

Bactiguard takes the next step in China and signs agreement worth more than SEK 30 million

Bactiguard takes the next step in China and accelerates its ambitions through a combined distribution and license agreement with Well Lead Medical (Well Lead) with an initial value of more than SEK 30 million. At the same time, the cooperation with the current distributor Jian AN is terminated and Bactiguard pays a compensation of approximately SEK 11 million.

The agreement with Well Lead, China's leading manufacturer of consumable medical devices, includes all products in Bactiguard's portfolio. Initially, the agreement generates revenues of more than SEK 30 million in the form of product deliveries and license fees, which will be distributed over a 12-month period starting in Q2 2018.

At the same time, Bactiguard terminates the cooperation with current distributor Jian AN in advance and pays them a compensation of approximately SEK 11 million for repurchase of inventories and compensation for the significant investments Jian AN have made in the marketing and product approval process.

"China is already our most important market, but we have only reached a fraction of the huge potential of this market. The agreement with Well Lead is strategically important as we get a partner willing to invest in local manufacturing and expanding the portfolio to cover all of our products. Together with them, we are well positioned to grow in the world's largest market," says Christian Kinch CEO.

"There is a great and clear need for infection prevention solutions in China, and we have for a long time evaluated various opportunities to strengthen our product portfolio. With Bactiguard we have found the optimal partner in infection prevention. We are convinced that Bactiguard's products will be a significant part of our sales in China within a few years," says Mr. Han, CEO of Well Lead Medical.

The Chinese market for medical products and devices has undergone major changes in recent years. Among other things, locally-produced products have been premiered to a greater extent than before and the authorities have introduced new regulations to reduce the number of intermediaries in the distribution chain. Against this background, Bactiguard has taken a strategic decision to make the product portfolio more locally anchored by deeper and broader cooperation with a strong Chinese company that has both distribution and manufacturing capabilities.

The choice of partner fell on Well Lead, which today is China's largest and one of the world's leading manufacturers of medical devices such as urinary catheters and endotracheal tubes. Well Lead will initially take over the exclusive right to sell and distribute Bactiguard's urinary



catheters (BIP Foley) in China. At the same time, the process of obtaining product approval for locally-produced central venous catheters and endotracheal tubes with Bactiguard's infection preventive technology will be initiated. This means that, in a few years' time, Well Lead will manufacture and sell all products in Bactiguard's portfolio on the Chinese market, which will generate license revenue for Bactiguard.

About Well Lead Medical

Well Lead is one of the world's leading manufacturers of catheters in urology, anaesthesiology, and hemodialysis. Well Lead is the largest supplier of both urinary catheters and endotracheal tubes in the Chinese market, two of Bactiguard's most important product areas. Well Lead sells in all parts of the world and has product approvals in the EU, Japan and the US for most of its products. Well Lead is listed on the Shanghai Stock Exchange.

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For further information, please contact:

Christian Kinch CEO, switchboard: +46 8 440 58 80

Johan Ruffelt COO, +46 708 724 739

About Bactiguard

Bactiguard is a Swedish medical device company with a mission to save lives. To achieve this mission we develop and supply infection prevention solutions which reduce the risk of healthcare associated infections and the use of antibiotics. This way, we save significant costs for healthcare and the society at large.

The Bactiguard technology prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard offers the technology through licence agreements and our BIP (Bactiguard Infection Protection) portfolio of products. Through our licence partner CR Bard, urinary catheters with Bactiguard's coating are market leading in the USA and Japan. Bactiguard's own product portfolio of urinary catheters, endotracheal tubes and central venous catheters prevent some of the most common infections, which appear in the urinary tract, the blood stream and the respiratory tract.

Bactiguard is in a strong expansion phase in the European markets, China, India and the Middle East as well by establishing license agreements in new therapeutic areas. The company has about 60 employees around the world. Its headquarters and one of two production facilities are located in Stockholm, the other one in Malaysia. Bactiguard is listed on Nasdaq Stockholm.

Read more about how Bactiguard saves lives on www.bactiguard.com