



Interim report for Bactiguard Holding AB (publ)

Corporate registration number 556822-1187

Second quarter (April-June 2017)

- During the second quarter, BIP products at a value of SEK 6.5 (3.7) million were delivered.
- Revenues amounted to SEK 36.5 (33.8) million, an increase of approx. 8 % compared to the corresponding quarter previous year.
- EBITDA amounted to SEK 3.8 (2.4) million, an increase of approx. 61 % compared to the corresponding quarter previous year. EBITDA margin of 11 % (7 %).
- Operating profit amounted to SEK -4.8 (-5.9) million.
- Net profit/loss for the quarter amounted to SEK -6.0 (-7.7) million, corresponding to SEK -0.18 (-0.23) per share.
- Operating cash flow for the quarter amounted to SEK 1.8 (-2.2) million, corresponding to SEK 0.05 (-0.07) per share.

First half year (January-June 2017)

- During the first half year, BIP products at a value of SEK 9.3 (6.6) million were delivered.
- Revenues for the period amounted to SEK 77.5 (59.8) million, an increase of approx. 30 % compared to the corresponding period previous year.
- EBITDA for the period amounted to SEK 17.2 (0.8) million, an EBITDA margin of 22 % (1 %).
- Operating profit amounted to SEK -0.4 (-15.8) million.
- Net profit/loss for the period amounted to SEK -1.9 (-18.9) million corresponding to SEK -0.06 (-0.57) per share.
- Operating cash flow for the period amounted to SEK -0.2 (-0.5) million corresponding to SEK 0 (-0.01) per share.

Key events during the second quarter

- Bactiguard won tenders for Stockholm, Region Skåne and the county of Kalmar
- New partnerships were established for Brazil, Italy and South Africa
- A third order for China of 100,000 catheters was delivered

Key figures ¹	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full year
	2017	2016	2017	2016	2016
Revenues ² , SEKm	36,5	33,8	77,5	59,8	128,3
EBITDA ³ , SEKm	3,8	2,4	17,2	0,8	15,1
EBITDA margin ³ , %	11%	7%	22%	1%	12%
Operating profit, SEKm	-4,8	-5,9	-0,4	-15,8	-18,3
Net profit/loss for the period ² , SEKm	-6,0	-7,7	-1,9	-18,9	-26,9
Operating cash flow, SEKm	1,8	-2,2	-0,2	-0,5	-19,8
Earnings per share ² , SEK	-0,18	-0,23	-0,06	-0,57	-0,81
Operating cash flow per share, SEK	0,05	-0,07	0,00	-0,01	-0,60
Equity ratio, %	61%	61%	61%	61%	62%
Net debt ³ , SEKm	149,7	118,7	149,7	118,7	134,4
Number of shares at the end of period	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373
Weighted average number of shares ²	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373

¹ Definition of key figures are presented on page 16

² Defined according to IFRS

³ Reconciliation of key figure see page 16

Comments by the CEO

Bactiguard's mission is to save lives by preventing healthcare associated infections, which affect a large proportion of all hospitalized patients. Therefore, it is encouraging that sales of our own product portfolio have now increased for seven consecutive quarters, based on rolling twelve-month figures. The value of delivered products increased by approximately 76 % compared with the corresponding quarter of last year, due to higher volumes and improved product mix. This means that we are still well on our way towards doubling revenues generated by our own product portfolio for the full year. This also means that more patients have access to effective and safe infection prevention.

Higher license revenues contribute considerably to the increase in total revenue for the second quarter of 2017 compared with the corresponding quarter of 2016. The largest licensing business with C.R Bard is stable, although volumes may vary somewhat between quarters. This license flow is dependent on the US dollar and with the continued uncertain development of the exchange rate, we have chosen to secure part of the license flow since June. The new license business with Smartwise is moving ahead and we have now received USD 1.5 million of a total of 2.5 in revenue for this year. In parallel, we have a high level of activity in developing new license businesses.

With continued focus on cost control in combination with increased revenue, EBITDA improved compared with the corresponding period last year. For the six-month period, the improvement in EBITDA was particularly strong as a result of the revenue from the license agreement with Smartwise.

Marketwise, the biggest breakthrough in the quarter was the tender we won in Sweden for the Stockholm County Council (SLL). The agreement enables both primary and secondary care to purchase our infection preventive urinary catheters. That Sweden's largest county council chooses Bactiguard is an important quality stamp and has been noted both here and abroad. Our infection prevention technology is gaining wider and wider acceptance and at the end of the quarter it became official that Region Skåne follows SLL's example in a tender process for urinary catheters. The focus in healthcare on antibiotic resistance makes us very well positioned.

We have also had high level of activity in other markets and we established new partnerships in no less than three countries, Italy, Brazil and South Africa during the quarter. In Italy, together with Gada Italia Srl, a leading distributor of medical devices. Since 2016, we have increased our European presence significantly by entering Austria, Germany, Poland and Switzerland and we are now relaunching in Italy, with focus on intensive care.

In Brazil, we have switched distributor to Biodina, a company focused on intensive care that successfully has introduced new, advanced products in the single largest market in South America. Finally, at the end of June, we established a partnership with Surgical Innovations in South Africa, the market that has the most developed and advanced medical services in Africa.

In China, the need and interest in Bactiguard's infection prevention solutions are high and we delivered on a new order in June. Sales and marketing activities for major hospitals are well under way in many provinces. In India, focus, in parallel with market efforts towards hospitals, has been aimed at expanding the distributor network with more regional distributors and we have come a long way.

In Europe, the expanded market coverage contributes to a positive development of sales. The Middle East is now seriously back on track and sales are already in line with the full year 2016, which was a weak year. We are represented in all major markets in the region and have received orders from all during the quarter, which contributes to a robust development.

During the summer months, a lot of time has been spent preparing activities for the autumn. We have also actively participated in the public debate in Sweden, at Almedalen and Båstad. Both the Swedish and international public debate highlight a great concern about what the spread of multiresistant bacteria can lead to. One example is the risk of not being able to treat sepsis, which affects 40,000 people in Sweden each year and where as many as 20 percent of them die. We collaborate with the Sepsis Foundation in Sweden and the Global Sepsis Alliance internationally to raise awareness of this serious condition which, despite its vastness, still suffers from relatively low awareness. By preventing more infections using our products and increasing awareness of sepsis, we can save more lives.

Christian Kinch

CEO

Key events during the second quarter

Bactiguard wins tender for the Swedish county Kalmar

Bactiguard won a tender in April for urinary catheters covering the Swedish county Kalmar. The contract is an extension of the previous agreement, lasts for 4 years and enables healthcare providers to purchase Bactiguards' anti-infective urinary catheters.

The contract runs 1 April 2017 to 31 March 2021 and covers both BIP Foley Catheter in latex and BIP Foley Catheter Silicone.

New Board member

In connection with Bactiguard Holding AB's Annual General Meeting May 18, 2017, Svante Östblom was elected as new Board member. The directors Stanley Broden (Chairman), Mia Arnhult, Marie Wickman-Chantereau and Christian Kinch were reelected.

Bactiguard appoints new distributor in Brazil

Bactiguard signed a distribution agreement and entered partnership with Biodina for Brazil. Brazil is the biggest market in Latin America and one of the most populous countries in the world with a population of over 200 million. Biodina is headquartered in Rio de Janeiro and has an extensive network of sales offices and sub-distributors covering all of Brazil.

Bactiguard wins tender for Stockholm

Bactiguard won a tender in May for urinary catheters for the Stockholm county council, which enables healthcare providers in both primary and secondary care to purchase Bactiguards' anti-infective urinary catheters. The contract is valid for 2 years from 6 November 2017 and can be extended for another 2 years.

Bactiguard enters new partnership for Italy

Bactiguard entered partnership with Gada Italia Srl ("Gada"), a specialized and leading distributor of medical devices and integrated healthcare services. Since 2016, Bactiguard has increased its European footprint significantly, by adding Austria, Germany, Poland and Switzerland. Italy is one of the largest European countries, with a population of close to 61 million and more than 1,100 hospitals, with 370 intensive care units (ICU).

Gada is a specialized and leading distributor of medical devices and integrated healthcare services to the public and private healthcare sector. It has evolved from a group of successful regional distribution companies and is among the top 5 medical device companies in Italy, with a turnover of 70 m EUR.

Bactiguard enters new partnership for South Africa

Bactiguard entered partnership with Surgical Innovations Pty Ltd, a company within the Medical arm of Ascendis Health, the JNB listed healthcare giant and leading supplier to the healthcare sector in South Africa.

Ascendis Health is a South African-based health and care company with an impressive portfolio of market leading brands, delivering diverse solutions and services to people, plants and animals. The company was founded in 2008 by Coast2Coast Capital and has been listed on the Johannesburg Stock Exchange since 2013.

Bactiguard wins tender for Region Skåne

Bactiguard won a tender for urinary catheters for the southern region (Region Skåne) in Sweden, which enables healthcare providers in both primary and secondary care to purchase Bactiguards' anti-infective urinary catheters from 1 August 2017. The contract initially runs until 30 April 2018 and can be extended on an annual basis until 30 April 2020.

New major order from China

Bactiguard received a third major order from our distributor in China, Jian An Pharmaceuticals, of 100 000 Bactiguard coated Foley catheters for infection prevention, which was delivered in June and generated revenues of some SEK 3 million.

Consolidated revenues and earnings

Revenues

Bactiguard has two revenue streams.

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, a license agreement with Vigilenz Medical Devices for Bactiguard coated orthopaedic implants, covering the Asean region as well as a license agreement with Smartwise Sweden AB (Smartwise) for Bactiguard-coated vascular injection catheters.

Other revenue

Comprises mainly foreign exchange differences and 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

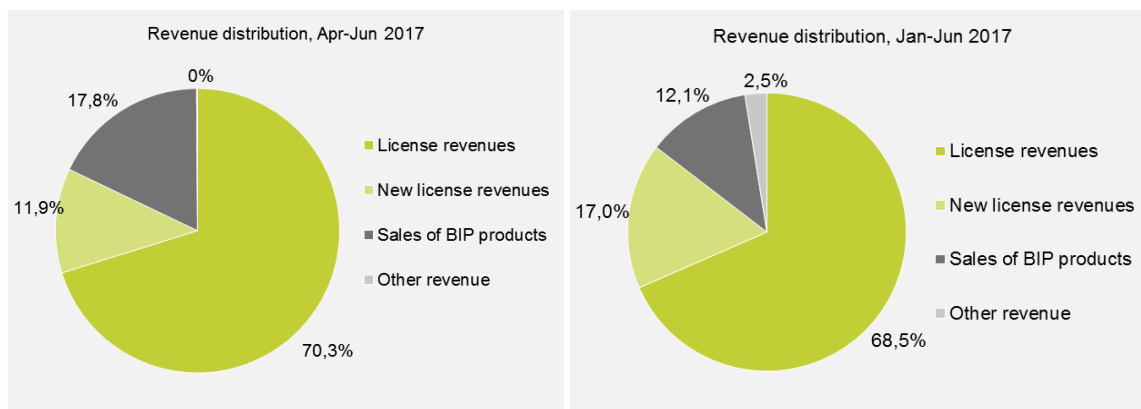
Second quarter (April-June)

Consolidated revenues for the second quarter amounted to SEK 36.5 (33.8) million, which is an increase of approx. 8 % compared to the corresponding quarter last year. The increase relates to higher revenue from sales of BIP products attributable to higher volumes and license revenues related to the license agreement with Smartwise.

The bulk of revenues during the second quarter (approx. 70 %) came from license revenues related to C.R. Bard and amounted to SEK 25.7 (27.2) million, including a negative currency effect of SEK -0.1 (0.5) million. New license revenues from Smartwise was SEK 4.3 million (USD 0.5 million), or approx. 12 % of revenues. This new license revenue represents the second part of a total revenue in 2017 of USD 2.5 million, out of which USD 1.5 million now has been accounted for as revenue for the exclusive and global right to the Bactiguard technology for advanced vascular injection catheters.

Sales of BIP products amounted to approx. 18 % of revenues or SEK 6.5 (3.7) million in the second quarter, with sales primarily to China, Europe and MEA (the Middle East and Africa). Out of SEK 6.5 million in revenues, SEK 3.0 million had a cash flow effect. The remaining revenues correspond to a reduction of the debt item deferred income in the balance sheet.

Other revenues during the quarter amounted to SEK 0 (2.9) million.



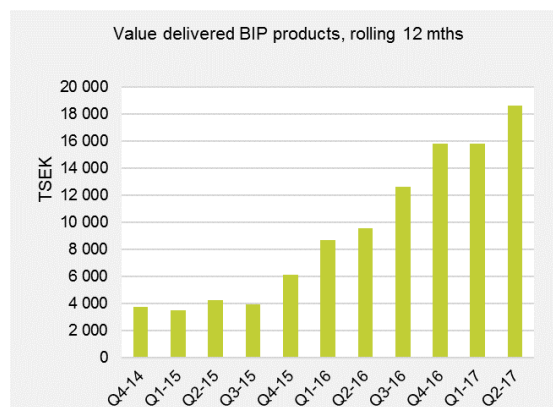
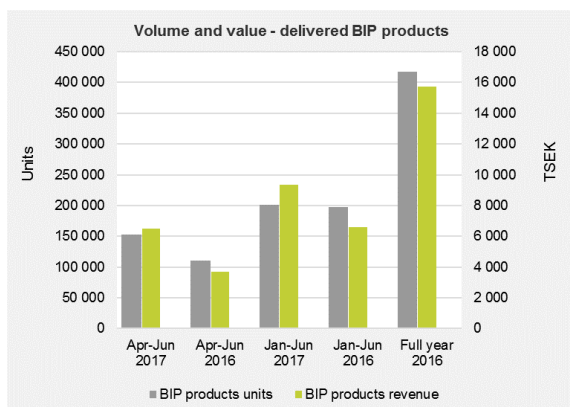
First half year (January-June)

Consolidated revenues for the first half year amounted to SEK 77.5 (59.8) million, an increase of approx. 30 % compared to the first half year 2016. Excluding the revenue from the new license agreement with Smartwise, the increase was approx. 7 %. The bulk of the revenue 69 % (84 %) or SEK 53.1 (50.0) million was attributable to license revenues from C.R. Bard including a positive currency effect of approx. SEK 2.7 (-0.2) million.

Other revenues during the quarter amounted to approx. 2.5 % or SEK 2.0 (3.2) million and are attributable to exchange rate differences, EU grants for development projects as well as changes in inventories of finished goods and work in progress.

Revenue split	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
License revenues	70,3%	80,5%	68,5%	83,6%	79,8%
New license revenues	11,9%	0%	17,0%	0%	0,4%
Sales of BIP products	17,8%	11,0%	12,1%	11,0%	12,3%
Other revenue	0%	8,5%	2,5%	5,4%	7,5%

Product deliveries – volume and value¹



During the second quarter of 2017 BIP products were delivered with a value of SEK 6.5 million (approx. 153,000 products) compared to approx. SEK 3.7 million (approx. 110,000 products) in the corresponding quarter of 2016.

During the full year 2016, a total of approx. 418,000 products were delivered with a value of SEK 15.8 million.

Development per quarter, value in TSEK for delivered BIP products, rolling 12 months.

¹ Since the delivered product mix has changed over time, the importance of following only delivered volume has decreased in favour of illustrating the value of delivered BIP products.

Financial results

Second quarter (April-June)

EBITDA for the second quarter amounted to SEK 3.8 (2.4) million corresponding to an EBITDA margin of approx. 11 % (7 %). The positive change compared with the corresponding quarter last year is mainly a consequence of higher sales of BIP products and higher license revenues.

Consolidated operating profit for the second quarter of 2017 amounted to SEK -4.8 (-5.9) million. The cost item Raw materials and consumables includes, in addition to cost of goods sold and other production-related costs, a provision for inventory obsolescence which negatively impacted the result in the second quarter with SEK 2.2 million.

Financial items for the quarter amounted to SEK -2.4 (-2.9) million. Interest expense related to interest bearing loans amounted to SEK -1.5 (-3.8) million.

Tax for the period amounted to SEK 1.2 (1.2) million and 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 -6.0 (-7.7) million.

First half year (January-June)

EBITDA for the first half year amounted to SEK 17.2 (0.8) million corresponding to an EBITDA margin of approx. 22 % (1 %). The positive change compared with the corresponding period last year is mainly a consequence of new license revenues from the license agreement with Smartwise but also from higher sales of BIP products.

Consolidated net profit for the first half year amounted to SEK -1.9 (-18.9) million.

Cash flow

Second quarter (April-June)

Operating cash flow (cash flow from operating activities after investments and changes in working capital) for the second quarter amounted to SEK 1.8 (-2.2) million. Cash flow from operating activities contributed positively with SEK 1.3 (4.5) million. Cash flow from changes in working capital also contributed positively with SEK 1.8 (-5.0) million.

Cash flow from financing activities amounted to SEK 0.0 (0.0) million. Consequently, the total cash flow for the first quarter amounted to SEK 1.8 (-2.2) million.

First half year (January-June)

Operating cash flow for the first half year 2017 amounted to SEK -0.2 (-0.5) million. Cash flow from operating activities contributed positively with SEK 13.0 (1.9) million but Cash flow from changes in working capital contributed negatively with SEK -11.4 (1.5) million. Most of the changes in working capital was accounts receivables attributable to deliveries of BIP products and new license revenues.

Total cash flow for the first half year was SEK -0.2 (-0.5) million.

Investments

Investments in property, plant and equipment during the second quarter amounted to SEK 0 (0.3) million. Investments in intangible assets, mainly related to capitalised development expenditures, amounted to SEK 1.3 (1.5) million. No investments were made in financial non-current assets during the quarter SEK (-) million.

Financial position

The consolidated equity ratio was 61 % at 30 June 2017 (62 % at 31 December 2016) and equity amounted to SEK 388.6 million (SEK 390.3 million at 31 December 2016).

Interest bearing debts consist of a financial lease of SEK 14.6 million, a bank loan of SEK 100.0 million maturing 31 December, 2017 and a loan from the company's main shareholders of SEK 50.0 million, maturing 30 June 2018. The loans carry a base interest rate of STIBOR 90, but not less than 0 %, and a margin of 3.5 %.

Consolidated cash position at 30 June 2017 amounted to SEK 14.9 million (SEK 15.6 million at 31 December 2016). Out of a granted overdraft facility of SEK 30 million, SEK 0 million was utilized as of 30 June, 2017. Net debt amounted to SEK 149.7 million (SEK 134.4 million at 31 December 2016).

The total assets of the Group at 30 June 2017 amounted to SEK 640.7 million (SEK 632.1 million at 31 December 2016). The largest asset items in the balance sheet are goodwill of SEK 226.3 million (226.3 million at 31 December 2016) and technology related to Bactiguard's product portfolio, which at 31 March 2017 amounted to SEK 224.7 million (SEK 236.6 million at 31 December 2016).

Accounts receivable (short- and long term) amounted to SEK 54.2 million at 30 June 2017, which is an increase of SEK 10.4 million since 31 December 2016. The main reason for the increase is the accounts receivable related to the second part of the license deal with Smartwise and deliveries of BIP products at the end of the second quarter.

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 30 June 2017 was SEK 25.20, and the market capitalization amounted to SEK 839 million.

The share capital of Bactiguard at 30 June 2017 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 30 June 2017 amounted to 33,302,373 shares and 69,302,373 votes.

Ownership

At 30 juni 2017 Bactiguard had 2,542 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	7 440 977	9 440 977	28,4%	39,6%
THOMAS VON KOCH WITH COMPANY	2 000 000	7 440 878	9 440 878	28,3%	39,6%
HANDELSBANKEN FONDER AB		1 268 581	1 268 581	3,8%	1,8%
FÖRSÄKRINGSBOLAGET, AVANZA PENSION		950 810	950 810	2,9%	1,4%
SWEDBANK FÖRSÄKRING		676 482	676 482	2,0%	1,0%
BANK OF ÅLAND LTD		648 132	648 132	1,9%	0,9%
CANCERFONDEN - RIKSFÖRENINGEN MOT		559 415	559 415	1,7%	0,8%
FRÓAFALL INVEST AB		516 000	516 000	1,6%	0,7%
LANCELOT AVALON		450 000	450 000	1,4%	0,6%
RUGFELT, JOHAN		401 632	401 632	1,2%	0,6%
Total, major shareholders	4 000 000	20 352 907	24 352 907	73,1%	87,1%
Total, others	0	8 949 466	8 949 466	26,9%	12,9%
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 June 2017 amounted to 65 (56), of which 39 (33) are 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. Disclosures in accordance with IAS 34 Interim Reporting are submitted both in notes and elsewhere in the interim report. The parent company's 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 2016.

The new and amended standards and interpretations that are in place from 1 January, 2017 have not had any significant effect on the Group's financial reports.

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 separate 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 a bank loan of SEK 100 million where the board member - who is also the CEO and a 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. Bactiguard has in addition also a loan directly from the main shareholders of SEK 50 million on equivalent commercial terms as the bank loan.

In the license agreement signed during the first quarter, the contracting party Smartwise Sweden AB is owned by a group of private investors, including Christian Kinch and Thomas von Koch.

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. The company's financial expenses have decreased significantly compared with the corresponding quarter last year through the refinancing of the bond loan that occurred at the end of 2016. 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 can be found on page 27 and 45-46 in the Annual Report for 2016.

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 as the base year, and adjusted revenues of 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
<i>Revenues</i>					
License revenues	29 999	27 207	66 194	49 976	102 983
Sales of BIP products	6 504	3 717	9 338	6 603	15 753
Other revenue	-37	2 882	1 961	3 234	9 606
	36 466	33 805	77 493	59 813	128 342
Raw materials and consumables	-6 530	-6 184	-10 399	-8 767	-15 797
Other external expenses	-10 882	-11 800	-20 968	-23 554	-46 701
Personnel costs	-13 557	-12 083	-26 264	-23 696	-45 819
Depreciation and amortisation	-8 606	-8 310	-17 610	-16 622	-33 375
Other operating expenses	-1 656	-1 346	-2 649	-2 967	-4 918
	-41 231	-39 724	-77 891	-75 606	-146 610
Operating profit/loss	-4 765	-5 918	-399	-15 794	-18 268
<i>Profit/loss from financial items</i>					
Financial income	326	1 501	467	3 424	9 735
Financial expenses	-2 713	-4 433	-4 494	-8 862	-22 800
	-2 387	-2 932	-4 027	-5 438	-13 065
Profit before tax	-7 151	-8 850	-4 426	-21 232	-31 333
Taxes for the period	1 176	1 151	2 532	2 316	4 482
Net profit/loss for the period	-5 976	-7 699	-1 894	-18 916	-26 851
Attributable to:					
Shareholders of the parent	-5 976	-7 699	-1 894	-18 916	-26 851
Earnings per share, SEK*	-0,18	-0,23	-0,06	-0,57	-0,81

Condensed consolidated statement of comprehensive income

Amounts in TSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Net profit/loss for the period	-5 976	-7 699	-1 894	-18 916	-26 851
<i>Other comprehensive income:</i>					
<u>Items that will be reclassified to profit or loss for the year</u>					
Translation differences	166	-1 058	200	-666	-264
Other comprehensive income, after tax	166	-1 058	200	-666	-264
Total comprehensive income for the period	-5 810	-8 757	-1 694	-19 582	-27 115
Attributable to:					
Shareholders of the parent	-5 810	-8 757	-1 694	-19 582	-27 115
Total earnings per share, SEK*	-0,17	-0,26	-0,05	-0,59	-0,81
Number of shares at the end of period ('000)	33 302	33 302	33 302	33 302	33 302
Weighted average number of shares ('000)	33 302	33 302	33 302	33 302	33 302

* no dilution effect

Condensed consolidated statement of financial position

Amounts in TSEK	2017-06-30	2016-06-30	2016-12-31
ASSETS			
Non-current assets			
Goodwill	226 292	226 292	226 292
Technology	224 708	248 515	236 612
Brands	25 572	25 572	25 572
Customer relationships	11 138	12 318	11 728
Capitalised development expenditure	17 486	14 005	16 562
Patents	770	1 220	1 021
Intangible assets	505 965	527 922	517 787
Improvements, leasehold	14 582	17 397	16 133
Machinery and other technical plant	19 135	6 819	5 659
Equipment, tools and installations	3 236	4 742	3 937
Property, plant and equipment	36 952	28 958	25 728
Accounts receivable	16 612	4 325	16 170
Investments in associates	1 228	1 298	1 228
Financial assets	17 840	5 623	17 398
Total non-current assets	560 758	562 503	560 912
Current assets			
Inventory	14 252	9 336	15 144
Accounts receivable	37 601	50 373	27 642
Other current receivables	13 161	11 921	12 732
Cash and cash equivalents	14 905	22 058	15 645
Total current assets	79 918	93 688	71 162
TOTAL ASSETS	640 676	656 191	632 074
Equity attributable to shareholders of the parent			
Share capital	833	833	833
Other equity	387 801	397 028	389 496
Total equity	388 634	397 861	390 328
Non-current liabilities			
Advance payments from customers	18 705	-	18 207
Debt to shareholders	-	-	50 000
Deferred tax liability	27 753	32 451	30 285
Other long-term liabilities	13 908	-	-
	60 366	32 451	98 492
Current liabilities			
Liabilities to credit institutions and shareholders	150 000	-	100 000
Bond loan	-	140 760	-
Accounts payable	5 870	3 007	4 896
Other current liabilities	5 879	4 135	3 835
Accrued expenses and deferred income	29 928	77 977	34 523
	191 677	225 879	143 254
Total liabilities	252 042	258 330	241 746
TOTAL EQUITY AND LIABILITIES	640 676	656 191	632 074

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 2016	833	675 690	352	-259 432	417 443
Profit/loss for the period	-	-	-	-18 916	-18 916
<i>Other comprehensive income:</i>					
Translation differences	-	-	-666	-	-666
Total comprehensive income after tax	0	0	-666	-18 916	-19 582
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 30 June 2016	833	675 690	-314	-278 348	397 861
Opening balance, 1 January 2017	833	675 690	88	-286 283	390 328
Profit/loss for the period	-	-	-	-1 894	-1 894
<i>Other comprehensive income:</i>					
Translation differences	-	-	200	-	200
Total comprehensive income after tax	0	0	200	-1 894	-1 694
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 30 June 2017	833	675 690	288	-288 177	388 634

Condensed consolidated statement of cash flows

Amounts in TSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Cash flow from operating activities					
Net profit/loss for the period	-5 976	-7 699	-1 894	-18 916	-26 851
Adjustments for depreciation and amortisation and other non-cash items	7 295	12 216	14 888	20 774	22 967
	1 319	4 517	12 994	1 858	-3 884
Cash flow from changes in working capital					
Increase/decrease inventory	1 178	547	819	-114	-3 416
Increase/decrease accounts receivable	813	-1 580	-10 118	2 948	-803
Increase/decrease other current receivables	161	1 396	-274	3 093	370
Increase/decrease accounts payable	1 238	-1 262	997	-977	933
Increase/decrease other current liabilities	-1 610	-4 058	-2 801	-3 412	-5 611
	1 780	-4 957	-11 377	1 538	-8 527
Cash flow from investing activities ¹⁾					
Investments in intangible assets	-1 293	-1 517	-1 753	-2 985	-6 450
Investments in property, plant and equipment	-	-262	-14	-868	-961
	-1 293	-1 779	-1 767	-3 853	-7 411
Operating cash flow	1 806	-2 219	-150	-457	-19 822
Cash flow from financing activities ¹⁾					
Amortisation of loan	-	-	-	-	-138 000
Debt incurred	-	-	-	-	150 000
	0	0	0	0	12 000
Cash flow for the period	1 806	-2 219	-150	-457	-7 822
Cash and cash equivalents at start of period	13 682	24 094	15 645	22 119	22 119
Exchange difference in cash and cash equivalents	-583	183	-590	396	1 348
Cash and cash equivalents at end of period	14 905	22 058	14 905	22 058	15 645

¹⁾ Financial lease is net reported in cash flow

Condensed parent company income statement

Amounts in TSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Revenues	1 804	2 237	3 437	4 391	7 563
	1 804	2 237	3 437	4 391	7 563
Operating expenses	-2 602	-2 663	-5 135	-5 186	-10 328
	-2 602	-2 663	-5 135	-5 186	-10 328
Operating profit/loss	-798	-426	-1 698	-795	-2 765
Net financial items	-537	-6 223	-1 125	-12 343	-26 897
Profit/loss after financial items	-1 334	-6 649	-2 823	-13 138	-29 662
Tax for the period	-	-	-	-	-
Net profit/loss for the period	-1 334	-6 649	-2 823	-13 138	-29 662

Condensed parent company statement of comprehensive income

The parent company has no items in 2017 or 2016 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	2017-06-30	2016-06-30	2016-12-31
ASSETS			
Non-current assets			
Financial assets	598 089	699 774	598 089
Total non-current assets	598 089	699 774	598 089
Current assets			
Receivables from group companies	19 421	20 408	22 395
Prepayments and accrued income	192	887	243
Cash and cash equivalents	473	7 000	1 118
Total current assets	20 086	28 295	23 756
TOTAL ASSETS	618 175	728 069	621 845
EQUITY & LIABILITIES			
Total equity	465 708	485 056	468 531
Non-current liabilities	-	-	50 000
Liabilities to credit institutions and shareholders	150 000	-	100 000
Bond loan	-	226 428	-
Other liabilities	2 467	16 585	3 314
Current liabilities	152 467	243 013	103 314
Total liabilities	152 467	243 013	153 314
TOTAL EQUITY AND LIABILITIES	618 175	728 069	621 845

Key figures

Equity ratio

Equity and untaxed reserves (less deferred tax) in relation to the balance sheet total

Net debt

Interest-bearing liabilities less cash and cash equivalents

EBITDA

Earnings before interest, taxes, depreciation and amortisation

EBITDA margin

EBITDA/revenue

Earnings per share

Earnings for the period/weighted average number of shares during the period, issue-adjusted

Operating cash flow

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

Profit/loss from financial items

Financial income minus financial expenses

Alternative Performance Measures

The Company presents certain financial measures in the interim report that are not defined under IFRS. The Company believes that these measures provide useful supplemental information to investors and the company's management as they allow for the evaluation of the company's performance. Because not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. Therefore, these financial measures should not be considered as substitutes for measures as defined under IFRS.

The tables below present measures that are not defined under IFRS.

EBITDA

Shows the company's earning power from ongoing operations irrespective of capital structure and tax situation and is meant to facilitate comparisons with other companies in the same industry.

Amounts in TSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Operating profit/loss	-4 765	-5 918	-399	-15 794	-18 268
Depreciation and amortisation	<u>8 606</u>	<u>8 310</u>	<u>17 610</u>	<u>16 622</u>	<u>33 375</u>
EBITDA	3 842	2 392	17 212	829	15 107

Net debt

Is a measurement used to describe the group's indebtedness and its ability to repay its debt with cash generated from the group's operating activities if the debts matured today.

Amounts in TSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Interest-bearing liabilities	164 649	140 760	164 649	140 760	150 000
Cash and cash equivalents	<u>-14 905</u>	<u>-22 058</u>	<u>-14 905</u>	<u>-22 058</u>	<u>-15 645</u>
Net debt	149 744	118 702	149 744	118 702	134 355

Forthcoming disclosures of information

9 November 2017	Interim report, 1 Jul – 30 Sep 2017
February 2018	Year-end report 2017

Contacts

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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, 10 August 2017

Stanley Brodén

Chairman

Mia Arnhult

Board member

Svante Östblom

Board member

Marie Wickman-Chantereau

Board member

Christian Kinch

CEO and Board member

This interim report is unaudited

Bactiguard is a Swedish medtech company with a mission to save lives. To achieve this mission, we develop and supply infection protection solutions which reduce the risk of healthcare associated infections and the use of antibiotics. This way, we save significant costs for healthcare and the society at large. The Bactiguard coating prevents healthcare associated infections through reducing bacterial adhesion and formation on medical devices. Bactiguard-coated urinary catheters are market leading in the US and Japan through our license partner C.R. Bard and the company has also its own product portfolio consisting of urinary catheters, endotracheal tubes and central venous catheters. Bactiguard is in a strong expansion phase focused on the European markets, Middle East, Asia and Latin America. The company has about 60 employees worldwide. Its headquarters and production facility is in Stockholm. Bactiguard is listed on Nasdaq Stockholm. Read more about Bactiguard at www.bactiguard.com.

This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above 2017-08-10, at. 08.00.