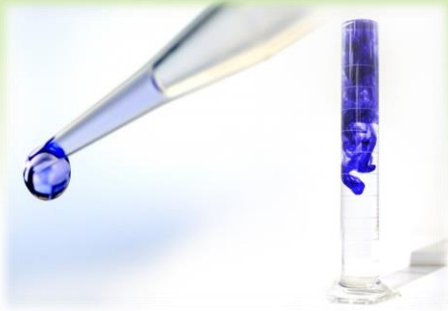


Innovating for the healthcare needs of today and tomorrow



Q2 presentation
13 August 2015

To prevent device related healthcare associated infections



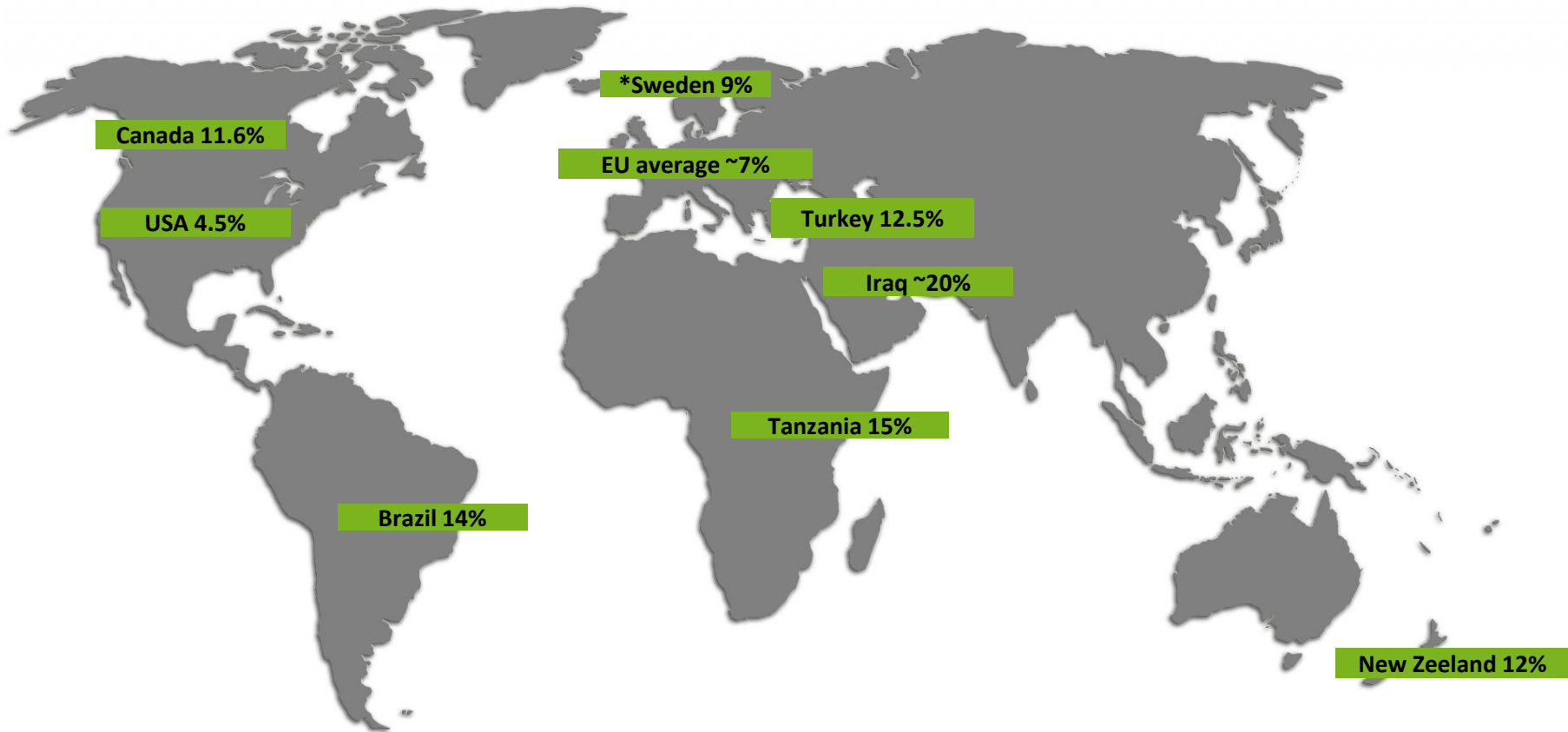
Reduce healthcare cost

Reduce the use of antibiotics

Prevent spread of multi-resistant bacteria

Save lives

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



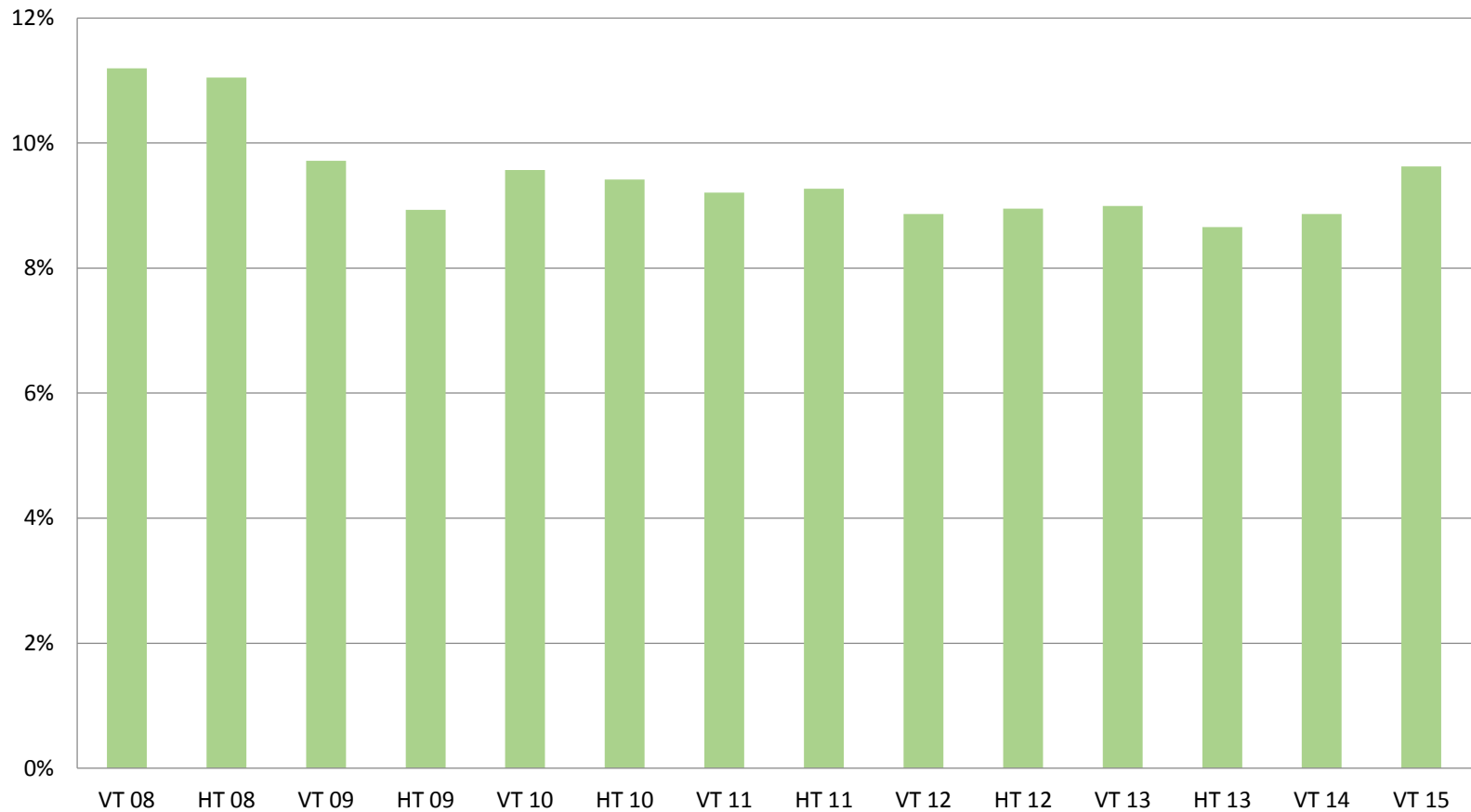
Prevalence of healthcare associated infections

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

Healthcare associated infections is increasing

Patients with healthcare associated infections in Sweden



Antimicrobial resistance

Travel increases risk of multiresistant bacteria

- More people travel than ever before
- Travelers are exposed to increased infection risk
- 50 percent of travelers returning from South Asia, carry multi resistant bacteria*
- Seeking medical care in a country with a high level of multi resistant bacteria increases the risk even more

**Antimicrobials Predispose to ESBL-PE, 15 March 2015*



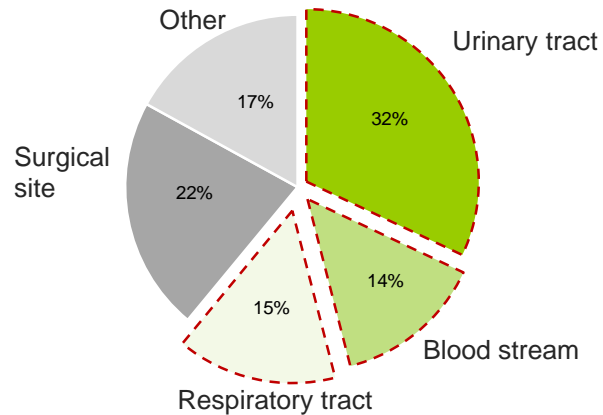
- Nearly **6 million hospital acquired infections (HAI)** in the US and EU annually – causing **150,000 deaths**
- In Sweden alone, HAI result in about **750 000** extra patient days at a cost of **6.5 billion SEK** annually
- Prevention is key to tackle this severe problem, to increase patient safety, reduce cost, free up resources in healthcare and most of all save lives



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



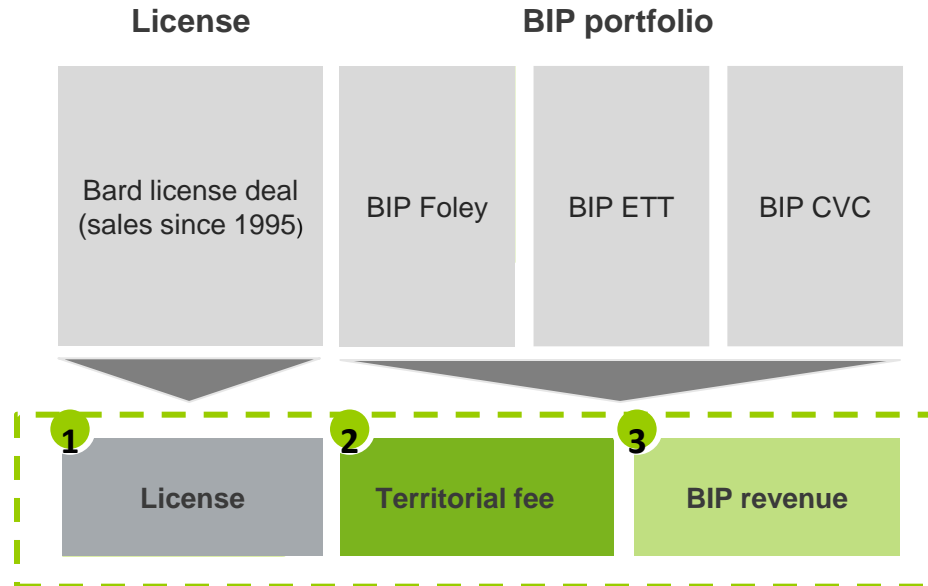
BIP CVC



Second quarter performance

- Positive volume development in our BIP portfolio
- Highest deliveries since Q4 2013
- Repeat orders from Saudi Arabia, market contribution consumed
- Initial deliveries to Angola and Switzerland
- Revenues and earnings weaker than in 2014
- Stable underlying license business with C.R. Bard in the US
- No territorial fees
- Continued review of distribution network, reservations for doubtful accounts receivable
- Severance pay to former CEO
- One off order of MSEK 28 in Q3 from C.R. Bard, with positive effect on revenues and cash flow

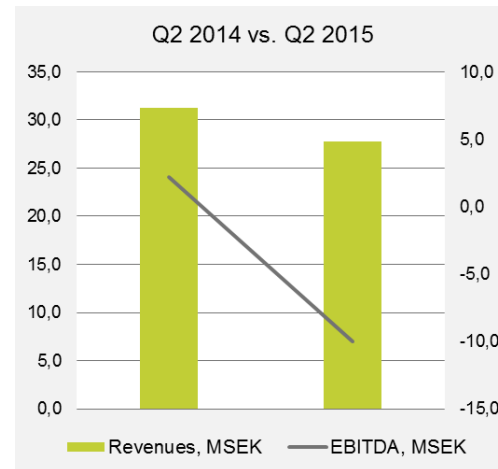
Three revenue streams in the income statement



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

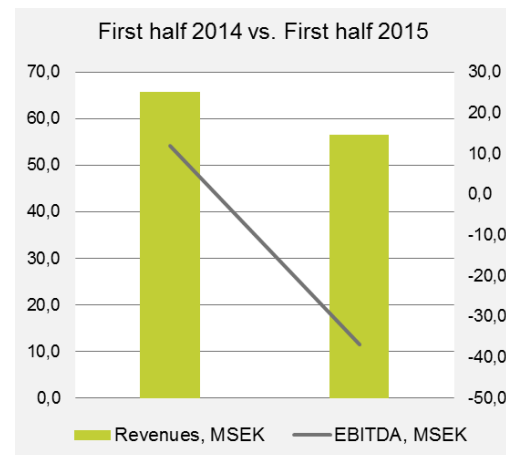
Second quarter (April-June 2015)

- Revenues of MSEK 27.7 (31.2), minus 11% compared to 2014 (no Territorial fees in Q2 2015, compared to 4.8 MSEK in Q2 2014)
- EBITDA of MSEK -10 (2.2). Excluding provision for doubtful accounts receivable and severance pay, EBITDA adjusted MSEK -3.4



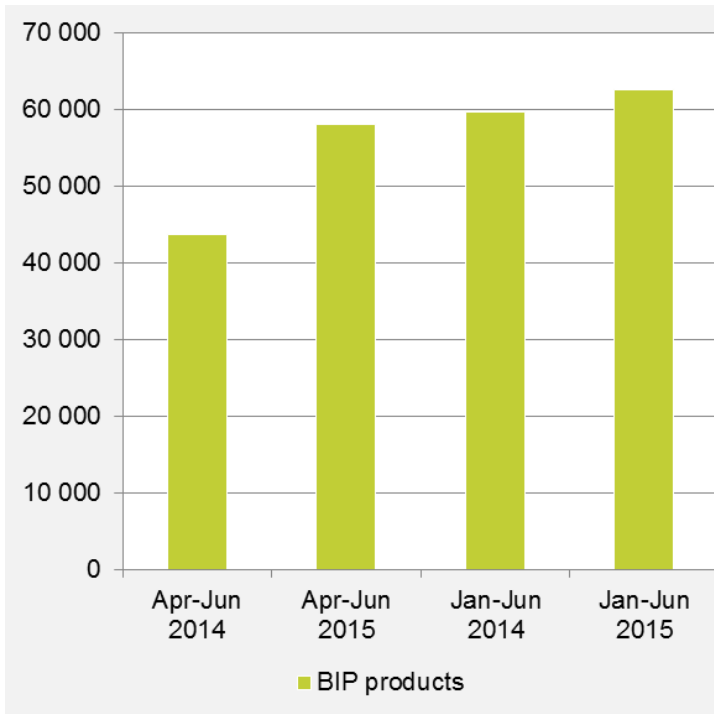
First half year (January-June 2015)

- Revenues of MSEK 56.6 (65.7), minus 14% compared to 2014
- EBITDA of MSEK -36.8 (12.0). Excluding provisions and non-recurring costs, EBITDA adjusted MSEK -1.4



Financial overview

Supplied products

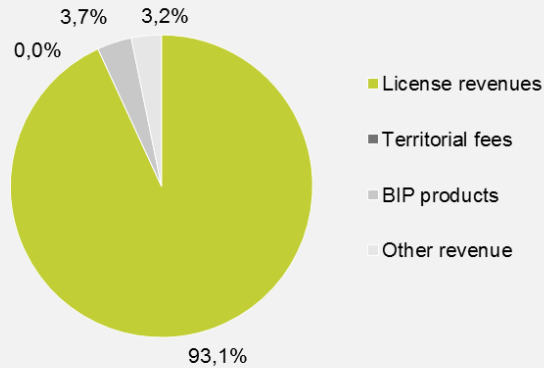


- 58 000 BIP products supplied in Q2 2015 compared to approximately 44 000 during Q2 2014, an increase by 32%.
- For the first half year 2015, 63 000 BIP products were supplied compared to 60 000 for the corresponding period in 2014.
- For the full year 2014, 79 000 BIP products were supplied

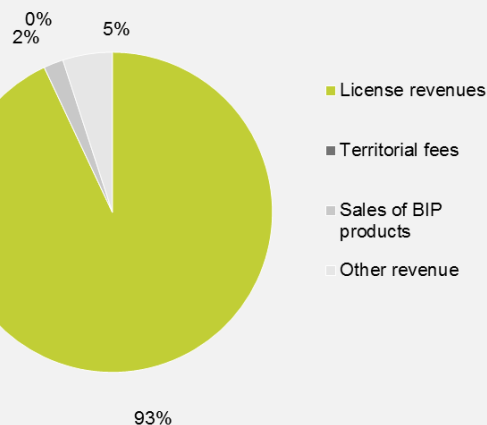
Financial overview

Income distribution

Revenue distribution, Apr-Jun 2015



Revenue distribution, Jan-Jun 2015



MSEK	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015
License revenues	25,8	22,8	52,6
Territorial fees	-	4,8	-
Sales of BIP products	1,0	1,5	1,1
Other revenue	0,9	2,1	2,8
Total Revenues	27,7	31,2	56,6

Financial overview

License revenues

License revenues

(SEKm)	Q1	Q2	H1	Q3	Q4	Full year
2013	21,6	19,3	40,9	21,3	20,5	82,7
2014	22,5	22,8	45,3	24,3	20,2	89,8
2015	26,8	25,8	52,6			

Of which
currency effect
MSEK 4 m

Of which
currency effect
MSEK 11 m

USD/SEK	2013	2014	H1 2014	H1 2015
Average	6,51	6,86	6,53	8,37

Additional order from Bard will contribute approx. SEK 28 million to revenues in Q3 at current exchange rate.

Financial overview

Key figures

Key figures	Apr-Jun	Apr-Jun	Jan-Jun
	2015	2014	2015
Revenues, SEKm	27,7	31,2	56,6
EBITDA, SEKm	-10,0	2,2	-36,8
EBITDA margin, %	-36%	7%	-65%
EBITDA*, SEKm	-10,0	5,2	-36,8
EBITDA margin*, %	-36%	17%	-65%
Operating profit, SEKm	-18,2	-5,2	-53,1
Net profit for the period, SEKm	-11,8	-44,1	-42,4
Operating cash flow**, SEKm	-7,8	-8,3	-16,4

*EBITDA 2014 adjusted for IPO costs

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

MSEK	Q2	First half
EBITDA	-10,0	-36,8
Provisions	6,6	30,1
Non-recurring costs		5,3
Adjusted EBITDA	-3,4	-1,4

- EBITDA (Q2) MSEK -10.0, adjusted EBITDA MSEK -3.4
- EBITDA (First half) MSEK -36.8, adjusted EBITDA MSEK -1.4.
- Net profit (Q2), MSEK -11.8, negatively affected by non-recurring items and positively affected by market valuation of bond.
- Operating cash flow for the period, MSEK -7.8 including cash flow from investing activities of MSEK -3.0

Financial overview

Financial flexibility and strength

Q2 -14

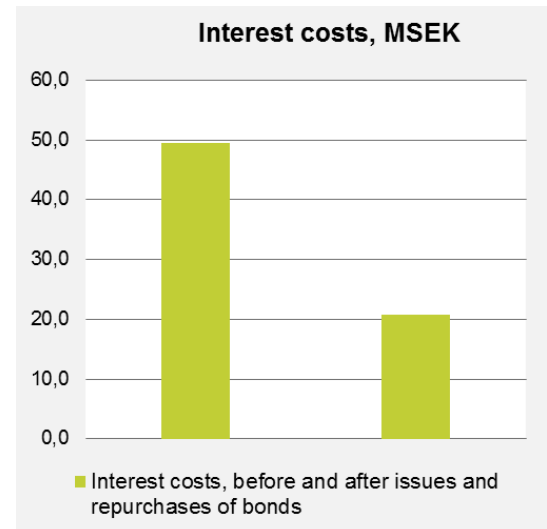
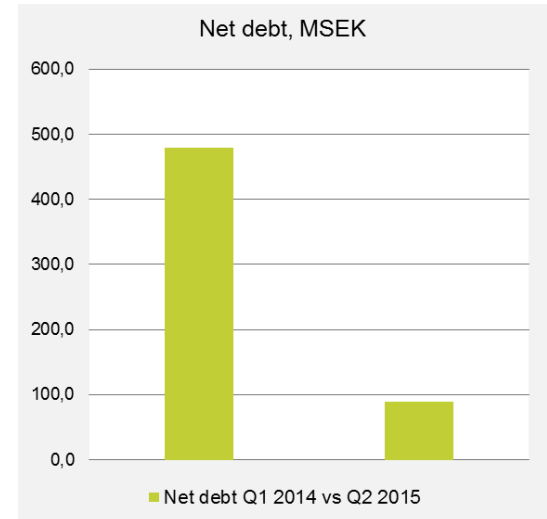
- Share issue of MSEK 20 in April
- Set off issue of MSEK 222.5 in June
- Share issue of MSEK 240 in connection with IPO



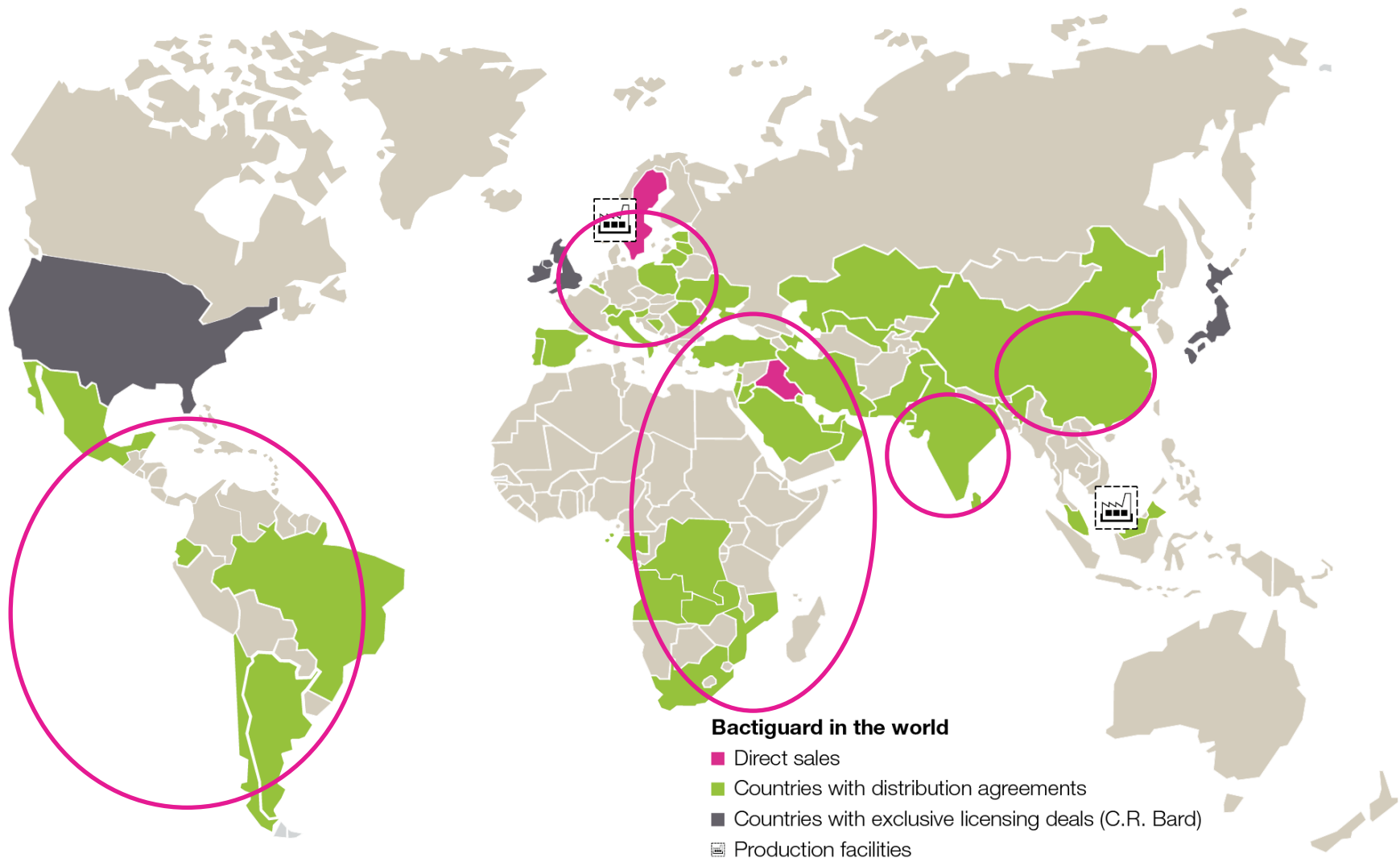
- Repurchase of bonds, nominal value MSEK 44



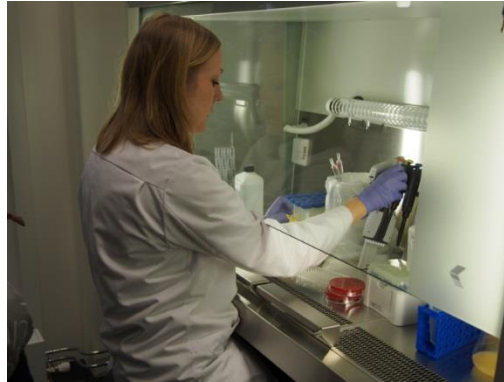
- Equity ratio of 64 %
- Net debt of MSEK 88.5
- Cash position of MSEK 84
- Nominal value outstanding bond MSEK 183.5
- Annual interest costs on bond going forward MSEK 20 (compared to MSEK 50 prior to IPO)



Focus on high potential markets and regions



Transfer of production



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
- Secure stability and continuity
- Expand business, both internationally and in home market, concentrate efforts and resources on high potential markets
- Build recurring, stable sales volumes
- Strengthen the sales & marketing team
- Allocate resources to new license businesses
- Obtain product approval in China and effective sales channels in India
- Focus sales efforts on the right target groups within the hospitals
- Strengthen clinical evidence by initiating well-defined, complementary studies
- Finalize the transfer of production and process improvements

Well positioned for growth

For more information

Please visit our website: www.bactiguard.com

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



Cecilia Edström, Director of Sales, Marketing and Communications: +46 722 262 328
cecilia.edstrom@bactiguard.se