

Interim report for Q3 2016

In the third quarter we report a continued positive trend in sales of our own portfolio of infection prevention products for the healthcare sector. We have delivered a total of approx. 284,000 products so far this year, an increase by approx. 260 percent. This means that we are already now close to our goal of at least doubling the full-year volumes from 2015. Combined with stable license revenues and costs under control, this means that we can deliver an EBITDA margin of 28 percent in the quarter.

Third Quarter (July-September 2016)

- During the third quarter, a total of approx. 87,000 (15,000) BIP products were delivered, an increase of approx. 480 %.
- Revenues amounted to SEK 34.9 (60.4) million. Corresponding quarter previous year consists of the additional one-off order from C.R. Bard of SEK 28 million.
- EBITDA amounted to SEK 9.7 (34.5) million. The change from the corresponding quarter previous year was essentially a consequence of the additional one-off order from C.R. Bard.
- Operating profit amounted to SEK 1.4 (26.2) million.
- Reported net profit for the quarter amounted to SEK -0.5 (6.6) million, corresponding to SEK -0.02 (0.20) per share. Net profit for the quarter has been positively affected by market valuation of the bond with SEK 1.4 (-12.5) million.
- Operating cash flow for the quarter amounted to SEK -0.3 (9.5) million, corresponding to SEK 0 (0.30) per share.

Nine-month period (January-September 2016)

- During the period, a total of approx. 284,000 (78,000) BIP products were delivered, an increase of approx. 260 %.
- Revenues for the period amounted to SEK 94.7 (117.9) million. Corresponding period previous year consists of the additional one-off order from C.R. Bard of SEK 28 million.
- EBITDA for the period amounted to SEK 10.6 (26.3) million. The change from the corresponding period previous year was essentially a consequence of the additional one-off order from C.R. Bard.
- Operating profit amounted to SEK -14.4 (1.8) million.
- Reported net profit for the period amounted to SEK -19.4 (-7.2) million, corresponding to SEK -0.58 (-0.22) per share. Net profit for the period has been positively affected by market valuation of the bond with SEK 2.8 (5.4) million.
- Operating cash flow for the period amounted to SEK -0.7 (-6.9) million, corresponding to SEK 0 (-0.2) per share.

Key events during the third quarter

- Repeat order from India of 60,000 catheters
- Extended maturity for credit facility



- New clinical study started at the Martini-Klinik

Key events after the end of the third quarter

- New clinical study confirms reduced infections in ICU
- Bactiguard expands in Europe
- Repeat order from China of 100,000 catheters
- Main shareholders issue a loan commitment of SEK 50 million

Comments by the CEO

It is gratifying that we can report a positive sales trend also in this quarter for our portfolio of infection prevention products for the healthcare market. The largest delivery went to India as a result of the order we received in August of 2016. During the third quarter we delivered approx. 87,000 units, which gives us a total of approx. 284,000 products so far for 2016. Already after the third quarter we have thereby almost reached the goal for the whole of 2016, to at least double the volumes of the previous year.

The total revenues are in line with the revenues for the second quarter of 2016 but, compared to the same quarter of last year, the revenues are lower. This can be fully explained by the extra order we received from C.R. Bard in August of last year which increased the revenues significantly. In parallel to the increased volume of sales we continue to keep costs down, which means that in this quarter we managed to reach an EBITDA margin of 28 percent.

In market terms we have, during the summer months, focused on extensive training efforts for the staff of our distributor in China. They now approach the market at full speed with the goal of initiating sales to approx. 100 hospitals before the end of this year. In early November, we received a repeat order of 100,000 catheters. We see this new order as a confirmation that the Chinese market represents a huge potential for Bactiguard.

In India, we have during the year delivered a total of some 100,000 catheter. Marketing and sales activities continue unabated. A large number of hospitals have tested our product and nearly 15 different medical groups have started using it regularly and have placed repeat orders. The clinical trial involving 1,000 patients has almost reached the halfway point and we are now starting the registration process of our central venous catheter.

Sales to the Middle East so far this year has been far below our expectations. The region has of course been affected by the unstable political and economic situation. We are now increasing our resources and market activity and at the same time evaluate our distributors in the region in order to increase sales.

Deliveries to Europe remain relatively low but we recently signed new distribution agreements in Finland, Greece, Poland and Austria and we are now focusing on establishing partnerships in other major markets in Europe. Both Poland and Greece are excellent examples of how the right partners, with a good introduction, can establish regular sales to both hospitals and homecare patients.

In Sweden we encounter an increasing interest in infection prevention with tests and evaluations ongoing in several parts of the country. We are gradually developing our presence, region by region, and, in October, won a tender for Kronoberg and Blekinge. Our



products are also available for hospitals in the Halland region starting 1 October and in Värmland starting 1 November.

The cooperation with our new license partner in orthopedic implants, Vigilenz Medical Devices, continues in full swing and the clinical study is now underway. We continue to pursue efforts to develop new partnerships and licensing deals and our objective remains to sign at least one new license agreement before the end of the year.

In September we were proud to present that one of the world's leading prostate cancer clinic, the Martini-Klinik in Hamburg, will conduct a clinical trial with Bactiguard with the aim of reducing the risk of catheter related urinary tract infections and antibiotic use in patients undergoing surgery for prostate cancer. We are hopeful that this study, which will be ongoing for 6-9 months, will show that the use of Bactiguard's technology reduces the need for antibiotics for this group of patients.

Recently we received further confirmation that Bactiguard's technology is effective in preventing infections. This was in the form of an independent, randomized clinical trial from Saudi Arabia that shows that Bactiguard coated urinary tract catheters reduces the number of catheter related urinary tract infections in patients in the ICU by 90 percent compared to standard silicone catheters.

Finally, during this quarter, we also presented an extended maturity until 31 December, 2017 for the credit facility of SEK 100 million that we signed in November of 2015. On 12 December this year our bond matures and will be repayed. We also communicated this week an enhanced credit facility in the form of a loan commitment from the major shareholders. Thus, we maintain the financial flexibility of the company even after repayment of the bond until a long-term financing is in place.

Christian Kinch
CEO

The interim report for Bactiguard Holding AB (publ) for the period July-September 2016 is available as a PDF 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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below 2016-11-10, at. 08.00.

A telephone conference for investors, analysts and media will be held at 10:00 CET today, where CEO Christian Kinch and CFO Fredrik Järsten will present the interim report and answer questions.

The report and a presentation for the conference call will be available at Bactiguard's website www.bactiguard.com from 8:00 CET the same day.

To participate in the conference, please dial +46 8 566 426 62

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About Bactiguard

Bactiguard is a Swedish medtech company with a global presence, offering a solution that prevents healthcare associated infections caused by medical devices. By preventing infections, we contribute to a reduced use of antibiotics and the spread of multi-resistant bacteria, which is a growing problem worldwide. We save lives, increase patient safety and significantly reduce the cost for the healthcare and society. Our technology is well-proven, safe and tissue friendly and consist of a thin layer of noble metals that prevents bacterial growth. The coating can be applied on almost all medical devices. Bactiguard-coated urinary catheters are market leading in the US and Japan and the company has also its own product portfolio consisting of Foley catheters, central venous catheters and endotracheal tubes. Bactiguard is a growth company, focused on markets in Europe, Middle East, Asia and Latin America. The company has about 60 employees worldwide, mainly at the headquarters in Stockholm and the production facility in Malaysia and is listed on Nasdaq Stockholm. Read more about Bactiguard at www.bactiguard.com