



At war against infections

Q3 presentation
November 10, 2016

Key Priorities 2016



Drive sales of our own product portfolio
Bactiguard Infection Prevention



Develop new license businesses



Secure long-term refinancing

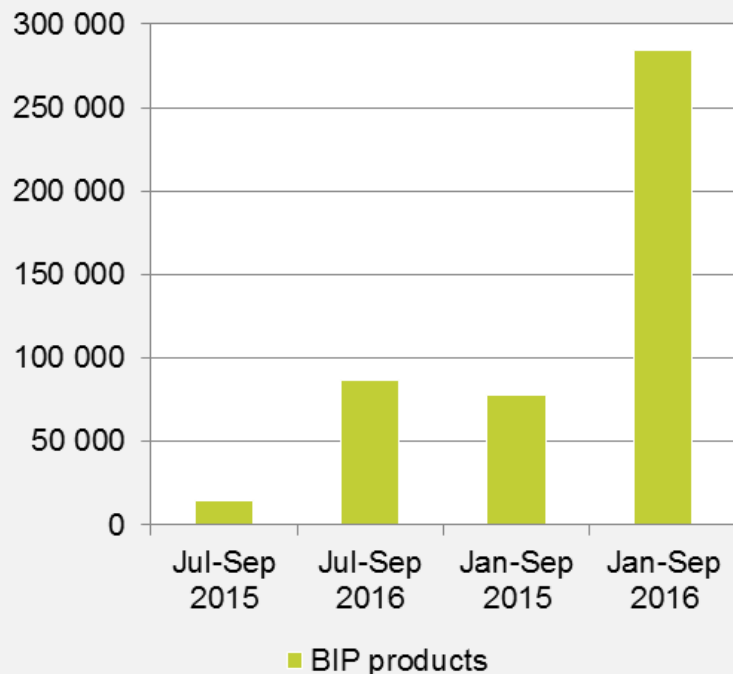
Highlights in Q3 and October 2016

- ✓ Major increase in deliveries of BIP products
- ✓ Stable revenues from C.R. Bard, in line with Q2
- ✓ Financial comparison for Q3 2016 vs Q3 2015 affected by one-off order from C.R. Bard in Q3 2015 of MSEK 28
- ✓ Repeat order from China of 100,000 units
- ✓ Major deliveries to India of approx. 60,000 units,
- ✓ Expanding presence in Europe with Austria, Finland, Greece and Poland
- ✓ Strengthened offer to ICUs
 - ✓ Launch of new BIP ETT Evac
 - ✓ Strengthened clinical evidence for infection reduction in ICU for Foleys
- ✓ Clinical study initiated at Martini-Klinik, a leading German cancer clinic
- ✓ Extended maturity of Credit facility of MSEK 100 until 31 December 2017
- ✓ Loan commitment of MSEK 50 from main shareholders



New BIP Endotracheal
Tube Evac introduced

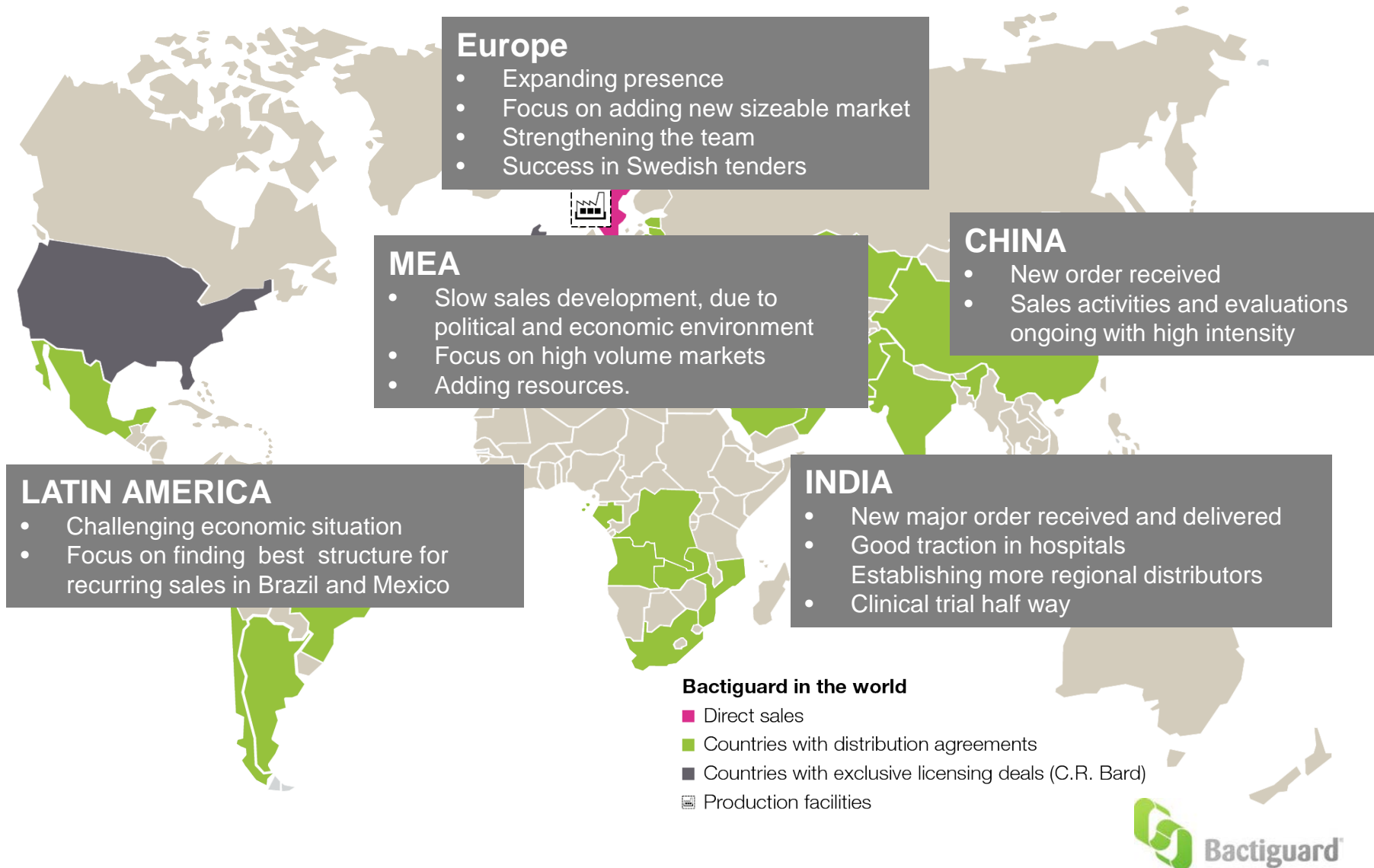
Delivered products



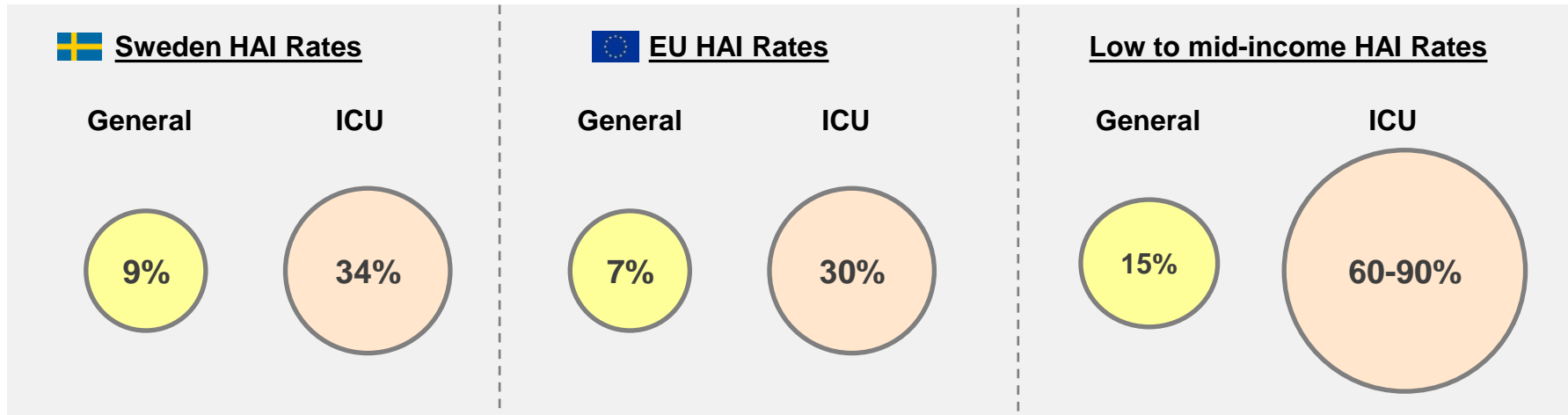
- 87 000 BIP products delivered in Q3 2016 compared to 15 000 during Q2 2015, an increase by 480 %
- For the nine-month period 2016, 284 000 BIP products were delivered compared to 78 000 corresponding period 2015, an increase by 264 %
- For the full year 2015, 152 000 products were delivered

Market update

Focus on select markets and building recurring volume



Intensive care units (ICU) have considerably higher HAI rates compared to hospitals in general



- Top three HAIs in ICUs
 - VAP – Ventilator Associated Pneumonia
 - CAUTI – Catheter Associated Urinary Tract Infection
 - CRBSI – Catheter Related Blood Stream Infection
- Cost of treating a case of VAP or CRBSI in ICU is in the range of **50-70k Euro**
- Additional length of stay up to additional 22 days in the ICU
- Mortality for CRBSI and VAP up to 25% and 50% respectively

Newly launched BIP ETT Evac - A dual approach to VAP prevention

Subglottic secretion drainage (SSD)

Reducing VAP by 50%¹



Bactiguard coating preventing infections through less microbial adhesion

Reducing VAP by 67%²

1 Haas CF et al. Respir Care. 2014; Jun; 59(6):933-52
2 Tincu R et al. Poster Euroanesthesia June (2015) 32

New clinical study confirms BIP Foley Catheter reduces CAUTI in ICU patients

Patients 60 patients in ICU
(medical and surgical critical ICU)

Design Randomized (30 Standard, 30 BIP Foley)

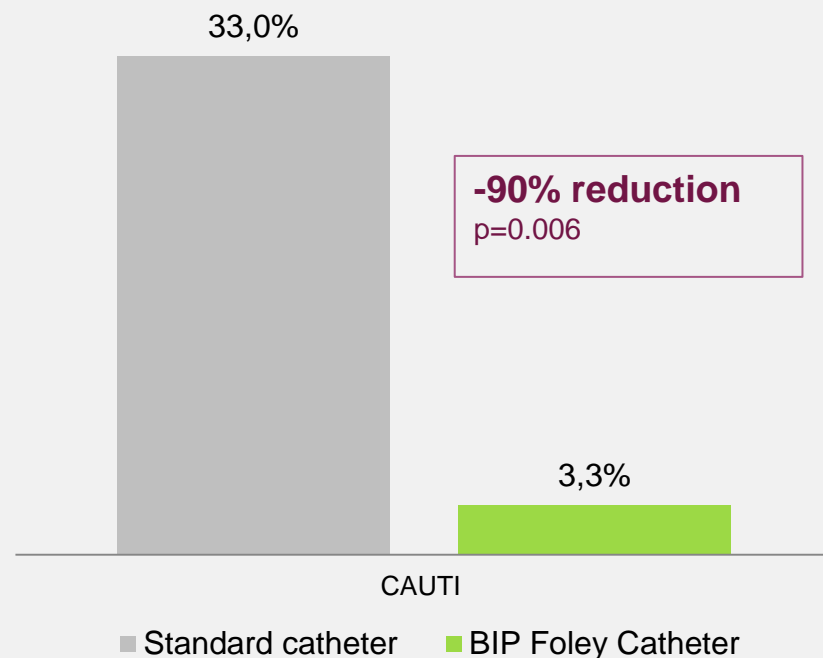
Site King Fahad Hospital, University of Dammam, Saudi Arabia

Catheterization time 3 days

Primary endpoint Symptomatic CAUTI (sCAUTI) according to CDC definition

Secondary endpoints
Bacteriuria
Bacteremia
Polyuria
Oliguria

Decrease in CAUTI using BIP Foley catheters compared to standard catheters



Aljohi et al. The efficacy of noble metal alloy urinary catheters in reducing catheter-associated urinary tract infection. *Urology Annals*. 2016

Link:

http://www.urologyannals.com/searchresult.asp?search=noble+metal+alloy&journal=X&entries=10&pg=1&l1.x=0&l1.y=0&sa=,UrolAnn_2016_8_4_423_192099



Why Bactiguard should be standard in every ICU

Bactiguard can offer protection against the 3 most common HAIs in the ICU

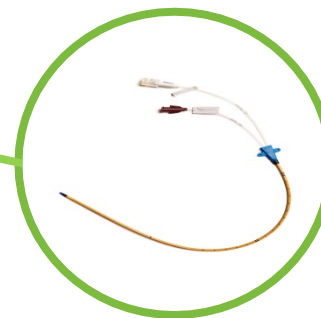


Newly launched:

BIP ETT Evac to prevent VAP

Only product on market with:

- Subglottic secretion drainage
- Anti-infective coating



BIP CVC to prevent CLABSI

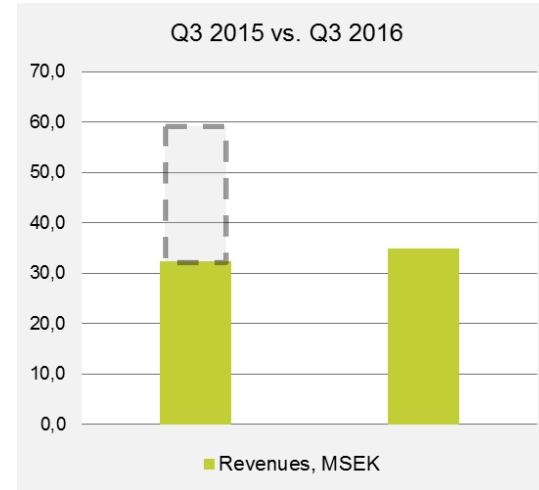


BIP Foleys to prevent CAUTI

Financial highlights

Third quarter (July-September 2016)

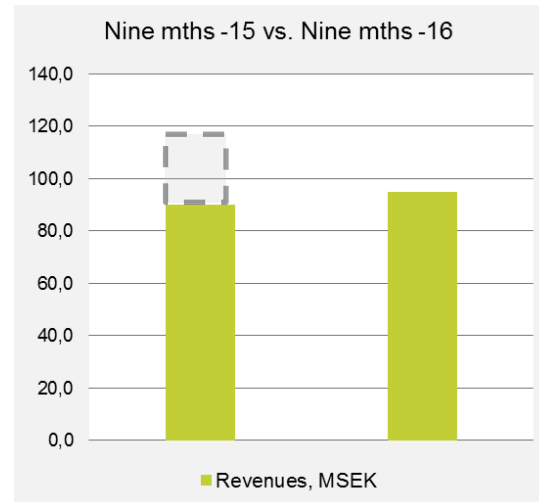
- Revenues of MSEK 34.9 (60.4), decrease due to effects of additional order C.R. Bard in Q3 2015.
- Excluding additional order from C.R Bard in Q3 2015, revenues have increased by 8% (stable license revenues and high deliveries of BIP Products)
- EBITDA of MSEK 9.7 (34.5), 28% margin



■ =Additional order C.R. Bard of MSEK 28

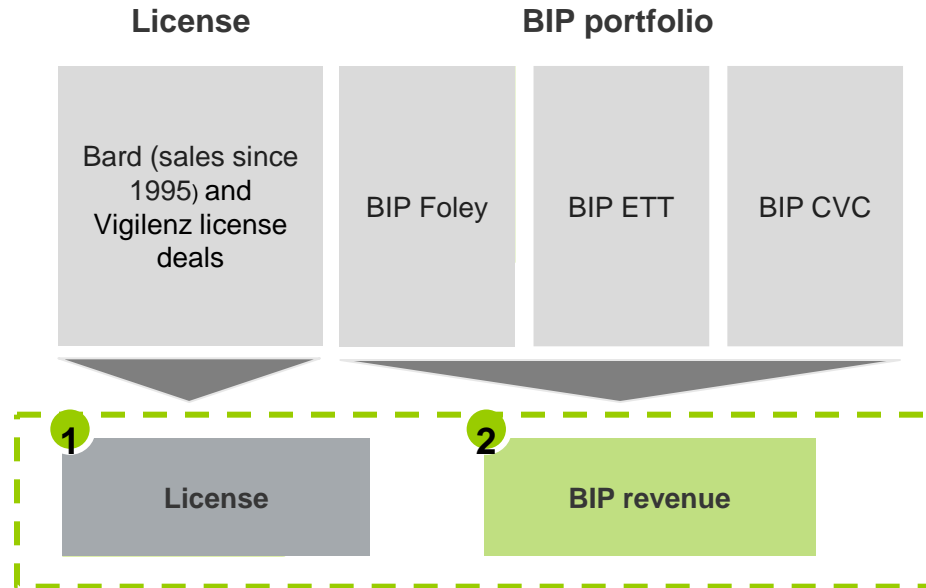
Nine months (January-September 2016)

- Revenues of MSEK 94.7 (117.9), decrease due to effects of additional order
- EBITDA of MSEK 10.6 (26.3), 11% margin



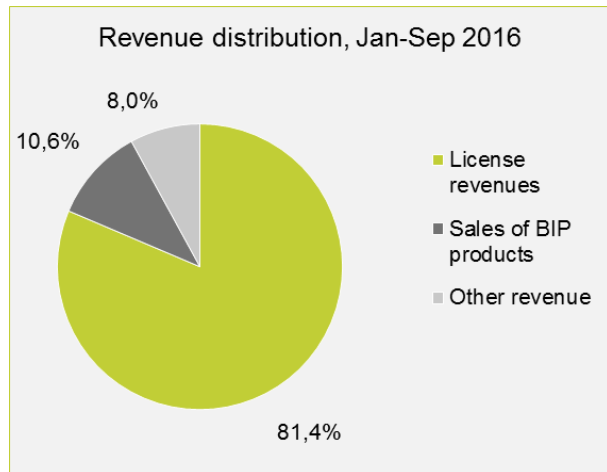
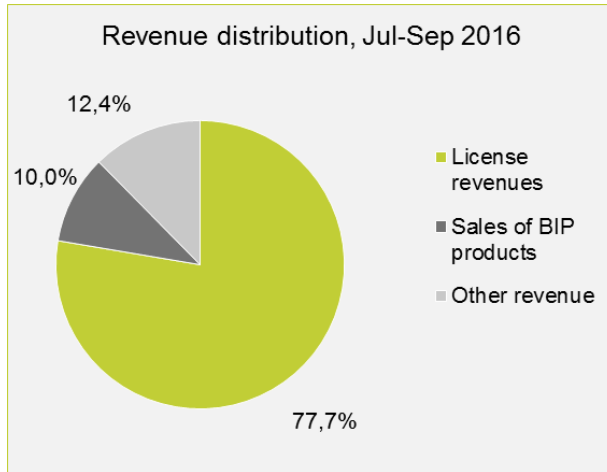
Revenue streams

Two revenue streams in the income statement



From a product perspective Bactiguard has two lines of business; Licenses and the BIP portfolio, acknowledged in the accounts as two revenue streams

Income distribution



MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016
License revenues	27,1	56,8	77,1
Sales of BIP products	3,5	1,1	10,1
Other revenue	4,3	2,5	7,6
Total Revenues	34,9	60,4	94,7

License revenues from C.R. Bard

License revenues

(SEKm)	Q1	Q2	H1	Q3	9 mths	Q4	Full year
2013	21,6	19,3	40,9	21,3	62,2	20,5	82,7
2014	22,5	22,8	45,3	24,3	69,6	20,2	89,7
2015	26,8	25,8	52,6	56,8	109,4	15,9	125,3
2016	22,8	27,2	50,0	27,1	77,1		

Of which
currency effect,
MSEK +0.5

License revenues (excluding additional order)

(SEKm)	Q1	Q2	H1	Q3	9 mths	Q4	Full year
2013	21,6	19,3	40,9	21,3	62,2	20,5	82,7
2014	22,5	22,8	45,3	24,3	69,6	20,2	89,7
2015	26,8	25,8	52,6	28,8	81,4	15,9	97,3
2016	22,8	27,2	50,0	27,1	77,1		

Excluding MSEK 28 in
revenue from additional
order

- Q3 2016 license revenues at a stable level and in line with Q2
- Additional one-off order from Bard contributed approx. SEK 28 million as non-recurring revenues in Q3 2015 which affects comparability

Key figures

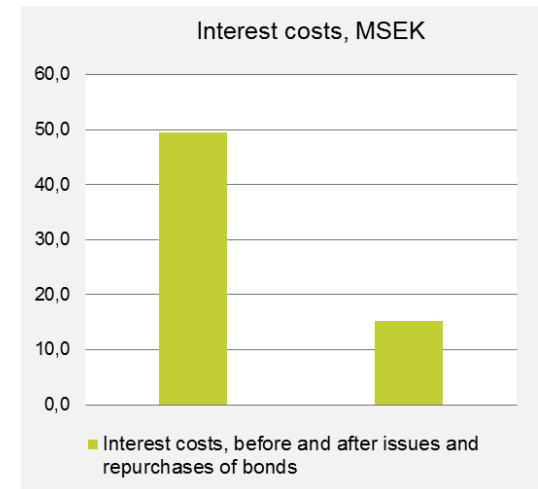
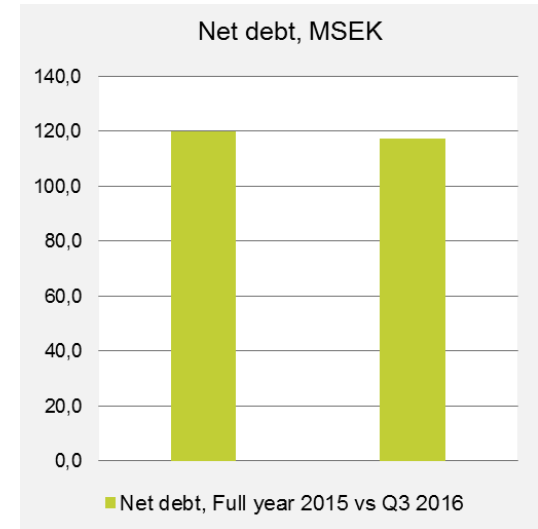
Key figures	Jul-Sep	Jul-Sep	Jan-Sep
	2016	2015	2016
Revenues, SEKm	34,9	60,4	94,7
EBITDA, SEKm	9,7	34,5	10,6
EBITDA margin, %	28%	57%	11%
Operating profit, SEKm	1,4	26,2	-14,4
Net profit/loss for the period, SEKm	-0,5	6,6	-19,4
Operating cash flow*, SEKm	-0,3	9,5	-0,7

Q3 2015 key figures include effects of one-off additional order from C.R. Bard affecting comparability

- EBITDA (Q3) MSEK 9.7 (34.5), 28 % margin
- EBITDA (9 mths) MSEK 10.6 (26.3), 11% margin
- Net profit (Q3), MSEK -0.5 (6.6), positively affected by market valuation of bond by MSEK 1.4 (-12.5).
- Net profit (9 mths), MSEK -19.4 (-7.2), positively affected by market valuation of bond by MSEK 2.8 (5.4).
- Operating cash flow for Q3, MSEK -0.3 (9.5) including cash flow from investing activities of MSEK -1.2

Financial flexibility and strength

- Equity ratio of 61 %
- Net debt of MSEK 117,3
- Cash position of MSEK 22
- Nominal value outstanding bond MSEK 138
- Annual interest costs on bond going forward until maturity, MSEK 15.2
- The credit facility previously communicated of MSEK 130 MSEK in total (loan commitment MSEK 100, bank overdraft facility MSEK 30), has been strengthened with a loan commitment of MSEK 50 from the major shareholders. This secures the repayment of the Bond on 12 December 2016 while maintaining the financial flexibility after repayment until long-term financing has been secured.



Financial targets

- Average sales growth of 20% per annum for a 5-year period, with 2015 (adjusted for the additional order from C.R. Bard) as the base year – starting point SEK 118.5 million
- EBITDA margin of at least 30% at the end of the 5-year period
- Equity ratio of at least 30%
- Over time uphold a dividend policy of 30-50% of net profit, taking into consideration the financial position of the Company. Bactiguard is currently in an expansion phase and will prioritize expansion before dividends

Concluding remarks

- Well positioned for growth given increasing attention to antibiotic resistance and infection prevention
- Major increase in sales of BIP portfolio, doubling 2015 delivered volume well within reach
- Focus on China and India to drive sales
 - Major delivery to India in Q3
 - Major repeat order from China in Q3
- Intensive care focus, combining all three products
- Continue driving licensing and new European partnership opportunities
- Extended maturity and size of credit facility



"2016 is an interesting year"

More information is available at www.bactiguard.se

For questions and additional information, please contact:



Christian Kinch, CEO: +46 8 440 58 80
christian.kinch@bactiguard.se



Fredrik Järsten, CFO: +46 725 500 089
fredrik.jarsten@bactiguard.se

Bactiguard

Fighting war against superbugs



Questions