



Bactiguard launches offer, publishes prospectus and sets price range for listing on NASDAQ OMX Stockholm

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The board of directors of Bactiguard Holding AB (publ) ("Bactiguard" or "the Company") and the Company's principal owners, Thomas von Koch through Bactiguard B.V. and Christian Kinch through KK Invest AB, ("Principal Owners") have decided to diversify ownership of the Company's B shares through a combined new share issue and sale of existing B shares in order to support the Company's continued growth and development. Bactiguard's board of directors has received approval from NASDAQ OMX Stockholm's listing committee to admit the Company's B shares to trading under the condition that, among other things, the diversification requirement for the shares is fulfilled.

- The offer is comprised of an offer to the general public in Sweden and an offer to Swedish and international institutional investors ("the Offer")
- The Offer comprises a maximum of 17,055,267 B shares: a maximum of 6,475,994 newly-issued B shares offered by the Company; a maximum of 4,741,435 existing B shares sold by former Bactiguard bond-holders who have offset their bonds against Bactiguard B shares; and a maximum of 5,837,838 existing B shares offered by the Principal Owners.
- The Principal Owners have issued an over-allocation option of an additional maximum of 1,705,527 existing B shares, corresponding to 10 per cent of the total number of B shares covered by the Offer, to compensate for any over-allocation that may occur in conjunction with the Offer
- The Offer price is expected to be set within the range of SEK 37 – 50 per B share
- The total value of the Offer is SEK 631 million. In the event the over-allocation option is exercised to its full extent, the total value of the Offer is SEK 694 million
- The acceptance period for the Offer is 10-17 June 2014 for the general public in Sweden and 10-18 June 2014 for Swedish and international institutional investors
- 19 June 2014 is the expected first trading day for the Company's B shares on NASDAQ OMX Stockholm, under ticker symbol BACTI
- Bactiguard's board of directors has prepared a prospectus in contemplation of the Offer. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority

Quote by Johan Rugfelt, CEO of Bactiguard:

"Bactiguard is a highly specialised and highly profitable med-tech company. Its business concept is to prevent healthcare-related infections, reduce the use of antibiotics and save lives through the development and manufacture of healthcare products. We offer patented and well proven technology which builds on a Swedish technology. We have worked in recent years to develop our own product portfolio and build a global network of distributors. The final pieces are falling into place with Bactiguard's IPO, because it gives us the financial strength that we need to truly realise the powerful growth we see in our future."

Quote by Christian Kinch, Chairman of Bactiguard's board of directors

"We know there are many investors who want to participate in the growth journey we have before us. Healthcare-related infections are the third leading cause of death of the Western world, after cancer and heart/vascular disease. In other words, there is an enormous need for our products. With this IPO, we as existing principal owners can maintain our long-term commitment to the company while putting Bactiguard in the best possible position to take advantage of growth opportunities."

Background and rationale

Bactiguard is a Swedish medtech company that prevents healthcare-related infections by developing and manufacturing products for the medical industry. The Company's infection-preventing technology is unique and helps reduce healthcare costs and the use of antibiotics. Bactiguard-coated urinary catheters are market leading in the US and Japan, and in recent years the Company has developed its own product portfolio of coated catheters for the urinary and respiratory tract and the blood stream.

Christian Kinch and Thomas von Koch bought Bactiguard in 2005. Since then the Company has focused on developing its own product portfolio (BIP, Bactiguard Infection Protection), developing the organisation, improving production and entering into new distribution agreements.

Today, the Company has sales in nine countries and a licence agreement with Bard that covers the USA, Japan, Ireland and Great Britain. Bactiguard is currently in a strong expansion phase focused on the EU, Middle East, Asia and South America, and has established

distributor agreements or direct sales in 41 markets. In 2013 the Company reported sales of approximately SEK 131 million and EBITDA of approximately SEK 40 million, which corresponds to a profit margin of 30.5 per cent. The Company has around 60 employees and is headquartered in Stockholm, with production facilities in Sweden and Malaysia.

The Company's objective is to continue to grow the business by strengthening the sales and marketing organisation, developing products to complement the current BIP portfolio and entering into more licence agreements. Bactiguard has identified several interesting product lines to which the Company can apply its coating and create products that are close to the current product portfolio. Product lines that are not as close to the Company's current product portfolio will be covered mainly by licence agreements with leading market players in the specific product area. The Company's goal is to sign two to three new licence agreements during the next five years and to expand into new markets:

- The Company has on June 2nd 2014 announced its collaboration with MAQUET Critical Care AB (MAQUET), a Getinge group company, which is well aligned to the Company's strategy to expand its licencing business. The collaboration concerns the development of Bactiguard-coated catheters for intensive care patients. A feasibility study was initiated to lay the groundwork for a development and delivery agreement for the global market. MAQUET is a leading global supplier of medical systems.
- An important step towards the expansion into new markets was taken when a panel of experts at the Chinese Centre for Medical Device Evaluation (CMDE) announced on June 4th 2014 that it will approve Bactiguard's urinary catheters (BIP Foleys). CMDE is the China Food and Drug Administration (CFDA) department responsible for technical and clinical evaluation, including product testing and expert evaluation. The next step is a CFDA administrative evaluation of the manufacturing documentation and subsequent decision on final regulatory product approval.

It has been determined that a change to the Company's capital structure is necessary to capitalise on existing growth opportunities. Ahead of the Offer and the listing of the Company's B share on NASDAQ OMX Stockholm, the Company offered bondholders the option of converting bonds to shares in the Company in order to reduce future interest expenses and strengthen the Company's capital structure. Holders of bonds totalling a nominal amount of SEK 222.5 million (along with associated accrued interest of SEK 12.6 million) elected to convert to shares in the Company. The outstanding bond loan, after the set-off issue to be concluded upon implementation of the Offer, therefore totals SEK 227.5 million.

Taken together, the set-off issue and the net proceeds from the new share issue generate financial flexibility to guarantee a sustainable capital structure for the Company in the long term. The decrease in interest costs and the net proceeds from the new share issue will also be used to finance the Company's growth.

The Offer and the IPO will broaden the Company's shareholder base and provide the Company access to Swedish and international capital markets. A liquid share, priced on the market, also increases opportunities to use the share to finance acquisitions.

The Company's board of directors deems that a listing of the Company's B share on NASDAQ OMX Stockholm will attract increased attention from existing and potential customers, employees, investors and the media. A listing of the Company's B share is also expected to draw greater attention to the global problems of spiralling healthcare costs, the spread of multi-resistant bacteria and the effect of healthcare-associated infections.

The Offer in brief

The Offer is comprised of an offer to the general public in Sweden and an offer to Swedish and international institutional investors. The Offer comprises a maximum of 6,475,994 newly-issued B shares offered by the Company, a maximum of 4,741,435 existing B shares sold by former Bactiguard bond-holders who have offset their bonds against Bactiguard B shares, and a maximum of 5,837,838 existing B shares offered by the Principal Owners. Accordingly, the Offer comprises a maximum of 17,055,267 Bactiguard B shares, representing 50.7 per cent of the shares and 24.5 per cent of the votes in the Company after full subscription to the Offer.

The Principal Owners have undertaken to offer an additional maximum of 1,705,527 existing B shares, corresponding to 10 per cent of the total number of B shares covered by the Offer, to compensate for any over-allocation that may occur in conjunction with the Offer. Based on full subscription to the Offer, Bactiguard will receive an injection of approximately SEK 240 million, before issue expenses.

The Offer price is expected to be set within the range of SEK 37 – 50 per B share. The price will be determined by Bactiguard's board of directors and Principal Owners in consultation with Swedbank, based on estimated investment interest from institutional investors following a book building process. No commission will be paid. The final Offer price will be announced via a press release to be issued on or about 19 June 2014. Assuming full subscription to the Offer, the value of the Offer will total approximately SEK 631 million. In the event the over-allocation option is exercised to its full extent, the total value of the Offer is approximately SEK 694 million.

19 June 2014 is the expected first trading day for the Company's B shares on NASDAQ OMX Stockholm, under ticker symbol BACTI. The estimated settlement day for the Offer is 24 June 2014 for the general public and 25 June 2014 for institutional investors.

Swedbank has been appointed Lead Manager and Sole Bookrunner and ABG Sundal Collier has been appointed Co-Lead Manager in connection with the intended IPO. Cederquist is legal advisor.

Prospectus

Bactiguard's board of directors has prepared a prospectus in contemplation of the Offer. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority.

The prospectus and application form are available at any Swedbank office and can be ordered from Bactiguard. They are also available on Bactiguard's website (www.bactiguard.se), under the heading Investor Relations and Swedbank's website (www.swedbank.se/prospekt).

Indicative time schedule

- Publication of prospectus: 9 June 2014
- Acceptance period for institutional investors: 10-18 June 2014
- Acceptance period for general public in Sweden: 10-17 June 2014
- Announcement of final Offer price: 19 June 2014
- First trading day for the Company's B share on NASDAQ OMX Stockholm: 19 June 2014
- Settlement day for general public: 24 June 2014
- Settlement day for institutional investors: 25 June 2014

Important notice

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Bactiguard Holding AB (the "Company") in any jurisdiction where such offer or sale would be unlawful and the announcement and the information contained herein are not for distribution or release, directly or indirectly, in or into such jurisdictions.

In any EEA member state, other than Sweden, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member state, the "Prospectus Directive"), this communication is only addressed to and is only directed at qualified investors in that member state within the meaning of the Prospectus Directive.

Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

This announcement does not constitute a prospectus and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in the company, except on the basis of information in any prospectus published by the Company in connection with the potential offering and admission of such securities to trading and official listing on NASDAQ OMX Stockholm. Copies of any such prospectus will, following publication, be available on the website of the Company.

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this release speak only as at its date, and are subject to change without notice.

Bactiguard Holding AB (publ) is required to disclose the above information under the provisions of the Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 20.00 CET on 9 June 2014.

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Bactiguard

Bactiguard is a Swedish medtech company with a business concept of preventing healthcare associated infections, reducing the use of antibiotics and saving lives by developing and supplying infection prevention solutions for the healthcare industry. The company's patented coating prevents healthcare associated infections by reducing bacterial adhesion and growth on medical devices. Bactiguard®-coated urinary catheters are market leading in the US and Japan, and in recent years the company has developed its own product portfolio of coated catheters for the urinary and respiratory tract and the blood stream. Bactiguard is currently in a strong expansion phase, focused on new markets in the EU, Middle East, Asia and South America. The company reported sales of approximately SEK 130 million in 2013, has 60 employees, headquarters in Stockholm and production facilities in Markaryd and Malaysia.