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PRESS RELEASE

Medartis announces plans to IPO and list on the SIX Swiss Exchange

Basel, Switzerland, 27 February 2018 – **Medartis Holding AG, a leading original equipment manufacturer (OEM) specialized in medical devices for internal surgical bone fixation, today announces its intention to conduct an initial public offering (IPO) on the SIX Swiss Exchange in the first half of 2018 to finance further growth.**

- Founded in 1997 by Dr. h.c. Thomas Straumann, Medartis has emerged as a company recognized by medical professionals for its innovation in designing and manufacturing fixation system solutions, enabling them to treat small-bone fractures and osteotomies in the lower and upper extremities, as well as of the craniomaxillofacial (CMF) region, for the benefit of their patients
- Medartis sells its products directly and via distributors in 44 countries, including major markets such as Germany, France, the UK, Switzerland, the United States, Japan, Australia and Brazil
- With a track record of stable and consistent growth, Medartis generated net revenues of CHF 105 million, a 14% increase over 2016, and operational EBITDA of CHF 19 million in 2017
- All of Medartis' key products are manufactured in-house, at the company's advanced manufacturing facilities in Basel, Switzerland
- The planned IPO on the SIX Swiss Exchange will provide funds to finance Medartis' growth and further raise its profile amongst surgeons and other stakeholders around the world; at the same time, it also underscores Medartis' Swiss heritage and its commitment to the Swiss market

Thomas Straumann, founder and Chairman of Medartis: "The planned IPO will mark an important milestone in the development of Medartis and will allow us to take the company to the next level. There are numerous opportunities for us to grow, and the timing is right for us to offer shares and seek a listing, in order to be in a strong position to capture these favorable prospects. I am extremely proud of what Medartis and our employees have achieved since our founding just over 20 years ago. Our focus on providing customers around the world with innovative, high-quality, Swiss-made fixation system solutions, combined with continuous support and education, has been the cornerstone of our success."

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OEM with advanced technology for quality implant solutions, sold in 44 countries

Founded in 1997, Medartis is a medical device company that specifically focuses on the design, manufacture and distribution of high-quality implant solutions that are used by surgeons to treat fractures of areas such as the wrist, hand, elbow, shoulder, foot and ankle, and the CMF region. Medartis' implant systems are composed of high-grade titanium plates and screws and include the necessary instrumentation to treat fractures or address osteotomies in these areas of the human body.

Medartis deploys highly advanced manufacturing, including robotics, to produce its systems. All key products are produced in-house at its 5,000 m² manufacturing facilities in Basel, Switzerland, which is also where the company is headquartered. Medartis employs over 480 individuals across its 11 locations, whereof 220 are in Basel, and Medartis products are currently sold in 44 countries globally. The company has a pipeline of additional products that it plans to bring to market over the course of 2018, 2019 and beyond, which will further support its growth objectives.

Medartis highlights include:

Best in class fracture fixation technology

Since its founding, Medartis has been responsible for some of the leading innovations in the industry, including TriLock[®] locking technology, the smallest-size multidirectional locking system in the market, HexaDrive[®], the most advanced self-holding screw and screw-driver technology in the market, and SpeedTip[®], a unique screw technology that does not require pre-drilling, as well as numerous non-trademarked innovations to implants and manufacturing processes. The company believes that it is highly-regarded by surgeons and seen as one of the most innovative players in the fracture fixation market. The company's technology is protected by numerous patents.

Strong, global growth drivers underpinning its growth aspirations

Medartis and its business are benefitting from four key growth drivers: i) continuing recognition from the surgical community that implant solutions allow patients, notably the elderly, to regain their mobility and quality of life faster than other treatment approaches; ii) the ageing of the population, combined with a desire to remain active, which is resulting in greater incidence of accidental bone fractures, for which implants are becoming the chosen treatment paradigm; iii) a trend towards greater surgeon specialization, which in turn, is driving demand for more specialized products and solutions; iv) continued growth in incidence of obesity and diabetes and these conditions' negative effects on bone quality, in turn requiring specialist implant solutions when afflicted individuals seek treatment for fractures.

Singular focus on surgeons and their continuing needs

By focusing on surgeons' professional needs and building lasting relationships with them, Medartis has been able to design and produce innovative implant systems which directly address the challenges surgeons face in providing their patients with the best treatment outcome. Through its strong ties with IBRA, the International Bone Research Association co-founded by Thomas Straumann in 2004, Medartis users have access to numerous training and educational opportunities for surgeons so that they can continue to develop their skills and stay at the forefront of surgical technique. Over 12,000 surgeons have participated in IBRA courses since their inception.

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Price-competitive Swiss-manufactured products

Medartis believes that there are numerous advantages of manufacturing its key products “Swiss Made” and in-house at its facilities in Basel, including the pool of local talent and the commitment to highest work standards. The company has invested in state-of-the art manufacturing, including robotics, which allows for highly automated production lines that operate up to 24/7. The company’s focus on quality and its rigorous adherence to high standards resulted in “zero deviations” during its latest inspection by the US Food and Drug Administration (FDA) in 2015. These measures allow the company to price its products at levels that are comparable to its competitors, as evidenced by its market share in highly price-competitive markets such as Germany where it has the #1 market position in wrist.

Strong financial position and track-record of growth

Medartis anticipates having largely a debt-free balance sheet at the time of completion of the IPO, and with proceeds from the offering, expects to have significant financing capability in place to support its global expansion strategy. Despite the strength of the Swiss Franc, the company has grown profitably due to continuously enhanced efficiencies as a result of the usage of advanced technology and due to the firm’s diversified international client base that allows Medartis to generate substantial revenues in different local currencies such as EUR, USD and AUD. Geographically, EMEA and APAC have been key contributors to the company’s growth, followed by the U.S. For the fiscal year 2017, Medartis achieved net revenues of CHF 105 million, a 14% increase over 2016, and EBITDA of CHF 17 million (CHF 19 million excluding the costs of the planned IPO). The company was also net income and free cash flow (before acquisitions) positive for fiscal year 2017.

Experienced, committed management team

Medartis is led by a management team that comprises a number of leading innovators in implant technology and manufacturing and who have been with the company for many years. Thomas Straumann, founder and Chairman of Medartis, also established dental implants market leader Straumann Group in its current form, following the spin-off of the osteosynthesis division (Synthes) in 1990. He took Straumann Group public in 1998 and remains its Vice-Chairman today. Willi Miesch, co-founder and CEO of Medartis, contributes over 30 years’ experience in orthopedic and medical device companies, including Medartis, Stratec Medical/Synthes and Straumann Group. Medartis has a solid corporate culture with strong coordination and short decision pathways between management and key people working under one roof in Basel in an integrated setup, enabling the company to efficiently bring new products to market. At present, the entire share capital of Medartis is owned by board members and management, and all anchor shareholders, including majority shareholder Thomas Straumann, are committed to remaining long-term shareholders of the company post-IPO.

Willi Miesch, CEO of Medartis: “Over the last 20 years, we have managed to build a company with a unique portfolio of implant systems combined with deep relationships with our customers, who we highly value. With the planned IPO, we can continue to invest in these relationships, in developing new ones, and in expanding further into untapped geographies and additional indications. We have a pipeline of new systems which we will introduce over the course of 2018, 2019 and beyond. With our focus on optimal treatment solutions, providing users with regular and high-quality continuing education, and commitment to best-in-class services, I believe we have ample opportunities ahead to grow our business.”

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Transaction advisors and underwriters

Underwriters for the planned IPO are Zürcher Kantonalbank and Bryan, Garnier & Co, who are acting as Joint Global Coordinators and Joint Bookrunners, as well as Kepler Cheuvreux, who is acting as Co-Manager. Vischer AG is acting as legal counsel to the issuer, with Davis Polk assisting in matters pertaining to US securities law. Walder Wyss AG is acting as legal counsel to the underwriters. Quarton International AG is acting as financial advisor to the company.

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About Medartis

Founded in 1997 and headquartered in Basel, Switzerland, Medartis is one of the world's leading manufacturers and providers of medical devices for surgical fixation of bone fractures and osteotomies for the craniofacial region as well as for upper and lower extremities. Medartis employs over 480 individuals across its 11 locations, and Medartis products are sold in 44 countries globally. For patients' welfare, Medartis is committed to providing surgeons and operating theatre personnel with the most innovative titanium implants and instruments as well as best in class services that represent advances in osteosynthesis. For more information, please visit www.medartis.com.

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