

Interim report for Bactiguard Holding AB (publ)

Corporate registration number 556822-1187

First quarter (January-March 2017)

- During the first quarter, BIP products with a value of SEK 2.8 (2.9) million were delivered.
- Revenues amounted to SEK 41.0 (26.0) million, an increase of 58 % compared to the corresponding quarter previous year. Excluding the revenue from new license deal, the increase is 24 %.
- EBITDA amounted to SEK 13.4 (-1.6) million, an EBITDA margin of 33 % (neg).
- Operating profit amounted to SEK 4.4 (-9.9) million.
- Reported net profit for the quarter amounted to SEK 4.1 (-11.2) million, corresponding to SEK 0.12 (-0.34) per share.
- Operating cash flow for the quarter amounted to SEK -2.0 (1.8) million, corresponding to SEK -0.06 (0.05) per share.

Key events during the first quarter

- License agreement in new therapeutic area for advanced vascular injection catheters
- Bactiguard expands in the Middle East and enters partnership for Egypt
- New clinical study from Hong Kong confirms reduced infections for long-term users

Key events after the end of the first quarter

- Bactiguard wins a tender covering the Swedish county Kalmar
- New distributor appointed for Brazil

Key figures ¹	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Revenues ² , SEKm	41,0	26,0	128,3
EBITDA ³ , SEKm	13,4	-1,6	15,1
EBITDA margin ³ , %	33%	-6%	12%
Operating profit, SEKm	4,4	-9,9	-18,3
Net profit/loss for the period ² , SEKm	4,1	-11,2	-26,9
Operating cash flow, SEKm	-2,0	1,8	-19,8
Earnings per share ² , SEK	0,12	-0,34	-0,81
Operating cash flow per share, SEK	-0,06	0,05	-0,60
Equity ratio, %	61%	61%	62%
Net debt ³ , SEKm	151,3	117,4	134,4
Number of shares at the end of period	33 302 373	33 302 373	33 302 373
Weighted average number of shares ²	33 302 373	33 302 373	33 302 373

¹ Definition of key figures are presented on page 15

² Defined according to IFRS

³ Reconciliation of key figure see page 15

Comments by the CEO

Our focus for 2017, to continue our hard work on both the revenue and cost side, which I outlined in the year-end report for 2016, is beginning to have effect and we are closing in on our long term financial targets. During the first quarter, we reached the target of an EBITDA-margin of 30 percent. We also reached the target of increasing sales by 20 percent, even excluding the revenue generated by a new licensing deal.

The reason for the improved results, besides the new licensing deal, is that we have higher revenues from C.R. Bard and continued cost control. The volume of products sold from our own portfolio is lower than last year, but the product mix makes the value almost in line with the previous year. This means that we are selling more central venous catheters (CVCs) and the new generation of endotracheal tubes (ETTs), which generate higher revenue per product than the Foley catheters. At the beginning of 2017 we communicated that we will focus more on revenue development than on volume. The goal of doubling sales generated by our own portfolio of products this year remains.

The first quarter's main event was the licensing deal with Smartwise Sweden AB, which was announced in February. The deal with Smartwise opens up a whole new area of application for our technology. Through advanced injection systems drugs and other therapies can be targeted and delivered to damaged tissue in vital organs, for example following a stroke or heart attack. Thereby, high doses of chemotherapy can for example be injected into cancer tumours, without negative systemic side effects. During 2017, Smartwise will pay a total of USD 2.5 million for the exclusive and global rights to this application area and, when the products reach the market, Bactiguard will receive royalty income. The first payment of 1 million USD was recognized as revenue in the first quarter and generated cash flow in April. The remaining payments will be evenly distributed over the year.

The cooperation with C.R. Bard is stable and will not be adversely affected by Becton Dickinson's recently announced acquisition. Growth within the area of infection prevention is highlighted as one of four strategic reasons for the acquisition, where the prevention of surgical site infections and catheter related blood and urinary tract infections are in focus. These infections are the most common and lead to major costs for the healthcare system. C.R. Bard is the market leader in the US and Japan with Foley catheters for infection control, using the Bactiguard coating. In parallel with developing our current licensing business, we have a high level of activity in developing new.

Marketwise, the first quarter was primarily characterized by the entry into one of the major European markets. The partnership with Roeser in Germany is going well and during the first quarter a second delivery of products was made, following the one that was delivered at the end of 2016. To support the rollout in Germany and the entry into other major European markets, we have hired a Sales Director for Europe. We now have a solid base in Europe and the right staff to develop our presence in more of the large European markets.

In Sweden, we continue to make progress and in April, after the end of the quarter, we won yet another tender in Kalmar. Kalmar County Council has been using our products during the past two years and decided to continue using infection prevention catheters by specifically demanding this in their latest tender. We are also focusing a lot on education and in March we presented, for the first time, our self-developed tool BIP CIP to a large group of healthcare professionals. At our headquarters, we conducted professional education for nurses working in elderly care, with the aim of reducing infections associated with catheter treatment.

In our two largest markets, China and India, the intensive work continued during the quarter. In China with continued focus on training initiatives and sales activities aimed at hospitals and in India by focusing on expanding the current distributor network with more regional distributors. We are confident about the continued development on both these markets in 2017.

In the Middle East, a region which did not live up to our expectations in 2016, our investments in marketing and sales resources have started to pay off. In January, we signed a distributor agreement for Egypt which is the most populous country in the Middle East and Northern Africa. The product registration process is well under way and a first order and launch is to be expected during the second quarter of this year.

Finally, I am also pleased to note that we further strengthen our clinical evidence through the independent clinical study from Hong Kong, which was published in February. It confirms once again that Bactiguard coated Foley catheters reduce the number of symptomatic catheter related urinary tract infections and that the effect is even more pronounced for long-term users.

Christian Kinch

CEO

Key events during the first quarter

Bactiguard expands in the Middle East

Bactiguard signs distribution agreement and enters partnership with Heal Pharma for Egypt. The product registration has been initiated and market launch is planned for the second quarter of 2017.

Egypt is the most populous country in North Africa and the Middle East, with a population of approximately 90 million. Heal Pharma, based in Cairo, has a nationwide reach and was established in 2008 by Dr Mohamed Khalifa.

Bactiguard enters new therapeutic area through license agreement

Bactiguard and Smartwise Sweden AB (Smartwise) have entered into a joint development project for advanced, Bactiguard-coated vascular injection catheters. At the same time, a license agreement has been signed. Smartwise will pay USD 2.5 million in 2017, for the exclusive and global right to the Bactiguard technology for this application, and followed by royalty payments once the products are commercialized.

By entering the agreement with Smartwise, Bactiguard expands its license business to comprise three different therapeutic areas, Foley catheters, orthopaedic implants and now, advanced transvascular injection catheters. Smartwise is owned by a group of private investors, including Christian Kinch and Thomas von Koch.

New clinical study from Hong Kong confirms that Bactiguard coated Foley catheters reduce infections for long-term users

A recent, independent clinical study conducted in Hong Kong confirms that Bactiguard-coated Foley catheters reduce symptomatic catheter associated urinary tract infections and that the effect is even more pronounced among long-term users.

This is the first study conducted in a Chinese population and included 306 patients from a rehabilitation hospital in Hong Kong. The incidence of catheter associated urinary tract infections was 31 % lower for patients with Bactiguard-coated Foley catheters (BIP Foley) compared to patients with standard latex Foley catheters (P=0.095). A subgroup analysis showed a 48% lower infection rate among long-term users (~60 days with catheter) with Bactiguard coated catheters compared to standard catheters (P=0.027).

The study is published in the Hong Kong Medical Journal.

(Chung et al. A prospective interventional study to examine the effect of a silver alloy and hydrogel-coated catheter on the incidence of catheter-associated urinary tract infection. HK Medical Journal 2017)

Key events after the end of the first quarter

Bactiguard wins tender in Sweden

Bactiguard has won a tender 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.

Bactiguard appoints new distributor in Brazil

Bactiguard signs distribution agreement and enters 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.

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 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

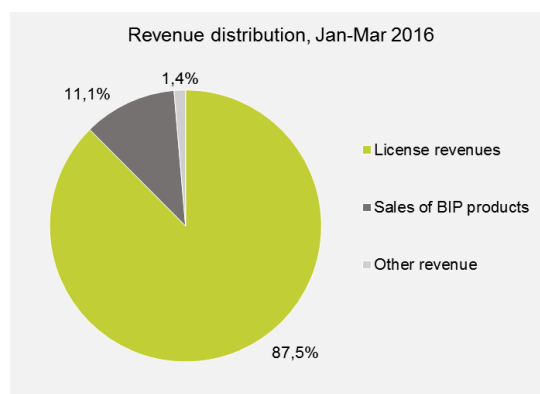
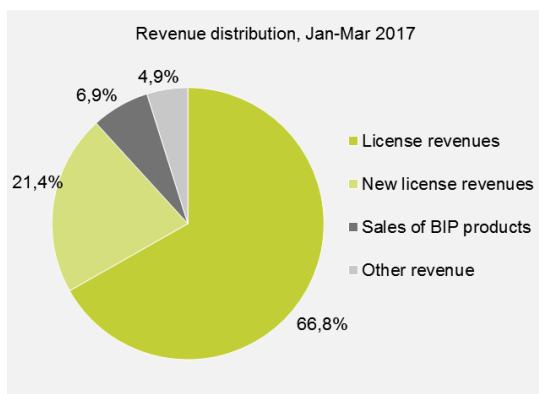
First quarter (January-March)

Consolidated revenues for the first quarter amounted to SEK 41.0 (26.0) million, which is an increase of approx. 58 % compared to the same quarter last year. Excluding the revenue from new license agreement with Smartwise Sweden AB, the increase is 24 %. License revenue from C.R. Bard was on a normal level and thereby also higher than first quarter 2016.

The bulk of revenues during the first quarter (67 %) came from License revenues related to C.R. Bard and amounted to SEK 27.4 (22.8) million, including a positive currency effect of SEK 2.5 (-1.4) million. New license revenues from Smartwise Sweden AB was SEK 8.8 million (USD 1 million), or 21 % of revenues. This new license revenue represents the first part of a total revenue in 2017 of USD 2.5 million, for the exclusive and global right to the Bactiguard technology.

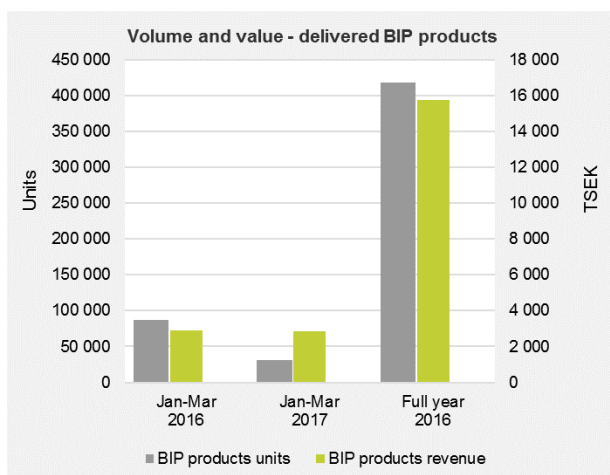
Sales of BIP products amounted to 7 % of revenues or approx. SEK 2.8 (2.9) million in the first quarter, with sales primarily to Europe and the Middle East. Out of SEK 2.8 million in revenues, SEK 2.5 million had a cash flow effect. The remaining revenues correspond to a reduction of the debt item deferred revenue in the balance sheet. Delivered volume is lower in the first quarter compared to the corresponding quarter previous year but is compensated by higher revenue per product following more sold products of higher value, i.e. central venous catheters (CVCs) and endotracheal tubes (ETTs).

Other revenues during the quarter amounted to 5 % or approx. SEK 2.0 (0.4) million and are attributable to exchange rate differences and EU grants for development projects.



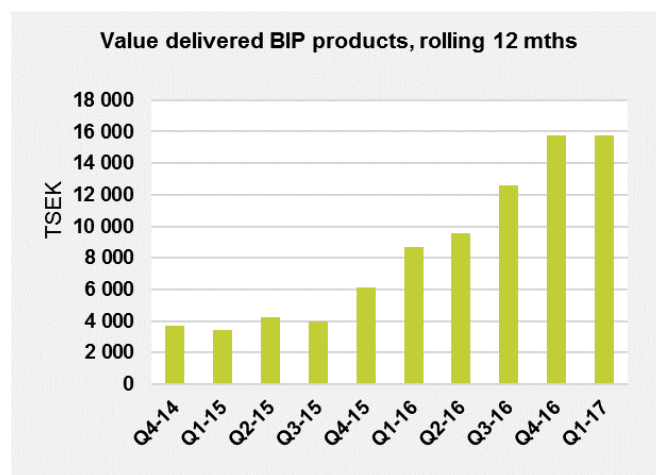
Revenue split	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
License revenues	66,8%	87,5%	79,8%
New license revenues	21,4%	0,0%	0,4%
Sales of BIP products	6,9%	11,1%	12,3%
Other revenue	4,9%	1,4%	7,5%

Product deliveries – volume and value¹



During the first quarter of 2017 BIP products were delivered with a value of SEK 2.8 million (approx. 48,000 products) compared to approx. SEK 2.9 million (approx. 88,000 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

First quarter (January-March)

EBITDA for the first quarter amounted to SEK 13.4 (-1.6) million corresponding to an EBITDA margin of approx. 33 % (neg). The positive change compared with the corresponding quarter last year is mainly a consequence of higher license revenues.

Consolidated operating profit for the first quarter of 2017 amounted to SEK 4.4 (-9.9) million.

Financial items for the quarter amounted to SEK -1.6 (-2.5) million. Interest expense related to interest bearing loans amounted to SEK -1.3 (-3.8) million in the first quarter.

Tax for the period amounted to SEK 1.4 (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 4.1 (-11.2) million.

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 -2.0 (1.8) million. Cash flow from operating activities contributed positively with SEK 11.7 (-2.7) million but Cash flow from changes in working capital contributed negatively with SEK -13.2 (6.5) million. Within working capital, the main part was the increase in accounts receivable related to the first partial invoice Smartwise Sweden AB. This receivable of USD 1 million was paid in April.

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 -2.0 (1.8) million.

Investments

Investments in property, plant and equipment during the first quarter amounted to SEK 0.0 (0.6) million. Investments in intangible assets in the first quarter, mainly related to capitalised development expenditures, amounted to 0.5 (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 31 March 2017 (62 % at 31 December 2016) and equity amounted to SEK 394.4 million (SEK 390.3 million at 31 December 2016).

Interest bearing debt consists of a financial lease of SEK 15 million, a bank loan of SEK 100 million maturing 31 December, 2017 and a loan from the company's main shareholders of SEK 50 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 %. The financial lease liability has been accrued through an additional agreement to a previous operational lease commitment related to the production facility in Tullinge.

Consolidated cash position at 31 March 2017 amounted to SEK 13.7 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 31 March, 2017. Net debt amounted to SEK 151.3 million (SEK 134.4 million at 31 December 2016).

The total assets of the Group at 31 March 2017 amounted to SEK 648.8 million (SEK 632.1 million at 31 December 2016). The largest asset item in the balance sheet is technology related to Bactiguard's product portfolio, which at 31 March 2017 amounted to SEK 230.7 million (SEK 236.6 million at 31 December 2016).

Accounts receivable (short- and long term) amounted to SEK 54.9 million at 31 March 2017, which is an increase of SEK 11.1 million since 31 December 2016. The main reason for the increase is the accounts receivable of USD 1 million related to the first part of the license deal with Smartwise Sweden AB. The receivable was paid after the end of the quarter, in April 2017.

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 2017 was SEK 17.00, and the market capitalization amounted to SEK 566 million.

The share capital of Bactiguard at 31 March 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 31 March 2017 amounted to 33,302,373 shares and 69,302,373 votes.

Ownership

At 31 March 2017 Bactiguard had 2,493 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	28,3%	39,6%
THOMAS VON KOCH WITH COMPANY	2 000 000	7 440 878	9 440 878	28,3%	39,6%
HANDELSBANKEN FONDER AB		1 214 260	1 214 260	3,6%	1,8%
AVANZA PENSION		911 243	911 243	2,7%	1,3%
SWEDBANK FÖRSÄKRING		707 913	707 913	2,1%	1,0%
STÅHLBERG, JAN		582 544	582 544	1,7%	0,8%
CANCERFONDEN		559 415	559 415	1,7%	0,8%
FRÖAFALL INVEST AB		516 000	516 000	1,5%	0,7%
RUGFELT, JOHAN		401 632	401 632	1,2%	0,6%
SARGAS EQUITY AB		364 090	364 090	1,1%	0,5%
Total, major shareholders	4 000 000	20 138 952	24 138 952	72,5%	86,8%
Total, others	0	9 163 421	9 163 421	27,5%	13,2%
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 2017 amounted to 64 (58), of which 38 (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. Disclosures in accordance with IAS 34 Interim Reporting are submitted both in notes and elsewhere in the interim report. 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 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 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 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 (adjusted for the effect of the additional order from C.R. Bard) as the base year – starting point SEK 118.5 million in revenue. 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. Therefore, the Board has not proposed any dividend for the 2017 annual general meeting.

Condensed consolidated income statement

Amounts in TSEK	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
<i>Revenues</i>			
License revenues	36 195	22 769	102 983
Sales of BIP products	2 834	2 886	15 753
Other revenue	1 998	352	9 606
	41 027	26 008	128 342
Raw materials and consumables	-3 870	-2 583	-15 797
Other external expenses	-10 086	-11 754	-46 701
Personnel costs	-12 707	-11 613	-45 819
Depreciation and amortisation	-9 004	-8 312	-33 375
Other operating expenses	-993	-1 620	-4 918
	-36 660	-35 883	-146 610
Operating profit/loss	4 366	-9 875	-18 268
<i>Profit/loss from financial items</i>			
Financial income	141	1 745	9 735
Financial expenses	-1 781	-4 250	-22 800
	-1 641	-2 505	-13 065
Profit before tax	2 725	-12 380	-31 333
Taxes for the period	1 356	1 166	4 482
Net profit/loss for the period	4 082	-11 215	-26 851
Attributable to:			
Shareholders of the parent	4 082	-11 215	-26 851
Earnings per share, SEK*	0,12	-0,34	-0,81

Condensed consolidated statement of comprehensive income

Amounts in TSEK	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net profit/loss for the period	4 082	-11 215	-26 851
<i>Other comprehensive income:</i>			
<u>Items that will be reclassified to profit or loss for the year</u>			
Translation differences	34	-461	-264
Other comprehensive income, after tax	34	-461	-264
Total comprehensive income for the period	4 115	-11 676	-27 115
Attributable to:			
Shareholders of the parent	4 115	-11 676	-27 115
Total earnings per share, SEK*	0,12	-0,35	-0,81
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	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Non-current assets			
Goodwill	226 292	226 292	226 292
Technology	230 660	254 467	236 612
Brands	25 572	25 572	25 572
Customer relationships	11 433	12 613	11 728
Capitalised development expenditure	16 608	13 040	16 562
Patents	883	1 218	1 021
Intangible assets	511 448	533 202	517 787
Improvements, leasehold	15 357	17 848	16 133
Machinery and other technical plant	19 951	7 151	5 659
Equipment, tools and installations	3 550	5 129	3 937
Property, plant and equipment	38 858	30 127	25 728
Accounts receivable	16 256	6 012	16 170
Investments in associates	1 228	1 298	1 228
Financial assets	17 484	7 310	17 398
Total non-current assets	567 790	570 640	560 912
Current assets			
Inventory	15 497	12 394	15 144
Accounts receivable	38 628	46 744	27 642
Other current receivables	13 198	13 586	12 732
Cash and cash equivalents	13 682	24 094	15 645
Total current assets	81 005	96 818	71 162
TOTAL ASSETS	648 795	667 457	632 074
Equity attributable to shareholders of the parent			
Share capital	833	833	833
Other equity	393 611	404 934	389 496
Total equity	394 444	405 767	390 328
Non-current liabilities			
Advance payments from customers	18 306	-	18 207
Debt to Shareholders	50 000	-	50 000
Deferred tax liability	28 929	33 602	30 285
Other long-term liabilities	13 925	-	-
	111 159	33 602	98 492
Current liabilities			
Liabilities to credit institutions	100 000	-	100 000
Bond loan	-	141 450	-
Accounts payable	4 653	4 588	4 896
Other current liabilities	5 097	4 182	3 835
Accrued expenses and deferred income	33 441	77 868	34 523
	143 192	228 088	143 254
Total liabilities	254 351	261 690	241 746
TOTAL EQUITY AND LIABILITIES	648 795	667 457	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	-	-	-	-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
Opening balance, 1 January 2017	833	675 690	88	-286 283	390 328
Profit/loss for the period	-	-	-	4 082	4 082
<i>Other comprehensive income:</i>					
Translation differences	-	-	34	-	34
Total comprehensive income after tax	0	0	34	4 082	4 115
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 31 March 2017	833	675 690	122	-282 201	394 444

Condensed consolidated statement of cash flows

Amounts in TSEK	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Cash flow from operating activities			
Net profit/loss for the period	4 082	-11 215	-26 851
Adjustments for depreciation and amortisation and other non-cash items	7 593	8 556	22 967
	11 674	-2 659	-3 884
Cash flow from changes in working capital			
Increase/decrease inventory	-359	-660	-3 416
Increase/decrease accounts receivable	-10 931	4 528	-803
Increase/decrease other current receivables	-435	1 697	370
Increase/decrease accounts payable	-241	285	933
Increase/decrease other current liabilities	-1 190	646	-5 611
	-13 157	6 496	-8 527
Cash flow from investing activities¹⁾			
Investments in intangible assets	-459	-1 468	-6 450
Investments in property, plant and equipment	-14	-605	-961
	-474	-2 073	-7 411
Operating cash flow	-1 956	1 764	-19 822
Cash flow from financing activities¹⁾			
Amortisation of loan	-	-	-138 000
Debt incurred	-	-	150 000
	0	0	12 000
Cash flow for the period	-1 956	1 764	-7 822
Cash and cash equivalents at start of period	15 645	22 119	22 119
Exchange difference in cash and cash equivalents	-7	211	1 348
Cash and cash equivalents at end of period	13 682	24 094	15 645

¹⁾ Financial lease is net reported in cash flow

Condensed parent company income statement

Amounts in TSEK	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Revenues	1 632	2 154	7 563
	1 632	2 154	7 563
Operating expenses	-2 532	-2 523	-10 328
	-2 532	-2 523	-10 328
Operating profit/loss	-900	-369	-2 765
Net financial items	-588	-6 120	-26 897
Profit/loss after financial items	-1 488	-6 489	-29 662
Tax for the period	-	-	-
Net profit/loss for the period	-1 488	-6 489	-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	2017-03-31	2016-03-31	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	19 890	16 451	22 395
Prepayments and accrued income	430	1 264	243
Cash and cash equivalents	1 594	11 022	1 118
Total current assets	21 913	29 111	23 756
TOTAL ASSETS	620 002	728 885	621 845
EQUITY & LIABILITIES			
Total equity	467 043	491 705	468 531
Non-current liabilities	50 000	-	50 000
Liabilities to credit institutions	100 000	-	100 000
Bond loan	-	225 843	-
Other liabilities	2 960	11 337	3 314
Current liabilities	102 960	237 180	103 314
Total liabilities	152 960	237 180	153 314
TOTAL EQUITY AND LIABILITIES	620 002	728 885	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	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Operating profit/loss	4 366	-9 875	-18 268
Depreciation and amortisation	<u>9 004</u>	<u>8 312</u>	<u>33 375</u>
EBITDA	13 370	-1 563	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	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Interest-bearing liabilities	164 996	141 450	150 000
Cash and cash equivalents	<u>-13 682</u>	<u>-24 094</u>	<u>-15 645</u>
Net debt	151 315	117 356	134 355

Forthcoming disclosures of information

10 August 2017	Interim report, 1 Apr – 30 Jun 2017
9 November 2017	Interim report, 1 Jul – 30 Sep 2017

Annual General Meeting

The Annual General Meeting of Bactiguard Holding AB (publ) will be held on Thursday, 18 May 2017 in Botkyrka.

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, 4 May 2017

Stanley Brodén

Chairman

Mia Arnhult

Board member

Peter Hentschel

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 2017-05-04, at 08.00