

## An eventful year, focused on building a platform for future growth

### Fourth quarter (October-December 2014)

- Revenues amounted to SEK 25.1 (47.9) million
- EBITDA amounted to SEK -3.9 (25.2) million
- Reported net profit for the quarter amounted to SEK -15.7 (18.9) million, corresponding to SEK -0.47 (0.95) per share. Net profit for the quarter has been negatively affected by market valuation of the bond with SEK -1.1 million (13.5 million). This effect is of an accounting nature, and has no effect on cash flow
- Operating cash flow for the quarter amounted to SEK -27.6 (-45.0) million, corresponding to SEK -0.83 (-2.25) per share

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### Full year (January-December 2014)

- Revenues amounted to SEK 118.9 (131.1) million
- EBITDA, excluding costs related to the IPO, amounted to SEK 13.3 (40.0) million
- Net profit for the period amounted to SEK -95.0 (-3.4) million, corresponding to SEK -3.80 (-0.17) per share and has been negatively affected by costs associated with the IPO (17 million) and market valuation of the bond (32.2 million), totalling SEK 49.2 million. Market valuation of the bond has no effect on cash flow and is of a pure accounting nature
- Operating cash flow amounted to SEK -54.0 (-54.2) million, corresponding to SEK -2.16 (-2.71) per share

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### Key events during the fourth quarter

- Repurchase of bonds in the market

### Key events after the end of the fourth quarter

- Niels Christiansen appointed new CEO of Bactiguard



## CEO Johan Rugfelt comments on the year-end report for 2014

2014 was an intense and eventful year. Bactiguard established market presence on two new continents, Latin America and Southern Africa, invested in the sales and marketing organization, and initiated new, strategic collaborations. The competence in the company was strengthened in preparation for the IPO, by recruiting new members to the Executive management team. In connection with the listing on Nasdaq Stockholm, the company was refinanced to increase the financial flexibility. This eventful year was completed in December, when we moved to our new, integrated headquarters south of Stockholm.

In terms of revenues and earnings, the full year as well as the fourth quarter were weaker than the year before and did not live up to our expectations. The solid platform in our current licensing business with C.R. Bard, which generates revenues of 80-90 million SEK per annum, increased somewhat. Sales generated by our own portfolio of solutions for infection prevention were on the other hand weaker than the year before. During the second half of 2013, Bactiguard made substantial deliveries to Iraq, which led to a very strong quarter. Intense negotiations regarding new deliveries have been ongoing since the autumn of 2014. The need for infection prevention solutions in the country is substantial and negotiations are progressing.

Bactiguard is in a development and growth phase. Sales of our own portfolio have so far been dependent on a small number of countries placing significant orders in an irregular pattern. Therefore, BIP sales have been much more volatile between quarters than our stable license revenues. Our challenge is initiating deliveries to more countries and thereby generating repeat orders, which will lead to a more stable growth phase. In order to enable this development we have worked intensively with the establishment on new markets during the year and doubled the number of markets we deliver to, from 8 to 16. We have strengthened our sales and marketing organization, where the latest additions are two senior sales representatives in Sweden and a regional sales director for South East Asia. At the same time, we are developing our sales support tools and training our distributors.

In order to pave the way for market expansion, we systematically work to get our products approved in more markets. One of the most important processes has been ongoing for a long time in China. In the summer of 2014, we reached an important milestone by receiving technical and clinical approval. We are currently waiting for the final product approval before we can initiate market activities. At the same time, preparations for the start of sales in India are ongoing and local clinical studies will be initiated.

Our new headquarters enables us to gather all competence at one site. We have concluded the first phase and the next step will be moving production from Markaryd in southern Sweden to the new location in 2015. By integrating R&D, production, marketing, sales and staff functions we will have shorter lead times and a more efficient way of working. Another reason for the establishment in the new KI Science Park in Huddinge, next to the research and education at Karolinska Institutet and the Royal Institute of Technology, as well as the Karolinska University Hospital, is the increased opportunity for collaboration.

Through the IPO, we secured the financial strength and resources required for expansion and growth. Another advantage is that we have become more well-known, which increases the interest from the healthcare system and potential partners. We also see an increased interest from potential employees.

We are not satisfied with the financial results we achieved in 2014, but are confident about the future. We have invested for growth and have the financial strength required to continue developing our strategy and expanding internationally. The problems of healthcare associated infections and antimicrobial resistance are increasing and there is a great need for preventive solutions. Therefore, Bactiguard has an important role to play.

I will shortly leave the position as CEO of Bactiguard, and hand over to Niels Christiansen. As the COO, I look forward to continuing to contribute to the future development of Bactiguard. 2015 will be an exciting year when it is up to us to prove the potential of the company.

*Johan Rugfelt*  
CEO



*The year-end report for Bactiguard Holding AB (publ) for 2014 is available as a PDF.*

*This is information that Bactiguard Holding AB (publ) is required to publish in compliance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 19 February 2015, at 08.00.*

*A telephone conference for analysts and media will be held at 10:00 CET today, where CEO Johan Rugfelt and CFO Fredrik Järrsten will present the year-end report and answer questions.*

*The year-end report and a presentation will be available on [www.bactiguard.com](http://www.bactiguard.com).*

**To participate in the conference, please dial +46 8 566 426 66**

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**About Bactiguard**

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 catheters for the urinary and respiratory tract and the blood stream. Bactiguard is currently in a strong expansion phase, focused on new markets in the Europe, Middle East, Asia, South America and Southern Africa. The company has market presence in some 50 countries and has about 60 employees. Its headquarters is located in Stockholm and production facilities in Sweden and Malaysia. Bactiguard is listed on Nasdaq Stockholm. Read more about Bactiguard at [www.bactiguard.com](http://www.bactiguard.com).