



SUSTAINABILITY  
REPORT  
**2019**

**#BeMedacta**

From minimally invasive surgery to  
**Personalized Medicine** and beyond

The data collected in this report relate to the activities carried out by our group in 2019.

The analysis includes the entire perimeter of our business: headquarters, branches, education institutes, logistics centers and Foundation.

# TABLE OF CONTENTS

<b>1. COMPANY PROFILE</b>	<b>7</b>
1.1 VISION	8
1.2 MISSION	9
1.3 HISTORY	10
1.4 SWISS COMPANY, GLOBAL PARTNER	12
1.5 ASSETS TO COMPETE	14
1.6 THE SUSTAINABILITY PATH	15
1.7 STAKEHOLDERS	16
1.8 MATERIALITY	17
<b>2. ASSETS TO COMPETE</b>	<b>19</b>
2.1 INNOVATION	20
2.2 EDUCATION	30
2.3 HEALTHCARE SUSTAINABILITY	33
<b>3. CARING FOR PEOPLE</b>	<b>35</b>
3.1 EMPLOYEE WELL-BEING	36
3.2 PROFESSIONAL DEVELOPMENT	39
3.3 CULTURE OF EXCELLENCE	40
<b>4. CARING FOR THE ENVIRONMENT</b>	<b>43</b>
4.1 EMISSIONS REDUCTION	44
4.2 SUSTAINABLE MOBILITY	44
4.3 WASTE MINIMIZATION	45
4.4 LOCAL ON-DEMAND PRINTING	45
<b>5. CARING FOR THE COMMUNITY</b>	<b>47</b>
5.1 LOCAL COMMUNITY ENGAGEMENT	49
5.2 PHILANTHROPIC CONTRIBUTIONS	51
5.3 HUMANITARIAN INITIATIVES	51
<b>6. ABOUT THIS REPORT</b>	<b>53</b>
6.1 CHRISTMAS DINNER	54
6.2 ONLINE	55
<b>7. OUR FUTURE</b>	<b>57</b>
<b>8. CONTACTS</b>	<b>61</b>

# 2019 HIGHLIGHTS

- Successful IPO at SIX Swiss Exchange;
- Celebration of the 20<sup>th</sup> year anniversary of Medacta through the successful 9<sup>th</sup> M.O.R.E. International Symposium in Lugano with roughly 1'500 attendees;
- Organic growth significantly above the market and strong profitability;
- MedTech Breakthrough Award for orthopaedics and surgical innovation for our MIS MySpine MC;
- Fidelity Bonus, #beMedacta campaign.

---

REVENUE

**EUR 310.6M**

---

2019 REPORTED GROWTH <sup>1</sup>

**13.9%**

<sup>[1]</sup> Is calculated as the difference between the current and historical period results translated using the current period exchange rates.

---

WORLDWIDE COUNTRIES <sup>2</sup>

**34**

<sup>[2]</sup> Branches and distributors

---

2019 NUMBER OF EMPLOYEES

**1'101**

---

NEW HIRES <sup>3</sup>

**109**

<sup>[3]</sup> Data collected in the headquarters and the Medacta for Life Foundation.

---

R&D EMPLOYEES

**62**



# LETTER TO STAKEHOLDERS



Dr. Alberto Siccardi

Ing. Francesco Siccardi

Welcome to Medacta's Corporate Social Responsibility report 2019, which refers to a truly important year for our company.

In 2019 we reached some amazing milestones in our company's growth evolution. In the year of our 20<sup>th</sup> anniversary, we became a publicly listed company, officially entering the SIX Swiss Exchange. And there couldn't be a better occasion than the 9<sup>th</sup> M.O.R.E. International Symposium that we held in Lugano, Switzerland, to celebrate these achievements. We believe we have created something special. This belief is also shared by the many investors around the world who understood our story. Medacta is a unique company; we developed a business model that allowed us to rapidly and organically grow in the orthopaedic market and to deliver innovative solutions to patients, surgeons and healthcare systems.

*20 years of innovation supported by education*, which is also the claim for our 9<sup>th</sup> M.O.R.E. International Symposium, perfectly represents our philosophy. Medacta is known for delivering innovations that move the orthopaedic industry forward, while empowering surgeons with new techniques and technologies that improve the experience for patients and the surgeons themselves. The development of our MIKA Platform for kinematic alignment in total knee replacement and our MySolutions technology, culminating with the MedTech Breakthrough Award for orthopaedics and surgical innovation for our MIS MySpine MC, reflects this tradition as well as our focus on innovating through personalized medicine.

Today, Medacta has grown into an international company with more than 1'000 employees in over 30 countries. The exceptional milestones we achieved in these years are the result of the great work our employees do every day: we strongly believe that our people and our culture are the engine of Medacta's success. In order to thank them and to recognize the important achievements in these years culminating with the successful IPO, the Siccardi family as majority shareholders decided to pay a special 20-Year Anniversary Fidelity Bonus to all Medacta employees. Moreover, in 2019 we decided to identify the values that mostly represent our company and to launch the #beMedacta campaign. We believe it is of the utmost importance that those values that have contributed to make us grow and prosper are maintained within the organization and at all levels.

Our commitment for the future is to continue moving forward. We want to change things for a better future and we very much look forward to continuing the success story of Medacta with our newly enlarged investor base.

**Dr. Alberto Siccardi**  
Chairman of the Board of Directors

**Ing. Francesco Siccardi**  
Chief Executive Officer



# 1. COMPANY PROFILE

## 1.1 VISION

Our vision to improve the care and well-being of orthopaedic and spine surgery patients around the world stems from our experience and passion.

Our surgical innovations and surgeon education programs focus on getting patients back to their healthy, active lifestyles. While we strive for this goal, we maintain a high regard for sustainability, always considering the environmental and societal impact of the products we create.



## 1.2 MISSION

Our mission is to transform the patient experience by advancing surgical approaches, implants and instruments through responsible innovation. Our innovation began with minimally invasive techniques and has evolved into personalized solutions.

Today, we continue to improve our knowledge of the human body, employ cutting-edge technologies such as 3D printing, invest in medical education, research and development and collaborate with surgeons and universities worldwide.



## 1.3 HISTORY

Our foundation was established in 1999 after Dr. Alberto Siccardi, our founder and president, identified an opportunity to improve on incumbent technologies and techniques in the hip replacement market. In 2000, we established our headquarters, manufacturing facility and research and development site at Castel San Pietro, Switzerland.

Following his desire to improve care for patients and considering his personal experience with orthopaedic procedures, Dr. Alberto Siccardi dedicated himself to the development of orthopaedic techniques and prostheses. His passion led to the innovation and medical education platforms that have come to define Medacta today.



### 20<sup>TH</sup> ANNIVERSARY

In 2019, the year of our 20<sup>th</sup> anniversary, we became a publicly listed company, officially entering the SIX Swiss Exchange. The 9<sup>th</sup> M.O.R.E. International Symposium that we held in Lugano, Switzerland, was the perfect occasion to celebrate these milestones.

## TWENTY YEARS OF INNOVATION SUPPORTED BY EDUCATION



### FIDELITY BONUS

In October 2019 Medacta announced the payment of a one off and discretionary Special 20 Year Anniversary Fidelity Bonus to all its employees. This decision was taken with the aim to recognize the important achievements reached in twenty years of activity culminating with the successful listing on April 4<sup>th</sup>, 2019 to the Zurich SIX Stock Exchange. The Siccardi family, as majority shareholders, decided to make a voluntary cash contribution to the Medacta Group to cover all the relevant cash needs associated with this special bonus, which exceeded on average 16'000 EUR per employee.

*'The exceptional milestones we achieved in these years are the result of the great work our people do every day. With this Special Fidelity Bonus, we would like to thank all our employees worldwide for their support: we strongly believe that our people and our culture are the engine of Medacta's success'* said Francesco Siccardi, CEO of Medacta.



April 4, 2019

## MEDACTA OFFICIALLY ENTERS THE SIX SWISS EXCHANGE

### **Medacta becomes a publicly listed company**

The issued share capital of Medacta Group SA comprises 20'000'000 registered shares with a nominal value of CHF 0.10 per share. In the base offering, 5'700'000 existing shares were offered by members of the Siccardi family.

The total market capitalization was CHF 2.08 billion, based on the opening price of CHF 104.00 per share.

### **A new chapter in the history of Medacta**

The stock exchange listing underscores the successful development of Medacta since its founding in 1999. As a publicly listed company, Medacta has now the possibility to further increase its awareness and visibility with investors and other stakeholders – such as surgeons and scientists – around the world.

The company's foundation for future success remains unchanged: redefining the experience for people needing joint replacement, spine surgery and soft tissue repair through surgeon medical education and innovation, leading to better results for both surgeons and patients as well as the healthcare system at large.



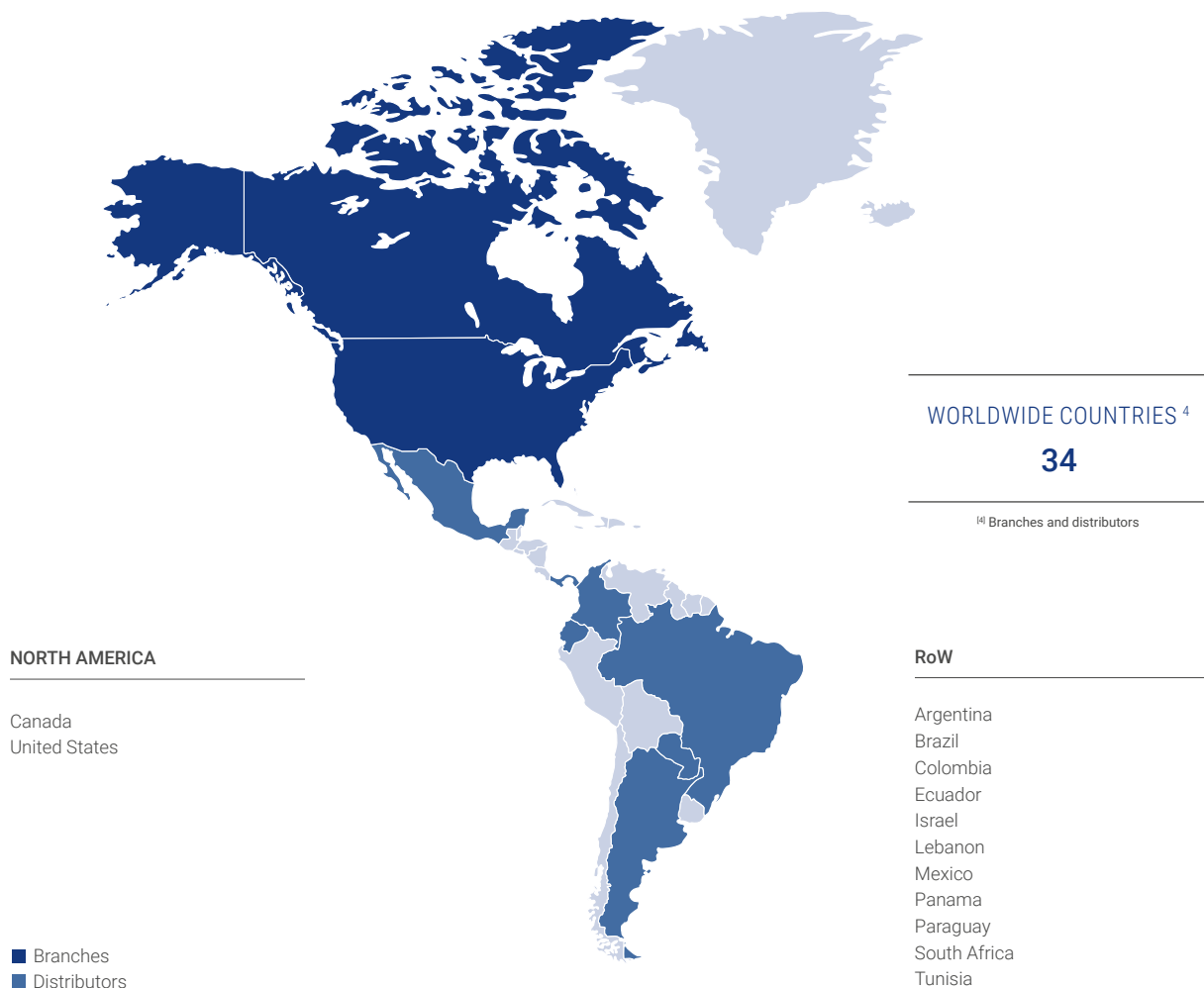
## 1.4 SWISS COMPANY, GLOBAL PARTNER

Established in 1999 in Switzerland, Medacta is an international company specializing in the design, production, and distribution of orthopaedic products, as well as in the development of accompanying surgical techniques for joint replacement, spine surgery, and sports medicine.

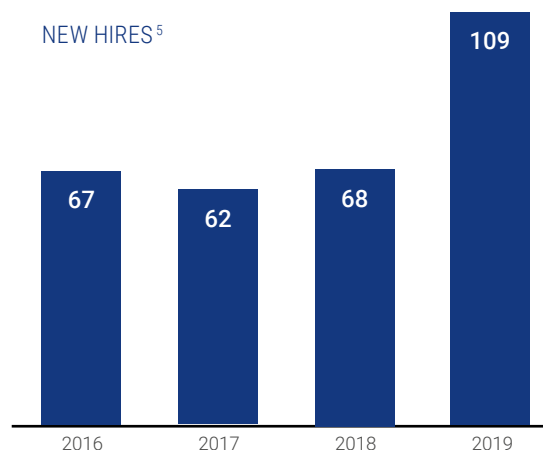
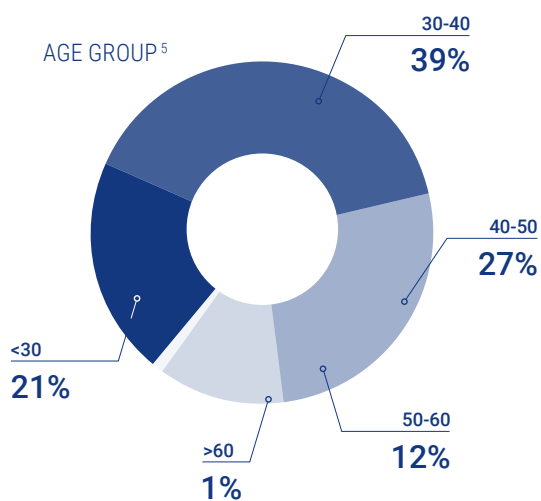
Medacta's innovation began with minimally invasive techniques, in particular its Anterior Minimally Invasive Surgery (AMIS) technique for hip replacements, and has evolved into personalized solutions for every patient, such as the MIKA Platform for kinematic alignment in total knee arthroplasty.

Medacta has leveraged its orthopaedic expertise and comprehensive understanding of the human body to develop the sophisticated MySolutions technology, which offers surgeons highly personalized pre-operative planning and implant placement methodologies by creating advanced personalized kinematic models and 3D planning tools for use in hip, knee, shoulder and spine procedures.

Furthermore, through the M.O.R.E. Institute, Medacta supports its innovative products, services and surgical techniques with an extensive and tailored program of medical education.







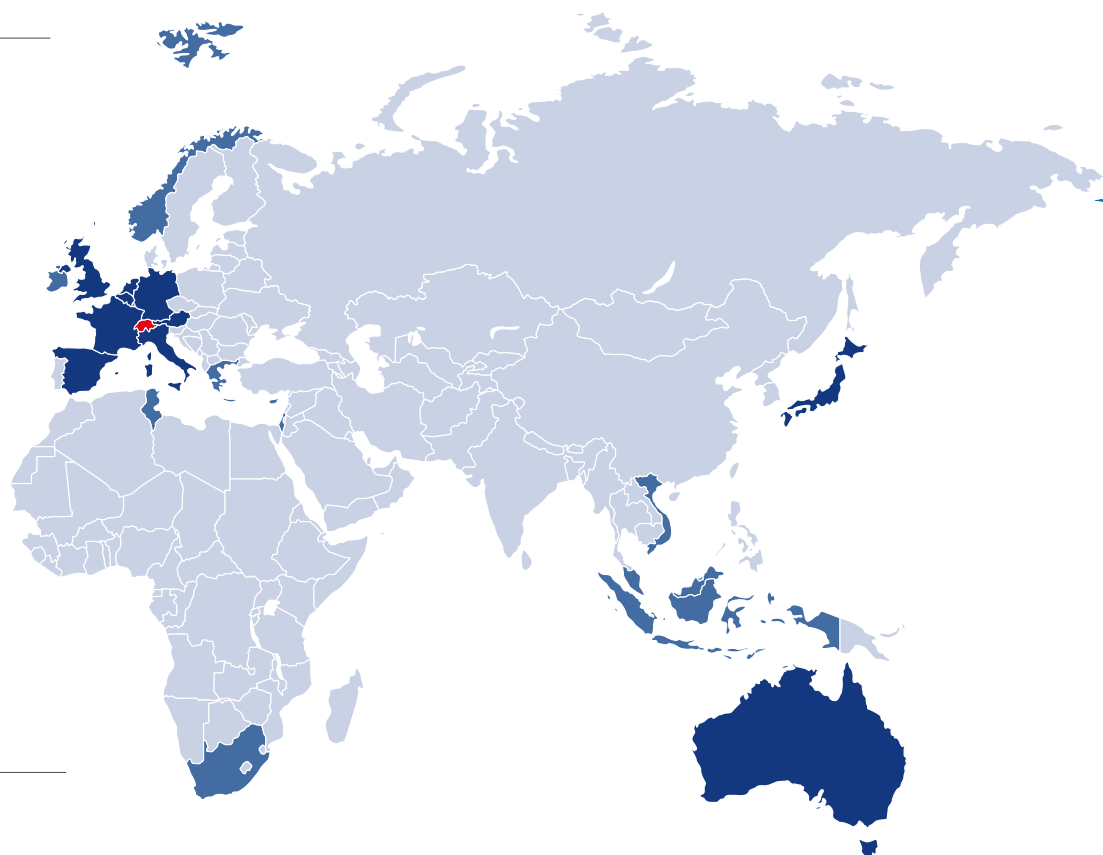
<sup>19</sup> Data collected in the headquarters and the Medacta for Life Foundation.

## EUROPE

Austria  
Belgium  
Bulgaria  
Cyprus  
France  
Germany  
Greece  
Ireland  
Italy  
Netherlands  
Norway  
Slovenia  
Spain  
Switzerland  
United Kingdom

## ASIA PACIFIC

Australia  
Indonesia  
Japan  
Malaysia  
New Zealand  
Vietnam



## 1.5 ASSETS TO COMPETE

The orthopaedics market is characterized by continuous technological changes, frequent new product introductions and evolving industry standards resulting from technological advances and scientific discoveries. Our assets to compete in such a complex environment are: innovation, education and healthcare sustainability. We continue to consider "quality" as a common thread of our activities. It is part of our culture and philosophy, driving us each and every day. This is the reason why we do not consider quality as an independent competitive asset anymore.

### INNOVATION

Innovation is of paramount importance at Medacta. It is the foundation of all our projects and the basis of our growth strategy today and tomorrow. Personalized solutions, the primary focus of our innovation, are based on three pillars: a complete and profound knowledge of the human body, continuous investments in long-term R&D and the use of cutting-edge technologies. Innovation is expressed in the originality of our surgical techniques and our internationally patented products.

### EDUCATION

Our philosophy is that education is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons and healthcare systems. In addition to medical education through the M.O.R.E. Institute, we offer professional education to our collaborators thanks to the Medacta Academy and support the education of the patients through the MyPractice Development Plan.

### HEALTHCARE SUSTAINABILITY

We want to change things for a better future. This is the reason for which sustainability is a fundamental pillar of our way of doing business, in both environmental, economic and social terms. This philosophy translates into guidelines and internal regulations that guide our daily decisions and actions.



## 1.6 THE SUSTAINABILITY PATH

Sustainable growth is a goal that the 193 member states of the United Nations have officially placed at the center of the 2030 Agenda, the global plan aimed at eradicating poverty and promoting economic prosperity, social development and protection of the environment. The 17 Sustainable Development Goals (SDGs) constitute the vital core and provide a direction that stimulates institutions and companies to seek solutions to face these important challenges. We constantly improve our activities by aligning our goals with the SDGs. We want to do everything possible to ensure that sustainability does not remain just an important part of our corporate culture and a fundamental component of our long-term business strategy but rather becomes a value shared among all involved in our activities, so that we can actively contribute to the sustainable development policies of the territory and the community to which we belong.



### GOAL “3” GOOD HEALTH AND WELL-BEING

We want to give back to our patients the joy of movement and the ability to return to a healthy and active life. The promotion of health and well-being of people is at the core of our vision.

### GOAL “4” QUALITY EDUCATION

Since the beginning, we have been strongly aware of the need for education, one of our strategic pillars. We are committed every day to make our contribution to medical and professional education, as well as patient education.

### GOAL “8” DECENT WORK AND ECONOMIC GROWTH

We promote inclusive and sustainable economic growth, fulfilling employment and decent work conditions.

### GOAL “9” INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation is a fundamental part of our mission and Research & Development is an important asset of our business model.

### GOAL “16” PEACE, JUSTICE AND STRONG INSTITUTIONS

We operate in compliance with the law through honesty, integrity, and good faith. We develop and respect high standards of conduct, and choose business activities in line with our reputation for integrity and quality.

## 1.7 STAKEHOLDERS

We believe in the importance of dialogue and relationship. Our success also depends on the continuous exchange we have with our stakeholders worldwide, with whom we maintain a direct and transparent dialogue. Involvement and sharing are the basis for our activities. We identified 10 stakeholder groups with whom we routinely engage in our activities.

Stakeholder groups	Stakeholder engagement
Patients	Patient website, patient information material, sponsoring and educational activities
Employees	Engagement events, global and country-based meetings, internal communications
Healthcare professionals	M.O.R.E. congresses, learning centers, meet the experts, publications, clinical trials, headquarters visits, fellowship programs, surgeon-to-surgeon interactions, 3D patient specific platform (MySolutions)
Shareholders and Board	Annual report, sustainability report, annual shareholders meeting, investor releases, bi-annual earnings, roadshows
Financial community	Annual shareholders meeting, investor releases, bi-annual earnings, roadshows
Scientific community	Innovative projects, research activities, clinical studies and collaboration with universities
Local communities	Bilingual school 0-10, sponsoring various entities and local organizations, philanthropic contributions
Suppliers	Continuous collaboration, meetings
Institutions, industry associations	Periodical meetings
Media	Information, interviews, press releases

## 1.8 MATERIALITY

The matrix of materiality confirms our commitment in the following areas: assets for competition, caring for people, caring for the environment and caring for the community.

### ASSETS FOR COMPETITION

Innovation

Education

Healthcare sustainability

### CARING FOR PEOPLE

Employee well-being

Culture of excellence

Professional development

### CARING FOR THE ENVIRONMENT

Emissions reduction

Sustainable mobility

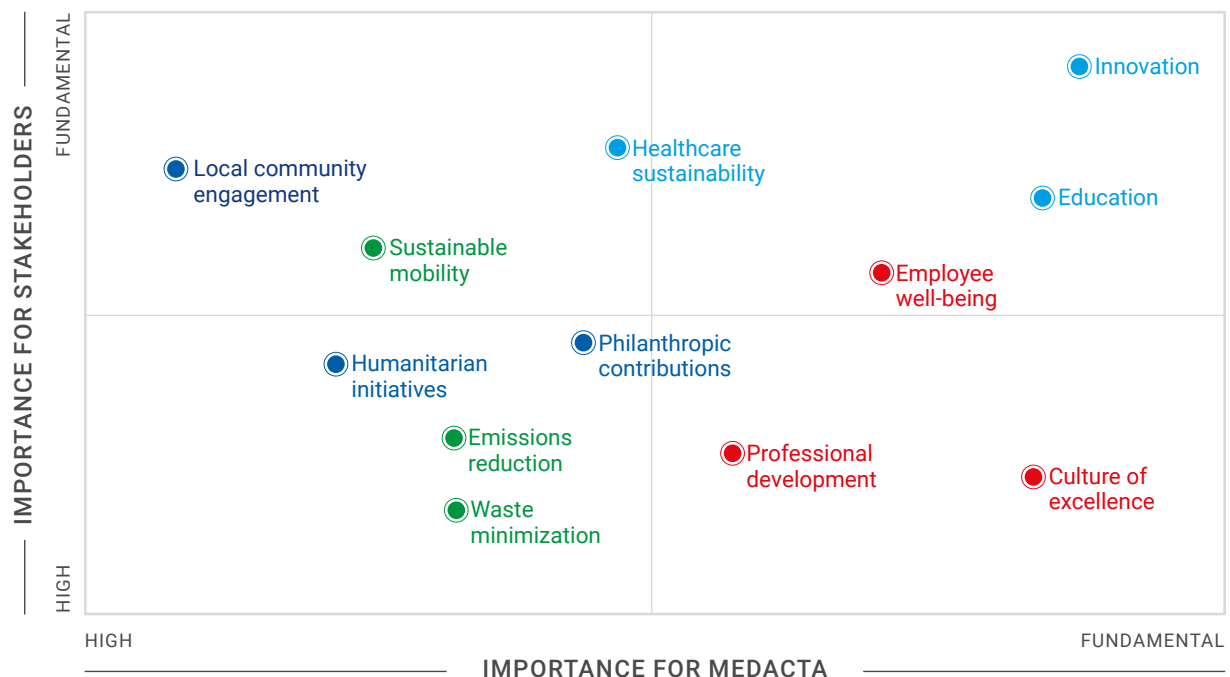
Waste minimization

### CARING FOR THE COMMUNITY

Local community engagement

Philanthropic contributions

Humanitarian initiatives





## 2. ASSETS TO COMPETE

## 2.1 INNOVATION

Our innovation is based on three pillars: a complete and profound knowledge of the human body, continuous investments in long-term and short-term research and development (R&D) and the adoption of cutting-edge technologies.

### COMPLETE AND PROFOUND KNOWLEDGE OF THE HUMAN BODY

Technology has always been one of our core priorities, to which we have dedicated significant resources leading to developments such as the MyBody Database, which consists of over 90'000 CT, MRI and biomechanical models used to optimize implant design and positioning, as well as computer assisted/application-based systems in connection with surgical planning and navigation. The MyBody database was crucial in allowing us to leverage our orthopaedic expertise and comprehensive understanding of the human body and to develop our sophisticated MySolutions technology.

### RESEARCH AND DEVELOPMENT

We have a range of research resources available in-house, including 3D printing capabilities and facilities for prototype development. To reduce infection and patient remittance rates, we have expanded our research and development focus to surface technology with the development of antibacterial treatment for our implant portfolio. We carry out research on specific projects in collaboration with international laboratories, in particular university laboratories.

### CUTTING-EDGE TECHNOLOGIES

The development of our product pipeline is further supported by our research into and development of big data, cutting-edge manufacturing, smart robotics, navigation and surface technology, which together are driving our next generation of product offerings. We have developed a three-dimensional advanced biomaterial, 3DMetal, for use in our knee, hip and shoulder implants. 3DMetal is based on 3D printing technology of the proven Ti6Al4V alloy that enables direct structural connection with the bone.



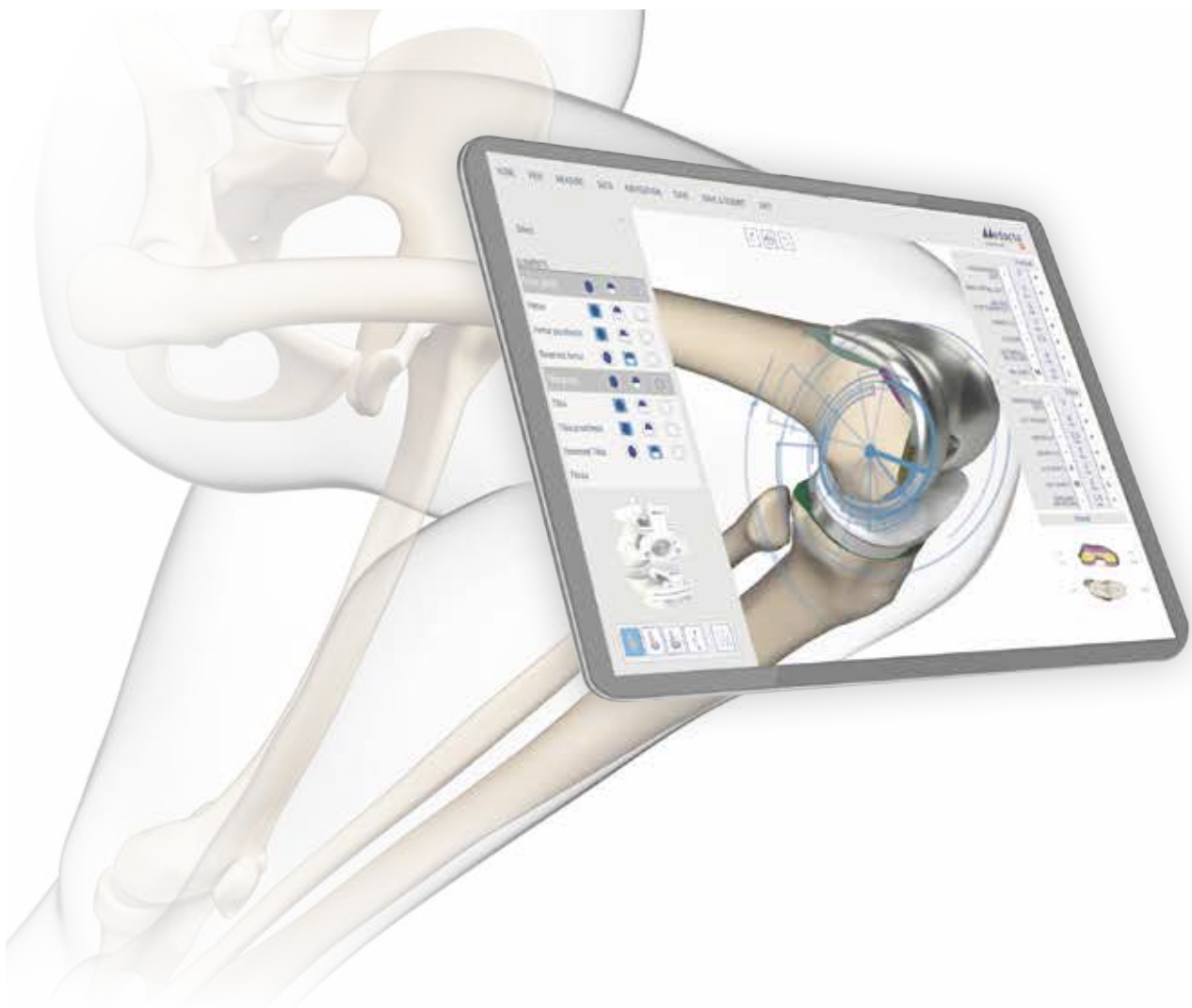


## MINIMALLY INVASIVE TECHNIQUES

Since our foundation, having recognized that minimally invasive surgery offers a range of benefits for patients, surgeons and healthcare systems (including short hospitalization, reduced post-operative pain, immediate post-operative muscle tone preservation, reduced risk of dislocation and short rehabilitation time), we have developed new offerings on the basis of minimally invasive techniques. For example, we introduced the AMIS technique for hip replacements which – together with our range of targeted AMIS education initiatives, dedicated implants and instruments, and complementary services and tools – offer a holistic approach to hip procedures and improved patient outcomes. With over 380'000 procedures performed worldwide since its introduction in 2004, AMIS represents an easily reproducible technique that delivers significant benefits to patient well-being while optimizing costs and efficiency for the surgeon. In addition to our AMIS technique, we offer a range of minimally invasive products for the Knee (MyKnee, GMK Efficiency) and Spine (MIS MySpine MC, M.U.S.T. MIS, MectaLIF Anterior) business lines.

## PERSONALIZED SOLUTIONS

Our innovation also extends to our sophisticated MySolutions technology, which enables us to offer surgeons highly personalized pre-operative planning and implant placement methodologies by creating advanced patient-personalized kinematic models and 3D planning tools. Originally designed as MyKnee to address an unmet need for better implant positioning in the total knee replacement market, MySolutions can now also be used in hip (MyHip), shoulder (MyShoulder) and spine (MySpine) procedures. Our MySolutions technology has resulted in significant advantages to the patient and has been widely adopted by our customer surgeons. For example, MyKnee procedures accounted for approximately 45% of total knee replacement procedures carried out using Medacta products in 2019.



## RESEARCH AND DEVELOPMENT

The Research and Development department innovates, optimizes and perfects our range of products and solutions thanks to research, experimentation and application of cutting-edge technologies. We have also created a long-term Research and Development department, which allows us to continue to evolve and innovate by defining appropriate strategic plans. This makes it possible for us to enrich our product portfolio every year and encourages our growth and competitiveness.

---

R&D EMPLOYEES

**62**

---

## INTELLECTUAL PROPERTY

New techniques and new products represent an intellectual capital that we are committed to protecting as a differentiating factor. We have therefore created a dedicated in-house structure which collaborates with experts in dealing with patents, brands and designs.

---

PATENTS

**~400**

---

---

REGISTERED TRADEMARKS

**~900**

---

## PRODUCT REGISTRATION

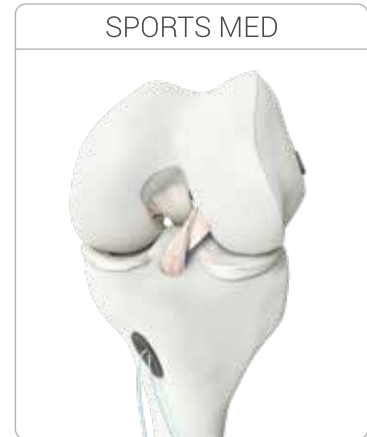
For each new product we comply with certifications and registrations in all the countries in which we operate, collaborating with different certification institutes such as the Food and Drug Administration in the United States or the Pharmaceuticals and Medical Devices Agency in Japan.

## COLLABORATION WITH UNIVERSITIES

The management of highly innovative projects has led us to collaborate with leading universities, technology districts and centers of excellence in Switzerland and around the world. This encourages the constant development of our company and enables us to offer important opportunities for students and undergraduates, keys factors in terms of competitiveness.

## BUSINESS LINES

We are active in three divisions operating in joint replacement, spine surgery and sports medicine, with the aim of improving care and well-being of patients. We dedicated ourselves to affirming, standardizing and simplifying minimally invasive techniques in collaboration with expert surgeons worldwide. We are committed to evolving our techniques to personalized solutions.



## IN-HOUSE TECHNOLOGY

By directly managing two production units, one dedicated to orthopaedics and the other one to spine, we can control all processes and ensure high standards of quality, flexibility, continuity and efficiency. Thanks to in-house production we can more easily develop our know-how, which is a fundamental driver of innovation. Moreover, in-house production reduces costs and emissions due to the transport of goods, therefore favoring our sustainable approach.



## M.O.R.E. EXCELLENCE CLINICAL PROGRAM

We have always given priority to the evaluation of clinical performance and have introduced new products, tools and technologies to the market in a controlled and responsible way. We gave a name to this commitment: M.O.R.E. Excellence Clinical Program. This internal policy defines the steps and milestones involved for a Medacta product to reach its full release into the market. Therefore, this Program formalizes our commitment to responsibly introduce innovative products and services into our daily practice and in the lives of our patients.

We find evidence in several examples, such as the GMK Sphere, an innovative solution that can improve the stability of the joint and limit post-operative pain, favoring the patient well-being. The GMK Sphere was presented on the market in April 2014, following a three-year controlled release program and over 3'000<sup>6</sup> cases monitored.



<sup>6</sup> Data on file Medacta.

QUALITY

In Medacta we strictly follow the required standards, handling all the applicable requirements. We understand and embrace the real intent of these requirements, exploiting the strength of our Quality System to ensure the safety and satisfaction of professionals working in the medical field and of patients who benefit from our products.

We practice this responsibility every day through proactive risk management, validation and rigorous quality controls, with a sustainable approach and the active participation of all the people who are part of our organization. Our culture is based on this responsibility applied to the specificity of our organization. Quality Assurance is not just something we do, it is a part of who we are.

EMPLOYEES IN QUALITY ASSURANCE	EMPLOYEES IN QUALITY CONTROL
13	31



**QUALITY**  
IN MOTION

**Disciplined**, effective and compliant systems

**Synergistic** product realization

**Authentic** customer service and care

COMPLAINT MANAGEMENT

We have a team dedicated to the management of every claim that we receive from the market regarding our products. We manage the analysis of each event in collaboration with all other company functions, respecting time schedules and rules given to us by the competent authorities of the countries in which we operate.

## INNOVATION HIGHLIGHTS

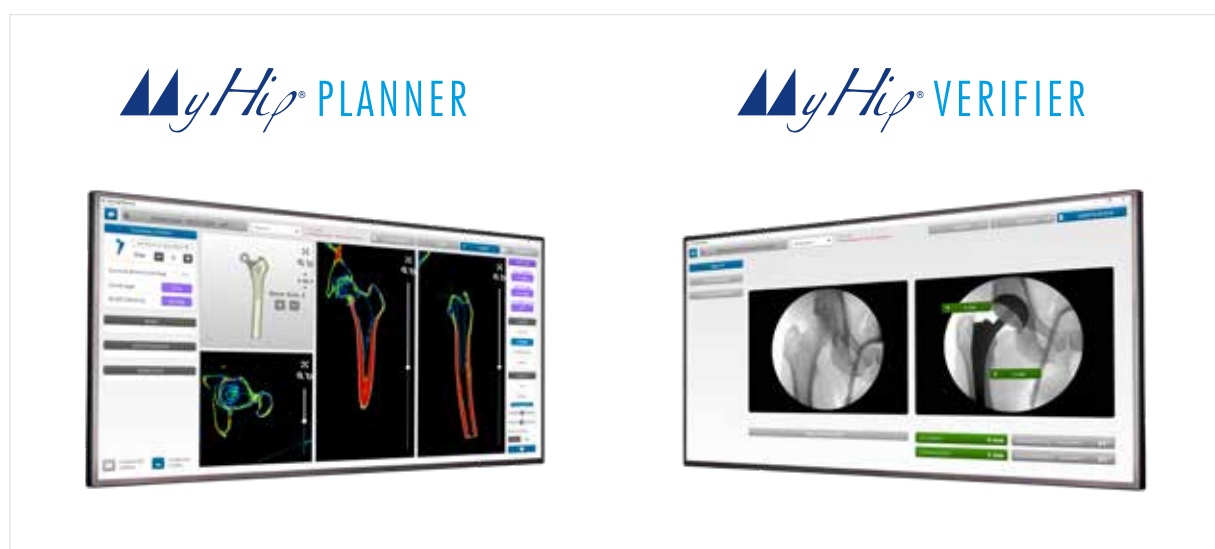
### GMK ULTIMATE EFFICIENCY

In 2019, we launched the GMK UltiMate Efficiency instrumentation, which combines all the advantages of modern metal instrumentation with the logistical benefits of a single-use set. Our other knee implants are also accompanied by specific, dedicated instruments.



### MYHIP PLANNER & MYHIP VERIFIER

We have developed MyHip Planner, which is a surgeon-operated CT-based software whose output is a patient-specific pre-operative plan. MyHip Planner can evaluate the effects of different implant choices and positioning options on the patient's hip joint biomechanics, show them to the surgeon and hence enrich the basis for a decision on surgical strategies. Our MyHip Verifier is a navigational software that uses intra-operative C-arm images to assist the surgeon in evaluating the horizontal and vertical leg offsets without compromising the surgical workflow. MyHip cutting guides, MyHip Planner and MyHip Verifier can be used alongside the AMIS technique as effective tools to optimize implant selection and positioning.





# KINEMATIC ALIGNMENT

The Medacta Individualized Kinematic Alignment (MIKA) platform is an alternative to traditional mechanical alignment in total knee replacements, and aims to restore knee function by resurfacing the tibia and the femur to their normal or pre-arthritic state, while causing minimum damage to the surrounding tissues and ligaments.

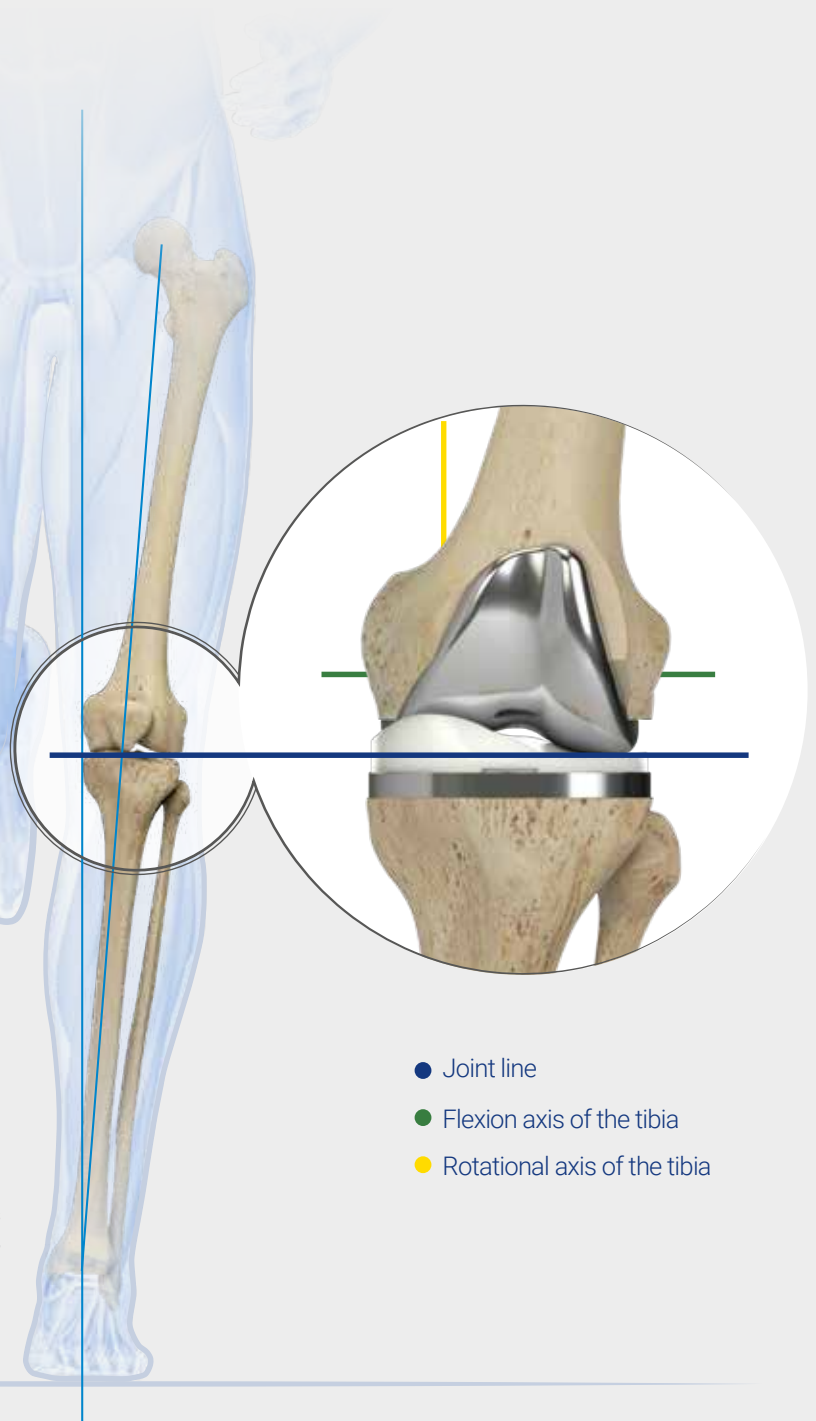
It operates by custom-positioning the knee implant to the native joint line of the knee as it was in its pre-arthritic state.

Medacta's unique offering includes the GMK Sphere, a total knee implant particularly suitable for kinematic alignment. Only one year after the launch of MIKA, it is estimated that around 25% of all GMK Sphere surgeries are carried out with the kinematic alignment.

**MIKA®**  
MEDACTA INDIVIDUALIZED  
KINEMATIC ALIGNMENT

**GMK® SPHERE**  
MEDICALLY STABILIZED KNEE

Medacta's unique offering for Kinematic Alignment includes a Total Knee Implant particularly suitable for this technique, as well as dedicated instruments and education program



## SHOULDER

In 2019, Medacta introduced the MyShoulder Placement Guides for shoulder arthroplasty in Japan and the United States. These patient-specific, 3D-Printed solutions work in conjunction with the Medacta Shoulder System and associated instrumentation to create an accurate and reproducible implant placement specific to each patient's individual anatomy. It is composed of two guides and a WebPlanner. The WebPlanner allows the surgeon to carry out a precise pre-operative planning. The two guides, a humeral cutting guide and a glenoid pin guide, assist the surgeon optimizing the precision and reducing the surgery time. The MyShoulder platform is part of the sophisticated MySolutions technology: highly personalized pre-operative planning and implant placement methodologies for use not only in shoulder procedures, but also in hip (MyHip), knee (MyKnee) and spine (MySpine) procedures.



## SPORTSMED

In addition to our M-ARS offering, an innovative surgical technique developed to reconstruct the anterior cruciate ligament (ACL), in 2019 we launched MectaScrew PEEK Interference Screws for cruciate ligament refixation. Furthermore, we launched MectaLock PEEK for shoulder and hip labral repair, and we are planning to launch our first rotator cuff anchors (MectaLock TI and MectaTap) and MectaQTH instruments to facilitate quadriceps tendon graft harvesting.





# MYSPINE MC WINS MEDTECH BREAKTHROUGH AWARD FOR ORTHOPAEDICS AND SURGICAL INNOVATION

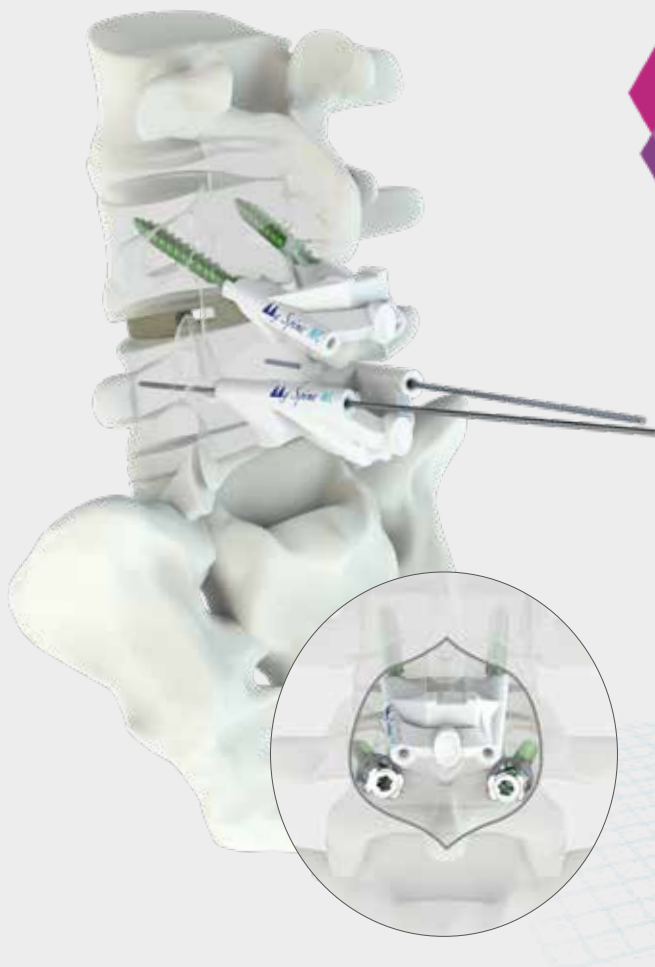
MySpine MC platform has been recognized as 2019 "Best Healthcare Navigation / Robotics Solution" by MedTech Breakthrough.

MySpine MC is a patient-specific 3D-Printed solution for surgeries that use the midline cortical approach, which allows posterior lumbar fusion to be carried out in a minimally invasive, muscle-sparing way. Medacta's Midline Minimally Invasive Surgery (MIS) procedure provides high accuracy in screw positioning and robust posterior fixation through a minimally invasive, muscle sparing surgery. Short operating times, low per-case costs and a limited requirement for radiation exposure are further significant advantages of this technique.

*"We are honored to have MySpine MC recognized by MedTech Breakthrough as one of this year's most innovative medical technologies", said Francesco Siccardi, CEO of Medacta. "MySpine MC combines Medacta's expertise in 3D planning tools with its industry-leading patient-matched guides to create a seamless, start-to-finish platform perfect for orthopaedic surgeons looking to enter the personalized spine surgery space in the outpatient or inpatient setting."*

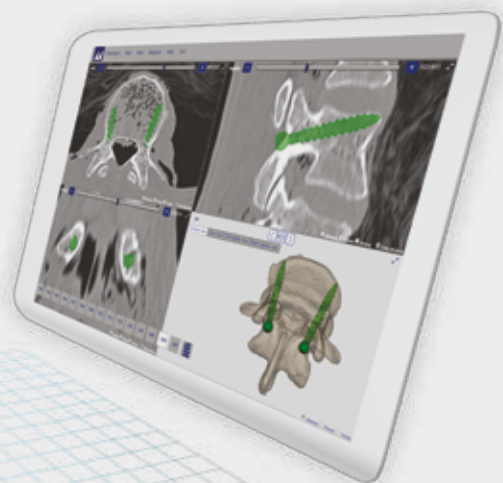
MySpine MC was selected from more than 3'500 nominations that MedTech Breakthrough received across its range of categories. The awards are focused on bringing public recognition to innovations disrupting the international health and medical industry.

**MySpine<sup>®</sup> MC**  
PERSONALIZED MIS SOLUTION



## 2019 AWARD

Medacta's MySpine MC Wins MedTech Breakthrough Award for Orthopaedics and Surgical Innovation as **"Best Healthcare Navigation/Robotics Solution"**



MySpine MC and planning tool

## 2.2 EDUCATION

We believe that education is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons and healthcare systems. For our surgeons, we have introduced a range of education opportunities through our M.O.R.E. Institute. Celebrating its 15<sup>th</sup> anniversary in 2019, the M.O.R.E. Institute has become a global education platform tailored to the needs of every surgeon, with courses addressing each of our business lines. We provide surgeons with personalized, structured and accessible education on our technologies and procedures, which ensures that our offerings are used to the best advantage of the patient and surgeon.

We also provide ongoing support and proctoring as surgeons master the use of our technologies and procedures, and create an interactive and supportive community in which they can learn and share experiences with other surgeons.

---

LEARNING CENTERS

**90**

---

---

REFERENCE CENTERS

**~400**

---

---

COURSE  
PARTICIPANTS

**~1'250**

---

---

SURGEON-TO-SURGEON  
INTERACTIONS

**~750**

---



**M.O.R.E.**  
INSTITUTE

With the **M.O.R.E. Institute**  
the **Surgeon** is never alone

April 11-13, 2019

## 20 YEARS OF INNOVATION SUPPORTED BY EDUCATION AT THE 9<sup>TH</sup> M.O.R.E. INTERNATIONAL SYMPOSIUM

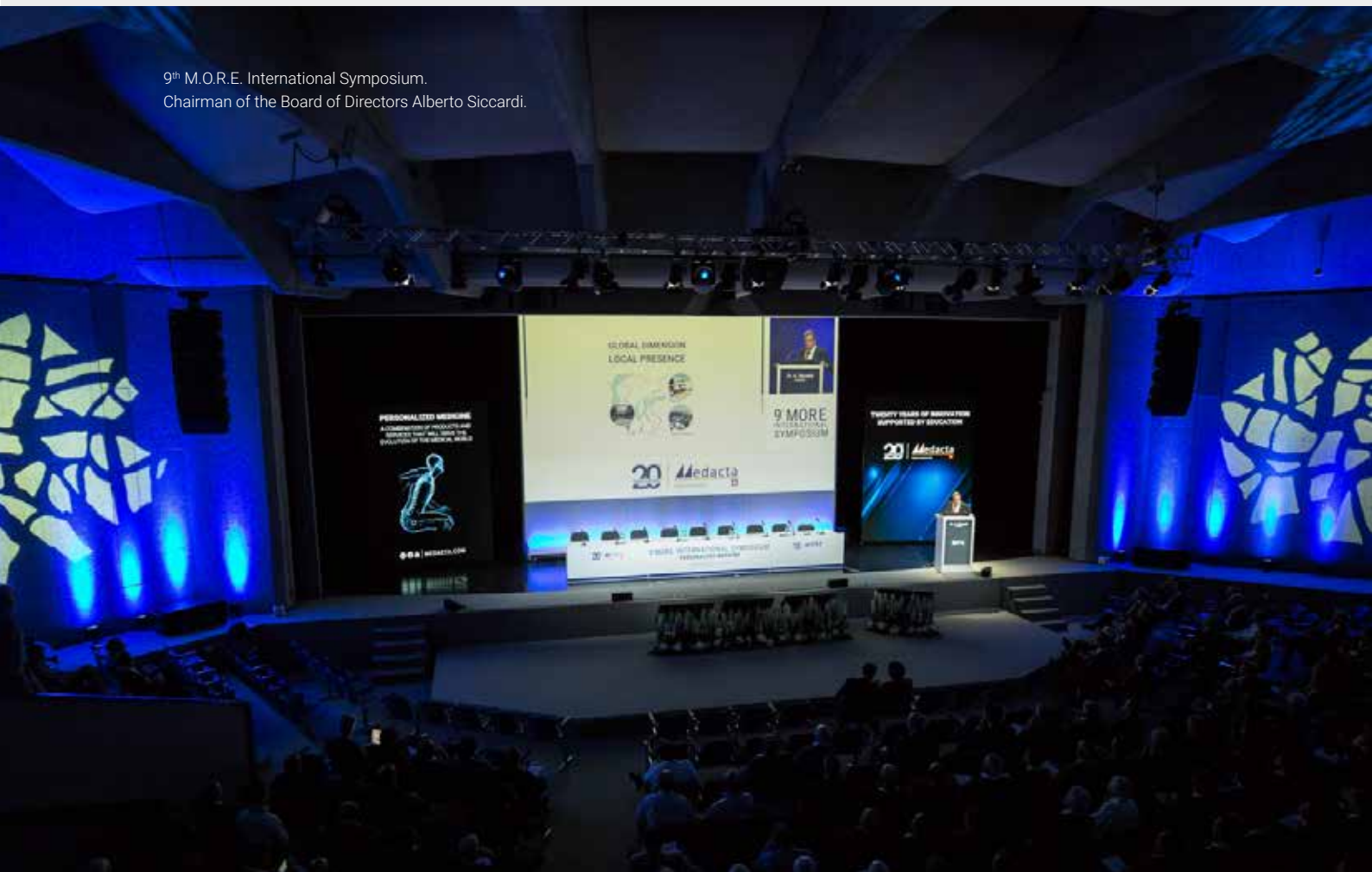
From April 11<sup>th</sup> to 13<sup>th</sup>, Medacta's 9<sup>th</sup> M.O.R.E. International Symposium was held in Lugano, Switzerland. The congress highlighted the growing trend of personalized medicine and the impact of customizable tools and patient-matched solutions in various orthopaedic disciplines.

Medacta and the M.O.R.E. Institute welcomed approximately 1'500 attendees from all over the world. Besides joint and spine sessions, the symposium – for the first time – included sessions focused on shoulder, knee and hip treatments for sports medicine. More than 130 orthopaedic experts presented at the meeting, including keynote speakers Bernhard Jost (Switzerland) and Douglas Padgett (USA) for joint; Matthias Zumstein (Switzerland) for sports medicine; and Paul Heini (Switzerland) and Klaus Radermacher (Germany) for spine.

*"As we launch into our 20<sup>th</sup> year, we reinforce that Medacta was built on the belief that innovation and continuous surgeon education can and will improve a patient's experience in orthopaedics and positively impact overall healthcare sustainability", said Francesco Siccardi, CEO of Medacta. "We are thrilled to host orthopaedic surgeons from all over the world as we seek to amplify international discourse concerning personalized solutions for patients seeking pain relief in all areas of orthopaedic care."*

During the 9<sup>th</sup> M.O.R.E. International Symposium, Medacta also celebrated the 15<sup>th</sup> anniversary of the M.O.R.E. Institute.

9<sup>th</sup> M.O.R.E. International Symposium.  
Chairman of the Board of Directors Alberto Siccardi.



## MYPRACTICE DEVELOPMENT PLAN: EDUCATION ALSO FOR THE PATIENT

The MyPractice Development Plan is based on many years of experience in managing thousands of patient information events. We have created this unique and special package of services to help surgeons organize training sessions with patients, primary care physicians and nurses. Thanks to the MyPractice Development Plan, doctors are supported in promoting their activities and training patients through a series of customizable marketing tools.

## MEDACTA ACADEMY

The training and development of our employees is essential to maintain a conscientious and reliable work culture, enabling individuals to deliver the high quality and standards expected in the medical field. Thanks to the Medacta Academy, we have created a continuous and comprehensive training plan for our employees. Organized over progressive levels, the Medacta Academy provides all trainees with the opportunity to continuously reinforce and increase their knowledge and skills through tailored training programs including: multi-level courses, hands-on workshops, subject-matter expert seminars and extensive educational material online library.

## EDUCATION HIGHLIGHTS

### MICHAEL FREEMAN AWARD 2019

On June 7<sup>th</sup> Medacta announced that Leonardo Metsavaht, MD, is the winner of the Michael Freeman Award 2019 with the paper "3D Spatiotemporal Parameters Of Gait In Individuals With Osteoarthritis Of The Knee Submitted To Treatment With Intra-Articular Viscosupplementation: A Prospective Double-Blinded Randomized Controlled Trial." Medacta and the M.O.R.E. Institute, in collaboration with EFORT, have supported the Michael Freeman Award since 2018, as a demonstration of their strong commitment to education.

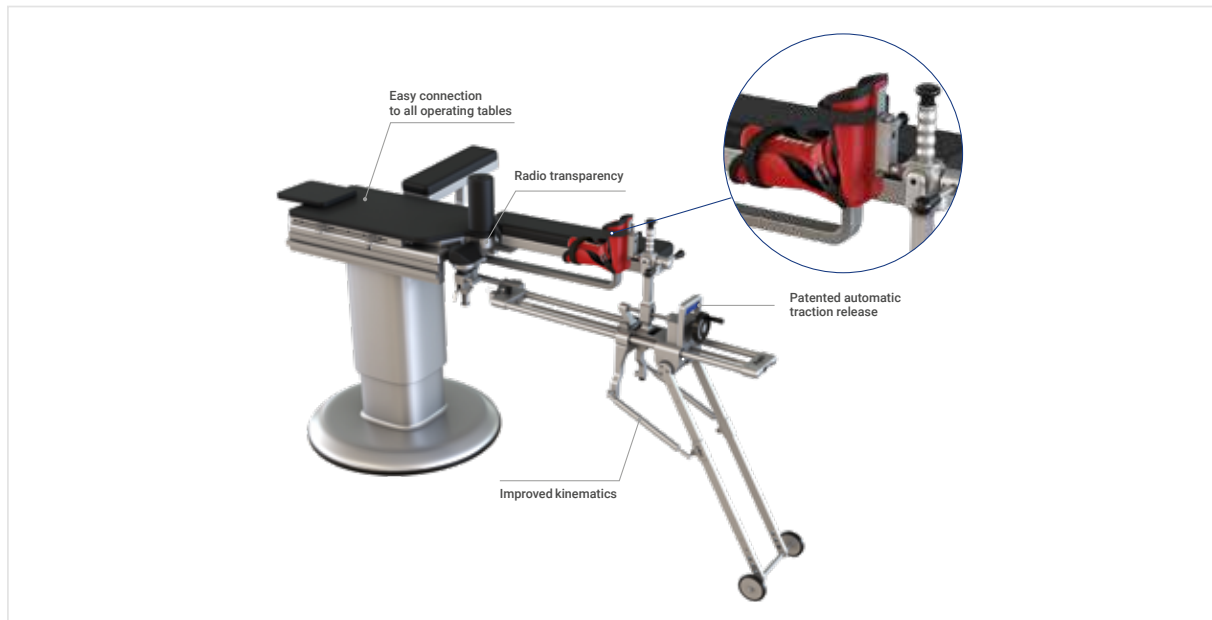
The Michael Freeman Award was created in memory of Professor Michael Freeman, to honor his lifetime contribution to both the European and the International Orthopaedic Community after he passed away in September 2017. Every year, one carefully selected clinical research fellow will be guided through a pre-defined research process from the development of a hypothesis to data collection, manuscript writing, and possible presentation at national and international orthopaedic conferences.





## 2.3 HEALTHCARE SUSTAINABILITY

Our products and surgical procedures are designed to improve patient well-being, facilitate the work of our customer surgeons and increase the sustainability of the healthcare system by improving efficiency while reducing surgical costs. Our AMIS technique with its dedicated instrumentation (such as the AMIS Mobile Leg Positioner) is meant to streamline, simplify and facilitate reproducibility of the anterior approach.



MyKnee, our first offering using our MySolutions technology, allows for the execution of the pre-operative 3D planning based on CT or MRI images of the patient's knee, with potential benefits for both the surgeon and the patient. Moreover, we have developed single-use instrumentation for total knee implants (i.e., the GMK Efficiency system), which we believe offers several benefits in terms of infrastructure and personnel costs to hospitals and, in particular, outpatient surgical settings. In addition, such single-use instrument sets have a positive impact on our operating cash flow, since the production of these instruments is classified as inventory (as opposed to capital expenditures) and, thus, the return on the investment is realized quicker.





## 3. CARING FOR PEOPLE

## 3.1 EMPLOYEE WELL-BEING

We invest in people, and firmly believe in the importance of our employees. Considering how important people are to Medacta, we have been pleased to review our commitment to them and integrate our benefits and incentives strategy with new activities and projects.





*"Medacta believes in the importance of people, the real engine of our success. From the very beginning, we constantly support and value the personal and professional well-being of our employees, offering them a package of benefits aimed at reconciling the life-work balance".*

Francesco Siccardi, CEO of Medacta.





## SUPPORT FOR THE PERSON

These benefits, which are related to the employees as a person, are aimed at promoting the work-life balance by favoring the management of both personal and work commitments, and supporting the employee's well-being:

- flexible working hours for office employees
- hours of paid leave for medical visits
- days and hours of paid leave in case of difficult family situations
- agreements with local gyms
- wedding bonus

## SUPPORT FOR THE EMPLOYEE

Medacta offers benefits related to the workplace and professional life, in terms of insurance coverage and job security, and rewards the loyalty of its employees:

- LPP regulation and supplementary pension fund
- insurance coverage in case of disability
- work permits for foreigners
- agreements with local restaurants
- banking packages
- agreements with medical centers
- presence of an infirmary
- availability of a company doctor
- free check-ups in specific health situations
- company loyalty bonus
- availability of rooms for lunching in the company

## SUPPORT FOR MATERNITY

Medacta supports motherhood and the return to work after maternity leave. For this reason, the company offers various services to support parenthood and accompany every woman before, during and after maternity leave:

- special agreements for the company school My School Ticino
- maternity bonus
- part-time hours for new mothers

RATE OF RETURN AFTER  
MATERNITY LEAVE <sup>7</sup>

**100%**

<sup>7</sup> Data collected in the headquarters and the Medacta for Life Foundation.

SUPPORT FOR EDUCATION

Medacta believes that education is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons and healthcare systems. In addition to medical education through the M.O.R.E. Institute, and the education of the patients through the MyPractice Development Plan, we offer professional education to our collaborators via the Medacta Academy. Medacta also promotes collaboration with leading universities in engineering and biomedical fields.

CONTINUING EDUCATION

The concept behind our philosophy, alongside innovation, is education. Thanks to the Medacta Academy, all employees take part in continuous training courses for professional development and growth.

We also offer the following:

- Discounts for training initiatives (participation in costs, special hours, paid days, etc.)
- Language courses in the company
- Apprenticeship training
- Collaborations with schools and universities
- Student discounts: professional internships, preparation of exam projects

3.2 PROFESSIONAL DEVELOPMENT

MEDACTA ACADEMY: STRUCTURED AND EFFECTIVE TRAINING

A complete and continuous professional training is for us the basis of a conscious and responsible approach to work. The Medacta Academy, created in 2015 and structured in progressive learning levels, offers the opportunity to consolidate and increase professional and personal skills through tailor-made training programs for each employee.

- Frontal and e-learning courses
  - Language courses
  - Practical workshops
- Interactive simulations
  - In-depth seminars with experts
  - Extensive online library

HOURS OF CONTINUING TRAINING	HOURS OF TRAINING FOR NEW EMPLOYEES	PROFESSIONAL COURSES
14'409	11'089	131

LANGUAGE COURSES

Language is an important asset to success for international businesses. To facilitate communication between different countries and to consolidate the professional skills of our employees, the Medacta Academy has promoted English and French courses. Employees have the opportunity to participate in private lessons with mother tongue teachers from all over the world.

## 3.3 CULTURE OF EXCELLENCE

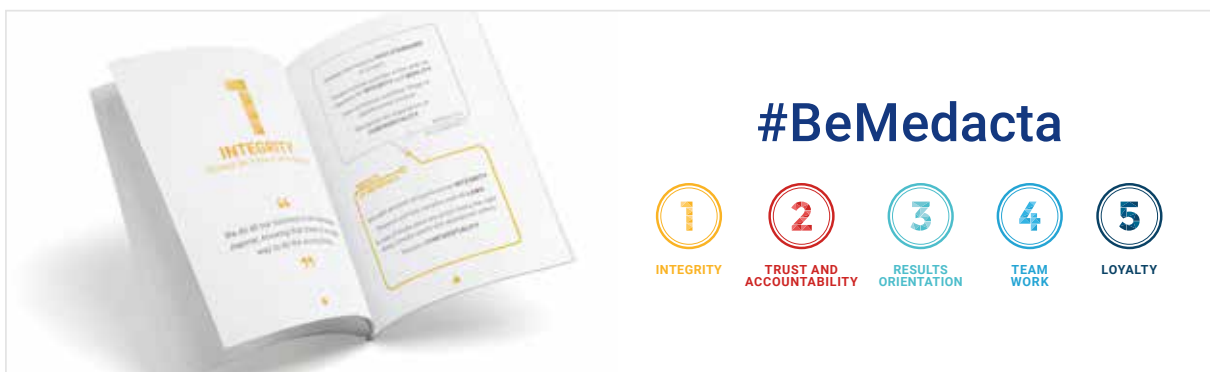
### #BEMEDACTA CAMPAIGN

We firmly believe that Medacta's culture is a key for sustainable success, actively contributing to our growth. It is our quest to make sure that every one of our employees understands and endorses our culture and values, to successfully build and sustain our continuous improvement. The #beMedacta campaign, which we anticipated in 2018 and fully launched in 2019, is our answer to this challenge and our commitment for the future.

The values that we identified for the #beMedacta campaign are the following:

- **Integrity - Always be honest and upright**  
We do all our business in an honorable manner, knowing that there is no right way to do the wrong thing
- **Trust and accountability - See it, Own it, Solve it, Do it**  
We believe in people, aware that they are the engine of our success
- **Results orientation - Know your goal, focus on it**  
We work to exceed our goals
- **Team work - Leverage collective genius**  
Great things in business are never done by one person
- **Loyalty - Be Medacta**  
We are proud to be part of Medacta

We believe it is of the uttermost importance that these values are kept alive and, above all, transferred to all the people who have entered and will enter our company in the years to come.



As first steps of this campaign we have organized various #beMedacta Days, during which the managers of each department in Medacta International have presented the campaign to their teams. Moreover, we created a brochure in English and Italian describing this campaign and presenting the values in details, with concrete examples. The brochure was delivered to all the employees of Medacta International. We will translate this brochure into further languages during 2020 and promote this initiative among our branches as well.

We have integrated these values and their evaluation in our recruiting process, in the onboarding activities and in the performance review.

## SPORT INITIATIVES

In 2019 we participated in various sport initiatives. On Sunday 26<sup>th</sup> May 2019, we participated with a Medacta team in the *Torneo Passa il pallone della solidarietà - Fair Play Cup*, a charity soccer tournament taking place near Medacta International headquarters organized by the Fondazione SOS Villaggio dei Bambini. It wasn't only the team that scored the most goals that won, but also the team that demonstrated an exemplary behavior. Indeed, the goal of this challenge was to promote the values of fair play, such as integrity, team spirit, self-control. In the end, we didn't win, but it was a great occasion of team building while having fun.



A few months later we took part in another sport event. On Sunday 20<sup>th</sup> October 2019, a team of 30 Medacta athletes participated in the first edition of the Generoso Trail, a 10 km race with an altitude difference of 1'350m to get to the top of Monte Generoso, near Mendrisio (Tessin), without being discouraged by the bad weather conditions.





## 4. CARING FOR THE ENVIRONMENT



## 4.1 EMISSIONS REDUCTION

We pay great attention to the environmental impact of our activities. We only use raw materials produced by suppliers that are qualified by our certified quality management system. Compared to other industrial activities, we have the advantage of operating in a sector that demands constant vigilance over the processes necessary to realize our products. We seek maximum efficiency, we comply with the regulations in force and we are committed to reducing emissions.

Following our commitment to environmental sustainability, we are following the guidelines to reach the targets of the agreement signed last year with AEnEC, the Energy Agency of the Swiss Private Sector, for reducing the environmental impact. The aim of this agreement is to seek maximum efficiency by reducing power consumption and CO<sub>2</sub> emissions.

This commitment intends to meet federal and cantonal requirements thanks to modern technology tools that have a better efficiency class and low energy consumption. Furthermore, we have signed a contract with fuel suppliers that certify that the energy they provide comes from renewable sources.

## 4.2 SUSTAINABLE MOBILITY

In 2014, we successfully introduced car-pooling after analyzing a series of data to assess its feasibility and potential benefits. Car-pooling, with an average of 3 persons per car, has enabled savings of over 335 cars, in full compliance with the needs of the company, part-time employees and shift workers.

PERSONS PER CAR (AVERAGE) <sup>8</sup>	REDUCED NUMBER OF CARS / DAY <sup>9</sup>
3	353

Traffic is universally recognized as a problem: individuals, employees, companies, communities and the economic system suffer from it - while also being the main cause of the problem. This is why the first step towards change is to admit the existence of the problem. There are numerous good reasons to review our current mobility habits; as many as the disadvantages, not only economic, generated by unsustainable thought patterns:



<sup>[8][9]</sup> Data collected in the headquarters and the Medacta for Life Foundation.



## 4.3 WASTE MINIMIZATION

We are committed to optimizing the use of materials and minimizing process waste in alignment with international standards. Based on our attention to the environment and awareness that individual choices can reduce the amount of plastic waste, we are evaluating initiatives for the coming years, such as eliminating the use of plastic cups in the company and sensitizing our employees to the importance of reducing the use of plastic in their daily life.



## 4.4 LOCAL ON-DEMAND PRINTING

We are analyzing and evaluating the possibility to print on-demand on a local base, so that we can avoid the costs and related CO<sub>2</sub> emissions for loading, storing and shipping printed materials from our headquarters. Furthermore, the on-demand printing will allow us to save paper.



## 5. CARING FOR THE COMMUNITY

The passion for our work is not limited to the well-being of our patients, but we would like our contribution to be extended to all the parties with which we work. For this reason, in 2011 we founded the Medacta for Life Foundation that coordinates our many and varied projects with the community.



Attention and interest towards the community is expressed in various ways. Through both financial support and the transfer of knowledge and skills, the Medacta for Life Foundation contributes to the implementation of programs and projects of social utility at local, national and worldwide levels. These projects can be grouped around three large areas: MySchool for the development of new generations and support for parenting; MyMission for the support of medical missions and humanitarian initiatives; MyGiving for participation in social projects dedicated to the protection and assistance for children and youth, services for the elderly, scientific research, art and territorial culture.

Discover more at <http://www.medactaforlife.com>

---

FOUNDATION EMPLOYEES

47

---



## 5.1 LOCAL COMMUNITY ENGAGEMENT

### MY SCHOOL TICINO

My School Ticino is a bilingual school (Italian/English) for children aged 0–10 years and was founded on the initiative of the Medacta for Life Foundation. The school aims to encourage the development of new generations in a context that promotes their well-being and interaction. My School Ticino is divided into three areas: My Baby, My Child and My Kid. Discover more at <http://www.myschoolticino.ch>.

---

#### MYSCHOOL CHILDREN

130

---

### MY BABY (NURSERY SCHOOL)

The Foundation's first project was the My Baby company nursery school, inaugurated in 2011. The structure, initially designed to accommodate the children of employees, was then opened to local families, with the aim of providing support for parenting and promoting the return of women to professional life after motherhood. The nursery school, which initially accommodated 23 children from 0-3 years, expanded in space and receptivity in 2013 to accommodate 33 children and received the QualiNido certification from kibesuisse. The building is located in Castel San Pietro, in a sunny area with little traffic. It borders the creek and the woods on one side, the garden, orchard and vegetable garden on the other, thus guaranteeing children easily accessible outdoor spaces. The interior spaces are designed and built to support the involvement and promote the well-being of children: large floor-to-ceiling windows facilitate the child's vision to the outside, onto woodland, animals and changes of season. This proposed pedagogical project takes into account the promotion of bilingualism and the approach to child education according to the principles of Montessori and Malaguzzi. The My Baby further expanded in 2018 and can now accommodate up to 50 children.



### MY CHILD (PRE-SCHOOL)

The 31<sup>st</sup> of August 2015 was the first day of school at My Child. The Medacta for Life Foundation extended its educational services with the pre-school: children aged 3-6 years can find an educational environment and project tailored to their needs. In 2018, My Child was authorized by the canton authorities (DECS) to double in size with the addition of a second section.



## MY KID (PRIMARY SCHOOL)

The 3<sup>rd</sup> of September 2018 was the first day of My Kid Primary school with a mixed year 1 and year 2 class. My Kid is a bilingual school offering a full day with out-of-hours care, including various extracurricular activities. During canton school holidays and the summer period the school's indoor and outdoor facilities are open for the children with a variety of activities. In 2019 work began on the construction of a new building completely dedicated to the Primary School. The new pavilion will house the whole school and enrich the campus further creating new areas for laboratories, specialist classrooms etc. The inauguration of the new building is planned for Autumn 2020.



## MY WOODS (OUTDOOR EDUCATION)

Outdoor Education, a pedagogical orientation that encourages experiences in direct contact with nature, is very much present at My School Ticino. In particular, in 2019, an area next to our campus, My Woods, was redeveloped to allow activities in the woods for our young learners. This important intervention was made possible due to the collaboration with the town of Castel San Pietro. The new area that has been created is a wide space of wood with a stream, wooden play structures, benches and natural tables; after school hours the whole area is open to citizens of the town.

## EXTRACURRICULAR ACTIVITIES

My School's timetable is organized in such a way as to offer a wide variety of activities that support and enrich the school's educational services for children. The My After Time program is an afternoon service that proposes activities to involve and interest children in an active way. Moreover, My School offers the My Weeks service during school holidays and the My Summer Camp service during summer holidays.

## MY LANGUAGES (SCHOOL OF LANGUAGES)

In 2019, the My Languages - Language School was opened. Using specific age appropriate teaching methods, My Languages offers tailor made courses for children aged 3 upwards, for teenagers, adults and companies. Courses are currently running for French, English, German and Italian for foreigners. My Languages guarantees the preparation for European Language Certificates and is recognized as a preparation centre for Cambridge English Language exams.

## 5.2 PHILANTHROPIC CONTRIBUTIONS

Medacta for Life Foundation is active in many charitable and social projects mainly based in the local area. The Foundation supports more than 20 organizations and associations to protect the rights of children and young people, scientific research, sporting bodies and projects dedicated to art and cultural development.

---

ORGANIZATIONS / ASSOCIATIONS  
SUPPORTED

24

---

## 5.3 HUMANITARIAN INITIATIVES

With the My Mission project, Medacta for Life Foundation is dedicated to assisting various humanitarian initiatives all over the world, supporting volunteer surgeons who wish to provide free assistance to communities in disadvantaged countries, improving the life quality of patients in need.

---

HUMANITARIAN PROJECTS  
IN THE WORLD

8

---







## 6. ABOUT THIS REPORT

## 6.1 CHRISTMAS DINNER

Like we did in 2018, also in 2019 we presented our report during the Christmas dinner, to which all our employees in the headquarters were invited. The Christmas dinner was an important event, not only to celebrate the end of the year and the Christmas holidays with all our colleagues, but also to share with them our commitment for the future.



## 6.2 ONLINE

We announced our 2018 corporate social responsibility report with a press release and a dedicated communication on our social media channels in the second half of 2019. Moreover, we have uploaded it on our dedicated webpage on the corporate website for all CSR reports. New ideas for communicating our commitment are in the pipeline. Discover more at <http://sustainability.medacta.com>.





## 7. OUR FUTURE

In the year of the company's 20<sup>th</sup> anniversary, we organized the 9<sup>th</sup> M.O.R.E. International Symposium and had the pleasure to host approximately 1'500 attendees from all over the world. Moreover, Medacta became a public company, officially entering the SIX Swiss Exchange. A multitude of achievements, and an important occasion to reflect on our culture and our deepest soul, identifying those values that allowed our company to prosper and succeed in the orthopaedic market.

It is our intention to continue to grow our company while respecting our fundamental values: integrity, trust and accountability, results orientation, teamwork and loyalty. These are the values that drive us each and every day, and are at the base of every relationship with our stakeholders, not only our employees, but also patients, healthcare professionals, our shareholders and Board, the financial community, our suppliers, institutions and industry associations, the scientific community, the media and the local community.

Many new projects and initiatives are in the pipeline and we look forward to updating you on our achievements and the impact of our work on society in next year's report.



**Maria Luisa Siccardi Tonolli**  
Board Member of Medacta and  
Medacta for Life Foundation

**Alessandro Siccardi**  
Supply Chain Director

**Francesco Siccardi**  
CEO

**Alberto Siccardi**  
President



## OUR SUSTAINABILITY KPIs

### COMPANY PROFILE

---

Revenues	EUR 310.6M
Employees	1'101
Countries	34
Compound Annual Growth Rate (CAGR) 2016-2018	13.9%

### ASSETS

---

R&D employees	62
Patents	~400
Registered trademarks	~900
Learning centers	90
Reference centers	~400
Course participants	~1'250
Surgeon-to-surgeon interactions	~750
Employees in quality assurance	13
Employees in quality control	31

### CARING FOR PEOPLE

---

Rate of return after maternity leave	100%
Hours of continuing training	14'409
Hours of training for new employees	11'089
Professional courses	131

### CARING FOR THE ENVIRONMENT

---

Persons per car (average)	3
Reduced number of cars	353

### CARING FOR THE COMMUNITY

---

Foundation employees	47
My School children	130
Organizations / Associations supported	24
Humanitarian projects in the world	8



## 8. CONTACTS

# CONTACTS

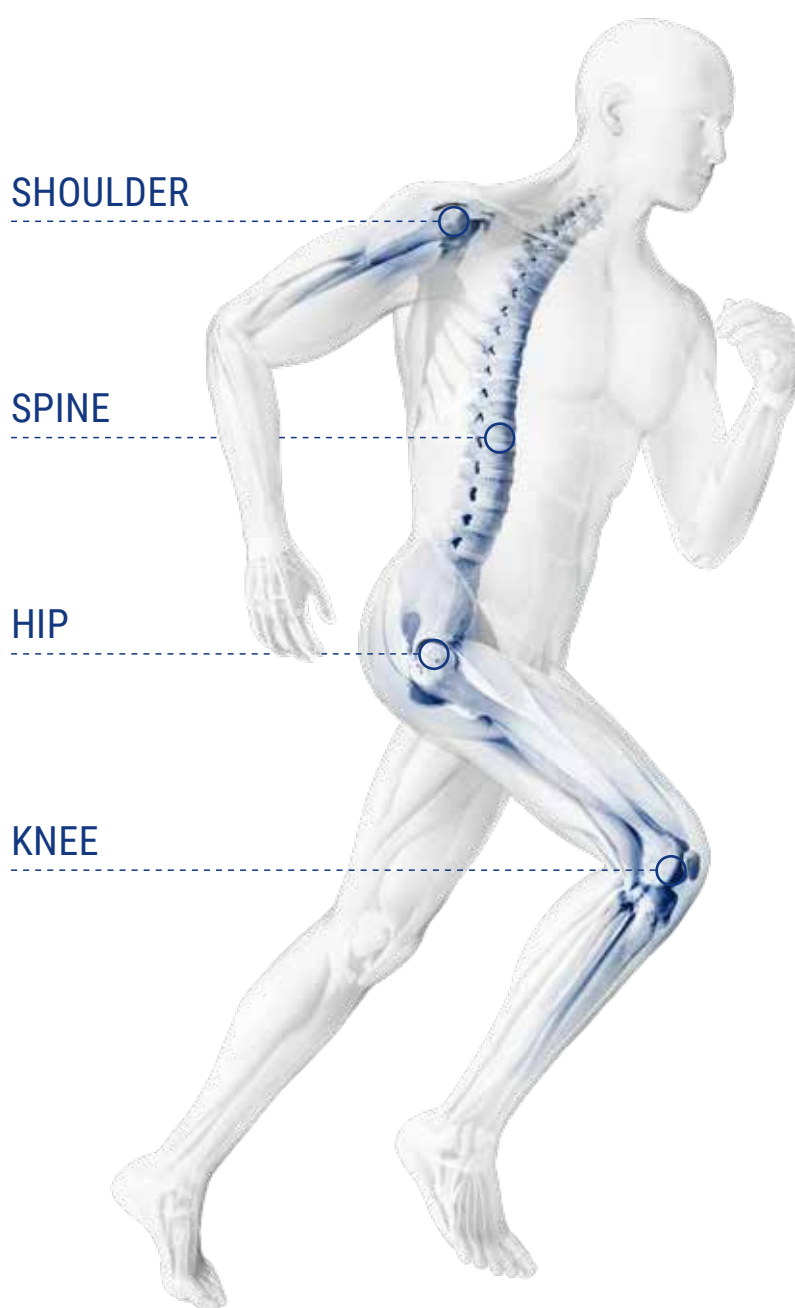
## Medacta International

Strada Regina  
6874 Castel San Pietro - Switzerland

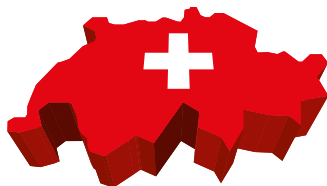
Phone: +41 91 696 60 60  
Fax: +41 91 696 60 66  
Mail: [info@medacta.ch](mailto:info@medacta.ch)



**Discover more**  
[www.medacta.com](http://www.medacta.com)







---

**REDEFINING BETTER**  
IN ORTHOPAEDICS  
AND SPINE SURGERY

---

MEDACTA.COM