

Interim report for Bactiguard Holding AB (publ)

Corporate registration number 556822-1187

First quarter (January-March 2016)

- During the first quarter, a total of approx. 87,600 (4,650) BIP products were delivered, 100 % of which generated revenues.
- Revenues amounted to SEK 26.0 (29.0) million. The decrease is mainly related to the adjustment of the additional one-off order from C.R. Bard which led to lower license revenues in the quarter.
- EBITDA amounted to SEK -1.6 (0.2) million.
- Operating profit amounted to SEK -9.9 (-7.9) million.
- Reported net profit amounted to SEK -11.2 (-3.6) million, corresponding to SEK -0.34 (-0.11) per share. Net profit for the quarter has been positively affected by market valuation of the bond of SEK 0.7 (6.9) million.
- Operating cash flow for the quarter amounted to SEK 1.8 (-8.7) million, corresponding to SEK 0.05 (-0.26) per share. Major payments of accounts receivable contributed to the positive cash flow.

Key events during the first quarter

- First order from China of 100,000 units
- Bactiguard wins tender in Halland
- Laboratory study indicates that Bactiguard's coating may reduce the risk of thrombosis
- Minister of Enterprise and Innovation inaugurated Bactiguard's headquarters

Key events after the end of the first quarter

- Research grant aimed at developing a new generation of vascular access catheters
- New clinical study to help people with spinal cord injury

Key figures	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
Revenues, SEKm	26,0	29,0	138,5
EBITDA, SEKm	-1,6	0,2	20,2
EBITDA margin, %	-6%	1%	15%
EBITDA ¹ , SEKm	-1,4	5,5	31,4
EBITDA margin ¹ , %	-5%	19%	23%
Operating profit, SEKm	-9,9	-7,9	-12,7
Net profit for the period, SEKm	-11,2	-3,6	-26,5
Operating cash flow ² , SEKm	1,8	-8,7	-32,5
Earnings per share ³ , SEK	-0,34	-0,11	-0,80
Op. cash flow per share ⁴ , SEK	0,05	-0,26	-0,97
Equity ratio, %	61%	57%	62%
Net debt, SEKm	117,4	91,6	120,0
Number of shares at the end of period	33 302 373	33 302 373	33 302 373
Weighted average number of shares	33 302 373	33 302 373	33 302 373

¹ EBITDA adjusted for non-recurring costs

² Cash flow from operating activities after investments and changes in working capital

³ Net profit for the period / Weighted average number of shares during the period, issue-adjusted

⁴ Operating cash flow / Weighted average number of shares during the period, issue-adjusted

Comments by the CEO

It is encouraging to report that we start the year by increasing sales of our own portfolio of infection prevention products for the healthcare sector. The largest shipment went to India as a result of the order we received during the fourth quarter of 2015. We have also made an initial partial delivery of the order we received from China in January, in connection with the product approval. The remaining part of this order will be delivered during the second quarter of 2016. Furthermore, a considerable volume of products were shipped to the European market during the quarter, which means that we are expanding the number of markets and regions that regularly order products. During the first quarter we delivered approx. 87,600 units, which is more than half of the total volume in 2015. Thereby, we are well on our way towards our goal of at least doubling the sales volume this year.

Compared with the first quarter of 2015, however, we have lower revenues. This is explained by lower revenues from C.R. Bard, which is a direct result of the adjustment of the one-off order we received in 2015. The adjustment meant that part of the additional order has been used for regular production, which has affected subsequent deliveries in a negative way. The main impact of this adjustment was felt in the fourth quarter of 2015, but it also affected the first quarter of this year. As of March, the order situation is back at a stable level, which is positive.

In addition to increasing sales volumes and revenues, we focus on keeping costs under control to generate positive earnings and cash flow. Costs are developing according to plan, but the lower revenues mean that we despite this report a negative EBITDA.

In sales- and marketing, we have had an intense quarter, particularly with preparations for the launch of our urinary catheters in the Chinese market. The extent of the launch in China has no equivalent in Bactiguard's history. Our distributor Jian An has some 1 500 sales reps and product specialists, who will be trained prior to approaching the Chinese hospitals. In India, sales- and marketing activities have also accelerated. We have participated in two major congresses for specialists, established dealers in several metropolitan areas, started deliveries to end customers and expanded the clinical study involving a total of 1000 patients, at six different hospitals.

In Sweden, work has intensified and we now have two full-time sales reps in the market. In February we received confirmation that we have won a tender for incontinence products in Region Halland, which now includes anti-infective products within their range of products. Bactiguard's urinary catheters can be ordered within the framework agreement, which enters into force on October 1, 2016. We see a trend in increasing demand for anti-infective products from other Swedish counties.

The clinical evidence has strengthened in a new area in the quarter. A laboratory study by researchers at the Karolinska Institute and Bactiguard indicates that the Bactiguard technology, in addition to reducing the number of infections, may also reduce the risk of thrombosis (blood clots). The study, published in the Journal of Biomedical Materials in January, was welcomed by the market and paves the way for in-depth studies of the effect on this serious condition for the patient. In late April, another clinical trial was initiated, for a new group of patients, together with the Centre for Spinal Cord Injury in Stockholm. The purpose of the study is to evaluate Bactiguard's anti-infective catheter, to improve the quality of life for patients with spinal cord injuries.

The cooperation with our new license partner in orthopaedic implants, Vigilenz Medical Devices, is in full progress and the process of product approval has been initiated. The debate and reporting on superbugs and antibiotic resistance have been accentuated and get broad exposure in all media. This combined with the fact that we have allocated more internal resources and have started working in a new therapeutic area has opened up for new potential partnerships and licensing opportunities.

Politically, we have received considerable attention during the spring and the interest in Bactiguard from a local and labour market policy perspective has been great. In March, the Minister of Enterprise- and innovation, Mikael Damberg and the Mayor of Botkyrka, Mrs Ebba Östlin, inaugurated our headquarters. Bactiguard's collaboration with Samhall has been highlighted as a role model in several different contexts, of which we are very proud.

In April the Swedish government presented a new strategy to combat antibiotic resistance, where prevention is at the top of the agenda. Governments around the world have taken similar initiatives in promoting the subject, which is to be discussed at a high-level meeting in the UN General Assembly this autumn. Antibiotic and other forms of antimicrobial resistance is a major and growing threat to both human and animal health, as well as the economy and trade, where Bactiguard's solutions for infection prevention can contribute to the solution to this global challenge. Our main goal is to win the war against healthcare associated infections.

Christian Kinch

CEO

Key events during the first quarter

First order from China

Following the Chinese approval of Bactiguard's Foley catheters for infection prevention, which was recently announced, the company has received an initial order of 100,000 catheters corresponding to an order value of more than SEK 3 million which will be accounted for as revenue at delivery.

A small part of the order was shipped during the first quarter of 2016, the majority will be delivered in the second quarter of 2016.

Laboratory study shows that coating may also prevent thrombosis

A laboratory study, recently published in the Journal of Biomedical Material, by scientists at Karolinska Institutet and Bactiguard, shows that Bactiguard's coating may reduce the risk of thrombosis.

A previous clinical study shows that Bactiguard's Infection Protection central venous catheters reduce the number of bloodstream infections by 50 percent. In this new study it was also observed that the coating, applied to the surface, may also prevent thrombosis.

Bactiguard won a tender in the Swedish region Halland

Bactiguard won a tender, to supply urinary tract catheters to the Swedish region Halland. This means that Halland is able to start to purchase Bactiguard's Infection Protection Foley catheters from 1 October 2016.

Minister of Enterprise and Innovation inaugurated Bactiguard's new headquarters

The Minister of Enterprise and Innovation Mr. Mikael Damberg inaugurated the new headquarter and production facility in Tullinge, south of Stockholm, on Wednesday March 23.

Key events after the end of the first quarter

New intelligent materials make healthcare safer

Bactiguard and BioInteractions have received a European research grant aimed at developing a new generation of vascular access catheters, with new bio-smart materials for medical devices. The technology will be developed in a joint project which is financed by VINNOVA and Innovate UK. The research grant within the European Programme Eurostars covers more than 6 million SEK over two and a half years.

New clinical study to help people with spinal cord injury

Many spinal cord injured patients use indwelling suprapubic urinary catheters. A large number of these patients suffer from recurring urinary tract infections, requiring antibiotic treatment, which has a negative impact on their quality of life. In order to reduce the number of infections for these patients, Bactiguard has started a clinical study together with the Centre for Spinal Cord Injury, Sweden's leading clinic for spinal cord injured patients, at the Rehab Station Stockholm.

Consolidated revenues and earnings

Revenues

Bactiguard has two revenue streams: (after change of accounting principle in the fourth quarter 2015).

Sales of BIP products

The BIP portfolio currently includes sales of the BIP Foley, BIP ETT and BIP CVC products.

License revenues

License revenues are attributable to sales of products under license, which currently includes the Group's licensing agreement with C.R. Bard regarding Bactiguard coated Foley catheters for the USA, Japan, the UK, Ireland, Canada and Australia as well as license agreement with Vigilenz Medical Devices for Bactiguard coated orthopaedic implants, covering the Asean region.

Other revenue

Comprises mainly foreign exchange differences and any other operating income.

Bactiguard's BIP (Bactiguard Infection Protection) product portfolio includes medical devices in three areas: urinary tract, respiratory tract and blood streams.

BIP Foley	BIP ETT	BIP CVC
 <ul style="list-style-type: none">BIP Foley is the company's urinary catheter, which uses the Bactiguard coating to reduce the risk of patients contracting catheter-associated infections of the urinary tract.	 <ul style="list-style-type: none">BIP ETT is the company's endotracheal tube, which uses the Bactiguard coating intended to reduce the risk of patients contracting ventilator-associated pneumonia.	 <ul style="list-style-type: none">BIP CVC is the company's central venous catheter, which uses the Bactiguard coating to reduce the risk of patients contracting catheter-associated blood infections.

Revenue distribution

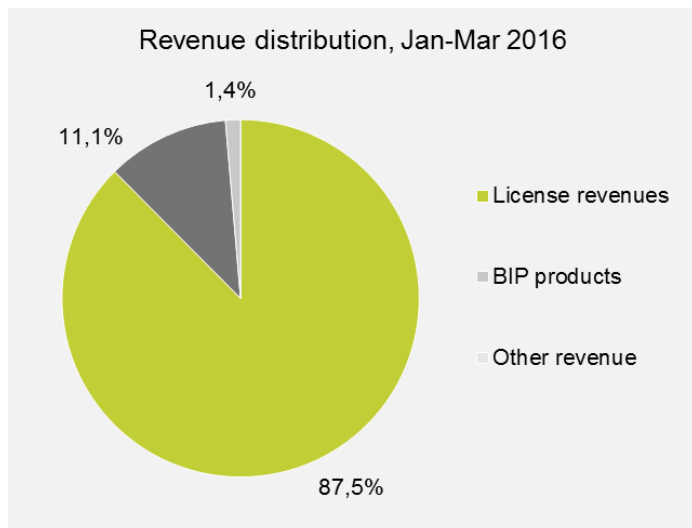
First quarter (January-March)

Consolidated revenues for the first quarter amounted to SEK 26.0 (29.0) million, which is a decrease of approx. 10 % compared to the same quarter last year. The decrease is mainly related to the adjustment of the additional one-off order from C.R. Bard. For Bactiguard, this led to lower revenues than expected in the fourth quarter 2015 and in the first quarter 2016.

The bulk of revenues during the first quarter (87.5 %) still came from License revenues. These amounted to SEK 22.8 (26.8) million, including a negative currency effect of SEK -1.4 (5.7) million.

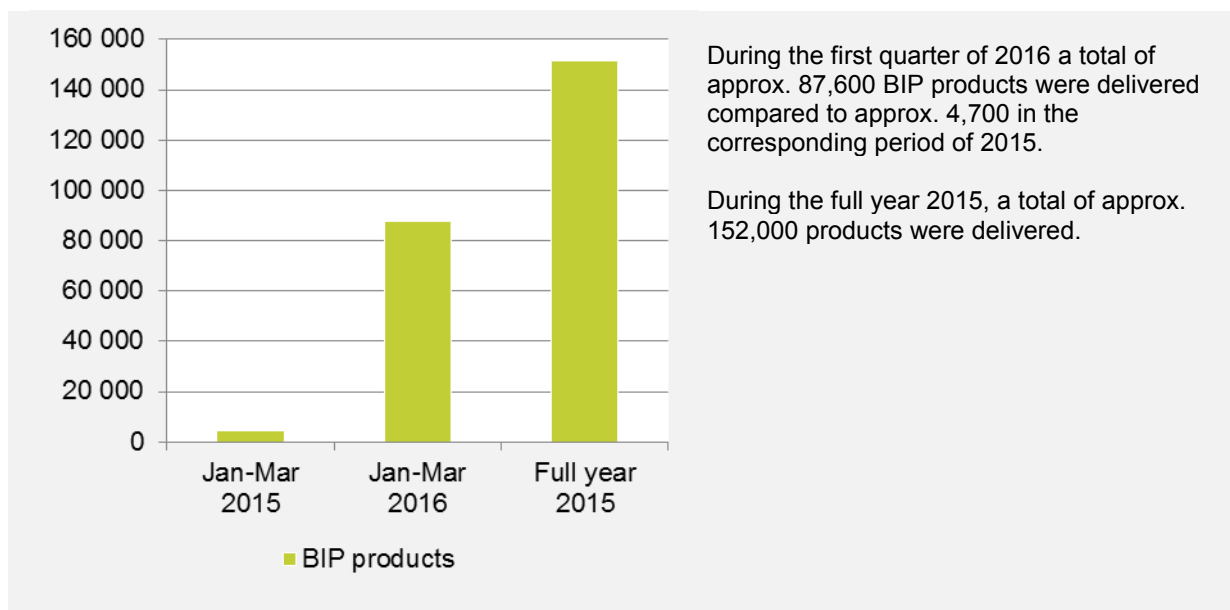
Sales of BIP products amounted to 11.1 % of revenues or approx. SEK 2.9 (0.2) million in the first quarter, with sales primarily to India, China and Europe. According to new accounting principle, all delivered BIP products generate revenue. Out of SEK 2.9 million in revenues, SEK 1.8 million had a cash flow effect. The remaining revenues correspond to a reduction of the debt item deferred revenue in the balance sheet.

Other revenues during the quarter amounted to 1.4 % or approx. SEK 0.4 (1.9) million and are attributable to exchange rate differences and EU grants for development projects.



	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
License revenues	87,5%	92,4%	90,5%
Sales of BIP products	11,1%	0,9%	4,4%
Other revenue	1,4%	6,7%	5,1%

Product deliveries



Financial results

First quarter (January-March)

EBITDA for the first quarter amounted to SEK -1.6 (-0.2) million. The negative change compared with the corresponding period last year is, as mentioned earlier, a result of lower revenues from C.R. Bard due to the downward adjustment of the safety stock which formed the basis for the additional order during the third quarter 2015. Non-recurring costs, related to implementing the change of accounting principle, have negatively affected EBITDA during the quarter by SEK -0.2 million.

Consolidated operating profit for the first quarter 2016 amounted to SEK -9.9 (-7.9) million.

Financial items for the quarter amounted to SEK -2.5 (3.1) million. The effects of market valuation of the bond loan, which have no effect on cash flow, are recognised as financial items in the income statement. During the first quarter of 2016, market valuation of the bond affected financial items positively by SEK 0.7 (6.9) million. Interest expense related to the bond loan amounted to SEK -3.8 (-5.2) million in the first quarter.

Tax for the period amounted to SEK 1.2 (1.2) million. Reported income tax refers to the change in deferred taxes attributable to temporary differences relating to the Group's intangible assets.

Consolidated net profit for the first quarter amounted to SEK -11.2 (-3.6) million. Lower ordered volume than expected from C.R. Bard and the effects of market valuation of the bond were the main reasons behind the negative change in net profit compared with the first quarter 2015.

Cash flow

First quarter (January-March)

Operating cash flow (cash flow from operating activities after investments and changes in working capital) for the first quarter amounted to SEK 1.8 (-8.7) million. Cash flow from operating activities contributed negatively by SEK -2.7 (0.4) million while Cash flow from changes in working capital contributed positively by SEK 6.5 (-6.7) million. Major payments of accounts receivables were the main reason for the positive operating cash flow.

Cash flow from financing activities amounted to SEK 0 (-5.2) million. Consequently, the total cash flow for the first quarter amounted to SEK 1.8 (-13.8) million.

Investments

Investments in property, plant and equipment during the first quarter amounted to SEK 0.6 (1.8) million, mainly related to the integrated headquarters and production facility. Investments in intangible assets, mainly related to capitalised development expenditures, amounted to 1.5 (0.5) million. No investments were made in financial non-current assets during the quarter SEK 0.0 (0.0) million.

Financial position

The consolidated equity ratio was 61 % at 31 March 2016 (62 % at 31 December 2015) and equity amounted to SEK 405.8 million (SEK 417.4 million at 31 December 2015).

Bactiguard has a bond loan that matures on 12 December 2016, with an annual coupon of 11 %, payable in December each year. After completion of the set-off issue in connection with the listing of the company's shares on Nasdaq Stockholm in 2014, when holders of bonds with a total nominal value of SEK 222.5 million chose to offset bonds against shares, the nominal value of the outstanding bond loan was SEK 227.5 million. Subsequently, bonds have been repurchased in the market, which further has reduced the outstanding nominal value.

The bond is listed on Nasdaq Stockholm. The nominal value of the outstanding bond loan after completed repurchases is thereby SEK 138 million.

The bond is valued at market value and on 31 March 2016, net outstanding bond (nominal value SEK 138 million) was valued at SEK 141.5 million (price 102.50, which is a decrease from 103.0 at the end of the fourth quarter 2015).

Consolidated cash position at 31 March 2016 amounted to SEK 24.1 million (SEK 22.1 million at 31 December 2015). Net debt amounted to SEK 117.4 million (SEK 120.0 million at 31 December 2015).

The total assets of the Group at 31 March 2016 amounted to SEK 667.5 million (SEK 676.2 million at 31 December 2015). The largest asset item in the balance sheet is technology related to Bactiguard's product portfolio, which at 31 March 2016 amounted to SEK 254.5 million (SEK 260.4 million at 31 December 2015).

Accounts receivable (short- and long term) amounted to SEK 52.7 million at 31 March 2016, which is a decrease of SEK 4.9 million since 31 December 2015.

Other disclosures

The share and share capital

Trade in the Bactiguard share takes place on Nasdaq Stockholm under the ticker symbol "BACTI". The last price paid for the listed B share at 31 March 2016 was SEK 13.85, and the market capitalization amounted to SEK 461 million.

The share capital of Bactiguard at 31 March 2016 amounted to SEK 0.8 million divided into 29,302,373 B shares, each with one vote (29,302,373 votes) and 4,000,000 A shares, each with ten votes (40,000,000 votes). The total number of shares and votes in Bactiguard at 31 March 2016 amounted to 33,302,373 shares and 69,302,373 votes.

Ownership

At 31 March 2016 Bactiguard had 2,970 shareholders.

Shareholders	No. of A shares	No. of B shares	Total number	% of capital	% of votes
CHRISTIAN KINCH WITH FAMILY AND COMPANY	2 000 000	8 160 484	10 160 484	30,5%	40,6%
THOMAS VON KOCH WITH COMPANY	2 000 000	8 160 384	10 160 384	30,5%	40,6%
HANDELSBANKEN FONDER AB		856 545	856 545	2,6%	1,2%
ROBUR FÖRSÄKRING		780 053	780 053	2,3%	1,1%
NORDNET PENSIONS FÖRSÄKRING AB		583 192	583 192	1,8%	0,8%
STÅHLBERG, JAN		582 544	582 544	1,8%	0,8%
AVANZA PENSION		538 248	538 248	1,6%	0,8%
FRÖAFALL INVEST AB		516 000	516 000	1,6%	0,7%
SARGAS EQUITY AB		364 090	364 090	1,1%	0,5%
CANCERFONDEN		346 297	346 297	1,0%	0,5%
Total, major shareholders	4 000 000	20 887 837	24 887 837	74,7%	87,9%
Total, others	0	8 414 536	8 414 536	25,3%	12,1%
Total number of shares	4 000 000	29 302 373	33 302 373	100%	100%

Human resources

The average number of employees in the Group in the period January to March 2016 amounted to 58 (63), of which 35 (35) women.

Accounting and valuation principles

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Reporting and the Annual Accounts Act. The parent company financial statements have been prepared in accordance with the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The accounting and valuation principles are unchanged from those applied in the Annual Report 2015. In 2015 the accounting principle, regarding accounting of revenues relating to territorial fees, was changed. In earlier delivered annual and consolidated financial statements, territorial fees were accounted for upon signing the contract. In connection with the year-end accounts for 2015, Bactiguard has decided to change its accounting principle and instead report such fees at delivery of products. The part of the territorial fees and associated market contribution on the balance date that are subject to future deliveries of products are recognized as deferred revenue until the delivery has been made. Settlement of deferred income is made upon delivery. The new principle increases transparency and provides a better link between income and delivered products. The change of accounting principle has been recognized in accordance with IAS 8 and the effects of the change are shown in Note 1 on page 16 and in the annual report 2015 in Note 36 on page 58.

The new and amended standards and interpretations that are in place from 1 January, 2016 have not had any significant effect on the Group's financial reports.

Financial assets and financial liabilities measured at fair value in the balance sheet are classified into one of three levels based on the information used to determine fair value. Bactiguard bond loan is valued using level 1, is listed on Nasdaq Stockholm and is valued at quoted price. Disclosures in accordance with IAS 34 Interim reporting are submitted both in notes and elsewhere in the interim report.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may derive revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which there is discrete financial information. The company's reporting of operating segments is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that assesses the operating segment performance and decides how to allocate resources. The company has determined that the Group executive management constitutes the chief operating decision maker.

The company is considered in its entirety to operate within one business segment.

Related-party transactions

Transactions between the company and its subsidiaries, which are related parties to the company, have been eliminated on consolidation.

Services and other transactions between companies within the Group are charged according to commercial principles. Bactiguard has received a loan commitment of SEK 100 million. If the loan commitment is utilized, the board member - who is also the CEO and major shareholder - Christian Kinch and major shareholder Thomas von Koch have agreed to, without compensation, enter into guarantee commitments for Bactiguard Holding AB's obligations under the loan agreement.

Other than as described above, neither Bactiguard nor its subsidiaries have granted loans, guarantees or sureties to, or for the benefit of, any directors or senior managers of the Group. None of these persons has any direct or indirect participation in any other business transaction with any entity of the Group which is, or was, unusual in its nature or with regard to its terms.

Parent company

Revenues consist of invoiced intercompany expenses (management fees). During the period the parent company received interest on its receivables from group companies. Company costs primarily relate to financial expenses of which the interest due on the bond loan is the single largest item. No investments were made during the period.

Risk factors

Companies within the Group are exposed to various types of risk through their activities. The company continually engages in a process of identifying all risks that may arise and assessing how each of these risks shall be managed. The Group is working to create an overall risk management programme that focuses on minimising potential adverse effects on the company's financial results. The company is primarily exposed to market related risks, operational risks and financial risks. A description of these risks (which are still valid) can be found on page 30 and 47-49 in the Annual Report for 2015.

Financial targets

Bactiguard's goal is to create value and generate good returns for the shareholders. One financial target is to have an average growth of 20 % per year over a five year period, with 2015 (adjusted for the effect of the additional order from C.R. Bard) as the base year – starting point SEK 118.5 million. Another target is to achieve an EBITDA margin of at least 30 % at the end of the five year period. Bactiguard will continue to expand the business by strengthening the sales- and marketing organization, developing new products to the existing BIP portfolio and by entering new license agreements in new therapeutic areas. Other financial targets are to have an equity ratio of at least 30 % and a long-term objective of a dividend of 30-50 % of profit after tax, taking into consideration the company's financial position. The company is in an expansion phase and will therefore in the coming years, prioritize growth over dividends.

Condensed consolidated income statement

Amounts in TSEK	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
<i>Revenues</i>			
License revenues	22 769	26 790	125 292
Sales of BIP products	2 886	247	6 128
Other revenue	352	1 946	7 043
	26 008	28 983	138 463
Raw materials and consumables	-2 583	-1 535	-7 902
Other external expenses	-11 754	-16 686	-56 287
Personnel costs	-11 613	-12 203	-52 942
Depreciation and amortisation	-8 312	-8 109	-32 850
Other operating expenses	-1 620	1 671	-1 148
	-35 883	-36 862	-151 129
Operating profit/loss	-9 875	-7 879	-12 666
<i>Profit/loss from financial items</i>			
Financial income	1 745	8 418	2 657
Financial expenses	-4 250	-5 283	-20 961
	-2 505	3 135	-18 304
Profit before tax	-12 380	-4 744	-30 970
Taxes for the period	1 166	1 173	4 469
Net profit/loss for the period	-11 215	-3 571	-26 501
Attributable to:			
Shareholders of the parent	-11 215	-3 571	-26 501
Earnings per share, SEK*	-0,34	-0,11	-0,80

Condensed consolidated statement of comprehensive income

Amounts in TSEK	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
Net profit/loss for the period	-11 215	-3 571	-26 501
<i>Other comprehensive income:</i>			
<u>Items that will be reclassified to profit or loss for the year</u>			
Translation differences	-461	-545	1 146
Other comprehensive income, after tax	-461	-545	1 146
Total comprehensive income for the period	-11 676	-4 116	-25 355
Attributable to:			
Shareholders of the parent	-11 676	-4 116	-25 355
Total earnings per share, SEK*	-0,35	-0,12	-0,76
Number of shares at the end of period ('000)	33 302	33 302	33 302
Weighted average number of shares ('000)	33 302	33 302	33 302
* no dilution effect			

Condensed consolidated statement of financial position

Amounts in TSEK	2016-03-31	2015-03-31	2015-12-31
ASSETS			
Non-current assets			
Goodwill	226 292	226 292	226 292
Technology	254 467	278 273	260 418
Brands	25 572	25 572	25 572
Customer relationships	12 613	13 793	12 908
Capitalised development expenditure	13 040	7 962	12 062
Patents	1 218	1 340	1 272
Intangible assets	533 202	553 232	538 524
Improvements, leasehold	17 848	16 471	17 917
Machinery and other technical plant	7 151	9 971	7 412
Equipment, tools and installations	5 129	5 979	5 432
Property, plant and equipment	30 127	32 421	30 761
Accounts receivable	6 012	9 298	6 012
Investments in associates	1 298	1 368	1 298
Financial assets	7 310	10 666	7 310
Total non-current assets	570 640	596 319	576 595
Current assets			
Inventory	12 394	11 883	11 687
Accounts receivable	46 744	49 679	51 634
Other current receivables	13 586	15 189	14 211
Cash and cash equivalents	24 094	91 851	22 119
Total current assets	96 818	168 602	99 651
TOTAL ASSETS	667 457	764 921	676 246
Equity attributable to shareholders of the parent			
Share capital	833	833	833
Other equity	404 934	437 849	416 610
Total equity	405 767	438 682	417 443
Non-current liabilities			
Bond loan	-	183 500	-
Deferred tax liability	33 602	38 064	34 767
	33 602	221 564	34 767
Current liabilities			
Bond loan	141 450	-	142 140
Accounts payable	4 588	11 681	4 017
Other current liabilities	4 182	3 484	3 996
Accrued expenses and deferred income	77 868	89 510	73 883
	228 088	104 675	224 036
Total liabilities	261 690	326 239	258 803
TOTAL EQUITY AND LIABILITIES	667 457	764 921	676 246

Condensed consolidated statement of changes in equity

Amounts in TSEK	Equity attributable to shareholders of the parent				
	Share capital	Other capital contributions	Translation reserve	Retained earnings including net profit for the period	Total equity
Adjusted opening balance, 1 January 2015	833	675 690	-794	-232 931	442 798
Profit/loss for the period	-	-	-	-3 571	-3 571
<i>Other comprehensive income:</i>					
Translation differences	-	-	-545	-	-545
Total comprehensive income after tax	0	0	-545	-3 571	-4 116
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 31 March 2015	833	675 690	-1 339	-236 502	438 682
Opening balance, 1 January 2016	833	675 690	352	-259 432	417 443
Profit/loss for the period	-	-	-	-11 215	-11 215
<i>Other comprehensive income:</i>					
Translation differences	-	-	-461	-	-461
Total comprehensive income after tax	0	0	-461	-11 215	-11 676
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 31 March 2016	833	675 690	-109	-270 647	405 767

Condensed consolidated statement of cash flows

Amounts in TSEK	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
Cash flow from operating activities			
Net profit/loss for the period	-11 215	-3 571	-26 501
Accrued interest expense	-	-	-
Adjustments for depreciation and amortisation and other non-cash items	8 556	3 953	26 595
	-2 659	382	94
Cash flow from changes in working capital			
Increase/decrease inventory	-660	-2 794	-2 628
Increase/decrease accounts receivable	4 528	-24	-4 747
Increase/decrease other current receivables	1 697	141	141
Increase/decrease accounts payable	285	-1 457	-7 371
Increase/decrease other current liabilities	646	-2 604	-6 280
	6 496	-6 738	-20 885
Cash flow from investing activities			
Investments in intangible assets	-1 468	-472	-5 921
Investments in property, plant and equipment	-605	-1 837	-5 744
Investments in associates	-	-	-
	-2 073	-2 309	-11 666
Operating cash flow	1 764	-8 665	-32 456
Cash flow from financing activities			
Amortisation of debt	-	-5 150	-50 827
	0	-5 150	-50 827
Cash flow for the period	1 764	-13 815	-83 283
Cash and cash equivalents at start of period	22 119	105 147	105 147
Exchange difference in cash and cash equivalents	211	519	255
Cash and cash equivalents at end of period	24 094	91 851	22 119

Condensed parent company income statement

Amounts in TSEK	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
Revenues	2 154	2 228	7 036
Operating expenses	-2 523	-2 928	-15 502
Operating profit/loss	-369	-700	-8 466
Net financial items	-6 120	-5 359	-22 399
Profit/loss after financial items	-6 489	-6 059	-30 865
Tax for the period	-	-	-
Net profit/loss for the period	-6 489	-6 059	-30 865

Condensed parent company statement of comprehensive income

The parent company has no items in 2016 or 2015 recognised in other comprehensive income. Net profit/loss for the period for the parent company thereby also constitutes the comprehensive income for the period. The parent company therefore presents no separate statement of comprehensive income.

Condensed parent company balance sheet

Amounts in TSEK	2016-03-31	2015-03-31	2015-12-31
ASSETS			
Non-current assets			
Financial assets	699 774	656 574	699 774
Total non-current assets	699 774	656 574	699 774
Current assets			
Receivables from group companies	16 451	17 674	12 977
Prepayments and accrued income	1 264	435	1 457
Other current receivables	374	1	-
Cash and cash equivalents	11 022	83 012	16 052
Total current assets	29 111	101 122	30 486
TOTAL ASSETS	728 885	757 696	730 260
EQUITY & LIABILITIES			
Total equity	491 705	522 999	498 193
Non-current liabilities			
	-	223 505	-
Liabilities to group companies	-	-	-
Bond loan	225 843	-	225 259
Other liabilities	11 337	11 192	6 808
Current liabilities	237 180	11 192	232 067
Total liabilities	237 180	234 697	232 067
TOTAL EQUITY AND LIABILITIES	728 885	757 696	730 260

Not 1: Effects from change of accounting principle in 2015

In 2015 the accounting principle for recognizing territorial fees was changed. The change for the group, which has had no effect on cash flow, is presented below. For more information, please refer to the Annual Report for 2015.

Q1 2015

Bridge for new accounting policy	Old policy	Adjustment	New policy
Effect in income statement			
Revenues	28 834	149	28 983
Operating profit/loss	-34 920	27 041	-7 879
Net profit/loss for the period	-30 612	27 041	-3 571
Attributable to:			
Shareholders of the parent	-30 612		-3 571
Total earnings per share, SEK (no dilution effect)	-0,92		-0,11
Effect in balance sheet			
Assets	764 921	0	764 921
Equity	487 554	-48 872	438 682
Current liabilities	55 803	48 872	104 675
Total equity and liabilities	764 921	0	764 921

Forthcoming disclosures of information

11 August 2016	Interim report, 1 Apr – 30 Jun 2016
10 November 2016	Interim report, 1 Jul – 30 Sep 2016

Annual General Meeting

The Annual General Meeting in Bactiguard Holding AB (publ) will be held Thursday 19 May 2016

Contacts

For additional information, please contact:

Christian Kinch, CEO: +46 8 440 58 80

Fredrik Järsten, CFO: +46 725 500 089

Ulrika Berglund, Head of External Affairs: +46 708 800 407

Signatories to the report

The Board of Directors and the CEO certify that the interim report, to the best of their knowledge, provides a fair overview of the parent company's and the group's operations, financial position and results and describes the material risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 12 May 2016

Stanley Brodén

Chairman

Mia Arnhult

Board member

Peter Hentschel

Board member

Christian Kinch

CEO and Board member

This interim report is unaudited

Bactiguard is a Swedish medtech company with a mission 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 urinary catheters, central venous catheters and endotracheal tubes. Bactiguard is currently in a strong expansion phase, focused on key markets in the Europe, Middle East, Asia and Latin America. The company has market presence in some 50 countries and has about 60 employees. Its headquarters are located in Stockholm and production facilities in Sweden and Malaysia. Bactiguard is listed on Nasdaq Stockholm. Read more about Bactiguard at www.bactiguard.com

Bactiguard is required to disclose the information in this report under the provisions of the Securities Market Act (SFS 2007:528). The information was submitted for publication on 12 May 2016 at 08.00 CET.