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Procurement and sales of medical products and services: faster, more transparent and simpler

hystrix medical AG: cost transparency and accelerated procurement and sales processes with the first digital marketplace for medical products

In autumn, the first digital marketplace for medical products, implants and services in Switzerland will go online. Within a year, the start-up hystrix medical has succeeded in convincing well-known purchasers and suppliers and in gaining them as evaluation partners from the very beginning. The hystrix medical marketplace aims to significantly accelerate procurement and sales processes and enable considerable savings potential for buyers and suppliers alike. As the hub for market information, the hystrix medical marketplace provides users with informative data on market behavior free of charge. The seed financing round was successfully concluded at the end of June. Shareholders include Zühlke Ventures as institutional investor, Florian Teuteberg, co-founder and CEO of Switzerland's largest online retailer Digitec Galaxus, Thomas Hofstetter, VPR of Alluvia Holding and Hans-Peter Güllich and Patrick Wegmann, joint founders of Avanon, acquired by Thomson Reuters in 2012.

The hystrix medical marketplace aims to fundamentally optimize processes at the interface of procurement and sales between hospitals, clinics, homes and medical practices: Significantly accelerated and transparent procurement and sales processes uncover considerable savings potential on both the customer and supplier side and will contribute to curbing the cost explosion in the Swiss healthcare system in the future. These increases in efficiency are of particular interest in Switzerland, where health care expenditure per capita is the second highest worldwide (after the USA). According to model calculations ((Medvantis (2001), Brandt (2001), Gösch (2001)), it can be assumed that the procurement and sales process costs in the healthcare sector can be reduced by up to 77% on a selective basis thanks to digitization. With the hystrix medical marketplace, these reductions can be realized for the first time.

For providers of medical products, implants and services, the hystrix medical marketplace enables a personnel-neutral sales channel combined with positioning at eye level in the competitive landscape.

Extensive industrial consolidation is taking place in medical technology. Philippe Hügli, CEO of hystrix medical is convinced that companies which break down the profitability of costs at the product level see in the hystrix medical marketplace a very attractive alternative to the traditional distribution alternatives,



especially when considering low margin commodity products. "The hystrix medical marketplace offers us an intuitive, timely and convenient platform for our services. Thanks to "smart contracting" and modern bidding options, we can respond in real time to requests and customer needs in the future", says Fabio Cirillo, Managing Director of Avanti Europe AG. Philippe Linder, Head of Purchasing and Logistics at the Lucerne Cantonal Hospital is convinced that the hystrix medical marketplace will stimulate the competitive dynamics in health care significantly, thereby making a lasting contribution to the stabilization of health care costs in sales and procurement. "Digitization permeates our daily lives in all facets. As a future-oriented hospital, we want to integrate new emerging ways of working in our everyday work. The hystrix medical marketplace will help us as a key element to generate within a few clicks market transparency in procurement."

hystrix medical AG (www.hystrixmedical.com) plans to expand its market presence to Germany, Austria and the UK in 2019.

What does the hystrix medical marketplace offer?

- Significant reduction of "time-to-offer" and "time-to-market."
- "Smart contracting" with integrated in-house quotation and quotation approval system.
- Attractive cross-selling and portfolio optimization through modular offer representation.
- Free real-time market metrics for all users.
- Guaranteed market prices due to the competitive dynamics.
- Bidding rounds enable bidders to respond to specific customer needs.
- Suppliers can adjust their conditions at any time to match market dynamics.
- Clearance selling methods allow suppliers to avoid being left sitting on production costs

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About hystrix medical

hystrix medical is an innovative, dynamic start-up company that develops the first digital marketplace for medical products, implants and services in Switzerland and positions itself as the hub for market data in the healthcare sector (the marketplace of hystrix medical has been categorized in the DIGITAL HEALTH Map 'www.health-trends.ch/map/' as "Market Information and Advisory Portal"). The company was founded by Philippe Hügli (CEO, most recently Managing Director Switzerland at Boston Scientific), Jonathan Campbell (COO, most recently Executive Director at JP Morgan Corporate & Investment



Bank) and Roman Eminger (CTO, most recently Team Leader Global Business Process Applications at Actelion).

Supply and demand in the hospital and practice sectors are dynamically coordinated via algorithmic decision-making processes. It shows the most economical supplier constellations that are suitable for the individual shopping basket combinations of individual purchasers. Suppliers have an immediate full market presence, distribution costs are only incurred when a contract is concluded with a health service provider and market data is provided to the user free of charge.

About the costs in the Swiss health care system

In 2018, health expenditure in Switzerland will amount to around CHF 80 billion. Since the introduction of the compulsory health insurance OKP in 1996, the net wage index in Switzerland has increased by 25% cumulatively and by 1.1% annually. During the same period, the premiums for adults and the OKP costs have grown by around 150% cumulatively and 4.6% annually. A new formula is needed to defuse these developments: The hystrix medical marketplace makes it possible for all market participants to pull together on the same rope and thus actively direct the industry around major regulatory interventions.

About the medical industry

The European medical technology industry employs 27,000 companies (95% of them SMEs), employing 675,000 people, 54,000 of them in Switzerland. The medical technology industry generates an annual turnover of EUR110 billion, which corresponds to 7.2% of all healthcare expenditure (excluding the associated medical services).

About Zühlke Ventures

Zühlke Ventures supports high-tech start-ups from early stage to exit. After careful evaluation, Zühlke Ventures finances ideas that hit the nerve of the market. The aim of Zühlke Ventures is to identify potential, start early, limit risks and accept acceptable risks. Zühlke Ventures' capital includes solid financing, extensive experience and a broad network.