# ANNUAL AND SUSTAINABILITY REPORT

# 2024

TO CHAMPION A
HEALTHIER WORLD BY
PREVENTING INFECTIONS

Bactiguard®

# THIS IS BACTIGUARD

Bactiguard is a global MedTech company developing safe and biocompatible technology to prevent medical device related infections. The unique technology is based on an ultra-thin noble metal coating that prevents bacterial adhesion and biofilm formation on medical devices. The company focuses on five strategic therapeutic areas where infection rates create high medical needs for infection prevention. These areas include Orthopedics, Cardiology, Neurology, Urology, and Vascular Access. Bactiguard operates through license partnerships with leading global MedTech companies that apply the technology to their medical devices. The company also has a portfolio of wound management products.

Bactiguard's infection prevention solutions decrease patient suffering, save lives, and unburden healthcare resources while also fighting against antimicrobial resistance, one of the most serious threats to global health and modern medicine. Bactiguard is headquartered in Stockholm and is listed on Nasdaq Stockholm and is included in the Mid-Cap segment.

### Purpose

To champion a healthier world by preventing infections.

### Vision

To be the global standard of care for preventing medical device related infections.

### Mission

To be the premier partner for leading MedTech companies, joining forces to redefine healthcare and improve health worldwide.

### Core values

Respect
Trust
Transparency
Performance

Bactiguard is driven by its purpose and has a strong corporate culture, firmly anchored in four core values. These core values create a common foundation for the efforts to achieve the company's strategic and financial targets.

## 2024 in brief

- Christine Lind assumed the role as CEO per 12 April 2024.
- The Nomination Committee announced that Christian Kinch will assume a role as Senior Advisor to Bactiguard and has declined re-election to the Board of Directors. Thomas von Koch was re-elected as Chairman of the Board of Directors.
- Zimmer Biomet terminated the agreement for multiple orthopedic product segments in Q4 2024, while trauma agreement remained in effect.
- A review of the 2028 strategic and financial targets was announced in connection with the Q3 2024 report.

### Event after the end of the year

In March 2025, Bactiguard announced its updated strategic and financial targets including:

- having at least ten application areas in either exclusivity partnerships or license partnerships by year-end 2030,
- deliver revenues of at least SEK 600 million by year-end 2030, and
- an EBITDA of at least SEK 200 million by year-end 2030.

### Key figures

| | | |
|---|---|---|
| Revenues | 262 | MSEK |
| EBITDA | 18 | MSEK |
| Cash flow, operating activities | 25 | MSEK |
| Number of application areas | 2 | |

Contents



### About the report

The Board of Directors and Chief Executive Officer of Bactiguard Holding AB (publ.), corporate identity number 556822-1187, hereby present the Annual and Sustainability Report for the 2024 financial year for the parent company and group, which comprises the Board of Directors' report (pages 3 and 18–38) and the financial statements, as well as the notes and comments (pages 40–69). The consolidated income statement and balance sheet and the parent company's income statement and balance sheet are adopted at the Annual General Meeting. The company's Sustainability Report can be found on pages 32–38.

**ESEF rapport**

Bactiguard has prepared the Annual and Sustainability Report in a format that enables uniform electronic reporting in accordance with Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528).

This is a translation of Bactiguard Holding AB's Swedish Annual and Sustainability Report for 2024. In the event of any inconsistency or discrepancy, the Swedish version prevails.

## CEO statement

# STRONG FINANCIAL TURNAROUND, STRATEGIC SHIFT AND STRENGTHENED ORGANIZATION

In 2024, we completed the strategic shift needed to enable Bactiguard to be the premier choice for both current and future partners. This transformation delivered positive financial results and positioned us for growth. We achieved EBITDA profitability, which was a core commitment to our shareholders, along with positive cash flow from operating activities. Reaching these milestones marks a significant achievement, allowing us to further develop our business and infection prevention technology platform. Most importantly, it validated the strength of our business model and license-focused strategy.

### A new Bactiguard

In 2024, we executed on the transition from production to license partner focus. We did this by strengthening our organization and enhancing ways of working across key knowledge and specialist areas. We also discontinued our BIP portfolio of medical devices and deepened our collaboration with license partner BD (Becton, Dickinson & Company) by engaging in the transition of the BIP Foley catheter markets to BD. Additionally, we advanced a pipeline of early-stage projects for potential license partners, with feasibility studies underway across multiple application areas. Alongside the license business, our Wound Management portfolio generated double digit profitable growth in 2024.

Entering 2025, Bactiguard is a new company. With our updated strategic and financial targets, announced in early March 2025, we have defined the medical need and market potential through license partnerships for our infection prevention technology and reconfirmed the scalability and leverage of our license-focused business model. With our organization repositioned around the core technology platform and by continuing to build on our competence areas, we are enabling Bactiguard to be the partner of choice. Our well-established partnerships remain the backbone of Bactiguard, while new business development represents additional long-term growth potential.

> **Strong interest from potential license partners underscores the growing recognition of infection prevention as a critical medical need and highlights Bactiguard's technology as a unique innovation driver.**
>
> **Christine Lind**
> *CEO, Bactiguard*

### A great market opportunity

Our license business is built around an updated set of five strategic therapeutic areas, emphasizing the broad need for infection prevention solutions. Within the fields of Orthopedics, Cardiology, Neurology, Urology, and Vascular Access, our infection prevention technology addresses critical challenges related to medical device-associated infections. These issues are more pressing than ever, representing a significant share of healthcare-associated infections, while current treatments contribute to rising antimicrobial resistance. This growing need is driving demand for safer, more effective healthcare solutions.

Given this situation, Bactiguard's technology stands out as truly differentiated. Compatible with most medical device materials, it is clinically proven to be safe, biocompatible, and effective in reducing medical device-related infections. With decades of real-world, in-patient use, it offers a concrete solution to an unmet medical need.

We believe that applications within our strategic therapeutic areas hold the greatest potential for future license partnerships, leveraging our infection prevention technology. Bactiguard is well-positioned to capitalize on the expanding global medical device market, where our focus therapeutic areas combined are projected to have a market size exceeding USD 70 billion by 2030. By partnering with leading global MedTech companies, we can bring differentiated medical devices to a broader market – far beyond what Bactiguard could achieve alone.

In Wound Management, we expect growth to come from existing markets and expansion into new. Our main wound management brand, Hydrocyn aqua, is designed to promote wound healing and prevent infections, reinforcing our commitment to safer, more effective patient care.

### To be the global standard of care

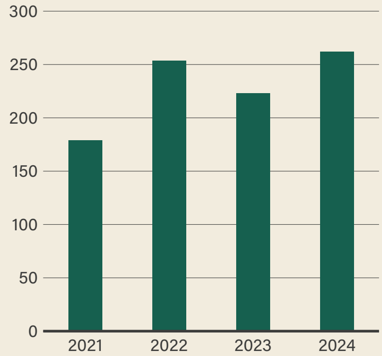
Strong interest from potential license partners underscores the growing recognition of infection prevention as a critical medical need and highlights Bactiguard's technology as a unique innovation driver. Through our license-focused strategy, we strive to be the premier partner for leading MedTech companies by delivering our knowledge and capabilities to enhance partner medical devices. Continuously strengthening our core competences remains essential to deepening partnerships and is a top priority for us also going forward. The synergies are clear – driving positive outcomes for our license partners also benefits Bactiguard, healthcare providers, and patients alike.

I want to thank everyone engaged in Bactiguard's ongoing journey – our investors, partners, and all colleagues – for an amazing collaboration and dedication. Bactiguard is well positioned to deliver on the updated strategic and financial targets while maintaining a strong focus on growth and profitability.

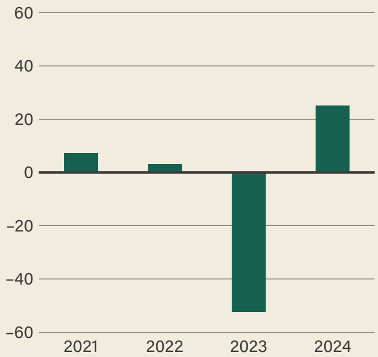
As we broaden our perspectives, our commitment remains clear: to prevent medical device-related infections and establish Bactiguard's infection prevention technology as the global standard of care.

**Christine Lind**
CEO, Bactiguard

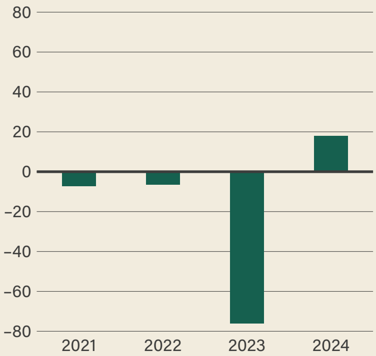
**Revenues**
MSEK




**Cash flow, operating activities**
MSEK




**EBITDA**
MSEK



# BACTIGUARD AS AN INVESTMENT

## A scalable license-focused business model with operational leverage

Bactiguard operates through license partnerships with leading global MedTech companies that apply our infection prevention technology to their medical devices and sell them under their own brand name or co-branded with Bactiguard.

Our license revenues have three components: we receive revenues for coating and process development, we receive revenues for the right to use the coating technology on medical devices within a specific application and geographical area, and we receive royalties; a variable remuneration once the license partners' products reach the market. The revenues are generated across three partnership phases: application development, exclusivity and license. The license-focused business model is scalable with strong operational leverage.

## Access to the global MedTech-market through license partnerships

Through license partnerships with leading global MedTech companies, Bactiguard is well-positioned to capitalize on the expanding global medical device market where our five strategic therapeutic areas Orthopedics, Cardiology, Neurology, Urology, and Vascular Access, are projected to combined represent a potential market exceeding USD 70 billion by 2030, based on internal analysis.

Our innovative infection prevention technology meets a pressing unmet medical need. As a reference, between 40 to 60 percent of all healthcare-associated infections stem from medical devices, elevating patient risks and healthcare costs.[1] Compatible with most medical device materials, Bactiguard's technology enhances patient safety and provides our partners with a competitive edge in a dynamic, high-growth market.

## A safe, biocompatible, and effective technology with strong patent protection

Bactiguard's offering is based on clinical evidence which is a significant strategic advantage. It is clinically proven that our technology is safe, biocompatible, and significantly reduces the risk of medical device related infections. More than 40 clinical studies involving more than 100,000 patients have been performed over the years. More than 245 million Bactiguard coated Foley catheters have been sold so far with no adverse event reported associated with the coating.

We are a knowledge and specialist organization, where intellectual property (IP), including patents, are an integral part of the strategy. Bactiguard has strong patent protection across different patents within nine relevant patent families. We continuously monitor and invest in our IP portfolio, which above all covers the coating but also the coating processes.

## Contributing to a healthier world by preventing infections

Finding ways to prevent infections, and consequently decrease the use of antibiotics, is a priority on the global healthcare and sustainability agenda. Our technology forms an important link in the healthcare value chain in the fight against antimicrobial resistance, healthcare-associated infections and sepsis, as it significantly reduces the risk of medical device related infections. Clinical studies have shown that the risk of catheter-associated urinary tract infections is reduced by 69 percent[2], of ventilator-associated pneumonia by 53 percent[3] and of catheter-related blood infections by 52 percent when using medical devices with Bactiguard's coating technology[4].

[1] DiBiase et al. (2014)
[2] Kai-Larsen et al. (2021)
[3] Damas et al. (2022)
[4] Harter et al. (2002)

# STRATEGIC AND FINANCIAL TARGETS

Following a review announced in connection with the 2024 Q3 report, Bactiguard updated its strategic and financial target on 5 March 2025. The company has since then conducted a comprehensive analysis of the market potential and partnership opportunities for its infection prevention technology. This included an in-depth evaluation of key strategic therapeutic areas, targeted application areas, associated infection rates, regulatory approval timelines, partnership timelines and commercial scale-up potential.

The updated targets reflect a sharpened strategic focus on the license business and EBITDA profitability, a transformation which was delivered in 2024.

## Strategic target

**Partnership development**

**≥10**

To have a least 10 application areas in exclusivity partnerships or license partnerships by year-end 2030.

## Financial targets

**Revenues**

**≥SEK 600 M**

Deliver revenues of at least SEK 600 million by year-end 2030.

**EBITDA**

**≥SEK 200 M**

Deliver an EBITDA of at least SEK 200 million by year-end 2030.

Bactiguard will maintain its focus on EBITDA profitability, including a disciplined approach to costs. The financial targets include both the license business and the wound management product portfolio. For the wound management portfolio, we expect continued profitable double-digit growth.

The targets should not be perceived as a forecast but rather reflect what the Bactiguard Holding AB Board of Directors and Executive Management team consider to be reasonable mid-term expectations of Bactiguard.

The strategic and financial targets replace the targets announced in October 2023. The previous targets were EBITDA of SEK 500 million by year-end 2028, net sales in excess of SEK 1 billion by year-end 2028, and at least 10 application areas in license partnerships with products in the market by year-end 2028.

Läs mer om utvecklingen inom miljö-, hållbarhets- och bolagsstyrningsområdet i Hållbarhetsrapporten på sida sidorna 32–38.

> **While we have set targets for 2030, the potential for our technology platform over the longer-term is significant. The operational leverage and scale inherent in our business model is expected to be even more meaningful in the years beyond 2030, through partnerships announced over the coming years.**
>
> **Christine Lind**
> *CEO, Bactiguard*

# THE GLOBAL HEALTHCARE MARKET AND ITS ISSUES

We see increased interest in Bactiguard's technology, which reflects the growing recognition of infection prevention as a critical global medical need. We are actively exploring the infection prevention technology's application across our five strategic therapeutic areas: Orthopedics, Cardiology, Neurology, Urology, and Vascular Access. Our technology forms an important link in the healthcare value chain and in the fight against antimicrobial resistance, healthcare associated infections and sepsis, as it significantly reduces the risk of medical device related infections. It has the potential to capture one of the most unmet medical needs of global healthcare.

### Increased global demand

The economic and demographic development across the world leads to, among other things, an increased demand for more effective healthcare and treatments. An aging population and increasing lifestyle related diseases, such as diabetes and obesity, lead to higher burden on healthcare resources. The importance of health economic aspects is growing, for governments as well as for individual healthcare institutions. Better prevention and fewer infections lead to shorter hospital stays, lower costs, and hence more efficient healthcare. Even more importantly, it results in a better quality of life for patients.

The importance of precision medicine is growing, enabling better prevention, safer diagnostics and more effective treatments tailored to each patient's unique conditions. The intensified use of artificial intelligence within healthcare continues and will further improve diagnostics, optimize workflow, and support decision-making.

### The slow pandemic

Infections are a growing healthcare issue, both broadly and in situations involving war, conflicts, poverty, or natural disasters. More infections lead to a greater use of antibiotics, which escalates the risk of multi-resistance. Antimicrobial resistance (AMR) is an acute threat to public health and modern medicine and is one of the most important global sustainability issues of our time. It is often referred to as the slow pandemic and can make common infections, such as tonsillitis and otitis, more difficult to treat and in the worst case, prove fatal.

> **Today, we can cure more people and give them a healthier and longer life. But we must work hard with the different healthcare issues, among others the huge problem with infections and complications after, for instance surgical procedures.**
>
> **Dr. Anna Martling**
> *Board member, Bactiguard*

The escalating severity of AMR continues to gain increased attention within our designated focus geographies US, Japan, China and Europe. In the European Union (EU), a comprehensive set of recommendations were established in 2023 to address AMR, with a key target being a 20 percent reduction in consumption of antibiotics by 2030.

A 2024 study published in medical journey *The Lancet* forecasts that, without significant intervention, antibiotic-resistant bacterial infections could cause over 39 million deaths worldwide between 2025 and 2050. This equates to approximately 1.56 million deaths annually over a 25-year period[1]. For comparison, based on WHO data, around 10 million people die of cancer every year. In the future, AMR may jeopardize common routine surgeries and cancer treatments that rely on effective antibiotics as a complement to the patient's own immune system. Infection prevention and control can play a crucial role in the solution. For every infection prevented, a potential course of antibiotic is avoided.

### Main drivers of healthcare-associated infections

Healthcare associated infections (HAIs) are infections patients contract while receiving treatment in hospitals or other healthcare facilities, including during medical or surgical procedures. Globally, HAIs are a significant challenge: according to the WHO, seven out of every 100 hospitalized patients will contract at least one HAI. In low- and middle-income countries, the risk is even higher, with rates doubling or reaching up to twenty times those of high-income nations. The US deserves special attention, where healthcare providers face penalties if patients contract infections while in care, which compels a proactive search for ways to prevent HAIs.

Statistics from the American Centers for Disease Control & Prevention (CDC) show that a sizable portion of HAIs are caused by medical devices such as catheters, ventilators, and various types of implants. These infections can lead to urinary tract infections, bloodstream infec-

[1] Naghavi et al. (2024)

tions, respiratory infections, and surgical site infections. They not only cause unnecessary suffering, and prolonged hospital stays but also impose significant financial burdens on healthcare systems and society. Millions of lives can be saved every year through effective infection control measures.

Fewer HAIs also mean reduced use of antibiotics, which is critical in curbing AMR. WHO highlights infection prevention as one of the most effective and cost-efficient strategies to reduce HAIs by up to 70 percent, while simultaneously mitigating AMR risks.

Ensuring robust infection prevention measures is essential for delivering safe and high-quality healthcare. Prevention also contributes to broader sustainability goals by reducing resource use and promoting healthier populations worldwide.

### Sepsis

Sepsis occurs when the body's immune system overreacts to an infection and can quickly become life-threatening. Initially, the symptoms of sepsis may be quite mild and mimic other less severe conditions which means that the patient comes to diagnosis late. Late diagnosis and AMR are making it difficult to treat bacterial infections and to prevent them from developing into sepsis. According to the Global Sepsis Alliance, between 47 and 50 million people develop sepsis every year and survivors often suffer permanent damage. One in four cases of sepsis in hospitals and one in two cases of sepsis in intensive care units result from HAIs. Fewer infections will result in fewer cases of sepsis, a reduction of antibiotics use and better health for patients.

### Great market potential

Bactiguard is well-positioned to capitalize on the expanding medical device market where our five key therapeutic areas including Orthopedics, Cardiology, Neurology, Urology and Vascular Access, is expected to represent a potential market exceeding USD 70 billion by 2030, all based on internal company analysis. The infection rates within each area represent a high unmet medical need and a potential to make healthcare more efficient and safer by preventive measures.

The competitive landscape for infection preventive coatings for medical devices such as catheters, tubes or various types of implants includes solutions that are either toxic with severe side effects (for instance using silver ions or chlorhexidine, which may kill both good and bad bacteria) or coated with antibiotics, which fuels AMR. Since Bactiguard's coating technology is documented to be effective, safe, and biocompatible, and approved for both short- and long-term use, there are ample opportunities for both new application areas and new and deepened license partnerships.

Global MedTech manufacturers and producers are currently consolidating, which is a trend driven by a combination of economic pressure, strategic goals, and competitive dynamics. To stay ahead, these companies strive to achieve economies of scale, enhance efficiency, and expand their global presence with more innovative and differentiated medical device portfolios. The rigorous regulatory scrutiny in the MedTech industry further benefits larger players, which possess the resources and expertise to navigate complex compliance environments more effectively. In this evolving landscape, Bactiguard's mission – to be the premier partner for leading MedTech companies and join forces to redefine healthcare and improve health worldwide – aligns seamlessly with a significant market opportunity. The consolidation activities reinforce our vision to become the global standard of care for preventing medical device related infections.

### Geographic focus

Bactiguard's core business, to license the infection prevention coating technology to leading global MedTech companies, gives us access to the expansive global market for medical devices. We concentrate our efforts on a few selected geographies, namely the US, Japan, China, and Europe. These markets are pivotal as they house the headquarters of many of the leading global MedTech companies, our primary stakeholder. In addition, infection rates, medical needs, and a commitment to invest in infection prevention in these markets underscore their significance. The US warrants special attention, both due to its concentration of major MedTech players and the high willingness to pay for infection prevention measures by the health care providers.

Bactiguard's Wound Management portfolio currently focuses primarily on Asia.

### The global medical device market

| | | | |
|---|---|---|---|
| North America | 36% | Europe | 25% |
| Asia-Pacific | 29% | Other | 10% |

McKinsey, 2022

# A LICENSE-FOCUSED STRATEGY

Bactiguard develops a safe and biocompatible technology to prevent medical device related infections. Through license partnerships, we get access to the global medical device market, and we make our infection prevention technology available to as many patients as possible across the globe. Our impact ambitions are bold: to decrease patient suffering, save lives, unburden healthcare resources and, importantly, fight against antimicrobial resitance, one of the most serious threats to global health and modern medicine.

Bactiguard's strategy is to partner with and enable leading global MedTech companies to bring medical devices with our infection prevention technology to the market. Through partnerships, we can fuel impact, growth and profitability for both Bactiguard and our license partners. The long-term partnership collaboration with BD, and how it has developed during 2024, demonstrates how the license focused strategy is proving itself.

The technology is grounded in solid clinical evidence gained over 30 years. With more than 40 clinical studies performed on coating technology across more than 100,000 patients over the years, the data supports its efficacy in a variety of patients groups, therapeutic areas, and medical devices. Clinical evidence is a strategic advantage and Bactiguard performs studies in collaboration with the license partners and other well recognized academic institutions.

Bactiguard, being a knowledge and specialist organization, provides license partners with coating technology and application know-how. We support the implementation of manufacturing production lines and provide support regarding clinical research and reimbursement across different markets. We also work closely together on regulatory pathways, and we are currently defining Bactiguard's US regulatory strategy to ensure we can become an even better partner and capitalize on the opportunities of our infection prevention technology.

There is a close collaboration with the license partners in planning go-to-market strategies which also includes sales and marketing support and training on how our technology works and adds value. The company has extensive experience in explaining the technology's mode of action, drawing on insights from a wide range of coated medical devices and interactions with healthcare professionals and other stakeholders within the healthcare systems and value chain.

### Vision

To be the global standard of care for preventing medical device related infections.

### Mission

To be the premier partner for leading MedTech companies, joining forces to redefine healthcare and improve health worldwide.

Bactiguard's Wound Management strategy focuses on profitable growth and market expansion, leveraging effective, biocompatible solutions to prevent infections and enhance wound healing and lavage. The Wound Management team works in close collaboration with a broad variety of healthcare professionals as well as with a network of distributors and key opinion leaders.

### Our license partnerships

Bactiguard has been in partnership with **BD (Becton, Dickinson & Company)**, one of the global market leaders within the urology field, since 1995. The original license partnership includes exclusive rights to offer Foley catheters with our infection prevention technology globally (excluding China). Bactiguard supplies the concentrate, and BD applies the coating through a licensed process to their Foley catheters, which are marketed under the brand names Bardex IC (latex catheter) and Lubri-Sil IC (silicone catheter). The coating process and production line was originally set up with the support of Bactiguard back in 1995.

Following the expanded agreement for Bactiguard-coated BD Foley catheters signed in December 2023, the collaboration has been further strengthened, now taking a truly global approach. We are working closely together to expand into both existing and new markets. In 2024, our focus included work to secure the necessary regulatory approvals for BD to commercialize Bactiguard-coated BD Foley catheters in transitioned markets. Overall, Bactiguard engages with BD across the entire value chain, from technology through go-to-market strategies. More than 245 million Bactiguard coated BD Foley catheters have been sold so far with no adverse event reported associated with the coating.

Bactiguard is also in partnership with **Zimmer Biomet,** a global leader in the orthopedic field, under a license agreement signed in 2019 for Zimmer Biomet's orthopedic trauma implants. As part of this partnership, Bactiguard supplies Zimmer Biomet with the coated version, ZNN Bactiguard. In 2024, the commercialization of ZNN Bactiguard progressed steadily in approved markets, particularly in Europe. We collaborated on MDR processes related to the CE mark of Bactiguard's coated trauma nail (initially obtained in 2021). We also worked together on other market and regulatory approval processes in other geographies. Additionally, Bactiguard sup-


ported Zimmer Biomet in non-clinical and clinical studies evaluating coated implants.

The exclusivity agreement covering orthopedic products outside the trauma segment signed in 2022 was terminated in early October 2024 due to a more complex and lengthier path with the US Food and Drug Administration (FDA) than Zimmer Biomet had initially anticipated.

**Well Lead Medical**, China's leading manufacturer of consumable medical devices, holds the exclusive right to market and sell Bactiguard's coated Foley catheters in mainland China where Bactiguard owns the market approval. The license partnership and distribution agreement were signed in 2018.

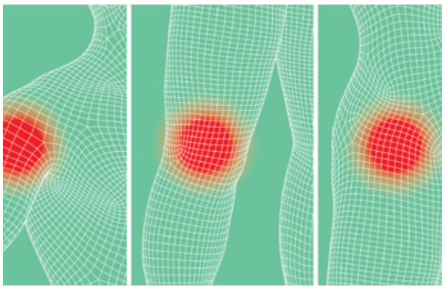
### BIP portfolio phased out

As part of the decision to focus on the license business, with the sharpened strategy announced in Q3 2023, our own BIP portfolio of medical devices (including Foley urinary catheters, central venous catheters, and endotracheal tubes with Bactiguard's coating technology) was set to be phased out. During 2024, the phase-out was getting closer to completion, and the anticipated cost savings associated with the strategic shift were delivered. No additional BIP revenues are expected.

245 million coated BD Foley catheters sold – no adverse event reported associated with the coating.

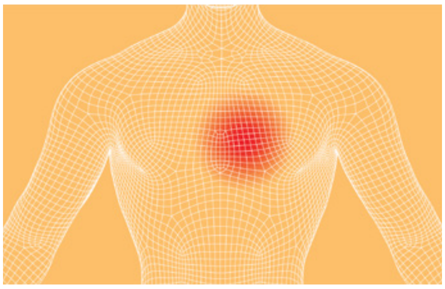
# STRATEGIC THERAPEUTIC AREAS WITHIN LICENSE BUSINESS

Bactiguard focuses on five strategic therapeutic areas where the risk of infection has important consequences that has exposed a significant unmet medical need for infection prevention. These areas include Orthopedics, Cardiology, Neurology, Urology, and Vascular Access, altogether representing a significant market potential for Bactiguard.



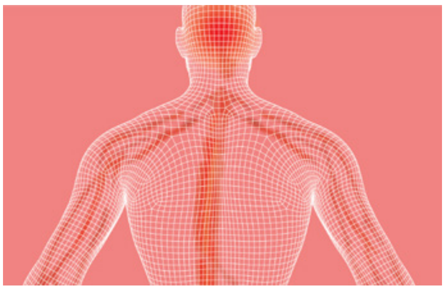
## Orthopedics

External fixators and hardware implants are commonly used in orthopedic operations and procedures to treat patients with joint disorders and fractures, and early mobility and functionality are key for complete and full recovery. Both during and after these procedures, externally fixed or implantable devices are susceptible to infections. Current infection rates vary depending on the procedure, with primary implant infections occurring in 1 to 5 percent[1] of cases, revision surgeries ranging from 8 to 22 percent[2], and fracture-related infections from 5 to 40 percent[3]. Avoiding infections and consequential revision surgery by using infection prevention technologies can reduce patient distress and save healthcare system resources.



## Cardiology

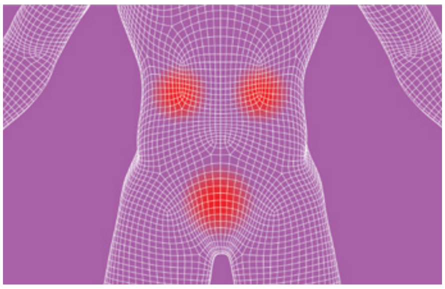
Implantable cardiovascular medical devices, including pacemakers, implantable cardiac defibrillators (ICDs), and ventricular assist devices (VADs), are essential for managing conditions such as heart failure and arrhythmias. However, these devices are also susceptible to infections, with reported infection rates ranging from 1 to 7 percent[4] for cardiac implantable electronic devices (CIEDs) and 19 to 39 percent[5] for ventricular assist devices. Over the past two decades, advancements in the design of VAD devices have significantly improved patient outcomes. However, infection-related mortality remains a major challenge, as infections often lead to device failure, necessitating surgical removal or replacement. This, in turn, has a substantial impact on patient recovery and healthcare resources.



## Neurology

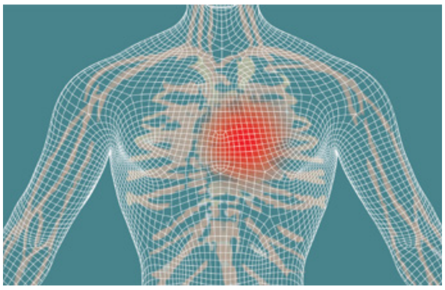
Neurological medical devices, including shunts, deep brain stimulators (DBS), spinal cord stimulators (SCS), sacral nerve stimulators (SNS), vagus nerve stimulators (VNS), and peripheral nerve stimulators (PNS), play a vital role in treating neurological disorders such as hydrocephalus, Parkinson's disease and other movement disorders, epilepsy, incontinence, and chronic pain. However, these devices are vulnerable to infections, with reported infection rates ranging from 1 to 15 percent[6] for neuromodulation devices and 5 to 13 percent[7] for shunts. Patients are at an increased risk of infection both during and after neurosurgical procedures. Infections can lead to device failure, the need for revision surgery, and prolonged hospital stays, significantly impacting patient recovery and healthcare resources.

1) Masters et al. (2013); Acuña et al. (2021)
2) Gold et al. (2019); Patel et al. (2023)
3) Norris et al. (2019); Li et al. (2024)
4) Greenspon et al. (2011); Wilkoff et al. (2020); Solail Henrikson et al. (2011)
5) Mehra, Goldstein et al. (2022); Tong et al. (2015); Topkara et al. (2010)
6) Bendel et al. (2017); Ishizuka et al. (2007); Oh et al. (2002); Hasegawa et al. (2021)
7) Sagun Tuli et al. (2004)



## Urology

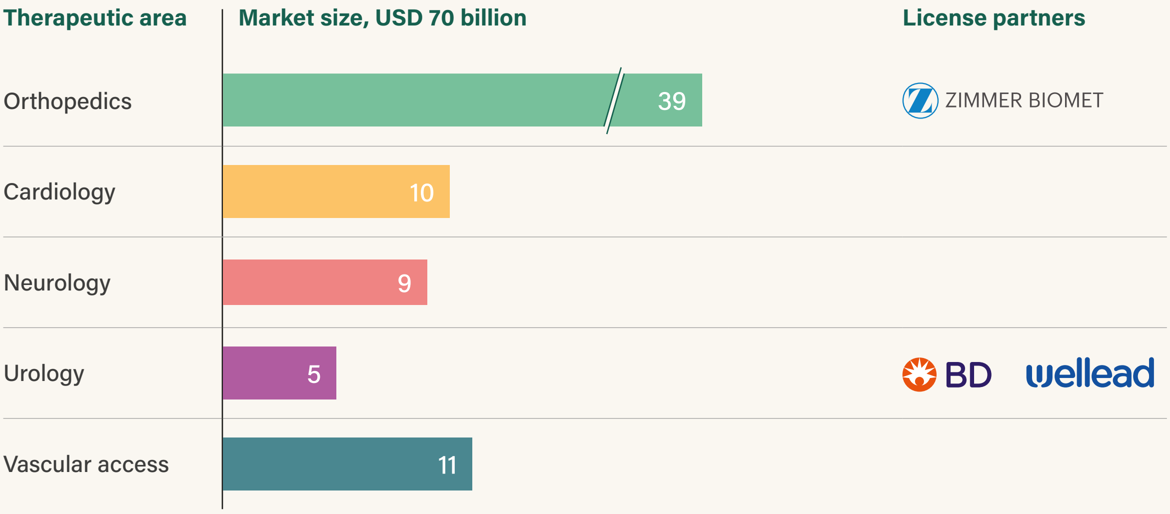
Infections in the urinary tract are a common complication when a patient is catheterized. Catheter-associated urinary tract infection (CAUTI) is one of the most common HAIs and is often caused by indwelling urinary catheters. The catheter surface becomes colonized with bacteria and other microbes and can develop biofilm leading to urinary tract infections. The incidence of CAUTI ranges from 9 to 21 percent[1] in patients catheterized for more than two days, posing a significant risk for prolonged hospital stays and further complications. Patients who use catheters for a long time are at increased risk of developing urinary tract infections, as the risk of infection increases with each day of catheterization. Suffering from a urinary tract infection can be both unpleasant and painful and might lead to serious bacterial complications such as urosepsis.



## Vascular access

Patients with co-morbidities and compromised immunity are at a higher risk of infection, particularly in intensive care unit settings. Central line-associated bloodstream infections (CLABSI) occur in 2 to 10 percent[2] of patients with a central line in place for more than two days, further increasing the risk of severe complications. In addition, there is substantial risk of cross contamination within the care unit. An infection in a patient who is already critically ill is serious and leads to higher mortality. Preventing infections can save lives.

### Addressable markets




Source: internal company analysis

[1] CDC and Lo et al. 2014
[2] Rosenthal et al. (2023); Alshahrani et al. (2023)

# BUSINESS MODEL

Bactiguard operates through license partnerships with leading global MedTech companies that apply the infection prevention technology to their medical devices and sell them under their own brand or co-branded with Bactiguard. Our license-focused business model is scalable with operational leverage.

### Partnerships across three phases

Bactiguard's license revenues have three components: we receive revenues for coating and process development, we receive revenues for the right to use the coating technology on medical devices within a specific application and geographical area, and we receive royalties; a variable remuneration once the license partners' products reach the market. The revenues are generated across three partnership phases: application development, exclusivity and license.

An **application development partner** works in close collaboration with Bactiguard's R&D team exploring the application of our infection prevention technology to the partners' underlying device to enhance its performance. The nature of development work means that not every project will succeed, but the learnings are valuable for other application areas.

An **exclusivity partner** gets exclusive right to apply our coating technology to a certain medical device but has no products in the market yet, for instance due to pending regulatory approvals, which can take time depending on the type of application and its classification.

A **license partner** has the right to market and sell medical devices with Bactiguard's coating technology, in a certain region or globally.

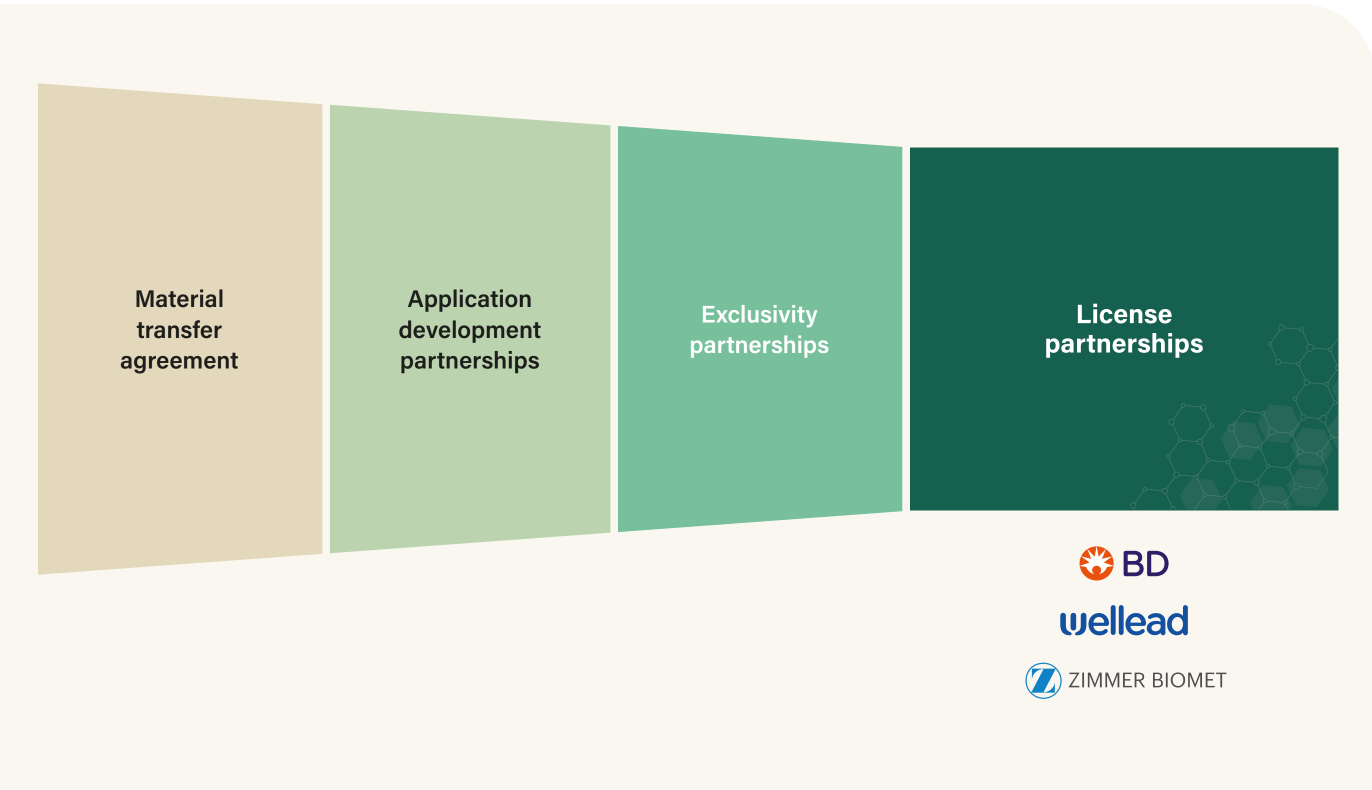
As the early-stage and application development projects with potential partners make progress, they convert into exclusivity- and license partnerships. The early-stage testing and application development projects are executed in a confidential manner to safeguard competitive advantages for both Bactiguard and our partners.

### Revenues per partnership phase

Bactiguard reports revenues according to the different partnership phases to ensure transparency of the financial impact of the various partnerships. Read more in Note 5.

Notably, not all partnerships will follow all three phases. An agreement with a partner can generate revenues from separate phases and components simultaneously.

## The partnership journey



# ADVANCED TECHNOLOGY WITH STRONG PATENT PROTECTION

Bactiguard's unique infection prevention technology is based on an ultra-thin coating of gold, silver, and palladium which prevents bacteria from adhering to the surface of a medical device. The technology is clinically proven to be safe and biocompatible, significantly reducing the risk of medical device-related infections.

More than 40 clinical studies involving more than 100,000 patients using products featuring Bactiguard's coating technology have been performed over the years. The results have been published in renowned and peer-reviewed publications.

The technology is approved for both short- and long-term use and there are many application areas where it is used, and could be used, to increase patient safety. Bactiguard's coating can be used on virtually any kind of materials that are used for medical devices.

For more than 30 years, Bactiguard's coating technology of noble metals has been developed and applied to a variety of medical devices. Already in 1986, the first clinical tests were performed and in 1994, a urinary catheter with Bactiguard's coating technology was approved by the US FDA.

### Focus on R&D and innovation

The company continuously invests in R&D to develop the technology to be able to further apply it to new products, regardless of surfaces or materials. The technology has been successfully applied to titanium, stainless steel, latex, silicone, polymers, ceramic, and textile materials. Since it is approved for implants that can remain in the body for a lifetime, there are many potential areas of use as presented in our five strategic therapeutic areas. The coating technology can be used in most areas where high infection rates lead to a medical need for infection prevention and tissue-friendly properties. Since the coating is ultra-thin, visual, mechanical, or dimensional properties of the coated medical device, such as thickness or rigidity, are not affected. Medical devices with Bactiguard's infection prevention coating put no additional requirements on sterile barriers or packaging and can be sterilized according to standardized methods. There are no specific requirements for healthcare professionals' usage procedures or for waste management. The production process is also customizable and can easily be scaled.

In addition to working together with our license partners, we collaborate with academia, healthcare, organizations, and other specialist companies.

Learn more about our clinical evidence and how the technology works on bactiguard.com

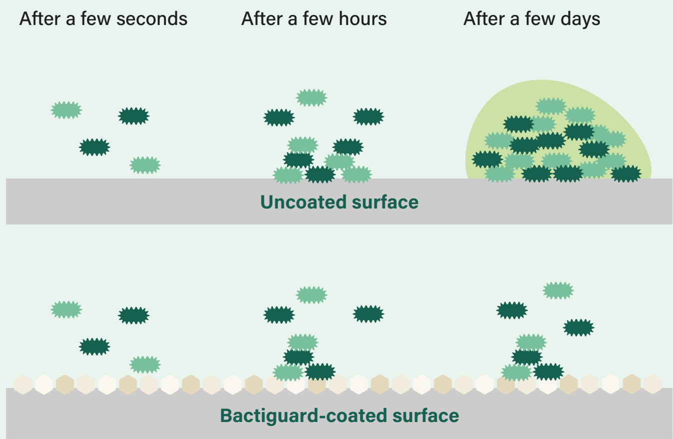
### How the technology works

Bacteria and other microbes adhere to the surface of medical devices. The bacteria often form a biofilm which makes them more resistant to antibiotics and the patient's own immune system, resulting in an increased risk of infection. Bactiguard's technology is based on an ultra-thin coating of gold, silver, and palladium.

When in contact with fluids, a miniscule galvanic effect is created which corresponds to a microscopic stream between the different noble metals. It allows fewer microbes to adhere to the surface, reducing the risk of biofilm formation leading to infection.

The quantities of noble metals are small, and no toxicological or pharmacological amounts are released. To put the quantities into perspective, an amount of noble metals equivalent to the size of a pea will result in a coating that covers an entire football field.

No adverse events relating to the coating have been reported.




**69%** reduced risk of catheter-associated urinary tract infections

**53%** reduced risk of ventilator-associated pneumonia

**52%** reduced-risk of catheter-related blood stream infections

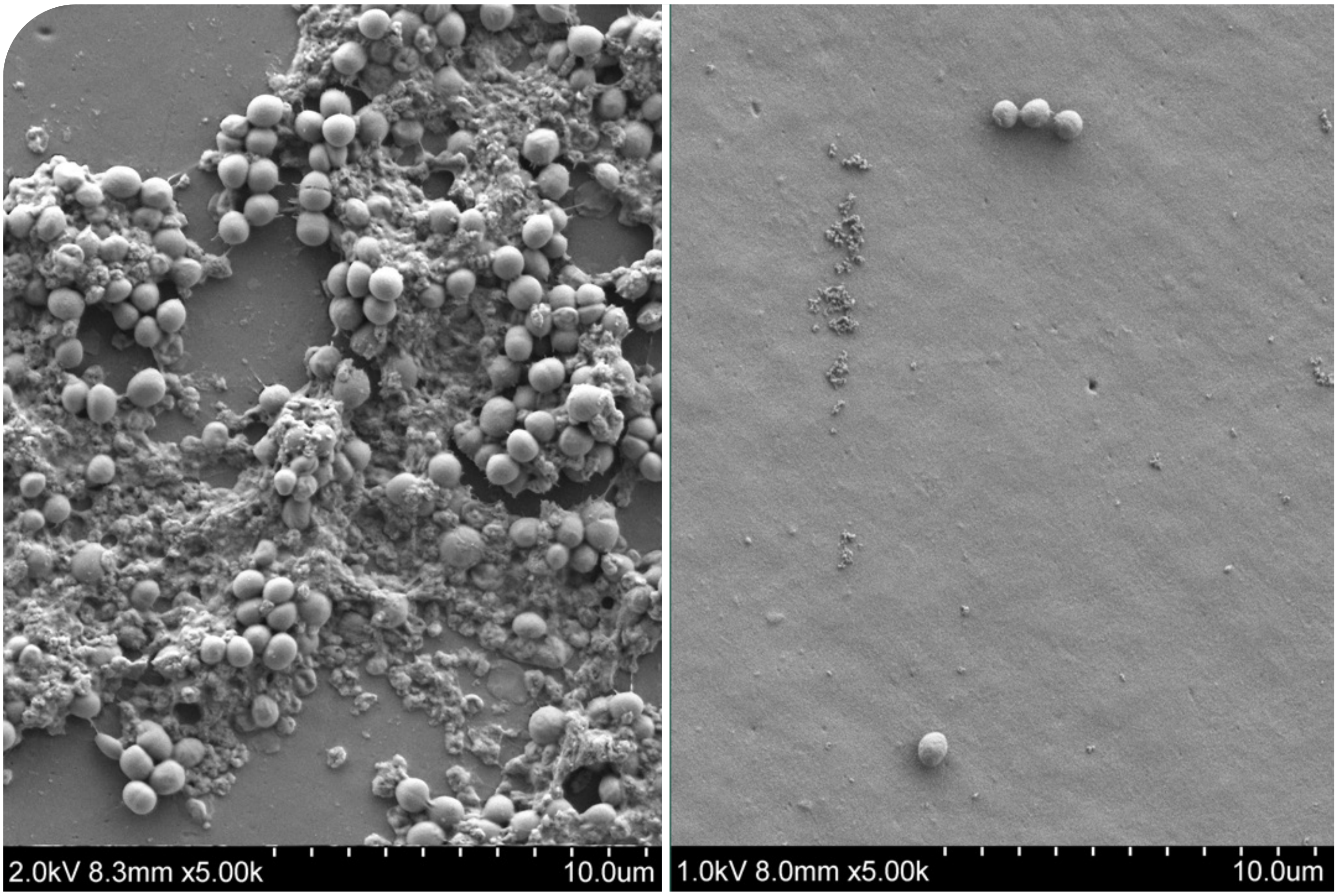
### Strong patent protection

Bactiguard's technology has strong protection across different patents within nine relevant patent families. Intellectual property (IP) including patents are an integral part of our strategy, and we continuously monitor and finetune our IP portfolio to keep the highest protection standards.

The patent portfolio focuses on the coating, although the coating process is also covered. The combination of extensive protection of intellectual property and Bactiguard's specialized knowledge related to both manufacturing and coating processes prevent replication of the unique technology.

Bactiguard strengthened the intellectual property portfolio in 2023 as the European Patent Office granted protection until 2039, which marked the third generation of patents. A US patent was also granted in 2023 which can be maintained until 2040.

Most recent randomized clinical study show approximately 70 percent infection risk reduction.[1)]




Reduction of microbial colonization monitored by scanning electron microscopy (SEM). The pictures show microbe colonization of bacteria on an uncoated surface versus a Bactiguard coated surface. Less bacteria colonize on the Bactiguard coated surface.

1) Kai-Larsen et al. (2021)

# WOUND MANAGEMENT

Acute wound complications and chronic wounds impose substantial health issues and economic burdens globally. In a study by Nussbaum et al. in 2018 of Medicare patients in the US, over 15 percent of the beneficiaries had at least one type of wound infection, with total Medicare spending for all wound types ranging between USD 28 billion to USD 97 billion.[1] Crucial when managing chronic wounds is wound bed preparation to reduce or avoid biofilm formation. Bacteria and other microorganisms grow in most wounds, making healing difficult and potentially causing the infection to spread throughout the body. There is a big need for biocompatible infection prevention products in this area, keeping infections away while simultaneously accelerating the healing results in less pain and discomfort for the patient.

Bactiguard's main wound management brand is Hydrocyn aqua, an innovative product line enabling wound healing and infection prevention, and a wide range of surgical sutures including specialist sutures for cardiovascular surgeries and eye operations.

Hydrocyn aqua is a medical device class IIb with certain indications in class III, and approved for all stages of acute, chronic, and infected wounds, such as stage I-IV ulcers, venous stasis and diabetic ulcerations, bed sores, surgical wounds, peritoneal lavage as well as first- and second-degree burns. The active substance in Hydrocyn aqua is hypochlorous acid, which is the white blood cell's own killing mechanism. Hydrocyn aqua mimics the body's own immune response without compromising safety whilst simultaneously improving wound healing.

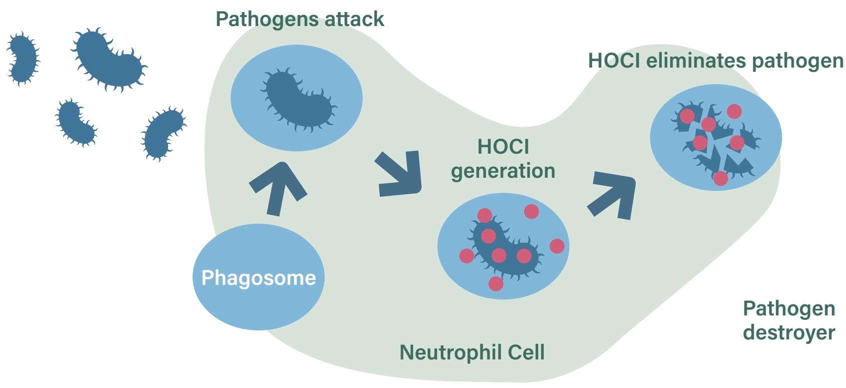
Learn more about our wound management offering on bactiguard.com

## How Hydrocyn aqua works

### Eliminates bacteria by osmotic shock

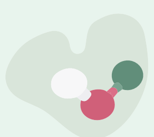
The mode of action of Hydrocyn aqua involves eliminating bacteria through an osmotic shock. Microbial cells are negatively charged while hypochlorous acid (HOCl) is electrically neutral. When Hydrocyn aqua is applied, HOCl can thus penetrate and pass through the microbial cell wall and destroy it.

Hydrocyn aqua is hypotonic, ensuring that water flows into the damaged cells to equalize the osmotic gradient. The increased internal pressure causes the bacteria to burst into a phenomenon known as osmotic shock.



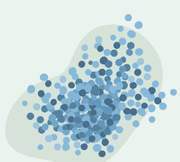

## Key benefits of hypochlorous acid (HOCl)

1



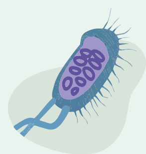
HOCl is a natural part of our immune defense, produced by neutrophils. HOCl is highly oxidizing and possesses antimicrobial properties.

2



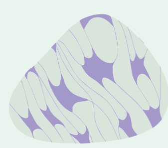
HOCl breaks down biofilm by disrupting its structure and eliminating the bacteria.

3



The antimicrobial properties of HOCl are attributed to its ability to disrupt cell membranes, cellular processes, and essential biomolecules in microorganisms.

4



HOCl promotes wound healing by creating a favorable environment for cell growth and the migration of fibroblasts and keratinocytes.

[1] Nussbaum et al. (2018)

# RISK MANAGEMENT

Bactiguard is primarily exposed to financial risks, market risks and operational risks. The risks and how they are managed is addressed below.

### Financial risk management and financial instruments

Through its activities, the Group is exposed to various types of risk, which are managed in the company's risk management program that concentrates on minimizing potential unfavorable effects on financial results. The company's Board of Directors is ultimately responsible for risk exposure, management, and follow-up of the Group's financial risks. The frameworks that apply are set by the Board of Directors and revised annually. The Board of Directors has delegated responsibility for daily risk management to the company's CEO, who in turn has delegated this to the company's CFO. The Board of Directors can decide on temporary departures from these established frameworks. Financial risks are described in Note 4.

### Liquidity risk

The liquidity risk involves the risk of not being able to meet short-term payment obligations due to insufficient liquidity. On 31 December 2024 cash and cash equivalents amounted to SEK 116 (123) million and the Executive Management makes the assessment that current liquidity levels will be sufficient to manage the company's commitments for the coming year. At the end of the year Bactiguard Holding AB had a bank loan of SEK 171 million with maturity according to agreement until May 2025. At the beginning of February 2025, the company amortized SEK 51 million of the SEK 171 million financing with SEB, while securing SEK 120 million in new financing on better terms. The liquidity risk is monitored monthly through rolling 12-month forecasts to evaluate the liquidity situation and continuously assess alternative financing solutions. The forecast forms the base of taking relevant financial or operational measures.

### Macroeconomic risk

Weak macroeconomics and high national debt in a country may affect both public and private customers' budgets and consequently demand. This might also have a negative impact on a country's ability and political willingness to invest in and allocate public resources to healthcare.

Bactiguard is present in geographic markets where the medical need and interest for infection prevention is significant. By offering the company's technology in multiple markets, the country-specific portion of the consolidated macroeconomic risk is minimized.

On 2 April, 2025, the United States government announced a new tariff regime introducing a 10 percent baseline tariff on all imported goods, with higher rates (up to 46 percent) applied to selected countries, including EU countries. These tariffs are scheduled to take effect in phases beginning 5 April, 2025. This policy change may directly or indirectly impact the cost and flow of goods, potentially affecting pricing, margins, and future demand. Due to the license business model, Bactiguard expects to have limited or no direct export of goods into the US resulting in a direct impact from the tariffs. Bactiguard is actively monitoring the situation and assessing potential levers to mitigate any adverse effects.

### Currency risk – transactions

The currency risk relates to the risk that fair value or future cash flow fluctuate due to changes in currency rates. The major currency risk exposure is transaction exposure or payment flows in foreign currencies. The company has a large exposure to the USD and other currencies, in relation to its partners and own geographic footprint.

These exposures are monitored on a regular basis and are managed according to the Group's currency policy. For further information, see Note 4.

### Interest rate risk

The interest rate risk is defined as the impact changes in interest rates will have on Bactiguard's net interest items. Increased interest rates could affect the company's interest costs but given the company's current debt situation it is estimated that increased rates will have limited impact. For further information, see Note 4.

### Organizational risk

Bactiguard is a specialist and knowledge-based organization, where the ability to retain and attract qualified employees is crucial for its future success.

It is an integrated part of the strategy to secure that the company is attractive as an employer and offer competitive working conditions and opportunities to develop. Bactiguard highly values equality and offer a safe work environment. For further information, see the Sustainability Report on page 32–38.

### Regulatory risk

As a manufacturer of medical devices, Bactiguard's operations are subject to requirements and standards that are determined by regulatory authorities for each of the markets where Bactiguard and the license partners operate and sell products. Regulatory processes in various countries may cause a risk of delays in the launching process of products in these countries. Bactiguard works in close collaboration with license partners and their regulatory advisors to minimize these risks. The company strives to communicate the different phases of partnerships in a clear and transparent manner to manage expectations on when a license partner will have products in the markets and generate revenues for Bactiguard.

### Technology risk

The patent portfolio focuses on the coating, although the coating process is also covered. Regulations for medical devices are getting stricter, which means that Bactiguard's strong clinical evidence will become an even more important competitive advantage. Bactiguard's technology has been tried and tested for many different applications. New competitors and technologies must invest in clinical evidence to be approved, which takes a long time and requires significant financial investment.

The combination of extensive protection of intellectual property and Bactiguard's specialized knowledge related to both manufacturing and coating processes prevent replication of the unique technology. The company continuously monitors and finetunes the intellectual property portfolio to keep the highest protection standards. During 2023, Bactiguard strengthened the intellectual property portfolio as the European Patent Office granted protection until 2039, which marked the third generation of patents. In the US, Bactiguard's current patent is maintained until 2040.

### Cyber security risk

In an increasingly connected digital landscape, Bactiguard considers cybersecurity and information technology risks integral to our risk management framework. The medical device industry faces growing challenges, such as data breaches and ransomware, which jeopardize operational continuity and the security of sensitive information. To counter these threats, we are dedicating greater resources to strengthen our cybersecurity measures, including advanced encryption, thorough risk assessments, and comprehensive employee training programs. In 2025, we will continue our efforts to ensure compliance with the new NIS2 regulation, reinforcing our digital infrastructure with improved incident response protocols and enhanced network security measures.

These initiatives aim to safeguard our intellectual property, maintain operational reliability, and uphold stakeholder confidence in an increasingly complex threat environment, positioning Bactiguard as a leader in secure and innovative medical technology

### Production risk

Bactiguard primarily licenses its coating technology to partners, while having its own production capabilities in Sweden. The company's Wound Management products are produced in facilities in Malaysia. The company currently has single-site production for each of the major products and is actively investing in a second facility for the most important production.

### Geopolitical risk

Changes in the geopolitical environment is affecting Bactiguard. The global economy is affected by the war situations in Europe and Middle East, and the development is monitored closely.

The operational and financial effects are evaluated continuously as the global situation may rapidly change and affect the company's financial position.

### Climate risks

Bactiguard has identified a few company-specific risks related to climate change. The Group has a negative impact on the climate through, among other things, transports of products and raw material. Bactiguard always strives to optimize transport to reduce the negative environmental impact. Bactiguard's internal travel policy is that employees should always choose a more environmentally friendly alternative and, if possible, replace travelling with digital meetings.

# COMMENTS ON THE FINANCIAL DEVELOPMENT

2024 was a year of transformation and transition; and our license focused strategy delivered increased revenues and profitability. We delivered strong growth in the license business of SEK 48 million, savings in operating expenses of SEK 27 million, and a positive EBITDA of SEK 18 million.

### Revenues

The Group's revenues for the period January to December 2024 amounted to SEK 261.9 (223.2) million, an increase corresponding to 17.3 percent. Adjusted for currency effect net sales increased by 12.9 percent.

Total license revenue amounted to SEK 164.7 (117.2) million, an increase of SEK 47.5 million, corresponding to 40.5 percent. Adjusted for currency effects of SEK –1.0 million, license revenue increased by 41.4 percent. Revenues from Becton Dickinson & Company (BD) amounted to SEK 124.7 (93.1) million, an increase of SEK 31.6 million, corresponding to 33.9 percent. Adjusted for currency effects of SEK –0.7 million, revenues from BD increased by 34.7 percent. Revenues from Zimmer Biomet amounted to SEK 27.7 (21.5) million, an increase of SEK 6.2 million, corresponding to 29.0 percent. Adjusted for currency effects of SEK –0.3 million, revenues from Zimmer Biomet increased by 30.7 percent. These revenues consist of license revenues from royalties, exclusivity revenues and application development revenues.

Revenues from license partners amounted to SEK 155.4 (104.3) million, an increase of SEK 51.1 million, corresponding to 49.0 percent. Adjusted for currency effects of SEK –1.1 million, revenues from license partners increased by 50.0 percent.

Revenues from exclusivity partners amounted to SEK 7.7 (9.7) million, a decrease of SEK 2.0 million, corresponding to 20.2 percent with and without currency effects.

Revenues from application development partners amounted to SEK 1.5 (3.2) million, a decrease of SEK 1.6 million, corresponding to 51.1 percent with and without currency effects.

Revenues from Wound Management portfolio amounted to SEK 60.9 (53.8) million, an increase of SEK 7.1 million, corresponding to 13.2 percent with and without currency effects.

Revenues from the BIP portfolio amounted to SEK 16.0 (30.5) million, a decrease of SEK 14.5 million, corresponding to 47.5 percent with and without currency effect. We do not expect any significant BIP revenues in 2025.

Other revenue amounted to SEK 20.2 (21.6) million, of which SEK 11.1 (12.4) million pertained to currency effects.

### Operating expenses

Costs of raw materials and consumables for the period amounted to SEK –36.1 (–65.6) million, a decrease of SEK 29.5 million, corresponding to a cost decrease of 44.9 percent. Other external costs amounted to SEK –87.6 (–97.9) million, a decrease of SEK 10.3 million, corresponding to a cost decrease of 10.5 percent. Costs for personnel decreased 9.7 percent to SEK –111.5 (–123.5) million, a decrease of SEK 12.0 million.

Other operating expenses have had a negative impact by SEK –8.9 (–13.9) million. Total operating expenses decreased during the year by 11.6 percent and amounted to SEK –207.9 (–235.2) million.

### Operating result and EBITDA

Operating loss amounted to SEK 28.9 (131.9) million. Depreciation/amortization impacted operating loss by SEK –46.9 (–55.9) million, where amortization relating to Bactiguard's technology amounted to SEK –25.4 (–25.4) million and depreciation of leases amounted to SEK –14.6 (–11.3) million. EBITDA[1] for the period amounted to SEK 18.0 (–76.1) million, corresponding to an EBITDA margin[1] of 6.9 (–34.1) percent.

### Financial net

Financial items amounted to SEK –7.7 (–15.2) million. Financial income amounted to SEK 7.8 (13.4) million which pertained mainly to exchange rate effects. Financial expenses amounted to SEK –15.6 (–28.6) million which mainly pertained to interest expenses of SEK –14.0 (–13.5) million.

### Taxes

Tax for the period amounted to SEK 6.8 (8.8) million. Income tax in foreign subsidiaries amounts to SEK 0.0 (1.0) million. Of the tax for the period, SEK 6.8 (8.9) million refers to a change in deferred tax attributable to the intangible assets and leasing agreements.

### Net result for the year

Net loss for 2024 amounted to SEK 29.8 (138.4) million.

### Investments

Investments amounted to SEK –14.8 (–8.6) million and related to investments in production facilities and capitalized development costs.

### Cash flow

Cash flow from operating activities amounted to SEK 25.0 (–52.3) million. The loss for the year affected the cash flow negatively while the change in working capital had a positive effect.

### Financial position

The equity ratio amounted to 50.1 (53.3) percent and equity amounted to SEK 328.3 (353.2) million.

On 31 December 2024 cash and cash equivalents amounted to SEK 116.7 (123.2) million and net debt stood at SEK 111.0 (109.9) million.

[1] Reference to page 74, Definitions of alternative key performance indicators.

As of 31 December 2024, the credit facility amounted to SEK 170.9 (170.9) million. As of 31 December 2024, the overdraft facility from SEB of SEK 30 million was unutilized. Foreign subsidiaries had credit facilities amounting to SEK 3.6 (3.3) million as of 31 December 2024. At the end of the year Bactiguard Holding had a bank loan of SEK 170.9 million with maturity according to agreement until May 2025 and which are reported as current liabilities to credit institutions.

Total assets 31 December 2024 amounted to SEK 655.9 (662.2) million. The largest asset items in the balance sheet are goodwill, SEK 251.8 (248.1) million, cash and cash equivalents, SEK 116.7 (123.2) million, and right of use lease assets, SEK 52.7 (50.4).

## Parent company

Revenues consist of invoiced group-wide costs (management fees). The parent company received interest on its receivables from group companies in 2024. No investments were made in 2024.

## Events after the end of the year

At the beginning of February 2025, the company did amortize SEK 51.0 million of the SEK 170.9 million financing with SEB, while securing SEK 120.0 million in new financing on better terms. The new loan runs for two years and with an option to extend it for another year.

New financial targets, to be delivered by year-end 2030, were published in the beginning of March 2025; Revenues SEK 600 million, EBITDA SEK 200 million and 10 application areas in either exclusivity partnerships or license partnerships.

On 2 April 2025, the United States government announced a new tariff regime introducing a 10% baseline tariff on all imported goods, with higher rates (up to 46%) applied to selected countries, including EU countries. These tariffs are scheduled to take effect in phases beginning 5 April 2025. This policy change may directly or indirectly impact the cost and flow of goods, potentially affecting pricing, margins, and future demand. Due to the license business model, Bactiguard expects to have limited or no direct export of goods into the US resulting in a direct impact from the tariffs. Bactiguard is actively monitoring the situation and assessing potential levers to mitigate any adverse effects.

## Proposed appropriation of profit

| **The following are at the disposal of the AGM:** | **SEK** |
|---|---|
| Retained earnings | –29,346,576 |
| Share premium reserve | 727,969,424 |
| Profit/loss for the year | 4,180,284 |
| **Total** | **702,803,132** |
| The Board of Directors proposes that the profits be carried forward | 702,803,132 |
| **Total** | **702,803,132** |

# CORPORATE GOVERNANCE REPORT

Bactiguard Holding AB (publ.) is a public limited company listed on the main list of Nasdaq Stockholm. Corporate governance within Bactiguard is based on the Swedish Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the Code), statements issued by the Swedish Securities Council, as well as other applicable Swedish and foreign laws and regulations.

This corporate governance report has been prepared as part of the Swedish Annual Accounts Act and the company's application of the Code.

Bactiguard has in 2024 deviated from the Code 2.4, in that if more than one member of the board are part to the nomination committee only one can be dependent in relation to major shareholders. The reason for the deviation was that participation to the nomination committee is a central part of exercising ownership. The nomination committee's independence was still secured as all other aspects of the code are filled. After the Annual General Meeting 2024 there has been no diviation to the code. The auditors have performed an examination of this report.

### Articles of association

The articles of association were adopted by the Annual General Meeting on 28 April 2021 and can be found in their entirety on the website bactiguard.com.

The company's registered office is Stockholm and the financial year is the calendar year.

The articles of association do not contain any provisions for the dismissal of Board members or changes to the articles of association.

### Shares and share capital

Bactiguard has two share series, A and B. Both share series carry the same right to dividends. One series A share carries ten votes, while one series B share carries one vote.

The articles of association stipulate the rules for the shares' preemptive rights for cash issues, setoff issues and bonus issues, as well as the right for holders of A shares to convert them into series B shares. The articles of association also contain rules of the right of first refusal for A shares.

The Bactiguard series B share has been listed on Nasdaq Stockholm since 2014 and since 4 January 2021 on Mid Cap.

At the end of 2024 the share capital amounted to SEK 876,097 allocated among a total of 35,043,885 shares of which 4,000,000 were unlisted A shares and 31,043,885 B shares. The total number of votes amounted to 71,043,885.

The 2024 Annual General Meeting granted the Board of Directors the authorization to resolve to issue shares, warrants and/or convertible bonds on one or more occasions before the next Annual General Meeting, with or without deviation from the shareholders' preemptive rights. Based on the authorization, a resolution can be made to issue new shares, exercise warrants and/or convert convertibles corresponding to a maximum of 10 percent of the total number of outstanding shares in the company at the time when the Annual General Meeting resolves to give its authorization (which does not prevent convertibles from being combined with conversion terms which, if applied, may result in a different number of shares).

This authorization includes the right to resolve that shares will be issued against cash payment, payment in kind or payment by way of setoff and the issue may otherwise be subject to conditions as set out in Chapter 2, Section 5, second paragraph, 1–3 and 5 of the Swedish Companies Act.

A cash issue or a setoff issue that takes place with deviation from the shareholders' preemptive rights must be on market terms.

The reason for the right to deviate from the shareholders' preemptive rights is to allow flexibility when raising capital or making potential acquisitions.

### Shareholders

At the end of the year the number of shareholders was 2,979 (3,441) and the largest owners were (the figures in brackets represent the proportion of capital and votes respectively): Thomas von Koch with companies (23.8 percent, 37.1 percent); Christian Kinch with family and companies (17.4 percent, 33.9 percent); Jan Ståhlberg (10.3 percent, 5.1 percent).

### Annual General Meeting

The Annual General Meeting is the highest decisionmaking body of the company and it is at the Annual General Meeting and any extraordinary General Meetings that all shareholders can exercise their voting rights and decide on matters affecting the company and its operations.

Notice to attend a General Meeting shall be issued no earlier than six and no later than four weeks prior to the meeting. Notice to attend an extraordinary General Meeting, in which a matter concerning amendments to the articles of association will not be dealt with, shall be issued at the latest three weeks before the General Meeting.

Notice to attend a General Meeting shall be issued in the form of an announcement in the government newspaper, Post och Inrikes Tidningar (Post and Domestic Times) and on the website bactiguard.com.

The fact that notice has been issued shall be announced in Dagens Industri.

A General Meeting may be held in Stockholm, Huddinge or Botkyrka.

At the Annual General Meeting resolutions shall be passed with respect to the adoption of the income statement and balance sheet, the appropriation of the profit or loss for the year, dividends, and the discharge of liability for the Board members and the CEO. Resolutions are also passed on the fees for the Board of Directors and the auditors. The Board of Directors and auditor are elected until the next Annual General Meeting. Other statutory matters are also addressed, such as the adoption of the guidelines for remuneration to senior executives.

All shareholders registered in the share registry as of the record date and who have provided timely notice of their intention to participate in the General Meeting in accordance with the provisions of the articles of association are entitled to participate in the meeting and vote proportionally to their shareholdings. Shareholders may be represented by proxies, provided that the number of proxies has been registered by the shareholder by the day specified in the notice to attend the General Meeting.

### Annual General Meeting 2024

Bactiguard's Annual General Meeting was held on 14 May 2024 at Posthuset 7A, Vasagatan 28, Stockholm. The lawyer Magnus Lindstedt was elected Chairperson. The Board was quorate as the CEO, the Chairperson of the Board and all Board Members were present at the General Meeting.

The Annual General Meeting adopted, inter alia, the following resolutions in line with the proposals of the Board of Directors and the Nomination Committee:

- Adoption of the income statements and balance sheets for 2023 and a resolution that no dividend be paid.
- The Board and the CEO were granted discharge from liability for 2023.
- The remuneration for the next mandate period shall be SEK 750,000 to each of the Chairperson of the Board and the Deputy Chairperson of the Board, SEK 400,000 to other Board Members. There is no remuneration to the Chairperson of the Committees nor for other committee members.
- Thomas von Koch, Anna Martling, Magdalena Persson, Jan Ståhlberg and Richard Kuntz were reelected as ordinary Board Members. Thomas von Koch was elected as the Chairperson of the Board.
- Deloitte AB was reelected as the auditing company until the end of the next Annual General Meeting and a resolution was taken for fees to the auditor to be paid according to approved invoices.
- Approval of the remuneration report.
- Authorisation for the Board of Directors to resolve to issue new shares, warrants and/or convertible bonds, with or without deviation from the shareholders' preemptive rights.

### Annual General Meeting 2025

Bactiguard's 2025 Annual General Meeting will be held 9:00 AM 15 May 2025 in Posthuset 7A, Vasagatan 28 Stockholm. The notice to convene the meeting contains more information.

**The following are at the disposal of the AGM:**

| | SEK |
|---|---|
| Retained earnings | –29,346,576 |
| Share premium reserve | 727,969,424 |
| Profit/loss for the year | 4,180,284 |
| **Total** | **702,803,132** |
| The Board of Directors proposes that the profits be carried forward | 702,803,132 |
| **Total** | **702,803,132** |

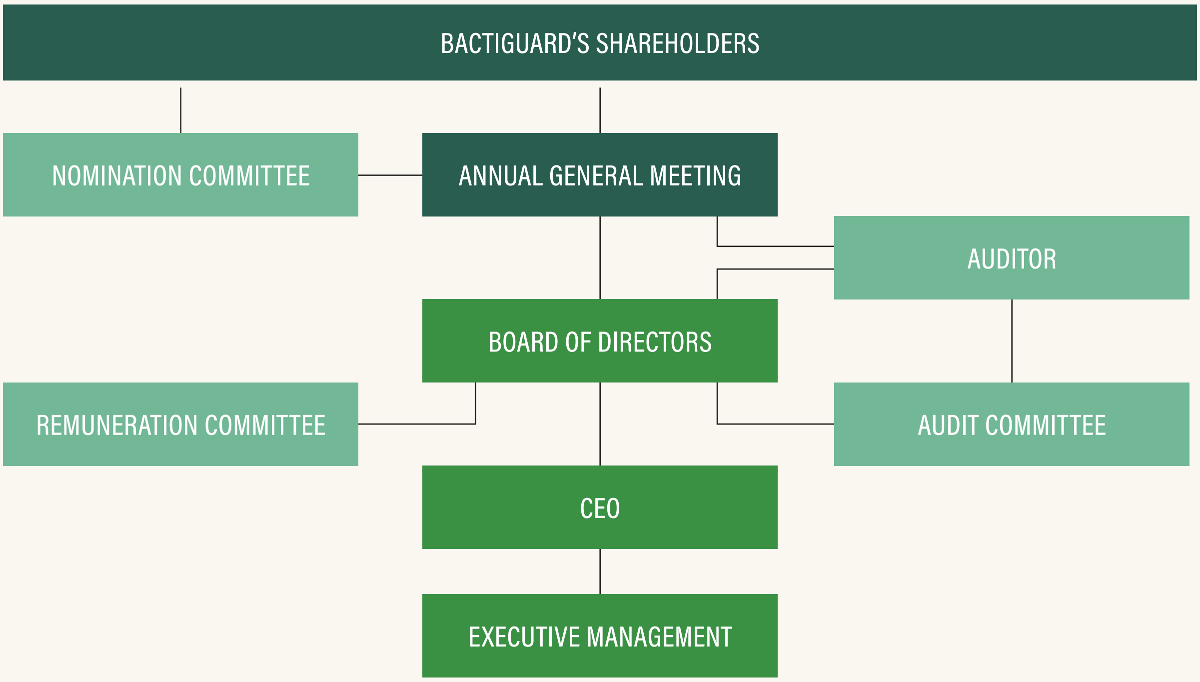
### Nomination Committee

At the 2024 Annual General Meeting the following instructions were adopted for the Nomination Committee of Bactiguard.

The Nomination Committee shall comprise five members. The Chairperson of the Board of Directors shall contact the five largest shareholders of the company, in terms of voting power, pursuant to Euroclear Sweden AB's printout of the share register on 31 August. Each of these share-

### Organization and governance

The shareholders exercise their influence on Bactiguard at the Annual General Meeting and other General Meetings. The General Meeting is the company's highest decisionmaking body. The Board of Directors and the CEO are responsible for the company's organization and administration in accordance with the Swedish Annual Accounts Act, other laws and ordinances, Nasdaq Stockholm's Rule Book for Issuers, the articles of association and the Board's internal steering instruments.



holders shall be afforded the opportunity, within a reasonable time, to appoint one member of the Nomination Committee. In the event that any of them fails to exercise their right to appoint a member, such right to appoint a member shall pass to the next largest shareholder in terms of voting power who has not already appointed a member to the Nomination Committee. The Chairperson of the Nomination Committee shall be the member who represents the largest shareholder in terms of voting power, unless otherwise agreed by the members.

The names of the members of the Nomination Committee shall be published as soon as the Nomination Committee has been appointed, but no later than six months prior to the next Annual General Meeting. The Nomination Committee is appointed for a term commencing from the time its composition is published until a new Nomination Committee has been appointed.

In the event of any change to the ownership structure of the company after 31 August but more than 12 weeks prior to the next Annual General Meeting, and provided that a shareholder after this change becomes one of the five largest shareholders of the company in terms of voting power and, submits a request to the Chairperson of the Nomination Committee to be included in the Nomination Committee, such a shareholder shall be entitled, at the discretion of the Nomination Committee, either to appoint an additional member to the Nomination Committee or to replace the member appointed by the shareholder with less voting power after the change in ownership.

If a member appointed by a shareholder leaves the Nomination Committee during its term or if such a member is unable to fulfil its assignment, the Nomination Committee shall request the shareholder who has appointed the member to appoint a new member within a reasonable time. In the event that the shareholder fails to exercise its right to appoint a new member, the right to appoint such a member shall pass to the next largest shareholder in terms of voting power who has not already appointed a member to the Nomination Committee or waived their right to appoint a member to the Nomination Committee. Changes to the composition of the Nomination Committee shall be published immediately.

The Nomination Committee shall perform its duties in accordance with these instructions and applicable rules. The duties include, inter alia, submitting proposals for:

- Chairperson of the Annual General Meeting,
- Chairperson and other members of the Board of Directors to be elected at the Annual General Meeting,
- fees payable to the Board of Directors, with a breakdown between the Chairperson and other members of the Board of Directors, and any compensation for committee work,
- where applicable, election of auditors,
- fees payable to the auditors, and
- any changes in these instructions to the Nomination Committee to the extent deemed necessary.

The Nomination Committee has the right to incur costs for its work.

The Nomination Committee for the 2025 Annual General Meeting was announced on 11 November 2024 and comprises:

Helena Borglund, appointed by TomBact AB; Christian Kinch, appointed by GIDL Invest AB; Jan Ståhlberg, appointed by Jan Ståhlberg; Mats J Andersson, appointed by Nordea Fonder; and Jannis Kitsakis, appointed by Fjärde APFonden.

The shareholders were able to submit proposals and opinions to the Nomination Committee by 15 January 2025.

## Board of Directors and its governance

### Board of Directors

The Board of Directors is, inter alia, responsible for Bactiguard's organization and management, and appoints a CEO who is responsible for the daily administration in accordance with guidelines and instructions. The Board of Directors shall also ensure that the company's organization is designed to adequately manage the company's accounts, financial management and other economic conditions.

The Board of Directors shall primarily address comprehensive and longterm issues, and other issues of unusual character or great significance to the Group and the company.

The Board of Directors' work shall follow a written work procedure designed to ensure that the Board of Directors is fully informed and that all Boardrelated aspects of the company's operations are addressed. Every quarter the Board of Directors receives information from management in the form of activity reports, in accordance with the CEO instructions. The company's external auditors report their observations from the examination of the company accounts and their assessment of the company's internal procedures and controls to the Board of Directors.

Every year the Board adopts its work procedure at a statutory Board meeting. The current work procedure was adopted on 14 May 2024. Pursuant to the work procedure, six ordinary Board meetings are normally held per year in addition to the statutory meeting. The work procedure for the Board of Directors regulates the division of responsibility between the Board of Directors, the Chairperson of the Board and the CEO. It also regulates the responsibilities of the Board, the meeting schedule, and the tasks to be performed by the Board. These tasks include, inter alia, accounting and auditing issues, market and market analysis, risk identification, strategy, organization, evaluation of the Board and the CEO, and the internal control system.

The Board has also issued instructions for the CEO as well as an authorization procedure. The Board has adopted seven groupwide policies that regulate how the company, its subsidiaries and employees are to behave and act in order to conduct business that is sustainable in the long term. These policies are revised and adopted on an annual basis at the statutory meeting or – if necessary – during the year. Internal controls and the company's external auditors monitor compliance with these policies. Noncompliance or risks of compliance breaches result in management taking immediate action, while more serious cases are reported to the Board.

### Chairperson of the Board

According to the Board's work procedure, the Chairperson of the Board of Directors has special responsibility for monitoring and discussing the company's development in regular contact with the CEO. The Chairperson shall also ensure that the CEO keeps the Board's members informed of Bactiguard's financial position, financial planning, and evaluation. The Chairperson of the Board is also responsible for the Board's work being evaluated every year.

### Composition of the Board

According to the articles of association, the Board is to comprise a minimum of three members and a maximum of seven members. The Board is elected annually at the Annual General Meeting until the next Annual General Meeting has been held.

The Board comprises five members. The CEO attends all Board meetings except when the work of the CEO is being evaluated.

The Board is presented on page 30.

**The Board's work in 2024**

In 2024 the Board held eleven minuted meetings, as well as one statutory meeting in conjunction with the Annual General Meeting.

At these meetings the Board discussed regular items, including the commercial and market situation, financial reporting, budgets and projects. General strategic issues were also analyzed, including market issues, growth opportunities and sustainability. In addition, a review of the company's strategic and financial targets was initiated in connection with the Q3 announcement.

The Board met the company's auditor once in 2024 where Executive Management was not in attendance.

**Board Committees**

Members of the committees and their chairpersons are appointed at the statutory Board meeting for a period of one year at a time. Work in the committees is carried out based on the instructions that are adopted for each committee.

The work of these committees is primarily preparatory and advisory in each area. However, the Board can delegate the decisionmaking authority to the committees for certain issues.

**Remuneration Committee**

The Remuneration Committee shall support the Board of Directors with proposals, advice, and preparation in regard to issues of remuneration principles for the CEO and other senior executives, and individual remuneration to the CEO in accordance with the guidelines for remuneration for senior executives that is adopted by the Annual General Meeting.

These principles include the relationship between fixed and any variable remuneration, and the relationship between performance and remuneration, the principal terms for any bonus and incentive programs, and the general terms for other benefits, pensions, notice of termination and severance pay. The Board of Directors is also responsible as a whole for establishing remuneration levels and other employment terms for the CEO. Share-related incentive programs for Executive Management and other senior executives are adopted by the Annual General Meeting.

The committee shall also support the Board of Directors in monitoring the system through which the company complies with disclosure requirements stipulated by legislation, market regulations and the Code in regard to information related to remuneration of the CEO and other senior executives. The committee shall also monitor and assess any ongoing or concluded incentive programs for variable remunerations to the CEO and other senior executives; evaluate compliance with the guidelines for remuneration to the CEO and other senior executives adopted by the General Meeting as well as the current structure and levels of remuneration.

In 2024 the Remuneration Committee considered, inter alia, the salary of the CEO and carried out an evaluation to ensure that the terms and conditions of senior executives comply with the guidelines for remuneration to senior executives adopted by the Annual General Meeting.

Following the 2024 Annual General Meeting, the Remuneration Committee comprises the Chairperson of the Board, Thomas von Koch, Jan Ståhlberg och Magdalena Persson.

In 2024 the committee held three minuted meeting and had informal contacts where necessary in between. Attendance of the Remuneration Committee is shown on the table on page 25.

**Audit Committee**

The Audit Committee is tasked with monitoring the company's financial reporting and the effectiveness of internal controls and risk management, as well as internal audits, if required. The committee shall also keep itself informed of the audit of the annual accounts and consolidated accounts, as well as the conclusions of the auditor's quality control, inform the Board of the results of the audit, how the audit contributed to the reliability of the financial reporting, and the function that the committee has had. The committee shall also monitor and review the auditor's independence and impartiality, and especially follow whether the auditor provides other services than purely auditing services to the company. The committee also provides proposals for the General Meeting's decision on the selection of auditors.

The interim reports and year-end report were discussed by the committee in 2024, as well as the effectiveness of the work in the company's Executive Management and finance function. In addition, the committee analyzed the company's financial risks regarding the financial reporting and provided feedback to the Board on the outcome of the internal controls and their effects.

Following the 2024 Annual General Meeting, the Audit Committee comprises Jan Ståhlberg, Anna Martling and Thomas Koch. Jan Ståhlberg is the Chairperson of the Audit Committee. The Board believes that the members are competent in the areas of the Audit Committee and comply with the requirements for independence in accordance with the Code and the Swedish Annual Accounts Act.
In 2024 the committee held four minuted meetings and had informal contacts when necessary in between. Attendance of the Board members at the Audit Committee is shown in the table on page 25. As well as the members of the committee, the CFO is also invited to the meetings of the Audit Committee, and, when so required, the auditor, CEO and other salaried employees at the company. The company's auditor attended three out of four meetings in 2024.

**The Board's attendance, independence and remuneration 2024**

| Member | Board meeting | Audit Committee | Remuneration Committee | Independent in relation to the company | Independent in relation to the major shareholders | Remuneration, TSEK |
|---|---|---|---|---|---|---|
| Thomas von Koch[1)] | 11/11 | 2/4 | 2/3 | No | No | 500 |
| Richard Kuntz | 11/11 | | | Yes | Yes | 400 |
| Christian Kinch[2)] | 5/11 | 2/4 | 1/3 | No | No | 278 |
| Anna Martling | 11/11 | 4/4 | | Yes | Yes | 400 |
| Magdalena Persson | 11/11 | | 3/3 | Yes | Yes | 400 |
| Jan Stålberg | 10/11 | 4/4 | 3/3 | Yes | No | 400 |
| **Total number of meetings** | **11** | **4** | **3** | | | **2,378** |

1) Thomas was appointed Chairperson of the Board 14 May 2024.
2) Christian resigned as Chariman of the Board 14 May 2024.

### Evaluation of the Board's work

The company evaluated the work of the Board in November 2024 and this was presented to the Board in January 2025. The evaluation was performed using a questionnaire that covered 18 different aspects of the Board's work and its measures to create value.

The evaluation shows the Board Members' view of how the work of the Board is conducted and whether measures should be taken to develop and improve the Board's work. The results of this questionnaire also provide important input for the Nomination Committee's work for the next Annual General Meeting. The results of this survey were therefore presented to both the Board and the Nomination Committee.

### Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Directors and is responsible for the daily administration of the company's operations in accordance with the instructions and regulations of the Board of Directors. The most recent CEO instructions were adopted by the Board on 5 May 2023. The instructions for the CEO state what is included in the daily administration and what decisions should be referred to the Board. The CEO keeps the Board and Chairperson continually informed of the company's financial position and development and provides essential information and decisionmaking material for Board meetings. The CEO also functions as the Chairperson of Executive Management and makes decisions in consultation with other members of Executive Management.

The Board evaluates the CEO's work and performance on an annual basis. A CEO evaluation was held in October 2024.

### Executive Management

Executive Management is an advisory body for the CEO and manages general strategy and development issues as well as the day-to-day operations. Executive Management have meetings weekly. and is in continual contact to discuss current business, strategies, and related matters. Executive Management is presented on page 31.

### Guidelines for remuneration to the CEO and other senior executives

Remuneration issues are discussed by the Board's Remuneration Committee and decided by the Board. The Board prepares proposals for guidelines for remuneration to senior executives which it passes to the Annual General Meeting, for resolution.

Executive Management refers to the CEO and other members of the executive management of Bactiguard. The guidelines were adopted by the 2024 Annual General Meeting. The guidelines do not include remuneration decided by the General Meeting, such as Board fees and other remuneration to the Board.

### The guidelines' promotion of the company's business strategy, long-term interests, and sustainability

Bactiguard's strategy in brief is to develop safe and biocompatible technology to prevent medical device related infections. The company's unique technology is based on an ultra-thin noble metal coating that prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard's infection prevention solutions decrease patient suffering, save lives, and unburden healthcare resources. They also fight against antimicrobial resistance. Bactiguard operates through license partnerships with leading global MedTech companies that apply the technology on their medical devices. The company also has a portfolio of wound management products.

A prerequisite for the successful implementation of Bactiguard's business strategy and the safeguarding of its longterm interests, including its sustainability, is for the company to recruit and retain qualified employees. This requires the company to offer competitive remuneration. These guidelines enable the company to offer executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim to promote Bactiguard's business strategy and longterm interests, including its sustainability.

**Policies adopted by the Board**

- Finance policy
- Insider policy
- IT policy
- Communication policy
- Currency policy
- Environmental policy
- Code of conduct

### Types of remuneration, etc.

The total remuneration from Bactiguard to executive management shall be at market terms, reasonable and appropriate, and may consist of the following components: fixed salary, variable salary, pension and other benefits.

Executive Management shall be offered a fixed salary at market terms, which shall be determined based on the individual's area of responsibility and experience and shall be reviewed on an annual basis. Executive Management may, from time to time, be offered a variable salary at market terms. Such a variable salary must be designed with the purpose of promoting Bactiguard's business strategy, long-term interests, including its sustainability, and linked to predetermined and measurable criteria. Such a variable salary may not exceed 50 percent of the annual fixed salary.

Executive Management shall be entitled to pension benefits at market terms, typically fee-based (defined contribution) pension schemes. The pension premiums for defined contribution pension schemes may not exceed 30 percent of the fixed annual salary.

Other benefits for executive management may include access to a company car, wellness contributions, medical insurance, interest compensation linked to financing the acquisition of shares in Bactiguard, and other conventional benefits. Other benefits shall not constitute a substantial part of total remuneration. Premiums and other costs arising from such benefits may amount to a maximum of five percent of the annual fixed salary.

Employment conditions that are governed by rules other than Swedish rules, may be appropriately adjusted to comply with mandatory local rules and practice, and the general purpose of these guidelines should be met as far as possible.

### Criteria for awarding variable cash remuneration

Any variable remuneration shall be linked to predetermined and measurable criteria which can be financial or nonfinancial. They may also be individualized, function based, quantitative or qualitative objectives. The criteria and objectives shall be designed to contribute to Bactiguard's business strategy and long-term interests, including its sustainability.

The majority of the variable salary shall be linked to Bactiguard's sales, EBITDA and/or cashflow, and thereby aligned with the company's long-term financial targets. The remaining part of the variable salary may be based on individual and function-based objectives.

To which extent the criteria for awarding variable cash salary have been satisfied shall be established/evaluated when the measurement period, one or several years, has ended. The Remuneration Committee is accountable for the assessment of variable cash salary to the CEO. The CEO is accountable for the assessment of variable cash salary to the other members of executive management. As regards financial targets, the assessment shall be based on the latest financial information disclosed by the company.

To the extent permitted under applicable laws and agreements, the Board of Directors is entitled to reclaim, fully or in part, any variable salary paid on incorrect grounds.

### Termination of employment

The notice period for executive management may not exceed six months, if notice of termination of employment is made by the company. Any severance pay may not exceed the fixed annual salary for one year.

In addition, compensation for non-competition may be paid. Such remuneration shall only compensate for any loss of income resulting from the noncompetition obligation and shall be based on the remuneration that the executive had at the time of termination of employment.

### Share and share-related incentive plans

Resolutions regarding share-related incentive programs shall be adopted by the General Meeting. On an annual basis, the Board of Directors shall assess whether a long-term incentive program should be proposed to the General Meeting or not, and if so, whether amendments to these guidelines are required for this reason.

### The decision-making process to review and implement the guidelines

The tasks of the Remuneration Committee include preparing the Board of Directors' proposed guidelines for remuneration and, where applicable, the Board of Directors' decision to deviate from these guidelines. In preparing these remuneration guidelines, the total compensation for the company's employees has been taken into account. The components of the total compensation, the increase and development of the compensation over time have formed part of the decision criteria for the Remuneration Committee and the Board of Directors when evaluating the fairness of the guidelines and the limitations that follow.

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall remain in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall – where applicable – also follow and evaluate programs for variable remuneration to Executive Management, the application of the guidelines for remuneration to Executive Management as well as current remuneration structures and levels of remuneration in the company. These guidelines apply to agreements concluded after the General Meeting, and in the event that changes are made to existing agreements after this date. The Board of Directors shall be entitled to, temporarily, resolve to deviate from the guidelines, in whole or in part, if, in a specific case, there is special cause for the deviation and it is necessary to serve Bactiguard's longterm interests, including its sustainability, or to ensure the company's financial viability.

### Auditor

According to the articles of association, the Annual General Meeting shall appoint not less than one and not more than two auditors. At the Annual General Meeting on 14 May 2024, the registered accounting firm Deloitte AB was elected as auditor for the period through the Annual General Meeting that will be held in 2025. Therese Kjellberg, Authorized Public Accountant, was appointed as the auditor in charge. The auditors attend the Audit Committee meetings when necessary to provide information about the ongoing audit work and brief the entire Board on at least one occasion. In 2024 the auditor attended meetings of the Audit Committee and the Board of Directors. The auditor attends the Annual General Meeting and reports their examination of Bactiguard's management and annual accounts. In addition the auditors examine the interim report for the period January–September, remuneration to Executive Management, the corporate governance report and the sustainability report.

### Internal controls for financial reporting

According to the Swedish Annual Accounts Act and the Code, the Board is responsible for ensuring that the company has adequate internal control. The Board shall ensure that the company has formalized procedures in place to ensure compliance with the adopted policies for financial reporting and internal control, and that the financial reporting is prepared in accordance with the law, relevant accounting standards and other requirements for listed companies.

#### Control environment

Internal control of financial reporting is based on the overall control environment. The control structure is based on the company's finance system.

It is designed to ensure that entering agreements and paying invoices, etc., follow the decision-making processes, and the signatory and authorization procedures provided in the internal steering documents. This counteracts and prevents the risks identified by the company.

In addition to these control structures, a series of additional control activities are conducted to further discover and correct any errors and deviations. Such control activities consist of follow-up at various levels in the organization, for example, follow-up and review by the Board of Directors regarding their formal decisions, review and comparison of income items and account settlement, and approval of the accounting of business transactions within the finance department. In accordance with its work procedure, the Board of Directors conducts an annual review of these internal controls.

#### Risk assessment

Identification is made of the risks that are assessed to exist and measures are taken to mitigate these risks. Bactiguard works continually and actively to chart, assess, and manage the risks that the company is subject to in its financial reporting. The risk assessment was conducted at the Board meeting in January 2024 as it was tabled at the Board meeting in October 2023. It is particularly important for the Board of Directors to monitor the development of this internal control, to ensure that actions are taken in the event of any shortcomings and to make proposals where necessary. The follow-up and evaluation of the internal control takes place regularly in collaboration with the auditor.

#### Control activity

Bactiguard has established an organization for the purpose of ensuring that all financial reporting is correct and efficient. The internal steering documents define responsibilities and daily interactions between the positions involved so that all necessary information and communication reach all persons as required. The division and delegation of responsibility have been documented and communicated in internal steering documents established for the Board of Directors and the company, such as: the work procedure of the Board of Directors, the CEO instruction, and the delegation of authority, authorization procedure and other internal steering documents, such as the financial handbook. All internal steering documents are maintained and updated on a regular basis, to reflect legislative changes or revision of reporting standards. Executive Management receives monthly financial information regarding the company and its subsidiaries in regard to developments of upcoming investments and liquidity planning. The Board of Directors regularly assesses the information which the company's senior executives and the auditor submit.

**Information and communication**

Internal steering documents, including rules and manuals, are kept continually updated in the finance handbook and communicated through internal meetings and other targeted dissemination. General strategic issues are communicated to the entire organization through the intranet and employee meetings.

The company's communication policy is designed to ensure that publication of all information, both internal and external is made correctly and at the appropriate time for all occasions. This policy aims to ensure compliance with the disclosure requirements in a correct and comprehensive way. If shareholders and other external stakeholders want to monitor the company's development, current financial information is published regularly on the website bactiguard.com.

**Monitoring**

The Board of Directors continually monitors the effectiveness of the internal controls and discusses important issues relating to accounting and reporting. The company uses a quality system that has documented standard procedures and work instructions. The monitoring process is delegated to the company's finance function which provides financial reports and summaries that are submitted to the Board quarterly. Monitoring and evaluation of internal control is reported annually. The finance function is also responsible for following up routines and instructions.

These procedures and instructions are reviewed both internally and by external quality auditors (notified body). Any deviations are reported to the Executive Management and any major deviations are reported to the Board. The CEO reports regularly to the Board in order to monitor the operational targets in the business plan.

The CEO prepares interim reports and yearend reports, which are approved by the Board before they are published. The Board also continually evaluates reports from the CEO and CFO, which includes results, budgets and an analysis of the key performance indicators.

The Audit Committee is continually involved in the internal control work and financial reporting processes. The Audit Committee also reviews the external auditors' report on its examination and recommendations of internal controls, which are then reported to Executive Management and the Board.

Policies, guidelines and procedures are updated and evaluated when necessary, but as a minimum on an annual basis. The Board is responsible for maintaining the general steering documents and the CEO, or a person designated by the CEO, is responsible for the other documents.

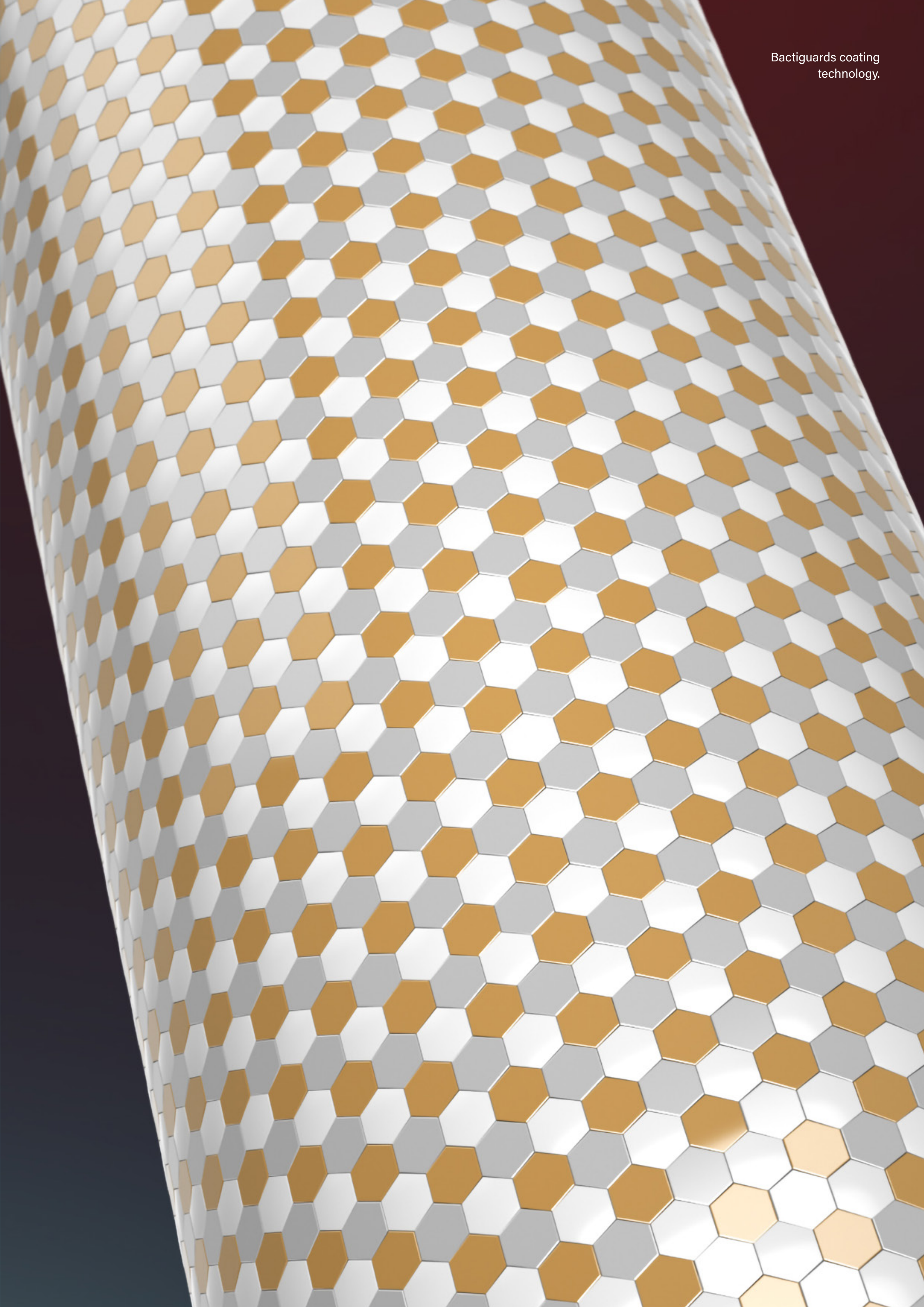
## Internal audit

In 2024 the Board evaluated the Group's need for internal audits. This resulted in the Board making the assessment that Bactiguard does not need to introduce its own internal audit function in 2024 alongside the existing processes and functions for internal control. The Board of Directors has assessed that the monitoring and review program that is carried out internally, is enough to maintain effective internal control for the financial reporting.

## Investor relations

The company's CEO and Head of Communication & Investor Relations are responsible for contacts with the shareholders. The company provides information to the shareholders through the annual report, year-end report, interim reports, press releases and the website bactiguard.com. Bactiguard also attended investor meetings and other investor activities, both in Sweden and abroad.

Bactiguards coating technology.



# Board of Directors

### Thomas von Koch
Chairperson of the Board

**Elected to the Board:** 2005 and 2019
**Born:** 1966
**Education:** M.Sc. in Financial Economics and Accounting & Finance, Stockholm School of Economics, Sweden, 1988–1992.
**Previous assignments:** Co-founder of Bactiguard and CEO 2023–2024. Chairperson of the Board 2005–2015,2019–2023. Partner and CEO (2014–2018) of private equity firm EQT.
**Other assignments:** Special advisor EQT. Investor, owner and Board Member of A3P and TomEnterprise AB.
**Shareholdings:** Class A shares: 2 000 000 (through legal entity). Class B shares: 6 489 566 (through legal entity and personal holdings).

### Richard Kuntz
Board Member

**Elected to the Board:** 2023
**Born:** 1957
**Education:** Studies at Miami University, MD Case Western Reserve University School of Medicine. Residency/chief residency internal medicine at University of Texas Southwestern Medical School, Parkland Hospital. Fellowships cardiovascular diseases/interventional cardiology at Harvard Medical School and Beth Israel Hospital. MSc in Biostatistics Harvard T.H. Chan School of Public Health.
**Previous assignments:** CMO/SO Medtronic PLC. Founder/CSO of Harvard Clinical Research Institute, Boston. Assoc. Professor of Medicine Harvard Medical School, Chief of Division of Clinical Biometrics, and Interventional Cardiologist of cardiovascular diseases division at Brigham and Women's Hospital, Boston.
**Other assignments:** Board Member of ZimVie Inc., Identiv Inc., and Cognito Therapeutics, Inc.
**Shareholdings:** 121,655 call options.

### Anna Martling
Board Member

**Elected to the Board:** 2019
**Born:** 1969
**Education:** MD, Ph.D, Karolinska Institutet. Professor, Karolinska Institutet. Senior Consultant Surgeon, Karolinska University Hospital.
**Previous assignments:** Dean, Campus North, Karolinska Institutet.
**Other assignments:** Board Member of Radiumhemmets Forskningsfonder, Forska!Sverige, Sophiahemmet and Smartcella.
**Shareholdings:** 3,575 B-shares as personal holdings and 28,818 call options.

### Magdalena Persson
Board Member

**Elected to the Board:** 2022
**Born:** 1971
**Education:** Master's degree in international economics and licentiate degree in industrial economics from Linköping University.
**Previous assignments:** CEO of Interflora and SamSari, as well as several roles within Microsoft and WM Data. Chairperson of the Board of Affecto Plc, Nexon Asia Pacific and Iver Holding AB. Board member of NCAB Group.
**Other assignments:** Chairperson of the Board of SK Shieldus (South Korea) and Universidad Europea. Board member Recover Nordic Group and Qarlbo AB, as well as advisor to private equity firm EQT.
**Shareholdings:** 28,818 call options.

### Jan Ståhlberg
Board Member

**Elected to the Board:** 2018
**Born:** 1962
**Education:** BSc Business and Economics, Stockholm School of Economics. Studies at the MBA program at New York University, Stern School of Business.
**Previous assignments:** Partner, Deputy CEO and Deputy Chairperson of private equity firm EQT.
**Other assignments:** Board Member of Trelleborg AB and ITB-Med AB. Founder and CEO of Trill Impact AB.
**Shareholdings:** 3,605,150 B shares as personal holdings.

# Executive Management

**Christine Lind**
CEO

**Joined:** 2024
**Born:** 1974
**Education:** Bachelor of Science in Finance and Information Systems, New York University, Stern School of Business. Masters in Business Administration in Finance and Management, Columbia Business School.
**Previous assignments:** Management roles in the life sciences industry, including VP Business Development at LifeCell Corporation, EVP Business Development and subsequently CEO of Medivir AB, Strategic Advisor to BioArctic AB, and most recently, SVP Corporate Development for SSI Strategy. Chairperson of the Board, Mendus AB. Prior to that, as a strategic and financial advisor to biotech and pharmaceutical companies (at Merrill Lynch & Co).
**Other assignments:** Member of the Board, Xspray Pharma AB. Chairperson and CEO, Lind Growth Strategy AB.
**Shareholdings:** 85,000 B shares as personal holdings.

**Patrick Bach**
CFO

**Joined:** 2023
**Born:** 1983
**Education:** MSc in Finance and Strategic Management from Copenhagen Business School with graduating MSc courses at Columbia Business School, Harvard University, and The London School of Economics and Political Science. BSc in Economics and Business Administration from Copenhagen Business School.
**Previous assignments:** Managerial positions at Atos Medical AB, most recently Managing Director Nordics, Switzerland and VP. Prior to that, several managerial positions at Coloplast, including Head of Strategy Wound Care, and Associate at McKinsey & Company as well as a Business Analyst at Novo Nordisk A/S.
**Other assignments:** –
**Shareholdings:** –

**Nina Nornholm**
Head of Communication & Investor Relations

**Joined:** 2023
**Born:** 1967
**Education:** Studies in Business Administration (Marketing and Communication) at Stockholm University.
**Previous assignments:** More than 25 years of experience in the global financial industry with focus on strategic communication, branding, and investor relations. Head of Communications at private equity firm EQT 2007–2022. Prior to that, communication specialist roles at SEB Asset Management and investment bank Alfred Berg.
**Other assignments:** Board Member Plan International Sweden.
**Shareholdings:** 36,023 call options.

**Nathaniel Bachrach**
Chief Scientific Officer

**Joined:** 2024
**Born:** 1966
**Education:** Ph.D., M.S. and B.S. in Mechanical Engineering from Columbia University and Bachelor's in Physics from Yeshiva University.
**Previous assignments:** Over 25 years of experience developing products for plastic, general, orthopaedic, urogyn and periodontic surgeons for global commercialization. Held roles as EVP & CSO at 3DBio Therapeutics, VP Research & Technology at LifeCell Corporation, and leadership positions at Organogenesis Inc. Extensive experience with publications and patents in Bactiguard's strategic medical specialities.
**Other assignments:** Consulting EVP, Strategy, Science & Product at PrintBIo
**Shareholdings:** –

**Kajsa Björklund**
Executive Vice President, Research & Development

**Joined:** 2025
**Born:** 1973
**Education:** Ph.D. in Inorganic Chemistry from Uppsala University, M Sc in Chemistry from Uppsala University, Executive MBA from Mgruppen Svenska Managementgruppen.
**Previous assignments:** Management roles mainly in MedTech and the life science industry, including Director Portfolio Management at Seco Tools, Vice President Operations and R&D at OssDsign, and Director Project Management, Global R&D at Thermo Fisher Scientific. Earlier roles include Manager Design Transfer and Labeling at Thermo Fisher Scientific and different project management roles at Phadia, Semcon, and Orexo.
**Other assignments:** –
**Shareholdings:** –

# SUSTAINABILITY REPORT

The challenges with healthcare-associated infections and antimicrobial resistance are at the top of the global health and sustainability agenda. The costs of healthcare associated infections, many of which are linked to medical devices, are increasing drastically, and antimicrobial resistance is the cause of death for millions of people around the world. Bactiguard's infection prevention coating technology, which is both safe and biocompatible, is a crucial link in the healthcare value chain in the struggle against antimicrobial resistance and has the potential to address one of the medical needs in global health care that has not yet been met. Our vision is to become the global standard of care for preventing medical device related infections. Bactiguard's coating technology is licensed to leading global MedTech companies. License partners apply our technology to their medical devices and sell them either under their own brands or in partnership with Bactiguard. Through license partnerships, we gain access to a large global market for medical devices, and our technology becomes available to as many patients as possible while we achieve profitability. Profitability goes hand in hand with Bactiguard's purpose to champion a healthier world by preventing infections. Our main stakeholders are global MedTech companies, key opinion leaders in research, health and medical care, employees, and our shareholders. Taking these into account, we focus on the sustainability issues that are most material for Bactiguard, where we can make the greatest difference.

### Promoting UN SDG 3

Bactiguard's infection prevention technology promotes UN Sustainable Development Goal 3: Good health and well-being.

According to the World Health Organization (WHO), antimicrobial resistance is one of the most serious threats to global health and modern medicine. Bactiguard's coating technology is a crucial link in the healthcare value chain in the struggle against both healthcare-associated infections and antimicrobial resistance. For example, clinical studies show that the risk for catheterrelated urinary tract infections decreased 69 percent when the medical devices were coated with Bactiguard's coating.

### Sustainability at Bactiguard

Our sustainability agenda consists of three focus areas: Environmental sustainability, Social sustainability and Governance & business ethics. The foundation for Bactiguard's sustainability process is our Environmental Policy together with our Code of Conduct and other related polices within Sustainability. As stated in the Environmental policy the Environmental work shall be a natural part within the organization and it's processes. Bactiguard shall continusly improve the organizations processes and activities and make sure to

### About the sustainability report

Bactiguard's sustainability report contains information on the company's material sustainability topics. The report describes Bactiguard's sustainability impacts and how these are managed through policies and targets along with the progress made. The sustainability report is prepared in accordance with the Annual Accounts Act and represents all the Group's operations for the financial year 2024, unless otherwise stated. Bactiguard is continuously working to develop data-driven insights in relation to sustainability. Hence, new metrics have been developed during 2024 and are presented in this report. Where metrics have been reported previously, comparative metrics will be presented.

prevent any environmental pollutions and enhance the organizations environmental performane. How Environmental work is to be conducted at Bactiguard is stated in our Environmental Handbook. The CEO is responsible for Environmental work at Bactiguard. The COO has been delegated the responsibility for the systematic environmental work. COO in turn benefits work environment tasks for participants from the Environment committee. Every year an annual follow-up and audit of the Environmental work is performed. Bactiguard's Code of Conduct outlines the basis for our Social and Governance sustaianbility as a set of rules, outlining the norms, responsibilities and proper practices which is expected from Bactiguard and our employees.

### Preparing for the Corporate Sustainability Reporting Directive (CSRD)

On February 26th 2025 European Comission published a package of proposed changes to key EU laws on sustainability reporting. Our view is that Bactiguard would not be covered by the CSRD according to the "Omnibus" proposal that European Comission now have put forward. This is still a proposal and will have to go through EU's legislative process (European Parliament and Council), the final outcome might look different. Bactiguard will follow the discussions in European Comission and make sure that we comply with the future regulations. We prepare by reviewing the sustainability reporting standards for voluntary use by SMEs that EFRAG (European Financial Reporting Advisory Group) have released on request from the European Comission and a gap analysis will be done in 2025 to compare the VSME reporting requirements with the Group's current reporting. This analysis will be used to identify the gaps in our current reporting practises that need to be filled in order to ensure compliance.

### EcoVadis

Bactiguard's sustainability work is evaluated via EcoVadis, a leading system for evaluating suppliers' environmental aspects, working conditions, business responsibilities and subcontractors. The EcoVadis evaluation is an important achievement that illustrates Bactiguard's commitment to sustainability and commitment to continued improvement in this area. With support from the insights we get from EcoVadis' evaluation we work to continuously improve our sustainability strategy.

## Our sustainability focus 2024

Bactiguard's sustainability focus during 2024 has been affected by our shifted strategic focus to licensing. The strategy with focus on licensing will have an impact on how we build our organization and how our social and environmental impact will develop. An example of this in 2024 was our decision to discontinue the lease of our carfleet in our European business. We have also continued our shift towards 100 percent renewable energy sources. In Malaysia the sustainabilty focus have been on implementing an Environmental Management System and achieve certification for ISO:14001:2015.

For the first time Bactiguard have been awarded a badge from Ecovadis. The badge was awarded based on the annual assessment conducted by Ecovadis on Bactiguards sustainability performance. We are dedicated to continued improvement in sustainability area and aim to perform even better in coming assessments.

## Highlights

- Ecovadis Badge.
- Change electric power provider to fully renewable in our Tullinge site.
- Bactiguard (South East Asia) is working towards ISO14001:2015 certification.
- No leasing cars in our European organization.

# Environmental sustainability

With the ambition of achieving sustainable use of energy and resources, the possibilities for reducing the company's climate impact and resource consumption are continually assessed. The areas below have been identified as material from an environmental standpoint.

### Production

Our production process have an impact on the environment. In order to minimize this we re-use waste, collect and sort environmentally hazardous chemicals to the greatest extent possible, maintain a low level of scrappage, and continously work to reduce our water and energy consumption. The Group engages in operations that have a reporting obligation under the Swedish Environmental Code (environmentally hazardous operations and protection of health) and the Swedish Work Environment Authority (use of contagious substances, Risk Class 2). The operations with reporting obligations pertain to parts of the production process and the research and development that the company pursues.

### Sourcing

Purchases must be made with consideration of the environment, quality and cost. Bactiguard strives to optimize its environmental performance in the supply chain. Our Carbon footprint show that purchased goods and services is a main emission driver. To reduce emissions focus areas include packaging reduction, renewable energy, and logistics optimization. Chemicals that are used must be processed and discarded in an environmentally friendly manner. Noble metals are purchased from certified suppliers.

### Waste

Our operations generate solid & liquid waste which is both hazardous and non-hazardous. Hazardous waste is stored in enclosed containers to prevent leakage. Waste is collected by approved waste management companies, which in turn report actual waste data. The company strives to reduce the amount of its waste and to recycle as much as possible. Waste is a key element of the circular economy. Reusable waste offers the possibility of creating new products without needing to use virgin raw materials. This approach facilitates efficient use of resources and makes continual circulation of materials possible.

### Energy

We strive to contiously reduce energy consumption and increase energy efficency in our operations. We also strive to use energy from renewable sources to the greatest extent possible. Since Bactiguard have sites both in Sweden and Malaysia the pathways for the energy transition to renewable energy sources will differ.

### Water consumption

Water is a key component in the company's wound care products, and thus the company is highly dependent on clean water and purifies its own water. Water consumption is routinely measured and assessed, and production is planned in order to minimize consumption.

### Transport and travel

Travel must always be considered on the basis of benefit against environmental impact, and more environmentally friendly alternatives must be evaluated. Bactiguard transports products and input goods using various means of transportation, and always strives to optimize logistics to reduce negative environmental impact.

| Environmental | 2024 | 2023 | 2022 | Comment |
|---|---|---|---|---|
| Total Energy Consumption (MWh) | 1,954 | 1,730 | 1,837 | In 2024 Bactiguard shows increase in energy consumption. This relates to our new site in Markaryd and office in Stockholm. For Malaysia the increase in electricity consumption is in correlation to increased production. |
| Percentage of energy consumptions from renewable sources (%) | 25 | 27 | | Our site in Tullinge have in 2024 transferred to energy from 100% renewable sources. This is also the case for our head office in Stockholm. |
| Total Water consumption ($m^3$) | 9,719 | 7,404 | 8,947 | Bactiguard's water consumption increased in 2024 versus 2023. During 2024, our facility in Markaryd and the office in Stockholm have been added and our facility in Penang, Malaysia suffered a water leak. which has been fixed. |

### Carbon Footprint

Bactiguard emitts carbon dioxide and other gases that contribute to the greenhouse effect, this through our own corporate activities and facilities as well as those tied to our value chain. To improve the accuracy of the measurement of our carbon footprint, we have during 2024 used a climate calculator from a different service provider than in previous years. Emissions from 2023 have therefore been adjusted.

**Under the Greenhouse Gas Protocol (GHGP), a company's GHG emissions are divided into three dimensions:**

#### Scope 1

**Emissions that occur directly in own operations.**

At the beginning of 2024, Bactiguard had a few passenger cars in its operations. The need for cars and the possibility of electric cars or plug-in hybrids are regularly evaluated and the leased vehicles were terminated during the year. This means that no vehicles remain in Bactiguard's operations outside Malaysia. No emissions within scope 1 come from stationary sources within Bactiguard's operations (such as from for example boilers and generators).

#### Scope 2

**Indirect emissions from generation of purchased electricity, steam, heating and cooling cosumed by the company.**

Energy in the operations is consumed in the form of electricity, heating, and so on, with the ambition of entering agreements on guarantees of origin, renewable electricity/sources of energy and fossil-free energy. Heating is supplied through district heating.

#### Scope 3

**Covers all other indirect emissions that occur in a company's value chain but that the company does not own or control.**

An analysis of Bactiguard's carbon emissions shows that external emissions account for 81 percent of Bactiguard's total carbon footprint. For that reason, this is the dimension where efforts can have the greatest impact. Purchase of goods and services is the largest cause of emissions in Bactiguard's value chain, with the greatest possibility for reducing environmental impact. Logistics chains are being examined to reduce transportation. Input goods and travel also have an impact here.

| Carbon emissions by the numbers | 2024 | | 2023 | |
|---|---|---|---|---|
| | Share of emissions | tonnes $CO_2e$ | Share of emissions | tonnes $CO_2e$ |
| **Scope 1** | | | | |
| Fuel Combustion | 100% | 2 | 100% | 31 |
| **Total Scope 1** | **100%** | **2** | **100%** | **31** |
| **Scope 2** | | | | |
| Electricity & Heat | 100% | 914 | 100% | 811 |
| **Total Scope 2** | **100%** | **914** | **100%** | **811** |
| **Scope 3** | | | | |
| **Upstream Scope 3 GHG Emissions** | | | | |
| Purchased goods and services | 72% | 2,893 | 81% | 4,599 |
| Capital Goods | 3% | 132 | 2% | 140 |
| Fuel and Energy-Related Activities | 0% | 1 | 0% | 9 |
| Transportation and distribution | 2% | 66 | 1% | 64 |
| Waste generated in operations | 1% | 21 | 0% | 17 |
| Business Traveling | 2% | 82 | 2% | 89 |
| Employee commuting | 3% | 137 | 3% | 186 |
| **Downstream Scope 3 GHG Emissions** | | | | |
| Transportation and distribution | 5% | 194 | 3% | 165 |
| Processing of sold products | 9% | 370 | 6% | 314 |
| End-of-life treatment of sold products | 3% | 116 | 2% | 98 |
| Downstream leased assets | 0% | 2 | 0% | 2 |
| **Total Scope 3** | **100%** | **4,013** | **100%** | **5,684** |
| **Total emissions** | | **4,929** | | **6,527** |
| **Share of total emissions** | | | | |
| Scope 1 | 0.04% | | 0.48% | |
| Scope 2 | 18.54% | | 12.43% | |
| Scope 3 | 81.41% | | 87.09% | |
| **Total** | **100%** | | **100%** | |

# Social sustainability

Workplace satisfaction and engagement are key elements in the company's culture. An important factor is that our operations promote sustainable social development in accordance with our vision. Bactiguard makes use of the individual know-how of our employees. All employees are to receive correct and fair remuneration in accordance with their individual performance and contribution to the company's success. Employees are to be offered opportunities for suitable training in order to develop relevant competence.

### Occupational health and safety

Bactiguard conducts systematic occupational health and safety activities so that the work environment is both safe and stimulating for each individual employee. Our objective is to reduce the number of health and safety risks in the workplace and to proactively promote a healthy working environment. To achieve these goals, we conduct employee satisfaction surveys, safety inspections, and provide training. Health and safety activities are an integral part of decision-making and the planning of workplace activities, and are described in our occupational health and safety handbook.

### Respect for human rights

Bactiguard does not tolerate child labor or forced labor. All employees have the right to choose whether or not they wish to be represented by a trade union and negotiate collectively. No employee may be discriminated against on the grounds of trade union affiliation. Bactiguard takes a serious view of all forms of violations of human rights, and if serious violations of human rights are discovered the company will act without delay and in a suitable manner.

### Equality

Bactiguard is committed to ensuring that all individuals are treated equal and have the same opportunities in the workplace and working life regardless of gender, ethnicity, religion or other belief, sexual orientation, transgender identity, disability or age. Bactiguard does not tolerate any form of victimization, discrimination, harassment or bullying at work, whether directed toward, or carried out by, managers, employees, job applicants, customers, suppliers or visitors.

| Employees | 2024 | 2023 | 2022 | Comment |
|---|---|---|---|---|
| Total number of Full Time Equivalents (FTE) | 177 | 217 | 199 | In 2024 Bactiguard have continued to be in transformation phase following the Strategy decided in 2023. The number of FTEs within the organization is in line with expectations as Bactiguard evolve into a knowledge organization. |
| — Of which in Sweden (FTE) | 44 | 51 | 46 | |
| — Of which in Malaysia (FTE) | 123 | 149 | 136 | |
| — Of which in the rest of the world (FTE) | 10 | 17 | 17 | |
| — Of which in development (FTE) | 14 | 20 | 17 | |
| Percentage of Employees responding to engagement survey (%) | 70 | 69 | 60 | Three surveys have been conducted in 2024. Due to a shift in HR-system no surveys were done in Q3-Q4. |
| Annual attrition rate (%) | 37 | 21 | 13 | The attrition rate reflects that Bactiguard has been in transformation phase during 2024. In our transition to become a knowledge and specialist organization attrition rate will be higher as the organization evolves to meet future needs. |
| Number of work-related accidents | 5 | 2 | 3 | The 5 accidents in 2024 have all occurred in our Malaysian operation. 2 of these have been classified as severe cases related to ankle sprain/fracture. |
| Percentage of women employed in the whole organization | 61 | 61 | 64 | |
| Percentage of women at top management level | 50 | 20 | 29 | |
| Total Number of board members | 5 | 6 | 5 | |
| Number of women board members | 2 | 2 | 2 | |
| Percentage of women within the organization's board | 40 | 33 | 40 | |

# Governance and business ethics

Economic stability and profitability are important contitions to create long-term sustainable development. The key sustainability topic for the company is its capacity to promote increased infection prevention. To be successful in this effort, our main stakeholders must have confidence in the company. To safeguard our ethics and our reputation, our business relationships must always be characterized by honesty, integrity and compliance with laws and regulations. We engage in dialogue with a large number of stakeholders on a daily basis. Our stakeholder relationships and dialogues must be honest, factbased and transparent without risking our commercial confidentiality.

The basis for governance of Bactiguard is Swedish legislation, generally accepted accounting principles, the UN Declaration on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Together with the Code of Conduct, policies and internal instructions, the company's purpose, values, mission and vision form the foundation of Bactiguard's sustainability efforts. The sustainability-related policies and internal instructions listed below regulate how the company and its employees are to act, with the objective of building a business that is sustainable over the long term. All policies are reviewed annually.

- Environmental Policy
- Environmental Handbook
- Work Environment Policy
- Work Environment Handbook
- Code of Conduct
- Quality Assessment Manual
- Whistleblower Policy
- Rehabilitation Policy
- Alcohol and Drug Policy
- Policy against Victimization and Harassment
- Travel Policy


### Code of Conduct

Bactiguard's Code of conduct describes the expectations on Bactiguard and our employees. Together with our common values, this guides our behaviour towards each others and towards others. It is incumbent upon every employee to comply with the Code of Conduct as well as the regulations and procedures that the company has established for its sustainability activities. The managers are responsible for monitoring compliance with the policies. Employees are encouraged to report deviations and highlight best practices. Executive Management and the Board of Directors continually follow up on the policies.

### Counteracting corruption

Bactiguard has a zero-tolerance approach to bribery and does not allow anyone to be offered payments or other benefits in order to exercise an influence. We do not discuss or enter into agreements with competitors around pricing, market shares or other similar illegal activities.

### Whistle-blower function

Bactiguard strives to ensure that all employees feel safe about reporting potential problems or wrongdoings to their line manager or to the Human Resources department. Therefore we have a standalone external whistle-blowing reporting system that allows employees, suppliers, partners and external parties to anonymously report suspected breaches of our Code of Conduct or business ethics guidelines. The procedure follows our Policy for reporting of misconduct/whistleblowing.

### Information Security

As a knowledge-intensive organization Bactiguard handles Information in oral, written and digital form. Information assets are valuable to our organization and procedures on Bactiguard information management is stated in our Code of Conduct and IT Policy.

| Goverance and business ethics | 2024 | 2023 | 2022 | Comment |
|---|---|---|---|---|
| Number of confirmed corruption incidents | 0 | 0 | 0 | |
| Number of reports related to whistleblower procedure | 4 | 0 | 1 | In 2024 four concerns were reported through the whistleblower function. These where all related to Malaysia and regarding harassment. These have now been handled and settled. |
| Number of confirmed information security incidents | 0 | 0 | 0 | |

## Risks and risk management

The company has identified the following sustainability risks as the most material:

### Product safety

We must deliver safe products to patients, customers and healthcare. We comply with all legal and regulatory requirements as regards clinical trials, product development, production, declarations of goods, sales and marketing. Our MDR and CE labels, like other approvals from government authorities, are indications of quality that demonstrate our ability to maintain a high level of quality in our products and processes.

### Environment

Our operations are subject to reporting obligations under the Environmental Code. Our environmental initiatives focus on safe handling of chemicals and waste in product development and production. Our infection prevention coating contains extremely small amounts of noble metals and do not require any special routines for discarding. The metals in the coating are not destroyed during waste incineration and are collected at the incineration facility. To ensure compliance with existing laws and requirements in the area of the environment and to ensure satisfactory self-checks, we have an environmental management system that is based on ISO 14001.

### Corruption

We operate in a large number of countries via partners, resellers or direct presence. To counteract the risk of corruption, we have a zero-tolerance approach toward bribery and undue influence. Our employees are not allowed to offer or receive any gifts or benefits, direct or indirect from a third party, unless it is considered to be within the the limits of good business practices and applicable laws. In the event of the slightest uncertainty, our employees are expected to seek advice from immediate manager, executive management or the company's General Counsel. Our employees are encouraged and expected to report suspected violations to their immediate superior, group management or the company's General Counsel.

### Human rights

Bactiguard has a zero-tolerance approach to violations of human rights. It is therefore important that all employees are familiar with the Code of Conduct and comply with it.

### Adverse climate effects

Bactiguard could be adversely impacted by changed climate conditions in the locations where the company is engaged in production. Bactiguard has not identified any company-specific risks that are attributable to changed climate conditions at these locations.

### Personnel/risk of competence shortage

Bactiguard operates in a knowledge-intensive industry, making the attraction and retention of talented employees critical to our success. To achieve this, we actively support the professional development of our employees by providing opportunities for further education and training, ensuring a highly skilled and competent workforce.

### Data security risks

Security breaches could lead to disruptions in the operations as well as leaks of confidential information and personal data. This could adversely impact confidence in the company. By continually training and testing personnel and updating IT security services and procedures as needed, we ensure that our IT environment is up to date in order to prevent information and data security risks.

CFO statement

# STRATEGIC SHIFT AND FINANCIAL TURNAROUND

In 2024, we completed the strategic shift following our transformation. We delivered a financial turnaround with the license-focused business delivering increased revenues and profitability.

Our results show total revenue growth of 17 percent to SEK 262 million with net sales up 20 percent and more than 40 percent growth in total license revenue to SEK 165 million, driven by our existing partnerships. In addition, our Wound Management portfolio grew 13 percent to SEK 61 million, driven by our Hydrocyn Aqua brand. On costs, we delivered savings in total operating expenses of SEK 27 million, exceeding our targeted SEK 25 million. Finally, we achieved EBITDA profitabilty in our business delivering SEK 18 million in EBITDA, an improvement of SEK 96 million compared to 2023, reflecting the strength in our license-focused business model.

During the year, we continued to invest in our business with SEK 15 million in negative cash flow from investing activities, driven by investments in tangible assets. In addition, we saw SEK 21 million in negative cash flow from financing activities, driven by amortization of loans. We delivered positive cash flow from operating activities of SEK 25 million and ended the period with SEK 117 million in total cash, a decrease of SEK 11 million. In early 2025, we further amortized SEK 51 million of our SEK 171 million total financing with SEB, while securing SEK 120 million in new and better financing through 2028. With a strong turnaround and financial position, we are better positioned to deliver on our license-focused strategy.

"We delivered SEK 18 million in EBITDA, an improvement of SEK 96 million compared to 2023, showing strength in our license-focused business model.

**Patrick Bach**
*CFO, Bactiguard*

### Executing on new targets

Following our transformation, we have updated our strategic and financial targets, as announced in March 2025. For growth, we set a revenue target of at least SEK 600 million and in terms of profitability, an EBITDA of at least SEK 200 million by year-end 2030. To deliver this, we have a strategic target of at least 10 application areas in exclusivity partnership or license partnership, by year-end 2030. We anticipate two thirds of our 2030 revenue target will come from existing partners and business, and one third from new partnerships. We are committed to these targets following our financial turnaround, strategic shift and strengthened organization.

In 2025, we will continue to provide increased transparency on the progress within existing and new partnerships within infection prevention. As in 2024, we will report total license revenues with more granularity and show revenues from license partnerships, exclusivity partnerships and revenues from application development partnerships. In addition, we continue to report revenues from the Wound Management portfolio separately, as well as the BIP portfolio, which has been phased out and will not generate significant revenues.

In terms of communication to the market, we will announce news on license partnerships and exclusivity partnerships, while application development partnerships will not be communicated due to our confidentiality agreements with our partners. We will however add transparency on appplication development across the five strategic therapeutic areas Orthopedics, Cardiology, Neurology, Urology and Vascular Access.

### Delivering long term value

While 2024 was a year of transformation, transition and a reset in multiple ways for Bactiguard, we have entered a new chapter, see the value of our efforts and are confident and committed to continue on our journey. We are poised to pursue growth in existing and new partnerships, delivering increasing scale in our higher-margin license-focused business towards 2030 and beyond.

I would like to thank every Bactiguard investor, partner and colleague for your support and long term commitment to our important mission. Together we are building a stronger Bactiguard and advancing our purpose to champion a healthier world by preventing infections.

**Patrick Bach**
CFO, Bactiguard

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated income statement

| TSEK | Note | 2024 | 2023 |
|---|---|---|---|
| Net sales | 5, 6 | 241,678 | 201,545 |
| Other operating income | 7 | 20,200 | 21,628 |
| **Total** | | **261,877** | **223,174** |
| Change in inventory of finished goods and products in progress | | 148 | 1,000 |
| Capitalized production | | – | 563 |
| Raw materials and consumables | | –36,117 | –65,572 |
| Other external expenses | 8 | –87,567 | –97,854 |
| Personnel costs | 9 | –111,462 | –123,456 |
| Depreciation | 14–23 | –46,883 | –55,865 |
| Other operating expenses | 7 | –8,857 | –13,923 |
| **Total** | | **–290,738** | **–355,107** |
| **Operating profit/loss** | | **–28,860** | **–131,933** |
| **Profit/loss from financial items** | | | |
| Financial income | 10 | 7,844 | 13,428 |
| Financial expenses | 11 | –15,566 | –28,649 |
| **Total** | | **–7,722** | **–15,221** |
| **Profit/loss before tax** | | **–36,585** | **–147,154** |
| Current tax | 12 | – | –136 |
| Deferred tax | 12 | 6,769 | 8,908 |
| **Total** | | **6,769** | **8,772** |
| **Profit/loss for the year** | | **–29,815** | **–138,382** |
| **Attributable to:** | | | |
| The parent company's shareholders | | –29,815 | –138,382 |
| Total earnings per share, before and after dilution (SEK) | 37 | –0,85 | –3.95 |

## Condensed consolidated statement of comprehensive income

| TSEK | 2024 | 2023 |
|---|---|---|
| Profit/loss for the year | –29,815 | –138,382 |
| **Other comprehensive income:** | | |
| Items that will be reclassified to profit or loss for the year | – | – |
| Translation differences | 4,979 | –4,149 |
| **Other comprehensive income after tax** | **4,979** | **–4,149** |
| **Total comprehensive income for the year** | **–24,836** | **–142,531** |
| **Attributable to:** | | |
| The parent company's shareholders | –24,836 | –142,531 |

# Consolidated statement of financial position

| TSEK | Note | 2024-12-31 | 2023-12-31 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| **Intangible assets** | | | |
| Goodwill | 13 | 251,817 | 248,103 |
| Technology | 14 | 48,179 | 73,304 |
| Brands | 15 | 25,602 | 25,729 |
| Customer relationships | 16 | 3,856 | 5,107 |
| Capitalized development costs | 17 | 1,619 | 2,953 |
| Patent | 18 | 962 | 1,345 |
| **Total** | | **332,035** | **356,541** |
| **Property, plant and equipment** | | | |
| Right of use lease assets | 19 | 52,685 | 50,426 |
| Buildings | 20 | 25,588 | 13,766 |
| Leasehold improvements | 21 | 18,513 | 4,991 |
| Machinery and other technical plant | 22 | 6,554 | 15,583 |
| Equipment, tools and installations | 23 | 5,837 | 9,092 |
| **Total** | | **109,177** | **93,858** |
| **Financial assets** | | | |
| Other non-current receivables | | 2,937 | 2,885 |
| **Total** | | **2,937** | **2,885** |
| Deferred tax assets | 12 | 17,517 | 10,763 |
| **Total non-current assets** | | **461,669** | **464,047** |
| **Current assets** | | | |
| Inventory | 25 | 26,231 | 29,646 |
| Accounts receivable | 26 | 25,046 | 17,249 |
| Other current receivables | | 12,960 | 8,118 |
| Prepaid expenses and accrued income | 27 | 13,279 | 19,898 |
| Cash and cash equivalents | 28 | 116,727 | 123,217 |
| **Total** | | **194,243** | **198,127** |
| **TOTAL ASSETS** | | **655,911** | **662,174** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to shareholders of the parent** | | | |
| Share capital | 29 | 876 | 876 |
| Translation reserve | | 4,124 | –855 |
| Other capital contribution | | 930,680 | 930,680 |
| Retained earnings including profit/loss for the year | | –607,338 | –577,523 |
| **Total** | | **328,342** | **353,178** |
| **Total equity** | | **328,342** | **353,178** |
| **Non-current liabilities** | | | |
| Leasing liabilities | 19 | 40,694 | 42,306 |
| Provisions | 31 | 5,257 | 5,257 |
| Other non-current liabilities | | – | 28 |
| **Total** | | **45,951** | **47,590** |
| **Current liabilities** | | | |
| Liabilities to credit institutions | 30,32 | 170,893 | 178,569 |
| Leasing liabilities | 19 | 16,180 | 12,224 |
| Accounts payable | | 22,925 | 16,695 |
| Provisions | 31 | 18,104 | 10,256 |
| Other current liabilities | | 3,312 | 4,570 |
| Accrued expenses and prepaid income | 33 | 50,204 | 39,093 |
| **Total** | | **281,618** | **261,406** |
| **Total liabilities** | | **327,569** | **308,996** |
| **TOTAL EQUITY AND LIABILITIES** | | **655,911** | **662,174** |

# Consolidated statement of changes in equity

| | Equity attributable to shareholders of the parent company | | | | |
|---|---|---|---|---|---|
| **TSEK** | **Share capital** | **Other capital contribution** | **Translation reserve** | **Retained earnings including net profit/ loss for the year** | **Total equity attributable to shareholders of the parent company** |
| **Opening balance 1 January 2023** | **876** | **930,680** | **3,294** | **–439,141** | **495,709** |
| **Comprehensive income** | | | | | |
| Profit for the year | – | – | – | –138,382 | –138,382 |
| *Other comprehensive income:* | | | | | |
| Translation differences | – | – | –4,149 | – | –4,149 |
| **Total other comprehensive income** | **–** | **–** | **–4,149** | **–** | **–4,149** |
| **Total comprehensive income** | **–** | **–** | **–4,149** | **–138,382** | **–142,531** |
| **Closing balance 31 December 2023** | **876** | **930,680** | **–855** | **–577,523** | **353,178** |
| **Opening balance 1 January 2024** | **876** | **930,680** | **–855** | **–577,523** | **353,178** |
| **Comprehensive income** | | | | | |
| Profit for the year | – | – | – | –29,815 | –29,815 |
| *Other comprehensive income:* | | | | | |
| Translation differences | – | – | 4,979 | – | 4,979 |
| **Total other comprehensive income** | **–** | **–** | **4,979** | **–** | **4,979** |
| **Total comprehensive income** | **–** | **–** | **4,979** | **–29,815** | **–24,836** |
| **Closing balance 31 December 2024** | **876** | **930,680** | **4,124** | **–607,338** | **328,342** |

# Consolidated statement of cash flows

| TSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/loss for the year | | –29,815 | –138,382 |
| *Adjustments for non-cash flow items:* | | | |
| Depreciation and write-downs | | 46,883 | 39,602 |
| Deferred tax | | –6,769 | –8,770 |
| Change in provisions | | 7,848 | 15,513 |
| Other non-cash items | | –9,707 | 25,943 |
| **Cash flow from operating activities before changes in working capital** | | **8,440** | **–66,094** |
| Increase/decrease inventory | | 12,858 | 8,252 |
| Increase/decrease accounts receivable | | –7,290 | 28,455 |
| Increase/decrease other current receivables | | –5,031 | –10,450 |
| Increase/decrease accounts payable | | 6,230 | –17,127 |
| Increase/decrease other current liabilities | | 9,782 | 4,632 |
| **Cash flow from change in working capital** | | **16,549** | **13,762** |
| **Cash flow from operating activities** | | **24,989** | **–52,331** |
| **Investing activities** | | | |
| Investments in intangible assets | 13–18 | – | –1,420 |
| Investments in property, plant and equipment | 20–23 | –14,781 | –7,189 |
| **Cash flow from investing activities** | | **–14,781** | **–8,609** |
| **Financing activities** | | | |
| Amortization of leasing liabilities | | –13,522 | –11,139 |
| Amortization of loan | | –7,676 | –696 |
| **Cash flow from financing activities** | 35 | **–21,198** | **–11,835** |
| **Cash flow for the year** | | **–10,990** | **–72,775** |
| Cash and cash equivalents at start of year | | 123,217 | 197,727 |
| Exchange difference in cash and cash equivalents | | 4,501 | –1,735 |
| **Cash and cash equivalents at end of year** | | **116,727** | **123,217** |

**Additional information regarding the cash flow statement:**

| | 2024 | 2023 |
|---|---|---|
| Interest received during the year | 3,941 | 5,243 |
| Interest paid during the year | –11,769 | –11,317 |

# PARENT COMPANY FINANCIAL STATEMENTS

## Parent company's income statement

| TSEK | Note | 2024 | 2023 |
|---|---|---|---|
| Net sales | 5 | 3,423 | 3,062 |
| **Total** | | **3,423** | **3,062** |
| Other external expenses | 8 | –4,277 | –3,176 |
| Personnel costs | 9 | –3,096 | –3,295 |
| **Total** | | **–7,373** | **–6,471** |
| **Operating profit/loss** | | **–3,949** | **–3,409** |
| **Profit/loss from financial items** | | | |
| Financial revenues | 10 | 20,846 | 19,625 |
| Financial expenses | 11 | –12,717 | –12,016 |
| **Total** | | **8,130** | **7,609** |
| Profit/loss after financial items | | 4,180 | 4,200 |
| Deferred tax | 12 | – | 10 |
| **Profit/loss for the year** | | **4,180** | **4,210** |

## Parent company's statement of comprehensive income

| TSEK | 2024 | 2023 |
|---|---|---|
| Profit/loss for the year | 4,180 | 4,210 |
| Other comprehensive income | – | – |
| **Total comprehensive income** | **4,180** | **4,210** |

# Parent company's statement of financial position

| TSEK | Note | 2024-12-31 | 2023-12-31 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| **Financial assets** | | | |
| Shares in subsidiaries | 24 | 625,191 | 575,191 |
| Receivables from group companies | | 351,757 | 368,803 |
| Deferred tax assets | | 15,255 | 15,255 |
| **Total** | | **992,202** | **959,249** |
| **Current assets** | | | |
| **Current receivables** | | | |
| Other current receivables | | 1,767 | 1,639 |
| Prepaid expenses and accrued income | 27 | 52,887 | 32,806 |
| **Total** | | **54,654** | **34,445** |
| Cash and cash equivalents | 28 | 3,562 | 1,811 |
| **Total current assets** | | **58,216** | **36,256** |
| **TOTAL ASSETS** | | **1,050,418** | **995,506** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| **Restricted equity** | | | |
| Share capital | 29 | 876 | 876 |
| **Total** | | **876** | **876** |
| **Non-restricted equity** | | | |
| Non-restricted share premium | | 727,969 | 727,969 |
| Retained earnings including profit/loss for the year | | –25,167 | –29,346 |
| **Total** | | **702,803** | **698,623** |
| **Total equity** | | **703,679** | **699,499** |
| **Current liabilities** | | | |
| Liabilities to credit institutions | 30, 32 | 170,941 | 170,941 |
| Liabilities to group companies | | 174,000 | 124,000 |
| Accounts payable | | 178 | 86 |
| Other current liabilities | | 321 | 407 |
| Accrued expenses and prepaid income | 33 | 1,300 | 572 |
| **Total** | | **346,740** | **296,007** |
| **Total liabilities** | | **346,740** | **296,007** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,050,418** | **995,506** |

# Parent company's statement of changes in equity

| | Restricted equity | Unrestricted equity | | | |
|---|---|---|---|---|---|
| **TSEK** | **Share capital** | **Result of the year** | **Profit & loss carried forward** | **Unrestricted share premium** | **Total equity** |
| **Opening balance 1 January 2023** | **876** | **–850** | **–32,706** | **727,969** | **695,289** |
| **Comprehensive income** | | | | | |
| Profit/loss for the year | – | 5,060 | –850 | – | 4,210 |
| **Total comprehensive income** | **–** | **5,060** | **–850** | **–** | **4,210** |
| **Closing balance 31 December 2023** | **876** | **4,210** | **–33,556** | **727,969** | **699,499** |
| | | | | | |
| **Opening balance 1 January 2024** | **876** | **4,210** | **–33,556** | **727,969** | **699,499** |
| **Comprehensive income** | | | | | |
| Profit/loss for the year | – | –30 | 4,210 | – | 4,180 |
| **Total comprehensive income** | **–** | **–30** | **4,210** | **–** | **4,180** |
| **Closing balance 31 December 2024** | **876** | **4,180** | **–29,346** | **727,969** | **703,679** |

# Parent company's statement of cash flows

| TSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/loss for the year | | 4,180 | 4,210 |
| Change in accrued interest income | | –20,089 | –19,583 |
| Change in accrued interest expense | | – | –73 |
| Other non-cash items | | – | –20 |
| **Cash flow from operating activities before changes in working capital** | | **–15,909** | **–15,466** |
| Increase/decrease accounts receivable | | 78 | 1,197 |
| Increase/decrease other current receivables | | –152 | 596 |
| Increase/decrease accounts payable | | 92 | 86 |
| Increase/decrease other current liabilities | | 641 | 68 |
| **Cash flow from change in working capital** | | **659** | **1,947** |
| **Cash flow from operating activities** | | **–15,250** | **–13,519** |
| **Investing activities** | | | |
| Borrowings group loan | | 17,000 | 13,000 |
| **Cash flow from investing activities** | | **17,000** | **13,000** |
| **Financing activities** | | | |
| **Cash flow from financing activities** | | **–** | **–** |
| Cash flow for the year | | 1,750 | –519 |
| Cash and cash equivalents at start of year | | 1,811 | 2,331 |
| **Cash and cash equivalents at end of year** | | **3,562** | **1,811** |

### Additional information regarding the parent company's cash flow:

| | 2024 | 2023 |
|---|---|---|
| Interest received during the year | 87 | 13,042 |
| Interest paid during the year | –11,063 | –11,343 |

# NOTES

## Note 1 General information

Bactiguard Holding AB, corporate identity number 556822-1187, is a limited company registered in Sweden and domiciled in Stockholm. The headquarter is located on Vasagatan 11, 111 20 Stockholm.

The Group has three production facilities; one in the south of Stockholm, one in Markaryd, and a third one in Malaysia.

The operations cover research and development, production, marketing and sales of the company's products and technical solutions.

The Annual and Sustainability Report, including financial statements, of the Bactiguard Group was approved for issue on 17 April 2025. Balance sheets and income statements are subject to adoption by the Annual General Meeting on 15 May 2025.

## Note 2 Significant accounting policies

The most important accounting policies that are applied when these consolidated financial statements have been prepared are specified below. These policies have been applied consistently for all the presented years unless otherwise stated. The consolidated financial statements for Bactiguard Holding AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC) as of 31 December 2024. In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Sustainability and Financial Reporting Board's recommendation RFR 1 "Supplementary rules for Group accounting". Items in the consolidated financial statements have been prepared on an acquisition value basis, except for certain financial instruments which are stated at fair value. The accounting currency of the parent company is the Swedish krona, which is also the presentation currency of the Group. All amounts are specified in thousands unless otherwise stated.

### New and amended IFRS standards and new interpretations

Applied accounting policies include new and amended standards for the first time that are mandatory for financial years beginning 1 January 2024. IFRS 18 will be applied from the financial year starting 1 January 2027. IFRS 18 affects, among other things, the presentation in the income statement. The new standard has not yet been adopted by the EU. The Group has not yet evaluated the impact of IFRS 18 IFRS standards and interpretations that have been published but have not yet come into force are not assessed to have affected the Group in any material way.

### Consolidated financial statements

The consolidated financial statements cover the parent company Bactiguard Holding AB and those companies over which the parent company has direct or indirect control (subsidiaries). In determining whether control exists, any shareholder agreements or potential voting shares that may be utilized or converted without delay shall be considered. Control normally exists when the parent company directly or indirectly holds shares representing more than 50 percent of the votes. Subsidiaries are consolidated in the financial statements as of the acquisition date, and are excluded from consolidation as of the date when such control ceases. The accounting policies for subsidiaries have been amended, when necessary, to ensure consistent application of the Group's accounting policies. All intra-group transactions, dealings and unrealized gains and losses attributable to intra-group transactions have been eliminated when preparing the consolidated financial statements.

### Goodwill and other excess values

Goodwill that arises as a result of the acquisition of subsidiaries is recognized at acquisition value less any accumulated impairments. For impairment testing, goodwill is allocated to the cash generating units that are expected to benefit from synergies from the acquisition. Goodwill shall be tested for impairment annually, or more often whenever events indicate that the carrying amount may not be recoverable. If the recovery value of a cash generating unit is determined to be lower than the carrying amount, the amount of the impairment is allocated, first by reducing the carrying amount for goodwill attributable to the cash generating unit and then by the carrying amount for goodwill attributable to the other assets attributable to the cash-generating unit proportionally based on the carrying amount of each asset in the unit. A recognized impairment of goodwill cannot be reversed in a later period. During the sale of a subsidiary, the remaining carrying amount for goodwill is included in the calculation of the capital gain or loss.

### Operating segments

Operating segments are components of a company that engages in business activities from which it may earn revenues and incur expenses, whose operating profit/loss is audited regularly by the company's chief operating decision maker, and for which independent financial information is available. The company's reporting of operating segments matches the internal reporting to the chief operating decision maker. The chief operating decision maker is the function that assesses the operating segment's results and makes decisions on the allocation of resources. The company's assessment is that the Executive Management is the chief operating decision maker. The company is deemed to operate entirely within a single operating segment.

### Revenues

The Group applies IFRS 15 "Revenue from Contracts with Customers", where the basic principle for revenue recognition is that a company should recognize revenue to depict the transfer of goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for these goods or services. Revenue is recognized when the customer obtains control over goods or services. The Group's revenues are mostly from license revenues and product sales. Revenues are recognized at the transaction price of the consideration that has been received or will be received, less VAT, discounts and similar deductions.

### License revenues

License revenues are revenues from sales of products through licensing agreements with Bactiguard's infection prevention technology. The licensing rights refer to the right to use Bactiguard's technology to coat products with Bactiguard's noble metal conentrate.

Bactiguard divides a license agreement into two phases: Collaborative phase and Commercial phase and the revenue is split into application and development revenue, exclusivity revenue and license revenue. An agreement can generate revenue from both phases and and many types of revenue simultaneously. Revenues from the collaboration phase are generated from application development through fees for different types of development collaborations with partners, as well as exclusivity revenues that relate to initial, milestone and annual fees for the right to use the Bactiguard technology. In the commercial phase, the licensee's product has reached the market and the revenues consist of a variable remuneration in the form of royalties on the licensee's sales revenues and a remuneration from the licensees for product delivery in the form of noble metal concentrates.

Each license agreement is customer-specific and once a new agreement is signed, it is analysed on the basis of the five-step model in IFRS 15 as follows

i) identify the agreement;
ii) identify performance obligations;
iii) determine the transaction price;
iv) allocate the transaction price to performance obligations
v) recognize revenue when (or as and when) the company satisfies the performance obligation.

Different performance obligations are identified in the different phases of the license agreement, and the transaction price of the license agreement is allocated across the various obligations. Revenue from the license agreement is recognized either at a specific time or when performance obligations are satisfied.

*Note 2 Significant accounting policies, cont.*

An initial obligation in the collaborative phase is to transfer the right to the technology, which occurs at a certain point in time and the revenue is recognized, such as when the right to the technology is transferred to the licensee. The collaborative phase could also include milestones that must be achieved in order for certain remuneration to be paid, for example that there has to be regulatory approval. This remuneration is then considered to be variable remuneration and the revenue is dependent on a future event occurring. This type of revenue is recognized at a certain point in time, such as when the regulatory approval is obtained and Bactiguard is entitled to the remuneration. In cases where a milestone or performance obligation is not linked to a specific event but runs over time, such as a collaboration on the development and testing of products, the performance obligation is considered to be satisfied over time.

Once the collaborative phase is completed, the license agreement transitions into the commercial phase, which include large elements of the Group's existing license agreements. In the commercial phase, revenues are recognized on a certain date, such as when product delivery of the noble metal concentrate is made and when the variable remuneration in the form of royalties is incurred.

For more information, see Note 5.

### Product sales

Bactiguard has a portfolio of products that protect against and prevent infections. The company also has a portfolio of wound management products. The proceeds from the sale of the products are recognized at the time the control passes to the customer, in other words once the ownership of the products is transferred to the customer, which normally coincides with the delivery.

### Contributions received

Contributions received, for example, for research and development, are recognized as Other income.

### Leases

The right of use (leasing asset) and the leasing liability are measured initially at the present value of future leasing payments. The right of use also includes direct costs attributable to the signing of the lease. In the income statement depreciation on the right of use and interest expenses are recognized. The right of use is recognized separately from other assets in the statement of financial position. In subsequent periods, the right of use is recognized at acquisition value less depreciation and impairments, if any, and adjustments for any remeasurement of the leasing liability.

The right of use asset is depreciated over the shorter of the length of the lease and the asset's underlying useful life. If the lease transfers ownership of the underlying asset to the Group or if the acquisition value of the right of use reflects the fact that the Group will exercise an option to purchase, the associated right of use is to be amortized over the useful life of the underlying asset. Depreciation is initiated at the commencement date of the lease.

The leasing liability is recognized separately from other liabilities. In subsequent periods, the liability is recognized at the amortized acquisition value and is reduced by the leasing payments that have been made.

The leasing liability covers the present value of the following fees over the estimated leasing period:

- fixed fees;
- variable leasing fees linked to the index or price, initially measured using the index or price applicable at the commencement date;
- any residual value guarantees that are expected to be paid,
- the exercise price of a call option that the Group is reasonably sure to exercise and
- penalty fees payable upon termination of the lease for an estimated leasing period reflect the fact that termination of this type will occur.

Variable fees that are not recognized in the liability, such as property tax, are recognized as expenses in operating profit.

The Group assesses whether an agreement is, or contains, a lease upon entering into an agreement. The Group has opted to apply the practical relief rules that are in effect, and therefore leases for less than twelve months have been classified as short-term agreements, whereas leases in which the underlying asset has a new acquisition value that is lower than about SEK 45 thousand are classified as agreements for which the underlying asset has a low value. None of these types of agreement are included in the rights of use or leasing liabilities that have been recognized. For these leases, the Group recognizes the lease payments as operating expenses on a straight-line basis over the term of the lease, unless another systematic method is more representative for when the financial benefits from the leased assets are utilized by the Group.

The leasing period has been established based on how the termination and extension clauses are expected to be used, taking into account the company's strategic future plans, and historic information about how the extension options have previously been used. If it is not reasonably certain that there will be an extension, the extension will not be included in the calculation of the leasing liability. As the discount rate, the Group uses the implicit interest rate of the lease, providing this interest rate can be easily determined. If this interest rate cannot be easily determined, the lessee's marginal loan interest rate is used.

The Group applies IAS 36 "Impairment of assets" to determine if there is a need for impairment to the right of use and recognizes any identified impairment as described in the section "Impairment of property, plant and equipment and intangible assets excluding goodwill".

### Foreign currencies

Items included in the financial statements of the various entities in the Group are recognized in each companies' local currency. All amounts in the consolidated financial statements are translated to Swedish krona (SEK), which is the functional and reporting currency of the parent company and the Group. Foreign currency transactions in each entity are translated into the entity's functional currency according to the prevailing exchange rates on the transaction date.

On each balance sheet date, monetary items in foreign currency are translated at the exchange rate on the balance sheet date. Non-monetary items, carried at fair value in a foreign currency, are translated at the rate that existed when the fair value was determined. Non-monetary items, carried at historical acquisition value in a foreign currency are not translated. Exchange rate differences are recognized in the income statement for the period in which they occur.

In preparing these consolidated financial statements, foreign subsidiaries' assets and liabilities are translated to Swedish krona using the exchange rate on the balance sheet date. Revenue and cost items are translated to the average exchange rate for the period, unless the exchange rate has fluctuated significantly during the period, whereby the exchange rate on the transaction date is used instead. Any translation differences that arise are recognized in other comprehensive income and transferred to the Group's translation reserve. On disposal of a foreign subsidiary, such translation differences are recognized in the income statement as a part of the capital gain or loss. Goodwill and changes to fair value that arise in the acquisition of a foreign business are treated as assets and liabilities of the operations and translated at the exchange rate on the balance sheet date.

### Employee benefits

Employee benefits in the form of salaries, bonus, paid vacation, paid sick leave, and similar, as well as pensions are recognized as they are incurred. Pensions and other benefits after terminated employment are classified as defined contribution or defined benefit pension plans. The Group only has defined contribution pension plans. This means that the company pays fixed fees to a separate independent legal entity for defined contribution plans and has no liability to pay additional fees. The Group's earnings are charged for costs as the benefits are earned, which normally coincides with the date when the premiums are paid.

### Taxes

Tax expense is the sum of current and deferred tax.

### Current tax

Current tax is measured as the taxable earnings for the period. Taxable earnings differ from the profit shown in the income statement, which includes non-taxable revenue and non-deductible expenses, and revenues and costs that were taxable or deductible in other periods. The Group's current tax liabilities are calculated applying the tax rates that have been decided or advised as of the balance sheet date.

### Deferred tax

Deferred tax is recognized for all temporary differences that arise between the carrying amount of the assets and liabilities in the financial statements and the taxable amounts used when calculating taxable income. Deferred tax is recognized, using the balance sheet liability method.

In principle deferred tax liabilities are recognized for all taxable temporary differences, and in principle deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that the amounts can be utilized against

*Note 2 Significant accounting policies, cont.*

future taxable profit. Deferred tax liabilities and tax assets are not recognized if the temporary difference is attributable to goodwill or if it arises from a transaction that is the first reporting of an asset or liability (that is not a business combination) and which, on the transaction date, does not affect recognized or taxable income. Deferred tax liabilities are recognized for taxable temporary differences attributable to investments in subsidiaries, except when the date for reversing the temporary differences can be controlled by the Group and it is probable that such a reversal will not take place in the foreseeable future.

The deferred tax assets that are attributable to deductible temporary differences related to such investments shall only be recognized to the extent it is probable that the amounts can be utilized against future taxable profit and it is probable that these will be utilized in the foreseeable future. The carrying amount for deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profit will be available to be utilized, wholly or partially, against the deferred tax assets.

Deferred tax is measured at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been decided or notified on the balance sheet date. Deferred tax assets and tax liabilities are offset when they are attributable to income tax levied by the same authority and when the Group intends to settle the tax with a net amount.

## Current and deferred tax for the period

Current and deferred tax is recognized as an expense or revenue in the income statement, except when the tax arises from transactions that are recognized as other comprehensive income or directly against equity. In such cases, the tax is also recognized in other comprehensive income or directly against equity. For current and deferred tax that arises during reporting of business combinations, the tax effect should be recognized in the acquisition calculation.

## Property, plant and equipment

Property, plant and equipment is recognized at acquisition value less accumulated depreciation and any accumulated impairments. The acquisition value consists of the purchase price, costs directly attributable to bringing the asset to the site and working condition for its intended use, and the estimated cost of dismantling and removing the asset, and restoring the site where it is located. Additional costs are included only if the asset is recognized as a separate asset, when it is probable that the future economic benefits that can be attributed to the item will flow to the Group and the acquisition value for the same can be measured reliably. All other costs for repairs, maintenance and additional fees are recognized in the income statement for the period they arise. Depreciation of property, plant and equipment is written off so that the asset's value less the estimated residual value at the end of the useful life, is depreciated on a straight-line basis over the estimated useful life, which is assessed as:

| | |
|---|---|
| Buildings | 5–60 years |
| Improvements, leasehold | 5–15 years |
| Machinery and other technical plant | 5–10 years |
| Equipment, tools and installations | 5 years |

Parts of property, plant and equipment whose cost is significant in relation to the asset's total cost, amortized separately when the useful life of the parts does not match with the useful lives of the other assets parts. Estimated useful life, residual values, and depreciation methods are retested at least at the end of each financial period, the effect of any changes to assessments is recognized in estimation of useful life. The carrying amount for property, plant and equipment is derecognized in the statement of financial position when it is retired or disposed, or when no future economic benefits are expected from the asset. The gain or loss that arises when the asset is retired or disposed is recognized in profit for the period when the asset is derecognized in the statement of financial position.

## Intangible assets

### Separately acquired intangible assets

Intangible assets with a determinable useful life that are acquired separately are recognized at acquisition value less accumulated depreciation and any accumulated impairments. Depreciation takes place on a straight-line basis over the asset's estimated useful life. Estimated useful life and depreciation methods are retested at least at the end of each financial year, the effect of any changes to assessments is recognized prospectively.

### Internally generated intangible assets

*Capitalized expenses for product development*

The Group's product development expenses are recognized as internally generated intangible assets in cases where the following conditions have been met:

- it is technically feasible to complete the intangible asset so that it is available for use or sale,
- the company intends to complete the intangible asset and to use or sell it,
- conditions are present to use or sell the intangible asset,
- the company demonstrates how the intangible asset will generate reliable future economic benefits,
- adequate technological, financial, and other resources are available to complete development and to use or sell the intangible asset, and
- the expenses directly attributable to the intangible assets during its development can be measured reliably.

If these conditions are not met, the cost of development is recognized instead as an expense in the period in which they arise. Depreciation of the asset begins once product development for each internally generated intangible asset is considered complete. The asset is then recognized at acquisition value less accumulated depreciation and any accumulated impairments. Research expenditures are capitalized.

*Intangible assets acquired through a company acqusition*

Intangible assets acquired through a company acquisition are identified and recognized separately from goodwill when they meet the definition of an intangible asset and their fair value can be measured reliably. The acquisition value of such intangible assets comprises their fair value on the acquisition date. After initial recognition, intangible assets acquired through a company acquisition are carried at acquisition value less accumulated depreciation and any accumulated impairments in the same way as with separately acquired intangible assets.

*Estimated useful life for intangible assets*

| | |
|---|---|
| Technology | 6 years resp. 15 years |
| Customer relationships | 12–15 years |
| Patents | 20 years |
| Capitalized expenses for product development | 5 years |
| Brands | Indeterminable useful life resp. 5 years |

*Disposals and retirements*

An intangible asset is derecognized in the statement of financial position when it is retired or disposed, or when no future economic benefits are expected from the asset. The gain or loss that arises when an intangible asset is derecognized in the statement of financial position is recognized in the income statement when the asset is derecognized from the statement of financial position.

## Impairment of property, plant and equipment and intangible assets excluding goodwill

On each balance sheet date, the Group analyses tangible and intangible assets to determine whether there is evidence that these assets have decreased in value. If so, the asset's recovery value is measured to determine the value of any impairment. If it is not possible to determine the recovery value of an individual asset, the Group measures the recovery value of the cash generating unit to which the asset belongs. Intangible assets with indeterminable useful life and intangible assets that are not yet finished for use shall be tested for impairment annually, or when there is evidence of loss in value. The recoverable amount is the higher of the fair value less selling cost and its value in use. When measuring value in use, an estimate of the future cash flows is discounted to present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recovery value of an asset (or a cash generating unit) is determined to be below the carrying amount, an impairment loss is recognized for the carrying amount of the asset (or the cash generating unit) to reflect the recovery value. The impairment loss is immediately recognized as an expense in the income statement. When an impairment loss is reversed, the carrying value of the asset (or the cash generating unit) is revalued to reflect the increase in recovery value, but this increased recovery value may not exceed what the depreciated historical cost would have been if the impairment of the asset had not been recognized (or cash generating unit). Rever-

*Note 2 Significant accounting policies, cont.*

sal of an impairment loss is recognized directly in the income statement.

## Financial instruments

**Measurement of financial instruments**

*The fair value of financial instruments*

The fair value of financial assets and financial liabilities is measured as follows: The fair value of financial assets and liabilities that have standard conditions that are traded on an active market is measured in relation to the quoted market price. The fair value of other financial assets and liabilities is determined according to generally accepted valuation models that are based on information obtained from observable current market transactions. The carrying amounts of all financial assets and liabilities are deemed to be a reasonable approximation of their fair value, unless otherwise stated.

*Amortized acquisition value*

Amortized acquisition value is the amount at which the asset or liability is measured at initial recognition, less principal repayments and plus or minus any accumulated accruals using the effective interest method of the initial difference between the amounts received or paid and amounts to be received or paid on the due date and less depreciation. The effective rate is the interest rate at which, when discounting all estimated future cash flows over the expected maturity, results in the initial carrying amount of the financial asset or the financial liability.

**Recognition of financial instruments**

Financial assets or liabilities are recognized in the balance sheet when the company becomes a party pursuant to the contractual terms of the instrument. A receivable is recognized when the company has performed its contractual obligations, and there is a contractual obligation for the counterparty to pay, even if no invoice has been sent. A liability is recognized when the counterparty has performed its contractual obligations, and there is a contractual obligation to pay, even if no invoice has been received. A financial asset is derecognized in the balance sheet when the entitlements in the contract are realised, when the risks and rewards are transferred to another party, when the right to the cash flows ends or the company loses control of the asset. The same applies to part of a financial asset. A financial liability is derecognized in the balance sheet when the agreed obligation is discharged or otherwise extinguished. The same applies to part of a financial liability. The acquisition and sale of financial assets are recognized on the trade date, which is the day when the company commits itself to acquire or sell the asset.

*Cash and cash equivalents*

Cash and cash equivalents include cash assets and bank balances, and other short-term securities that are readily convertible to cash and are subject to an insignificant risk of changes in value. Classification as cash or cash equivalents requires that the maturity does not exceed three months from the date of the acquisition. Cash assets and bank balances are measured at amortized acquisition value. Since bank deposits are payable on demand, amortized acquisition value equals the nominal amount.

*Accounts receivable*

Accounts receivable are recognized in the balance sheet when an invoice has been sent. Accounts receivable are measured at amortized acquisition value.

*Derivative instruments*

The Group does not apply hedge accounting, and all derivative instruments are therefore measured as 'Fair value via the income statement' in the category 'Other'. Derivative instruments with a positive fair value are recognized as assets in the 'Other current receivables' item. Derivative instruments with a negative fair value are recognized as liabilities in the 'Other current liabilities' item. Currency forwards are used to hedge foreign currency flows.

*Accounts payable*

Accounts payable are recognized when an invoice has been received. Accounts payable are measured at their amortized acquisition value. However, the expected maturity of accounts payable is short, so the liability is recognized at the nominal amount and is not discounted.

*Borrowing from credit institutions and other loans*

Interest-bearing bank loans, bank overdrafts and other loans are measured at their amortized acquisition value using the effective interest rate method. Any differences between the loan received (net after transaction costs) and the repayment amount or the amortisation of the loan are recognized over the maturity period of the loan.

*Offsetting financial assets and financial liabilities*

Financial assets and financial liabilities are offset and recognized as a net amount in the balance sheet when there is a legal right to offset and when the intention is to settle the items on a net basis or to simultaneously realise the asset and settle the liability.

**Impairment of financial instruments**

One new feature of IFRS 9 is that a credit loss provision must be made based on expected losses. The Group recognizes a loss provision for expected credit losses from financial assets measured at amortized acquisition value or fair value via other comprehensive income, for lease receivables and contract assets. The impairment rules do not extend to equity instruments. On each balance sheet date, the change in expected credit losses since initial recognition is recognized in profit or loss. The purpose of the impairment requirements is to recognize the expected credit losses for twelve months for all financial assets and the remaining term for all financial assets for which significant increases have occurred in the credit risk since initial recognition, either assessed individually or collectively, in view of all reasonable and verifiable data, including forward-looking data. When the company evaluates whether the credit risk for a specific financial instrument has increased significantly since it was recognized in the Group's financial statements, the Group compares the risk for payment default at the date of recognition with the risk of default in the reporting period. When this evalutaion is made, both historical and forward-looking data are taken into account. The Group measures expected credit losses from a financial instrument in a way that reflects an objective and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable verifiable data about current conditions and forecasts regarding future economic conditions.

Cash and cash equivalents and other operating receivables with a maturity of less than twelve months are covered by the general model, with the exception of low credit risk. The Group classifies a financial asset as having low credit risk when that financial asset has received the external credit grade "investment grade" according to international standard. When no external grade is available, the Group considers a financial asset to have low credit risk in the cases where the emmittant has a strong financial position and no outstanding, overdue unpaid debt. Based on this a credit loss provision has been deemed unnecessary for the Group's cash and cash equivalents and other operating assets.

For accounts receivable, contract assets and lease receivables there was a simplified model, which means that the Group directly recognized expected credit losses for the remaining term of the asset. The Group applied the simplified model for accounts receivable using a matrix, where a historic credit loss is an indicator that is adjusted for current and future factors. The Group's exposure to credit risk is primarily attributable to accounts receivable. The simplified model was used to calculate credit losses on the Group's accounts receivable.

The expected credit losses for accounts receivables were calculated using a provision matrix based on past events, current conditions and forecasts of future economic conditions. These assumptions are described in Note 4.

Impairment of accounts receivable and other receivables is recognized in operating expenses. Impairment of cash and cash equivalents and other non-current securities holdings are recognized as a financial expense.

## Inventory

Inventories are carried at the lowest of cost and net realizable value. The cost of finished goods includes raw materials, direct labor costs, tool costs, other direct costs, and related manufacturing costs. Inventory value is calculated using the weighted average costing method. The net realizable value is the estimated sales price in ongoing business. Assessment of the need of write-down is made continously regarding obsolecence and other factors that motivate a write-down of the inventory.

## Provisions

Provisions are recognized when the Group has a legal or informal obligation based on past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured. The amount reserved is the best estimate of the amount required to settle the existing obligation on the balance sheet date, considering the risks and uncertainties associated with the obligation. When a provision is

*Note 2 Significant accounting policies, cont.*

measured by estimating the payments expected to be required to settle the obligation, the carrying amount shall correspond to the present value of these payments.

### Accounting policies for the parent company

The parent company applies the Swedish Annual Accounts Act and the Swedish Sustainability and Financial Reporting Board's Recommendation (RFR 2) Accounting for legal entities. The application of RFR 2 means that the parent company, to the extent possible, follows all the EU approved IFRS within the framework of the Swedish Annual Accounts Act and considers the relationship between accounting and taxation. The following differences exist between the accounting policies of the Group and the parent company:

Shares in subsidiaries are recognized in the parent company according to the acquisition value method. Acquisition-related costs for subsidiaries that are charged in the consolidated financial statements are included as a part of the acquisition value for shares in subsidiaries.

The parent company does not apply IFRS 9. The parent company's financial instruments are recognized in accordance with a method based on acquisition value as specified in the Annual Accounts Act.

The parent company does not apply IFRS 16. There are currently no leases in the parent company.

The parent company complies with the Annual Accounts Act's layout for the income statement and balance sheet. The parent company applies the same impairment principles as the Group.

## Note 3 Significant accounting estimates and assessments

The most significant assumptions concerning the future, and other important sources of uncertainty in estimations on the balance sheet date, which cause a significant risk for substantial adjustment to carrying amounts for assets and liabilities in the coming financial year are described below.

### Revenue recognition

One condition for revenue recognition is that the revenue from sales should reflect the transfer of goods and services to customers with an amount that represents the compensation that the company expects to get in exchange for these goods or services. The assessment as to when risk and control has been transferred requires a thorough analysis of each contract and the circumstances under which a transaction has been carried out.

Bactiguard's license agreements contain several different obligations from the company and from the license holder during the collaboration phase within the activities application development revenue and exclusivity revenue, for which the management needs to make assessments whether these constitute distinctive obligations that should be represented separately, or whether they should be grouped together with other obligations. When the obligations have been identified, the transaction price is allocated to each obligation, which requires an assessment of the management regarding the appropriate sales price. Furthermore, the management makes the assessment for each obligation whether its revenue should be recognized at a specific point in time, or rather over time. These assessments and estimates have a considerable effect on revenue recognition when it comes to application development and exclusivity fees for license contracts in the collaboration phase.

The license agreements also contain exclusivity revenue which depends on future events, like regulatory approvals. These variable fees are recognized as revenue when they have the highest probability, which requires that management assesses the probability at each accounting close. The license contracts also contain an estimate for the rate of completion that helps to measure the amount of work performed. These assessments and estimates of license contracts can have a considerable effect on the recognized revenue.

License revenue also contain royalty. Royalty is a variable compensation from the license-customers in a license-partnership, that is given to Bactiguard when the license customer has sold its products which have been coated with Bactiguard's technology. Bactiguard's revenue from royalty is recognized at the pursuant sale of usage by a license customer and is accounted for over time based on the expected value. The expected value is calculated based on historical and forecasted data. These assessments and estimates for expected royalty impact recognized revenue. The revenue model is continuously analysed and is changed when needed.

### Impairment testing of goodwill and brands

The Group conducts impairment testing annually for goodwill and brand or whenever there is an indication they may be impaired. In order to determine whether the value of these assets has decreased, the cash-generating unit to which goodwill and trademark are attributed must be measured by discounting the unit's cash flows. By applying this method, the company is relying on a number of factors, including achieved results, business plans, economic forecasts and market data. This is described in more detail in Note 13. Every year the Group also tests to see if there is any impairment need for capitalized development costs. The value of the capitalized development costs is measured in relation to any future expected cash flows that the asset is expected to generate in order to see whether there is any need for impairment. As can be deduced from the description, changes in the conditions for these assumptions and estimates could have a significant effect on the value of goodwill and brand.

As described above, changes in the conditions for these assumptions and estimates could have a significant effect on the value of goodwill and trademarks and capitalized development costs. The sharpened strategy has been taken into account in this year's valuation.

### Provisions for projects at a loss

The Group recognizes as per 31 December 2024 no provisions for projects at a loss. A provision for projects at a loss is recognized in the cases where a company's obligations according to the agreement surpass the benefits. Assessments of additional costs for the realization of the obligations during the collaboration phase of a license agreement are done continuously and can substantially impact the amount of the provision and the Group's financial results.

### Right of use and leasing liability

When establishing the right of use and leasing liability for current agreements, the most important judgements are whether an agreement is, or contains a lease, establishing the leasing periods and discount rates. The leasing period has been established based on how the termination and extension clauses are expected to be used, taking into account the company's strategic future plans, and historic information about how the extension options have previously been used. If it is not reasonably certain that there will be an extension, the extension will not be included in the calculation of the leasing liability. The company's loan interest rate is applied when discounting leasing liability, which has been determined per country based on the ten-year government bond rate, the company's credit risk and the currency risk.

### Estimation of useful life for intangible and tangible assets

Executive Management determines the estimated useful life and consequent depreciation for the Group's intangible and tangible assets. Estimates of the useful lives of intangible assets are based on expectations of how long the asset is expected to yield financial benefits. The useful lives of the tangible assets are based on the history of the useful lives of the corresponding assets. The useful life and assessed residual values are evaluated at the end of each financial year, and the estimated useful life could change the outcome whereby the results and financial position of the period may be affected.

*Note 3 Significant accounting estimates and assessments, cont.*

### Assessment of provision for expected credit losses

Accounts receivable are one of the most substantial items in the balance sheet and are recognized at their nominal amount, net of deductions for expected credit losses.

Provision for expected credit losses is subject to accounting estimates and assessments. In line In accordance with IFRS 9, a credit loss reserve has been calculated, as stated in Note 4. From 1 January 2023 on, the Group applies new assumptions for the assessment of the bad debt accrual. By these assumptions, outstanding invoices overdue 1–30 days are written down by 5 percent, invoices overdue 31–90 days are written down by 10 percent, and invoices overdue more than 90 days are written down with 100 percent.

These assumptions are based on historical data and observations and forward-looking factors. In addition to the accrual for bad debt that is done according to the method described above, there is also the possibility to book an accrual for the write-down of debt in the cases where an assessment has been made that payment is highly unlikely – for example where the customer has failed at its payment plan. More information regarding the Groups accrual for bad debt can be found in Note 26.

In the case where the company has continuous discussions with the client, or an on-going collaboration around clinical studies and other collaborations – then the risk of default can be estimated to be lower. Default is defined by the Group as invoices overdue by more than 90 days. In addition default can also occur in the case of bankruptcy or in the case of disputes that the Group has a low likelihood of winning. All these estimates and assessments impact the amount of the bad debt accrual and thus the result. or in any other way have a clear and thorough collaboration it can assess and estimate the risk for default evet lower. These estimates and assessments influence the size of the credit loss provision and therefore the recognized profit for the Group.

### Valuation of inventory

Inventories are valued at the lower of cost and net realizable value. Estimates are required in respect of projected sales volumes, prices and inventory balances in order to determine the lower of cost or net realizable value and may have a significant impact on the carrying amount.

### Climate risks

Bactiguard has in estimates and assessment-made assumptions about the future, taking into account: the possible impact of the effects of changing climatic conditions. These environmental assumptions are: made internally and has not been deemed to have any material impact on assessments and estimates made.

## Note 4 Financial risk management

Through its activities, the Group is exposed to various types of risk. The Group's objective is to create a comprehensive risk management programme that concentrates on minimising potential unfavourable effects on financial results. The company's Board of Directors is ultimately responsible for the exposures, management and follow-up of the Group's risks. The frameworks that apply to the exposures, management, and follow-up of financial risks are established by the Board of Directors and revised annually. The Board of Directors has delegated responsibility for daily risk management to the company's CEO, who in turn has delegated this to the company's CFO. The Board of Directors is able to decide on temporary departures from these established frameworks. The financial risks Bactiguard is exposed to are addressed separately below.

### Liquidity and financing risks

Liquidity and financing risks involve the risk of not being able to meet payment obligations due to insufficient liquidity or difficulties in obtaining external loans. The table below illustrates the Group's liquidity risks using a maturity analysis of financial liabilities. The amounts in these tables are not discounted values and they also contain, where applicable, interest payments and amortisation, whereby these amounts cannot be reconciled against the amounts recognized in the balance sheets. Interest payments are determined based on conditions which apply on the balance sheet date. The table below indicates how the financial liabilities mature based on the information that was available as of 31 December 2024.

Amounts in foreign currencies are translated to Swedish krona on the balance sheet date exchange rates.

The company manages liquidity and financing risks through continual monitoring of liquidity forecasts and assessment of alternative financing solutions. At the end of the year Bactiguard Holding has a bank loan of SEK 170.9 million with a maturity according to agreement until May 2025 and which are reported as current liabilities to credit institution. In early February 2025, the company amortized SEK 51.0 million of the SEK 170.9 million financing from SEB, while simultaneously securing SEK 120.0 million in new financing on better terms. The new loan has a term of two years with an option to extend for an additional year. The new licensefocused strategy will also improve profitability and cash flow.

### Maturity analysis: Financial liabilities

| Group 31 Dec 2024 | Within 3 months | 4–12 months | 1–5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Liabilities to credit institutions (including future interest) | 2,399 | 178,137 | – | – | 180,536 |
| Leasing liability | 3,679 | 11,036 | 44,673 | – | 59,388 |
| Accounts payable | 22,925 | – | – | – | 22,925 |
| **Total** | **29,003** | **189,173** | **44,673** | **–** | **262,849** |

| Group 31 Dec 2023 | Within 3 months | 4–12 months | 1–5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Liabilities to credit institutions (including future interest) | 5,427 | 185,151 | – | – | 190,578 |
| Leasing liability | 3,263 | 9,789 | 41,577 | 4,800 | 59,429 |
| Accounts payable | 16,695 | – | – | – | 16,695 |
| **Total** | **25,385** | **194,940** | **41,577** | **4,800** | **266,702** |

*Note 4 Financial risk management, cont.*

| Parent company 31 Dec 2024 | Within 3 months | 4–12 months | 1–5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Liabilities to credit institutions (including future interest) | 2,399 | 178,137 | – | – | 180,536 |
| Accounts payable | 178 | – | – | – | 178 |
| **Total** | **2,577** | **178,137** | **–** | **–** | **180,714** |

| Parent company 31 Dec 2023 | Within 3 months | 4–12 months | 1–5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Liabilities to credit institutions (including future interest) | 3,018 | 179,325 | – | – | 182,343 |
| Accounts payable | 86 | – | – | – | –86 |
| **Total** | **3,104** | **179,325** | **–** | **–** | **182,429** |

### Financial assets

The determination of fair value is divided into the following three levels:
Level 1: based on the prices listed on an active market for the same instrument
Level 2: based on direct or indirect observable market data that is not included in level 1
Level 3: based on input data that is not observable on the market
The Group's other current receivables at fair value are currency derivatives, which are measured in accordance with level 2.

| Financial assets | Recognized as of 31 Dec 2024 | | Recognized as of 31 Dec 2023 | |
|---|---|---|---|---|
| Measurement | Amortized acquisition value | Fair value through the income statement | Amortized acquisition value | Fair value through the income statement |
| Other non-current accounts receivable | 20,454 | – | 13,648 | – |
| Accounts receivable | 25,046 | – | 17,249 | – |
| Other current receivables | 12,960 | – | 8,118 | – |
| Cash and cash equivalents | 116,727 | – | 123,217 | – |
| **Total** | **175,187** | **–** | **162,232** | **–** |

| Financial liabilities | Recognized as of 31 Dec 2024 | | Recognized as of 31 Dec 2023 | |
|---|---|---|---|---|
| Measurement | Amortized acquisition value | Fair value through the income statement | Amortized acquisition value | Fair value through the income statement |
| **Liabilities** | | | | |
| Non-current interest-bearing liabilities | – | – | – | – |
| Current interest-bearing liabilities | 170,893 | – | 178,568 | – |
| Non-current leasing liabilities | 40,694 | – | 42,306 | – |
| Current lease liabilities | 16,180 | – | 12,224 | – |
| Accounts payable | 22,925 | – | 16,695 | – |
| Other liabilities | 3,312 | – | 4,570 | – |
| **Total** | **254,003** | **–** | **254,363** | **–** |

*Note 4 Financial risk management, cont.*

## Accounts receivable

The Group's definition of credit risk for a certain financial instrument is the risk of default during the reporting period. In making this estimate, both historical and prospective data are considered. The Group considers the account receivables as a significant area for credit risk. A credit loss provision has been calculated in accordance with IFRS 9 and is set out in the table below.

From 1 January 2023 on, the Group applies new assumptions for the assessment of the bad debt accrual. By this method, outstanding invoices overdue 1–30 days are written down by 5 percent, invoices overdue 31–90 days are written down by 10 percent, and invoices overdue more than 90 days are written down with 100 percent. These new assumptions are based on historical data and observations and forward-looking factors. These new assumptions are based on historical data and observations. Accounts receivables that are overdue for more than 90 days are often not been paid. Forward-looking factors related to the sharpened strategy have also contributed to the assumption change. The Group has made the assessment that the economic circumstances of the industry have not been affected neither by higher inflation, nor by the state of the market. In addition to the accrual for bad debt that is done according to the assumptions above, there is also the possibility to book an accrual for the write-down of debt in the cases where an assessment has been made that payment is highly unlikely – for example where the customer has failed at its payment plan. More information on the Group's overall credit loss provision is given in Note 26.

| | Risk class 1 | Risk class 2 | Risk class 3 | Risk class 4 | Credit loss provision, individual assessment | Total outstanding receivables |
|---|---|---|---|---|---|---|
| **2024-12-31** | | | | | | |
| Accounts receivable, gross per risk class | 10,962 | 9,104 | 6,119 | 1,114 | – | 27,299 |
| Exchange rate adjustment | – | – | – | – | – | – |
| Expected loss level, % | 0.0% | 5% | 10% | 100% | – | – |
| Credit loss provision | – | –456 | -612 | –1,114 | –71 | –2,253 |
| **Total accounts receivable, net 2024-12-31** | | | | | | **25,046** |
| **2023-12-31** | | | | | | |
| Accounts receivable, gross per risk class | 8,435 | 4,009 | 2,911 | 2,268 | 2,385 | 20,008 |
| Exchange rate adjustment | – | – | – | – | – | – |
| Expected loss level, % | 0.0% | 5% | 10% | 100% | – | – |
| Credit loss provision | – | –200 | –291 | –2,268 | – | –2,759 |
| **Total accounts receivable, net 2023-12-31** | | | | | | **17,249** |

## Capital risk management

The Group's objective of managing capital, equity and interest bearing liabilities, is to ensure the Group's capability to continue its operations, in order to keep the trust of investors, credit institutions and other stakeholders.

The Group is working to reduce its capital risk by:

- Establishing sufficient credit facilities in good time for the forecasted needs.
- Monitoring maturities for total debt with the purpose of matching amortisation with expected cash flow.
- Optimizing operating capital in the Group.
- Monitoring the debt ratio. The gearing ratio is determined as net debt divided by EBITDA (Operating result adjusted for depreciation). Net debt is calculated as interest-bearing liabilities less cash and cash equivalents.

## Currency risk

Currency risk relates to the risk that the fair value or future cash flows fluctuate due to changes in exchange rates. The exposure for currency risk primarily derives from payment flows in foreign currencies, referred to as 'transaction exposure,' and from translating balance sheet items in foreign currency and during translation of foreign subsidiaries' income statements and balance sheets to the Group's presentation currency which is Swedish krona, referred to as 'currency exposure.'

The Group's outflows primarily consist of SEK and USD while the primary inflows are in USD and EUR. The Group is thereby highly affected by changes in these currency exchange rates.

Under the Group's currency policy such transaction exposure can be reduced through the use of derivative instruments. Pursuant to the currency policy, the Group may use forward contracts, swaps and currency options. If such instruments are used, hedging should take place by 40–80% of the forecasted cash flows in the relevant currency for the next twelve months. As of 31 December 2024, there were MUSD 0 (0) in outstanding currency contracts.

The Group's consolidated profit is primarily affected by exchange rates which are mostly attributable to USD and EUR. Under the Group's finance policy, this translation exposure shall not be hedged.

## Sensitivity analysis

Based on the year's revenues, cost and currency structures, a general 10 percentage point change in the exchange rate between SEK and USD would impact the Group's operating profit by approximately SEK +/– 11.6 (12.8) million. A similar change to the rate of SEK in relation to the EUR (10 percentage point) would impact the Group's operating profit by approximately SEK +/– 0.6 (0.2) million.

## Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows fluctuate due to changes in interest rates. The Group is primarily exposed to interest rate risk through its loan financing.

As the loan runs at an interest base for Ibor, the company's foremost interest risk to possible changes is represented by the underlying Stibor rate. A change of 1 percentage point in Stibor 90 would have an impact of SEK 1.7 (2.2) million on the Group's annual interest expense for the loan, which stood at SEK 170.9 (170.9) million at the end of 2024.

## Note 5 Revenues

### Revenue distribution

The Group's revenue is generated by the sale of the products in the BIP- and wound care portfolios in addition to license revenue. Revenue from the sale of the products is recognized as soon as the control over the product is transferred to the customer, that is, when the ownership of the products has been transferred to the client, which normally occurs at the time of delivery.

The license revenue is generated by licence agreements which confer the right to use Bactiguard's technology to coat products. When a new license license agreement is signed, this new agreement needs to be analyzed according to the five-step model in IFRS 15. The license agreement is divided into two phases: The collaboration phase and commercial phase. The collaboration phase conists of revenue from application development and exclusivity fees, and the commercial phase consists of revenue from license partnerships. An agreement can generate revenue from both phases and many types of revenue simultaneously.

Each phase can be divided into separate deliverables, and the transaction price can be allocated between these deliverables. A deliverable in the collaboration phase usually implies that the collaboration partner gets the license right to immediately use Bactiguard's technology. When the right to the technology has been transferred a signing fee is paid. At this point the deliverable of this part of the agreement has been carried out, and the revenue is thus booked, at one point in time.

The collaboration phase can also contain milestones that should be attained in order for a certain payment to be made, for example an exclusivity partnership containing a regulatory approval. This payment is then considered as variable income, and the recognition of the revenue is dependent on the ocurrence of a future event.

Deliverables can be met at a certain point in time or over time. Each license agreement is customer specific. In the case where a milestone (or another deliverable) is not tied to a future event but is rather met over time, continuous assessments are made in collaboration with the partner regarding what goals have been met, what is the next step and so on. This is thus considered to be a good basis for the assessment of what deliverables have been met and thus for what transaction prices can be recognized as revenue in the period. These assessments and estimates have a considerable effect on the revenue recognition of application development and exclusivity partnership revenue pertaining to collaboration agreements in the collaboration phase.

When the collaboration phase is over, the license agreement enters a commercial phase and generates revenues from license partnerships. This is the phase in which a big part of the Group's license agreements currently are. Revenue from license partnerships is recognized at a specific point in time. Below is a table showing the split of the Group's revenue on the basis of the type of product/service and the timing of the revenue recognition.

| | Group | | Parent company | |
|---|---|---|---|---|
| **Type of product/service** | **2024** | **2023** | **2024** | **2023** |
| License partners | 155,397 | 104,322 | – | – |
| Exclusivity partners | 7,746 | 9,710 | – | – |
| Application development partners | 1,548 | 3,163 | – | – |
| Wound Management portfolio | 60,942 | 53,817 | – | – |
| BIP portfolio | 16,045 | 30,533 | – | – |
| Services | – | – | 3,423 | 3,062 |
| **Total** | **241,678** | **201,545** | **3,423** | **3,062** |

| | Group | | Parent company | |
|---|---|---|---|---|
| **Time of reveue recognition** | **2024** | **2023** | **2024** | **2023** |
| Performance obligations satisfied at a point in time | 232,385 | 188,672 | 3,423 | 3,062 |
| Performance obligations satisfied over time | 9,293 | 12,873 | – | – |
| **Total** | **241,678** | **201,545** | **3,423** | **3,062** |

### Important components in customer agreements

Bactiguard does not apply a general right of return for products to its distributors.

The Group applies a variety of different payment terms, depending on, for example, the market where the distributor operates and complexity in the agreement. Payment terms with 50 percent advance invoicing is applied to the Group's largest customer Becton Dickinson & Company (BD). Advance invoicing is also applied to new distributors. The table below shows the agreement balance of advances from customers. These agreement liabilities are recognized in the accrued expenses and prepaid income item; see Note 33.

| | Prepaid income | |
|---|---|---|
| **Agreement liabilities** | **2024** | **2023** |
| **Opening balance 1 January** | **8,131** | **11,512** |
| Gross increase during the year | 9,123 | 8,131 |
| Revenues recognized during the year | –8,131 | –11,512 |
| **Closing balance 31 December** | **9,123** | **8,131** |

## Note 6 Segment information

### Group

The information recognized to the chief operating decision makers is not separated into different operating segments. The Group is therefore seen as a single operating segment. Of the Group's total revenues of SEK 241,678 (201,545) thousand, sales to the customer Becton Dickinson & Company (BD) accounted for SEK 124,686 (93,077) thousand, which is equivalent to 52 percent (46).

### Revenues per segment

| | 2024 |
|---|---|
| USA | 153,678 |
| Malaysia | 26,914 |
| China | 12,278 |
| India | 7,386 |
| Sweden | 5,568 |
| Indonesia | 5,380 |
| Bangladesh | 5,364 |
| Other countries | 25,108 |
| **Total net sales** | **241,678** |

| | 2023 |
|---|---|
| USA | 114,592 |
| Malaysia | 26,879 |
| Sweden | 8,934 |
| India | 7,354 |
| Bangladesh | 5,665 |
| Indonesia | 4,841 |
| Saudi Arabia | 3,729 |
| Other countries | 29,551 |
| **Total net sales** | **201,545** |

**Parent company**

No sales of goods were made in the parent company for the period.

### Fixed assets

**Information regarding the segments of the Group's fixed assets**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Current assets** | **Geography** | **Percentage %** | **Geography** | **Percentage %** |
| Sweden | 75,750 | 69% | 62,388 | 66% |
| Malaysia | 33,419 | 31% | 31,454 | 34% |
| Other | 9 | 0% | 16 | – |
| **Total** | **109,177** | **100%** | **93,858** | **100%** |

| **Non-current assets** | **Geography** | **Percentage %** | **Geography** | **Percentage %** |
|---|---|---|---|---|
| Sweden | 332,035 | 100% | 356,541 | 100% |
| **Total** | **332,035** | **100%** | **356,541** | **100%** |

## Note 7 Other operating income and operating expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| **Other operating income** | **2024** | **2023** | **2024** | **2023** |
| Exchange rate gains | 11,060 | 12,417 | – | – |
| Rental income | 7,138 | 6,766 | – | – |
| Other operating income | 2,002 | 2,445 | – | – |
| **Total** | **20,200** | **21,628** | **–** | **–** |

| | Group | | Parent company | |
|---|---|---|---|---|
| **Other operating expenses** | **2024** | **2023** | **2024** | **2023** |
| Exchange rate loss | –8,857 | –13,923 | – | – |
| **Total** | **–8,857** | **–13,923** | **–** | **–** |

## Note 8 Information on fees and remuneration to auditors

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Deloitte** | | | | |
| audit assignment | 1,090 | 991 | 1,040 | 991 |
| additional audit assignments | – | – | – | – |
| other services | 48 | 30 | – | – |
| **Total** | **1,138** | **1,021** | **1,040** | **991** |
| **Other auditors** | | | | |
| audit assignment | 136 | 155 | – | – |
| tax consultancy | 17 | 31 | – | – |
| **Total** | **153** | **186** | **–** | **–** |

The audit assignment refers to fees charged for the statutorily required audit. The assignment includes auditing the annual accounts and financial statements, reviewing the administration of the Board of Directors and Chief Executive Officer, and the fees for audit advice provided to the company during the audit engagement. Other audit activities refer to quality assurance services and includes, among other things, new IFRS rules.

## Note 9 Number of employees, salaries, other remuneration and social security costs

### Employees

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Average number of employees** | Number of employees | Of which women | Number of employees | Of which women |
| Parent company | – | – | – | – |
| Swedish subsidiaries | 43 | 22 | 51 | 29 |
| Foreign subsidiaries | 134 | 86 | 166 | 104 |
| **Group total** | **177** | **108** | **217** | **133** |

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Total salaries and other remuneration to employees** | Salaries and other remuneration | Social security costs | Total | Salaries and other remuneration | Social security costs | Total |
| Parent company | 2,471 | 622 | 3,093 | 2,606 | 691 | 3,297 |
| – of which pension costs | - | - | - | – | – | – |
| Swedish subsidiaries | 59,603 | 15,784 | 75,387 | 73,384 | 15,904 | 89,288 |
| – of which pension costs | 6,942 | 1,649 | 8,591 | 7,712 | 1,874 | 9,586 |
| Foreign subsidiaries | 26,178 | 2,088 | 28,266 | 22,485 | 2,224 | 24,709 |
| – of which pension costs | 242 | – | 242 | 71 | – | 71 |
| **Group total** | **88,252** | **18,494** | **106,746** | **98,475** | **18,819** | **117,294** |
| – of which total pension costs | 7,184 | 1,649 | 8,833 | 7,783 | 1,874 | 9,657 |

The above figures do not include other personnel costs, which amounted to SEK 4,716 (6,162) thousand.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Gender distribution in Board of Directors and senior executives** | Board of Directors | Senior executives | Board of Directors | Senior executives |
| Men | 3 | 3 | 4 | 4 |
| Women | 2 | 3 | 2 | 1 |
| **Total** | **5** | **6** | **6** | **5** |

### Group

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Remuneration and other benefits to senior executives** | Salary/Fee | Other benefits | Pension | Total | Salary/Fee | Other benefits | Pension | Total |
| Chief Executive Officer[1)] | 2,924 | 4 | 508 | 3,436 | 2,585 | 4 | 541 | 3,130 |
| Deputy CEO | – | – | – | – | 1,863 | 6 | 390 | 2,259 |
| Other senior executives | 10,337 | 10 | 423 | 10,770 | 7,482 | 92 | 1,394 | 8,968 |
| **Total** | **13,261** | **14** | **931** | **14,206** | **11,930** | **102** | **2,325** | **14,357** |

[1)] Table includes Anders Göransson's remuneration from the period as CEO during the period Jan–May 2023. From May 2023 until he left the company in July 2023, Anders was Global Head of Licensing and was no longer an executive of Bactiguard, which means that remuneration during the period was not included. During the year 2023, severance pay of 4.9 MSEK was recognized as expenses, which was paid after he left the company.

*Note 9 Number of employees, salaries, other remuneration and social security costs, cont.*

**Parent company**

| Remuneration and other benefits to senior executives | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Salary/Fee | Other benefits | Pension | Total | Salary/ Fee | Other benefits | Pension | Total |
| Chief Executive Officer | – | – | – | – | – | – | – | – |
| Other senior executives | – | – | – | – | – | – | – | – |
| **Total** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |

CEO and other senior executives are employeed in Swedish and foreign subsidiaries, why no remunerations are made in parent company. Guidelines for remuneration to senior executives are described in the Corporate Governance Report on pages 22–31.

| Board of Directors | 2024 | | 2023 | |
|---|---|---|---|---|
| | Salary/ Board fee | Total | Salary/ Board fee | Total |
| Christian Kinch, Chairperson of the board to the Annual General Meeting in May 2024 | 278 | 278 | 750 | 750 |
| Thomas von Koch, Chairperson of the Board from the Annual General Meeting in May 2024 | 500 | 500 | 250 | 250 |
| Richard Kuntz, from the Annual General Meeting in May 2023 | 400 | 400 | 300 | 300 |
| Anna Martling, from the Annual General Meeting in May 2019 | 400 | 400 | 400 | 400 |
| Magdalena Persson, from the Annual General Meeting in April 2022 | 400 | 400 | 400 | 400 |
| Jan Ståhlberg, from the Annual General Meeting in April 2021 | 400 | 400 | 400 | 400 |
| **Total** | **2,378** | **2,378** | **2,500** | **2,500** |

## Note 10 Financial income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Interest income | 3,343 | 5,243 | 87 | 42 |
| Interest income, Group company | – | – | 20,759 | 19,583 |
| Exchange rate gains | 4,501 | 8,177 | – | – |
| Other financial income | – | 8 | – | – |
| **Total financial income** | **7,844** | **13,428** | **20,846** | **19,625** |

All interest income is attributable to financial assets that are measured at their amortized acquisition value.

## Note 11 Financial expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Interest expenses | –14,688 | –13,528 | –12,403 | –12,013 |
| Exchange rate loss | – | –15,121 | – | – |
| Other financial expenses | –878 | – | –314 | –2 |
| **Total financial expenses** | **–15,566** | **–28,649** | **–12,717** | **–12,016** |

Interest expenses in the Group are attributable to interest on bank loans and interest on leasing liabilities. Other financial expenses mainly consist of credit fees.

## Note 12 Taxes

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Nominal tax 20.6% | 7,536 | 30,314 | –858 | –869 |
| Tax effect non-deductible expenses | –1,002 | –8,615 | – | – |
| Tax effect non-deductible income | 3,333 | 531 | – | – |
| Tax effect of differences in tax rates between Sweden and other countries | 1,648 | –1,115 | – | – |
| Utilization of previously unrecognized tax loss carry-forwards | 22 | –105 | 858 | 869 |
| Tax effect for which no deferred tax loss carry-forwards are recognized | –4,769 | –12,237 | – | – |
| **Total** | **6,769** | **8,772** | **–** | **–** |

The Group had tax loss carry-forwards on 31 December 2024 of SEK –431,309 (–349,661) thousand that can be used against future profits. The parent company had a tax loss carryforward as of 31 December, 2024, of SEK -224,967 thousand (–229,167), which can be utilized against future taxable profits. The tax loss carry-forwards have no maturity date.

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Current tax | – | –136 | – | – |
| Deferred tax | 6,769 | 8,908 | – | 10 |
| **Total** | **6,769** | **8,772** | **–** | **10** |

### Deferred tax

Temporary differences occur whenever the carrying amounts and taxable values of assets and liabilities differ. The temporary differences of the Group and parent company have resulted in deferred tax liabilities and deferred tax assets in regard to the following items:

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Deferred tax assets** | | | | |
| Loss carry-forwards | 31,467 | 31,467 | 15,255 | 15,255 |
| **Total deferred tax assets** | **31,467** | **31,467** | **15,255** | **15,255** |

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Deferred tax liabilities** | | | | |
| Incoming balance deferred tax liabilities | 20,704 | 29,682 | – | – |
| Change for the year | –6,769 | –8,908 | – | – |
| Reclassification | – | – | – | – |
| Translation difference | 15 | –70 | – | – |
| **Total deferred tax liabilities** | **13,950** | **20,704** | **–** | **–** |
| **Total net deferred tax assets/liabilities** | **17,517** | **10,763** | **15,255** | **15,255** |

The deferred tax asset arose when Bactiguard Holding acquired Bactiguard AB. Our assessment for the year is that the value of the deferred tax asset remains. Deferred tax liability was reduced with respect to acquired surplus values in intangible assets. The year's change to deferred tax liabilities is attributable to temporary differences related to depreciation of intangible assets.

## Note 13 Goodwill

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 248,103 | 250,466 | – | – |
| Translation differences | 3,714 | –2,363 | – | – |
| **Net carrying amount** | **251,817** | **248,103** | **–** | **–** |

The carrying amount of goodwill is attributable to Bactiguard Holding's acquisition of Bactiguard AB, and the acquisition of Vigilenz that Bactiguard Holding carried out in 2020.

### Impairment testing intangible assets with indeterminable useful life

Impairment testing of goodwill and brands with indeterminable useful life is conducted annually in the Group and, when indications arise of the necessity for impairment testing. Goodwill that arose in connection with a business combination was allocated on the transfer date to the smallest cash generating units in the Group that is expected to obtain benefits of the combination. Bactiguard Holding has a single cash generating unit. The impairment test was performed as of 31 December 2024.

The recoverable amount for a cash generating unit is established based on estimations of value in use. These estimations are based on expected future cash flows identified in financial forecasts that were approved by the company management that cover a 5-year period. The assessment of future cash flows includes assumptions regarding primarily sales growth and discount rates. Management sees stable growth and a positive pace of developement for new licensing business sales over the 5-year period. Growth beyond the forecasted 5-year period is expected to be 0.5 percent (1.5) per year, which matches the Group's long-term assumptions for inflation. The discount rate of 12.6 percent (13.5) before tax reflects specific risks associated with the asset. The calculation is impacted by Bactiguard's new licence-focused strategy, which positions the Group for an increased profitability by lowering costs and by more effectively using the Group's resources – focusing on the licence business with its higher margins.

Based on the assumptions presented above, the value in use exceeds the carried goodwill value which brings us to conclude that there is no need for impairment in respect of goodwill and brand. A sensitivity analysis has been conducted where the discount rate has been increased by 5 percentage points and the expected future cash flow has remained constant, without this altering the conclusion. The impairment testing does not include any effects of potential future restructuring or future improvements to the bulk of assets. The forecast revenue is based on the present and existing condition of the assets.

## Note 14 Technology

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 366,573 | 366,700 | – | – |
| Currency translation differences | 280 | –127 | – | – |
| **Closing accumulated acquisition value** | **366,853** | **366,573** | **–** | **–** |
| Opening depreciation | –293,269 | –267,862 | – | – |
| Depreciation for the year | –25,406 | –25,407 | – | – |
| **Closing accumulated depreciation** | **–318,675** | **–293,269** | **–** | **–** |
| **Net carrying amount** | **48,179** | **73,304** | **–** | **–** |

The technology item includes Bactiguard's patented and unique coating technology, which can be applied to a broad spectrum of products, and technology that relates to product development of Hydrocyn aqua and associated certifications.

## Note 15 Brands

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 26,266 | 26,272 | – | – |
| Currency translation differences | 13 | –6 | – | – |
| **Closing accumulated acquisition value** | **26,279** | **26,266** | **–** | **–** |
| Opening depreciation | –537 | –397 | – | – |
| Depreciation for the year | –140 | –140 | – | – |
| **Closing accumulated depreciation** | **–677** | **–537** | **–** | **–** |
| **Net carrying amount** | **25,602** | **25,729** | **–** | **–** |

The opening acquisition value for brands is attributable to Bactiguard Holding's acquisition of Bactiguard AB as Bactiguard was identified as an intangible asset. The brand is known, established and enjoys trademark protection for an indeterminate period in relevant markets where the company operates. The Group conducts impairment testing annually for the brand or whenever there is an indication that it may be impaired, see Note 13. The acquisition of Vigilenz in 2020 added a value for the Vigilenz brand, as well as 21 registered product brands. These will be amortized over a period of 5 years.

## Note 16 Customer relationships

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 20,138 | 20,200 | – | – |
| Currency translation differences | 137 | –62 | – | – |
| **Closing accumulated acquisition value** | **20,275** | **20,138** | **–** | **–** |
| Opening depreciation | –15,031 | –13,642 | – | – |
| Depreciation for the year | –1,388 | –1,388 | – | – |
| Currency translation differences | – | –1 | – | – |
| **Closing accumulated depreciation** | **–16,419** | **–15,031** | **–** | **–** |
| **Net carrying amount** | **3,856** | **5,107** | **–** | **–** |

## Note 17 Capitalized development costs

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 40,360 | 38,754 | – | – |
| Capitalization for the year | – | 1,606 | – | – |
| **Closing accumulated acquisition value** | **40,360** | **40,360** | **–** | **–** |
| Opening depreciation | –30,079 | –25,110 | – | – |
| Depreciation for the year | –1,334 | –4,969 | – | – |
| **Closing accumulated depreciation** | **–31,413** | **–30,079** | **–** | **–** |
| Opening write-downs | –7,328 | –76 | – | – |
| Write-downs for the year | – | –7,252 | – | – |
| **Closing accumulated write-down** | **–7,328** | **–7,328** | **–** | **–** |
| **Net carrying amount** | **1,619** | **2,953** | **–** | **–** |

Capitalized development costs refer to ongoing development projects. Impairment is initiated when the project is completed. Write-down of accumulated development costs was done in 2023 as a consequence of the Group's stretegy change.

## Note 18 Patent registrations

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 5,382 | 4,941 | – | – |
| Capitalization for the year | – | 441 | – | – |
| **Closing accumulated acquisition value** | **5,382** | **5,382** | **–** | **–** |
| Opening depreciation | –4,036 | –3,627 | – | – |
| Depreciation for the year | –383 | –410 | – | – |
| **Closing accumulated depreciation** | **–4,420** | **–4,036** | **–** | **–** |
| **Net carrying amount** | **962** | **1,345** | **–** | **–** |

## Note 19 Leasing

### Rights of use

| | Buildings | Machinery | Vehicles | Equipment | Total |
|---|---|---|---|---|---|
| **Acquisition value** | | | | | |
| As of 1 January 2023 | 78,349 | 18,792 | 1,208 | – | 98,349 |
| Future rights of use | 6,647 | – | –63 | – | 6,584 |
| Disposals | –2,002 | – | – | – | –2,002 |
| Exchange differences | 430 | –10 | – | – | 420 |
| **As of 31 December 2023** | **83,424** | **18,782** | **1,145** | **–** | **103,351** |
| **Accumulated depreciation** | | | | | |
| As of 1 January 2023 | –30,501 | –11,618 | –750 | – | –42,869 |
| Depreciation for the year | –8,706 | –2,323 | –266 | – | –11,295 |
| Disposals | 1,607 | – | – | – | 1,607 |
| Exchange differences | 29 | – | – | – | 29 |
| **As of 31 December 2023** | **–37,571** | **–13,941** | **–1,016** | **–** | **–52,557** |
| **Closing carrying amount 31 December 2023** | **45,853** | **4,841** | **129** | **–** | **50,823** |

| | Buildings | Machinery | Vehicles | Equipment | Total |
|---|---|---|---|---|---|
| **Acquisition value** | | | | | |
| As of 1 January 2024 | 83,424 | 18,782 | 1,145 | – | 103,351 |
| Future rights of use | 16,653 | – | 14 | – | 16,667 |
| Disposals | –2,852 | – | –811 | – | –3,663 |
| Exchange differences | 178 | – | – | – | 178 |
| **As of 31 December 2024** | **97,402** | **18,782** | **348** | **–** | **116,532** |
| **Accumulated depreciation** | | | | | |
| As of 1 January 2024 | –37,571 | –13,941 | –1,016 | – | –52,528 |
| Depreciation for the year | –12,168 | –2,323 | –105 | – | –14,596 |
| Disposals | 2,852 | – | 774 | – | 3,626 |
| Exchange differences | –346 | – | – | – | –346 |
| **As of 31 December 2024** | **–47,233** | **–16,264** | **–348** | **–** | **–63,845** |
| **Closing carrying amount 31 December 2024** | **50,169** | **2,518** | **–** | **–** | **52,685** |

Rights of use are recognized in a separate row in the balance sheet.

The Group leases a number of assets such as buildings, machinery, vehicles and equipment. Leasing for building in Tullinge is a major part of the overall rights of use. The leasing period for this agreement is 15 years with a maturity until 2029 and includes an extension option of 3 years if no notice of termination has taken place within 12 months before the end of the term.

The right of use for machinery refers to a lease for production equipment in Tullinge. Leases, excluding the lease for the building in Tullinge, have an average term of 3 years.

The Group has agreements in place for the sub-letting of premises. Revenues from this activity are recognized as other operating income and have not been taken into account in the Group's rights of use and leasing liabilities.

Revenues from leasing in 2024 totalled SEK 6.5 (6.1) million.

### Amounts recognized in the income statement

| | 2024 | 2023 |
|---|---|---|
| Depreciation on rights of use | –14,596 | –11,295 |
| Interest expenses for leasing liabilities | –2,212 | –2,122 |
| | **–16,808** | **–13,417** |

### Cash flow

The total cash outflow for leases totalled SEK –17,335 (–14,186) thousand.

### Leasingskuld

The weighted average marginal loan rate was 4.1 percent (5.1).

### Maturity analysis for leasing liabilities

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Year 1 | 16,180 | 12,224 |
| Years 2–5 | 40,694 | 38,422 |
| After more than 5 years | – | 3,884 |
| | **56,874** | **53,604** |
| **Classified as:** | | |
| Non-current liabilities | 40,694 | 42,306 |
| Current liabilities | 16,180 | 12,224 |

The Group is not exposed to any significant liquidity risk as a result of leasing liabilities. Leasing liabilities are monitored by the Group's finance department.

## Note 20 Buildings

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 15,899 | 17,098 | – | – |
| Investments for the year | 1,099 | – | – | – |
| Sales/scrapping | –630 | – | – | – |
| Reclassification | 10,372 | – | – | – |
| Exchange rate differences | 2,578 | –1,199 | – | – |
| **Closing accumulated acquisition value** | **29,318** | **15,899** | **–** | **–** |
| Opening depreciation | –2,133 | –2,001 | – | – |
| Depreciation for the year | –588 | –293 | – | – |
| Reclassification | –674 | – | – | – |
| Exchange rate differences | –335 | 161 | – | – |
| **Closing accumulated depreciation** | **–3,730** | **–2,133** | **–** | **–** |
| **Net carrying amount** | **25,588** | **13,766** | **–** | **–** |

## Note 21 Leasehold improvements

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 27,213 | 27,221 | – | – |
| Purchases | 13,834 | 459 | – | – |
| Reclassifications | 226 | – | – | – |
| Exchange rate differences | 729 | –467 | – | – |
| **Closing accumulated acquisition value** | **42,002** | **27,213** | **–** | **–** |
| Opening depreciation | –22,222 | –21,489 | – | – |
| Depreciation for the year | –1,323 | –1,175 | – | – |
| Reclassification | 674 | – | – | – |
| Exchange rate differences | –618 | 442 | – | – |
| **Closing accumulated depreciation** | **–23,489** | **–22,222** | **–** | **–** |
| **Net carrying amount** | **18,513** | **4,991** | **–** | **–** |

Improvements to the property of a third party primarily refer to the office premises on Vasagatan and the property in Markaryd.

## Note 22 Machinery and other technical plant

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 33,589 | 39,017 | – | – |
| Purchases | 1,222 | 605 | – | – |
| Sales/scrapping | –2,338 | –3,477 | – | – |
| Reclassification | –9,084 | – | – | – |
| Exchange rate differences | 3,441 | –2,556 | – | – |
| **Closing accumulated acquisition value** | **26,830** | **33,589** | **–** | **–** |
| Opening depreciation | –18,006 | –20,990 | – | – |
| Depreciation for the year | –555 | –2,509 | – | – |
| Sales/scrapping | 1,141 | 2,935 | – | – |
| Reclassification | 952 | – | – | – |
| Exchange rate differences | –3,808 | 2,558 | – | – |
| **Closing accumulated depreciation** | **–20,276** | **–18,006** | **–** | **–** |
| **Net carrying amount** | **6,554** | **15,583** | **–** | **–** |

## Note 23 Equipment, tools and installations

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 22,199 | 18,189 | – | – |
| Purchases | 2,691 | 5,059 | – | – |
| Sales/scrapping | –169 | –640 | – | – |
| Reclassification | –5,035 | – | – | |
| Exchange rate differences | 649 | –409 | – | – |
| **Closing accumulated acquisition value** | **20,335** | **22,199** | **–** | **–** |
| Opening depreciation | –13,107 | –12,896 | – | – |
| Depreciation for the year | –1,169 | –1,029 | – | – |
| Sales/scrapping | 125 | 409 | – | – |
| Reclassification | –360 | – | – | – |
| Exchange rate differences | 13 | 409 | – | – |
| **Closing accumulated depreciation** | **–14,498** | **–13,107** | **–** | **–** |
| **Net carrying amount** | **5,837** | **9,092** | **–** | **–** |

## Note 24 Shares in subsidiaries

| | Parent company | |
|---|---|---|
| | 2024-12-31 | 2023-12-31 |
| Opening acquisition value | 575,191 | 481,191 |
| Shareholder's contributions given | 50,000 | 94,000 |
| **Closing acquisition value** | **625,191** | **575,191** |

| Subsidiaries | Corp. ID. no. | Domicile | Share of equity % | Share of woting power % | Book value |
|---|---|---|---|---|---|
| Bactiguard AB | 556668-6621 | Stockholm | 100 | 100 | 625,191 |
| Bactiguard China Limited | 1403452 | Hong Kong | 100 | 100 | – |
| Bactiguard Malaysia SDN. BHD. | 970618-V | Malaysia | 100 | 100 | – |
| Bactiguard Singapore Pte. Ltd. | 201135972E | Singapore | 100 | 100 | – |
| Bactiguard Israel Ltd. | 514794247 | Israel | 100 | 100 | – |
| Bactiguard South East Asia SDN. BHD. | 505559-U | Malaysia | 100 | 100 | – |
| Vigilenz Medical Supplies SDN. BHD. | 750716-K | Malaysia | 100 | 100 | – |
| **Total** | | | | | **625,191** |

## Note 25 Inventory

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Raw material | 11,337 | 16,137 | – | – |
| Products in progress | 8,038 | 7,871 | – | – |
| Finished goods | 6,856 | 5,638 | – | – |
| **Total inventory** | **26,231** | **29,646** | **–** | **–** |

During 2024 SEK –35,969 (–64,572) thousand was recognized as an expense for inventories. The cost of goods sold includes provisions for obsolescence and other impairments of inventories, totalling SEK 1,238 (–14,763) thousand. Goods are scrapped after the end of their technical life, which is an unchanged policy.

## Note 26 Accounts receivable

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Accounts receivable, gross | 27,298 | 20,009 | – | – |
| Provision for expected credit losses | –2,253 | –2,760 | – | – |
| **Total accounts receivable, net after provision for bad debts** | **25,046** | **17,249** | **–** | **–** |

The management has assessed that the carrying amount for accounts receivable, net after provisions for bad debts, corresponds to the fair value.

| | Group | |
|---|---|---|
| **Maturity analysis for accounts receivable** | 2024 | 2023 |
| Not due | 12,011 | 8,738 |
| Overdue 30 days | 8,529 | 5,816 |
| Overdue 31–90 days | 5,555 | 3,105 |
| Overdue > 90 days | 1,203 | 2,350 |
| Of which provision for expected credit losses | –2,253 | –2,760 |
| **Total** | **25,046** | **17,249** |

| | Group | | Parent company | |
|---|---|---|---|---|
| **Loss provision** | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Opening balance | –2,760 | –3,375 | – | – |
| Change to provision for expected credit losses | 436 | –1,422 | – | – |
| Realized loss | 71 | 2,037 | – | – |
| **Closing balance** | **–2,253** | **–2,760** | **–** | **–** |

## Note 27 Prepaid expenses and accrued income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Prepaid rent | 3,436 | 2,624 | – | – |
| Prepaid insurances | 1,406 | 816 | 152 | 125 |
| Accrued income | 5,402 | 5,299 | – | – |
| Accrued income, group companies | – | – | 52,602 | 31,844 |
| Other items | 3,036 | 11,159 | 133 | 838 |
| **Total** | **13,279** | **19,898** | **52,887** | **32,806** |

## Note 28 Cash and cash equivalents

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Cash and bank balances | 116,727 | 123,217 | 3,562 | 1,811 |
| **Total** | **116,727** | **123,217** | **3,562** | **1,811** |

## Note 29 Share capital

The share capital in Bactiguard as of 31 December 2024 was SEK 876,097 (876,097) allocated to 31,043,885 series B shares each carrying a single vote (31,043,885 votes) and 4,000,000 series A shares, each with ten votes (40,000,000 votes).

The total number of shares and votes in Bactiguard as of 31 December 2024 was 35,043,885 shares and 71,043,885 votes. The shares have a quotient value of SEK 0.0250.

## Note 30 Loans

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Non-current liabilities to credit institutions | – | – | – | – |
| Current liabilities to credit institutions | 170,893 | 178,569 | 170,941 | 170,941 |
| **Total** | **170,893** | **178,569** | **170,941** | **170,941** |

The Group's current credit facility with SEB is with the term to May 2025 and the credit facility now amounts to SEK 201,000 thousand in the form of a bank overdraft of SEK 30,000 thousand and a bank loan of SEK 171,000 thousand. In early February 2025, the company amortized SEK 51.0 million of the SEK 170.9 million financing from SEB, while simultaneously securing SEK 120.0 million in new financing on better terms. The new loan has a term of two years with an option to extend for an additional year. The Group holds in addition to that a minor credit facility in Malaysia. The facility is subject to customary covenants.

## Note 31 Provisions

| | 2024-12-31 | | | | 2023-12-31 | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | Opening balance | New provisions | Unwinding of provisions | Closing balance | Opening balance | New provisions | Unwinding of provisions | Closing balance |
| Non-current provisions | 5,257 | – | – | 5,257 | – | 8,071 | −2,814 | 5,257 |
| Current provisions | 10,256 | 11,512 | −3,664 | 18,104 | – | 10,800 | −544 | 10,256 |

| | 2024-12-31 | | | | 2023-12-31 | | | |
|---|---|---|---|---|---|---|---|---|
| **Parent company** | Opening balance | New provisions | Unwinding of provisions | Closing balance | Opening balance | New provisions | Unwinding of provisions | Closing balance |
| Non-current provisions | – | – | – | – | – | – | – | – |
| Current provisions | – | – | – | – | – | – | – | – |

As of December 31, 2024, the Group recognizes provisions related to license agreements in the collaboration phase. A provision for projects at a loss is recognized in the cases where a company's obligations according to the agreement surpass the benefits. Assessments of additional costs for the realization of the obligations during the collaboration phase of a license agreement are done continuously and can substantially impact the amount of the provision and the Group's financial results. The part of the provisions that is expected to be used within a year has been booked as a current provision.

## Note 32 Bank overdrafts

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Bank overdraft facilities granted | 30,000 | 30,000 | 30,000 | 30,000 |
| Unutilized bank overdrafts | 30,000 | 30,000 | 30,000 | 30,000 |
| **Utilized bank overdrafts** | **–** | **–** | **–** | **–** |

## Note 33 Accrued expenses and prepaid income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Accrued holiday pay | 5,766 | 5,841 | – | – |
| Accrued other personnel expenses | 11,171 | 7,856 | – | – |
| Accrued consulting expenses | 3,639 | 3,930 | – | – |
| Accrued account payables | 1,368 | 1,034 | – | – |
| Prepaid income[1)] | 9,123 | 8,131 | – | – |
| Other items[2)] | 19,137 | 12,300 | 1,300 | 572 |
| **Total** | **50,204** | **39,092** | **1,300** | **572** |

[1)] Disclosures regarding contract liabilities that are not included in this row are given in Note 5.
[2)] The increase in other items is primarily related to costs for clinical studies.

## Note 34 Pledged assets and contingent liabilities

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
| Shares in subsidiaries | 225,435 | 214,110 | 625,191 | 575,191 |
| Floating charge | 150,000 | 150,000 | – | – |
| **Total** | **375,435** | **364,110** | **625,191** | **575,191** |

## Note 35 Reconciliation of liabilities attributable to financing activities

| Group, opening balance 1 Jan 2024 | Opening balance 2024 | Cash flow from financing activities | Change to part of short-term loans | Acquisition | Other changes[1] | 31 Dec 2024 |
|---|---|---|---|---|---|---|
| *Non-current liabilities* | | | | | | |
| Leasing liability | 42,306 | –13,522 | – | – | 11,910 | 40,694 |
| Liabilities to credit institutions | – | – | – | – | – | – |
| *Current liabilities* | | | | | | |
| Leasing liability | 12,224 | – | – | – | 3,956 | 16,180 |
| Liabilities to credit institutions | 178,569 | –7,676 | – | – | – | 170,893 |
| **Reconciliation of liabilities attributable to financing activities** | **233,099** | **–21,198** | **–** | **–** | **15,866** | **227,767** |

| Group, opening balance 1 Jan 2023 | Opening balance 2023 | Cash flow from financing activities | Change to part of short-term loans | Acquisition | Other changes[1] | 31 Dec 2023 |
|---|---|---|---|---|---|---|
| *Non-current liabilities* | | | | | | |
| Leasing liability | 49,306 | –11,139 | – | 445 | 3,694 | 42,306 |
| Liabilities to credit institutions | 179,265 | –696 | – | – | –178,569 | – |
| *Current liabilities* | | | | | | |
| Leasing liability | 10,037 | – | – | 111 | 2,076 | 12,224 |
| Liabilities to credit institutions | – | – | – | – | 178,569 | 178,569 |
| **Reconciliation of liabilities attributable to financing activities** | **238,608** | **–11,835** | **–** | **556** | **5,770** | **233,099** |

| Parent company, opening balance 1 Jan 2024 | Opening balance 2024 | Cash flow from financing activities | Change to part of short-term loans | Acquisition | Other changes | 31 Dec 2024 |
|---|---|---|---|---|---|---|
| *Non-current liabilities* | | | | | | |
| Liabilities to credit institutions | – | – | – | – | – | – |
| *Current liabilities* | | | | | | |
| Liabilities to credit institutions | 170,941 | – | – | – | – | 170,941 |
| **Reconciliation of liabilities attributable to financing activities** | **170,941** | **–** | **–** | **–** | **–** | **170,941** |

| Parent company, opening balance 1 Jan 2023 | Opening balance 2023 | Cash flow from financing activities | Change to part of short-term loans | Acquisition | Other changes | 31 Dec 2023 |
|---|---|---|---|---|---|---|
| *Non-current liabilities* | | | | | | |
| Liabilities to credit institutions | 169,601 | – | – | – | –169,601 | – |
| *Current liabilities* | | | | | | |
| Liabilities to credit institutions | – | – | – | – | 170,941 | 170,941 |
| **Reconciliation of liabilities attributable to financing activities** | **169,601** | **–** | **–** | **–** | **1,340** | **170,941** |

[1] Other changes in lease liabilities refer to purchase-, remeasurement-, derecognition-, and reclassification-related events during the year.

## Note 36 Related party transactions

Consolidated sales to associated companies amounted to SEK 7.3 (7.4) million, which corresponds to 2.8 percent (3.3) of the Group's total revenue. Revenues mainly pertain of rental income of office space at Tullinge site. The Group's purchases from Associated companies amounted to SEK 3.5 (3.4) million. Costs mainly pertain of consultancy fees. Loans to associated companies amounted in total to SEK 0 (0) million. Guarantees issued for the benefit of associated companies have been provided of SEK 0 (0) million. All transactions take place on market terms. Parent company sales to associated companies amounted to SEK 0 (0) million.

Except for what has been detailed in Note 9, no Director of the Board or senior executive of the Group has or has had any direct involvement in or indirect involvement in any business transactions; between themselves and the Group which are or were unusual in nature with respect to: on the terms of the current or previous financial year. Nor has the Group has provided loans, provided guarantees or entered into a guarantee for one of the members of the Board of Directors or senior executives of the company. Some employees have been invited to participate in a stock-option program offered by the share holders. This stock-option program is not a cost for the company. The stock option program is on market terms and is valued according to the Black & Scholes' model.

## Note 37 Earnings per share

Earnings per share is calculated by dividing the profit for the period attributable to the parent company's shareholders by the weighted average number of outstanding ordinary shares during the period.

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Profit attributable to the parent company's shareholders | –29,815 | –138,382 |
| Weighted average number of outstanding ordinary shares | 35,044 | 35,044 |
| **Earnings per share, before and after dilution (SEK)** [1] | **–0.85** | **–3.95** |

[1] As the company has no potential ordinary shares, earnings per share before and after dilution are identical.

## Note 38 Subsequent events

In early February 2025, the company amortized SEK 51.0 million of the SEK 170.9 million financing from SEB, while simultaneously securing SEK 120.0 million in new financing on better terms. The new loan has a term of two years with an option to extend for an additional year.

New financial targets to be achieved by the end of 2030 were also presented: Revenue of SEK 600 million, EBITDA of SEK 200 million, and 10 application areas in either exclusivity or license partnerships.

On 2 April 2025, the United States government announced a new tariff regime introducing a 10 percent baseline tariff on all imported goods, with higher rates (up to 46 percent) applied to selected countries, including EU countries. These tariffs are scheduled to take effect in phases beginning 5 April 2025. This policy change may directly or indirectly impact the cost and flow of goods, potentially affecting pricing, margins, and future demand. Bactiguard is actively monitoring the situation and assessing potential levers to mitigate any adverse effects.

## Note 39 Dividend

No dividends were paid during 2024 and no dividends are proposed for the 2025 Annual General Meeting.

## Note 40 Proposed appropriation of profit

| **The following are at the disposal of the AGM:** | **SEK** |
|---|---|
| Retained earnings | –29,346,576 |
| Share premium reserve | 727,969,424 |
| Profit/loss for the year | 4,180,284 |
| **Total** | **702,803,132** |

| | |
|---|---|
| The Board of Directors proposes that the profits be carried forward | 702,803,132 |
| **Total** | **702,803,132** |

### EU Taxonomy

The EU has developed its own climate taxonomy to ensure that it can achieve its climate and energy goals for 2030 as well as the goals in The European Green Deal. Its purpose is to be a tool to guide investments towards sustainable projects and activities. The taxonomy is a classification system for what the EU considers to be sustainable economic activities.

It is designed for listed companies and companies of public interest with more than 500 employees. These companies have to submit disclosures on the proportion of their turnover, capital expenses and operating expenses that are linked to activities in the taxonomy. The EU's first version of this taxonomy covers the sectors that the EU assesses to have the biggest impact on carbon dioxide emissions: forestry, manufacturing, energy production, water and waste management, transport, construction and real estate, as well as data centres. For the 2022 financial year companies have to report contributions to the following two environmental objectives in accordance with the taxonomy: climate change mitigation and climate change adaptation.

As Bactiguard is a listed company with fewer than 500 employees, it is not covered by the taxonomy.

The Board of Directors and Chief Executive Officer hereby certify that the Annual and Sustainability Report have been prepared in accordance with good accounting practice, that these consolidated financial statements were prepared in accordance with the international financial reporting standards as adopted by the EU, and provide a fair representation of the parent company's and the Group's operations, financial position and performance and describe the material risks and uncertainties facing the parent company and the Group companies.

Stockholm 16 April 2025

Thomas von Koch
*Chairperson of the Board*

Richard Kuntz
*Board Member*

Magdalena Persson
*Board Member*

Anna Martling
*Board Member*

Jan Ståhlberg
*Board Member*

Christine Lind
*CEO*

Our auditor's report was submitted on 16 April 2025

Deloitte AB

Therese Kjellberg
*Authorized Public Accountant*

# AUDITOR'S REPORT

## To the general meeting of the shareholders of Bactiguard Holding AB (publ) corporate identity number 556822-1187

### Report on the annual accounts and consolidated accounts

**Opinions**

We have audited the annual accounts and consolidated accounts of Bactiguard Holding AB (publ) for the financial year 2024-01-01–2024-12-31 except for the corporate governance statement and sustainability report on pages 22–31 and 32–38. The annual accounts and consolidated accounts of the company are included on pages 3, 18–38 and 40–69 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement or the sustainability report on pages 22–31 and 32–38. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Key Audit Matters**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**Recognition of license revenues**

Recognized license revenue amounts to 165 MSEK for the financial year 2024 and consists of royalty revenues and received compensation for the transfer of exclusivity to license rights and development partnerships.

License revenues are received and recognised based on the volume that the company's customers have sold to the end-customers and is recognised in the period of the sale. The license contracts can contain various components and revenue streams that must be evaluated under the recognition criteria of IFRS 15. For example revenue that is recognised directly upon signing of an agreement.

Estimates related to various components in the license contracts make revenue recognition a key audit matter in the audit.

For further information refer to accounting principles on pages 48–49 note 3 and note 5 in the annual report.

Our work included the following procedures, but were not limited to these:

- Evaluation of the design of relevant controls in the revenue process and testing of their implementation.
- Gain an understanding for and evaluated the group's accounting principles, estimates and assumptions for revenue recognition and their compliance with IFRS.
- Testing of a sample of recognized product sales that the risk and control has been transferred to the buyer.
- Verified that license revenue from material new customer contracts have been recognized in the period when the group have fulfilled their obligations and that these have been priced according to the customer agreement.
- Reviewed that appropriate disclosures have been presented in the relevant notes to the financial statements.

**Valuation of Goodwill and other intangible assets**

The Group has goodwill amounting to 252 MSEK for the financial year 2024 and other intangible assets, foremost technology, amounting to 80 MSEK accounted for in the balance sheet. These assets are tested annually in the fourth quarter, or as soon there are events indicating that there is a need, for impairment. Since the total value of these assets represent a significant part of the total assets and is sensitive to changes in assumptions such as growth rate, profitability and discount factor we consider it to be a key audit matter in our audit.

For further information refer to accounting principles on pages 50–51 note 3 and note 13 to 18 in the annual report.

Our work included the following procedures, but were not limited to these:

- Obtaining an understanding of management's process for developing key estimates and assumptions
- Evaluation of whether valuation methods applied by management to calculate the value of the cash generating units are compliant with the criteria's of IAS 36.
- Evaluation of management's model for impairment-test and estimates on perpetual growth and discount factor by developing independent estimates with involvement of our valuation-specialists.
- Performing sensitivity analysis on key assumptions such as sales growth and EBITDA-margin.
- Review that appropriate disclosures have been presented in the relevant notes to the financial statements.

**Other information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2, 4–17, 39 and 74–77. The other information also consist of the Remuneration Report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

**Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Directors of Bactiguard Holding AB (publ) for the financial year 2024-01-01–2024-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Directors be discharged from liability for the financial year.

**Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

**Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

## The auditor's examination of the esef report

**Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Bactiguard Holding AB (publ) for the financial year 2024-01-01 –2024-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standards on Quality Management 1, which requires the firm to design implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XTHML formatand a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

**The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 22-31 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

**The auditor´s opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the statutory sustainability report on pages 32–38, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

*Deloitte AB, was appointed auditor of Bactiguard Holding AB by the general meeting of the shareholders on the 2024-05-14 and has been the company's auditor since 2012-05-18.*

Stockholm on the date of electronic signature

**Deloitte AB**

Therese Kjellberg
Authorized public accountant

# DEFINITIONS OF ALTERNATIVE KEY PERFORMANCE INDICATORS

Bactiguard presents certain financial measures in its annual report that have not been defined in line with IFRS (referred to as alternative key performance indicators as set forth in the ESMA guidelines). It is the opinion of the company 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. The 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

EBITDA presents the company's earning 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 performance measure to be the most relevant, since the company's technology is depreciated by large amounts, which does not impact cash flow negatively. Bactiguard's patented, unique technology can be applied to a broad range of products in the licensing business. The company defines EBITDA as operating profit/loss excluding depreciation and amortization of tangible and intangible assets.

| TSEK | 2024 | 2023 |
|---|---|---|
| Operating profit/loss | –28,860 | –131,933 |
| Depreciation | 46,883 | 55,865 |
| EBITDA | 18,023 | –76,068 |

## EBITDA margin

Presents the company's earning 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.

| TSEK | 2024 | 2023 |
|---|---|---|
| EBITDA | 18,023 | –76,068 |
| Revenues | 261,877 | 223,174 |
| EBITDA margin | 7% | –34% |

## 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 minus cash and cash equivalents at the end of the period.

| TSEK | 2024 | 2023 |
|---|---|---|
| Non-current liabilities to credit institutions | – | – |
| Current liabilities to credit institutions | 170,893 | 178,569 |
| Short-term lease debt | 40,694 | 42,306 |
| Long-term lease debt | 16,180 | 12,224 |
| **Interest-bearing debt** | **227,767** | **233,099** |
| Cash and cash equivalents | 116,727 | 123,217 |
| **Net debt** | **111,040** | **109,882** |

## Equity ratio

Equity ratio is a measure 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.

| TSEK | 2024 | 2023 |
|---|---|---|
| Equity | 328,342 | 353,178 |
| Total assets | 655,911 | 662,175 |
| Equity ratio | 50% | 53% |

## Cash flow from operating activities per share

Cash flow per share calculated as the cash flow from operating activities divided by the average number of shares outstanding during the period. The key figure is presented because it is used by analysts and other stakeholders to evaluate the company – it shows operating cash flow per share.

## Net sales growth

The difference in net sales between the periods in relation to net sales for the same period for the previous year. Used to monitor the sales performance of operations.

# FIVE-YEAR OVERVIEW

| Revenues and earnings, MSEK | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Revenues | 261.9 | 223.2 | 253.5 | 179.0 | 186.0 |
| Net sales | 241.7 | 201.5 | 223.6 | 169.5 | 172.3 |
| Growth net sales, % | 19.9 | –9.8 | 32.0 | –1.6 | –6.9 |
| EBITDA | 18.0 | –76.1 | –6.4 | –7.2 | 26.7 |
| EBITDA margin, % | 6.9 | –34.1 | –2.5 | –4.0 | 14.3 |
| Operating profit/loss | –28.9 | –131.9 | –55.7 | –54.2 | –17.6 |
| Profit/loss before tax | –36.6 | –147.2 | –59.9 | –63.3 | –41.9 |
| Profit/loss for the year | –29.8 | –138.4 | 52.9 | –58.8 | –38.4 |
| Total assets | 655.9 | 662.2 | 807.7 | 849.3 | 675.2 |
| Equity ratio, % | 50 | 53 | 61 | 64 | 55 |
| Net debt | 111.0 | 109.9 | 41.0 | 30.4 | 254.1 |
| **Cash flow** | | | | | |
| From operating activities | 24.9 | –52.3 | 3.1 | 7.3 | 0.7 |
| From investing activities | –14.8 | –8.6 | –10.9 | –7.3 | –57.0 |
| From financing activities | –21.2 | –11.8 | –13.9 | 205.8 | 46.2 |
| **Cash flow for the year** | **–11.0** | **–72.8** | **–21.7** | **205.8** | **–10.1** |
| **Total shares** | | | | | |
| Total shares at year end | 35,043,885 | 35,043,885 | 35,043,885 | 35,043,885 | 33,543,885 |
| Average number of shares | 35,043,885 | 35,043,885 | 35,043,885 | 35,043,885 | 33,543,885 |
| **Data per share, SEK** | | | | | |
| Total earnings per share | –0.85 | –3.95 | –1.51 | –1.68 | –1.14 |
| Cash flow from operating activities per share | 0.71 | –1.49 | 0.08 | 0.21 | 0.02 |
| Dividend per share | – | – | – | – | – |
| Stock price at year end, B share | 35 | 62 | 110 | 165 | 143 |
| **Employees** | | | | | |
| Average number of employees | 177 | 217 | 199 | 185 | 163 |

# THE BACTIGUARD SHARE

### Share capital
The share capital amounts to SEK 876,097 at the end of 2024. There was a total of 35,043,885 shares, consisting of 4,000,000 A shares and 31,043,885 B shares. The A shares have ten votes each and the B shares have one vote each. All shares have identical rights to dividend and a share in the company's assets and earnings.

### Share price development
On the last trading day in 2024 Bactiguard's closing price was SEK 35.3 with a share value of SEK 1,237 million. On the last trading day in 2023, the closing price was SEK 61.8 with a share value of SEK 2,166 million. The share price decreased by 43 percent during the year. The index for all shares on Nasdaq Stockholm OMXSPI increased by 6 percent in 2024.

During the year the highest closing price was recorded on 16 February at SEK 93.9. The lowest closing price was recorded on 12 December at SEK 32.8. 1,960,534 B shares have been traded during 2024.

### Market history
Bactiguard's B share was listed on Nasdaq Stockholm in the Small Cap segment on 19 June 2014 and is included in the Mid Cap segment since January 2021. The introductory price was SEK 38. Since the introduction until the last trading day in 2024 the share price declined by 7 percent. Nasdaq Stockholm, measured with the OMXSPI index, increased by 112 percent in the same period.

### Dividend policy
The long-term goal is to offer a dividend of 30–50 percent of profit after tax, based on the company's financial position. As Bactiguard is at an expansion stage, the company will prioritize growth over dividends in the coming years.

### Ownership structure
At the end of the year Bactiguard had 2,979 (3,441) shareholders. The holdings of the ten largest shareholders accounted for 87.4 (86.1) percent of the share capital and 94 (93) percent of the votes. At the end of the year 15.9 (16.2) percent of the shares were owned by private Swedish individuals; 72.7 (66.7) percent by Swedish institutions and legal entities; and 11.4 (17.1) percent by foreign private individuals and institutions.

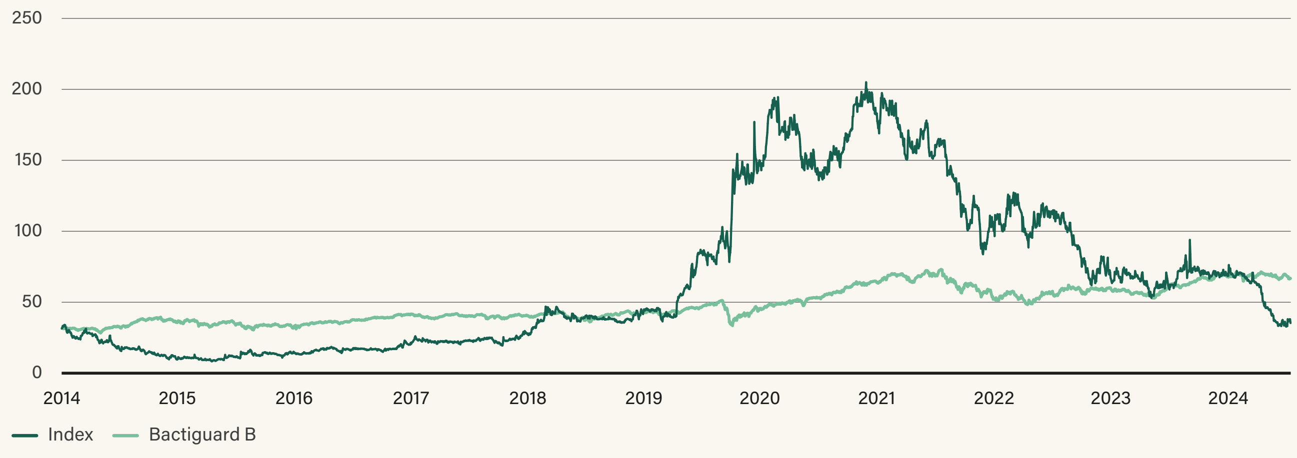
### Analysts that monitor Bactiguard
Mattias Vadsten, SEB
Kristofer Liljeberg, Carnegie
Jon Berggren, Kepler Cheuvreux

Bactiguard Holding AB

Ticker: BACTI B
ISIN: SE0005878741

For data per share, see the five-year overview on page 75.

**Share price development of Bactiguard B from its listing to 31 December 2024**



## Development of share capital

| Year | Transaction | Increase in number of shares | Total number of A shares | Total number of B shares | Increase in share capital, SEK | Total share capital, SEK |
|---|---|---|---|---|---|---|
| October 2010 | The company is formed | 1,000 | – | 1,000 | 50,000 | 50,000 |
| November 2011 | New share issue | 9,000 | – | 10,000 | 450,000 | 500,000 |
| March 2014 | Split/reclassification | 19,990,000 | 4,000,000 | 16,000,000 | – | 500,000 |
| April 2014 | Targeted new share issue | 516,000 | 4,000,000 | 16,516,000 | 12,900 | 512,900 |
| June 2014 | New share issue | 6,305,573 | 4,000,000 | 22,821,573 | 157,639 | 670,539 |
| June 2014 | Set-off issue for bond | 6,480,800 | 4,000,000 | 29,302,373 | 162,020 | 832,559 |
| May 2020 | New share issue as partial payment for the acquisition of Vigilenz | 241,512 | 4,000,000 | 29,543,885 | 6,038 | 838,597 |
| September 2021 | Directed new share issue | 1,500,000 | 4,000,000 | 31,043,885 | 37,500 | 876,097 |

## Ownership structure, 31 December 2024

| Number of shares | Number of owners | Proportion of owners, % |
|---|---|---|
| 1–500 | 2,486 | 83.45 |
| 501–1,000 | 185 | 6.21 |
| 1,001–5,000 | 197 | 6.61 |
| 5,001–10,000 | 34 | 1.14 |
| 10,001–15,000 | 16 | 0.54 |
| 15,001–20,000 | 11 | 0.37 |
| 20,001– | 50 | 1.68 |
| **Total** | **2,979** | **100.00%** |

## Allocation of the share capital

| | Series A | Series B | Total |
|---|---|---|---|
| Shares | 4,000,000 | 31,043,885 | 35,043,885 |
| Votes | 40,000,000 | 31,043,885 | 71,043,885 |
| Capital, % | 11.4 | 88.6 | 100 |
| Votes, % | 56.3 | 43.7 | 100 |

## The five largest countries, 31 December 2024

| | Proportion of owners, % | Votes, % |
|---|---|---|
| Sweden | 88.64 | 94.39 |
| Finland | 9.66 | 4.76 |
| Luxemburg | 1.06 | 0.52 |
| Ireland | 0.23 | 0.11 |
| Denmark | 0.15 | 0.07 |
| **Total** | **99.74** | **99.85** |

## The ten largest owners, 31 December 2024

| Owner | Total A shares | Total B shares | Total shares | % of capital | % of votes |
|---|---|---|---|---|---|
| TomBact AB | 2,000,000 | 4,443,787 | 6,443,787 | 18.39% | 34.41% |
| GIDL Invest AB | 2,000,000 | 4,106,497 | 6,106,497 | 17.43% | 33.93% |
| Jan Ståhlberg | | 3,605,150 | 3,605,150 | 10.29% | 5.07% |
| Nordea Funds AB | | 3,591,413 | 3,591,413 | 10.25% | 5.06% |
| Fjärde AP-fonden | | 3,475,992 | 3,475,992 | 9.92% | 4.89% |
| Handelsbanken Fonder AB | | 2,078,075 | 2,078,075 | 5.93% | 2.93% |
| TomEnterprise Public Capital AB | | 1,885,384 | 1,885,384 | 5.38% | 2.65% |
| AMF Fonder & Pension | | 1,712,088 | 1,712,088 | 4.89% | 2.41% |
| Försäkringsaktiebolaget Avanza Pension | | 1,140,640 | 1,140,640 | 3.25% | 1.61% |
| Lancelot Asset Management AB | | 500,000 | 500,000 | 1.43% | 0.70% |
| **Total, ten largest owners** | **4,000,000** | **26,539,026** | **30,539,026** | **87.16%** | **93.66%** |
| **Total, others** | **0** | **4,504,859** | **4,504,859** | **12.84%** | **6.34%** |
| **Total** | **4,000,000** | **31,043,885** | **35,043,885** | **100%** | **100%** |

## Ownership categories

31 December 2024

- Foreign owner, 11.4%
- Swedish legal entities, 72.7%
- Swedish private individuals, 15.9%

## Information to the shareholders

The Annual General Meeting will take place on 15 May 2025. Details can be found in the notice to the annual meeting.

## Financial calender 2025

| | |
|---|---|
| **24 April** | Interim report Q1 |
| **15 May** | Annual General Meeting |
| **15 July** | Interim report Q2 |
| **23 October** | Interim report Q3 |

**Bactiguard Holding AB (publ)**

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