

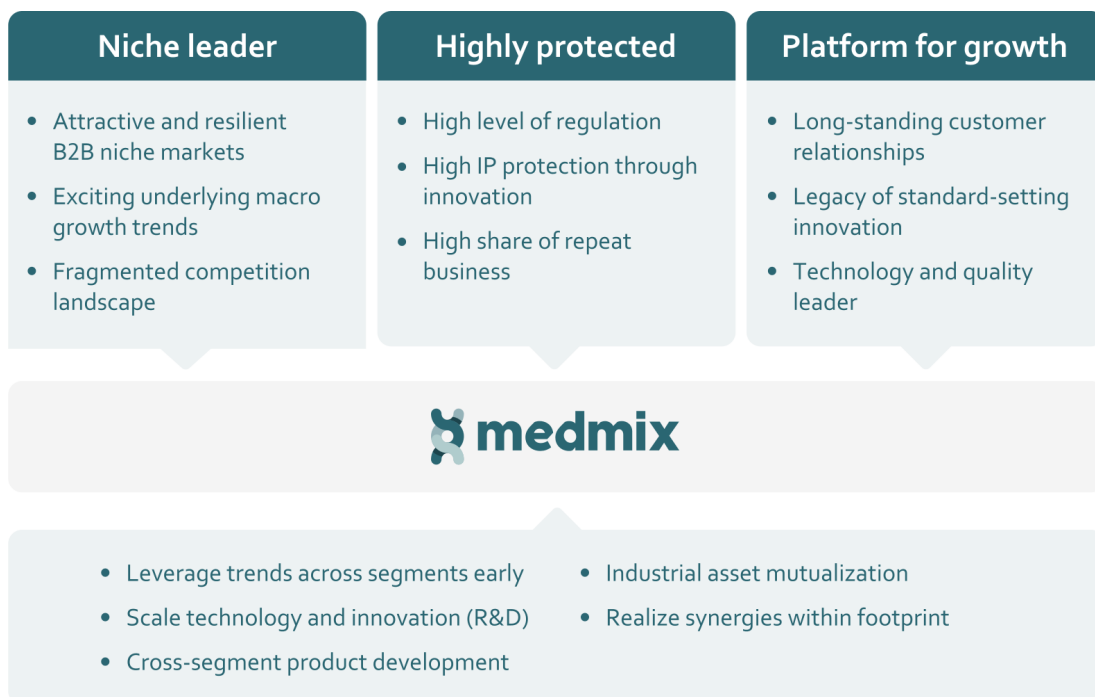


Strategy

Platform for growth

We have a long tradition of designing, developing and manufacturing high-precision delivery devices for the healthcare and consumer & industrial markets. Building on our core competence of plastics injection molding and our in-depth automation expertise, we have expanded from industrial applications into the Dental, Drug Delivery, Surgery and Beauty market segments. In each of our segments, we have identified profitable and resilient niche markets with long-term growth, supported by secular trends such as a growing middle class, aging populations, increased urbanization, homecare and sustainability.






Innovative, high-precision delivery devices in attractive end markets



We believe that we benefit from long-standing customer relationships and positive macro trends in the end markets we address, which we expect to provide us with significant growth opportunities as we expand our target markets.

Macro trends

Main segment trends

 <p>Growing middle class</p>	<ul style="list-style-type: none"> • Emerging markets shift away from hand- to device-mixing • Trend to unit-dose to avoid cross contamination • Growing number of dentists in emerging markets
 <p>Aging population</p>	<ul style="list-style-type: none"> • Trend towards self-injection at home • Growth in biosimilars for self-administration • Increasing number of biologics in pipelines
 <p>Urbanization</p>	<ul style="list-style-type: none"> • Increasing use of bone cement for trauma • More biomaterials in wound healing reducing post-op risks
 <p>Healthcare at home</p>	<ul style="list-style-type: none"> • Shift to adhesive bonding due to cost and time savings • Innovative adhesives and sealants expanding application areas
 <p>Sustainability</p>	<ul style="list-style-type: none"> • 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 and aim to further exploit our strategic setup across all market segments by leveraging our industrial DNA — creating synergies and scale through knowledge sharing across the medmix group.

In particular, we strive to leverage early trends and best practices across market segments. For example, sustainability has been a strong focus in our Beauty market segment for several years. More recently, we have drawn upon this experience to deploy sustainable practices across other market segments, including Industry and Drug Delivery. Read more about our sustainability commitments in the next focus story.

M&A focus on healthcare and geographic expansion

Our focused M&A strategy will remain in line with our established track record over the past 15 years. We concentrate on acquiring companies that offer a strong strategic fit with our existing product offering and allow us to expand our global presence.

In Healthcare, we are looking to drive growth through an active M&A pipeline, focusing on small to medium-sized companies serving adjacent markets that have strong IP and are leaders in their niche. We will also consider add-on acquisitions to extend our Healthcare product offering, as well as acquisitions of new

platforms that share the injection molding and liquid handling expertise with the rest of our portfolio. Read more about our technology approach in the [business review](#) sections.

Perspectives from Jennifer Dean, CFO

The spin-off and listing were not the only challenges medmix teams mastered in 2021. There was also the pandemic in its second year. In this section, Jennifer Dean, medmix CFO, shares her perspective on leading through this demanding time.

My reflections on medmix becoming a publicly listed company

Working towards delivering the spin-off of medmix from Sulzer offered the team a unique challenge. One that represented a significant shift in our ways of working and our capabilities. The spin-off has transformed us from being a non-core business within a large flow-control company to a lean and agile company focused on serving customers with our innovative technology in high-precision delivery devices for use in dental, medical, pharmaceutical, industrial and consumer applications. As we started to communicate our intent and vision to become a stand-alone listed company, the positive response of our customers and from investors further boosted the anticipation of our teams globally. There was a sense of purpose and excitement from “coming of age” to live our vision as a global leader in our markets. And working closely with colleagues and teams across Sulzer during the spin-off process has allowed us to develop new skills and ready ourselves as a stand-alone company. It has been a career defining opportunity for me and I am proud of what we have achieved.

Sustainable growth strategy

We have an attractive growth strategy across all five segments, where we will continue to invest in research and development, organic scale-up and efficiency projects, as well as in focused M&A activities. We are not starting from scratch and can leverage our successful track record while in Sulzer. medmix will maintain discipline in our capital allocation to drive growth while ensuring strong financial fundamentals. In 2021 we communicated our intention to raise capital to strengthen our balance sheet and to ensure a sustainable capital structure immediately after the spin-off. Our offering in September was well received by the market and we raised around CHF 300 million. Following this, we also successfully refinanced our pre spin-off intercompany loan from Sulzer with external bank financing. With our capital structure well anchored and further boosted by strong profitability and free cash flow generation in 2021, we finished the year with a leverage ratio (i.e. net debt to EBITDA) below one. All positive elements to make a CFO smile. So, I see us well positioned on our new journey as medmix.

“Preparing and executing a spin-off is an incredibly exciting, potentially a once-in-a-career event. I am incredibly proud of our teams and the value we have delivered together for our customers and stakeholders.”

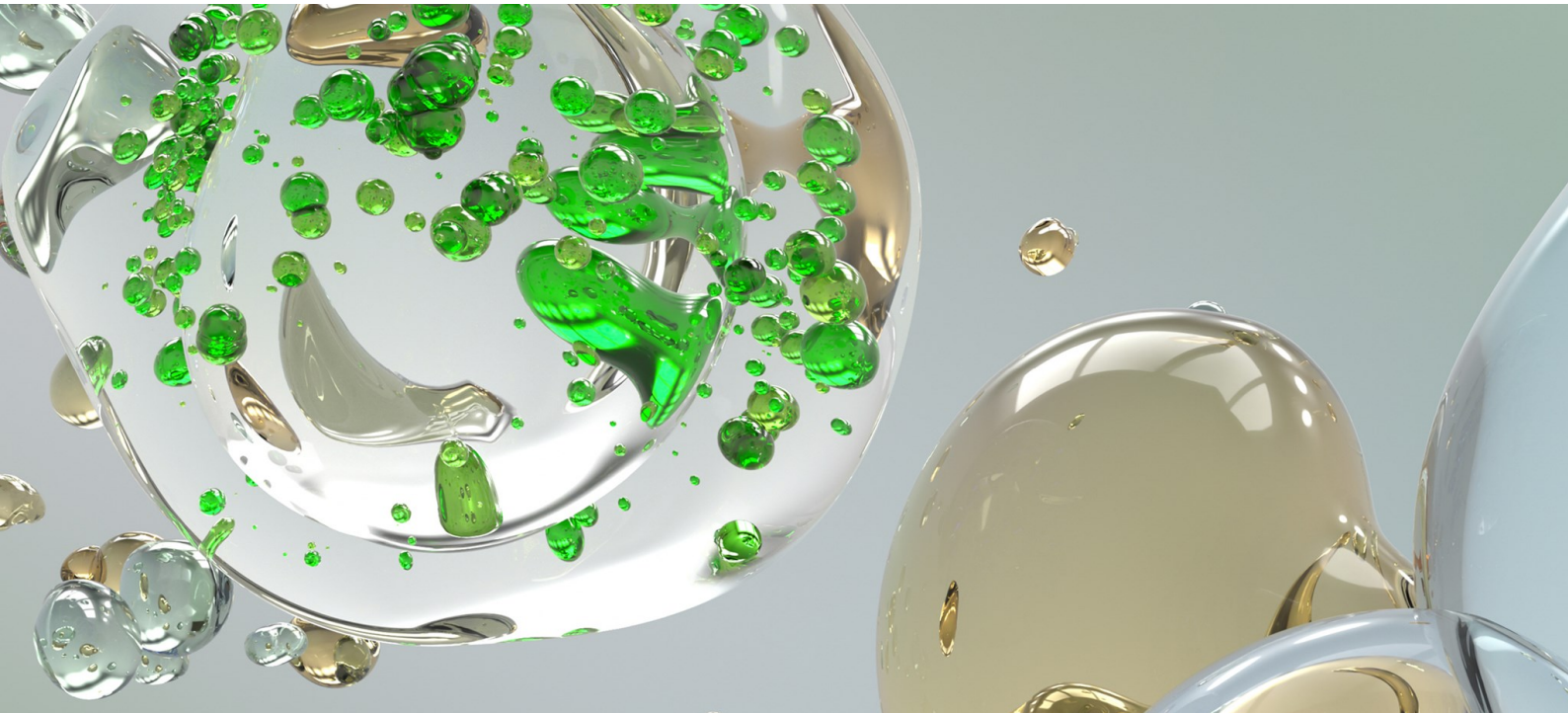
Jennifer Dean

Chief Financial Officer



Our spin-off journey — lots of progress and nearing the finish line

As a division of Sulzer, we had operated through separate legal entities and sites which allowed us to achieve a seamless transition when becoming a global stand-alone company as medmix. This means that we can continue to serve the needs of our customers without any transitional impacts from the spin-off. The areas which medmix needs to build are mainly functions in the corporate center such as HR, finance, IT, legal and communications. In this part of our journey, we are grateful to be supported by Sulzer through a transition services agreement. Since the spin-off, we have already made good progress in setting up our corporate teams including a jointly developed transfer plan with Sulzer, and we therefore expect to become self-sufficient within this year. We achieved a very smooth year-end closing for 2021 despite having been only listed for five months. This speaks volumes about the tremendous dedication, teamwork and experience of the corporate colleagues working in both companies. Looking forward, we are excited at the opportunity before us. Navigating the pandemic and executing on the spin-off have once again confirmed my belief that it's people who drive results. The Executive Committee and I will be channeling the momentum of our teams to shape an inspiring and inclusive future for the company.



Sustainability

Sustainability is engrained in our corporate strategy and embedded in daily business — with the necessary management frameworks, systems and processes. In our internal processes, we position sustainability and digitalization as enablers. Both are built into our operating principles and business processes at all levels. All medmix sites embed the global sustainability policy into their local practices and implement it in daily operations.

We recognize that our responsibilities are not limited to delivering strong financial results, and therefore proactively direct our resources towards innovations that contribute to sustainable solutions for our societies. Environmental, social, and governance (ESG) metrics have been introduced in our compensation framework and are included in the performance objectives of all our long-term incentive eligible leaders.

The medmix approach to sustainability

People

- We enable an inclusive workplace, promote impactful development opportunities, and facilitate engagement.
- We believe in going the extra mile to support our communities and our employees and engage in projects with community impact at each of our sites.
- We support and respect the protection of internationally proclaimed human rights and prohibit, within our own operations and in our supply chain: discrimination and/or harassment based on race, color, age, gender, sexual orientation or identity, ethnicity, religion, disability, union membership or political affiliation; child labor, forced labor and human trafficking; corruption, bribery, conflicts of interest, money laundering, anti-competitive practices, and extortion.

Profit

- We promote and provide sustainable technologies with long-term value.
- We work to reduce the environmental footprint of our products by incorporating eco-design principles from the development phase.
- We increase the use of post-consumer resin (PCR) and bio-based plastics.

Planet

- We reduce our global carbon footprint, enable low-carbon energy use at our sites and reduce air freight.
- We protect the environment, prevent pollution of air, soil and water, and reduce our environmental impact by aiming to reduce waste sent to landfill and improving our water-usage management.
- We continuously improve our energy-related performance by purchasing energy-efficient products where possible.
- We fulfill applicable legal obligations and other requirements in the areas of health & safety, environment, energy use, energy consumption and energy efficiency.
- We set ambitious, measurable, and meaningful environmental, health, safety and energy (EHS&E) targets and provide the necessary knowledge and resources to achieve them.
- We continually improve our EHS&E management system and aim to have all medmix manufacturing sites ISO 45001/14001/50001-certified.

“Sustainability is at the core of our business and people strategy at medmix. We are working across our focus areas to implement, improve and impact the processes, products and people connected with our company. From focusing on employee and community engagement to managing our carbon footprint and developing sustainable solutions for our products — we have taken on some significant challenges and are proud of our contribution in this space.”

Itee Satpathy

Chief Human Resources Officer



Eco-design as a principle and a method

Sustainable innovation is a priority for us as we aim to create business and social value. Guided by our mission, we are dedicated to continuing to propose innovative products developed with a lower carbon footprint.

For this reason, we have formally implemented a process to incorporate eco-design principles. Eco-design is both a principle and a method. It proposes to assess and optimize the environmental impact of a product or a

service over its complete life cycle. The ecological impact assessment is done during the product development phase, by including factors like the type of raw material, the necessary energy to produce the product, the size and usage of material, as well as secondary packaging phase. Our innovation process is organized in a cross-functional team, grouping different expertise and capabilities from sales and marketing as well as design, material and sustainability functions. Our design engineers have been trained in life-cycle analysis by an expert third-party and we use international life-cycle analysis software to demonstrate the benefits of our approach.

Post-consumer resins and bio-based material

Post-consumer or post-use material is material generated by the end-users of products that has fulfilled its intended purpose or can no longer be used. Post-consumer resin (PCR) includes consumer packaging items such as plastic film, bottles, and industrial packaging items. These items can be reprocessed into recycled plastic that is used to make new products. Bio-based material is material with organic roots; in our case, derived from vegetables. We plan to systematically reduce our PCR environmental impact by 2025, for example through the use of bio-based materials and by an overall minimalization of packaging.

Beauty market segment as a forerunner for matrix updates in all segments

The usage of materials in our products has already been reduced following the LEAN approach, but we want to go further by using PCRs to the maximum possible extent. The Beauty market segment has a leading role in this respect within the company. Its products can now contain between 20% and 92% of PCR and bio-based material. In all other market segments, we are currently implementing the processes and learnings from the Beauty market segment in cross-functional teams to make use of the knowledge and expertise across the businesses. Our overall goal is to provide our customers with products that have the lowest possible environmental impact, and to propose lower carbon footprint alternatives for all our existing products where technically or legally possible.

Low-carbon electricity and efficient machines

As a global player with production facilities around the world, electricity usage is a key lever for sustainability. As recommended by the Intergovernmental Panel on Climate Change (IPCC), we are prioritizing switching our supply of electricity to low-carbon electricity. This means that our sites will be supplied by wind, solar, hydro power, biomass or nuclear energy sources. This project started in 2019 and is already at an advanced stage.

Our Swiss and Brazilian operations already operated using low-carbon electricity grids. Over the past year, we have switched five more of our sites in Germany, Poland, Czech Republic, China and the USA from traditional grid power sources to low-carbon contracts. In total, 8 of our 13 sites had switched to a low-carbon energy supply by the end of 2021.

Number of sites supplied by low-carbon electricity

2019	2020	2021	2025 goal
3	3	8	All sites

Renewing our fleet with all-electric machines

Effective and efficient manufacturing is also about monitoring, replacing and adding new equipment. In 2021, we developed a new process to ensure that energy efficiency of capital equipment is given equal consideration as part of the decision process. In 2021, medmix added 24 new injection molding machines to its fleet of ca. 300. In line with our capital equipment policy, all new injection molding machines are of the all-electric type. Typically, an all-electric machine uses 50% less energy than an equivalent size all-hydraulic machine. Additionally, in-house testing confirmed that all-electric injection molding machines consume 20% less electricity than even modern hybrid (half hydraulic, half electric) molding machines. Combining these energy savings with a typical cycle time reduction of ca. 15% means that for the 24 new machines added to the medmix fleet in 2021, we will consume almost 500 MWh less electricity to produce the same number of articles than if we had continued to invest in hybrid machines. Two-thirds of the new machines are needed to increase our molding capacity, while one-third were used to replace older all-hydraulic machines. In 2022, it is expected that with further capacity expansion plans and end-of-life replacements, we will see a similar amount of injection machine orders as in 2021.

For an overview on our ESG related projects and progress, visit the [sustainability review chapter](#) of this report.