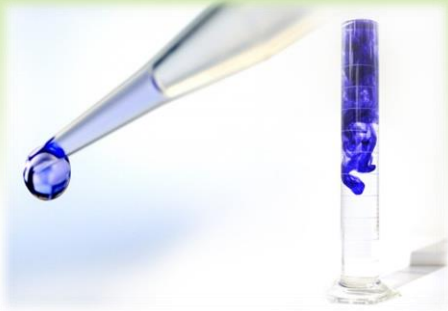


Innovating for the healthcare needs of today and tomorrow



Q1 presentation
12 May 2015

To prevent device related healthcare associated infections



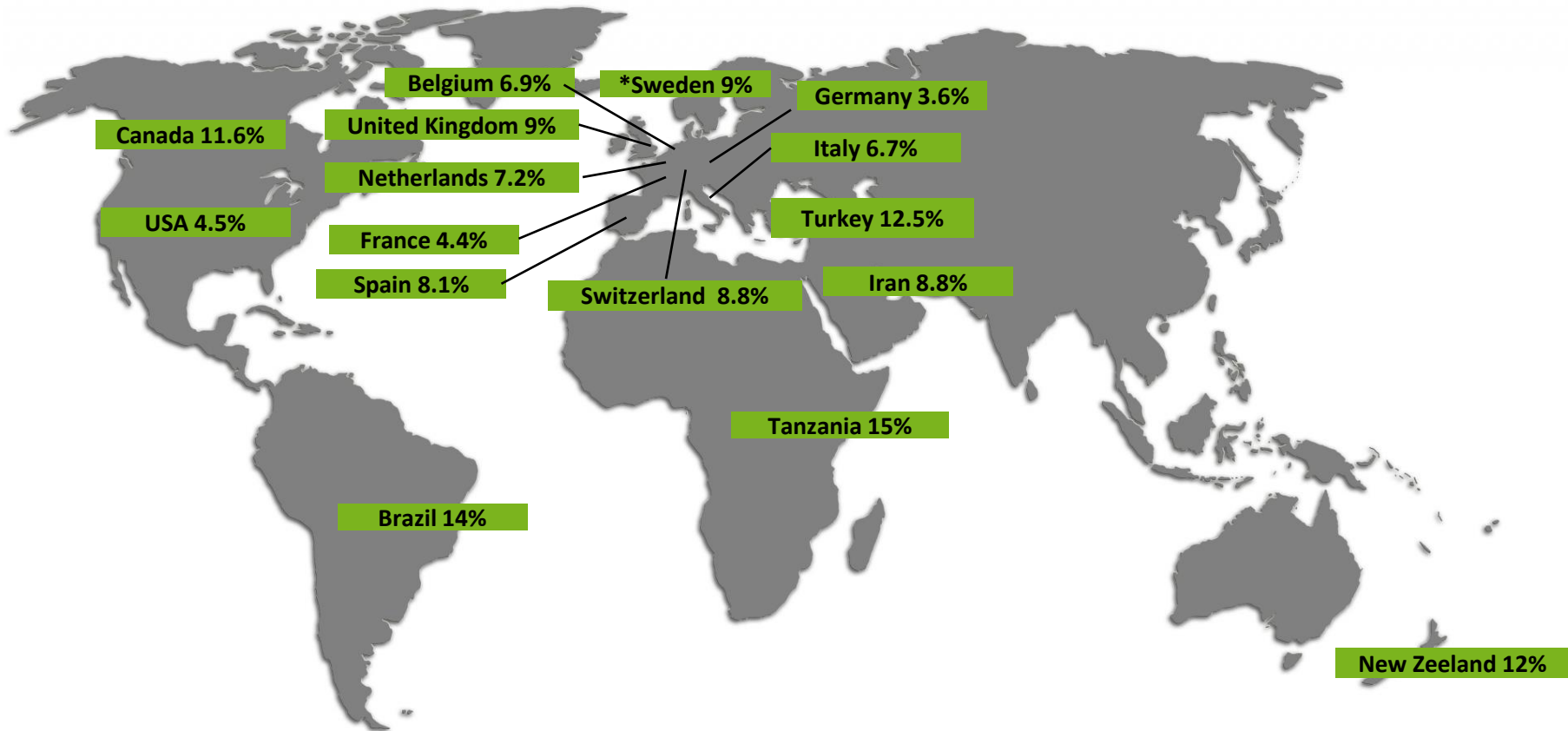
Reduce healthcare cost

Reduce the use of antibiotics

Prevent spread of multi-resistant bacteria

Save lives

Healthcare associated infections – the most frequent adverse event in health care



Prevalence of healthcare associated infections

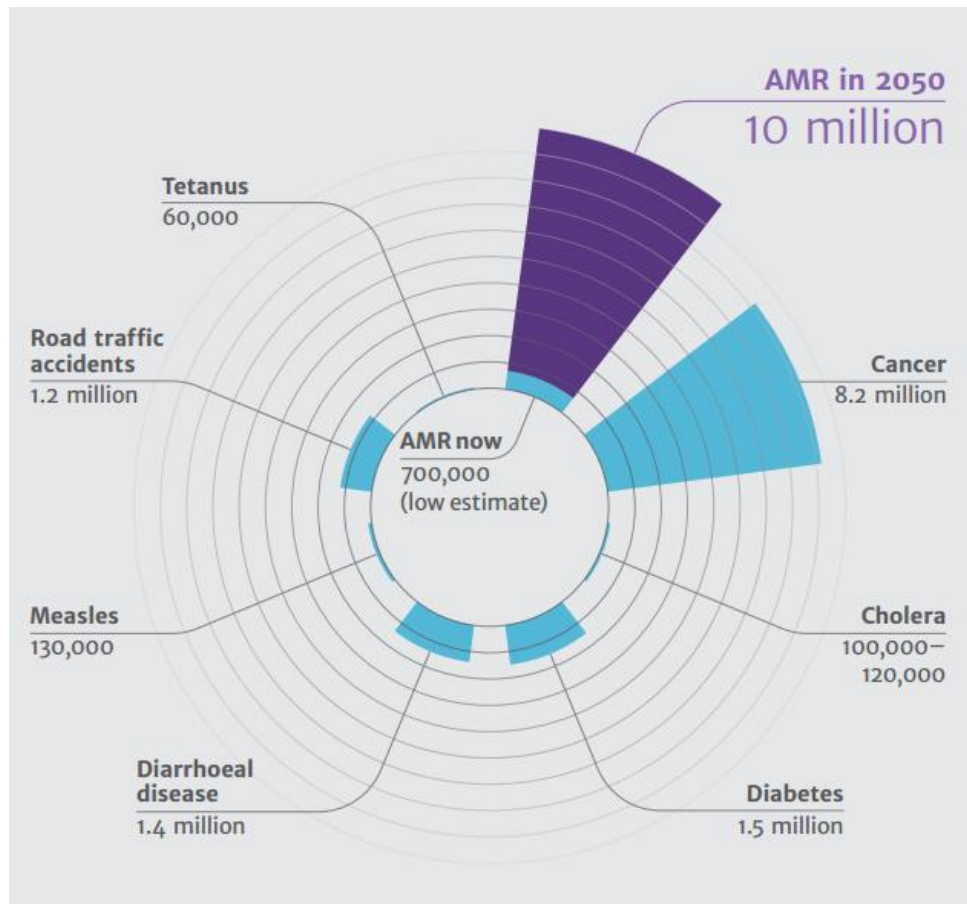
Source: WHO/Patient Safety/Report on the Burden of Endemic Healthcare associated infection worldwide, 1995 - 2010

*The Swedish National Board of Health and Welfare/Report on Healthcare/Healthcare associated infections, 2014

The global health scare

Deaths attributable to AMR

Compared to other major causes of death



“Ten million people at risk if antimicrobial resistance is not tackled”

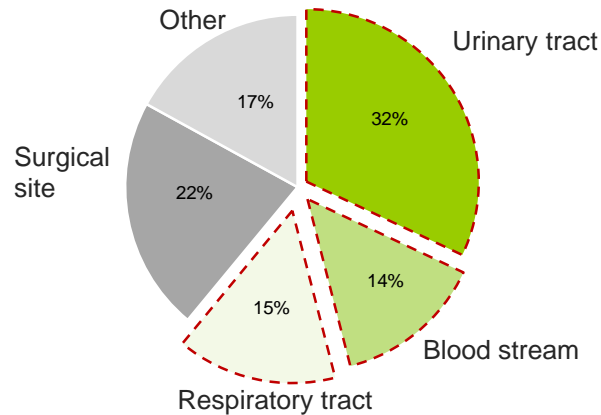
“The spread of AMR is expected to reduce global GDP by 2 – 3.5 percent”

Source:
Review on Antimicrobial Resistance (AMR), Tackling drug-resistant infections globally, December 2014 (O’Neil report)

Targets the most common HAIs

Bactiguard Infection Protection

Occurrence of HAI US (all hospital types)



Medical devices, for example catheters, are accountable for approx. **50 - 60%** of HAI cases

70% of the bacteria that cause HAI are resistant to at least one relevant antibiotic

...explaining the rationale behind the products in the Bactiguard portfolio

BIP Foley



BIP ETT



BIP CVC



Opportunities

- Healthcare associated infections a major challenge across the world
- Antibiotic resistance a growing threat to public health
- There is an increasing need for prevention
- Proven and effective technology, competent employees and satisfied customers

Challenges and actions

- Market access/product approval in key growth markets time consuming, unpredictable and expensive
- Sales & Marketing: Focus efforts and invest more to generate sales.
- Complex business - standardize and improve processes to increase efficiency
- Finalize transfer of production and headquarters
- Complement and strengthen clinical evidence
- Complement product portfolio and develop new license businesses

First quarter performance

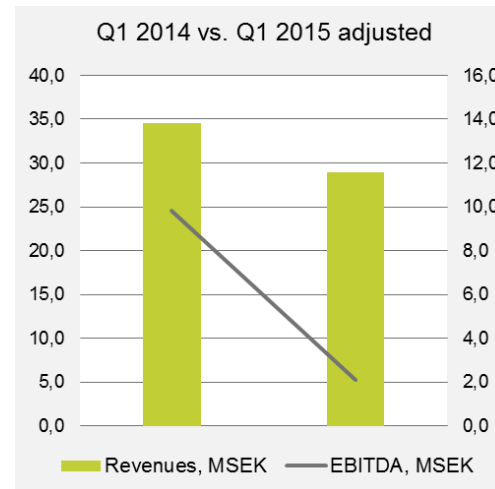
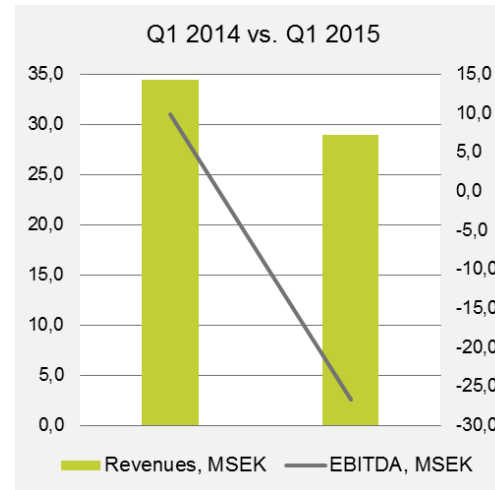
- Q1 weaker than in 2014
- Stable license business with C.R. Bard in the US
- Lower deliveries of BIP portfolio, no territorial fees
- Market expansion in Europe (Switzerland)
- More Swedish hospitals start ordering our products and plan trials
- Changed market strategy for Russia and India affected results due to reservations of 23.5 MSEK for doubtful receivables

First quarter (Jan-Mar 2015)

- Revenues of MSEK 28.8 (34.5), minus 16% compared to 2014 (no Territorial fees in Q1 2015, compared to 11.6 MSEK in 2014)
- EBITDA of MSEK -26.8 (9.8),

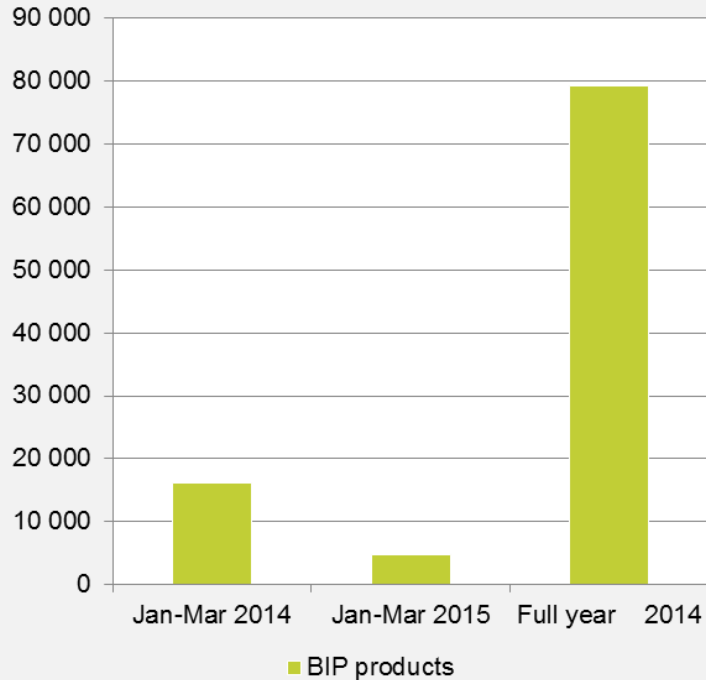
First quarter adjusted (Jan-Mar 2015)

- Excluding provision for doubtful accounts receivables and non-recurring costs of MSEK 28.8, EBITDA adjusted of MSEK 2.0 (9.8), and a margin of 7% (28%)



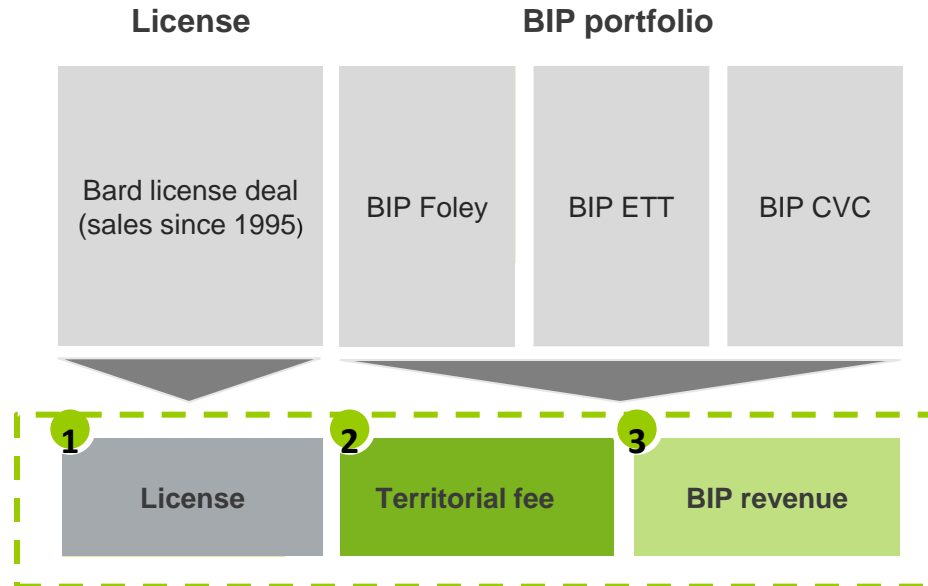
Financial overview

Supplied products



- 4 650 BIP products supplied in Q1 2015 compared to approximately 16 000 during Q1 2014.
- For the full year 2014, 79 000 BIP products were supplied

Three revenue streams in the income statement

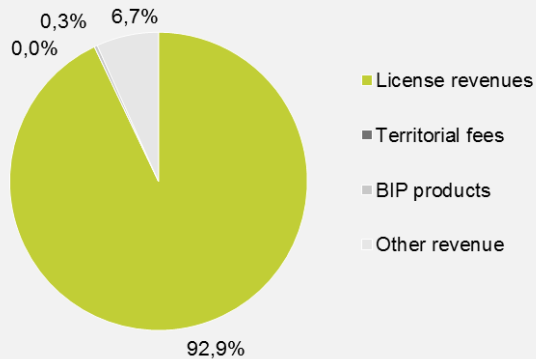


From a product perspective Bactiguard has two lines of business; Licenses and the BIP portfolio, acknowledged in the accounts as three revenue streams

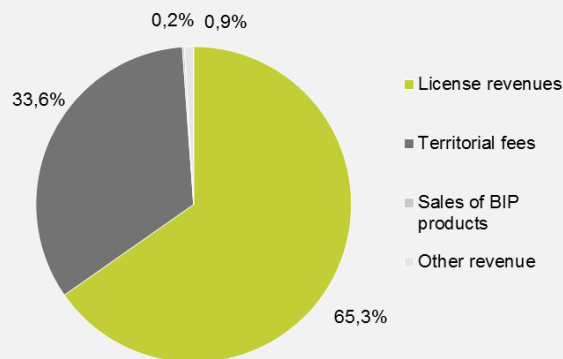
Financial overview

Income distribution

Revenue distribution, Jan-Mar 2015



Revenue distribution, Jan-Mar 2014



MSEK	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
License revenues	26,8	22,5	89,8
Territorial fees	-	11,6	17,1
Sales of BIP products	0,1	0,1	2,2
Other revenue	1,9	0,3	9,8
Total Revenues	28,8	34,5	118,9

Financial overview

Key figures

Key figures	Jan-Mar	Jan-Mar	Full year
	2015	2014	2014
Revenues, SEKm	28,8	34,5	118,9
EBITDA*, SEKm	-26,8	9,8	13,3
EBITDA margin*, %	-93%	29%	11%
Operating profit, SEKm	-34,9	2,4	-19,8
Net profit for the period, SEKm	-30,6	-19,6	-95,0
Operating cash flow**, SEKm	-8,7	17,7	-54,0
Total cash flow, SEKm	-13,8	17,6	98,0

*EBITDA Full year 2014 adjusted for IPO costs

**Cash flow from operating activities after investments and changes in working capital

MSEK	Q1 2015	Q1 2014
EBITDA	-26,8	9,8
Provision for doubtful accounts	23,5	
Non-recurring costs	5,3	
Adjusted EBITDA	2,0	9,8
MSEK	Q1 2015	Q1 2014
Net profit	-30,6	-19,6
Non-recurring items	28,8	
Market valuation bond	-6,9	9,0
Adjusted Net profit	-8,7	-10,6

- EBITDA (Q1) MSEK -26.8
- Adjusted EBITDA, MSEK 2.0, 7% margin
- Net profit (Q1), MSEK -30.6, negatively affected by non-recurring items.
- Adjusted net profit, MSEK -8.7
- Total cash flow for the period, MSEK -13,8 including cash flow from investing activities of MSEK -2.3 and repurchase of bonds of MSEK -5.2

Financial overview

Financial flexibility and strength

- Q2 -14**
- Share issue of MSEK 20 in April
 - Set off issue of MSEK 222.5 in June
 - Share issue of MSEK 240 in connection with IPO



- Q3 -14**
- Repurchase of bonds, nominal value MSEK 18.5



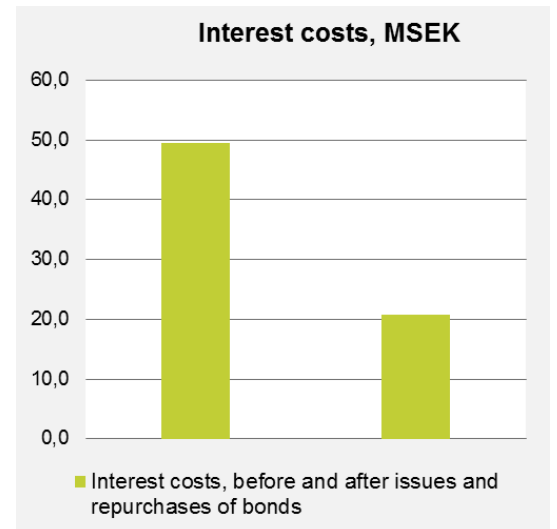
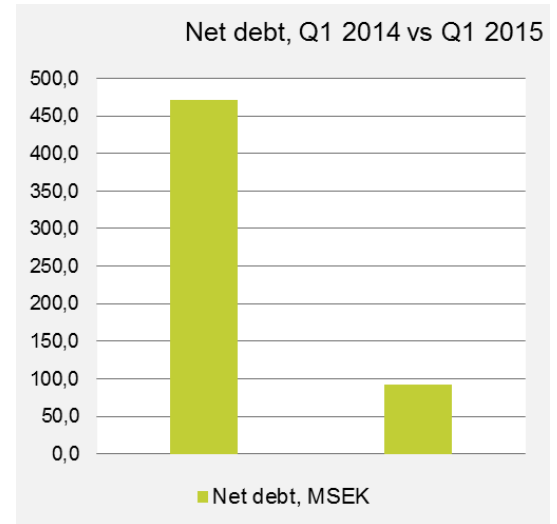
- Q4 -14**
- Repurchase of bonds, nominal value MSEK 20.5



- Q1 -15**
- Repurchase of bonds, nominal value MSEK 5



- 31 March**
- Equity ratio of 64 %
 - Net debt of MSEK 91.6
 - Cash position of MSEK 91.9
 - Nominal value outstanding bond MSEK 183.5
 - Annual interest costs on bond going forward MSEK 20 (compared to MSEK 50 prior to IPO)



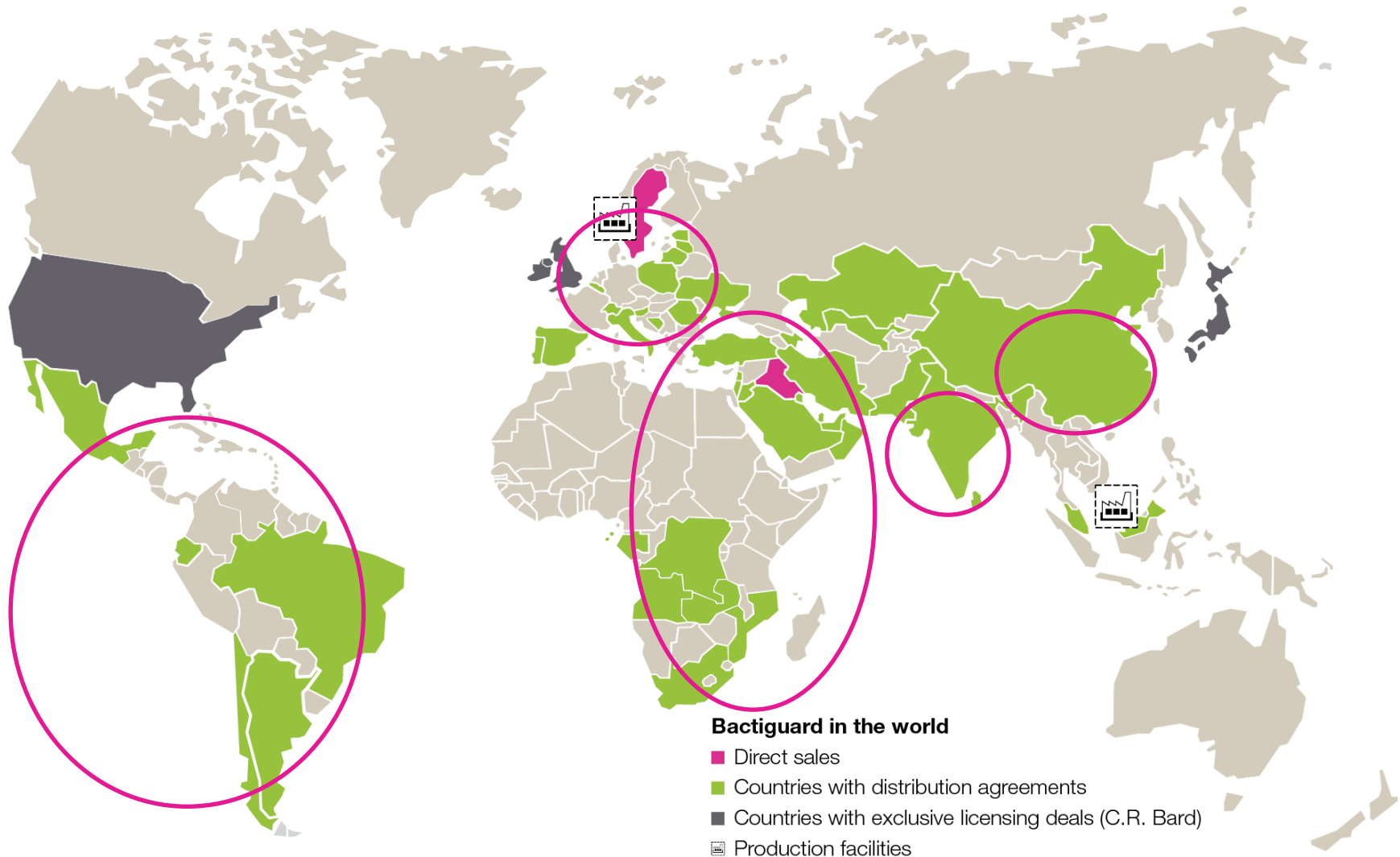
Opportunities

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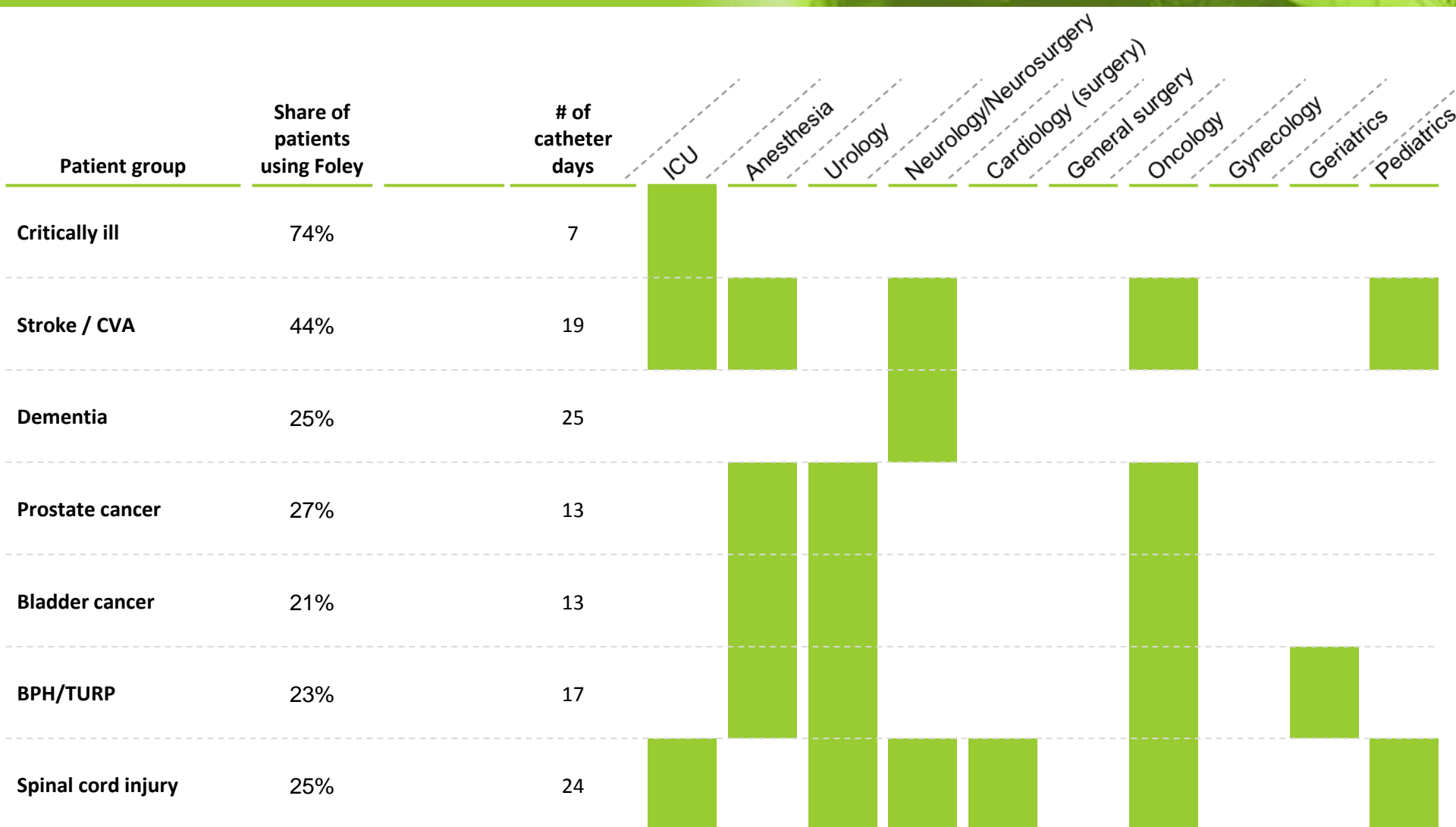
Challenges and actions

- Market access/product approval in key growth markets time consuming, unpredictable and expensive
- Sales & Marketing: Focus efforts and invest more to generate sales.
- Complex business - standardize and improve processes to increase efficiency
- Finalize transfer of production and headquarters
- Complement and strengthen clinical evidence
- Complement product portfolio and develop new license businesses

Focus sales efforts where we currently have market access, while creating additional access for the future

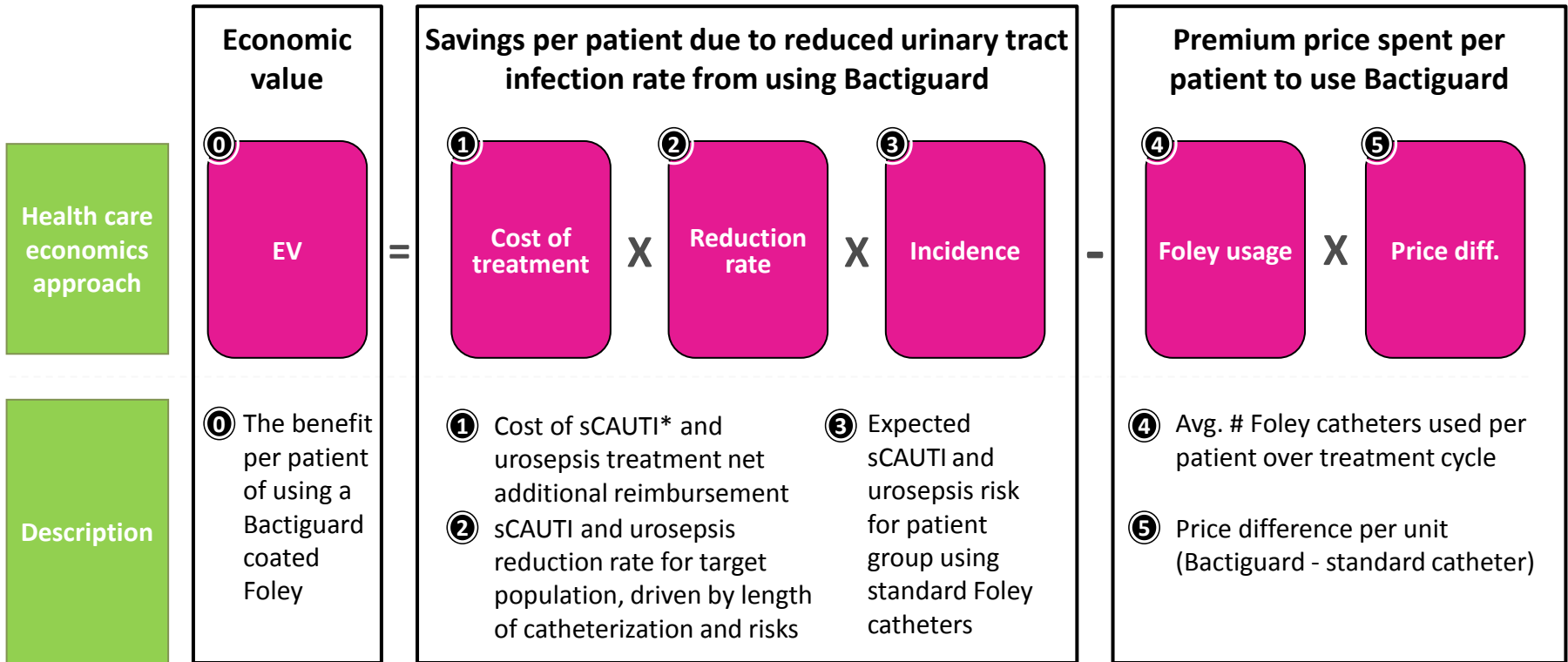


Focusing sales and marketing efforts on hospital departments and patient groups with largest need for our products



Source: Survey of US physicians, Socialstyrelsen DRG-database 2013, SKL point-prevalence of Foley usage 2013, Swedish intensive care registry

Health economic value creation of Bactiguard product modeled per prioritized patient group



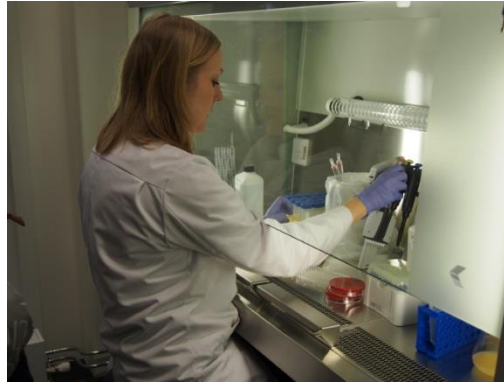
* Symptomatic catheter associated urinary tract infections

Conservative HE estimate based on treatment costs, additional stakeholder benefits not modeled

Expand business and reduce complexity

- Strengthen clinical evidence by conducting specific complementary studies
- Using Lean methodologies, implement standardized processes and reduce complexity throughout the company
- Finalize the transfer of production and headquarters an important aspect of the process improvements
- In the mid-term, complement our product portfolio to address more customers
- Allocate resources to develop new license businesses

The start up of the production is ongoing



HQ transfer

CE audit

Production start

December 2014

May 2015

June

July

August

September

BIP CVC validation

BIP ETT validation, inventory transfer

Investing in Bactiguard is investing in the future

- Healthcare associated infections and antibiotic resistance - two of the greatest challenges of our time
- Prevention is key - Bactiguard has efficient, safe and well proven solutions
- We will concentrate efforts and resources on fewer markets
- Short term market potential greatest in the Middle East
- Longer term India, China, Brazil and Mexico markets with considerable potential. Build up recurring, stable volumes in Europe
- Strengthening the sales team in the Middle East, Latin America & Europe
- Obtaining product approval in China and effective sales channels in India
- Focusing sales efforts on the right target groups within the hospitals
- Road map to strengthen clinical evidence
- Implement standardized processes to reduce complexity
- Allocate resources to new license businesses

Well positioned for growth

For more information

Please visit our website: www.bactiguard.com

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