Medacta International

Financial Report

Medacta's MySpine Cervical

INDEX

International

TEAMWORK

We work as a TEAM, **always respectfully** and ensure we work together for the greater good of Medacta **#beONE**.

#beMedacta CULTURE

A KEY FOR SUSTAINABLE SUCCESS

- TRUST AND INTEGRITY
- EFFICIENT EXECUTION
- PATIENT AND CUSTOMER FOCUSED
- SUSTAINABLE INNOVATION
- TEAMWORK

1. Consolidated Statement of Profit or Loss for the years ended December 31, 2025 and 2024

(Thousand Euro)	Notes	31.12.2025	31.12.2024
Revenues	6.25.1	683'827	590'580
Cost of Sales		(225'165)	(191'141)
GROSS PROFIT		**458'662**	**399'439**
Research and Development expenses	6.25.2	(23'524)	(21'392)
Sales and Marketing expenses		(235'724)	(210'549)
General and Administrative expenses	6.25.2	(88'243)	(77'246)
Bargain purchase gain	6.4	13'653	-
Other income	6.25.3	1'955	2'635
Other expenses	6.25.3	(1'729)	(2'055)
OPERATING PROFIT (EBIT)		**125'050**	**90'832**
Financial income	6.25.4	7'759	17'322
Financial costs	6.25.4	(17'517)	(20'385)
PROFIT BEFORE TAXES		**115'292**	**87'769**
Income taxes	6.12	(19'832)	(14'883)
PROFIT FOR THE YEAR		**95'460**	**72'886**
ATTRIBUTABLE TO			
Shareholders of the parent company	6.28	95'460	72'886
BASIC EARNINGS PER SHARE (in Euro)	6.28	**4.79**	**3.66**
DILUTED EARNINGS PER SHARE (in Euro)	6.28	**4.78**	**3.65**

The Notes are an integral part of the Consolidated Financial Statements

2. Consolidated Statement of Comprehensive Income for the years ended December 31, 2025 and 2024

(Thousand Euro)	Notes	31.12.2025	31.12.2024
PROFIT FOR THE YEAR		**95'460**	**72'886**
OTHER COMPREHENSIVE INCOME			
Remeasurements of defined benefit obligations	6.20	706	(4'725)
Tax effect on remeasurements of defined benefit obligations		(120)	656
TOTAL ITEMS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**586**	**(4'069)**
Currency translation differences		(3'453)	(7'124)
TOTAL ITEMS TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**(3'453)**	**(7'124)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**(2'867)**	**(11'193)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**92'593**	**61'693**
ATTRIBUTABLE TO			
Shareholders of the parent company		92'593	61'693

The Notes are an integral part of the Consolidated Financial Statements

3. Consolidated Statement of Financial Position for the years ended December 31, 2025 and 2024

Assets

(Thousand Euro)	Notes	31.12.2025	31.12.2024
Property, plant and equipment	6.8	321'367	262'617
Right-of-use assets	6.9	64'630	54'887
Intangible assets	6.10	61'610	53'625
Non-current financial assets	6.11	1'440	995
Deferred tax assets	6.12	18'568	24'676
TOTAL NON-CURRENT ASSETS		**467'615**	**396'800**
Inventories	6.13	271'415	234'411
Trade receivables	6.14	121'127	108'167
Current financial assets	6.11	3'910	4'692
Other current assets and prepaid expenses	6.15	20'366	16'519
Cash and cash equivalents	6.16	33'211	31'588
TOTAL CURRENT ASSETS		**450'029**	**395'377**
TOTAL ASSETS		**917'644**	**792'177**

Liabilities and Equity

(Thousand Euro)	Notes	31.12.2025	31.12.2024
Share capital	6.17	1'775	1'775
Retained earnings and other reserves *	6.17	433'755	350'967
Treasury shares	6.17	(11'903)	(9'480)
Foreign currency translation reserve	6.17	32'949	36'402
TOTAL EQUITY		**456'576**	**379'664**
Non-current financial liabilities	6.18	114'495	143'359
Non-current lease liabilities	6.18	43'765	39'362
Non-current provisions	6.19	3'712	4'057
Employee benefit obligation	6.20	20'305	17'574
Deferred tax liabilities	6.12	61'192	49'017
Other non-current liabilities	6.22	895	1'597
TOTAL NON-CURRENT LIABILITIES		**244'364**	**254'966**
Trade payables	6.23	49'832	35'387
Current financial liabilities	6.18	90'454	50'825
Current lease liabilities	6.18	14'052	10'327
Current provisions	6.19	120	120
Accrued expenses and deferred income	6.24	45'425	43'948
Other current liabilities	6.22	16'821	16'940
TOTAL CURRENT LIABILITIES		**216'704**	**157'547**
TOTAL LIABILITIES		**461'068**	**412'513**
TOTAL LIABILITIES AND EQUITY		**917'644**	**792'177**

* For presentation purposes, we have included the Capital contribution reserve together with Retained earnings and other reserves. Consequently, we have revised the presentation of the prior period accordingly.

The Notes are an integral part of the Consolidated Financial Statements

4. Consolidated Statement of Changes in Equity for the years ended December 31, 2025 and 2024

	Attributable to shareholders of Medacta Group SA				
(Thousand Euro)	Share capital	Retained earnings and other reserves *	Treasury shares	Foreign currency translation reserve	Total equity
BALANCE JANUARY 1, 2025	**1'775**	**350'967**	**(9'480)**	**36'402**	**379'664**
Profit for the year	-	95'460	-	-	95'460
Remeasurements of defined benefit obligations	-	706	-	-	706
Tax effect on remeasurements of defined benefit obligations	-	(120)	-	-	(120)
Currency translation differences	-	-	-	(3'453)	(3'453)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**96'046**	**-**	**(3'453)**	**92'593**
Dividends paid	-	(14'661)	-	-	(14'661)
Purchase of treasury shares	-	-	(6'183)	-	(6'183)
Usage of treasury shares	-	(3'540)	3'760	-	220
Share-based payment transactions	-	4'943	-	-	4'943
BALANCE DECEMBER 31, 2025	**1'775**	**433'755**	**(11'903)**	**32'949**	**456'576**

* For presentation purposes, we have included the Capital contribution reserve together with Retained earnings and other reserves. Consequently, we have revised the presentation of the prior period accordingly.

	Attributable to shareholders of Medacta Group SA				
(Thousand Euro)	Share capital	Retained earnings and other reserves *	Treasury shares	Foreign currency translation reserve	Total equity
BALANCE JANUARY 1, 2024	**1'775**	**292'807**	**(8'070)**	**43'526**	**330'038**
Profit for the year	-	72'886	-	-	72'886
Remeasurements of defined benefit obligations	-	(4'725)	-	-	(4'725)
Tax effect on remeasurements of defined benefit obligations	-	656	-	-	656
Currency translation differences	-	-	-	(7'124)	(7'124)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**68'817**	**-**	**(7'124)**	**61'693**
Dividends paid	-	(11'194)	-	-	(11'194)
Purchase of treasury shares	-	-	(4'788)	-	(4'788)
Usage of treasury shares	-	(3'378)	3'378	-	-
Share-based payment transactions	-	3'915	-	-	3'915
BALANCE DECEMBER 31, 2024	**1'775**	**350'967**	**(9'480)**	**36'402**	**379'664**

* For presentation purposes, we have included the Capital contribution reserve together with Retained earnings and other reserves. Consequently, we have revised the presentation of the prior period accordingly.

5. Consolidated Statement of Cash Flows for the years ended December 31, 2025 and 2024

(Thousand Euro)	Notes	31.12.2025	31.12.2024
PROFIT FOR THE YEAR		**95'460**	**72'886**
Adjustments for:			
Income taxes	6.12	19'832	14'883
Depreciation, amortization and impairment of tangible, intangible and right-of-use assets	6.25.2	76'469	65'803
(Gain) / loss on disposal of tangible and intangible assets		104	(78)
Foreign exchange result		(4'009)	(3'591)
Interest expenses		5'256	6'317
Change in provisions and employee benefit obligation	6.13; 6.14 ; 6.19 ; 6.20	9'288	9'403
Share-based payments expense	6.21	4'791	3'817
Bargain purchase gain	6.4	(13'653)	-
Income taxes paid		(8'057)	(10'236)
Interest paid		(5'564)	(5'751)
(Increase) / decrease in trade receivables		(17'383)	(15'565)
(Increase) / decrease in other assets and prepaid expenses		(4'590)	(2'374)
(Increase) / decrease in inventories		(21'696)	(28'381)
Increase / (decrease) in trade payables		14'083	(3'038)
Increase / (decrease) in other liabilities and accruals		2'322	3'046
CASH FLOW FROM OPERATING ACTIVITIES		**152'653**	**107'141**
Purchase of tangible assets *	6.8	(122'948)	(89'262)
Purchase of intangible assets **		(20'151)	(15'427)
Proceeds from disposal of tangible assets		9'287	7'693
Cash consideration for acquisitions, net of cash acquired	6.4	(4'151)	-
(Investments) / disinvestment in financial assets	6.11	1'000	(1'873)
CASH FLOW FROM INVESTING ACTIVITIES		**(136'963)**	**(98'869)**
Proceeds from borrowings	6.18	85'278	71'209
Repayment of borrowings	6.18	(70'921)	(40'606)
Repayment of lease liabilities	6.18	(12'296)	(10'296)
Dividends paid	6.17	(14'661)	(11'194)
Purchase of treasury shares	6.17	(6'183)	(4'788)
CASH FLOW FROM FINANCING ACTIVITIES		**(18'783)**	**4'325**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(3'093)**	**12'597**
Cash and cash equivalents at the beginning of the year	6.16	31'588	20'792
Net effect of currency translation on cash and cash equivalents		4'716	(1'801)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6.16	**33'211**	**31'588**

* In 2024, "Purchase of tangible assets" excludes Euro 2'250 thousand related to 2024 additions in "Land", that were paid and recognized as "Investments in financial assets" in the 2023 Consolidated Statement of Cash Flows.

** "Purchase of intangible assets" excludes unpaid acquisitions of intangible assets.

6. Notes to the Consolidated Financial Statements for the years ended December 31, 2025 and 2024

General information

Medacta Group SA (referred to hereafter as the "Company" or together with its subsidiaries the "Group") has been registered in the Commercial Register of the Canton Ticino since November 30, 2018 and is a limited company incorporated and domiciled in Canton Ticino. The registered office is Strada Regina 34, 6874 Castel San Pietro, Ticino, Switzerland.

The Company shares are publicly traded and listed on the SIX Swiss Exchange in Zurich.

The Group operates globally to develop, manufacture and distribute orthopedic and neurosurgical medical devices. The Group was founded in 1999 with a vision of redefining better through innovation for people needing joint replacement and spine surgery. The Group has a Financial Year ending December 31.

Statement of compliance

The Consolidated Financial Statements as of December 31, 2025 have been prepared in accordance with the International Financial Reporting Standards (hereinafter also "IFRS") as issued by the International Accounting Standards Board (IASB).

The principles and standards utilized in preparing these Consolidated Financial Statements have been consistently applied through all periods presented, with the exception of the new standards and interpretations that are effective for reporting periods beginning on and after January 1, 2026, as disclosed in Note 6.3 "New accounting and International Financial Reporting Standards".

These Consolidated Financial Statements are composed of a Consolidated Statement of Profit or Loss, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Financial Position, a Consolidated Statement of Changes in Equity, a Consolidated Statement of Cash Flows and the related Notes to the Consolidated Financial Statements.

In the Consolidated Profit or Loss, the Group presents operational expenses by function. The Group presents current and non-current assets and current and non-current liabilities as separate classifications in its Consolidated Statement of Financial Position. This presentation of the Consolidated Statement of Profit or Loss and of the Consolidated Statement of Financial Position is believed to provide the most relevant information.

The Consolidated Statement of Cash Flows from operating activities was prepared and presented utilizing the indirect method and cash flows from investing and financing activities were prepared and presented utilizing the direct method. The Consolidated Statement of Cash Flows includes actual inflows and outflows of cash and cash equivalents only; accordingly, it excludes all transactions that do not directly affect cash receipts and payments. The reason for excluding non-cash transactions in the Statement of Cash Flows and placing them within disclosures keeps the statement's primary focus on cash flows from operating, investing, and financing activities in the original state so that users of financial statements can fully understand the importance of what this financial statement does. An example of non-cash transactions, as mentioned in IAS 7, is the acquisition of assets by assuming directly related liabilities or by means of a lease.

Basis of measurement

The Consolidated Financial Statements have been prepared using the historical cost convention, with the exception of certain financial assets and liabilities for which measurement at fair value is required (see Note 6.6 "Fair value measurement and classification").

The Consolidated Financial Statements have been prepared on a going concern basis. The Directors believe that there are no financial or other indicators presenting material uncertainties that may cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months (see also considerations reported in Note 6.1 "Significant events and transactions", paragraph "Macroeconomic environment").

Presentation currency

Items included in the financial statement of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The Group's presentation currency is Euro, while the functional currency of the Parent Company is Swiss Franc. All values are rounded to the nearest thousand except where otherwise indicated.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions which influence the value of assets and liabilities in the Consolidated Statement of Financial Position and recognition of revenue and expenses in the Consolidated Statement of Profit or Loss, and the disclosures included in the Notes of the Consolidated Financial Statements.

The most significant accounting principles which require a higher degree of judgement from management are described below:

- Leases – Due to the application of IFRS 16, judgement is required to determine the lease term. Management considers all circumstances and facts that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances impact the initial evaluation.
- Development costs – Applying IAS 38, the Group recognizes an internally-generated intangible asset arising from development only if all the conditions specified in the standard have been demonstrated (refer to Note 6.2 "Consolidation principles, composition of the Group and significant accounting policies", paragraph "Significant accounting policies"). Management uses its judgement, based on facts and circumstances of each development project, to assess whether the conditions of IAS 38 par. 57 have been met.
- Bargain – the Group recognizes, at the acquisition date, the fair value of identifiable assets acquired and liabilities assumed, any non-controlling interests and the consideration transferred in a business combination, after determining whether the transaction constitutes a business, identifying the acquirer and establishing the acquisition date in accordance with IFRS 3. Significant judgement is required to assess when control is obtained, identify separately identifiable assets and liabilities and measure them at fair value using appropriate valuation techniques and key assumptions (e.g. forecast cash flows, discount rates, growth and useful lives), with external valuation specialists engaged where appropriate. Judgement is also applied in determining and recognizing any bargain purchase gain after reassessing the underlying measurements, and the related deferred tax liabilities (refer to Note 6.4 "Business Combinations").

Estimates are based on historical experience and other factors. The resulting accounting estimates could differ from the related actual results. Estimates are periodically reviewed, and the effects of each change are reflected in the Consolidated Financial Statements in the year in which the change occurs. The key sources of estimation uncertainty are the following:

- Impairment test for intangible assets – The Group owns intangible assets mainly represented by internal capitalized development costs, trademarks and customer lists acquired through business combination. Capitalized development costs are reviewed on a regular basis and the Group determines annually, in accordance with the accounting policy, whether any of the assets should be tested for impairment. In-process development capitalized costs are tested for impairment at least annually. For the impairment tests, estimates are made on the expected future cash flows from the use of the asset or cash-generating unit. The actual cash flows could vary significantly from these estimates. A sensitivity analysis was performed to review the impact of reasonably possible changes in key assumptions (see Note 6.10 "Intangible assets", paragraph "Impairment test for intangible assets").
- Deferred tax assets – The consolidated balance sheet includes deferred tax assets related to deductible differences and, in certain cases, tax losses carried forward, provided that their utilization has been determined to be probable. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods. Estimates of future taxable income are subject to change due to both markets and government related uncertainties, as well as Medacta's own future decisions.
- Valuation of inventories – The orthopedic market, in which the Group operates, typically requires a high level of inventories, some of which are located at customer premises and are available for immediate use, including large and small sizes that are used less frequently than standard sizes and may generate excess inventory towards the end of the product life cycle. Inventories are periodically assessed and written down if their net realizable value is less than their carrying amount, including adjustments to reflect the situation described above. Write-downs for obsolescence or slow moving are calculated based on management's assumptions and judgements derived from experience and historical results. As of December 31, 2025, management has not changed the key assumptions underlying the calculation methodology. The provision for slow moving, discontinued and obsolete inventory is not considered to have a range of potential outcomes that is significantly different to the write-downs to net realizable

value recognized in “Cost of Sales” as of December 31, 2025 (see Note 6.13 “Inventories”). The provision has a high degree of estimation uncertainty, depending on the range of products and sizes, on new customers acquisitions and on the achievement of target sales and procurement needs.

- Pension plans – The Group participates in pension plans in various countries. The present value of pension liabilities is determined using actuarial techniques and certain assumptions. These assumptions include the discount rate, the expected return on plan assets, the rates of future compensation increase, and rates related to mortality and resignations. Any change in the above-mentioned assumptions could result in significant effects on the employee benefit liabilities. The sensitivity analysis related to the changes in the assumptions is reported in Note 6.20 “Employee benefit obligation”.
- Legal and other contingencies – The Group is involved in various ongoing proceedings, legal actions and claims subject to a significant degree of estimation. Provision is recognized for lost contingencies when it is considered probable that an adverse outcome will occur, and the amount of the loss can be reasonably estimated. Management, in making its estimates, takes into account the advice of internal and external legal counsel. The recognized provisions are reviewed regularly, and balances are updated where necessary to reflect developments in the disputes. See Note 6.26 “Litigations” for further details.

6.1 Significant events and transactions

Macroeconomic environment

During the year 2025, the Group continued to operate in a complex macroeconomic and geopolitical environment.

The global economy showed signs of a moderate recovery. In some countries, inflation and interest rates began to stabilize or decline, while in others, recent geopolitical developments continued to fuel inflationary pressures.

The geopolitical tensions—particularly in Ukraine, the Middle East, and the Asia Pacific region—continued to influence global market dynamics. In 2025, our operations did not generate any sales in Russia, and our activities in Ukraine resulted in revenues of only Euro 2 million, and in Israel of Euro 2.5 million. Our assets in these countries are negligible, apart from Euro 0.7 million in receivables from Ukrainian clients, fully reserved. Although cybersecurity risks continue to represent a relevant threat in the healthcare and medical device sectors, the Group has implemented a dedicated cybersecurity enhancement program, in cooperation with specialized external partners, to strengthen the protection of its IT infrastructure, data, and products.

These external conditions resulted in volatility in commodity prices, higher transportation and energy costs, and a general increase in supply chain risks.

However, such macroeconomic and geopolitical factors did not have a material adverse impact on the Group’s operations or financial position during the reporting period.

Additionally, during the year, the United States introduced new import tariffs on a range of strategic goods. These measures, aimed at protecting domestic industries and addressing trade imbalances, have contributed to increased uncertainty in the global trade environment. These implications did not result in any significant effects on the Group.

The Group, and our Enterprise Risk Management process will continue to monitor macroeconomic and geopolitical developments closely and will adopt timely and appropriate measures to safeguard its operations and ensure the long-term sustainability of its financial performance.

Management has evaluated the internal and external indicators listed by IAS 36. Despite the current macroeconomic environment and mid-year economic performance, as of December 31, 2025, there are no observable indicators suggesting that Medacta’s asset values may be impaired. External information sources, such as changes in market interest rates, market capitalization, and market trends, have shown only temporary impacts. Internal assessments indicate that the mid- and long-term fundamentals related to our expected economic performance remain unchanged.

Acquisition of Parcus Medical, LLC

On March 7, 2025 Medacta Group SA acquired 100% of Parcus Medical, LLC (“Parcus”) from Anika Therapeutics, Inc. for a cash consideration of USD 4.5 million (Euro 4.2 million).

Parcus is a specialist provider of sports medicine and arthroscopy solutions. The acquisition enables Medacta to accelerate its expansion of its sports medicine offering, and it is integrating in the Medacta Sportsmed business line accelerating the go-to-market strategy for a swift future growth in Sportsmed (see Note 6.4 “Business combination”).

6.2 Consolidation principles, composition of the Group and significant accounting policies

Consolidation principles

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Changes in the ownership interest of a subsidiary that do not result in a loss of control will be accounted for as an equity transaction. Hence, neither goodwill nor any gain or loss will result.

In business combinations achieved in stages, the Group remeasures its previously held equity investment in the acquiree at its acquisition date fair value and recognizes the resulting gain or loss in the Consolidated Statement of Profit or Loss as "Other income" or "Other expenses".

Business combinations

Acquisitions of businesses are accounted for using the acquisition method.

The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at either fair value or the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity investment in the acquiree over the fair value of the Group's share of the identifiable assets acquired and liabilities and contingent liabilities assumed is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the Group makes a new assessment of the identifiable assets and liabilities and contingent liabilities assumed and any residual difference is recognized directly in the Consolidated Statement of Profit or Loss.

Transactions eliminated on consolidation

The Consolidated Financial Statements include the consolidated financial information of the Medacta Group entities. All intercompany balances and transactions within the Consolidated Financials are eliminated. The Group accounts for the elimination of the unrealized profits resulting from intercompany transactions. These transactions relate to the sales from the Group entities which have not been realized externally.

Translation of the Financial Statements of foreign companies

The Group records transactions denominated in foreign currency in accordance with IAS 21 - the effect of changes in foreign exchange rates.

The results arising from the Profit or Loss and from the Financial Position Statements of all the Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation one are translated into the presentation currency as follows:

- all items related to each Statement of Financial Position are translated at the closing exchange rates;
- all items related to each Statement of Profit or Loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- exchange differences arising are recognized in Other Comprehensive Income and accumulated in a foreign exchange translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

The exchange rates used in translating the results of foreign operations are reported in Note 6.32 "Exchange rates used to translate financial statements prepared in currencies other than Euro".

Composition of the Group

Entities included in the scope of consolidation are listed below:

Company	% of shares held December 2025	% of shares held December 2024	Registered office	Registered Capital	Consolidation Method
Medacta Group SA	N/A	N/A	Castel San Pietro (CH)	2'000'000 CHF	Parent company
Knnex Health Inc.	100%	100%	Wilmington - Delaware (US)	100 USD	Full Consolidation
Medacta Holding SA	100%	100%	Castel San Pietro (CH)	1'026'010 CHF	Full Consolidation
Medacta International SA	100%	100%	Castel San Pietro (CH)	1'000'000 CHF	Full Consolidation
Medacta Americas Manufacturing Inc.*	100%	-	Wilmington - Delaware (US)	100 USD	Full Consolidation
Medacta Americas Operations Inc.	100%	100%	Wilmington - Delaware (US)	1 USD	Full Consolidation
Medacta Applied Solutions S.r.l.	100%	100%	Milan (IT)	10'000 EUR	Full Consolidation
Medacta Australia PTY Ltd	100%	100%	Lane Cove (AU)	4 AUD	Full Consolidation
Medacta Austria GmbH	100%	100%	Seekirchen am Wallersee (AT)	35'000 EUR	Full Consolidation
Medacta Belgium S.r.l.	100%	100%	Nivelles (BE)	18'550 EUR	Full Consolidation
Medacta Canada Inc.	100%	100%	Kitchener (CA)	100 CAD	Full Consolidation
Medacta España S.L.	100%	100%	Paterna (ES)	3'000 EUR	Full Consolidation
Medacta Europe Operations S.r.l.	100%	100%	Milan (IT)	600'000 EUR	Full Consolidation
Medacta France SAS	100%	100%	Nanterre (FR)	37'000 EUR	Full Consolidation
Medacta Germany GmbH	100%	100%	Göppingen (DE)	25'000 EUR	Full Consolidation
Medacta India Pvt Ltd *	100%	-	Mumbai (IN)	10'000'000 INR	Full Consolidation
Medacta Italia S.r.l.	100%	100%	Milan (IT)	2'600'000 EUR	Full Consolidation
Medacta Japan Co. Ltd	100%	100%	Tokyo (JP)	25'000'000 JPY	Full Consolidation
Medacta Netherlands B.V.*	100%	-	Eindhoven (NL)	1'000 EUR	Full Consolidation
Medacta UK Ltd	100%	100%	Hinckley (UK)	29'994 GBP	Full Consolidation
Medacta USA Inc.	100%	100%	Wilmington - Delaware (US)	1 USD	Full Consolidation
Parcus Medical LLC **	100%	-	Sarasota (US)	-	Full Consolidation

* New legal entities incorporated in 2025.

** On March 7, 2025 the Group acquired Parcus Medical LLC. For further information refer to Note 6.4 "Business Combination".

The percentages of shares held, reported in the table above, represent both the shares of the capital and the votes held. The ultimate parent company is Medacta Group SA. The Group has neither associated companies nor joint arrangements. The registered offices for each entity represent the subsidiary's main place of administration.

Significant accounting policies

Inventories

Inventories of raw material are stated at the lower of the acquisition cost, determined via "first in, first out" (FIFO) methodology, and net realizable value.

Inventories of finished goods and work in progress are valued at the lower of production cost and net realizable value. Production cost comprises the acquisition price of raw materials and consumables, directly attributable costs and a proportion of indirectly attributable costs incurred in bringing the inventories to their present location and condition.

The net realizable value represents the estimated sales price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions for write-downs for raw materials, work in progress and finished goods which are considered obsolete or slow moving are determined by taking into account their expected future utilization and their net realizable value. The Group also considers other reasons that the cost of inventories may not be recoverable such as damage, obsolescence, declines in selling price. The cost of inventories may not be recoverable if the estimated costs incurred to make the sale would be greater than the net realizable value.

In addition, when the Group performs its assessment of the net realizable value at the end of each reporting period, it considers whether the circumstances that previously caused inventories to be written-down no longer exist or whether there is clear evidence of an increase in net realizable value because of changed economic circumstances and, if necessary, reverses the amount of the write-down so that the new carrying amount is the lower of the cost and the revised net realizable value.

Property, plant and equipment

Property, plant and equipment are measured at historical cost, which includes expenditures that are directly attributable to the acquisition of the items. The Group adopted the Cost Model under IFRS. Under this model, after initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses. The depreciable amount of the items of property, plant and equipment, measured as the difference between their historical cost and their residual value, is allocated on a straight-line basis over their estimated useful lives as follows:

• Buildings	40 years
• Plants	10 years
• Machinery	15 years
• Instruments	6 years
• Other fixtures and fitting, tool and equipment	5-8 years

Land is not depreciated as it is deemed to have an indefinite life. Leasehold improvements are depreciated over the lease term including optional extension of the lease period but not exceeding its economic life. Assets under construction are not depreciated until they are available for use.

Depreciation is recorded in the Consolidated Statement of Profit or Loss by function in "Cost of Sales", "Research and Development expenses", "Sales and Marketing expenses" and "General and Administrative expenses". Instruments depreciation is recorded in "Cost of Sales".

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance costs are charged to the Consolidated Statement of Profit or Loss during the financial period in which they are incurred.

The residual value and the useful economic life of property, plant and equipment are reviewed annually and adjusted where necessary.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Further information can be found in "Impairment of assets" section.

Upon disposal or when no future economic benefits are expected from the use of an item of property, plant and equipment, its carrying amount is derecognized. The gain or loss arising from derecognition is included in the Consolidated Statement of Profit or Loss.

Leases

For any new contract, the Group assesses whether a contract is or contains a lease. A lease is defined as a "contract, or a part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration".

Leases are recognized by the Group as a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which the lessee is.

The only two recognition and measurement exemptions identified by the Group are short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The lease liability is presented as a separate line in the Consolidated Statement of Financial Position.

The right-of-use assets include Building, Motor vehicles, ITC Equipment, Plants and Machinery, and other tools and equipment. They comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Consolidated Statement of Financial Position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired. Further information can be found in "Impairment of assets" of the current section.

Intangible assets

Intangible assets are non-monetary assets which are separately identifiable, have no physical nature, are under the company's control and are able to generate future economic benefits.

Such assets are recognized at acquisition cost and/or development cost, including all costs directly attributable to make the assets available for use, net of accumulated amortization and any impairment. Amortization of intangible assets (excluding goodwill) commences when the asset is available for use and is calculated on a straight-line basis over the asset's estimated useful life.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortized but is tested for impairment at least annually to identify any impairment losses. This test is carried out with reference to the cash-generating unit (CGU) or group of CGUs to which goodwill is allocated and monitored. Reductions in the value of goodwill are recognized if the recoverable amount of goodwill is less than its carrying amount. Recoverable amount is defined as the higher of the fair value of the CGU or group of CGUs, less costs to sell and the related value in use. An impairment loss recognized against goodwill cannot be reversed in a subsequent period. If an impairment loss identified by the impairment test is higher than the value of goodwill allocated to that CGU or group of CGUs, the residual difference is allocated to the other assets included in the CGU or group of CGUs in proportion to their carrying amount.

Research and Development

Research is defined as "original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding".

According to IAS 38 no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. In the research phase of an internal project, an entity cannot demonstrate that an intangible asset exists that will generate probable future economic benefits. Therefore, expenditure on research shall be recognized as an expense when it is incurred.

Development is defined as "the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use".

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditures which fulfil these criteria are limited to the development of new prosthesis and/or surgical instruments as well as costs related to the development of existing products in the pipeline which require significant improvements. Expenditures which do not fulfil these criteria, and costs incurred after that the development phase is completed (typically when the product obtains certification) are expensed as incurred (i.e., post-market surveillance, maintenance and other minor improvements activities). In addition to the internal costs (direct personnel and other operating costs, depreciation on research and development equipment and allocated occupancy costs), total costs also include externally contracted development work. Such capitalized intangibles are recognized at cost less accumulated amortization and impairment losses.

After initial recognition, if the development of the project is abandoned, fails, or the requirements for recognition under IAS 38 and Group's accounting policies cease to be met, the project is disposed, and the related loss is recognized in the Consolidated Statement of Profit or Loss, in the line "Research and Development expenses".

The estimated useful lifetime of development projects is 5 years applying the straight-line method.

Amortization of Development is recorded in the Consolidated Statement of Profit or Loss in the line "Research and Development expenses".

Customer lists and other intangible assets (trademarks, patents and other)

Assets acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a definite useful life and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives.

Contractual customer lists acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a definite useful life and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized over the expected life of the customer lists, and it is recorded in the Consolidated Statement of Profit or Loss in line "Sales and Marketing expenses".

All intangible assets are subject to impairment tests, as required by IAS 36—Impairment of Assets, if there are indicators that the assets may be impaired, except for in-process development projects that are tested for impairment at least once a year.

Below is reported a scheme which summarizes the useful lives of each category of intangible assets:

• customer lists	15 years
• other intangible assets (trademarks, patents and other)	5 years

Impairment of assets

IAS 36 Impairment of assets seeks to ensure that an entity's assets are not carried at more than their recoverable amount (i.e., the higher of fair value less costs of disposal and value in use). As detailed below, with the exception of goodwill and certain intangible assets for which an annual impairment test is required, entities are required to conduct impairment tests where there is an indication of impairment of an asset, and the test may be conducted for a 'cash-generating unit' where an asset does not generate cash inflows that are largely independent of those from other assets.

Impairment of goodwill and intangible assets with indefinite life

Goodwill and intangible assets with indefinite life are tested annually for impairment or whenever there are impairment indicators. Impairment is determined by assessing the recoverable amount of the cash-generating units to which the goodwill and intangible assets with indefinite life are related. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment of property, plant and equipment, right-of-use and intangible assets with a definite useful life

For the purposes of assessing impairment, property, plant and equipment, right-of-use assets and intangible assets with a definite useful life are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Unit or "CGU"). These assets are analyzed at each reporting date for any evidence of impairment. If such evidence is identified, the recoverable amount of these assets is estimated, and any impairment loss related to carrying amount is recognized in Profit or Loss. The recoverable amount is the higher of the fair value of an asset, less selling costs and its value in use, where the latter is the present value of the estimated future cash flows of the asset. The recoverable amount of an asset which does not generate largely independent cash flows is determined in relation to the cash-generating unit to which the asset belongs. In calculating an asset's value in use, the expected future cash flows are discounted using a discount rate reflecting current market assessments of the time value of money, in relation to the period of the investment and the specific risks associated with the asset. An impairment loss is recognized in the Profit or Loss when the asset's carrying amount exceeds its recoverable amount. If the reasons for impairment cease to exist, the asset's carrying amount is restored with the resulting increase recognized through Profit or Loss; however, the carrying amount may not exceed the net carrying amount that this asset would have had if no impairment had been recognized and the asset had been depreciated/amortized instead.

Impairment of intangible assets for development costs

Intangible assets for development costs are tested whenever there is an indicator of impairment. Medacta Group on a quarterly basis performs an assessment on the existence of impairment indicators. If an impairment loss is identified, it is recognized in the Consolidated Statement of Profit or Loss. The Group performs its annual impairment test of in-process development projects as of September 30. Medacta usually applies the value in use method for its impairment assessment. The estimates used are highly sensitive and depend on assumptions specific to the nature of the Group's activities with regard to: amount and timing of expected cash flows, long-term sales forecasts, sales erosion from competitors, outcome of research and development activities, amount and timing of projected costs to develop in-process research and development in commercially viable products, tax rates, discount rates.

The reversal of an impairment loss is recorded in the Consolidated Statement of Profit or Loss. The impairment loss incurred on goodwill cannot be reversed.

Financial instruments

Financial instruments are any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity; they are recognized and measured in accordance with IAS 32 and IFRS 9.

Financial assets (classification)

Financial assets are initially measured at fair value. IFRS 9 identified two measurement categories: amortized cost and fair value. Movements in fair value are presented in either profit or loss (FVTPL) or other comprehensive income (FVTOCI), subject to certain criteria being met. The classification of financial assets under IFRS 9 based on the business model within which a financial asset is managed, and its contractual cash flow characteristics are reported as follows:

- amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in Profit or Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method;
- fair value through Other Comprehensive Income (FVTOCI): financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- fair value through Profit or Loss (FVTPL): any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

The Group, according with the principle, is subject only to amortized cost and fair value through profit or loss (FVTPL) classifications.

Trade and other receivables

Trade and other receivables are stated at amortized cost, less expected credit losses.

The Group writes off the receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Trade receivables do not contain any significant financing element as of December 31, 2025 and 2024.

Impairments of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost. The expected credit loss model requires the Group to account for expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

With respect to IFRS 9, the Group recognizes a loss allowance for expected credit losses on:

- other non-current and current financial assets;
- other assets and prepaid expenses;
- trade receivables.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit loss. The Group determines the expected credit losses in these items by using a provision matrix on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current condition and estimates of future economic condition. In addition, the Group considers a trade receivable "credit impaired", and consequently subject to a specific loss allowance, when there is evidence that the recoverability of the asset is deteriorating, i.e., when specific events has occurred, such as: the customer is experiencing significant financial difficulties; or it is becoming probable that the customer will enter bankruptcy or other financial reorganization.

For all other assets, the Group recognizes lifetime expected credit losses when there is a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the allowance for these financial instruments an amount equal to 12 months expected credit loss.

In assessing whether the financial credit risk of the instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical and forward-looking information. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in Profit or Loss.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

The Group entered into several forward contracts during the years 2025 and 2024, selling USD and buying CHF. None of these contracts were designated in hedge relationships. These instruments have a duration between 1 and 12 months.

Financial derivatives with a positive fair value are recorded in other current financial assets and those with a negative fair value in current financial liabilities. Fair value changes of financial derivatives are booked as financial income/(costs) into the Consolidated Statement of Profit or Loss (refer to Note 6.25 "Information on the Consolidated Statement of Profit or Loss").

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents is considered to have low credit risk since it is deposited in bank institutions with over BBB+ rating. The carrying amount of these assets is approximately equal to their fair value.

Trade payables and other current liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less from the reporting date. If not, they are presented as non-current liabilities.

Trade payables are initially recognized at fair value. Subsequent measurement is made using the amortized cost using the effective interest rate method.

Borrowings and other financial liabilities

Borrowings from banks or financial institutions and other financial liabilities are initially recorded at fair value. Subsequent measurement is made using the amortized cost using the effective interest rate method.

Borrowings and other financial liabilities are classified among current liabilities, unless the Group has an unconditional right to defer their payment for at least 12 months after the reporting date.

Borrowings and other liabilities are removed from the Statement of Financial Position when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

Deferred tax assets and deferred tax liabilities / taxes (P&L)

Income taxes include all taxes based on the taxable profits of the Group. Current and deferred taxes are recognized as a benefit or expenses and are included in the Consolidated Statement of Profit or Loss for the year, except tax arising from:

- a transaction or event which is recognized, in Other Comprehensive Income (OCI) or directly in equity, in which case, taxes are also recognized in OCI or directly in equity, respectively;
- a business combination, in which case the tax effect is included in the accounting for the business combination.

Income taxes include all domestic and foreign taxes which are based on taxable profits. Income taxes also include taxes, such as withholding taxes, which are payable by a subsidiary to the reporting entity.

Income tax expenses comprise current and deferred income taxes.

Current income taxes

Current income taxes are based on the taxable profit of the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Profit or Loss, because it excludes items that are never taxable or deductible. The Group's tax assets and liabilities for the current period are measured at the amount expected to be received from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically takes position in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate, based on the amounts expected to be paid to the tax authorities. Interest and penalties associated with these positions are included in "Income taxes" within the Consolidated Statement of Profit or Loss.

Deferred income taxes

Deferred income taxes are accounted for using the liability method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred taxes are determined using tax rates (and laws) that have been enacted or substantially enacted as of the reporting date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss;
- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all the deferred tax assets to be utilized. The recoverability of deferred tax assets is dependent on the Group's ability to generate sufficient future taxable income in the period in which it is assumed that the deductible temporary differences reverse, and tax losses carried forward can be utilized. In making this assessment the Group considers future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered.

Employee benefit obligation

Post-employment plans

Most employees of the Group are covered by post-employment plans. Most of the plans are defined contribution plans, where future benefits are determined by reference to the amount of contributions paid, and are generally administered by autonomous pension funds or independent insurance companies. These post-employment plans are financed through employer and employee contributions. The Group's contributions to defined contribution plans are charged to the Profit or Loss in the year to which they relate.

Some entities of the Group (as disclosed in Note 6.20 "Employee benefit obligation") sponsor defined benefit pension plans for qualifying employees. Accounting and reporting of these plans are based on actuarial valuations. Defined benefit obligations and service costs are assessed using the projected unit credit method: the cost of providing pensions is charged to the Profit or Loss to spread the regular cost over the service lives of employees participating in these plans. The pension obligation is measured as the present value of the estimated future outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Service costs from defined benefit plans are charged to the appropriate Profit or Loss heading within the operating results.

A single net interest component is calculated by applying the discount rate to the net defined benefit asset or liability. The net interest component is recognized in the Profit or Loss in the financial result.

Remeasurements of defined benefit obligations, resulting from changes in actuarial assumptions and differences between assumptions and actual experiences, are recognized in the period in which they occur in "Other Comprehensive Income" (OCI).

Other non-current benefits

Other non-current benefits mainly comprise length of service compensation benefits in certain Group companies. Contributions made by employees or by third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- if the contributions are not linked to services (e.g., contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are recorded in Other Comprehensive Income (OCI) as remeasurements of employee benefits;
- if contributions are linked to services, they reduce service costs.

Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Share-based compensation

Since 2021, the Group has implemented a Performance Share Plan ("The Plan" or "LTIP" - Long-Term Incentive Plan), which has been approved on an annual basis since its introduction.

The LTIP is an incentive measured over a rolling three-year performance period with the purpose of fostering long-term value creation for the Group. Eligible plan participants will be granted a certain number of Performance Share Units (PSUs), which represent a contingent entitlement to receive Medacta shares in the future. The number of granted PSUs will depend on the individual LTIP grant level, individually determined by the Board of Directors each year based on the individual's performance, the position, complexity of the function, and level of responsibility. For members of the Group Executive Management, the number of PSUs will be subject to the amounts approved at the applicable AGM. The number of PSUs that vest for a specific participant is calculated at the Vesting Date by multiplying the number of granted PSUs by the Final Vesting Multiple, rounded up to the next whole Share. Ultimately, the number of PSUs which vest shall be determined by the Board or a body designated by the Board in a final, conclusive and binding manner. The Final Vesting Multiple equals either Group Vesting Multiple (see description below) or Country Vesting Multiple (see description below), whereas the latter applies if all of the following three conditions are met:

- Group Vesting Multiple is below 0.30;
- the respective Participant is eligible for country performance consideration;
- the country performance threshold has been met for the entire duration of the plan.

The Group Vesting Multiple is based upon a 50% weighting of the Relative TSR Vesting Multiple and a 50% weighting of the Absolute EBIT Vesting Multiple, rounded off to two decimal places, whereby:

- the Absolute TSR Vesting Multiple is calculated as the (positive or negative) difference between Medacta's TSR and the SPI Extra Total Return TSR10, measured in percentage points (p.p.). Medacta's TSR is measured considering the compound annual growth rate of the Reference Price Ending compared to the Reference Price Beginning over the three (3)-year TSR Performance Period and the accumulative, nominal dividends distributed in the same period. To be consistent with the index, it is assumed that dividends are reinvested. The Relative TSR Vesting Multiple cannot be lower than 0.00 or higher than 2.00;
- the Absolute EBIT Vesting Multiple is calculated based on the EBIT of the Group measured as the sum of the absolute EBIT over the three (3)-year Absolute EBIT Performance Period and calculated by the Board or a body designated by it, according to the Absolute EBIT Vesting Multiple table. The Absolute EBIT Multiple cannot be lower than 0.00 or higher than 2.00. The Country Vesting Multiple (if relevant) is calculated based upon a 100% weighting of the respective country's revenues and will be either 0.00 or 0.30. For each country, details with regards to performance measure, performance targets, performance period and performance calculation are set out in the Allotment Certificate.

Overall, the combined vesting multiple is expected to never exceed 200%.

Participants to the Plan receive part of their remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions). The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. The fair value of performance stock units (PSUs) granted under TSR performance component is estimated using the Monte Carlo simulation methodology. The Monte Carlo simulation input assumptions are determined based on available internal and external data sources. The expected volatility of the share price returns is based on the historic volatility of daily share price returns of the Company, measured over a historical period matching the performance period of the awards. Further details are provided in Note 6.21 "Share-based payment transactions". No expense is recognized for awards that do not ultimately vest. An additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date of grant, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding performance share units (PSUs) is reflected as additional share dilution in the computation of earnings per share (Note 6.28 "Earnings per share").

Treasury shares

Equity instruments which are re-acquired by Medacta Group SA (treasury shares) are deducted from equity and disclosed separately. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The expense relating to any provision is presented in the income statement, net of any reimbursement and where discounting is used, the increase in the provision is recognized as a finance expense.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is recognized primarily when control of the promised goods is transferred to the customer, which typically occurs at the point in time upon delivery, shipment or utilization. There is no significant revenue associated with the provision of services.

The Group sells products mainly through the following channels:

- healthcare institutions (hospitals, clinics). Inventory is generally consigned to sales agents or customers before surgery is planned, so that the products are available when needed. Revenue is recognized at the point in time when notification is received that the product has been implanted or used, i.e., when surgery occurs;
- external distributors. Medacta sells products to distributors mainly in countries where it does not have its own presence. Revenue is generally recognized when control of products is transferred to the customer, which typically occurs upon shipment of the product.

Sales commissions to employees or agents are contract costs and are recorded in the Consolidated Statement of Profit or Loss at the point in time when related revenues are recognized. The Group does not incur other significant costs to obtain contracts. There are no significant contract assets, liabilities or future performance obligations.

The transaction price may comprise both fixed and variable components. Products are in most transactions sold at pre-defined fixed prices. However, transaction price may also include in some instances variable considerations contingent to future events in the form of discounts, rebates or paybacks. Revenue is recognized, as soon as the performance obligation is satisfied, at the transaction price identified. Medacta applies the "most likely amount" method or the "expected value method" in order to estimate the variable consideration, whichever is more predictive based on the terms of the contracts. The amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Medacta variable considerations are mainly related to customer commercial bonus. It is estimated using the most likely amount method and updated at each reporting date based on actuals and forecasts results. The revenue recognition constraint limits to amounts highly probable not to reverse.

The payment terms vary by contract and region, our terms typically require payment within 60 to 90 days. Where payment terms provide for settlement beyond one year from the transfer of goods or services, the transaction price is adjusted to reflect the time value of money. The related financing component is recognized separately as interest income over the financing period. Medacta applied the practical expedient under IFRS 15.63 and did not adjust the transaction price for significant financing components where the period between transfer of goods or services and payment is one year or less.

6.3 New accounting and International Financial Reporting Standards

New standards, amendments and interpretations that are effective for reporting periods beginning on January 1, 2025

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The adoption did not have any material impact on the disclosures or on the amounts reported in these financial statements.

New standards, amendments and interpretations that are effective for reporting periods beginning on and after January 1, 2026 and not yet adopted by the Group

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 19 Subsidiaries without Public Accountability: (applicable for annual periods beginning on or after January 1, 2027);
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after January 1, 2027);
- amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (applicable for annual periods beginning on or after January 1, 2026);
- amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after January 1, 2026);
- amendments to Annual Improvements Volume 11 (applicable for annual periods beginning on or after January 1, 2026).

The Group has not early adopted any of the listed amendments that have been issued but not yet effective.

The future adoption of the above amendments, excluding the introduction of IFRS 18, is not expected to have any material impact on the disclosures or the amounts reported in the Consolidated Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18, issued by the International Accounting Standards Board in April 2024 and effective from January 1, 2027, with retrospective application permitted, will replace IAS 1 Presentation of Financial Statements. The standard introduces a more structured presentation of the statement of profit or loss, including five defined categories (operating, investing, financing, income taxes and discontinued operations), and clearer principles for aggregation and disaggregation of information.

IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it might change the classification of certain income and expense items between the five categories of the consolidated income statement. It might also change what an entity reports as operating activities, investing activities and financing activities within the statement of cash flows, due to the change in classification of certain cash flow items between these three categories of the cash flows statement.

The Company's preliminary assessment of IFRS 18 impacts indicates that certain income and expense amounts are expected to be reclassified within the consolidated income statement. These expected presentation changes will not affect reported net income.

The consolidated statement of cash flows presentation will change. It will start with operating income instead of net income, and certain cash flows are expected to be reclassified among the operating, investing, and financing activities categories. Medacta is currently finalizing its assessment of the impact of adopting IFRS 18, which will be effective January 1, 2027.

6.4 Business combination

Acquisition of Parcus Medical, LLC

At the beginning of March 2025, Medacta Group SA completed the acquisition of Parcus from Anika Therapeutics, Inc, paying a cash consideration of USD 4.5 million (Euro 4.2 million). Transaction-related costs of Euro 1'375 thousand were excluded from the consideration transferred and recognized in the Profit or Loss Statement under "General and Administrative expenses."

Parcus is a specialist provider of sports medicine and arthroscopy solutions with 2024 revenue of a good USD 16 million. The acquisition gained access to additional US sales agents and distributors in over 45 countries thereby enlarging its global reach to customers. As part of the acquisition, Medacta will take over Parcus' US manufacturing site in Florida, allowing Medacta to be vertically integrated also in Sportsmed.

Parcus' portfolio offers a diverse product family in sports medicine that helps facilitate surgical procedures in the shoulder, knee, hip and foot & ankle. The acquisition significantly expands and excellently complements Medacta's sports medicine solution offerings in Sportsmed. Medacta will be able to leverage Parcus's brands and innovations to better serve the market. Furthermore, Medacta will be able to capitalize opportunities due to its strong presence in the fast-growing US Ambulatory Surgical Centre (ASC) market.

Assets acquired and liabilities recognized at the date of acquisition

(Thousand Euro)	Fair value
Property, plant and equipment	1'665
Right-of-use assets	852
Inventories	19'649
Trade receivables	2'306
Other current assets and prepaid expenses	26
Cash and cash equivalents	4
Non-current liabilities	(5'862)
Current liabilities	(832)
NET ASSETS	**17'808**
Goodwill/(Bargain)	(13'653)
PURCHASE CONSIDERATION	**4'155**
Acquiree net cash	(4)
CASH CONSIDERATION FOR ACQUISITIONS, NET OF CASH ACQUIRED	**4'151**

No identifiable intangible assets met the recognition criteria at the acquisition date. The fair value of Inventories amounted to USD 21.3 million (Euro 19.6 million) after recognizing both a step-up adjustment and a write-down for obsolete and slow-moving items. The gross amount of Trade receivable for Parcus amounted to USD 3.4 million (Euro 3.2 million), out of which USD 1 million (Euro 0.9 million) is expected to be uncollectable. Non-current liabilities line includes USD 5.8 million (Euro 5.3 million) of deferred tax liabilities.

Because the fair value of the net identifiable assets of USD 19.3 million (Euro 17.8 million) exceeds the consideration transferred of USD 4.5 million (Euro 4.2 million), a bargain purchase gain of USD 14.8 million (Euro 13.7 million) has been recognized in the income statement. The gain mainly arises from the vendor's decision to divest a non-core business, while for Medacta, it will enable accelerated expansion of its sports medicine offering.

From acquisition date, Parcus products contributed approximately 1.5% (Euro 10.1 million) of revenue. There are no contingent liabilities associated with the transaction.

6.5 Financial risks management

The Board of Directors is responsible for the Group's internal control system, which provides the ultimate oversight for Medacta's strategy, operation and finances.

The internal control system of Medacta is structured to ensure the correct disclosure and adequate coverage of control over all Group activities, with particular attention on areas considered potentially at risk. Each Board Member is entitled to request information concerning all affairs of the Company and the Group reasonably necessary to fulfil his fiduciary duties.

The risk management strategy of the Group aims to stabilize the results of the Group by minimizing the potential effects due to volatility in financial markets.

The Group uses derivative financial instruments to mitigate exchange rate risks.

According to the Organizational Regulations[1], the CFO, in cooperation with the CEO, ensures good financial governance, overseeing all financial planning, budgeting (short- and midterm), reporting and risk management activities. Furthermore, the CFO leads the implementation of systems and procedures to seek to ensure compliance with regulatory requirements for financial information, reporting, disclosure requirements, and internal control.

Liquidity risk is managed centrally for the whole Group including necessities of foreign subsidiaries.

The assets of the Group are exposed to different types of financial risk:

- market risk (which includes exchange rate risk and cash flow uncertainty);
- credit risk;
- liquidity risk.

Market risk

Exchange rate risk

The Group operates internationally and is, therefore, exposed to exchange rate risk related to the various currencies with which the Group operates.

The Group is exposed to foreign exchange risk mainly related to financial instruments (including trade and other receivables, trade and other liabilities, financial and lease liabilities) held by the Swiss companies of the Group in currencies different from their functional currency (Swiss Franc).

Furthermore, the Group uses Euro as presentation currency and holds net assets in different functional currencies, hence is exposed to foreign currency translation risk. This risk is not hedged.

The Group only enters into foreign exchange forward contracts, selling USD and buying CHF. The financial instruments have a duration between 1 and 12 months. These financial instruments are not designated in hedging relationships.

[1] Medacta's Organizational Regulations (including the charters of the Board Committees) are available on Medacta's website at: https://www.medacta.com/EN/corporate-governance?goto=organizational-regulations.

As of December 31, 2025, forward currency contracts with a nominal value of USD 44'300 thousand (2024: USD 40'100 thousand) and positive fair value of Euro 707 thousand (2024: negative fair value of Euro 1'675 thousand) were open. Financial derivatives with a positive fair value are recorded in other current financial assets and those with a negative fair value in other current financial liabilities. Changes in the fair value of financial derivative instruments are recognized as financial income/(costs) into the Consolidated Statement of Profit or Loss (refer to Note 6.25.4 "Information on the Consolidated Statement of Profit or Loss - Financial income/(costs)").

The sensitivity analysis considers major foreign currency risk exposures in relation to the foreign exchange exposure of the Swiss companies of the Group, and it is based on the deviation from the closing exchange rates of the Swiss Franc (increase/decrease of 10% of the closing exchange rate as of December 31, 2025 and as of December 31, 2024).

The following tables demonstrate the sensitivity to a reasonable possible currency rate change of the Group's Profit before taxes and of the Group's Equity, with all other variables held constant.

Exchange rates sensitivity

As of December 31, 2025

(Thousand Euro)

Currency *	Closing exchange rate	Increase / (Decrease)	Profit Before Taxes	Equity
USD/CHF	0.7923	10%	1'866	-
EUR/CHF	0.9306	10%	3'048	-
JPY/CHF	0.0051	10%	357	-
AUD/CHF	0.5286	10%	1'058	-
USD/CHF	0.7923	(10%)	(1'866)	-
EUR/CHF	0.9306	(10%)	(3'048)	-
JPY/CHF	0.0051	(10%)	(357)	-
AUD/CHF	0.5286	(10%)	(1'058)	-

* The amounts in the table above are calculated in CHF, which is the functional currency of Medacta International SA. The figures summarized in the table are reported in thousand Euro, which is the presentation currency of the Group.

As of December 31, 2024

(Thousand Euro)

Currency *	Closing exchange rate	Increase / (Decrease)	Profit Before Taxes	Equity
USD/CHF	0.9072	10%	2'971	-
EUR/CHF	0.9392	10%	356	-
JPY/CHF	0.0058	10%	147	-
AUD/CHF	0.5613	10%	55	-
USD/CHF	0.9072	(10%)	(2'971)	-
EUR/CHF	0.9392	(10%)	(356)	-
JPY/CHF	0.0058	(10%)	(147)	-
AUD/CHF	0.5613	(10%)	(55)	-

* The amounts in the table above are calculated in CHF, which is the functional currency of Medacta International SA. The figures summarized in the table are reported in thousand Euro, which is the presentation currency of the Group.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Changes in interest rate levels affect the cost and return of the various forms of funding and use, thus affecting the overall net financial result. No hedging activities (such as interest rate swaps) were conducted during the 2025 and 2024 closing periods.

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the consolidated income statement that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those actually recognized in each period. The analysis was carried out mainly about the Group's current interest-bearing assets and current and non-current debt with floating interest rates. With regard to the current interest-bearing assets a possible change in the interest rates of 50 bps would not have a material impact on profit or loss, while for the current and non-current debt with floating, the precise impact was calculated.

The following table shows the sensitivity to interest rate changes, with all other variables held constant, of the Group's Profit or Loss and Equity:

Interest rate sensitivity - Impact on Profit or Loss (Thousand Euro)	50 basis points increase
As of December 2024	(943)
As of December 2025	(946)

Credit risk

Credit risk exists in relation to trade and other receivables, cash and deposits in banks.

The Group constantly monitors the exposure to credit risk on its customers. Due to diversity of customers, there is no single credit limit for all customers, nevertheless the Group assesses its customers taking into account their financial situation, past experience, and other factors.

Trade receivables' balance at the end of the year is equal to Euro 121'127 thousand (Euro 108'167 thousand in 2024), out of which Euro 2'501 thousand are due from a single customer (Euro 2'716 thousand in 2024). The Group does not have other significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The concentration of credit risk related to largest trade customer did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Core banking relations are maintained with at least "BBB+" rated (S&P) financial Institutions.

The Group does not expect any significant losses either from receivables or from other financial assets. Low credit risk of internal default is defined based on review of Financial Position of counterparties including review of the industry.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
Impaired	There is evidence indicating the asset is credit-impaired	Lifetime ECL- credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The tables below detail the credit quality of the Group's financial assets and other items, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

December 31, 2025 (Thousand Euro)	Note	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables (not credit impaired)	6.14	N/A	*	Lifetime ECL (simplified approach)	119'105	(2'605)	116'500
Trade receivables (credit impaired)	6.14	N/A	**	Lifetime ECL (credit impaired)	10'054	(5'427)	4'627
TOTAL TRADE RECEIVABLES					**129'159**	**(8'032)**	**121'127**

December 31, 2024 (Thousand Euro)	Note	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables (not credit impaired)	6.14	N/A	*	Lifetime ECL (simplified approach)	107'275	(2'188)	105'087
Trade receivables (credit impaired)	6.14	N/A	**	Lifetime ECL (credit impaired)	7'637	(4'557)	3'080
TOTAL TRADE RECEIVABLES					**114'912**	**(6'745)**	**108'167**

* For trade receivables (not credit impaired), the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

** The Group considers a trade receivable "credit impaired", and consequently subject to a specific loss allowance, when there is evidence that the recoverability of the asset is deteriorating, i.e. when specific events has occurred, such as: the customer is experiencing significant financial difficulties; or it is becoming probable that the customer will enter bankruptcy or other financial reorganization.

Liquidity risk

The management of the liquidity risk originating from the day-by-day operations of the Group involves the maintenance of an adequate level of cash and cash equivalents as well as financial resources through an adequate amount of credit lines.

The Group aims to grow further and wants to remain flexible in making time-sensitive investment decisions. This overall objective is included in the asset allocation strategy. A rolling forecast based on the expected cash flows is conducted and updated regularly to monitor and control liquidity.

The following tables include a summary, by maturity date, as of December 31, 2025 and 2024. The reported balances are contractual and undiscounted figures including repayments and interests.

As of December 31, 2025 (Thousand Euro)	**Up to 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Trade payables	49'832	-	-	**49'832**
Current financial liabilities	92'469	-	-	**92'469**
Current lease liabilities	15'670	-	-	**15'670**
Accrued expenses	13'610	-	-	**13'610**
Non-current financial liabilities	-	117'347	-	**117'347**
Non-current lease liabilities	-	38'097	9'226	**47'323**
Net derivative financial (assets)/liabilities	(707)	-	-	**(707)**
Gross outflows	*37'715*	-	-	***37'715***
Gross inflows	*(38'422)*	-	-	***(38'422)***

As of December 31, 2024 (Thousand Euro)	**Up to 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Trade payables	35'387	-	-	**35'387**
Current financial liabilities	52'279	-	-	**52'279**
Current lease liabilities	11'827	-	-	**11'827**
Accrued expenses	14'230	-	-	**14'230**
Non-current financial liabilities	-	148'689	-	**148'689**
Non-current lease liabilities	-	32'603	10'871	**43'474**
Net derivative financial (assets)/liabilities	1'675	-	-	**1'675**
Gross outflows	*36'208*	-	-	***36'208***
Gross inflows	*(34'533)*	-	-	***(34'533)***

6.6 Fair value measurement and classification

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The definition above reported emphasizes that the fair value is a market-based measurement, not an entity-specific measurement. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible, including assumptions about possible risk. As a consequence, an entity's intention to hold/settle an asset or otherwise fulfil a liability is not relevant to the fair value measurement process.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as explained above. The following tables show the carrying amounts and fair values of financial assets and liabilities by category of financial instrument in the Consolidated Statement of Financial Position. The fair value hierarchy level is shown for those financial assets and liabilities that are carried at fair value in the balance sheet.

For financial instruments held by the Group and measured at amortized costs, the fair value usually approximates the carrying amount, in which case the column "Fair Value" in the table below is left empty.

The following tables summarize the financial instruments carried at fair value, by valuation method as of December 31, 2025 and 2024.

The different levels have been defined as follows:

- level 1: the fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date;
- level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques are based on observable market data, where applicable. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2;
- level 3: if a significant amount of inputs is not based on observable market data the instrument is included in level 3. For this level other techniques, such as discounted cash flow analysis, are used to determine fair value.

Carrying amount (based on measurement basis)

As of December 31, 2025 (Thousand Euro)	**Asset and Liabilities at amortized cost**	**Assets / Liabilities as FVTPL**			**Total carrying amount**	**Fair Value**
		Level 1	**Level 2**	**Level 3**		
Non-current financial assets	1'440	-	-	-	**1'440**	-
Trade receivables	121'127	-	-	-	**121'127**	-
Current financial assets	3'203	-	707	-	**3'910**	-
Cash and cash equivalents	33'211	-	-	-	**33'211**	-
Non-current financial liabilities	114'495	-	-	-	**114'495**	-
Non-current lease liabilities	43'765	-	-	-	**43'765**	-
Other non-current liabilities	895	-	-	-	**895**	-
Trade payables	49'832	-	-	-	**49'832**	-
Current financial liabilities	90'454	-		-	**90'454**	-
Current lease liabilities	14'052	-	-	-	**14'052**	-
Other current liabilities	16'821	-	-	-	**16'821**	-

Carrying amount (based on measurement basis)

As of December 31, 2024 (Thousand Euro)	**Asset and Liabilities at amortized cost**	**Assets / Liabilities as FVTPL**			**Total carrying amount**	**Fair Value**
		Level 1	**Level 2**	**Level 3**		
Non-current financial assets	995	-	-	-	**995**	-
Trade receivables	108'167	-	-	-	**108'167**	-
Current financial assets	4'692	-	-	-	**4'692**	-
Cash and cash equivalents	31'588	-	-	-	**31'588**	-
Non-current financial liabilities	143'359	-	-	-	**143'359**	-
Non-current lease liabilities	39'362	-	-	-	**39'362**	-
Other non-current liabilities	1'597	-	-	-	**1'597**	-
Trade payables	35'387	-	-	-	**35'387**	-
Current financial liabilities	49'150	-	1'675	-	**50'825**	-
Current lease liabilities	10'327	-	-	-	**10'327**	-
Other current liabilities	16'940	-	-	-	**16'940**	-

The level 2 balance relates to forward currency contracts (foreign exchange contracts, selling USD and buying CHF; the financial instruments have a duration between 1 and 12 months) described in Note 6.5 "Financial risks management", "Market risk - exchange rate risk" sections.

6.7 Segment information

The Group has only one operating segment.

The criteria applied to identify the operating segments are consistent with the way the Group is managed. In particular, the segment reporting reflects the internal organizational and management structure used within the Group as well as the internal management reporting reviewed regularly by the Chief Operating Decision Maker (CODM), who has been identified as the Chief Executive Officer Francesco Siccardi.

Therefore, Medacta constitutes with only one segment which is represented by the whole Group itself. In 2025 and 2024 no single customer represents 10% or more of the total Group revenues. Resource allocation and performance assessment are performed at Group level and not at single-component level. The operating segments subject to disclosure are consistent with the organization model adopted by the Group during the Financial Year as of December 31, 2025.

Information by geographic area

The Group operates in EMEA (which includes Europe, Middle East and Africa), North America (which includes the United States of America and Canada), Asia-Pacific (which includes Asia and Oceania) and LATAM (which includes all countries located in Latin America). Sales are attributed to geographic areas based on the customer's location, whereas property, plant and equipment based on the geographic area where legal entities are located. The Group did not report other non-current assets by geographic area since the cost to develop the information would be excessive and would not provide any material value to the reader.

	31.12.2025		31.12.2024	
SALES AND PROPERTY, PLANT AND EQUIPMENT (Thousand Euro)	Net sales	Property, plant and equipment	Net sales	Property, plant and equipment
EMEA	327'461	262'649	283'737	212'547
North America	204'535	55'510	179'277	47'253
Asia Pacific	134'824	3'208	115'120	2'817
LATAM	17'007	-	12'446	-
TOTAL CONSOLIDATED	**683'827**	**321'367**	**590'580**	**262'617**

6.8 Property, plant and equipment

2025 (Thousand Euro)	Land	Buildings	Plants & Machinery	Instruments	Other fixtures and fitting, tool and equipment	Assets under construc-tion	Total
HISTORICAL COST							
BALANCE JANUARY 1, 2025	**17'508**	**60'181**	**51'975**	**379'084**	**39'793**	**9'612**	**558'153**
Acquisitions	-	-	2'623	-	412	377	3'412
Additions	206	13'985	14'872	87'365	5'162	1'360	122'950
Disposals	-	(5)	(119)	(14'194)	(607)	-	(14'925)
Transfers *	-	8'489	3'559	-	123	(9'175)	2'996
Exchange differences	142	625	305	(10'297)	(721)	(10)	(9'956)
BALANCE DECEMBER 31, 2025	**17'856**	**83'275**	**73'215**	**441'958**	**44'162**	**2'164**	**662'630**
ACCUMULATED DEPRECIATION							
BALANCE JANUARY 1, 2025	**-**	**(10'006)**	**(29'353)**	**(228'306)**	**(27'871)**	**-**	**(295'536)**
Acquisitions	-	-	(1'569)	-	(178)	-	(1'747)
Depreciation of the year and impairment loss	-	(1'558)	(4'118)	(44'279)	(3'681)	-	(53'636)
Disposals	-	-	14	5'061	470	-	5'546
Transfers *	-	24	(1'369)	-	(23)	-	(1'368)
Exchange differences	-	(102)	(130)	5'383	328	-	5'478
BALANCE DECEMBER 31, 2025	**-**	**(11'642)**	**(36'525)**	**(262'141)**	**(30'955)**	**-**	**(341'263)**
NET BOOK VALUE							
BALANCE JANUARY 1, 2025	**17'508**	**50'175**	**22'622**	**150'778**	**11'922**	**9'612**	**262'617**
BALANCE DECEMBER 31, 2025	**17'856**	**71'633**	**36'690**	**179'817**	**13'207**	**2'164**	**321'367**

* The total balance of "Transfers" refers to the reclassification from right-of-use assets to property plant and equipment due to the purchase of the leased assets.

2024 (Thousand Euro)	Land	Buildings	Plants & Machinery	Instruments	Other fixtures and fitting, tool and equipment	Assets under construc-tion	Total
HISTORICAL COST							
BALANCE JANUARY 1, 2024	**15'432**	**52'078**	**44'895**	**320'423**	**36'797**	**5'373**	**474'998**
Additions	2'250	1'840	5'051	65'240	4'067	13'063	91'511
Disposals	-	(47)	(1'067)	(10'390)	(869)	-	(12'373)
Transfers *	-	6'788	3'471	184	(260)	(8'790)	1'393
Exchange differences	(174)	(478)	(375)	3'627	58	(34)	2'624
BALANCE DECEMBER 31, 2024	**17'508**	**60'181**	**51'975**	**379'084**	**39'793**	**9'612**	**558'153**
ACCUMULATED DEPRECIATION							
BALANCE JANUARY 1, 2024	**-**	**(8'647)**	**(27'062)**	**(190'719)**	**(25'628)**	**-**	**(252'056)**
Depreciation of the year and impairment loss	-	(1'342)	(2'949)	(38'523)	(3'176)	-	(45'990)
Disposals	-	24	1'019	2'947	836	-	4'826
Transfers *	-	-	(608)	(46)	60	-	(594)
Exchange differences	-	(41)	247	(1'965)	37	-	(1'722)
BALANCE DECEMBER 31, 2024	**-**	**(10'006)**	**(29'353)**	**(228'306)**	**(27'871)**	**-**	**(295'536)**
NET BOOK VALUE							
BALANCE JANUARY 1, 2024	**15'432**	**43'431**	**17'833**	**129'704**	**11'169**	**5'373**	**222'942**
BALANCE DECEMBER 31, 2024	**17'508**	**50'175**	**22'622**	**150'778**	**11'922**	**9'612**	**262'617**

* The total balance of "Transfers" refers to the reclassification from right-of-use assets to property plant and equipment due to the purchase of the leased assets.

Acquisitions for the year ended 2025, are related to the acquisition of Parcus Medical, LLC (see Note 6.4 "Business combination").

Additions for the year ended 2025, amounting to Euro 122'950 thousand (Euro 91'511 thousand in 2024), are mainly related to:

- Instruments investments, equal to Euro 87'365 thousand (Euro 65'240 thousand in 2024);
- Buildings, and Plants and Machinery respectively Euro 13'985, and Euro 14'872 mainly due to the expansion of the headquarters, including the inauguration of a new building in Rancate and the expansion of the distribution hub in Italy.

During the years 2025 and 2024 no impairment losses have been recognized on property, plant and equipment.

6.9 Leases

Right-of-use assets

The tables below show the movement of right-of-use assets for the years ended December 31, 2025 and 2024:

2025 (Thousand Euro)	Building	Motor vehicles	ITC Equipment	Plant and Machinery	Other tool and equipment	Total
HISTORICAL COST						
BALANCE JANUARY 1, 2025	**26'646**	**8'170**	**149**	**41'907**	**689**	**77'561**
Acquisitions	852	-	-	-	-	**852**
Additions	2'116	2'997	39	15'517	-	**20'669**
Disposals	(1'678)	(1'973)	(20)	-	-	**(3'671)**
Transfers *	-	-	-	(2'996)	-	**(2'996)**
Exchange differences	(1'740)	(88)	(7)	469	6	**(1'360)**
BALANCE DECEMBER 31, 2025	**26'196**	**9'106**	**161**	**54'897**	**695**	**91'055**
ACCUMULATED DEPRECIATION						
BALANCE JANUARY 1, 2025	**(10'273)**	**(3'754)**	**(107)**	**(8'287)**	**(253)**	**(22'674)**
Depreciation	(3'562)	(2'485)	(26)	(3'230)	(83)	**(9'386)**
Disposals	1'713	1'920	19	-	-	**3'652**
Transfers *	-	-	-	1'368	-	**1'368**
Exchange differences	656	47	4	(89)	(3)	**615**
BALANCE DECEMBER 31, 2025	**(11'466)**	**(4'272)**	**(110)**	**(10'238)**	**(339)**	**(26'425)**
NET BOOK VALUE						
BALANCE JANUARY 1, 2025	**16'373**	**4'416**	**42**	**33'620**	**436**	**54'887**
BALANCE DECEMBER 31, 2025	**14'730**	**4'834**	**51**	**44'659**	**356**	**64'630**

* The total balance included in "Transfers" refers to the re-classification from "Right-of-use assets" to "Property, plant and equipment" after the leased assets were acquired.

2024 (Thousand Euro)	Building	Motor vehicles	ITC Equipment	Plant and Machinery	Other tool and equipment	Total
HISTORICAL COST						
BALANCE JANUARY 1, 2024	23'203	7'622	174	31'832	697	63'528
Additions	4'923	2'851	-	11'683	-	**19'457**
Disposals	(1'995)	(2'251)	(24)	-	-	**(4'270)**
Transfers *	-	-	-	(1'393)	-	**(1'393)**
Exchange differences	515	(52)	(1)	(215)	(8)	**239**
BALANCE DECEMBER 31, 2024	26'646	8'170	149	41'907	689	77'561
ACCUMULATED DEPRECIATION						
BALANCE JANUARY 1, 2024	(8'730)	(3'707)	(101)	(6'420)	(173)	(19'131)
Depreciation	(2'930)	(2'241)	(28)	(2'507)	(81)	**(7'787)**
Disposals	1'507	2'171	22	-	-	**3'700**
Transfers *	-	-	-	594	-	**594**
Exchange differences	(120)	23	-	46	1	**(50)**
BALANCE DECEMBER 31, 2024	(10'273)	(3'754)	(107)	(8'287)	(253)	(22'674)
NET BOOK VALUE						
BALANCE JANUARY 1, 2024	14'473	3'915	73	25'412	524	44'397
BALANCE DECEMBER 31, 2024	16'373	4'416	42	33'620	436	54'887

* The total balance included in "Transfers" refers to the re-classification from "Right-of-use assets" to "Property, plant and equipment" after the leased assets were acquired.

Acquisitions for the year ended 2025, are related to the acquisition of Parcus Medical, LLC (see Note 6.4 "Business combination").

The Group leases several assets. The average lease term is 8 years for buildings, 3 years for motor vehicles, 6 years ITC equipment, 7 years for plants and machineries and 6 years for other fixtures and fittings, tool and equipment.

The Group has options to purchase certain manufacturing equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

For the disclosure of the related lease liabilities see Note 6.18 "Financial and lease liabilities", paragraph "Lease liabilities".

Amounts recognized in Profit or Loss

Medacta Group recognized the following amounts in the Consolidated Statement of Profit or Loss as of December 31, 2025 and 2024:

(Thousand Euro)	31.12.2025	31.12.2024
Depreciation charge of right-of-use assets	(9'386)	(7'787)
Interest expense (included in financial costs)	(1'796)	(1'597)
Expense relating to short-term leases	(247)	(163)
Expense relating to leases of low-value assets that are not short-term leases	(197)	(37)

The total cash outflow for leases including short-term leases and low-value-assets in 2025 amount to Euro 14'538 thousand (Euro 12'093 thousand in 2024).

6.10 Intangible assets

2025 (Thousand Euro)	Development Costs	Customer Lists	Goodwill	Other intangible assets	Total
HISTORICAL COST					
BALANCE JANUARY 1, 2025	**89'566**	**16'186**	**59**	**32'286**	**138'097**
Additions	16'163	-	-	5'064	21'227
Disposals	(11)	-	-	(148)	(159)
Exchange differences	890	(214)	-	150	826
BALANCE DECEMBER 31, 2025	**106'608**	**15'972**	**59**	**37'352**	**159'991**
ACCUMULATED AMORTIZATION					
BALANCE JANUARY 1, 2025	**(48'914)**	**(8'441)**	**-**	**(27'117)**	**(84'472)**
Amortization of the year	(7'992)	(1'069)	-	(2'333)	(11'394)
Impairment loss	(2'053)	-	-	-	(2'053)
Disposals	-	-	-	73	73
Exchange differences	(519)	104	-	(120)	(535)
BALANCE DECEMBER 31, 2025	**(59'478)**	**(9'406)**	**-**	**(29'497)**	**(98'381)**
NET BOOK VALUE					
BALANCE JANUARY 1, 2025	**40'652**	**7'745**	**59**	**5'169**	**53'625**
BALANCE DECEMBER 31, 2025	**47'130**	**6'565**	**59**	**7'856**	**61'610**

2024 (Thousand Euro)	Development Costs	Customer Lists	Goodwill	Other intangible assets	Total
HISTORICAL COST					
BALANCE JANUARY 1, 2024	**78'350**	**16'074**	**59**	**29'942**	**124'425**
Additions	11'999	-	-	2'666	14'665
Disposals	(68)	-	-	(7)	(75)
Exchange differences	(715)	112	-	(315)	(918)
BALANCE DECEMBER 31, 2024	**89'566**	**16'186**	**59**	**32'286**	**138'097**
ACCUMULATED AMORTIZATION					
BALANCE JANUARY 1, 2024	**(40'491)**	**(7'318)**	**-**	**(25'199)**	**(73'008)**
Amortization of the year	(8'192)	(1'074)	-	(2'188)	(11'454)
Impairment loss	(572)	-	-	-	(572)
Disposals	-	-	-	7	7
Exchange differences	341	(49)	-	263	555
BALANCE DECEMBER 31, 2024	**(48'914)**	**(8'441)**	**-**	**(27'117)**	**(84'472)**
NET BOOK VALUE					
BALANCE JANUARY 1, 2024	**37'859**	**8'756**	**59**	**4'743**	**51'417**
BALANCE DECEMBER 31, 2024	**40'652**	**7'745**	**59**	**5'169**	**53'625**

Development costs mainly consists of cost incurred for the development of new products or modification of existing products in the pipeline. The Group capitalizes internal payroll cost, if these costs are attributable to a specific development project that is expected to generate probable future economic benefits. Research costs are directly recognized as costs in the Profit or Loss.

Other intangible assets mainly consist of costs recognized to deposit and renew trademarks, software, patents and licenses to distribute products.

"Customer lists" includes: the asset purchase acquisition of Levante Medica 2008 S.L. occurred in 2021; the acquisition of ASD "Advanced Surgical Devices" occurred in 2018; the acquisition of Medacare GmbH and Vivamed GmbH, both occurred in 2017.

Impairment test for intangible assets (Development projects)

As described in Note 6.2 "Consolidation principles, composition of the Group and significant accounting policies", paragraph "Significant accounting policies", on a quarterly basis management performs an assessment of the existence of impairment indicators for intangible assets (development projects). Any impairment loss or any loss relating the disposal of in progress development projects are recognized in Profit or Loss. During the year, Medacta recognized a total loss for impairment amounting to Euro 2'053 thousand in 2025 (Euro 572 thousand in 2024), out of which Euro 661 thousand (Euro 35 thousand in 2024) arising from the annual impairment test disclosed below, and Euro 1'392 thousand based on the quarterly analyses performed throughout 2025 (Euro 537 thousand in 2024).

Losses for the derecognition of projects amount to Euro 11 thousand as of December 31, 2025 (Euro 68 thousand in 2024).

For the purpose of the annual impairment test, performed as of September 30, 2025, In-Process Research and Development projects (IPR&D) for a total amount of Euro 29'059 thousand were allocated to cash-generating-units (CGU) corresponding to Product Families. 75 Product Families were tested for impairment through the estimation of the value in use of the IPR&D projects allocated to each CGU, none of which is significant in comparison to the total carrying amount of IPR&D. The annual impairment test carried out during the year lead to an impairment loss of the carrying amount of the development projects, amounting to Euro 661 thousand (Euro 35 thousand in 2024).

The discount rate applied in the valuation model, amounting to 8.8%, considers the Group's weighted average cost of capital, adjusted to approximate the weighted average cost of capital of a comparable market participant.

The value in use was reviewed for the eventual impact of reasonably possible changes in key assumptions:

- an increase of 2 percentage points in the discount rate would lead to an additional impairment loss amounting to Euro 1'064 thousand;

- a decrease of 25.0% in forecasted revenues would lead to an additional impairment loss amounting to Euro 4’450 thousand.

6.11 Financial assets

Financial assets include the following items:

(Thousand Euro)	31.12.2025	31.12.2024
Advances for property, plant and equipment	3'203	4'692
Forward currency contracts	707	-
Rent deposit	1'440	995
TOTAL FINANCIAL ASSETS	**5'350**	**5'687**
Current	3'910	4'692
Non-current	1'440	995

“Advances for property, plant and equipment” are mainly related to certain agreements with suppliers of machineries, paid out before the recognition of the underlying asset. In 2025, “Forward currency contracts” amounting to Euro 707 thousand was related to the positive fair value of derivative financial instruments; as of December 31, 2024 the fair value of derivative financial instruments is negative for Euro 1’675 thousand and it is classified within “Current financial liabilities” (see Note 6.18 “Financial and lease liabilities”).

6.12 Deferred tax assets and deferred tax liabilities / income taxes

Income taxes

(Thousand Euro)	31.12.2025	31.12.2024
Current income taxes	10'110	8'692
Deferred income taxes	9'722	6'191
TOTAL INCOME TAXES	**19'832**	**14'883**

Current income taxes consist of taxes paid or due on the results of the individual companies for the Financial Year in accordance with local regulation as well as charges and credits from previous year. The following elements explain the difference between the Group’s average tax rate and the effective income tax rate:

Reconciliation of tax expense

(Thousand Euro)	31.12.2025	31.12.2024
Profit before taxes	115'292	87'769
AVERAGE TAX RATE	**20.0%**	**20.9%**
TAX AT AVERAGE TAX RATE	**23'081**	**18'302**
Patent Box deduction	(228)	(316)
AVERAGE TAX RATE NET OF DEDUCTIONS	**19.8%**	**20.5%**
+ / - EFFECTS OF		
Expenses not subject to tax, net	935	384
Revenues not subjected to tax, net	(4'583)	(204)
Effects from previous years	(58)	(184)
Change in tax rates on deferred tax balances	578	(3'088)
Other	107	(11)
TOTAL INCOME TAXES	**19'832**	**14'883**
EFFECTIVE INCOME TAX RATE (%)	**17.2%**	**17.0%**

The Group's average tax rate is calculated as the weighted average tax rate applicable to the profits in the countries where Medacta Group operates. Management believes that the "average tax rate" reported in the disclosure above provides the most meaningful information to the users of the financial statements. Deferred taxes relate to temporary differences generated by the companies of the Group.

The Group effective tax rate slightly increased to 17.2% from 17.0% in 2024. Medacta International SA benefits, since 2020, from a special tax deduction from taxable profits for qualifying profits arising from patent rights ("Patent Box deduction"), which has a positive impact in 2025 amounting to Euro 228 thousand (Euro 316 thousand in 2024), corresponding to a positive impact on the effective tax rate for 0.2% (0.4% in 2024). The 2025 Profit Before Taxes includes Euro 13'653 thousands of non-taxable gain from the bargain purchase of Parcus Medical, LLC, resulting in a positive effect on the effective tax rate. The 2024 effective tax rate was impacted by the reduction of the cantonal tax rate applied to Medacta International SA from January 1, 2025. The Group has not recognized deferred tax liabilities in respect of taxable unremitted earnings that are considered indefinitely invested in foreign subsidiaries. As of December 31, 2025, those unremitted earnings retained by consolidated entities amount to Euro 26'227 thousand (2024: Euro 21'966 thousand).

Deferred income taxes

The Group recognizes in the Consolidated Financial Statements as of December 31, 2025 the gross amounts of Deferred tax assets and Deferred tax liabilities, respectively amounting to Euro 32'212 thousand and to Euro 74'836 thousand.

Deferred tax assets are mainly related to our US subsidiary. The Group considers the amount of deferred taxes recoverable. The recoverability is based on the estimated future profits that are expected to be generated by the subsidiary, also considering that the current federal tax legislation does not provide any temporal limit to the future utilization.

As of December 31, 2025, the amount of deferred tax liabilities net of the deferred tax assets, where the offsetting is allowed according to IAS 12 (par 74), is as follows:

Net deferred taxes

(Thousand Euro)	31.12.2025	31.12.2024
Net deferred tax assets	18'568	24'676
Net deferred tax liabilities	(61'192)	(49'017)
TOTAL NET DEFERRED TAXES	(42'624)	(24'341)

The amount netted between deferred tax assets and deferred tax liabilities is equal to Euro 13'644 thousand. For a better comprehension of deferred tax assets and liabilities, the schemes below show the respectively gross amounts.

Deferred tax assets

2025 (Thousand Euro)	PP&E, RoU assets and lease liabilities	Inventories, receivables, provisions and other liabilities	Tax losses carried forward	Total
GROSS BALANCE AS OF JANUARY 1, 2025	8'117	29'422	958	38'497
Deferred taxes recognized in the income statement	(85)	(2'323)	270	(2'138)
Deferred taxes recognized in OCI	-	(120)	-	(120)
Exchange differences	(593)	(3'307)	(127)	(4'027)
GROSS BALANCE AS OF DECEMBER 31, 2025	7'439	23'672	1'101	32'212
Offsetting of deferred tax assets and liabilities				(13'644)
NET BALANCE AS OF DECEMBER 31, 2025				18'568

Deferred tax assets

2024 (Thousand Euro)	PP&E, RoU assets and lease liabilities	Inventories, receivables, provisions and other liabilities	Tax losses carried forward	Total
GROSS BALANCE AS OF JANUARY 1, 2024	7'542	32'824	572	40'938
Deferred taxes recognized in the income statement	337	(5'792)	340	(5'115)
Deferred taxes recognized in OCI	-	656	-	656
Exchange differences	238	1'734	46	2'018
GROSS BALANCE AS OF DECEMBER 31, 2024	8'117	29'422	958	38'497
Offsetting of deferred tax assets and liabilities				(13'821)
NET BALANCE AS OF DECEMBER 31, 2024				24'676

As per December 31, 2025 and 2024, there were no unrecognized tax losses carried forward.

Deferred tax liabilities 2025 (Thousand Euro)	PP&E, RoU assets and lease liabilities	Intangible assets	Inventories, receivables, provisions and other liabilities	Total
GROSS BALANCE AS OF JANUARY 1, 2025	**44'771**	**4'609**	**13'458**	**62'838**
Recognized in business combination	-	-	5'310	5'310
Deferred taxes recognized in the income statement	6'820	(57)	821	7'585
Deferred taxes recognized in OCI	-	-	-	-
Exchange differences	(821)	(1)	(74)	(896)
GROSS BALANCE AS OF DECEMBER 31, 2025	**50'770**	**4'551**	**19'515**	**74'836**
Offsetting of deferred tax assets and liabilities				(13'644)
NET BALANCE AS OF DECEMBER 31, 2025				**61'192**

Deferred tax liabilities 2024 (Thousand Euro)	PP&E, RoU assets and lease liabilities	Intangible assets	Inventories, receivables, provisions and other liabilities	Total
GROSS BALANCE AS OF JANUARY 1, 2024	**36'697**	**4'438**	**20'566**	**61'701**
Deferred taxes recognized in the income statement	7'573	228	(6'725)	1'076
Deferred taxes recognized in OCI	-	-	-	-
Exchange differences	501	(57)	(383)	61
GROSS BALANCE AS OF DECEMBER 31, 2024	**44'771**	**4'609**	**13'458**	**62'838**
Offsetting of deferred tax assets and liabilities				(13'821)
NET BALANCE AS OF DECEMBER 31, 2024				**49'017**

6.13 Inventories

Inventories are composed of the following items:

Inventories (Thousand Euro)	31.12.2025	31.12.2024
Raw materials and consumables	57'789	48'109
Work in progress and semifinished goods	38'030	22'156
Finished goods	175'596	164'146
TOTAL INVENTORIES	**271'415**	**234'411**

The change in inventories is mainly due to increased purchasing and production to support demand and future growth of the Group.

The cost of inventories recognized in “Cost of Sales” as of December 31, 2025 includes Euro 5’250 thousand (Euro 5’629 thousand in 2024) in respect of write-downs of inventory to net realizable value for slow moving, discontinued and obsolete stock. In 2025 the inventory reserve has been utilized by Euro 1’375 thousand (Euro 1’495 thousand in 2024).

6.14 Trade receivables

(Thousand Euro)	31.12.2025	31.12.2024
Trade receivable, gross	129'159	114'912
Loss allowance on trade receivables	(8'032)	(6'745)
TOTAL TRADE RECEIVABLES	**121'127**	**108'167**

Trade receivables are recognized at amortized cost. The Group expected credit losses are based on historical credit loss experience, adjusted as appropriate to reflect current condition and estimates of future economic condition. On that base the amount of the expected loss is recognized in the income statement.

The following tables show the expected credit loss allowance calculated on trade receivables "credit impaired" and the aging against the expected credit loss allowance calculated on trade receivables "not credit impaired", according to the application of the Group's accounting policies:

December 31, 2025 (Thousand Euro)	Not credit impaired	Credit impaired	Total
Trade receivables, gross	119'105	10'054	**129'159**
Expected credit loss allowance	(2'605)	(5'427)	**(8'032)**

Trade receivables aging (not credit impaired)

December 31, 2025 (Thousand Euro)	Total	Not past due	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days
Trade receivables (not credit impaired), gross	**119'105**	85'194	13'101	6'725	4'155	5'325	3'005	1'600
Expected credit loss rate (%) *		0.6%	1.1%	2.0%	2.5%	9.6%	20.4%	35.0%
Expected credit loss allowance	**(2'605)**	(538)	(144)	(133)	(104)	(513)	(612)	(561)

* Expected credit loss rates are estimated based on historical credit loss experience, adjusted to reflect current conditions, estimates of future economic conditions and macroeconomic factors in each of the countries where the Group operates.

December 31, 2024 (Thousand Euro)	Not credit impaired	Credit impaired	Total
Trade receivables, gross	107'275	7'637	**114'912**
Expected credit loss allowance	(2'188)	(4'557)	**(6'745)**

Trade receivables aging (not credit impaired)

December 31, 2024 (Thousand Euro)	Total	Not past due	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days
Trade receivables (not credit impaired), gross	**107'275**	78'069	12'835	5'968	1'879	4'399	1'758	2'367
Expected credit loss rate (%) *		0.9%	1.6%	2.1%	3.7%	6.9%	11.8%	24.9%
Expected credit loss allowance	**(2'188)**	(698)	(200)	(123)	(69)	(302)	(208)	(588)

* Expected credit loss rates are estimated based on historical credit loss experience, adjusted to reflect current conditions, estimates of future economic conditions and macroeconomic factors in each of the countries where the Group operates.

The following table summarizes the movements in the loss allowance for expected credit losses:

(Thousand Euro)	2025	2024
BALANCE AS OF JANUARY 1	**(6'745)**	**(4'266)**
Acquisitions	(797)	-
Change in loss allowance and write-offs	(2'007)	(2'914)
Utilization of loss allowance	1'135	561
Exchange differences	382	(126)
TOTAL LOSS ALLOWANCE ON TRADE RECEIVABLES AS OF DECEMBER 31	**(8'032)**	**(6'745)**

“Change in loss allowance and write-offs” in 2025 amount to Euro 2’007 thousand (compared to Euro 2’914 thousand in 2024). Write-offs is related to loss allowances recognized both on “credit impaired” trade receivables, due to some specific evaluations made on customers, and on the increase of expected credit losses resulting from the application of the “lifetime ECL simplified approach”.

6.15 Other current assets and prepaid expenses

(Thousand Euro)	31.12.2025	31.12.2024
Other tax receivables	10'697	10'302
Advance to suppliers	4'671	1'052
Prepaid expenses	4'205	4'790
Other receivables	793	375
TOTAL OTHER CURRENT ASSETS AND PREPAID EXPENSES	**20'366**	**16'519**

Other tax receivables are mainly represented by VAT credits. Prepaid expenses mainly consist of operating expenses (e.g. maintenance, insurance, licenses) incurred during the year but attributable to the subsequent year.

6.16 Cash and cash equivalents

Cash and cash equivalents are comprised of the following items:

(Thousand Euro)	31.12.2025	31.12.2024
Cash on hand	20	25
Current bank accounts	33'191	31'563
TOTAL CASH AND CASH EQUIVALENTS	**33'211**	**31'588**

Bank accounts and term deposits are mainly denominated in CHF, EUR and USD. For details of the movements in cash and cash equivalents refer to the Consolidated Statement of Cash Flows.

6.17 Medacta Group stockholders’ Equity

Share capital

The subscribed capital of Medacta Group SA amounts to CHF 2’000 thousand equivalent to Euro 1’775 thousand and is divided into 20’000 thousand nominal shares fully paid-up with a nominal value of CHF 0.10 each.

All issued ordinary shares give the same voting and dividend rights. Also, all the issued shares by Medacta Group SA are authorized and fully paid by the ultimate shareholders.

Retained earnings and other reserve

Retained earnings and other reserves includes subsidiaries’ earnings that have not been distributed as dividends and the amount of consolidated companies’ equities in excess of the corresponding carrying amounts of equity investments. In addition, the amount includes CHF 411 thousand of Capital contribution reserve (Kapitalenilagereserve, KER).

Dividend

On May 7, 2025, Medacta Group SA paid a dividend of CHF 0.69 (on May 14, 2024: CHF 0.55) per share to its shareholders excluding ordinary shares owned by the Group and held as treasury shares at the AGM date. The total amount of the gross dividend paid was CHF 13.8 million, corresponding to Euro 14.7 million (2024: CHF 11.0 million, corresponding to Euro 11.2 million), half of it distributed as dividend out of available earnings and half of it distributed out of accumulated reserves from capital contribution.

The Board of Directors proposes to the Annual General Meeting of Medacta Group SA on May 5, 2026 a distribution of CHF 21.9 million (CHF 1.10 per share) out of retained earnings. All the remaining retained earnings will be carried forward.

Treasury shares

Medacta Group SA repurchases its own outstanding shares to fund the share-based compensation award cycles. Treasury shares are valued at weighted average cost and are deducted from equity. As of December 31, 2025 the number of treasury shares amounted to 88’617 (December 31, 2024 amounted to 80’718) , out of which 39’690 purchased during 2025, 30’632 awarded to the participants of the 2022 award cycle as of the vesting date on May 7, 2025, and 1’159 shares recognized to the Board of Directors as part of their remuneration fees. The following table shows the development of the number of outstanding shares in 2025 and 2024:

	2025	2024
NUMBER OF TREASURY SHARES AT JANUARY 1	**80'718**	**72'500**
Treasury shares purchased	39'690	38'000
Treasury shares used	(31'791)	(29'782)
NUMBER OF TREASURY SHARES AT DECEMBER 31	**88'617**	**80'718**
NUMBER OF OUTSTANDING SHARES AT DECEMBER 31	**19'911'383**	**19'919'282**

Foreign currency translation reserve

Currency translation differences are generated by the translation into Euro of financial statements of subsidiaries prepared in currencies other than Euro.

6.18 Financial and lease liabilities

Financial liabilities

The following table summarizes the composition of financial liabilities:

Financial liabilities (Thousand Euro)	31.12.2025	31.12.2024
Bank loans and credit facilities, current	89'426	48'652
Forward currency contracts	-	1'675
Other current financial liabilities	1'028	498
TOTAL FINANCIAL LIABILITIES, CURRENT	**90'454**	**50'825**
Bank loans, non-current	113'518	142'867
Other non-current financial liabilities	977	492
TOTAL FINANCIAL LIABILITIES, NON-CURRENT	**114'495**	**143'359**
TOTAL FINANCIAL LIABILITIES	**204'949**	**194'184**
Total secured bank loans	49'521	44'273
Total non-secured bank loans	153'423	147'246

As of December 31, 2025, financial liabilities include bank loans and credit facilities for a total amount of Euro 202’944 thousand (Euro 191’519 thousand as of December 31, 2024). The net change is primarily related to proceeds from borrowings amounting to Euro 85’278 thousand (2024: Euro 71’209 thousand) to finance investments, operating activities and the payment of dividends. The repayments in 2025 amount to Euro 70’921 thousand (2024: Euro 40’606 thousand). As of December 31, 2025, current bank loans and credit facilities amounted to Euro 89’426 thousand (Euro 48’652 thousand as of December 31, 2024) and comprise renewable credit lines and the portion of long-term financial agreements set to mature within the next 12 months. Non-current bank loans amounted to Euro 113’518 thousand (Euro 142’867 thousand as of December 31, 2024).

Bank loans reflect credit and loan facilities with third party financial institutions and are recognized at amortized cost using the effective interest method. The interest rates on these facilities are floating and based on internal bank refinancing rate + Spread of between 0.75% and 1.00%.

Certain of the credit agreements include financial covenants requiring Medacta International SA to maintain a debt to EBITDA ratio of no more than 3.0x (as defined in the relevant agreements), a pari passu clause, and various negative covenants restrictions, among other things (and typically subject to certain exceptions): the incurrence of further indebtedness, the granting of security for indebtedness, and the consummation of certain acquisitions, disposals or re-organizations.

The Group as of December 31, 2025 has unused credit lines of Euro 139’029 thousand (2024: Euro 157’387 thousand), out of which Euro 4’701 thousand pledged by tangible fixed assets (Euro 9’982 in 2024).

In 2024, “Forward currency contracts” amounted to Euro 1’675 thousand was related to the negative fair value of derivative financial instruments (in 2025 the fair value of derivative financial instruments is positive for Euro 707 thousand and it is classified within “Current financial assets”; see Note 6.11 “Financial assets”).

As of December 31, 2025, “Other financial liabilities” refers to the contractual liabilities for the acquisition of exclusive rights to use and develop technologies for a total amount of Euro 2’006 thousand (Euro 990 thousand in 2024), of which Euro 978 thousand within “Other non-current financial liabilities” (Euro 492 thousand in 2024) and Euro 1’028 thousand within “Other current financial liabilities” (Euro 498 thousand in 2024).

The following table provides the breakdown of financial liabilities by currency:

(Thousand Euro)	31.12.2025	31.12.2024
Swiss Franc (CHF)	176'935	163'949
US Dollar (USD)	24'074	25'776
Japanese Yen (JPY)	3'940	4'459
TOTAL FINANCIAL LIABILITIES	**204'949**	**194'184**

Reconciliation of liabilities arising from financing activities

(Thousand Euro)	Non-current financial liabilities	Current financial liabilities	Total
BALANCE JANUARY 1, 2025	**143'359**	**50'825**	**194'184**
Increase in financial liabilities *	47'240	39'571	86'811
Repayment of financial liabilities **	(45'639)	(26'255)	(71'894)
Change in fair values and other changes	-	(1'680)	(1'680)
Reclass from non-current to current	(27'975)	27'975	-
Currency translation differences	(2'490)	18	(2'472)
BALANCE DECEMBER 31, 2025	**114'495**	**90'454**	**204'949**

* "Increase in financial liabilities" includes proceeds from borrowings amounting to Euro 85'278 thousand.

** "Repayment of financial liabilities" includes repayment of borrowings for Euro 70'921 thousand, Euro 534 thousand related to the repayment of contractual liabilities for the acquisition of development intangible assets classified in the Consolidated Statement of Cash Flow within "Purchase of intangible assets" within cash flow from investing activities.

(Thousand Euro)	Non-current financial liabilities	Current financial liabilities	Total
BALANCE JANUARY 1, 2024	**116'087**	**46'924**	**163'011**
Increase in financial liabilities *	61'577	10'088	71'665
Repayment of financial liabilities **	(19'949)	(21'445)	(41'394)
Change in fair values and other changes	-	1'652	1'652
Reclass from non-current to current	(14'052)	14'052	-
Currency translation differences	(304)	(446)	(750)
BALANCE DECEMBER 31, 2024	**143'359**	**50'825**	**194'184**

* "Increase in financial liabilities" includes proceeds from borrowings amounting to Euro 71'209 thousand.
** "Repayment of financial liabilities" includes repayment of borrowings for Euro 40'606 thousand, Euro 788 thousand related to the repayment of contractual liabilities for the acquisition of development intangible assets classified in the Consolidated Statement of Cash Flow within "Purchase of intangible assets" within cash flow from investing activities.

Lease liabilities

Total lease liabilities amount to Euro 57'817 thousand as of December 31, 2025 (Euro 49'689 thousand in 2024), thereof Euro 14'052 thousand current (Euro 10'327 thousand in 2024) and Euro 43'765 thousand non-current (Euro 39'362 thousand in 2024). Maturity analysis of undiscounted lease liabilities less unearned interests is reported in the table below:

as of December 31, 2025 (Thousand Euro)	Up to 1 year	1 year to 5 years	More than 5 years	Less: unearned interests	Total
Lease liabilities	15'670	38'097	9'226	(5'175)	57'817

as of December 31, 2024 (Thousand Euro)	Up to 1 year	1 year to 5 years	More than 5 years	Less: unearned interests	Total
Lease liabilities	11'827	32'603	10'871	(5'612)	49'689

The table below shows the movement of lease liabilities for the years ended December 31, 2025 and December 31, 2024:

(Thousand Euro)	2025	2024
LEASE LIABILITIES AT JANUARY 1	49'689	40'752
Acquisitions	852	-
Additions	20'669	19'457
Modifications, terminations, expirations	(47)	(184)
Repayment of lease liabilities	(12'297)	(10'296)
Exchange differences	(1'049)	(40)
LEASE LIABILITIES AT DECEMBER 31	57'817	49'689

The incremental borrowing rates used for IFRS 16 purposes have been defined based on the risk-free rates of the underlying countries, a company specific adjustment and an asset class weighted average incremental borrowing rate.

6.19 Provisions

Provisions are mainly related to pending legal claims and accruals for indemnity to agents. The movements are as follows:

(Thousand Euro)	2025	2024
BALANCE AT JANUARY 1	4'177	4'062
Increases	476	2'136
Decreases	(811)	(2'015)
Exchange differences	(10)	(6)
BALANCE AT DECEMBER 31	3'832	4'177
Thereof current	120	120
Thereof non-current	3'712	4'057

The decrease of the provision is mainly due to the settlement of the Italian Payback in September 2025 for the years 2015-2018, for a total amount of Euro 771 thousand (see also Note 6.26 "Litigations").

6.20 Employee benefit obligation

Defined contribution plans

Medacta's employee plans include defined contribution pension plans in most of the countries where the Group operates. The employer's contributions, amounting to Euro 7'102 thousand in the year ended December 31, 2025 (2024: Euro 6'166 thousand), are recognized directly in the income statement.

Employee benefit plans

In addition to the legally required social security schemes, the Group has several employee benefit plans and other post-employment benefit plans. The defined benefit obligations (DBOs) of the major pension plans and some of the most relevant other post-employment benefit plans are remeasured annually by independent actuaries.

The following table summarizes the total employee benefit obligation by type as of December 31, 2025 and 2024:

Amount recognized in the Balance Sheet

(Thousand Euro)	**31.12.2025**	**31.12.2024**
Defined benefit plan Switzerland	13'454	12'690
Retention plan Japan	1'861	1'791
Retention plan Switzerland	1'030	1'027
Retention plans Australia	692	595
Retention plans US	1'910	503
Other plans	1'358	968
EMPLOYEE BENEFIT OBLIGATION	**20'305**	**17'574**

Pension plans in Switzerland

The current pension arrangement for employees in Switzerland is made through a plan governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). The board of trustees is responsible for the risk management. The cash funding of these plans is designed to ensure that present and future contributions should be sufficient to meet future liabilities. The pension plans are financed by contributions of both employees and employer. Contributions are defined by the plan regulations and cannot be decreased without amending the plan regulations. In mandatory pension funds the employer has to pay at least as much as the employees. The Swiss pension plan contains a cash balance benefit which is, in essence, contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan for the purposes of these IFRS financial statements. The plan is invested in a diversified range of assets in accordance with the investment strategy and the common criteria of an asset and liability management. A potential under-funding may be remedied by various measures such as increasing employer and employee contributions or reducing prospective benefits. Medacta pension plan is a cash balance plan where contributions are expressed as a percentage of the pensionable salary. The pension plan guarantees the amount accrued on the members' savings accounts, as well as a minimum interest on those savings accounts.

As of December 31, 2025, 1'135 employees (2024: 1'019 employees) and 9 beneficiaries (2024: 8 beneficiaries) are insured under the Swiss plan. The defined benefit obligation has a duration of 16.6 years (2024: 17.4 years).

The plan contains a cash balance benefit formula. Under Swiss law, the collective foundation guarantees the vested benefit amount as confirmed annually to members. Interest may be added to member balances at the discretion of the collective foundation. At retirement date, members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the balance converted to a fixed annuity at the rates defined in the rules of the collective foundation.

The result of the Swiss benefit plan is summarized below:

Amount recognized in the Balance Sheet

(Thousand Euro)	31.12.2025	31.12.2024
Present value of defined benefit obligations	(63'857)	(54'563)
Fair value of plan assets	50'403	41'873
EMPLOYEE BENEFIT OBLIGATION	**(13'454)**	**(12'690)**

Remeasurement recognized in Equity

(Thousand Euro)	2025	2024
BALANCE AT JANUARY 1	**2'506**	**(2'527)**
Remeasurement of defined benefit obligations	1'634	6'525
Return on plan assets excl. interest income	(2'278)	(1'588)
Exchange differences	20	96
BALANCE AT DECEMBER 31	**1'882**	**2'506**

Components of remeasurement of defined benefit plans recognized in OCI

(Thousand Euro)	31.12.2025	31.12.2024
Changes in financial assumptions	1'017	6'678
Changes in demographical assumptions	-	-
Experience adjustments	617	(153)
Return on plan assets excluding interest income	(2'278)	(1'588)
REMEASUREMENT OF DEFINED BENEFIT PLANS *	**(644)**	**4'937**

"Remeasurements of defined benefit obligations" in the consolidated statement of comprehensive income amounted to Euro 706 thousand in 2025 and (Euro -4'725 thousand in 2024), as it includes the remeasurement of the Japan plan.

In 2025, "Changes in financial assumptions" is mainly related to the change in the discount rate, which increased from 1.0% in 2024 to 1.3% in 2025. In addition, the Group sets mortality assumptions after considering the most recent statistics practicable and uses generational mortality tables to estimate probable future mortality improvements, (BVG 2020 GT generation tables). According to these tables, the Group infers that the trend of increasing longevity will continue.

Amounts recognized in the Income Statement

(Thousand Euro)	31.12.2025	31.12.2024
Current service cost	3'704	2'671
Past service cost	58	-
Participants' contributions	(2'637)	(2'369)
Administration cost	27	22
Net interest cost	133	109
TOTAL EMPLOYEE BENEFIT EXPENSES / (INCOME)	**1'285**	**433**

The amounts recognized in the Consolidated Profit or Loss have been charged to:

- Cost of Sales – loss amounting to Euro 512 thousand (loss amounting to Euro 141 thousand in 2024);
- Research and Development – loss amounting to Euro 138 thousand (loss amounting to Euro 39 thousand in 2024);
- Sales and Marketing expenses – loss amounting to Euro 206 thousand (loss amounting to Euro 62 thousand in 2024);
- General and Administrative expenses – loss amounting to Euro 296 thousand (loss amounting to Euro 82 thousand in 2024);
- Financial costs – loss amounting to Euro 133 thousand (loss amounting to Euro 109 thousand in 2024).

Movement in the present value of the defined benefit obligations

(Thousand Euro)	2025	2024
BALANCE AT JANUARY 1	**54'563**	**43'785**
Interest cost	580	669
Current service cost	3'704	2'671
Contribution by plan participants	2'442	2'183
Benefits deposited/(paid), net	286	(954)
Past service cost	58	-
Administration cost	27	22
Actuarial (gain) / loss on defined benefit obligation	1'634	6'525
Exchange differences	563	(338)
PRESENT VALUE OF OBLIGATIONS AT DECEMBER 31	**63'857**	**54'563**

Plan assets

Plan assets are composed of the retirement assets, the mathematical reserve for annuities and the account balances of the AXA-Winterthur. The plan assets are composed exclusively of quoted instruments:

Plan assets

(Thousand Euro)	31.12.2025	31.12.2024
Cash and cash equivalents	1'059	645
Equity instruments	20'027	14'756
Debt instruments (e.g. bonds)	13'585	14'082
Real estate	12'093	9'949
Others	3'639	2'441
TOTAL	**50'403**	**41'873**

Movement in the fair value of the plan assets

(Thousand Euro)	2025	2024
BALANCE AT JANUARY 1	**41'873**	**36'457**
Interest income on plan asset	447	560
Employer's contributions paid	2'637	2'369
Participants' contributions	2'442	2'183
Benefits deposited/(paid), net	286	(954)
Return on plan assets excluding interest income	2'278	1'588
Exchange differences	440	(330)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**50'403**	**41'873**

The principal actuarial assumptions are as follows:

	31.12.2025	31.12.2024
Discount rate	1.3%	1.0%
Future salary increase	1.2%	1.0%
Interest rate on retirement saving capital *	3.3%	2.3%
Mortality	BVG2020GT	BVG2020GT

* Medacta is applying risk sharing.

The following sensitivity analysis shows how the present value of the benefit obligation for the Swiss retirement benefit plan would change if one of the principal actuarial assumptions were changed. Changes in the aforementioned actuarial assumptions can result in significant volatility in the accounting for the Group's pension plans in the Consolidated Financial Statements. For the analysis, changes in the assumptions were considered separately and no interdependencies were taken into account. There was no change in the approach compared with last year.

Sensitivity analysis - Defined benefit obligation

(Thousand Euro)	31.12.2025	31.12.2024
DISCOUNT RATE		
Discount rate + 0.25%	61'337	52'307
Discount rate - 0.25%	66'581	57'008
SALARY GROWTH		
Salary growth + 0.25%	64'388	55'072
Salary growth - 0.25%	63'341	54'050
INTEREST RATE GROWTH		
Interest rate growth + 0.25%	65'033	55'551
Interest rate growth - 0.25%	62'721	53'609
LIFE EXPECTANCY		
Life expectancy + 1 year	64'716	55'355
Life expectancy - 1 year	62'994	53'770

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at December 31, 2025 by Libera AG. To determine the present value of the defined benefit obligation and the related current service cost and, where applicable, past service cost, the Projected Unit Credit Method has been used.

This method is based on the amount of working years at the date of the actuarial valuation and considers the future by including:

- a discount rate;
- the salary development and leaving probability up to the beginning of the benefit payment;
- inflation adjustments for the years after the first payment for recurring benefits.

The plan in Switzerland typically exposes the Group to actuarial risks such as interest rate risk, longevity risk and salary risk.

The Group expects to make a contribution of Euro 2.9 million to the defined benefit plans during the next Financial Year 2025.

Interest rate risk

The rate used to discount post-employment benefit obligations has been determined by reference to market yields at the balance sheet date on high quality corporate bonds.

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants, both during and after their employment.

An increased life expectancy of the plan participants will increase the plan's liability.

Salary risk

Salary increase is Company specific. The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants.

As such, an increase in the salary of the plan participants will increase the plan's liability.

Other non-current employee benefits

The Group has programs in Switzerland, Australia, Japan, Austria, France, Belgium and in the United States. These programs amounted to Euro 6'851 thousand as of December 31, 2025 (2024: Euro 4'884 thousand). Major retention plans are in Switzerland, Australia and Japan.

In Switzerland and in the United States, the retention plans consist of an additional bonus for some eligible employees; in Australia, the other non-current employee benefit plans consist in a retention plan for some eligible employees, and in a long-service leave program for workers who have completed ten years of continuous service with the employer; in Japan, the retention plan provides that upon retirement each member will receive a lump sum determined by the years that the worker was employed.

6.21 Share-based payment transactions

On March 24, 2025 the Board of Directors approved the implementation of the 2025-2028 LTIP proposed by the Human Resources & Remuneration Committee, under the Performance Share Plan ("the Plan"), that was open to eligible participants starting in April 2026. The Board is responsible for administering and executing the Plan and has full power to construe and interpret the Plan, establish and amend rules and regulations for its administration, and perform all other actions relating to the Plan.

The expense recognized for share-based payments in 2025 is equal to Euro 4'791 thousand (Euro 3'817 thousand in 2024).

Reconciliation of outstanding performance share units	2025	2024
TOTAL AT JANUARY 1	**78'783**	**68'488**
Granted	33'531	30'727
Vested	(21'105)	(19'340)
Forfeited	(3'449)	(1'092)
TOTAL AT DECEMBER 31	**87'760**	**78'783**

In 2025, 33'531 PSUs were granted under the LTIP (2024: 30'727). The total fair value has been determined using a Monte Carlo simulation algorithm and amounts to CHF 129.39 (2024: CHF 128.54). On May 7, 2025 following the Annual General Meeting, 21'105 PSUs related to the 2022-2025 Award Cycle, corresponding to 30'632 shares, were distributed to the participants of the LTIP. The value of shares vested to eligible employees amounts to Euro 3'575 thousand, determined based on the purchase price of the treasury shares repurchased by the Group to fund the 2022-2025 Award Cycle.

The underlying assumptions used to determine the fair value of the PSUs granted under the Group's LTIP for the Award Cycles currently in progress are presented below. For the purposes of this disclosure, Award Cycles "in progress" refer to those granted but not yet vested.

Inputs to the model	Award Cycle 2025	Award Cycle 2024	Award Cycle 2023
Dividend yield (in %)	-	-	-
Expected volatility (in %)	36.06%	37.61%	39.70%
Risk-free interest rate (in %)	-	1%	-
Expected life of PSUs (in years)	3	3	3
Share price (in CHF) at grant date in April	128.35	123.07	100.52
Fair value (in CHF)	129.39	128.54	107.83

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the instruments is indicative of future trends, which may not necessarily be the actual outcome.

6.22 Other liabilities

The following table shows a breakdown of other liabilities as of 31 December 2025 and 2024:

(Thousand Euro)	31.12.2025	31.12.2024
Legal matters	834	1'404
Other	61	193
TOTAL OTHER NON-CURRENT LIABILITIES	**895**	**1'597**
Liabilities to tax authorities	8'393	9'830
Liabilities to social security	5'323	4'166
Other debts towards employees	1'830	1'077
Legal matters	461	1'449
Other	814	418
TOTAL OTHER CURRENT LIABILITIES	**16'821**	**16'940**

Legal matters include the liability related to the settlement agreement signed with MicroPort Inc in 2021, and the decrease compared to 2024 reflects the payment terms of the aforementioned settlement agreement.

6.23 Trade payables

Trade payables, amounting to Euro 49'832 thousand (2024: Euro 35'387 thousand), mainly consist of commercial payables due within 12 months.

6.24 Accrued expenses and deferred income

(Thousand Euro)	31.12.2025	31.12.2024
Consulting fees	3'320	4'048
Royalties and commissions due	10'290	10'182
Accrued vacation expenses	4'876	4'179
Accrued bonuses	18'388	17'925
Insurances	258	287
Other accrued expenses/deferred income	8'293	7'327
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	**45'425**	**43'948**

6.25 Information on the consolidated statement of Profit or Loss

6.25.1 Analysis of revenue

The following table presents revenue of the Group's product lines for the years ended December 31, 2025 and 2024 respectively:

(Thousand Euro)	31.12.2025	31.12.2024
Hip	270'537	247'321
Knee	284'144	241'200
Spine	57'036	51'770
Extremities*	72'110	50'289
TOTAL	**683'827**	**590'580**

* Extremities include Shoulder and Sportsmed revenues

6.25.2 Analysis of expenses

Personnel expenses

Personnel expenses as of December 31, 2025 and 2024 are as follows:

(Thousand Euro)	31.12.2025	31.12.2024
Wages and salaries	167'200	148'428
LTIP Employee benefit expense	4'791	3'817
Social security costs	21'136	17'705
Pension costs and other personnel expense	16'014	11'895
TOTAL PERSONNEL EXPENSES	**209'141**	**181'845**

The recognition of the personnel expenses by function is as follows:

Personnel expenses by function

(Thousand Euro)	31.12.2025	31.12.2024
Cost of Sales	35'969	28'923
Research and Development expenses	6'733	5'802
Sales and Marketing expenses	113'425	100'784
General and Administrative expenses	53'014	46'336
TOTAL PERSONNEL EXPENSES BY FUNCTION	**209'141**	**181'845**
AVERAGE NR OF EMPLOYEES DURING THE YEAR	**2'036**	**1'819**

Depreciation, amortization and impairment

Depreciation, amortization and impairment, a December 31, 2025 and 2024 are as follows:

(Thousand Euro)	31.12.2025	31.12.2024
Cost of Sales	54'292	46'184
Research and Development expenses	10'069	8'796
Sales and Marketing expenses	4'834	4'510
General and Administrative expenses	7'274	6'313
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT BY FUNCTION	**76'469**	**65'803**

Impairment included in line Research and Development is equal to Euro 2'053 thousand in 2025 (Euro 572 thousand in 2024). See Note 6.10 "Intangible assets", paragraph "Impairment test for intangible assets".

General and Administrative expenses

General and Administrative expenses as of December 31, 2025 and 2024 are composed of the following expense categories:

(Thousand Euro)	31.12.2025	31.12.2024
Personnel expenses	53'014	46'336
Depreciation and amortization	7'274	6'313
Consulting expenses	9'713	7'383
Business and administrative expenses (i.e. insurance, maintenance, BoD and audit fees)	13'970	12'149
Provisions	44	2'003
Travel and accommodation	1'286	663
Various taxes	1'522	1'252
Miscellaneous expenses	1'420	1'147
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE	**88'243**	**77'246**

In 2025, total General and Administrative expenses increase consistently with the growth of the Group, driven by "Personnel expenses". In 2024, "Provisions" was related to the settlement of the litigation with Mighty Oak Medical.

Consulting expenses include approximately Euro 1'107 thousand of legal expenses (Euro 1'232 thousand in 2024) and Euro 8'605 thousand related to clinical studies, IT, tax and other consulting expenses (Euro 6'151 thousand in 2024).

Research and Development expenses

Research and Development costs that are not eligible for capitalization have been expensed in the period incurred and they are recognized in Research and Development expenses along with amortization and impairment, for a total amount in 2025 of Euro 23'524 thousand (Euro 21'392 thousand in 2024).

Development costs eligible for capitalization amounts to Euro 16'163 thousand in 2025 and Euro 11'999 thousand in 2024.

6.25.3 Other income / (expenses)

Other income amount to Euro 1'955 thousand as of December 31, 2025 (Euro 2'635 thousand in 2024) and are mainly related to miscellaneous expenses rebilled to third parties.

Other expenses amount to Euro 1'729 thousand as of December 31, 2025 (Euro 2'055 thousand in 2024) and include Euro 534 thousand (Euro 525 thousand in 2024) related to contributions made to non-profit organizations.

6.25.4 Financial income/(costs)

Financial income

(Thousand Euro)	31.12.2025	31.12.2024
Gain on revaluation of financial instruments at fair value through profit or loss	2'533	-
Interest income loans and receivables	466	221
Foreign exchange gains	4'760	17'101
TOTAL FINANCIAL INCOME	**7'759**	**17'322**

Financial income as of December 31, 2025 includes realized and unrealized foreign exchange gains for Euro 4'760 thousand (Euro 17'101 thousand in 2024). In 2025, Medacta recognized an income amounting to Euro 2'533 thousand on the revaluation of financial instruments at fair value through profit or loss.

Financial (costs)

(Thousand Euro)	31.12.2025	31.12.2024
Interest on loans and borrowings	(5'014)	(5'915)
Losses on revaluation of financial instruments at fair value through profit or loss	-	(3'306)
Foreign exchange losses	(10'707)	(9'567)
Interest expense on lease contracts	(1'796)	(1'597)
TOTAL FINANCIAL (COSTS)	**(17'517)**	**(20'385)**
TOTAL FINANCIAL INCOME/(COSTS), NET	**(9'758)**	**(3'063)**

Interest on loans and borrowings, amounting to Euro 5'014 thousand in 2025, slightly lower than in the prior year (Euro 5'915 thousand in 2024).

In 2024, Medacta recognized losses amounting to Euro 3'306 thousand on the revaluation of financial instruments at fair value through profit or loss.

Foreign exchange losses amounted to Euro 10'706 thousand in 2025 (compared to Euro 9'567 thousand in 2024). Overall, foreign exchange losses and gains had a negative impact on net financial income/(costs), due to the negative effects of unfavorable exchange rate trends.

In 2025, Interest expenses on lease contracts slightly increase compared to prior year to Euro 1'796 thousand (from Euro 1'597 thousand in 2024). For further details, please refer to Note 6.9 "Leases".

6.26 Litigations

Italian payback scheme litigation

In 2011, during a period of severe crisis in the Italian economy the payback scheme was introduced, a mechanism to obtain from suppliers a contribution to offset variances occurring when Italian government expenditures exceed their ceiling for the purchase of medical devices. Such a measure was similar to the payback scheme introduced in 2008 in relation to overruns of the pharmaceutical expenditure ceiling, which for many years has been the subject of legal disputes that have often led to its significant containment.

There were strong doubts as to the legitimacy of the payback system for medical devices overall, especially in terms of the retroactivity of the measures, numerous critical issues in the application of the rules and in relation to possible calculation errors. Medacta legal representation, along with all the Italian Medical devices associations, decided to appeal the Decree of the Ministry of Health dated October 6, 2022 and the consequent deeds of the Regions. In September 2023, the Regional Administrative Court of Lazio (TAR Lazio) upheld all Medacta requests of suspension of the effects of Regional measures.

Following the first hearing on the merits on October 24, 2023, the Lazio Regional Administrative Court published an initial order in which it ordered the referral of the issue of constitutional legitimacy of the payback legislation to the Constitutional Court.

The Constitutional Court, in its ruling published on July 22, 2024, no. 140, has confirmed the constitutional legitimacy of the rules governing the payback scheme.

The Article 7 of the annexed Decree-Law No. 95 of 30 June 2025 ("Economy Decree") (converted into Law No. 118 of 8 August 2025) established that the payment obligations imposed on supplier companies—originally determined by regional measures concerning medical devices for the years 2015–2018—would be deemed fulfilled if the company paid an amount equal to 25% of the sums indicated in those measures within 30 days from the date of entry into force of the law converting the decree, i.e., by 9 September 2025.

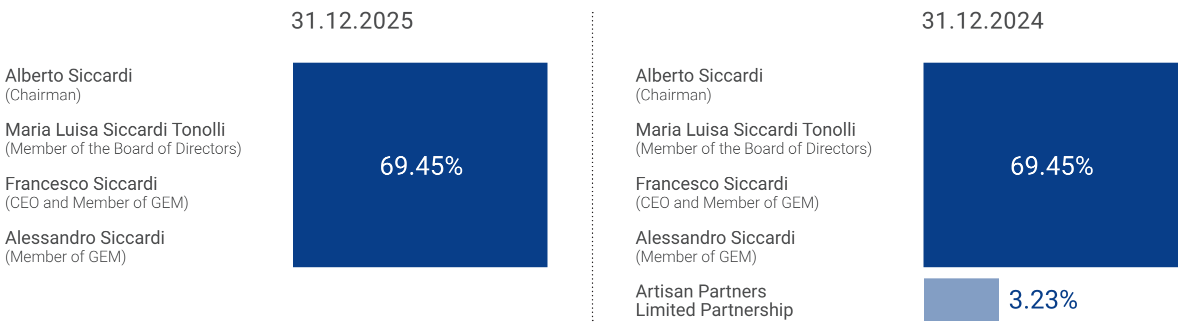
Medacta paid the amounts within its competence in September 2025 for a total of Euro 771 thousand, and the hearing on the merits relating to all appeals filed before the Regional Administrative Court of Lazio has been scheduled for 12 June 2026.

Finally, the remaining provision, amounting to Euro 2'315 thousand, relates to the years preceding the entry into force of the Decree of the Ministry of Health dated 6 October 2022.

6.27 Related party transactions

Related parties primarily comprise members of Group Executive Management (GEM), Members of the Board of Directors and significant shareholders.

The following shareholders hold a participation of more than 3% of the issued share capital of the Group's ultimate parent Medacta Group SA:



Transactions with related parties are carried out at arm's length. Details of transactions between the Group and its related parties are disclosed below.

Operating transactions

In 2025 Medacta International made contributions to Medacta for Life Foundation for Euro 534 thousand (Euro 525 thousand in 2024), a non-profit organization founded by the Siccardi Family.

Mr. Philippe Weber is a member of the Board of Directors of Medacta Group SA. Niederer Kraft Frey Ltd, a law firm at which Mr. Philippe Weber is a partner, provided legal services to the Group. The fees for his professional services provided during the year 2025 are recognized in the General and Administrative expense line item for an amount equal to Euro 26 thousand (in 2024 Euro 18 thousand).

During 2025, members of the Group Executive Management (GEM) collectively purchased 7'930 share units and sold 15'714 share units of Medacta Group SA. At the vesting date of the LTIP, 6'758 share units were vested to members of the GEM.

Surgical Practice Resource Group SA is the holding company of an Hip&Knee center in Florida performing both clinic and ASC activities, owned by the Siccardi Family. Ambulatory Surgery Centers (ASC's) are outpatient facilities that offer an alternative to hospitals for patients undergoing routine surgical procedures. Some of the implants for the ASC procedures are provided by Medacta for a total amount of Euro 283 thousand in 2025.

Compensation of Key Management Personnel

The following table shows the compensation of Key Management Personnel recognized in Profit or Loss in line with the Group's accounting policies.

(Thousand Euro)	31.12.2025	31.12.2024
Fees, salaries and other short-term benefits	4'604	4'212
Post-employment pension and medical benefits	557	513
Share-based payments	953	976
TOTAL COMPENSATION OF KEY MANAGEMENT PERSONNEL	**6'114**	**5'701**

Key Management Personnel comprises of the Board of Directors and the Group Executive Management (GEM). In the financial year 2024, the Group Executive Management comprised six members, three of whom were appointed by the Board of Directors on March 12, 2024. The compensation of the GEM consists of a fixed portion and variable portion, which depends on the course of business and individual performance.

6.28 Earnings per share

Basic earnings per share is calculated as the profit for the year attributable to equity holders of the parent divided by the weighted average number of outstanding shares of the Company during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	31.12.2025	31.12.2024
Net profit attributable to shareholders (in Euro thousand)	95'460	72'886
Weighted average number of ordinary shares outstanding	19'926'774	19'915'416
BASIC EARNINGS PER SHARE (in Euro)	**4.79**	**3.66**

Diluted earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Medacta Group SA by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential of outstanding equity instruments into ordinary shares. The number of shares, as above calculated, is compared with the number of shares that would have been issued assuming the exercise of the Performance Share Units.

	31.12.2025	31.12.2024
Net profit used to determine diluted earnings per share (in Euro thousand)	95'460	72'886
Weighted average number of ordinary shares outstanding	19'926'774	19'915'416
Adjustments for performance stock units issued	44'817	39'980
Weighted average number of ordinary shares for diluted earnings per share	19'971'591	19'955'395
DILUTED EARNINGS PER SHARE (in Euro)	**4.78**	**3.65**

6.29 Atypical and/or unusual operations

The Group did not carry out any atypical and/or unusual operations.

6.30 Contingencies and commitments

The Group, as of December 31, 2025, contracted purchase commitments, mainly relating the acquisition of instruments, for a total amount of Euro 45.5 million (Euro 23.4 million in 2024).

As of December 31, 2025, the Group had used credit lines as borrowing facilities pledged by tangible fixed assets for a total amount of Euro 49'521 thousand (2024: Euro 44'273 thousand).

The Group as of December 31, 2025 has unused credit lines of Euro 139'029 thousand (2024: Euro 157'387 thousand), out of which Euro 4'701 thousand pledged by tangible fixed assets (2024: Euro 9'982 thousand).

6.31 Subsequent events

There have been no events occurring after the reported period which would have a material effect on the Medacta Group Financials as of December 31, 2025.

6.32 Exchange rates used to translate Financial Statements prepared in currencies other than Euro

Items included in the financial statement of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's presentation currency is Euro, while the functional currency of the Parent Company is Swiss Franc. All values are rounded to the nearest thousand except where otherwise indicated.

	Average		Closing	
	2025	2024	31.12.2025	31.12.2024
CHF	1.0678	1.0501	1.0746	1.0647
GBP	1.1676	1.1812	1.1471	1.2085
AUD	0.5713	0.6097	0.5680	0.5976
USD	0.8866	0.9246	0.8514	0.9659
JPY	0.0059	0.0061	0.0054	0.0061
CAD	0.6342	0.6749	0.6204	0.6715
INR	0.0101	-	0.0095	-

7. Audit Report – Consolidated Financial Statements

Deloitte SA
Via Ferruccio Pelli 1
Casella Postale 5520
6901 Lugano
Svizzera

Phone: +41 (0)58 279 9400
Fax: +41 (0)58 279 9500
www.deloitte.ch

Report of the Statutory Auditor

To the General Meeting of
MEDACTA GROUP SA, CASTEL SAN PIETRO

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Medacta Group SA (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and loss and 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 on pages 162 to 212 give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 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 that are relevant to audits of the financial statements of public interest entities, 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), as applicable to audits of financial statements of public interest entities. We have also fulfilled out 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 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.

Deloitte.

Capitalisation and measurement of development projects

Key audit matter	How the scope of our audit responded to the key audit matter
As described in Note 6.10 to the consolidated financial statements, the intangible assets balance amounts to EUR 62 million (2024: EUR 54 million), including development projects capitalised at 31 December 2025 amounting to EUR 47 million (2024: EUR 41 million). As described in Note 6.2 to the consolidated financial statements, the Group distinguishes between research costs, which are recognized in the statement of profit or loss as incurred, and development costs, which are capitalised provided that the technical and commercial feasibility of the asset has been established, the related costs can be measured reliably, and it can reasonably be expected that the costs will be recovered in the future. The costs relating to projects for which the development phase has been completed as of 31 December 2025, are amortised over the useful life of the related products. Projects which are still in early phases of development as of the financial statement date are not amortised as they are considered as being intangible assets with indefinite useful life ("In Progress Development Projects"). Development projects are allocated to "Product Families" based on their purpose. Capitalisation of development projects requires the Group to apply judgement to evaluate whether the development expenditure incurred qualifies for recognition as an asset in accordance with IAS 38. Whenever there are indications of impairment, and at least once a year for "In Progress Development Projects", the Group tests these assets for impairment. For the impairment test of "In Progress Development Projects", the Group applies judgements and defines assumptions in areas such as revenue growth, estimates in connection with the "costs to complete" and WACC. For these projects, the impairment test is done at the level of "Product Families". Due to the significant amount of costs capitalised and the judgements applied by the Group, we consider the capitalisation and measurement of development projects to be a key audit matter.	We assessed design and implementation of the key controls relevant to the development projects process and the impairment process. We performed tests of details, using a statistical sampling method, on the projects capitalised during the year. We obtained technical information relating to the selected projects to verify whether the costs qualified as development costs. We analyzed the evidence obtained to evaluate the usefulness of the assets for the Group and we inquired about the Group's intention, and its ability to complete these projects. We inquired about the Group's assessment of the future economic benefits, and its intention to use or sell the assets. We tested on a sample basis whether the costs for development projects were eligible for capitalisation and whether the amounts were capitalised accurately. Furthermore, we verified the supporting evidence such as third-party invoices and salary costs of the development teams. We have involved internal valuation specialists to assist us in challenging the valuation model (i.e. validity of the methodology and its application, completeness, and mathematical accuracy) and the WACC applied. We have challenged the Group's judgements and assumptions used in its impairment model and we have tested their historical accuracy. We assessed the adequacy and completeness of the disclosures included in the accompanying consolidated financial statements (Note 6.10). Based on the procedures performed, we obtained sufficient appropriate audit evidence to address the risks around capitalisation and measurement of development projects.

Deloitte.

Acquisition of Parcus Medical LLC

Key audit matter	How the scope of our audit responded to the key audit matter
As described in Note 6.4 to the consolidated financial statement, on 7 March 2025 Medacta Group SA acquired 100 % of the voting interests of Parcus Medical LLC from Anika Therapeutics, Inc. for a cash consideration of USD 4.5 million (EUR 4.2 million). Because the fair value of the net identifiable assets of USD 19.3 million (EUR 17.8 million) exceeded the consideration transferred, a bargain purchase gain of USD 14.8 million (EUR 13.7 million) was recognized in the income statement. The acquisition accounting and the valuation of assets and liabilities acquired involves a number of complex accounting judgments and estimates including the determination and application of valuation methodology and the identification of the presence or absence of assets within the business acquired. We consider the acquisition of Parcus Medical LLC to be a key audit matter due to the complexity of the acquisition accounting, the level of judgment relating to the identification and valuation of assets, the calculation of the related deferred taxes, and the liabilities assumed, and the significance of the gain on bargain purchase.	We obtained and reviewed the legal documents such as the purchase agreement and its relevant appendices and evaluated the key terms and conditions. We tested the payment of consideration by tracing them to the bank statements evidencing the payments of the funds. We gathered sufficient evidence to confirm whether the transaction constitutes a business combination in accordance with IFRS 3 "Business Combinations" and support the acquisition date determined by management. We obtained a report from management providing the valuation of assets and liabilities in the acquisition accounting and involved our valuation specialists to assist us in auditing the estimation of the fair value allocation of the assets and liabilities acquired. We assessed the expertise and competence of the PwC US valuation specialists employed by Medacta to assist management in preparing the PPA and fair value allocation. We involved Deloitte tax specialists to assess the correctness of the deferred tax booking related to the bargain purchase. We visited the component in order to gain an understanding of the acquired business and financial reporting risks. We evaluated the design and implementation of the key controls relating to financial reporting at the component and oversight of controls regarding key accounting estimates in the PPA and acquisition accounting process at the group level. We performed a net-realizable-value test of the inventory acquired on a sample basis. We evaluated the appropriateness of the "bargain purchase" calculation under IFRS 3 principles, scrutinise the accounting for and disclosure of negative goodwill and ensured that the disclosures for the acquisition are complete and in accordance with IFRS 3. Based on the procedures performed, we obtained sufficient appropriate audit evidence to address the risks around the acquisition accounting and the valuation of assets and liabilities acquired.

Deloitte.

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, standalone financial statements, the tables marked "audited" in the remuneration 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, which 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Deloitte.

Medacta Group SA
Statutory Auditor's Report
for the year ended
31 December 2025

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.

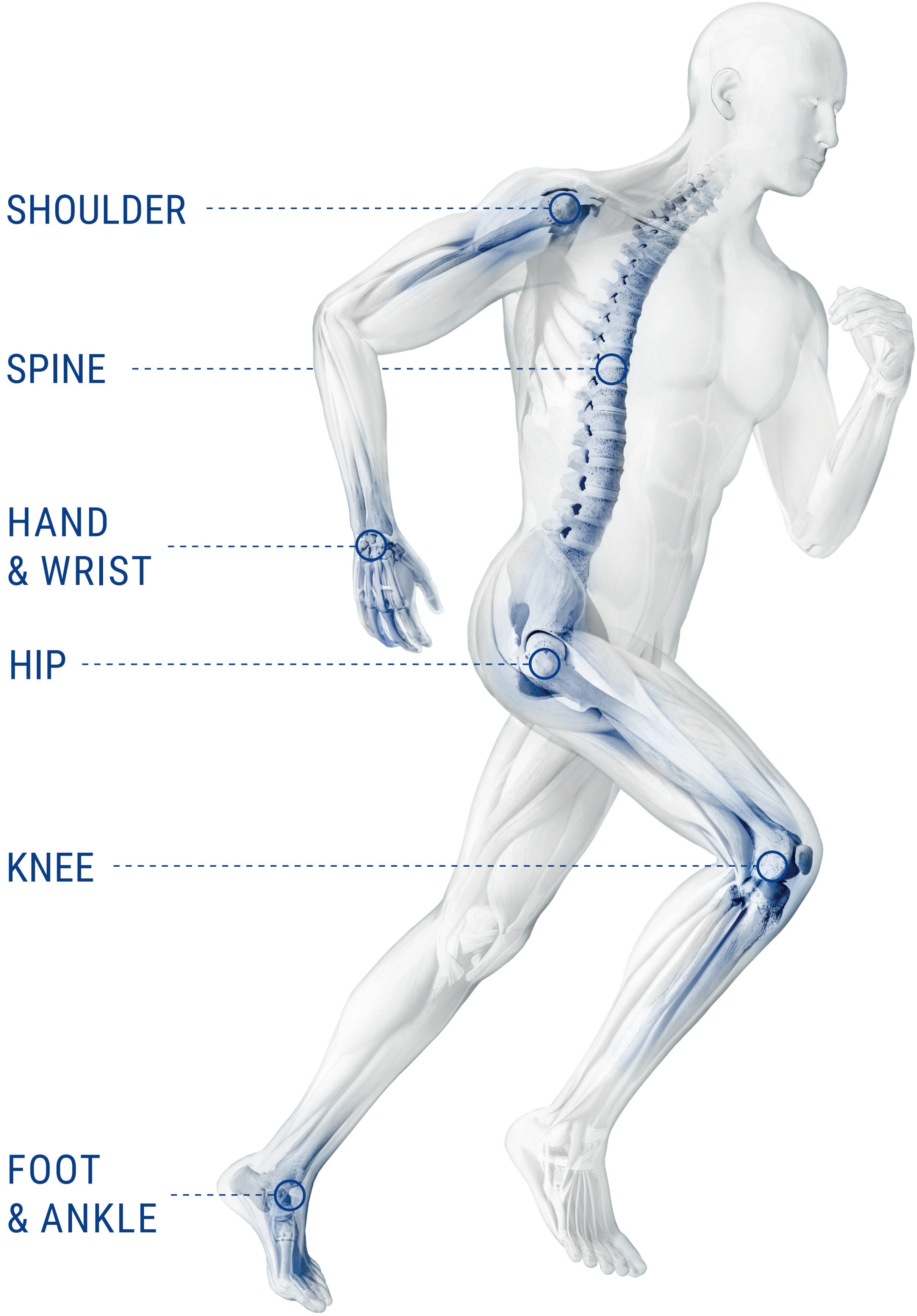
We recommend that the consolidated financial statements submitted to you be approved.

Deloitte SA

Alessandro Miolo
Licensed Audit Expert
Auditor in Charge

Dominik Vögtli
Licensed Audit Expert

Lugano, 12 March 2026


SHOULDER
SPINE
HAND
& WRIST
HIP
KNEE
FOOT
& ANKLE

Medacta Group SA Statutory Financial Statements

8. Statutory Financial Statements Medacta Group SA

Balance Sheet

Assets

(Swiss Francs)	Notes	31.12.2025	31.12.2024
Cash and cash equivalents		458'032	358'472
Short-Term receivables towards group companies	8.3.1	2'393'402	1'351'918
Accrued income and prepaid expenses	8.3.2	11'228'946	7'025'569
TOTAL CURRENT ASSETS		**14'080'380**	**8'735'959**
Investment in subsidiaries	8.3.3	135'510'583	135'510'583
Long-Term loans towards group companies	8.3.4	38'857'316	47'235'208
Property, plant and equipment		56'813	0
TOTAL NON-CURRENT ASSETS		**174'424'712**	**182'745'791**
TOTAL ASSETS		**188'505'092**	**191'481'750**

Liabilities and Equity

(Swiss Francs)	Notes	31.12.2025	31.12.2024
Account payables		94'002	6'358
Deferred income and accrued expenses	8.3.5	5'194'917	3'194'561
Other current liabilities		268'665	262'163
TOTAL CURRENT LIABILITIES		**5'557'584**	**3'463'082**
TOTAL NON-CURRENT LIABILITIES		**-**	**-**
Share capital	8.3.6	2'000'000	2'000'000
General capital reserve		131'000'000	131'000'000
Capital contribution reserve	8.3.7	410'625	7'293'345
General legal reserve from earnings		1'000'000	1'000'000
Treasury Shares reserve	8.3.8	(11'650'392)	(9'331'491)
Other capital reserves	8.3.9	932'070	113'808
Retained earnings brought forward	8.3.10	49'060'286	48'712'939
Profit for the year		10'194'919	7'230'067
TOTAL SHAREHOLDER'S EQUITY		**182'947'508**	**188'018'668**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**188'505'092**	**191'481'750**

Income Statement

(Swiss Francs)	Notes	31.12.2025	31.12.2024
Dividend income	8.3.11	11'000'000	7'000'000
Interest Income	8.3.12	843'098	1'067'716
Other Revenues	8.3.13	7'400'669	5'040'073
TOTAL REVENUE		**19'243'767**	**13'107'789**
Personnel costs		(7'525'240)	(4'963'823)
Legal and administrative expenses	8.3.14	(813'805)	(690'672)
Other expenses		(210'858)	(210'917)
TOTAL OPERATING COSTS		**(8'549'903)**	**(5'865'412)**
OPERATING PROFIT		**10'693'864**	**7'242'377**
Other financial income / (costs)		(468'879)	92'345
TOTAL FINANCIAL INCOME / (COSTS)		**(468'879)**	**92'345**
PROFIT BEFORE TAXES		**10'224'985**	**7'334'722**
Taxes	8.3.15	(30'066)	(104'655)
PROFIT FOR THE YEAR		**10'194'919**	**7'230'067**

Notes

8.1 General information

Medacta Group SA (the "Company"), with its legal office in Castel San Pietro, is a public company listed at the SIX Swiss Stock Exchange.

The Company is presenting consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), in compliance with articles 963 and following of the Swiss Code of Obligations (CO), subject to ordinary audit as per Swiss Law. Therefore, Medacta Group SA has applied the exemption included in article 961d, paragraph 1 SCO, and has not prepared the cash flow statement and additional disclosures.

As the parent company of the Medacta Group, the purpose of Medacta Group SA is to acquire, dispose of and manage investments in the field of orthopedics. The Company is mainly concerned with the strategic, financial and real estate management of the Group.

During 2025 and 2024 the number of full-time positions on annual average is less than 10.

8.2 Accounting principles

These Financial Statements have been prepared in compliance with the Swiss Code of Obligations (CO).

Translation of foreign currencies

The receivables and payables in foreign currencies are translated into Swiss Francs at the closing exchange rates.

All the transactions in foreign currencies occurred during the year are translated into Swiss Francs at the exchange rate prevailing in the day of the transaction.

Related parties

Related parties primarily comprise subsidiaries, Members of the Board of Directors and significant shareholders. All transactions with those related parties are carried out in accordance with the arm's length principle.

Investment in subsidiaries

The investment in subsidiaries is evaluated at acquisition costs, adjusted for impairment losses if any.

Long-term loans

Loans towards group companies are evaluated at granted costs and adjusted for recovery risk if any.

Taxes

Taxes are accrued based on the annual profit and the taxable capital at the balance sheet date.

Income and costs

The income and costs are recognized in accordance with the economic competence principle.

The dividends of the fiscal period have been recognized according to the principle of simultaneous registration of dividends.

Furthermore, the principles of realization, of prudence, of imparity and of continuity are applied.

Use of estimates and judgements by the management

The preparation of the annual financial statements in accordance with the Swiss Code of Obligations (CO) requires the use of accounting estimates and assumptions by the management, based on historical experience and other factors (such as anticipation of results and future events, where appropriate and based on all circumstances and in compliance with the accounting principles of reference). The key sources of estimation uncertainty are the following:

- Investment in subsidiaries;
- Long-Term loans towards group companies
- Deferred income and accrued expenses;
- Taxes.

8.3 Information, split and explanations with regard to items of the balance sheet and the income statement

8.3.1 Short-term receivables towards Group companies

Short-term receivables towards Group companies amounted to CHF 2'393'402. The receivables are mainly addressed to Medacta International SA.

8.3.2 Accrued income and prepaid expenses

Accrued income and prepaid expenses includes dividend from Medacta Holding SA for CHF 11'000'000 related to the result of the year 2025 (simultaneous registration of dividend) and insurance prepaid expenses.

8.3.3 Investment in subsidiaries

The investment in subsidiaries is mainly referred to:

- Direct investment in subsidiaries:

Company	% of shares held December 2025	% of shares held December 2024	Registered office	Registered Capital	31/12/2025
Medacta Holding SA	100%	100%	Castel San Pietro (CH)	1'026'010 CHF	135'510'490 CHF
Knnex Health Inc.	100%	100%	Wilmington - Delaware (US)	100 USD	93 CHF

- Indirect investment in subsidiaries:

Company	% of shares held December 2025	% of shares held December 2024	Registered office	Registered Capital	Consolidation Method
Medacta International SA	100%	100%	Castel San Pietro (CH)	1'000'000 CHF	Full Consolidation
Medacta Americas Manufacturing Inc.*	100%	-	Wilmington - Delaware (US)	100 USD	Full Consolidation
Medacta Americas Operations Inc.	100%	100%	Wilmington - Delaware (US)	1 USD	Full Consolidation
Medacta Applied Solutions S.r.l.	100%	100%	Milan (IT)	10'000 EUR	Full Consolidation
Medacta Australia PTY Ltd	100%	100%	Lane Cove (AU)	4 AUD	Full Consolidation
Medacta Austria GmbH	100%	100%	Seekirchen am Wallersee (AT)	35'000 EUR	Full Consolidation
Medacta Belgium S.r.l.	100%	100%	Nivelles (BE)	18'550 EUR	Full Consolidation
Medacta Canada Inc.	100%	100%	Kitchener (CA)	100 CAD	Full Consolidation
Medacta España S.L.	100%	100%	Paterna (ES)	3'000 EUR	Full Consolidation
Medacta Europe Operations S.r.l.	100%	100%	Milan (IT)	600'000 EUR	Full Consolidation
Medacta France SAS	100%	100%	Nanterre (FR)	37'000 EUR	Full Consolidation
Medacta Germany GmbH	100%	100%	Göppingen (DE)	25'000 EUR	Full Consolidation
Medacta India Pvt Ltd *	100%	-	Mumbai (IN)	10'000'000 INR	Full Consolidation
Medacta Italia S.r.l.	100%	100%	Milan (IT)	2'600'000 EUR	Full Consolidation
Medacta Japan Co. Ltd	100%	100%	Tokyo (JP)	25'000'000 JPY	Full Consolidation
Medacta Netherlands B.V.*	100%	-	Eindhoven (NL)	1'000 EUR	Full Consolidation
Medacta UK Ltd	100%	100%	Hinckley (UK)	29'994 GBP	Full Consolidation
Medacta USA Inc.	100%	100%	Wilmington - Delaware (US)	1 USD	Full Consolidation
Parcus Medical LLC **	100%	-	Sarasota (US)	-	Full Consolidation

* New legal entities incorporated in 2025.
** On March 7, 2025 the Group acquired Parcus Medical LLC.

The participation held in the capital of the direct and indirect investment in subsidiaries corresponds to the relevant voting rights.

8.3.4 Long-term loans towards Group companies

Long-term towards Group companies is referred to the interest-bearing loan towards Medacta International SA amounting to CHF 35’700’000 (2024 amounted to CHF 44’500’000) and Knnex Health Inc. amounting to USD 3’985’000 equal to CHF 3’137’974 (2024: USD 3’015’000 equal to CHF 2’735’208).

8.3.5 Deferred income and accrued expenses

Deferred income and accrued expenses include amounts mainly referred to the incentive premium.

8.3.6 Share capital

The share capital amounts to CHF 2’000’000 and is divided into 20’000’000 registered shares with a nominal value of CHF 0.10 each.

8.3.7 Capital contribution reserve

During the year the Company distributed an amount of CHF 6’882’720. Following the 2025 repayment, the capital contribution reserve amounts to CHF 410’625. Capital contribution reserve was made up through cash contributions of CHF 6’450’000 and CHF 17’070’000 paid in 2019 by the majority shareholders to the Company for a total amount of CHF 23’520’000. Tax rulings have been received by Swiss federal tax authorities in order to recognize these cash contributions as qualifying capital contribution reserves (Kapitaleinlagereserve KER) in the sense of Swiss federal anticipatory (withholding) tax law. The final formal approval has been obtained by federal tax authorities in the year 2020.

8.3.8 Treasury shares reserve

Own shares as of December 31, 2025 amounted to 88’617 corresponding to CHF 11’650’392. In 2025 the Company purchased 39’690 own shares for the average price of around CHF 145.88 for CHF 5’790’038 (38’000 own shares as of 2024 for the average price of around CHF 120.00 equal to CHF 4’559’987). During the 2025, the second LTIP cycle was completed and 30’632 ownership shares vested, and 1’159 shares has been recognized to the Board of Directors as part of their remuneration fees. More detail at Note 6.17 “Medacta Group stockholders’ equity” paragraph “Treasury shares”.

8.3.9 Other capital reserves

Other capital reserves reflect any gain or loss from the previously repurchased treasury shares mainly related to the vested LTIP cycles.

8.3.10 Retained earnings – dividend paid out

On May 7, 2025 shareholders approved the distribution of CHF 13’765’440 equal to CHF 0.69 per share, half of it (corresponding to CHF 6’882’720) distributed as dividend out of available earnings and half of it distributed out of accumulated reserves from capital contribution reserve. Dividend was settled on May 13, 2025.

8.3.11 Dividend income

Dividend income accrued as of December 31, 2025 for CHF 11’000’000 refers to the 2025 dividend from the subsidiary Medacta Holding SA (simultaneous registration of dividend). Dividend accrued as of December 31, 2025 has not been cashed in as of the balance sheet date. The 2024 dividend income for CHF 7’000’000 was settled by Medacta Holding SA in May 2025.

8.3.12 Interest income

Interest income amounted to CHF 843’098 in 2025 (CHF 1’067’716 in 2024). The decrease is mainly due to Medacta International SA loan reimbursement and the change in interest rate.

8.3.13 Other revenues

Other revenues amounting to CHF 7’400’669 as of December 31, 2025 (CHF 5’040’073 in 2024), is mainly related to the recharge to Group’s subsidiaries for an amount of CHF 7’377’610 (CHF 5’028’367 in 2024).

8.3.14 Legal and administrative expenses

Legal and administrative expenses is referred to the 2025 audit fees of the statutory and consolidated financial statements amounting to CHF 389’480 (CHF 363’800 in 2024) and to fiscal, legal and administrative fees amounting to CHF 424’325 (CHF 329’427 in 2024).

8.3.15 Taxes

The Company is subject to direct taxes on profit and capital. Taxes as of December 31, 2025, amount to CHF 30’066 (CHF 104’655 in 2024) out of which CHF 30’066 (CHF 19’919 in 2024) relates to capital tax and CHF 0.00 (CHF 84’736 in 2024) to profit.

8.4 Other information not resulting from the balance sheet or the income statement

8.4.1 Net release of replacement reserves and other hidden reserves

During the fiscal period no release or use of replacement reserves or other hidden reserves has taken place.

8.4.2 Own shares

In 2025 Medacta Group SA purchased own shares as mentioned in the Note 8.3.8 "Treasury share reserve". Neither other Group Company nor the subsidiaries owned, held or purchased own shares of the Company during the fiscal period.

8.4.3 Equity instruments of the board of directors and executive management

The number of shares held by Board of Directors and Group Executive Management as of December 31, 2025 are mentioned in section 6 "Ownership of shares and options" of Remuneration Report.

8.4.4 Residual amount of liabilities resulting from lease commitments

The Company has no lease agreement in force.

8.4.5 Liabilities towards pension institutions

Liabilities towards pension institutions, shown in other current liabilities, as of December 31, 2025 amounts to CHF 89'653 (2024 CHF 158'538).

8.4.6 Collaterals, guarantee liabilities and constitution of pledges in favor of third parties

To guarantee the commitments undertaken by the affiliated companies, as of December 31, 2025, the Company issued letters of patronage in favour of banking institutions, for Medacta International SA an amount of Euro 15'500'000 equal to CHF 14'424'300 and CHF 230'000'000 (2024: CHF 162'375'675); for Medacta Italy S.r.l. an amount of Euro 10'080'000 equal to CHF 9'380'448 (2024: Euro 5'080'000 equal to CHF 4'771'136); for Medacta USA Inc. an amount of USD 15'000'000 equal to CHF 11'884'500 (2024: none) and for Parcus Medical LLC an amount of USD 750'000 equal to CHF 594'225.

8.4.7 Assets used to secure own liabilities

The Company has not constituted pledges or collaterals on own assets to secure own liabilities.

8.4.8 Contingent liabilities

There are no contingent liabilities as at the balance sheet date.

8.4.9 Subscription or option rights

As of December 31, 2025, the Company neither owns nor has released subscription or option rights on its proper shares or on the shares of other group companies.

8.4.10 Important subsequent balance sheet date events

There have been no events occurring after the reported period which would have a material effect on the Medacta Group Financials as of December 31, 2025.

8.5 Proposal of the Board of Directors to the Annual General Meeting

The Board of Directors proposes to the Annual General Meeting of Medacta Group SA on May 5, 2026 a distribution of CHF 21'902'521 (CHF 1.10 per share) out of retained earnings. All the remaining retained earnings will be carried forward.

In deciding on the appropriation of dividends, the Shareholders' General Meeting shall consider that the Company will not pay such distribution on treasury shares held by the Company.

8.6 Proposed appropriation of the available retained earnings

The Board of Directors proposes the following appropriation of the retained earnings:

(Swiss Francs)	31.12.2025	31.12.2024
Retained earnings brought forward	49'060'286	48'712'939
Profit for the year	10'194'919	7'230'067
RETAINED EARNINGS AVAILABLE FOR DISTRIBUTION	**59'255'205**	**55'943'006**
DISTRIBUTION OF PROFIT		
Dividend paid out of the available earnings *	(21'902'521)	(6'882'720)
CARRY FORWARD RETAINED EARNINGS	**37'352'684**	**49'060'286**

* Depends on the number of dividend-entitled shares, max. 19'911'383 shares, as of December 31, 2025. The own shares held by Medacta Group SA are not entitled to the distribution of dividends.

8.7 Proposed appropriation of reserves from capital contribution

The Board of Directors proposes the following appropriation of reserves from capital contribution:

(Swiss Francs)	2025	2024
RESERVE FROM CAPITAL CONTRIBUTION		
BALANCE JANUARY 1	**410'625**	**7'293'345**
Distribution of reserves from capital contribution *	-	(6'882'720)
CARRY FORWARD RESERVES FROM CAPITAL CONTRIBUTION	**410'625**	**410'625**

* The own shares held by Medacta Group SA are not entitled to the distribution out of reserves from capital contribution.

9. Audit Report – Medacta Group SA Financial Statements

Deloitte SA
Via Ferruccio Pelli 1
Casella Postale 5520
6901 Lugano
Svizzera

Phone: +41 (0)58 279 9400
Fax: +41 (0)58 279 9500
www.deloitte.ch

Report of the Statutory Auditor

To the General Meeting of
MEDACTA GROUP SA, CASTEL SAN PIETRO

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Medacta Group SA (the Company), which comprise the balance sheet as at 31 December 2025, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 220 to 225 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 and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also 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 standalone financial statements, the tables marked "audited" in the remuneration 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.

Deloitte.

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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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 financial statements according to the instructions of the Board of Directors.

Medacta Group SA
Report of the statutory auditor
for the year ended
31 December 2025

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte SA

Alessandro Miolo Licensed Audit Expert Auditor in Charge	Dominik Vögtli Licensed Audit Expert

Lugano, 12 March 2026

Financial calendar

MAY 5 2026	JULY 31 2026	SEPTEMBER 9 2026
ANNUAL GENERAL MEETING	PRELIMINARY UNAUDITED HALF-YEAR 2026 REVENUE	PUBLICATION OF 2026 HALF-YEAR RESULTS

Contacts

Forward-looking information disclaimer

This Annual Report has been prepared by Medacta and includes forward-looking information and statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook" or similar expressions. There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this Annual Report. Important factors that could cause such differences include: changes in the global economic conditions and the economic conditions of the regions and markets in which the Group operates; changes in healthcare regulations (in particular with regard to medical devices); the development of our customer base; the competitive environment in which the Group operates; manufacturing or logistics disruptions; the impact of fluctuations in foreign exchange rates; and such other factors as may be discussed from time to time. Although we believe that our expectations reflected in any such forward-looking statement are based upon reasonable assumptions, we can give no assurance that those expectations will be achieved.

Related Trademarks

Medacta Group Related Trademarks are registered at least in Switzerland.
The products and services listed below may not be all inclusive, and other Medacta products and services not listed below may be covered by one or more trademarks. The below products and services may be covered by additional trademarks not listed below. Note that Swiss trademarks may have foreign counterparts.
3D Metal®, 3D Metal® B-Cage, AMIS®, AMIS® Bikini®, AMIS®-K Long, Augments 3D Metal®, GMK® Efficiency, GMK® Hinge, GMK® Primary, GMK® Revision, GMK® System, GMK® Sphere, GMK® UNI, E-Cross®, M-ARS ACL®, M.U.S.T.®, M.U.S.T.® LT, M.U.S.T.® MC, M.U.S.T.® Mini, MasterLoc®, Mecta-C® System, Mecta-C®, Stand Alone, Mecta®Fix, Mecta®Grip, MectaLIF® Anterior, MectaLIF® System, Mecta®Lock, Mecta®Lock PEEK, Mecta®Lock C, Mecta®Lock TI, Mecta®QTH, Mecta®Screw, Mecta®Tap TI, MiniMAX®, Mpact®, Mpact® 3D Metal®, Mpact® 3D Metal® Multi-Hole, Mpact® Multi-Hole, Mpact® System, MOTO® Lateral, MOTO® Medial, MOTO® PFJ, MOTO® System, MyHip®, MyHip® Planner, MyHip® Verifier, MyKA™, MyKnee®, MyKnee® R, MyPAO®, MyShoulder®, MySolutions™ Personalized Ecosystem, MySpine®, MySpine® Anchor, MySpine® Cervical, MySpine® MC, MySpine® S2AI, M-Vizion®, NextAR™, NextAR™ Knee, NextAR™ Shoulder, NextAR™ Spine, PowerKnot®, Quadra®-P, Quadra®-R, SensiTiN™, SMS®, Versafitcup®.

Medacta International IR Contact

Strada Regina
6874 Castel San Pietro - Switzerland

Phone: +41 91 696 60 60
Fax: +41 91 696 60 66
Mail: investor.relations@medacta.ch

Discover more
www.medacta.com/EN/home-investors-global

OUR CULTURE

A KEY FOR SUSTAINABLE SUCCESS

TRUST AND INTEGRITY

EFFICIENT EXECUTION

PATIENT AND CUSTOMER FOCUSED

SUSTAINABLE INNOVATION

TEAMWORK

CORE VALUES OF OUR FAMILY

As we look towards the future, we are filled with enthusiasm about what the next year has in store for us. Our primary goal is to continue our growth journey in a responsible and sustainable way. Our focus remains on improving patient outcomes and satisfaction while promoting healthcare sustainability and creating value for our stakeholders.

#beMedacta

values.medacta.com