QT VASCULAR LTD.
(Company Registration No. 201305911K)
(Incorporated in Singapore)
(the "**Company**")

INVESTMENT IN SANO V PTE. LTD.

The Board of Directors ("**Directors**") of QT Vascular Ltd. ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that the Company has on 19 December 2018, together with other third party investors (together with the Company, the "**Investors**"), entered into a conditional subscription agreement ("**Agreement**") with Sano V Pte. Ltd. ("**Investee Company**") and its existing shareholders, whereby the Investors have agreed to subscribe for an aggregate of 293,018 new voting convertible preferred shares designated as "**Series B Preferred Shares**" in the capital of the Investee Company at an issue price of S$4.21 per Series B Preferred Share, amounting to an aggregate consideration of S$1,233,605.78, of which the Company's proportion is 83,135 Series B Preferred Shares amounting to approximately S$350,000 ("**Consideration**") ("**Subscription**").

The Investee Company is a company incorporated in Singapore since 17 December 2012 and is principally involved in research and development of a novel men's health platform for the treatment of erectile dysfunction ("**ED**"). According to literature, ED affects up to 50% of men between the ages of 45-75 years (Philip and Shishehbor 2013*). Factors contributing to ED are age, psychological reasons, medical conditions, medications, and lifestyle choices such as smoking and excessive alcohol.

The Investee Company has a paid-up share capital of S$1,840,282.87, comprising 320,000 ordinary shares ("**Ordinary Shares**") and 1,412,294 Series A Preferred Shares (which are convertible into an equivalent number of Ordinary Shares and carry voting rights equivalent to the number of Ordinary Shares into which they may be converted). Based on its audited financial statements for the financial year ended 31 December 2017 and unaudited management accounts for the nine months ended 30 September 2018, the Investee Company made a net loss after tax of S$535,652 and S$376,905, respectively. As at 31 December 2017 and 30 September 2018, the Investee Company had a net tangible asset value of S$160,402 and net tangible liability value of S$21,562, respectively.

The Consideration, payable in cash on the date of completion of the Subscription, was arrived at on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the prospects of the Investee Company. The total proceeds from the Subscription of S$1,233,605.78 are to be utilised by the Investee Company for its first-in-man study and general working capital.

The Company is participating in the Subscription as the ongoing research and development activities being carried out by the Investee Company is synergistic with the Company's business and focus on medical solutions. The Subscription is in line with the Company's plans and strategies to create new product pipelines to be developed and sold, thus enabling the Company to have more business opportunities.

Completion of the Subscription is expected to take place on or about 21 December 2018. On completion, the Series B Preferred Shares will rank *pari passu* with the existing Series A Preferred Shares, and shall, amongst others, carry rights to dividends declared by the Investee Company on the same basis as the Ordinary Shares and Series A Preferred Shares, enjoy liquidation preference over Ordinary Shares, be convertible into Ordinary Shares in the event of a trade sale or qualified initial public offering at the same conversion price per Ordinary Share as the issue price (subject to appropriate anti-dilution adjustments), and carry voting rights equivalent to the number of Ordinary

Shares into which they may be converted. Immediately upon completion of the Subscription, the Company will have an effective voting interest of 4.10%[1] in the Investee Company.

Pursuant to the terms of the Agreement, the Company is granted a call option ("**Call Option**"),where it is entitled, at any time within ninety days following a notification by the Investee Company to the Company of its completion of a successful six-month follow up of its first five (5) patients on terms satisfactory to the Company ("**Call Option Trigger Notice**"), to require all shareholders of the Investee Company to sell all (but not some only) of their shares to the Company ("**Call Option Shares**"). The aggregate purchase price for the Call Option Shares shall be satisfied in cash or shares, and shall be an aggregate amount equivalent to 2.5 times of the most recent post money valuation of the Investee Company during the period commencing on the date of the Call Option Trigger Notice and ending on the date of the notification by the Company to the Investee Company that it is exercising the Call Option, to be determined in accordance with the terms of the Agreement.

The Company will obtain the necessary approvals when appropriate, if it decides to exercise the Call Option. Shareholders' approval, if required, will be obtained prior to the exercise of the Call Option. Further announcements will be released by the Company as and when there are any material updates in relation to the Call Option, including the exercise of the Call Option.

The Subscription will be funded from the Group's internal resources, and the Subscription is not expected to have any material impact on the earnings per share and net tangible asset per share of the Group for the financial year ending 31 December 2018.

Mr. Eitan Konstantino (Chief Executive Officer of the Company) and Mr. Mark Allen Wan (Non-Independent Non-Executive Director of the Company) are financial investors in the Investee Company. Mr. Konstantino has an effective interest in 53,328 Ordinary Shares and 104,602 Series A Preferred Shares, and Mr. Wan has an effective interest in 53,328 Ordinary Shares and 160,926 Series A Preferred Shares. Accordingly, each of Mr. Konstantino and Mr. Wan currently has an effective voting interest in the Investee Company of 9.12%[2] and 12.37%[2] respectively. In addition, in connection with options granted by the Investee Company pursuant to its 2015 Equity Incentive Plan, each of Mr. Konstantino and Mr. Wan has an effective interest in 10,000 Ordinary Shares issuable upon exercise of such options. Previously, Mr. Konstantino had assigned his right, title and interest in and to certain intellectual property related to the treatment of ED to the Investee Company in consideration for royalties which are payable by the Investee Company to Mr. Konstantino. Neither Mr. Konstantino nor Mr. Wan is involved in the management or operations of the Investee Company.

Save as disclosed, none of the Directors or the substantial shareholders of the Company has an interest, direct or indirect, in the Subscription, other than through their respective shareholding interests in the Company. No person is proposed to be appointed as a director of the Company in connection with the Subscription.

A copy of the Agreement will be made available for inspection by shareholders at the registered office of the Company at 3A International Business Park #09-12 ICON@IBP Tower B Singapore 609935 during normal business hours for three (3) months from the date of this announcement.

* Philip F, Shishehbor MH, 'Current state of endovascular treatment for vasculogenic erectile dysfunction', Curr Cardiol Rep, 2013;15(5):360

[1] Based on the Investee Company's enlarged share capital of 2,025,312 Ordinary Shares issued or issuable upon conversion of Series A Preferred Shares and Series B Preferred Shares.

[2] Based on the Investee Company's current share capital of 1,732,294 Ordinary Shares issued or issuable upon conversion of Series A Preferred Shares.

By Order of the Board of Directors
QT VASCULAR LTD.

Eitan Konstantino
Chief Executive Officer
19 December 2018

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).