered.

As of December 31, 2022, the company had a remaining authorized share capital of CHF 10’000.00, corresponding to 1’000’000 shares at a nominal value of CHF 0.01 each. As of September 20, 2023, the authorized share capital expired.

Share ownership

medmix shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account. Nominees will only be entered in the share register with the right to vote provided that they meet the following conditions: the nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into an agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register, provided that the above-mentioned conditions are met (see also paragraph 6a of the Articles of Association at https://medmix.swiss/en/Investors/Governance).

Shareholders holding more than 3%

	Dec 31, 2023		Dec 31, 2022	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16’728’414	40.54	16’728’414	40.54
The Capital Group Companies, Inc. (direct shareholder: Capital Research and Management Company)	1’248’655	3.03	2’065’631	5.01
FIL Limited	2’025’719	4.90	2’025’719	4.90
UBS Fund Management (Switzerland) AG	1’489’532	4.35	1’489’532	4.35

Reserves from capital contributions

The share capital increase as of September 30, 2021, resulted in reserves from capital contribution of CHF 294’653k.

Treasury shares held by medmix Ltd

	2023		2022	
thousands of CHF	Number of shares	Total transaction amount	Number of shares	Total transaction amount
Balance as of January 1	**347’536**	**12’470**	**150’000**	**6’489**
Purchase	144’000	3’105	200’000	6’069
Share-based remuneration	–11’013	–391	–2’464	–88
Balance as of December 31	**480’523**	**15’184**	**347’536**	**12’470**

The total number of treasury shares held by medmix Ltd as of December 31, 2023, amounted to 480'523 (December 31, 2022: 347'536), which are mainly held for the purpose of issuing shares under the management share-based payment programs.

5 Contingent liabilities

thousands of CHF	2023	2022
Guarantees, sureties and comfort letters for subsidiaries		
– to banks and insurance companies	54’845	28’591
Total contingent liabilities as of December 31	**54’845**	**28’591**

As of December 31, 2023, CHF 16'341k (2022: CHF 5'111k) of guarantees, sureties and comfort letters for subsidiaries to banks and insurance companies were utilized.

The separation from Sulzer Ltd was effected by way of a symmetrical demerger according to the Swiss Merger Act. Under the merger act, the company may be held liable by creditors of Sulzer Ltd, who may be able to enforce certain claims existing at the time of the spin-off or having their basis prior to the spin-off against the company.

6 Investment income

In 2023, the investment income contained dividend payments from medmix Group AG amounting to CHF 40'000k (2022: CHF 25'000k)

7 Financial income and expenses

The financial income contains interests on loans with subsidiaries amounting to CHF 2'193k (2022: CHF 1'965k).

The financial expenses contain losses on treasury shares provided to share plan participants of CHF 169k (2022: CHF 16), foreign exchange losses of CHF 41k (2022: CHF 2), bank fees of CHF 18k (2022: CHF 22k) and interest expenses of CHF 23k (2022: CHF 11k).

8 Administrative expenses

thousands of CHF	2023	2022
Compensation of the Board of Directors	–582	–489
Other administrative expenses	–7’781	–11’985
Total administrative expenses	**–8’363**	**–12’474**

medmix Ltd does not have any employees. The compensation to the Board of Directors includes share-based payments and remuneration. Other administrative expenses contain management services and recharges from subsidiaries.

9 Share participation of the Board of Directors

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. The number of RSUs is determined by dividing the fixed grant value by the volume-weighted share price of the last ten days prior to the grant date. One-third of the RSUs each vest after the first, second and third anniversaries of the grant date, respectively. Upon vesting, one vested RSU is converted into one share of medmix Ltd. The vesting period for RSUs granted to the members of the Board of Directors ends no later than on the date on which the member steps down from the Board. The allocation was as follows:

	2023		2022	
	Quantity	Value in CHF	Quantity	Value in CHF
Allocated to members of the Board of Directors	25’153	542’500	16’797	550’055

10 Subsequent events after the balance sheet date

At the time when these financial statements were authorized for issue, the Board of Directors was not aware of any events that would materially affect these financial statements.

Proposal of the Board of Directors for the appropriation of the available profit

in CHF	2023	2022
Profit / (loss) for the year	33'551'684	14'269'773
Unallocated profit carried forward from previous year	2'861'343	4'045'272
Total available profit	**36'413'027**	**18'315'045**
Appropriation from voluntary retained earnings	–	5'000'000
Ordinary dividend	–20'390'924	–20'453'702
Balance carried forward	**16'022'104**	**2'861'343**
Dividend distribution per share		
Gross dividend	0.50	0.50
Withholding tax (35%)	–0.18	–0.18
Net dividend	**0.32**	**0.32**

The Board of Directors proposes the payment of a dividend of CHF 0.50 per share to the Annual General Meeting on April 24, 2024. The company will not pay a dividend on treasury shares held by medmix Ltd or one of its subsidiaries.

KPMG

Statutory Auditor's Report

To the General Meeting of medmix Ltd, Baar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of medmix Ltd (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 179 to 185) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 of the financial statements, 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.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Simon Niklaus Licensed Audit Expert Auditor in Charge	Anita Benz Licensed Audit Expert

Zurich, 20 February 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Disclaimer

This report may contain forward-looking statements, including, but not limited to, projections of financial developments and future performance of materials and products, containing risks and uncertainties. These statements are subject to change based on known and unknown risks and various other factors that could cause the actual results or performance to differ materially from the statements made herein.

Rounding

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.