

Vigmed sales to accelerate during 2015: expected to reach around 50 million SEK while the sales forecast for 2014 adjusted to 1 million

Vigmed has reached its targets for the fourth quarter of signing distribution agreements for several prioritised markets in Europe. Only in the last month agreements have been signed for key markets such as Germany, Austria, Switzerland and France. Recently Vigmed also signed with distribution partners in Australia and New Zealand. Additional distribution agreements are expected to be signed during the first quarter of 2015. This will mean that all key markets in Western Europe are then covered for distribution of Vigmed's patented safety products. The Company's distributors are now actively working on including Vigmed's needle protected products in public tender procedures in their respective markets. With these distribution agreements in place, Vigmed's ability to estimate the expected sales for 2015 has improved. Sales volumes are somewhat delayed compared to the time schedule communicated earlier, however expected to pick up. The Company is expecting sales to reach approximately 50 million SEK during 2015. The positive development is forecasted to accelerate during the coming year as contracted distributors will launch Vigmed's products in large scale in each market and the number of public tenders where Vigmed's product range is offered increases.

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Previously predicted revenue for 2014 totalling 5-10 million will not be reached. The expected sales for the last quarter of 2014 were adversely affected by a lengthy process to obtain CE marking for the SWiNG products. This process is now finalised and Vigmed has been granted the CE-mark, but too late in the year for the Company to achieve the predicted sales figures. Final sales are expected to be just over 1 million for 2014. As concerns the number of signed distribution agreements for the markets in Europe, the Company is in phase with the forecast, however, agreements occurred slightly later than expected which has affected the start of sales. The previously announced goals of annual sales of 400-600 million SEK five years after the initial start-up phase remains unchanged. Due to the delayed start of sales, this level of sales is however expected to be reached first during 2019, rather than as previously communicated in 2018.

Vigmed's CEO, Finn Ketler, comments that "we are very pleased with how well the CLiP products have been received in all markets and we feel very confident that ongoing product launches will continue to be successful. It is not totally satisfactory that revenue is somewhat lower than expected at the end of 2014, but in the early stages of a start-up it is difficult to predict the time frame of setting up with distributors as well as predicting when product launches will fit into distributor's training and sales processes which determine how fast products can be launched on respective markets. However, I anticipate that this will stabilize gradually within the coming years."