

**Medartis Holding AG**  
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PRESS RELEASE

## **Medartis provides update on Brazil investigation**

**Basel, Switzerland, 9 December 2019 – Medartis Holding AG (SIX: MED), a leading manufacturer and provider of medical devices for surgical fixation of bone fractures, today provided an update on the ongoing investigations by Brazilian authorities into possible price and commission agreements across the industry, including at Medartis' former distributor Extera prior to its acquisition by Medartis in 2017. As a result a provision of CHF 3.0 million has been created, which will have an estimated impact on the EBITDA margin of around -2.5 percentage points in the current year. Excluding this provision, Medartis is confirming its guidance for 2019.**

As disclosed in the last Annual Report, the authorities in Brazil launched investigations– in the context of intensified anti-corruption efforts in the healthcare sector – into companies including Extera, the former Medartis distributor acquired in 2017 and its former owners due to possible tender price agreements in 2012. Medartis is withholding CHF 1.0 million of outstanding payments for the acquisition of Extera to be potentially offset against the costs arising from this matter and is evaluating to seek further indemnification from the former owners of Extera. Medartis is cooperating with the authorities. Based on its most recent contacts with the relevant authorities in Brazil responsible for the investigations, Medartis has reassessed the probability and currently anticipates potential claims, legal costs and other related expenses of CHF 3.0 million. Accordingly, a corresponding provision has been created. No payments or fines are due at this time.

The provision is expected to impact Medartis' EBITDA margin for 2019 by around -2.5 percentage points. Excluding this impact, Medartis is confirming the outlook for the full year 2019 that it communicated in August 2019, with revenue growth of 8-10% in local currencies and an EBITDA margin in line with the first half of 2019.

The operations and current performance of Medartis in Brazil are not affected by the investigations. In a continuing economically challenging environment, Medartis expects to report a dynamic growth rate of over 25% in Brazil for the full year 2019.

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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 for upper and lower extremities as well as for the craniomaxillofacial region. Medartis employs over 600 individuals across its 13 locations, with products offered in over 50 countries globally. Medartis is committed to providing surgeons and operating theater personnel with the most innovative titanium implants and instruments as well as best in class service. For more information, please visit [www.medartis.com](http://www.medartis.com).

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