

Positive volume development and continued focus on growth

Second Quarter (April-June 2015)

- During the second quarter, a total of approx. 58,000 (44,000) BIP products were delivered.
- Revenues amounted to SEK 27.7 (31.2) million.
- EBITDA amounted to SEK -10.0 (2.2) million. Provisions for severance pay to the former CEO as well as for doubtful accounts receivable have negatively affected EBITDA during the quarter by SEK -6.6 million. Adjusted for these items, EBITDA amounted to SEK -3.4 million. The provisions for doubtful accounts receivable have no effect on cash flow.
- Reported net profit for the quarter amounted to SEK -11.8 (-44.1) million, corresponding to SEK -0.35 (-2.04) per share. Net profit for the quarter has been positively affected by market valuation of the bond with SEK 11.0 million (-15.2 million). This effect is of an accounting nature, and has no effect on cash flow.
- Operating cash flow for the quarter amounted to SEK -7.8 (-8.3) million, corresponding to SEK -0.23 (-0.39) per share

First half year (January-June 2015)

- During the period, a total of approx. 63,000 (60,000) BIP products were delivered.
- Revenues for the period amounted to SEK 56.6 (65.7) million.
- EBITDA for the period amounted to SEK -36.8 (12.0) million. Provisions and non-recurring costs have negatively affected EBITDA during the period by SEK -35.4 million. Adjusted for these items, EBITDA amounted to SEK -1.4 million. The provisions for doubtful accounts receivable of net SEK -25.5 million have no effect on cash flow.
- Reported net profit for the period amounted to SEK -42.4 (-63.7) million, corresponding to SEK -1.27 (-3.06) per share. Net profit for the period has been positively affected by market valuation of the bond with SEK 17.9 million (-24.2 million).
- Operating cash flow amounted to SEK -16.4 (9.4), corresponding to SEK -0.49 (0.45) per share.

Key events during the second quarter

- Deliveries to Southern Africa and Saudi Arabia
- Distribution agreement for Israel
- Christian Kinch appointed new CEO
- Stanley Brodén new Chairman

Key events after the end of the second quarter

- Additional order from C.R. Bard



Comments by the CEO

At the beginning of June, I once again assumed the role as CEO of Bactiguard after almost one and a half years as Chairman of the Board. At the same time, Stanley Brodén was appointed new Chairman of the Board. The main focus for me and the other members of management is to secure stability and continuity in the company and open up new growth possibilities for Bactiguard, both internationally and in our home market.

Our strategy remains the same. We focus our resources on growth markets where we see the greatest potential and work to secure access to these markets. At the same time, we initiate well defined, complementary studies to strengthen our clinical evidence. We continue to invest in our sales and marketing organization to generate more sales and increase revenues. In addition to this, we will allocate more resources to developing future license businesses, to complement the stable base we have in the long term and successful license agreement we have with C.R. Bard.

During the second quarter, we had a positive volume development in our own BIP portfolio and reported the highest deliveries since the fourth quarter 2013, which is encouraging. The reasons behind this positive development were primarily major deliveries to southern Africa and Saudi Arabia, but Switzerland, Sweden and Iran have also contributed.

That deliveries to Saudi Arabia are increasing is encouraging for several reasons. These are repeat orders from one of our most well established markets and this major delivery means that the previously agreed market contribution has now been consumed. This means that Saudi Arabia can be added to the handful markets that currently generate sales revenues in connection with product deliveries.

Another positive development is that we have made a breakthrough in the Swedish market, as a number of hospitals are initiating trials with our products for infection control. At the same time, a couple of regions have introduced a special category for infection control in their tenders. This bodes well for the future.

In terms of revenues and results, the second quarter was not as strong as the corresponding quarter 2014. This was primarily due to the lack of income from territorial fees this quarter. This is related to the fact that we focus on initiating marketing activities and product deliveries as soon as possible when signing new distribution contracts, which means that we report revenues when product deliveries are made. We have continued the review of our distribution network and concluded that we need to change distributor in a handful markets. In connection with this review, we have made reservations for doubtful accounts receivable. Results were also affected by severance pay to the former CEO.

After the end of the quarter, we received a major one off order from C.R. Bard, intended to increase their safety stock of Bactiguard-coated Foleys for infection control. The order will generate additional sales of approximately SEK 28 million in the third quarter and make a positive contribution to cash flow, which is very encouraging. This has a positive effect on total sales to Bard this year but it is worth mentioning that we do not expect the underlying volume to be affected.

Looking ahead, the intensified negotiations which have been ongoing in Iraq for some time are still in their final stages, but the process has been delayed by the political turmoil in the country in the past few weeks. In India we are initiating clinical studies and continue the work of establishing sales channels. The import license for Mexico has been secured and market activities will be initiated shortly. We are still waiting for the final product approval in China, a process which is slowly moving forward.

At the annual general meeting in May, the healthcare related competence of the Board was strengthened by the election of Stanley Brodén, former CEO of Aleris and previously employed by Capio, two of the most prominent private healthcare providers in Sweden and Peter Hentschel, who has extensive international experience from the medical device industry, primarily from Mölnlycke. I am convinced that they will contribute to Bactiguard's development in a very concrete way and look forward to advancing our position in the global market for infection control, together with the other members of the management team and all Bactiguard employees.

Christian Kinch
VD



The interim report for Bactiguard Holding AB (publ) for the period April - June 2015 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 13 August 2015, 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 Järrsten will present the interim report and answer questions.

The interim report and a presentation will be available on www.bactiguard.com on the same day.

To participate in the conference, please dial +46 8 566 427 00

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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, Latin America and Southern Africa. The company has market presence in some 50 countries and has about 60 employees. Its headquarters are located in Stockholm and production facilities in Sweden and Malaysia. Bactiguard is listed on Nasdaq Stockholm. Read more about Bactiguard at www.bactiguard.com.