

Interim report for Bactiguard Holding AB (publ)

Corporate registration number 556822-1187

First quarter (January-March 2018)

- During the first quarter, BIP products at a value of SEK 7.3 (2.8) million were delivered, an increase of approx. 157%.
- Revenues amounted to SEK 33.0 (41.0) million, a decrease of approx. 20% compared to the corresponding quarter previous year, mainly explained by the fact that last year included a one-time revenue from a new license business with Smartwise Sweden AB of SEK 8.8 million.
- EBITDA¹ amounted to SEK 1.8 (13.4) million, an EBITDA margin¹ of 6% (33%).
- Operating profit amounted to SEK -6.9 (4.4) million.
- Net profit/loss for the quarter amounted to SEK -8.0 (4.1) million, corresponding to SEK -0.24 (0.12) per share.
- Operating cash flow¹ for the quarter amounted to SEK -13.7 (-2.0) million, corresponding to SEK -0.41 (-0.06) per share. Increased account receivables due to higher BIP sales and outstanding license payments from Smartwise of USD 1.25 million (received at the beginning of Q2) affected working capital in the quarter.

Key events during the first quarter

- The Nomination Committee proposes Jan Ståhlberg as a new Board member and Chairman of Bactiguard Holding AB (publ)
- Region Skåne extends agreement with Bactiguard
- New partnership in Europe
- Bactiguard launches line extension to BIP CVC
- New major order from China

Key events after the end of the first quarter

- New distributor appointed in Mexico
- Bactiguard's licensing partner Smartwise enters collaboration with AstraZeneca

Key figures ¹	Jan-Mar	Jan-Mar	Full year
	2018	2017	2017
Revenues ² , SEKm	33,0	41,0	153,6
EBITDA, SEKm	1,8	13,4	34,4
EBITDA margin, %	6%	33%	22%
Operating profit, SEKm	-6,9	4,4	-0,6
Net profit/loss for the period ² , SEKm	-8,0	4,1	-3,3
Operating cash flow, SEKm	-13,7	-2,0	-0,1
Earnings per share ² , SEK	-0,24	0,12	-0,10
Operating cash flow per share, SEK	-0,41	-0,06	0,00
Equity ratio ¹ , %	61%	61%	62%
Net debt ¹ , SEKm	166,0	151,3	152,4
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 and reconciliation of performance measures see page 17-18

² Defined according to IFRS

Comments by the CEO

In 2018, our primary focus is to generate growth through increased sales of our own product portfolio and by developing new licensing businesses, to approach our financial targets, and contribute to saving more lives. Therefore, it is gratifying that we can already report a strong growth in sales of our own product portfolio, which more than doubled, in the first quarter. We can now put ten quarters of increasing sales (based on rolling twelve-month figures) behind us, so the trend is stable.

However, overall sales and profitability did not reach the levels we reported in the first quarter of last year, and this is due to that no new licensing agreements were completed this quarter. We generated an EBITDA of SEK 1.8 million, with a margin of 6 percent. Cash flow was negative, mainly due to significantly increased sales and related build-up of receivables, as well as outstanding license receivables from Smartwise of USD 1.25 million, which we received in the second quarter.

Revenues from our largest licensing partner BD (following the acquisition of C.R. Bard) amounted to SEK 22 million, which is lower than previous year, due to somewhat lower deliveries of coating concentrate and currency effects. Volumes of concentrate have been stable in a longer perspective, but vary between quarters, without following a clear seasonal pattern. However, royalty payments indicate that end customer sales are stable.

The license project for orthopedic trauma implants is now approaching the final phase. When the implants are CE marked, sales in Southeast Asia will generate royalty revenues for Bactiguard. At the same time, new licensing opportunities for various types of orthopedic implants will be opened and we have met considerable interest in Bactiguards infection preventive technology in this application area.

Our licensing partner Smartwise recently entered a strategic collaboration agreement with AstraZeneca regarding, among other things, the development of advanced vascular injection catheters with Bactiguard coating for new, innovative treatment methods of cardiovascular disease and cancer. When the catheters reach the market they will generate royalties, which is estimated to be about two to three years into the future. The agreement with AstraZeneca primarily demonstrates the quality and potential of Bactiguard's technology.

Sales of our own product portfolio developed strongly, and it is particularly pleasing that growth comes from most regions. In the first quarter, China, India and the Middle East generated the largest revenues.

In India, our new distributor is up and running in most of the country. We delivered both urinary catheters and central venous catheters during the quarter and look forward to the development this year, now that all products are available in the market. The recruitment of patients to the clinical trial that began in 2016 and comprises a total of 1,000 patients, at six different hospitals, has just been completed and the results will be available in the second quarter. This multicenter study will be a valuable marketing tool in the Indian market.

The Middle East continues to develop positively and sales increased by more than 40 percent. Growth is primarily driven by the larger markets in the region, and in smaller countries like Kuwait we also see a positive development. We are still waiting for the registration of our products in Egypt to be completed, a lengthy process that is now approaching the final stages, and we look forward to launching in the most populous market in the Middle East.

To China, we delivered a new, big order in March, and activities are ongoing at a high level of intensity. In Europe, we continue to move our position forward and markets where we have been present for one or two years, such as Greece and Poland, are developing well. At the same time, efforts are being made to find new suitable partners in the largest European markets.

Finally, a few words about developments in Sweden, where we also see a positive trend. The procurement of urinary catheters for Stockholm County Council, launched in November last year, has contributed to increased sales. More and more hospitals and clinics are starting to use our products with good results and we see an increased interest in our central venous catheters and endotracheal tubes.

I am looking forward to the continued development in 2018, which may become a really exciting year for Bactiguard.

Christian Kinch

CEO

Key events during the first quarter

The Nomination Committee proposes that Jan Ståhlberg is elected new member of the Board and Chairman of Bactiguard Holding AB (publ)

The Nomination Committee of Bactiguard Holding AB (publ) proposes that the Annual General Meeting 2018 elects Jan Ståhlberg as new member and Chairman of the Board, as Stanley Brodén, who has been the Chairman of the Board since 2015, has declined re-election.

At the end of the first quarter, Jan Ståhlberg owned shares in Bactiguard corresponding to 6.0 percent of the capital and 2.9 percent of the votes, which means that he was the third largest shareholder in the company at the time.

Region Skåne extends agreement with Bactiguard

In 2017 Bactiguard signed a framework agreement with Region Skåne, which enables both county councils and municipalities to order Bactiguard's infection prevention urinary catheters. The initial contract expires on April 30th, 2018 and in February Region Skåne chose to extend the agreement for another year until April 30th, 2019.

Bactiguard enters new partnership in Europe

In March Bactiguard entered a distribution agreement for Belgium, the Netherlands and Luxemburg with Ecomed Services NV ("Ecomed"), a leading provider of innovations in infection control in the Benelux countries. By teaming up with Ecomed Bactiguard expands the European market presence.

Bactiguard launches line extension to BIP CVC

Bactiguard is launching a line extension to its BIP CVC with the popular Raulerson syringe for easier handling and insertion. BIP CVC is shown to reduce the risk of costly blood stream infections, which are common following the use of central venous catheters.

New major order from China

Bactiguard received a new order from China of 100 000 urinary catheters for infection prevention, which was delivered in March and generated revenues of some SEK 3 million.

Key events after the end of the first quarter

Bactiguard appoints new distributor in Mexico

In May Bactiguard signed distribution agreement for Mexico with Degasa, a well-established family owned company, whose sales force covers most of the country. Through the cooperation with Degasa, Bactiguard strengthens its market presence in Latin America.

Bactiguard's licensing partner Smartwise enters collaboration with AstraZeneca

Bactiguard's licensing partner Smartwise Sweden AB (Smartwise) has signed a strategic collaboration agreement with AstraZeneca regarding, among other things, the development of advanced vascular injection catheters with Bactiguard coating for new, innovative treatment methods of cardiovascular disease and cancer. The agreement between Smartwise and AstraZeneca initially does not generate any new license revenues for Bactiguard, but when the catheters reach the market it will generate royalties, which is estimated to be about two to three years into the future.

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.



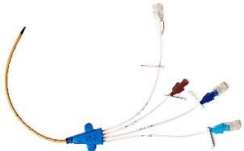
License revenues

License revenues are attributable to sales of products under license, which currently includes the Group's licensing agreement with BD (formerly 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 orthopedic trauma implants, covering the ASEAN region as well as a global license agreement with Smartwise Sweden AB (Smartwise) 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 application areas: urinary tract, respiratory tract and blood streams.

BIP Foley Catheter	BIP ETT	BIP CVC
 <p>BIP Foley Catheter 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.</p>	 <p>BIP ETT is the company's endotracheal tube, which uses the Bactiguard coating to reduce the risk of patients contracting ventilator-associated pneumonia.</p>	 <p>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.</p>

Revenue distribution

First quarter (January-March)

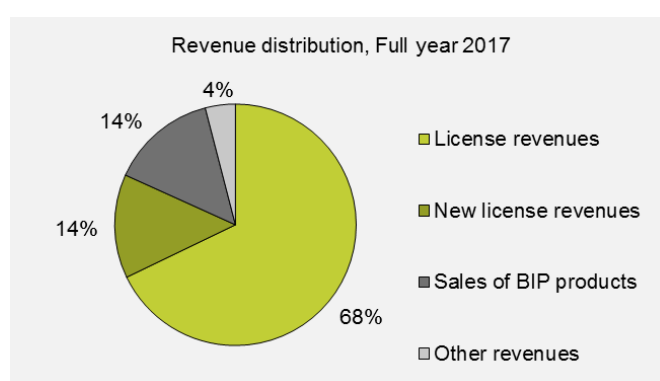
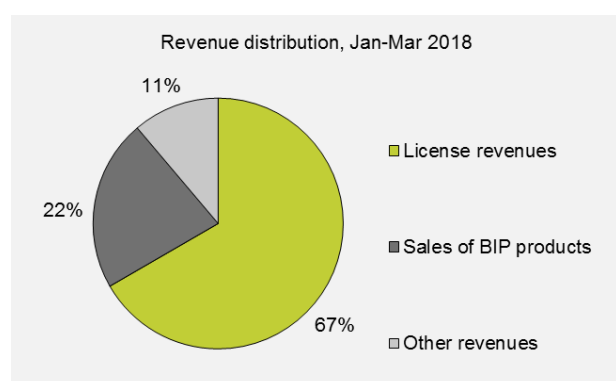
Consolidated revenues for the first quarter amounted to SEK 33.0 (41.0) million, which is a decrease of approx. 20 % compared to the corresponding quarter last year.

The lion's share of revenues of SEK 22.0 (27.4) million in the first quarter were down to license revenues related to BD (formerly C.R. Bard). The decrease is due to somewhat lower volumes and a negative currency effect of SEK -1.6 (2.5) million.

During the first quarter 2017 license revenues regarding new license agreement with Smartwise was accounted for to a value of SEK 8.8 million. No corresponding revenue has been generated during the first quarter 2018.

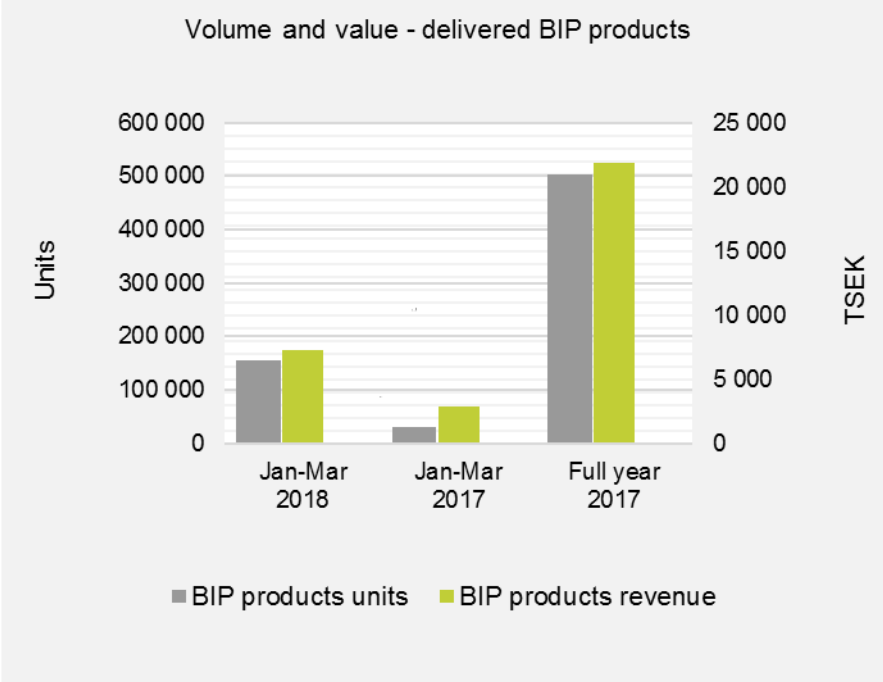
Sales growth of BIP products was strong during the quarter and amounted to SEK 7.3 (2.8) million, an increase of approx. 157%. BIP revenues represented approx. 22% of the revenues in the quarter. China, India and MEA (the Middle East and Africa) generated the largest revenues. Out of SEK 7.3 million in revenues, SEK 4.0 million had a cash flow effect. The remaining revenues correspond to a reduction of the debt item deferred income in the balance sheet.

Other revenues during the quarter amounted to SEK 3.7 (2.0) million and consist primarily of exchange rate differences and grants for EU-projects. The increase in other revenues compared to corresponding period last year is mainly explained by exchange rate differences.

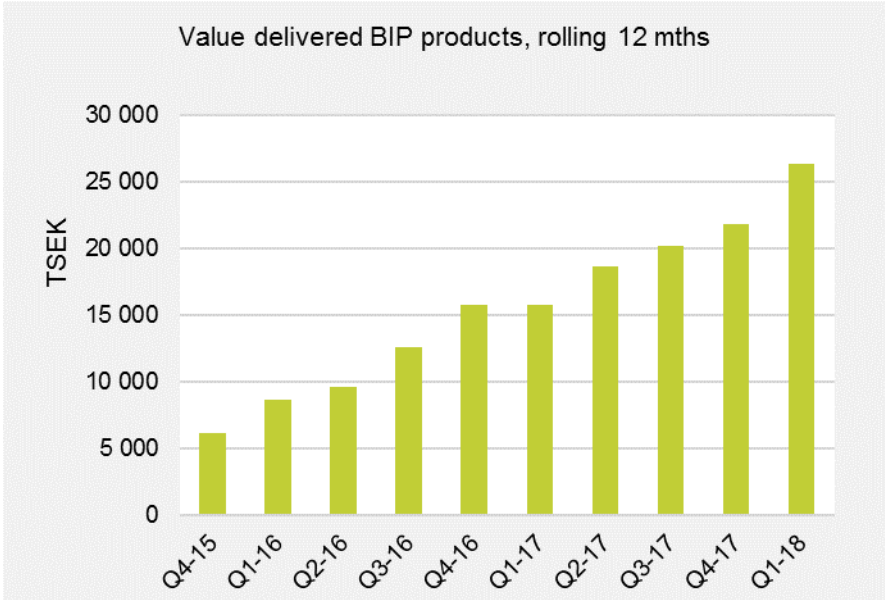


Revenue split	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
License revenues	67%	67%	68%
New license revenues	0%	21%	14%
Sales of BIP products	22%	7%	14%
Other revenues	11%	5%	4%

Product deliveries – volume and value



During the first quarter of 2018, approx. 155,000 BIP products were delivered at a value of SEK 7.3 million compared to approx. 48,000 products at a value of SEK 2.8 million in the corresponding quarter of 2017. During the full year 2017 the value for sold BIP products amounted to SEK 21.8 million.



Development per quarter, value in TSEK for delivered BIP products, rolling 12 months.

Financial results

First quarter (January-March)

EBITDA for the first quarter amounted to SEK 1.8 (13.4) million corresponding to an EBITDA margin of approx. 6% (33%). The decrease compared to corresponding quarter last year is primarily a consequence of the fact there were no new license revenues generated during the first quarter 2018.

The cost item raw materials and consumables increased due to the growth in BIP revenue. Also, other external costs and personnel costs increased during the first quarter compared to last year, which is a result of investments in sales and marketing, including staffing to increase sales.

Other operating expenses includes exchange rate differences, which had a negative effect of SEK -0.9 (-1.0) million in the quarter.

Consolidated operating profit for the first quarter of 2018 amounted to SEK -6.9 (4.4) million.

Financial items amounted to SEK -2.3 (-1.6) million in the quarter. Financial revenues of SEK 1.2 (0.1) million mainly consists of exchange rate differences. Total financial expenses amounted to SEK -3.5 (-1.8) million, whereof SEK -1.1 (-1.3) million is related to interest expenses on interest bearing loans. Other financial expenses consist, among other things, of unrealized value changes in forward hedging which had a negative impact in the quarter.

Tax for the first quarter amounted to SEK 1.2 (1.4) 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 -8.0 (4.1) 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 -13.7 (-2.0) million. Cash flow from operating activities contributed positively by SEK 0.6 (11.7) million, but was negatively affected by changes in working capital which amounted to SEK -13.0 (-13.2) million and by cash flow from investing activities which amounted to SEK -1.4 (-0.5) million. The increase in working capital was attributable to higher account receivables as well as reduction of the debt item deferred income, because of large deliveries of BIP products at the end of the quarter.

Cash flow from financing activities amounted to SEK 8.1 (0.0) million, since overdraft facility was utilized as a result of temporary negative bank balance in the group. The total cash flow for the first quarter amounted to SEK -5.7 (-2.0) million.

Investments

Investments in property, plant and equipment during the first quarter amounted to SEK 0.1 (0) million. Investments in intangible assets, mainly related to capitalized development expenditures, amounted to SEK 1.3 (0.5) million. No investments were made in financial non-current assets during the quarter.

Financial position

The consolidated equity ratio was 61% on 31 March 2018 (61% on 31 March 2017) and equity amounted to SEK 377.8 million (SEK 394.4 million on 31 March 2017).

Interest-bearing debt consist of a financial lease of SEK 13.6 million, and a three-year term loan of SEK 150.0 million. The term loan carries a base interest rate of STIBOR 90, but no less than 0 %, and a margin of 3.0 %. The bank loan will be amortized by SEK 35 million until maturity

Consolidated cash position on 31 March 2018 amounted to SEK 6.0 million (SEK 13.7 million on 31 March 2017). Out of a granted overdraft facility of SEK 30 million, SEK 8.4 million was utilized as of 31 March 2018 (SEK 0 million as of 31 March 2017). Net debt amounted to SEK 166.0 million (SEK 151.3 million on 31 March 2017).

The total assets of the Group on 31 March 2018 amounted to SEK 620.4 million (SEK 648.8 million on 31 March 2017). The largest asset items in the balance sheet are goodwill of SEK 226.3 million (226.3) and technology related to Bactiguard's product portfolio, which amounted to SEK 206.9 (230.7) million.

Accounts receivable (short- and long term) amounted to SEK 62.0 million on 31 March 2018, which is an increase of SEK 5.1 million since 31 December 2017. The main reason for the increase is related to deliveries of BIP products at the end of the first quarter, but also an effect of increasing the value of account receivables due to the increased USD and EUR currency rates against SEK in the quarter.

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 on 31 March 2018 was SEK 25.40, and the market capitalization amounted to SEK 846 million.

The share capital of Bactiguard on 31 March 2018 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 on 31 March 2018 amounted to 33,302,373 shares and 69,302,373 votes.

Ownership

On 31 March 2018 Bactiguard had 2,399 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	28,4%	39,6%
THOMAS VON KOCH WITH COMPANY	2 000 000	7 440 878	9 440 878	28,4%	39,6%
STÅHLBERG, JAN		2 000 000	2 000 000	6,0%	2,9%
HANDELSBANKEN FONDER		1 100 000	1 100 000	3,3%	1,6%
FÖRSÄKRINGSBOLAGET, AVANZA PENSION		836 412	836 412	2,5%	1,2%
LANCELOT ASSET MANAGEMENT AB		715 000	715 000	2,1%	1,0%
SWEDBANK FÖRSÄKRING		666 952	666 952	2,0%	1,0%
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	21 481 941	25 481 941	76,5%	88,7%
Total, others	0	7 820 432	7 820 432	23,5%	11,3%
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 during the period January to March amounted to 67 (64), of which 40 (38) are 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's 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 2017, in addition to what is explained below.

IFRS 9 Financial Instruments

As of January 1, 2018, the Group applies IFRS 9 Financial Instruments. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and measurement. IFRS 9 involves changes in how financial assets is classified and valued, introduces a model for expected credit losses and changes in principles for hedge accounting.

According to IAS 39, the company's financial assets were categorized as "Loan receivables and account receivables" at amortised cost. According to IFRS 9, the financial assets are categorized as "Hold to collect" at accrued amortised cost.

The new standard has not affected the accounting of the company's financial assets other than account receivables. The group is affected by the new expected credit loss model regarding the calculation of the credit reserves for accounts receivables. The model deviates from expected credit losses and end up in an estimated loss for all account receivable, including the ones not yet expired. Bactiguard has chosen to apply the simplified model, e.g. the reservation will correspond to the expected loss covering the entire life span of the account receivables. Bactiguard has chosen not to calculate comparative figures for the 2017 financial year, in accordance with the transitional rules of the standard. Opening balance of Equity per 1 January 2018 has been adjusted with SEK -0.9 million as an effect of the new standard, which is also clearly shown in Condensed consolidated statement of changes in equity in page 13. The expected loss model has been adjusted with changes in account receivables as per 31 March 2018 and the effect is shown as other external cost in the Income Statement.

As in the past, the Group does not apply hedge accounting.

IFRS 15 Revenue from contracts with customers

As of January 1, 2018, the Group applies IFRS 15 Revenue from contracts with customers. Bactiguard has chosen not to calculate comparative figures for the comparison year. IFRS 15 replaces IAS 18 Revenues, IAS 11 Construction contracts and related interpretations. The new standard means a new model of revenue recognition based on when the control of a product or service is transferred to the customer.

Bactiguard has evaluated the group's agreement with customers and the assessment is that the accounting of revenues will not be affected by the transition to IFRS 15, why no change in the opening balance of Equity has been made. Further information regarding the group's revenue distribution is to be found in Note 1.

New IFRS standards from 1 January 2019

IFRS 16 Leasing agreements

IFRS 16 Leasing agreements will be replacing IAS 17 Leasing agreements as of January 1, 2019. IFRS 16 has a leasing model for the lessees, which means that virtually all leasing agreements are to be recognised in the statement of financial position. Bactiguard holds leasing agreements primarily for premises. The management's assessment is that IFRS 16 will affect the recognized amounts in the statement of financial position. A detailed analysis of IFRS 16 has begun but not been completed, why there is an inability to quantify the effects.

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 separate 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 since 2017 a license agreement with Smartwise Sweden AB, a company owned by a group of private investors, including Bactiguard's CEO and main shareholder Christian Kinch and main shareholder Thomas von Koch. During the first quarter of 2018 no transactions with Smartwise Sweden AB have taken place.

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 have 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. 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 program that focuses on minimizing 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 29 and 48-49 in the Annual Report for 2017.

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 as the base year, and adjusted revenues of SEK 118.5 million as the starting point. Another target is to achieve an EBITDA margin of at least 30 % at the end of the five-year period (year 2020). 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 2018 annual general meeting.

Condensed consolidated income statement

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
<i>Revenues</i>			
License revenues	21 974	36 195	125 609
Sales of BIP products	7 294	2 834	21 849
Other revenues	3 691	1 998	6 181
	32 959	41 027	153 639
Raw materials and consumables	-5 559	-3 870	-20 262
Other external expenses	-11 701	-10 086	-42 329
Personnel costs	-12 996	-12 707	-51 475
Depreciation and amortisation	-8 728	-9 004	-35 015
Other operating expenses	-858	-993	-5 141
	-39 842	-36 660	-154 221
Operating profit/loss	-6 883	4 366	-582
<i>Profit/loss from financial items</i>			
Financial income	1 238	141	1 378
Financial expenses	-3 542	-1 781	-9 088
	-2 304	-1 641	-7 710
Profit before tax	-9 187	2 725	-8 292
Taxes for the period	1 212	1 356	5 042
Net profit/loss for the period	-7 975	4 082	-3 251
Attributable to:			
Shareholders of the parent	-7 975	4 082	-3 251
Earnings per share, SEK*	-0,24	0,12	-0,10

Condensed consolidated statement of comprehensive income

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net profit/loss for the period	-7 975	4 082	-3 251
<i>Other comprehensive income:</i>			
<u>Items that will be reclassified to profit or loss for the year</u>			
Translation differences	-446	34	28
Other comprehensive income, after tax	-446	34	28
Total comprehensive income for the period	-8 421	4 116	-3 223
Attributable to:			
Shareholders of the parent	-8 421	4 116	-3 223
Total earnings per share, SEK*	-0,25	0,12	-0,10
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	2018-03-31	2017-03-31	2017-12-31
ASSETS			
Non-current assets			
Goodwill	226 292	226 292	226 292
Technology	206 853	230 660	212 805
Brands	25 572	25 572	25 572
Customer relationships	10 253	11 433	10 548
Capitalised development expenditure	19 303	16 608	18 568
Patents	604	883	571
Intangible assets	488 877	511 448	494 355
Improvements, leasehold	12 255	15 357	13 031
Machinery and other technical plant	19 012	19 951	19 580
Equipment, tools and installations	2 875	3 550	3 107
Property, plant and equipment	34 143	38 858	35 717
Accounts receivable	18 291	16 256	17 263
Investments in associates	-	1 228	-
Financial assets	18 291	17 484	17 263
Total non-current assets	541 310	567 790	547 336
Current assets			
Inventory	11 978	15 497	13 608
Accounts receivable	43 677	38 628	39 596
Other current receivables	17 368	13 198	13 300
Cash and cash equivalents	6 022	13 682	11 550
Total current assets	79 045	81 005	78 054
TOTAL ASSETS	620 355	648 795	625 390
Equity attributable to shareholders of the parent			
Share capital	833	833	833
Other equity	376 920	393 611	386 273
Total equity	377 753	394 444	387 105
Non-current liabilities			
Advance payments from customers	18 291	18 306	17 263
Debt to shareholders	-	50 000	-
Deferred tax liability	24 030	28 929	25 243
Liabilities to credit institutions	150 921	-	142 500
Other long-term liabilities	12 098	13 925	12 476
Total non-current liabilities	205 340	111 159	197 482
Current liabilities			
Liabilities to credit institutions	7 500	100 000	7 500
Accounts payable	5 531	4 653	4 832
Other current liabilities	7 299	5 097	6 855
Accrued expenses and deferred income	16 932	33 441	21 616
Total current liabilities	37 262	143 192	40 803
Total liabilities	242 602	254 351	238 285
TOTAL EQUITY AND LIABILITIES	620 355	648 795	625 390

Condensed consolidated statement of changes in equity

Amounts in TSEK	Equity attributable to shareholders of the parent				Total equity
	Share capital	Other capital contributions	Translation reserve	Retained earnings including net profit for the period	
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
Adjustments 1 April - 31 December 2017					
Profit/loss for the period	-	-	-	-7 332	-7 332
<i>Other comprehensive income:</i>					
Translation differences	-	-	-6	-	-6
Closing balance, 31 December 2017	833	675 690	116	-289 533	387 105
Adjustment opening balance 1 January 2018, change in accounting principle, IFRS 9	-	-	-	-932	-932
Adjusted opening balance, 1 January 2018	833	675 690	116	-290 465	386 173
Profit/loss for the period	-	-	-	-7 975	-7 975
<i>Other comprehensive income:</i>					
Translation differences	-	-	-446	-	-446
Total comprehensive income after tax	0	0	-446	-7 975	-8 421
Transactions with shareholders					
Total transactions with shareholders	0	0	0	0	0
Closing balance, 31 March 2018	833	675 690	-330	-298 440	377 752

Condensed consolidated statement of cash flows

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Cash flow from operating activities			
Net profit/loss for the period	-7 975	4 082	-3 251
Adjustments for depreciation and amortisation and other non-cash items	8 621	7 593	31 791
	646	11 674	28 540
Cash flow from changes in working capital			
Increase/decrease inventory	1 849	-359	1 565
Increase/decrease accounts receivable	-5 981	-10 931	-12 476
Increase/decrease other current receivables	-4 198	-435	1 231
Increase/decrease accounts payable	697	-241	-56
Increase/decrease other current liabilities	-5 363	-1 190	-12 687
	-12 996	-13 157	-22 424
Cash flow from investing activities			
Investments in intangible assets	-1 272	-459	-3 661
Investments in property, plant and equipment	-104	-14	-2 571
	-1 376	-474	-6 232
Operating cash flow	-13 727	-1 956	-117
Cash flow from financing activities			
Amortisation of financial lease	-360	-	-1 398
Utilized bank overdraft	8 421	-	-
Amortisation of loan	-	-	-150 000
Debt incurred	-	-	150 000
Up-front fee loan	-	-	-1 800
	8 061	0	-3 198
Cash flow for the period	-5 665	-1 956	-3 315
Cash and cash equivalents at start of period	11 550	15 645	15 645
Exchange difference in cash and cash equivalents	137	-7	-780
Cash and cash equivalents at end of period	6 022	13 682	11 550

Condensed parent company income statement

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Revenues	1 664	1 632	6 464
	1 664	1 632	6 464
Operating expenses	-2 533	-2 532	-9 941
	-2 533	-2 532	-9 941
Operating profit/loss	-869	-900	-3 477
Net financial items	-497	-588	-2 245
Profit/loss after financial items	-1 367	-1 488	-5 722
Tax for the period	-	-	-
Net profit/loss for the period	-1 367	-1 488	-5 722

Condensed parent company statement of comprehensive income

The parent company has no items in 2018 or 2017 recognized 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	2018-03-31	2017-03-31	2017-12-31
ASSETS			
Non-current assets			
Financial assets	621 489	598 089	622 989
Total non-current assets	621 489	598 089	622 989
Current assets			
Receivables from group companies	0	19 890	-
Prepayments and accrued income	1 922	430	1 962
Other current receivables	4	-	4
Cash and cash equivalents	909	1 594	374
Total current assets	2 836	21 913	2 340
TOTAL ASSETS	624 325	620 002	625 329
EQUITY & LIABILITIES			
Total equity	461 442	467 043	462 809
Non-current liabilities			
Liabilities to shareholders	-	50 000	-
Liabilities to credit institutions	142 500	-	142 500
Total non-current liabilities	142 500	50 000	142 500
Current liabilities			
Liabilities to group companies	9 795	-	9 775
Liabilities to credit institutions	7 500	100 000	7 500
Other liabilities	3 088	2 960	2 746
Total current liabilities	20 383	102 960	20 020
Total liabilities	162 883	152 960	162 520
TOTAL EQUITY AND LIABILITIES	624 325	620 002	625 329

Note 1 Revenue distribution

1 January 2018 - 31 March 2018

Amounts in TSEK	Total Group
Type of product/service	
License	21 974
<u>BIP-products</u>	<u>7 294</u>
Total	29 268
Time for revenue recognition	
Performance commitment is met at a certain time	29 268
<u>Performance commitment is met during a period of time</u>	<u>0</u>
Total	29 268

Performance Measures

The company presents certain performance measures in the interim report that are not defined in accordance with IFRS (so-called alternative key ratios according to ESMA guidelines). The Company believes that these measures provide useful supplementary information to investors and the company's management as they allow for the evaluation of the company's performance. Since not all companies calculate the measures in the same way, these are not always comparable to measures used by other companies. These performance measures should therefore not be considered a substitute for measures as defined under IFRS.

Definitions and tables below describe how the performance measures are calculated. The measures are alternative in accordance with ESMA's guidelines unless otherwise stated.

EBITDA

Shows the company's earnings capacity from ongoing operations irrespective of capital structure and tax situation. The key figure is used to facilitate comparisons with other companies in the same industry. The company considers this key figure to be the most relevant performance measure of the business because the company has a large asset item in Technology, which generates large depreciation while the value is considered to be significant for the company even after it is fully depreciated. Bactiguard's patented and unique technology can be applied to a wide range of products, both in the BIP portfolio and through license deals.

The company defines EBITDA as operating profit/loss excluding depreciation and amortization of tangible and intangible assets.

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Operating profit/loss	-6 883	4 366	-582
Depreciation and amortisation	<u>8 728</u>	<u>9 004</u>	<u>35 015</u>
EBITDA	1 845	13 370	34 432

EBITDA-margin

Shows the company's earnings capacity from ongoing operations, irrespective of capital structure and tax situation, in relation to revenues. The key figure is used to facilitate analysis of the company's result in comparison with comparable companies.

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
EBITDA	1 845	13 370	34 432
Revenue	<u>32 959</u>	<u>41 027</u>	<u>153 639</u>
EBITDA-margin	6%	33%	22%

Net debt

Net debt is a measure 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. The company considers this key figure interesting for creditors who want to understand the group's debt situation.

The company defines net debt as interest-bearing liabilities less cash and cash equivalents at the end of the period.

Interest-bearing liabilities consist of debt to credit institutions and shareholders, as well as interest-bearing part of other long-term and current liabilities.

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Interest-bearing part of other long-term liabilities	12 098	13 925	12 476
Non interest-bearing part of other long-term liabilities	-	-	-
Other long-term liabilities	12 098	13 925	12 476

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Interest-bearing part of other current liabilities	1 484	1 071	1 466
Non interest-bearing part of other current liabilities	<u>5 815</u>	<u>4 026</u>	<u>5 389</u>
Other current liabilities	7 299	5 097	6 855

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Liabilities to credit institutions	158 421	100 000	150 000
Debt to shareholders	-	50 000	-
Interest-bearing part of other long-term liabilities	12 098	13 925	12 476
<u>Interest-bearing part of other current liabilities</u>	<u>1 484</u>	<u>1 071</u>	<u>1 466</u>
Interest-bearing liabilities	172 003	164 996	163 942
Cash and cash equivalents	<u>-6 022</u>	<u>-13 682</u>	<u>-11 550</u>
Net debt	165 982	151 314	152 392

Equity ratio

Equity ratio is a measure that the company considers important for creditors who want to understand the company's long-term ability to pay. The company defines equity ratio as equity and untaxed reserves (less deferred tax), in relation to the balance sheet total.

Amounts in TSEK	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Equity	377 753	394 444	387 105
Balance sheet total	620 355	648 795	625 390
Equity ratio	61%	61%	62%

Earnings per share

Profit attributable to holders of ordinary shares in the Parent Company divided by the weighted average number of outstanding ordinary shares during the period, in accordance with IFRS.

Operating cash flow

Cash flow from operating activities after investments and changes in working capital. Direct reconciliation against financial report possible.

Profit/loss from financial items

Financial income minus financial expenses. Direct reconciliation against financial report possible.

Forthcoming disclosures of information

8 August 2018	Interim report, 1 Apr – 30 Jun 2018
6 November 2018	Interim report, 1 Jul – 30 Sep 2018

Annual General Meeting

The Annual General Meeting of Bactiguard Holding AB (publ) will be held on Wednesday, 16 May 2018 at the company's headquarters in Botkyrka.

Contacts

For additional information, please contact:

Christian Kinch, CEO: +46 8 440 58 80

Cecilia Edström, CFO: +46 72 226 23 28

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, 8 May 2018

Stanley Brodén
Chairman

Mia Arnhult
Board member

Svante Östblom
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 2018-05-08, at. 08.00.