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Merz Acquires Aesthetics Medical Device Company ON Light Sciences

Raleigh, North Carolina, August 16, 2016 – Merz North America announced today it has expanded its aesthetic portfolio through the acquisition of ON Light Sciences, Inc. – a U.S. medical device company developing technologies to enhance laser-based dermatologic procedures, including the FDA 510(k) cleared and CE marked DeScribe® Transparent PFD (perfluorodecalin) patch used in laser tattoo removal.

"The addition of ON Light Sciences' innovative technology allows us to better meet the needs of aesthetic practices that focus on energy-based devices," said Philip Burchard, CEO of Merz Pharma Group. "We have a vision to be the most innovative company in aesthetics, and this acquisition clearly complements our growing and diversified global portfolio, which includes the Ultherapy® and Cellfina™ devices."

The DeScribe® Transparent PFD Patch is placed over tattoos prior to irradiation, allowing physicians to treat tattoos more efficiently by enabling rapid multiple laser passes in a single treatment session. It also provides significant optical clearing of tissue, protects the epidermis and inhibits potentially infectious back-splatter and fumes. In a recent clinical trial¹, laser tattoo removal patients reported not only less discomfort, but faster healing post-treatment with the DeScribe® Transparent PFD Patch.

"Merz North America's robust aesthetic portfolio continues to strategically grow through innovative products addressing conditions with fast growing demand such as tattoo removal. This latest addition to our offerings underscores the strong commitment we have to growing our US business by responding quickly to market demands," Merz North America President and CEO Bill Humphries said.

Tattoo removal is one of the fastest-growing laser procedures (109,641 performed in 2014), up 74 percent since 2012, as reported by the American Society of Dermatologic Surgery (ASDS), and new developments in medical device technology are encouraging more individuals to consider tattoo removal procedures more seriously.

Market research indicates that an increase in tattoo prevalence is correlated with rising levels of "tattoo regret." According to a July 2015

¹ Rapid, high-fluence multi-pass q-switched laser treatment of tattoos with a transparent perfluorodecalin-infused patch: A pilot study. Biesman BS, O'Neil MP, Costner C. Lasers Surg Med. 2015 Oct;47(8):613-8. doi: 10.1002/lsm.22399.

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study conducted by laser manufacturer Syneron-Candela, 33% of tattoo wearers in the US have at least one tattoo they would consider removing or would definitely like to have removed.

"We look forward to joining Merz and expanding awareness and use of the DeScribe Transparent PFD Patch. We share Merz's commitment to innovation that directly and positively impacts patient health and welcome the opportunity to be part of its strong product line-up." David Sell, President and CEO of ON Light Sciences said.

"Merz continues to actively seek opportunities to partner with or acquire companies such as ON Light Sciences," said Hans-Jörg Bergler, Head of Corporate Development for Merz Pharma Group. "Through a focused corporate development strategy and our Merz Corporate Venture Capital Initiative, we remain actively engaged in funding innovative and category-building technologies within the aesthetics space."

Current OLS customers should continue to place product orders via the ON Light Sciences' website at www.onlightsciences.com.

About Merz North America

Merz North America is a specialty healthcare company that is dedicated to delivering a better total experience in aesthetics, dermatology and neurosciences. As part of the Merz Pharma Group, 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. Merz North America is a privately-held company based in Raleigh, North Carolina.

To learn more about Merz North America, please visit www.merzusa.com.

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About ON Light Sciences, Inc.

ON Light Sciences is a privately held company with offices in Dublin, California. The company's products are designed to enhance the effectiveness of existing laser systems used for tattoo removal. Supported by a unique worldwide patent portfolio, the company is developing broader applications as well as new products to simplify and enhance laser-based dermatologic procedures.

About the DeScribe Transparent PFD Patch

In the U.S., the DeScribe Transparent PFD Patch is FDA 510(k) cleared and currently indicated for use as an accessory to laser tattoo removal procedures using a 755nm Q-Switched Alexandrite laser in Fitzpatrick Skin Type I-III patients. In the EU, the product holds a CE Mark for use as a barrier to ejecta and as an optical clearing device accessory during dermatological laser treatments of cutaneous vascular lesions, benign pigmented lesions, and tattoos. More information is available online at www.onlightsciences.com.

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