
PRESS RELEASE

Ypsomed to separate from Insulet and extend its portfolio with an own patch pump in the mid-term

Burgdorf, 21 July 2017, 7 a.m. – Ypsomed has been the exclusive distributor for the mylife™ OmniPod® patch pump outside the USA since 2010. During this period, Ypsomed established therapy with the innovative insulin pump in Europe, gaining market shares of up to 20% in part. The distribution agreement with Insulet Corp. will end as per 30 June 2018. The parties could not agree on extending the contract as the price demanded by Insulet Corp. would have made continued economic viability impossible. Ypsomed is well set for the future and will introduce its own tubeless mylife™ YpsoPod® insulin pump in the mid-term.

After 30 June 2018, Insulet Corp. will take over the OmniPod® business worldwide. Details of the transfer process are presently being worked out between the two parties. Ypsomed offers Insulet Corp. support to ensure that patient care is assured. In future, Ypsomed will focus on its own developments: with the mylife™ YpsoPump®, Ypsomed already has its own high quality insulin pump in its portfolio. This will be complemented mid-term with its own mylife™ YpsoPod® tubeless insulin pump. With this approach, Ypsomed will continue to address the various segments in the insulin pump market and overcompensate the shortfall of the mylife™ OmniPod® business after a transition phase. According to current estimates, Ypsomed is to receive some USD 50 million in compensation from Insulet Corp. to set up European distribution structures for the mylife™ OmniPod®. The final amount is dependent on the number of patients using the mylife™ OmniPod®.

Ypsomed-CEO Simon Michel also sees the positive aspects of the change: "The separation from Insulet Corp. is unfortunate as we will be losing a large proportion of sales and profit in our Ypsomed Diabetes Care segment during the business year 2018/19. Based on last year's final figures this amounts to CHF 120 million in sales and CHF 24 million in operating profit. However, we will be compensated for our successful work with approximately USD 50 million, two year's profit and the profit won't be diluted through this trade product in the future. Furthermore, this gives us a number of opportunities: we will be able to respond much more flexibly on the market with our current and future portfolio and are not dependent on a contractual partner. Distribution agreements severely restrict freedom of action. The fact that the products belong to us and are manufactured by us, has a positive effect on the future margins in the segment of Ypsomed Diabetes Care. During the past years we were able to follow up on the former success of Disetronic in the distribution of insulin pumps and re-establish ourselves as insulin pump company on the European market. This acceptance and our established distribution network will form the foundation of our future success."

CEO Simon Michel and CFO Niklaus Ramseier will be available to answer your questions during a telephone conference on 21 July 2017 from 3 - 4 p.m. Interested analysts and investors can call in under the following number: +41 445803340 (Pin: 21303810#). The conference will be held in German.

For further information, please contact Benjamin Overney, Head of Investor & Public Relations at Ypsomed Holding AG, at the telephone number +41 34 424 41 59 or by e-mail (benjamin.overney@ypsomed.com).

About the Ypsomed Group

The Ypsomed Group is a leading developer and manufacturer of injection and infusion systems for self-medication and a renowned diabetes specialist with over 30 years' experience. As a leader in innovation and technology, Ypsomed is the preferred partner for pharmaceutical and biotech companies for the supply of pens, autoinjectors and infusion systems to administer liquid drugs. Ypsomed promotes and sells its product portfolio under the umbrella brands mylife™ Diabetescare directly to patients or through pharmacies and clinics and under YDS Ypsomed Delivery Systems as business-to-business to pharmaceutical companies. Ypsomed has its headquarters in Burgdorf, Switzerland, and operates a global network of manufacturing sites, subsidiaries and distributors. The Ypsomed Group employs almost 1'400 employees. Additional information is available under www.ypsomed.com.