



Merz Agrees to Acquire Apposite Capital's Portfolio Company Ulthera for up to \$600 million

Sale represents a return on Apposite's investment of up to 20x

London, UK – 27 June 2014. Apposite Capital, the healthcare specialist investment firm, today announces that the specialty healthcare group, Merz, has entered into a definitive agreement to acquire its portfolio company Ulthera Inc. for a total cash consideration of up to \$600 million in upfront and milestone payments. Apposite is the second largest shareholder in Ulthera and became an investor in the company in 2009 as part the acquisition of a direct secondary portfolio of healthcare assets from another private equity firm. Based on the terms of the agreement, Apposite could generate over 20x return on the investment.

Founded in 2004, Ulthera is a leader in non-surgical lifting and tightening treatments. Using therapeutic ultrasound technology, the Ulthera® System is widely available worldwide. Over the course of Apposite's investment, Ulthera:

- Has grown its revenues by over 14 times, with over \$100 million sales expected in 2014
- Has the first and still the only energy-based device to receive U.S. FDA clearance for a non-invasive aesthetic lift indication
- Marketed and distributed its system in over 50 countries
- Performed over 200,000 commercial procedures
- Expanded the application of its technology to other parts of the body and other medical applications
- Entered the cellulite market with the recent acquisition of Cabochon Aesthetics, Inc.
- Significantly increased its work force, currently employing over 150 people

David Porter, Managing Partner at Apposite, who also served on the Board of Directors of Ulthera, said: "The last five years have been a truly extraordinary journey. Ulthera's ground breaking technology which produced excellent clinical results, the hard work and talent of its management team, and the highly effective Board has enabled the company to become a major force in the aesthetic market. We have seen astonishing growth driven by product development, international expansion and a significant increase in the workforce. We are very confident that the business will continue to go from strength to strength under Merz's ownership."

The transaction has been approved by the boards of both companies and is subject to customary closing conditions, including the expiration or termination of the

applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The transaction is expected to close in the third quarter of 2014.

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About Apposite Capital

www.appositecapital.com

Apposite Capital is an independent investment firm focused exclusively on Healthcare. The firm has an in-depth sector knowledge covering key aspects of the healthcare industry internationally coupled with local insights, a well established brand and a strong healthcare network.

Apposite has experience investing across all sectors within healthcare - healthcare services, drug development and medical devices companies. The firm also seeks to make investments in social enterprises and in the direct secondary market.

The investment team has an enviable blend of expertise combining complementary entrepreneurial, private equity and investment banking skills. The team is committed to adding value to its portfolio companies and typically has an active representation on the Board of Directors.

Apposite was created in 2006 and is headquartered in London, UK.

About Ulthera

Ulthera[®], Inc. is a global, high-growth medical device company pioneering aesthetic and medical applications using its therapeutic ultrasound platform technology. The Ulthera[®] System is the first and only energy-based device to receive FDA clearance for a non-invasive aesthetic lift indication. It is used in a face and neck procedure known as Ultherapy[®], which is cleared to lift skin on the brow, neck and under the chin. Founded in 2004 and based in Mesa, Arizona. Ulthera is a privately held company backed by top-tier venture capital firms New Enterprise Associates and Apposite Capital. For more information, please visit www.Ulthera.com.

About Merz North America

Merz North America is a specialty healthcare company that develops and commercializes innovative, high-quality treatment solutions in aesthetics, dermatology and neurosciences in the U.S. and Canada. Merz North America is an important contributor to the U.S. aesthetics space, offering a well-balanced range of injectable products, including the dermal fillers Radiesse(R) and Belotero Balance(R) and the neurotoxin Xeomin(R) (incobotulinumtoxinA), as well as the NEOCUTIS line

of anti-aging and post-procedure skincare products. As part of the Merz Pharma Group of companies, our ambition is to become the most admired, trusted and innovative aesthetics and neurotoxin company. By developing products that improve patients' health and help them to live better, feel better and look better, we will continue to make significant contributions to the well-being of individuals around the world.

For more information about Merz and the Company's U.S. product portfolio, please visit www.merzusa.com.