



Rockwell Medical Reacquires Distribution Rights for its Hemodialysis Concentrates Business from Baxter

November 9, 2022

Expects to be Profitable in 2024

WIXOM, Mich.--(BUSINESS WIRE)--Nov. 9, 2022-- Rockwell Medical, Inc. ("Rockwell" or the "Company") (Nasdaq: RMTI), a commercial healthcare company focused on providing life-sustaining products for patients suffering from blood disorders and diseases associated with the kidney, announced that the Company is reacquiring its distribution rights to its hemodialysis concentrates products from Baxter and has agreed to terminate the exclusive distribution agreement dated October 2, 2014. Exclusivity and other provisions associated with the distribution agreement terminate November 9, 2022 and the remaining operational elements of the agreement terminate December 31, 2022.

Rockwell is the second largest supplier of life-sustaining hemodialysis concentrates products to dialysis clinics in the United States. Under the exclusive distribution agreement, Baxter distributed and commercialized Rockwell's hemodialysis concentrates products in the United States and certain other countries. Rockwell manufactured all hemodialysis concentrate products and provided customer service and order delivery to nearly all U.S. customers. Following the reacquisition of these rights, Rockwell will now be able to sell its hemodialysis concentrates products directly to dialysis clinics throughout the United States and around the world. Additionally, Rockwell will now be able to independently price its products, eliminate costs associated with manufacturing covenants, improve manufacturing efficiencies, realize the full benefits from those improvements, and develop, in-license, or acquire new products to develop a broader kidney care products portfolio. This will improve Rockwell's overall profitability and set the Company on a positive growth trajectory. Collectively, this affords Rockwell the opportunity to expand its leadership position within a large market opportunity, which currently is valued at \$380 million and is anticipated to grow to approximately \$500 million by 2026 in the United States alone.

"We are excited to reacquire the distribution rights of our products and are now well-positioned to grow our hemodialysis concentrates business," said [Mark Strobeck, Ph.D.](#), President and CEO at Rockwell Medical. "Rockwell will acquire more than 700 hemodialysis concentrates customers including hospitals, medical centers, dialysis centers, and health systems, and will begin selling directly to new customers throughout the United States and internationally. With our current customers and projected growth, we believe that Rockwell will be able to achieve annual revenue of \$100 million in the next few years. Furthermore, this transaction allows us to drive our overall business to profitability, improve Rockwell's financial position, maximize revenue, and unlock the value of our manufacturing and distribution capabilities."

Rockwell will pay Baxter a fee for the reacquisition of its distribution rights. This fee will be payable in two equal installments on January 1, 2023 and April 1, 2023. To ensure that customer needs continue to be met after January 1, 2023, Baxter and Rockwell are working closely together to transition customers' purchases of Rockwell's hemodialysis concentrates from Baxter to Rockwell.

With the completion of this transaction, along with the Company's expanded partnership with DaVita announced earlier this year, and the launch of a number of new growth initiatives, Rockwell expects to achieve profitability in 2024. If successful, the Company expects that its cash balance will be sufficient to fund operations going forward, thereby reducing its reliance on funding operations through raising money in the capital markets.

About Rockwell Medical

Rockwell Medical is a commercial healthcare company focused on providing life-sustaining products for patients suffering from blood disorders and diseases associated with the kidney. Rockwell is an innovative leader in producing and delivering a portfolio of hemodialysis products, including concentrates (solutions and powders) and related ancillaries, to dialysis providers in the United States and internationally. Rockwell is the second largest supplier of acid and bicarbonate concentrates for dialysis patients in the United States. The Company is dedicated to providing the hemodialysis community with the highest quality products supported by the most reliable delivery service in the industry. For more information, visit www.RockwellMed.com.

Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as, "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "could," "can," "would," "develop," "plan," "potential," "predict," "forecast," "project," "intend," "look forward to," "remain confident" or the negative of these terms, and similar expressions, or statements regarding intent, belief, or current expectations, are forward looking statements. There can be no assurance that: Rockwell Medical will be able to achieve planned cost savings to operate its concentrates business profitability or achieve the other components of its strategy; Rockwell Medical will achieve profitability; the in-center hemodialysis concentrates market will increase in size or that Rockwell Medical will be able to access the expected market opportunity; termination of the exclusive distribution agreement with Baxter will help improve Rockwell's balance sheet or long-term viability; Rockwell Medical's future cash balance will be sufficient to fund operations going forward; or the debt pre-payment will help Rockwell Medical achieve profitability. While Rockwell Medical believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward-looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties (including, without limitation, those set forth in Rockwell Medical's SEC filings), many of which are beyond our control and subject to change. Actual results could be materially different. Risks and uncertainties include, but are not limited to those risks more fully discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2021, as such description may be amended or updated in any future reports we file with the SEC. Rockwell Medical expressly disclaims any obligation to update our forward-looking statements, except as may be required by law.

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