

Interim report for Bactiguard Holding AB (publ)

Corporate registration number 556822-1187

Third Quarter (July-September 2015)

- Revenues amounted to SEK 61.4 (28.1) million. The increase (118 %) compared to the corresponding quarter 2014 is mainly attributable to the additional order from C.R. Bard.
- EBITDA amounted to SEK 33.9 (2.2) million.
- Operating profit amounted to SEK 25.7 (-5.3) million.
- Reported net profit for the quarter amounted to SEK 6.1 (-15.7) million, corresponding to SEK 0.18 (-0.47) per share. Net profit for the quarter has been negatively affected by market valuation of the bond with SEK -12.5 million (-6.8 million). This effect is of an accounting nature, and has no effect on cash flow.
- Operating cash flow for the quarter amounted to SEK 9.5 (-21.8) million, corresponding to SEK 0.29 (-0.66) per share

Nine-month period (January-September 2015)

- Revenues for the period amounted to SEK 118.0 (93.8) million, an increase by 26 % compared to the corresponding nine-month period last year. The increase is mainly attributable to the additional order from C.R. Bard.
- EBITDA for the period amounted to SEK -2.9 (14.2) 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 32.5 million.
- Operating profit amounted to SEK -27.4 (-8.2) million.
- Reported net profit for the period amounted to SEK -36.4 (-79.4) million, corresponding to SEK -1.09 (-3.17) per share. Net profit for the period has been positively affected by market valuation of the bond with SEK 5.4 million (-31.1 million).
- Operating cash flow amounted to SEK -6.9 (-12.4) million, corresponding to SEK -0.21 (-0.5) per share.

Key events during the third quarter

- Additional order from C.R. Bard of approx. SEK 28 million
- New clinical studies strengthen the evidence that Bactiguard-coated catheters reduce hospital acquired infections and are cost effective
- Repurchase of bonds in the market of SEK 44.5 million

Key events after the end of the third quarter

- Refinancing of the bond loan secured
- License agreement for orthopaedic implants, a new therapeutic area
- Revised financial targets

Key figures	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Revenues, SEKm	61,4	28,1	118,0	93,8	118,9
EBITDA, SEKm	33,9	2,2	-2,9	14,2	10,3
EBITDA margin, %	55%	8%	-2%	15%	9%
EBITDA*, SEKm	33,9	2,2	-2,9	17,2	13,3
EBITDA margin*, %	55%	8%	-2%	18%	11%
Operating profit, SEKm	25,7	-5,3	-27,4	-8,2	-19,8
Net profit for the period, SEKm	6,1	-15,7	-36,4	-79,4	-95,0
Operating cash flow**, SEKm	9,5	-21,8	-6,9	-12,4	-54,0
Earnings per share***, SEK	0,18	-0,47	-1,09	-3,17	-3,80
Op. cash flow per share****, SEK	0,29	-0,66	-0,21	-0,50	-2,16
Equity ratio, %	68%	62%	68%	62%	64%
Net debt, SEKm	91,6	62,3	91,6	62,3	90,4
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*****	33 302 373	33 302 373	33 302 373	25 007 242	25 007 242

*EBITDA Full year 2014 adjusted for IPO costs

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

***Net profit for the period / Weighted average number of shares during the period, issue-adjusted

****Operating cash flow / Weighted average number of shares during the period, issue-adjusted

*****Adjusted for split

Comments by the CEO

Since I assumed the role as CEO in June, my ambition has been to focus the business and strengthen our efforts in prioritized areas. One of the main priorities has been to secure the refinancing of the outstanding bond loan, a process that we successfully completed in the past few days. This reduces uncertainty and creates confidence both within our own organization as well as for investors.

Furthermore, we have allocated more resources to developing new license businesses. This has now materialized in our first license agreement since the successful cooperation with C.R. Bard was established. The license agreement with Vigilenz Medical Devices means that we enter a new therapeutic area, within orthopaedic implants for fractures. This is exciting since the implants will permanently remain in the patient's body and can benefit from both the anti-infective and tissue friendly properties of the Bactiguard coating.

Last but not least, it has been my clear ambition to focus our resources to enable the sales expansion of our own product portfolio. Since spring 2015, we have strengthened our sales force with a Regional Sales Director for Latin America and in November we recruited a Sales Director for Europe. The Sales Directors' role is to support our distributors with knowledge about Bactiguard's unique solution for infection prevention and train their sales forces. This is time consuming work, which we earlier have not been able to prioritize enough due to insufficient resources. Our main focus in the Middle East is to generate more sales and strengthen our position in existing markets.

In August we received an additional order from C.R. Bard intended to increase their safety stock of Bactiguard-coated Foleys for infection control. The order of approximately 28 million led to a significant increase in our third quarter revenues and made a strong contribution to the positive result and cash flow.

C.R. Bard's sales of Bactiguard-coated catheters have been stable over a long period of time. It is therefore very encouraging that they need to increase their safety stock to meet production targets. The underlying volume has also increased somewhat this quarter, but we do not expect any increase in the underlying business when we summarize the year. Altogether, this means that the accumulated revenues already after the third quarter are in line with last year's total sales, which means that revenues for 2015 will be higher than in 2014.

During the quarter, sales of our own BIP (Bactiguard Infection Protection) portfolio have been weak and this is a disappointment. Despite this there were a number of positive results of our focused strategy. The Middle East continues to generate repeat orders, which lead to direct sales revenues, even if the volumes were lower in this quarter than in the second quarter. Sweden and Malaysia have also contributed to the sales volumes.

Our Foleys (BIP Foley) are being evaluated by some 40 clinics in Sweden, in parallel with a handful of evaluations of our central venous catheters (BIP CVC), which is an important initial step to implementing our solutions in the healthcare system. A first order of BIP CVC has been delivered to a hospital in the south of Sweden. It is also encouraging that a tender committee in the same region has established a separate category for infection protection Foleys in a public procurement for patients suffering from recurring urinary tract infections. This is promising for the future and a token that our strategy works.

In India, preparatory marketing activities are ongoing and clinical trials at three leading hospital will start before the end of this year. In Pakistan, preparations for market launch. A dozen of evaluations are ongoing in Brazil and Chile and in Mexico we received an approval which means that we are now able to deliver products to our distributor.

In Iraq, the political turmoil is still challenging and we have been informed that there will be a re-tender, which will delay our deliveries. In China, the approval process is also taking longer than expected, but we have received information that it is approaching the final stage.

The clinical evidence, that the Bactiguard Infection Protection solution is efficient and tissue friendly (increases patient safety), is becoming even stronger. In September, two new independent and randomized clinical studies from Spain and Romania were published. These studies show that Bactiguard-coated Foley catheters and endotracheal tubes significantly reduce catheter associated urinary tract infections and ventilator associated pneumonia. The studies also confirm that the use of Bactiguard-coated catheters is a cost-effective alternative for preventing catheter associated infections and reducing the number of patient days in hospital.

When evaluating the financial targets it is evident that we are behind plan. As we have also come to the conclusion that it is not realistic to achieve the current targets within the original time frame, we revise them with 2015 as the base year. The new growth target is an average annual growth of 20 percent over a five year period. Based on this growth rate, we expect to reach an EBITDA margin of at least 30 percent by the end of the five year period.

Christian Kinch
CEO

Key events during the third quarter

Additional order from C.R. Bard

Bactiguard received in August a major one off order from C.R. Bard intended to increase their safety stock of infection prevention catheters. The order generated additional sales of approximately SEK 28 million in the third quarter and made a positive contribution to cash flow.

The additional order will lead to higher total sales to C.R. Bard for 2015 compared to last year. Excluding this order, we do not expect any increase of the underlying volume of coating concentrate delivered to C.R. Bard in 2015.

New clinical studies show that Bactiguard-coated catheters reduce hospital acquired infections

Two recent clinical studies, both independent and randomized, show that Bactiguard-coated Foley catheters and endotracheal tubes reduce catheter associated urinary tract infections and ventilator associated pneumonia.

The first study was conducted in Spain and included 116 patients catheterized for 2 - 14 days, with a mean of 4 days, during the immediate postoperative period following cardiac surgery. The incidence of catheter associated urinary tract infections was significantly lower (38 percent) for patients with Bactiguard-coated Foley catheters (BIP Foley) compared to patients with standard catheters.

The other study was conducted in Romania and included 100 patients intubated for five days. The study shows a 67 percent lower incidence of ventilator associated pneumonia for patients with Bactiguard-coated endotracheal tubes (BIP ETT), compared to patients with standard ETTs.

The studies also confirm that the use of Bactiguard-coated catheters is a cost-effective alternative for preventing catheter associated urinary tract infections and reducing the number of patient days in hospital.

Repurchase of bonds in the market

During the third quarter, Bactiguard repurchased bonds in the market amounting to a total nominal value of SEK 44.5 million. Together with the repurchases which were conducted during the third and fourth quarter 2014 as well as the first quarter 2015, the total nominal value of the repurchased bonds amounts to SEK 88.5 million. The nominal value of the outstanding bond loan after repurchases now amounts to SEK 139 million.

Key events after the end of the third quarter

Refinancing of the bond loan secured

Bactiguard has entered a credit facility agreement of 130 million SEK in total. Combined with the company's cash position, the credit facility secures the refinancing of Bactiguard's bond loan, which matures in December 2016.

License agreement for orthopedic implants, a new therapeutic area

Bactiguard and Vigilenz Medical Devices (Vigilenz), supplier of medical and surgical products, have entered into a license agreement for Bactiguard coated orthopaedic implants, covering the Asean-region (Malaysia, Indonesia, Thailand, Philippines, Singapore, Brunei, Vietnam, Myanmar, Cambodia & Laos).

The implants will initially be coated by Bactiguard. Vigilenz will be responsible for the CE certification process and for conducting clinical trials. As soon as the coated implants have been launched, Bactiguard will start receiving royalties.

Revised financial targets

When evaluating the financial targets it is evident that we are behind plan. As we have also come to the conclusion that it is not realistic to achieve the current targets within the original time frame, we revise them with 2015 as the base year (adjusted for the additional order from C.R. Bard). The new financial targets are described in more detail under the heading Financial targets on page 9 in this report.

Consolidated revenues and earnings

Revenues

Bactiguard has three 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, Inc. regarding Foley catheters for the USA, Japan, the UK, Ireland, Canada and Australia.

Territorial fees

Territorial fees are attributable to the compensation received when entering into a contract with a distributor that obtains exclusive rights to sell Bactiguard's products on a distinct geographical market.

Other revenue

Comprises mainly foreign exchange differences and any 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

Third quarter (July-September)

Consolidated revenues for the third quarter amounted to SEK 61.4 (28.1) million, which is an increase of approx. 118 % compared to the same quarter last year. The increase is mainly related to an additional one-off order from C.R. Bard intended to increase their safety stock of infection prevention catheters. The order generated additional sales of approximately SEK 28 million in the third quarter.

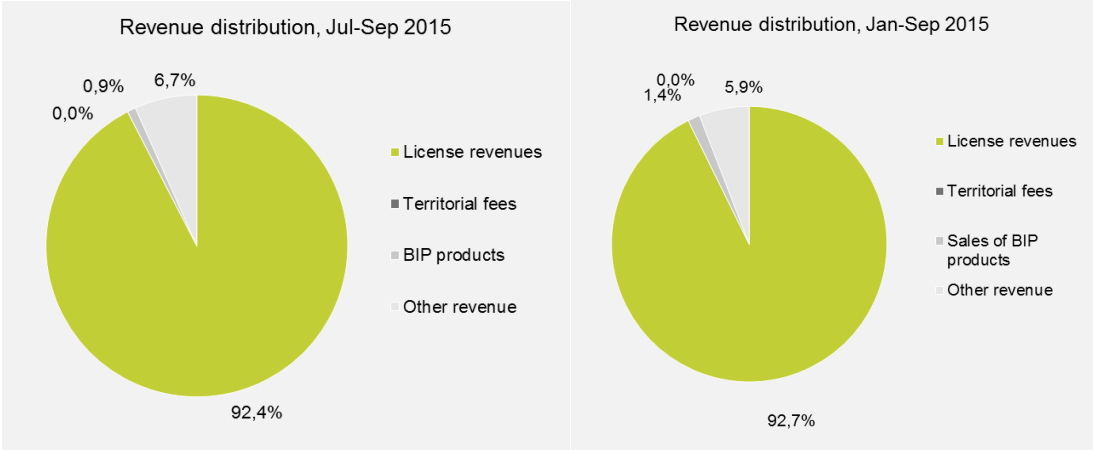
The bulk of revenues during the third quarter (92.4 %) came from the License revenues. The total underlying volumes in the license business to C.R. Bard (i.e. excluding additional order) was also 5 % higher compared to the corresponding quarter last year. The currency effect on the total license business compared to the third quarter 2014 was positive with SEK 7.8 million of which SEK 4.0 million referred to the underlying volume. The additional order from C.R. Bard together with the positive currency effect meant that License revenues in the third quarter 2015 increased by approx. 133 % to SEK 56.8 (24.3) million.

Sales of BIP products amounted to 0.9 % of revenues or approx. SEK 0.6 (0.5) million in the third quarter, with sales to Saudi Arabia, Sweden and Malaysia. Sales revenues from Saudi Arabia are nowadays recorded as direct sales revenues ("Sales of BIP products") since the previously agreed market contribution with the distributor (Gulf Medical) was fully consumed during the second quarter.

Territorial fees were non-existent during the third quarter 2015. During the quarter, a new distributor agreement for Colombia was signed. The agreement does not include any Territorial fees and thus generate direct sales revenues (“Sales of BIP Products”) upon product deliveries.

Other product shipments have resulted from product deliveries to distributors against market contribution, and therefore have not generated revenue during the quarter.

Other revenues during the quarter amounted to 6.7 % or approx. SEK 4.1 (2.6) million and are attributable to exchange rate differences and EU grants for development projects.

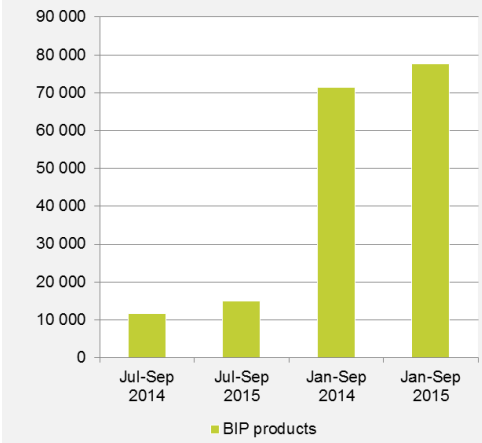


Nine-month period (January-September)

Consolidated revenues for the period January to September 2015 amounted to SEK 118 (93.8) million, an increase of approx. 26 % compared to the same quarter last year. The bulk of the revenue 92.7 % (74.2 %) was attributable to license revenues. A positive currency effect on total License revenues amounted to approx. SEK 15.1 million.

	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
License revenues	92,4%	86,5%	92,7%	74,2%	75,5%
Territorial fees	0,0%	2,2%	0,0%	18,1%	14,4%
Sales of BIP products	0,9%	1,9%	1,4%	2,2%	1,8%
Other revenue	6,7%	9,4%	5,9%	5,4%	8,3%

Product deliveries



During the third quarter of 2015, a total of approx. 15.000 BIP products were delivered, compared to approx. 12.000 in the corresponding period of 2014.

During the nine-month period January-September 2015, a total of approx. 78,000 products were delivered, compared to approx. 71.000 in the corresponding period of 2014, an increase of approx. 10 %.

For the whole year of 2014, approx. 79.000 products were delivered.

Financial results

Third quarter (July-September)

EBITDA for the third quarter amounted to SEK 33.9 (2.2) million. The positive change compared with the corresponding period last year is mainly a result of the additional order from C.R. Bard.

Consolidated operating profit for the third quarter of 2015 amounted to SEK 25.7 (-5.3) million.

Financial items for the quarter amounted to SEK -20.5 (-11.7) million. The effects of market valuation of the bond loan, which have no effect on cash flow, are recognised as financial items in the income statement. During the third quarter of 2015, the market valuation of the bond affected financial items negatively by SEK -12.5 (-6.8) million. Interest expense related to the bond amounted to SEK -4.7 (-6.3) million in the third quarter. The lower interest expense reflects the fact that the outstanding bond loan decreased from an initial nominal value of SEK 450 million to a nominal value of SEK 139 million through the set-off issue completed in connection with the listing of the company's shares on Nasdaq Stockholm and through repurchase of bonds in the market, see Financial Position below.

Consolidated net profit for the third quarter amounted to SEK 6.1 (-15.7) million where the additional order from C.R. Bard was the main reason behind the positive change in net profit.

Nine-month period (January-September)

EBITDA for the nine-month period January to September amounted to SEK -2.9 (14.2) 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 32.5 million. The provisions for doubtful account receivables of net SEK -25.5 million have no effect on the cash flow. In addition to these non-recurring effects, EBITDA was positively impacted by the additional order from C.R. Bard.

Consolidated operating profit for the nine-month period January to September amounted to SEK -27.4 (-8.2) million.

Consolidated net profit for the nine-month period amounted to SEK -36.4 (-79.4) million. Net profit is next to the above additional order, provisions and non-recurring costs also affected by the market valuation of the bond of SEK 5.4 (-31.1) million.

Cash flow

Third quarter (July-September)

Operating cash flow (cash flow from operating activities after investments and changes in working capital) for the third quarter amounted to SEK 9.5 (-21.8) million. Cash flow from operating activities made a positive contribution with SEK 30.2 (1.3) million but was burdened by a negative contribution from changes in working capital with SEK -17.2 (-18.5) million.

Total cash flow for the third quarter was SEK -35.1 (-82.4) million. Of this, repurchase of bonds amounted to SEK 44.6 million (corresponding to a nominal value of SEK 44.5 million).

Nine-month period (January-September)

Operating cash flow for the nine-month period January to September 2015 amounted to SEK -6.8 (-12.4) million.

Total cash flow for the nine-month period was SEK -56.6 (147.6) million. Of this, repurchase of bonds amounted to in total SEK 49.7 million (corresponding to a nominal value of SEK 49.5 million).

Investments

Investments in property, plant and equipment during the third quarter amounted to SEK 1.1 (4.2) million, mainly related to the new integrated headquarters and production facility. Investment in intangible assets, mainly related to capitalized development costs, amounted to SEK 2.3 (0.4) million for the period. No investments were made in financial non-current assets during the period (-).

Financial position

The consolidated equity ratio was 68 % at 30 September 2015 (64 % at 31 December 2014) and equity amounted to SEK 484.4 (518.7 at 31 December 2014) million.

Bactiguard has a bond loan that matures on 12 December 2016, with an annual coupon of 11 %, payable in December each year. After completion of the set-off issue in connection with the listing of the company's shares on Nasdaq Stockholm in 2014, when holders of bonds with a total nominal value of SEK 222.5 million chose to offset bonds against shares, the nominal value of the outstanding bond loan was SEK 227.5 million. Subsequently, bonds have been repurchased in the market, which further has reduced the outstanding nominal value.

The bond is listed on Nasdaq Stockholm. During the third quarter, Bactiguard repurchased bonds with a total nominal value of SEK 44.5 million. Along with the repurchases conducted during the third and fourth quarter of 2014 as well as during the first quarter 2015, the total nominal value of the repurchased bonds amounted to SEK 88.5 million. The nominal value of the outstanding bond loan after completed repurchases is thereby SEK 139 million.

The bond is valued at market value and on 30 September 2015, net outstanding bond (nominal value SEK 139 million) was valued at SEK 140.4 million (price 101.0, which is an increase from 94.0 at the end of the second quarter 2015).

Consolidated cash position at 30 September 2015 amounted to SEK 48.8 million (SEK 105.1 million at 31 December 2014). Net debt amounted to SEK 91.6 million (SEK 90.4 million at 31 December 2014).

The total assets of the group at 30 September 2015 amounted to SEK 712.8 million (811.1 million at 31 December 2014). The largest asset item in the balance sheet is technology related to Bactiguard's product portfolio, which at 30 September amounted to SEK 266.4 million (284.2 million at 31 December 2014).

Accounts receivable (short- and long term) amounted to SEK 65.2 million at 30 September 2015, which is a decrease of SEK 25.9 million since 31 December 2014. The decrease can be explained by payments on existing accounts receivables as well as provisions for doubtful account receivables during the first half year of 2015.

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 September 2015 was SEK 8.95, and the market capitalization amounted to SEK 298 million.

The share capital of Bactiguard at 30 September 2015 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 September 2015 amounted to 33,302,373 shares and 69,302,373 votes.

Ownership

At 30 September 2015, Bactiguard had 2.747 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	8 160 484	10 160 484	30,5%	40,6%
THOMAS VON KOCH WITH COMPANY	2 000 000	8 160 384	10 160 384	30,5%	40,6%
HANDELSBANKEN FONDER AB		852 527	852 527	2,6%	1,2%
SWEDBANK FÖRSÄKRING		828 561	828 561	2,5%	1,2%
STÅHLBERG, JAN		582 544	582 544	1,8%	0,8%
NORDNET PENSIONS FÖRSÄKRING AB		518 296	518 296	1,6%	0,7%
FRÖAFALL INVEST AB		516 000	516 000	1,6%	0,7%
LÄNSFÖRSÄKRINGAR JÖNKÖPING		474 377	474 377	1,4%	0,7%
SARGAS EQUITY AB		364 090	364 090	1,1%	0,5%
NORTAL CAPITAL AB		246 200	246 200	0,7%	0,4%
Total, major shareholders	4 000 000	20 703 463	24 703 463	74,2%	87,6%
Total, others	0	8 598 910	8 598 910	25,8%	12,4%
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 September 2015 amounted to 66 (57), of which 37 (31) 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. 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 2014. New standards effective from 1 January 2015 have had no material impact on the group. The new and amended standards and interpretations that have been issued but is effective for fiscal years beginning after 1 January, 2016 have not yet been applied by the Group.

Financial assets and financial liabilities measured at fair value in the balance sheet are classified into one of three levels based on the information used to determine fair value. Bactiguard bond loan is valued using level 1, is listed on Nasdaq Stockholm and is valued at quoted price.

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.

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. Company costs primarily relate to financial expenses of which the interest due on the bond loan is the single largest item. 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 (which are still valid) can be found on page 21 and 38-40 of the Annual Report for 2014.

Financial targets

Bactiguard's goal is to create value and generate good returns for the shareholders. Past targets have been based on an average growth of 30% per year over a five-year period starting from 2013. The Board has decided to revise the financial targets as follows:

An average growth of 20 % per year over a five year period, with 2015 (adjusted for the additional order from C.R. Bard) as the base year. Furthermore, 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 new license agreements in new therapeutic areas. Other financial goals 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 before dividends.

Condensed consolidated income statement

Amounts in TSEK	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
<i>Revenues</i>					
License revenues	56 783	24 270	109 393	69 622	89 779
Territorial fees	-	619	-	17 020	17 108
Sales of BIP products	563	529	1 684	2 054	2 160
Other revenue	4 099	2 641	6 936	5 100	9 811
	61 445	28 059	118 013	93 796	118 858
Raw materials and consumables	-2 892	-2 997	-6 276	-6 193	-6 102
Other external expenses	-12 568	-11 554	-67 573	-38 838	-54 187
Personnel costs	-10 190	-10 678	-40 862	-32 993	-44 996
Depreciation and amortisation	-8 279	-7 538	-24 543	-22 389	-30 131
Other operating expenses	-1 854	-619	-6 183	-1 540	-3 229
	-35 783	-33 386	-145 438	-101 953	-138 646
Operating profit	25 662	-5 328	-27 425	-8 157	-19 788
<i>Financial items</i>					
Financial income	1	1 627	5 662	2 568	3 641
Financial expenses	-20 550	-13 351	-18 115	-77 566	-83 999
	-20 549	-11 724	-12 453	-74 998	-80 358
Profit before tax	5 113	-17 052	-39 878	-83 155	-100 146
Tax for the period	940	1 334	3 501	3 765	5 104
Net profit/loss for the period	6 053	-15 718	-36 377	-79 390	-95 042
Attributable to:					
Shareholders of the parent	6 053	-15 718	-36 377	-79 390	-95 042
Earnings per share, SEK*	0,18	-0,47	-1,09	-3,17	-3,80

Condensed consolidated statement of comprehensive income

Amounts in TSEK	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net profit/loss for the period	6 053	-15 718	-36 377	-79 390	-95 042
<i>Other comprehensive income:</i>					
<u>Items that will not be reclassified to profit or loss for the year</u>	-	-	-	-	-
<u>Items that will be reclassified to profit or loss for the year</u>					
Translation differences	1 966	-258	2 031	-416	-655
Other comprehensive income, after tax	1 966	-258	2 031	-416	-655
Total comprehensive income for the period	8 019	-15 976	-34 347	-79 806	-95 697
Attributable to:					
Shareholders of the parent	8 019	-15 976	-34 347	-79 806	-95 697
Total earnings per share, SEK*	0,24	-0,48	-1,03	-3,19	-3,83
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	25 007	25 007

* no dilution effect

Condensed consolidated statement of financial position

Amounts in TSEK	2015-09-30	2014-09-30	2014-12-31
ASSETS			
Non-current assets			
Goodwill	226 292	226 292	226 292
Technology	266 370	290 177	284 225
Brands	25 572	25 572	25 572
Customer relationships	13 203	14 383	14 088
Capitalised development expenditure	10 368	7 759	7 772
Patents	1 162	1 518	1 454
Intangible assets	542 967	565 701	559 402
Improvements, leasehold	17 830	13 673	15 812
Machinery and other technical plant	7 761	8 509	9 763
Equipment, tools and installations	5 826	1 811	6 204
Property, plant and equipment	31 417	23 993	31 779
Accounts receivable	8 144	10 432	9 531
Investments in associates	1 368	1 293	1 368
Financial assets	9 512	11 725	10 899
Total non-current assets	583 896	601 419	602 080
Current assets			
Inventory	11 209	6 136	8 974
Accounts receivable	57 053	82 408	81 625
Other current receivables	11 795	15 833	13 303
Cash and cash equivalents	48 803	154 045	105 147
Total current assets	128 860	258 422	209 049
TOTAL ASSETS	712 756	859 841	811 128
Equity attributable to shareholders of the parent			
Share capital	833	833	833
Other equity	483 531	534 059	517 877
Total equity	484 364	534 891	518 710
Non-current liabilities			
Bonds	140 390	216 315	195 569
Deferred tax liability	35 736	40 589	39 237
	176 126	256 904	234 806
Current liabilities			
Accounts payable	3 276	5 061	10 995
Other current liabilities	2 599	3 730	3 938
Accrued expenses and deferred income	46 391	59 255	42 679
	52 266	68 046	57 613
Total liabilities	228 392	324 950	292 418
TOTAL EQUITY AND LIABILITIES	712 756	859 841	811 128

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
Opening balance, 1 January 2014	500	202 673	-139	-62 082	140 953
Profit/loss for the period	-	-	-	-79 390	-79 390
<i>Other comprehensive income:</i>					
Translation differences	-	-	-416	-	-416
Total comprehensive income after tax	0	0	-416	-79 390	-79 806
Transactions with shareholders					
Share issue	333	473 308	-		473 641
Repurchase of options	-	-	-	104	104
Total transactions with shareholders	333	473 308	0	104	473 745
Closing balance, 30 September 2015	833	675 981	-555	-141 369	534 891
Opening balance, 1 January 2015	833	675 690	-794	-157 020	518 710
Profit/loss for the period	-	-	-	-36 377	-36 377
<i>Other comprehensive income:</i>					
Translation differences	-	-	2 031	-	2 031
Total comprehensive income after tax	0	0	2031	-36 377	-34 346
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 30 September 2015	833	675 690	1237	-193 397	484 364

Condensed consolidated statement of cash flows

Amounts in TSEK	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Cash flow from operating activities					
Net profit/loss for the period	6 053	-15 718	-36 377	-79 390	-95 042
Adjustments for depreciation and amortisation and other non-cash items	24 157	17 051	55 260	78 417	52 179
	30 210	1 333	18 883	-973	-42 863
Cash flow from changes in working capital					
Increase/decrease inventory	-606	433	-2 009	-2 403	-5 936
Increase/decrease accounts receivable	-9 416	1 455	-9 190	1 297	2 982
Increase/decrease other current receivables	836	-490	3 183	-5 688	-2 270
Increase/decrease accounts payable	-3 061	-11 761	-9 812	-2 392	3 561
Increase/decrease other current liabilities	-5 047	-8 191	701	6 392	8 782
	-17 294	-18 553	-17 127	-2 794	7 119
Cash flow from investing activities					
Investments in intangible assets	-2 323	-363	-3 579	-2 055	-2 397
Investments in property, plant and equipment	-1 056	-4 244	-5 064	-6 587	-15 692
Investments in associates	-	-	-	-	-145
	-3 379	-4 607	-8 643	-8 642	-18 233
Operating cash flow	9 537	-21 827	-6 887	-12 409	-53 977
Cash flow from financing activities					
Share issue	-	1 401	-	473 641	473 350
Amortisation of debt	-44 642	-48 037	-49 792	-299 661	-321 495
Termination of option agreement	-	-14 000	-	-14 000	-
Repurchase of options	-	-	-	104	104
	-44 642	-60 636	-49 792	160 084	151 959
Cash flow for the period	-35 105	-82 463	-56 679	147 675	97 982
Cash and cash equivalents at start of period	84 034	235 062	105 147	5 417	5 417
Exchange difference in cash and cash equivalents	-126	1 446	335	954	1 747
Cash and cash equivalents at end of period	48 803	154 045	48 803	154 045	105 147

Condensed parent company income statement

Amounts in TSEK	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Revenues	1 127	2 936	6 108	8 856	12 287
Operating expenses	-962	-3 785	-12 518	-13 929	-18 603
Operating profit/loss	165	-849	-6 410	-5 073	-6 317
Net financial items	-5 591	-5 169	-16 470	-41 467	-46 713
Profit/loss after financial items	-5 426	-6 018	-22 880	-46 540	-53 030
Tax for the period	-	-	-	-	-
Net profit/loss for the period	-5 426	-6 018	-22 880	-46 540	-53 030

Condensed parent company statement of comprehensive income

The parent company has no items in 2015 or 2014 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	2015-09-30	2014-09-30	2014-12-31
ASSETS			
Non-current assets			
Financial assets	689 774	626 574	656 574
Total non-current assets	689 774	626 574	656 574
Current assets			
Receivables from group companies	25 095	7 544	13 407
Prepayments and accrued income	423	1 577	360
Other current receivables	-	432	139
Cash and cash equivalents	41 660	145 105	87 319
Total current assets	67 178	154 658	101 225
TOTAL ASSETS	756 952	781 232	757 799
EQUITY & LIABILITIES			
Total equity	506 178	535 840	529 058
Non-current liabilities	224 674	222 336	222 920
Liabilities to group companies	-	-	-
Other liabilities	26 100	23 056	5 820
Current liabilities	26 100	23 056	5 820
Total liabilities	250 774	245 392	228 740
TOTAL EQUITY AND LIABILITIES	756 952	781 232	757 799

Forthcoming disclosures of information

18 February 2016

Year-end report 2015

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, 12 November 2015

Stanley Brodén

Chairman

Mia Arnhult

Board member

Peter Hentschel

Board member

Christian Kinch

CEO and Board member

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

Bactiguard is required to disclose the information in this report under the provisions of the Securities Market Act (SFS 2007:528). The information was submitted for publication on 12 November 2015 at 08.00 CET.

Review report

Introduction

We have reviewed the interim report for Bactiguard Holding AB (publ) for the period 1 January 2015 – 30 September 2015. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 12 November 2015

DELOITTE AB

Kent Åkerlund

Authorized Public Accountant