

Interim report first quarter 2022

A broader and stronger licensing business strengthens our position in infection prevention

First quarter (January - March 2022)

- Revenues amounted to SEK 55.2 (41.8) million, an increase of 32%, mainly through higher licensing revenues. Adjusted for currency the increase was 23%.
- EBITDA amounted to SEK -4.0 (1.9) million with an EBITDA-margin of -7% (5%), a result of initiated investments in accordance with the focused growth strategy.
- Operating profit amounted to SEK -16.6 (-9.7) million.
- Net loss for the period amounted to SEK -16.5 (-10.5) million. Earnings per share amounted to SEK -0.47 (-0.32).
- Cash flow from operating activities amounted to SEK -11.9 (-0.9) million corresponding to SEK -0.34 (-0.03) per share.

Key events during the first quarter

- The global licensing partnership with Zimmer Biomet was expanded to cover several product areas.
- A focused growth strategy and new long-term financial targets were presented.
- Clinical study with Bactiguard's endotracheal tube published – shows significant reduction in ventilator-associated pneumonia.
- Bactiguard assisted the healthcare system in Ukraine with intensive care products.
- Carin Jakobson was appointed CFO and will join Bactiguard in June.

Key events after the end of the quarter

- Bactiguard entered into a global development agreement with Dentsply Sirona in the dental segment.

Impact of Covid-19 and the war in Ukraine

The World Health Organization (WHO) has now reported the lowest number of deaths in Covid-19 in two years. At the same time, global trade and economic developments are affected by shutdowns in China. Due to the unpredictable behavior of the Sars-CoV-2 virus near term developments are therefore still difficult to assess.

Bactiguard does not operate and has no suppliers in Russia or Ukraine. The war has therefore not had any significant impact on the company's operations, position or results. If the war is prolonged and the impact on the world economy is substantial, it may have a greater impact. We continue to monitor the development of both the pandemic and the war closely and continuously evaluate the operational and financial effects.

Key figures	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
Revenues ¹ , SEKm	55.2	41.8	179.0	192.5
EBITDA ² , SEKm	-4.0	1.9	-7.2	-13.1
EBITDA margin ² , %	-7%	5%	-4%	-7%
Operating profit ² , SEKm	-16.6	-9.7	-54.2	-61.1
Net profit/loss for the period ¹ , SEKm	-16.5	-10.5	-58.8	-64.7
Earnings per share ¹ , SEK	-0.47	-0.32	-1.68	-1.85
Operating cash flow ¹ , SEKm	-11.9	-0.9	7.3	-5.6
Operating cash flow per share ¹ , SEK	-0.34	-0.03	0.21	-0.16
Equity ratio ² , %	63%	54%	64%	64%
Net debt ² , SEKm	42.9	258.3	30.4	42.9

¹ Defined according to IFRS.

² Alternative performance measure. For definition and reconciliation, see pages 15-16.

The CEO comments on the first quarter

A broader and stronger licensing business strengthens our position in infection prevention

During the quarter, we took several significant steps in the implementation of our growth strategy. Through the expanded partnership with Zimmer Biomet and the new collaboration in the dental field with the leading global company Dentsply Sirona, we are broadening our scope to more product categories and application areas. At the same time, we see that sales of the BIP portfolio begin to pick up speed when healthcare and society return to a more normal situation.

Two new licensing and development collaborations

We saw an increase in license revenues from Becton, Dickinson & Company (BD) during the quarter and our new collaborations with globally leading Zimmer Biomet and Dentsply Sirona in the orthopedic and dental fields strengthen the market position for Bactiguard's unique technology in infection prevention. It is a seal of quality that Zimmer Biomet, after two and a half years of close partnership, has chosen to expand the collaboration to include most of its product portfolio. We are also very proud of the collaboration with Dentsply Sirona, one of the world's leading dental solution providers, where we together develop dental products with Bactiguard's coating technology. With Dentsply Sirona, we have taken the step into a new therapy area - dental - which is in line with our focused growth strategy.

Accelerated BIP-sales

During the quarter, sales of our own product portfolio began to gain momentum, driven by the increased investments we make in marketing activities and the sales organization, and healthcare in parts of the world starting to return to normal activity after the pandemic. We saw increased demand for both catheters and wound care products, especially in markets where we have our own sales forces, for example, the Nordic countries, Malaysia and India.

Outlook

The global need for infection prevention is great and here Bactiguard's technology and product offering can make an important difference. Our technology is well proven and over 40 clinical studies show that it is both safe and effective.

We see great potential in continuing to expand the licensing business both existing and new therapeutic areas. Our expanded and new collaborations with Zimmer Biomet and Dentsply Sirona have strengthened Bactiguard's market position in infection prevention and give us a broader base from which we will have the opportunity to expand our licensing business significantly over time.

There is also a great need for our own product portfolio, which we meet through investments in product development, regulatory adjustments, higher production capacity as well as an expanded go-to-market organization.

Our vision is to protect people from infections and thereby contribute to more efficient care and better patient health. With our technology, established collaborations with leading players in medical technology and a clear growth strategy, we have a good platform for strong future profitable growth. As we have previously communicated, we expect that the current rate of investment will result in accelerating growth and significantly improved future profitability.

Anders Göransson

CEO

Business model

Bactiguard's vision and mission is to prevent infections, increase patient safety and save lives. The basis for our business model is a unique technology for infection prevention, which we offer to other manufacturers of medical devices through licensing agreements. We also offer our own product portfolio of catheters and wound care products.

License revenues

Bactiguard licenses the patented technology to medical technology companies around the world that apply it to their products and sell them under their own brand. The license revenues include upfront fees related to the right to use Bactiguard's technology for products in a specific application and geographical area. Licensees gain access to Bactiguard's process know-how, while the coating itself – the concentrate of noble metals – is a trade secret.

The license revenues also include royalties, i.e a variable remuneration when the products reach the market and generate sales revenue, and revenues related to contract manufacturing.

New license revenues include upfront license fees as well as remuneration linked to milestones and product development.

License partner	Application area	Market
Becton Dickinson and Company (BD, former C.R. Bard)	Urinary catheter (Foley)	The US, Japan, the UK, Ireland, Canada and Australia
Zimmer Biomet	Trauma and Orthopedic implants	Global
Well Lead Medical	Urinary catheters, ETT and CVC	China
Smartwise Sweden AB	Advanced vascular injection catheters	Global
Dentsply (April 2022)	Dental	Global

Bactiguard Infection Protection (BIP)

Bactiguard has a broad portfolio of products that protect against and prevent infections. The portfolio includes products for the urinary, blood and respiratory tracts as well as wound care products in the form of surgical sutures, wound wash and dressings.

Bactiguard's leading offer for infection prevention

Current license partnerships

Bactiguard's coating technology is licensed to partners in orthopaedics, urology and intensive care

BIP portfolio

Medical devices

Wound care products

Sutures and dressings

Development during the first quarter

Revenues

MSEK	Q1 2022	Q1 2021	Full year 2021	RTM 2022
License revenues	33.6	25.8	103.7	113.1
New license revenues	2.8	0.6	9.1	9.7
Sales of BIP products	15.4	13.0	56.8	59.2
Other revenues	3.4	2.4	9.6	10.6
Total revenues	55.2	41.8	179.0	192.5

Total revenues in the quarter amounted to SEK 55.2 (41.8) million, an increase of 32%. Adjusted for currencies the increase of revenue was 23%.

License revenues from BD was higher this quarter compared to the corresponding period last year and amounted to SEK 32.2 (25.4) million. Adjusted for currency effects of SEK -2.6 million the increase in license revenues from BD was 13%. The underlying business is stable on an annual basis and volumes may vary between quarters.

Other license revenues of SEK 1.4 (0.4) million and new license revenues of SEK 2.8 (0.6) million come from Zimmer Biomet and include an initial fee related to the expanded licensing agreement and a first smaller royalty income from the sale of trauma implants, ZNN Bactiguard.

BIP-revenue during the first quarter amounted to SEK 15.4 (13.0) million, an increase of 19%. Adjusted for currency effects, growth was 9%. It is mainly urinary catheters, wound care products and central venous catheter's that account for the increase compared to the first quarter of 2021.

Although sales have continued to be negatively affected in some regions due to reduced regular healthcare as a result of the pandemic, we see that the investment in our own sales force in, for example, the Nordic countries, Malaysia and India continues to generate gradually increased sales.

Financial Results

EBITDA in the quarter amounted to SEK -4.0 (1.9) million, corresponding to an EBITDA-margin of -7% (5%).

The increased investments in line with the long-term growth strategy have increased operating costs thus decreased profitability.

Other external costs increased by SEK 10.3 million compared to the first quarter of 2021, of which consulting and costs for temporary employees increased by SEK 5.8 million. In addition, the provisions for doubtful debt increased by SEK 2.4 million. Personnel costs increased by SEK 2.0 million. The increase in both temporary resources and permanent staff is a result of, above all, the increased investments in the marketing and sales organization for the expansion initiated last year.

Other operating expenses consist of currency effects that affected earnings by SEK -5.2 (-0.9) million, of which SEK -1.5 million are unrealized exchange rate losses related to derivatives.

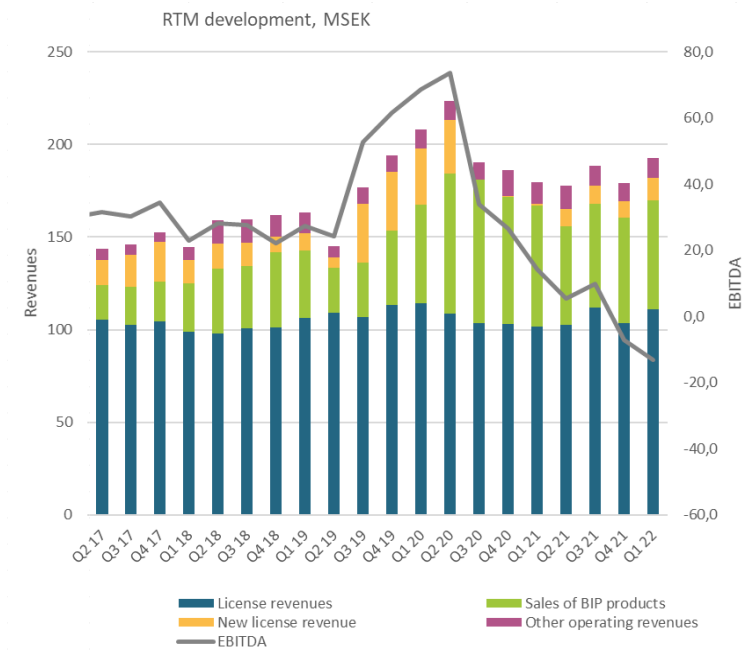
Operating profit amounted to SEK -16.6 (-9.7) million. Depreciation that does not impacting the cash flow, affected operating profit by SEK -12.6 (-11.6) million, of which SEK -6.4 (-6.4) million relates to the depreciation of Bactiguard's coating technology and SEK -2.7 (-2.7) million refers to depreciation for leasing.

Financial items amounted to SEK -2.4 (-1.3) million. Financial expenses mainly consist of interest expenses for bank loans and unrealized exchange rate effects SEK-2.0 (-1.1) million related to financing operations.

Tax for the period amounted to SEK 2.5 (0.5) million. Income tax in foreign subsidiaries constitutes SEK -0.3 (-0.4) million of the period's tax, which is calculated based on a tax rate of 24%. SEK 2.8 (0.9) million of the tax for the period refers to changes in deferred tax attributable to the Group's intangible assets and leases, which are calculated at a Swedish tax rate of 20.6%.

Net loss for the first quarter of 2022 amounted to SEK -16.5 (-10.5) million.

Revenues development, rolling twelve months



The chart shows how revenues per quarter in each revenue stream have developed over a rolling twelve-month period.

Operating profit, rolling twelve months



The chart shows how the result have developed during a rolling twelve-month period per quarter.

The positive development of EBITDA in 2019 and the beginning of 2020 was an effect of good revenue development attributable to new license agreements, growth in BIP sales and the acquisition of Vigilez. During the pandemic, earnings development was negatively affected as regular healthcare decreased in favor of Covid-19 efforts, which also affected the focus and prioritization of potential license partners.

During the first quarter of this year, we saw a strong revenue increase while investments increase in line with the focused growth strategy presented during the quarter, which had a negative impact on profitability.

Financial target

During the first quarter, new long-term financial targets for 2026 were presented:

Sales growth

Annual revenues of at least SEK 1 billion

Profitability

Annual EBITDA of at least SEK 400 million

Cash flow

Cash flow from operating activities was SEK -11.9 (-0.9) million in the first quarter. Investments amounted to SEK -0.9 (-3.7) million and consisted of SEK -0.1 (-2.0) million in tangible fixed assets and capacity-enhancing investments in the production facility in Penang, Malaysia, and SEK -0.8 (-1.7) million in intangible assets, which relates to capitalized development expenses.

Amortization of lease liabilities affected cash flow from financing activities with SEK 1.2 (-1.9) million. Total cash flow for the quarter was SEK -15.6 (-1.6) million.

Financial position

Equity amounted to SEK 524.1 (364.9) million on March 31, 2022 and net debt to SEK 42.9 (258.3) million.

The Group has a credit facility with SEB until December 2024. The total outstanding amount amounted to SEK 170.9 (170.9) million on December 31, 2021. As of March 31, 2022, SEK 0.0 (14.4) million of the SEK 30.0 (45.0) million overdraft facility was utilized.

Total assets in the Group amounted to SEK 840.8 (671.0) million on 31 March 2022. The largest asset items in the balance sheet relate to goodwill SEK 248.2 (246.5) million, cash and cash equivalents SEK 202.3 (9.4) million and Bactiguard's coating technology SEK 117.9 (143.3) million. The technology is depreciated by approximately SEK 25 million per year over 15 years.

Other information

The share and share capital

Trade in the Bactiguard share takes place at Nasdaq Stockholm with the ticker "BACTI". The closing price for the listed B share was 104,0 SEK on 31 March 2022, and the market capitalization amounted to SEK 3 229 million.

The share capital of Bactiguard on 31 March 2022 amounted to SEK 0,9 million divided into 31 043 885 B shares, each with one vote (31 043 885 votes) and 4 000 000 A shares, each with ten votes (40 000 000 votes). The total number of shares and votes in Bactiguard on 31 March 2022 was 35 043 885 shares and 71 043 885 votes.

Ownership

On 31 March 2022 Bactiguard had 3 595 shareholders.

Shareholders	No of A-shares	No of B-shares	Total number	% of capital	% of shares
CHRISTIAN KINCH OCH BOLAG	2 000 000	4 117 167	6 117 167	17,5%	34,0%
THOMAS VON KOCH OCH BOLAG	2 000 000	4 117 068	6 117 068	17,5%	34,0%
NORDEA NORDIC SMALL CAP FUND		3 419 987	3 419 987	9,8%	4,8%
STÅHLBERG, JAN		3 354 387	3 354 387	9,6%	4,7%
FJÄRDE AP-FONDEN		3 340 781	3 340 781	9,5%	4,7%
HANDELSBANKEN FONDER		1 969 229	1 969 229	5,6%	2,8%
AMF - FÖRSÄKRING OCH FONDER		1 646 754	1 646 754	4,7%	2,3%
FÖRSÄKRINGSBOLAGET, AVANZA PENSION		1 142 522	1 142 522	3,3%	1,6%
UBS AG LONDON BRANCH, W8IMY		791 233	791 233	3,3%	1,1%
STATE STREET BANK AND TRUST CO, W9		744 840	744 840	2,3%	1,1%
Total, major shareholders	4 000 000	24 643 968	28 643 968	81,7%	91,0%
Total, others		6 399 917	6 399 917	18,3%	9,0%
Total number of shares	4 000 000	31 043 885	35 043 885	100%	100%

Employees

The average number of employees in the group in the quarter amounted to 211 (189), of which 136 (124) are women.

Key events during the quarter

For key events, see page 1. All press releases are available on the website www.bactiguard.com

Key events after the end of the quarter

For key events after the end of the quarter, see page 1. All press releases are available on the website www.bactiguard.com

Accounting and valuation principles

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Reporting and the Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Reporting are submitted both in notes and elsewhere in the interim report. The parent company's financial statements have been prepared in accordance with the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The accounting and valuation principles are stated in the annual report.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may derive revenues and incur expenses, whose operating results are regularly reviewed by the Chief Operating decision maker and for which there is separate financial information. The company's reporting of operating segments is consistent with the internal reporting provided to the Chief Operating decision maker. The Chief Operating decision maker is the function that assesses the operating segment performance and decides how to allocate resources. The company has determined that the Group's executive management constitutes the Chief Operating decision maker. The company is considered in its entirety to operate within one business segment.

Parent company

During the period, the parent company received interest on its receivables from group companies. No investments were made during the period.

Risk factors

Companies within the Group are exposed to various types of risk through their activities. The company continually engages in a process of identifying all risks that may arise and assessing how each of these risks shall be managed. The Group is working to create an overall risk management program that focuses on minimizing potential adverse effects on the company's financial results. The company is primarily exposed to market related risks, operational risks and financial risks. A description of these risks can be found on page 46-47 and 60-62 in the Annual Report for 2021.

Covid-19

In addition to already identified risks, the impact of the ongoing pandemic is regularly analyzed. Bactiguard as a company follows each country's recommendations from the equivalent of the Public Health Agency of Sweden and takes action accordingly.

In recent years, the pandemic has affected Bactiguard in several ways. The pandemic has increased the need for infection prevention and thus created new opportunities for Bactiguard, which had a positive effect on sales at the beginning of the pandemic. During the fourth quarter of 2020, the pandemic had a clear negative impact on our operations as a result of reduced regular healthcare and postponed operations.

In 2021, we have seen a stabilization of license revenues from BD as healthcare in the US has recovered faster than in the rest of the world. Sales of BIP products continue to be affected by the increased uncertainty brought about by Covid-19. The acquisition of Vigilenz in 2020 has strengthened Bactiguard and improved cash flow. In September 2021, liquidity was strengthened when a directed share issue was carried out, which provided Bactiguard with approximately SEK 228 million before issue costs.

The roll-out of vaccines continues to have a positive effect on the return to a more normal situation for healthcare and society at large and we see a great need for infection prevention. However, global developments in the near future remain difficult to assess due to the unpredictable behavior of the Sars-CoV-2 virus and its possible impact on healthcare.

The pandemic has had a negative impact on Bactiguard in the short term, but we see a bright future. The need for care remains and society is pushing an accelerating care debt ahead of it that needs to be addressed. In addition, we have broadened our product portfolio and invested in increased production and development capacity. We work closely with our licensing partners and see that our technology will in the future contribute great value in the form of new licensing deals. Based on the above, we believe that our surface layer technology has a value far exceeding booked value and therefore see no impairment requirement regarding the Group's intangible assets and deferred tax.

The war in Ukraine

Bactiguard supports the Ukrainian people through donations of intensive care equipment that the Ukrainian health care system has specifically asked for and needs through the medical network Razom at Karolinska University Hospital and with the assistance of the Ukrainian Embassy. Bactiguard does not have suppliers or sales to either Russia and Belarus or Ukraine. We follow developments closely and continuously evaluate the operational and financial effects.

Condensed consolidated income statement

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
<i>Revenues</i>				
License revenues	36 405	26 419	112 718	122 703
Sales of BIP products	15 373	12 964	56 768	59 177
Other revenues	3 424	2 399	9 562	10 587
	55 202	41 783	179 048	192 467
Change in inventory of finished goods	436	533	3 057	2 960
Capitalized expenses for own account	90	1 565	2 412	938
Raw materials and consumables	-9 449	-8 387	-44 152	-45 214
Other external expenses	-22 853	-12 538	-56 101	-66 416
Personnel costs	-22 211	-20 172	-84 692	-86 731
Depreciation and amortisation	-12 567	-11 613	-47 004	-47 958
Other operating expenses	-5 216	-874	-6 756	-11 098
	-71 771	-51 487	-233 235	-253 519
Operating profit/loss	-16 569	-9 705	-54 187	-61 052
Profit/loss from financial items				
Financial income	0	0	4	4
Financial expenses	-2 402	-1 344	-9 068	-10 126
	-2 401	-1 342	-9 065	-10 122
Profit before tax	-18 971	-11 047	-63 252	-71 174
Taxes for the period	2 493	504	4 479	6 469
Net profit/loss for the period	-16 477	-10 544	-58 773	-64 706
Attributable to:				
The parent company's shareholders	-16 477	-10 544	-58 773	-64 706
Earnings per share, SEK before and after dilution	-0,47	-0,31	-1,68	-1,85

Condensed consolidated statement of comprehensive

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
Net profit/loss for the period	-16 477	-10 544	-58 773	-64 706
<i>Other comprehensive income:</i>				
<u>Items that will be reclassified to profit or loss for the year</u>				
Translation differences	-802	-3 831	1 101	4 130
Other comprehensive income, after tax	-802	-3 831	1 101	4 130
Total comprehensive income for the period	-17 279	-14 375	-57 672	-60 576
Attributable to:				
The parent company's shareholders	-17 279	-14 375	-57 672	-60 576
Earnings per share, SEK before and after dilution	-0,49	-0,43	-1,65	-1,73
Number of shares at the end of period ('000)	35 044	33 544	35 044	35 044
Weighted average number of shares ('000)	35 044	33 544	35 044	35 044

Condensed consolidated statement of financial position

Amounts in TSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets			
Goodwill	248 210	246 479	247 485
Technology	117 893	143 300	124 245
Brands	26 574	26 120	26 015
Customer relationships	7 599	8 987	7 946
Capitalised development expenditure	17 974	22 811	19 823
Patents	1 036	1 185	1 113
Intangible assets	419 285	448 882	426 628
Leased assets	62 765	70 827	63 776
Buildings	14 370	13 903	14 132
Improvements, leasehold	6 461	7 968	6 623
Machinery and other technical plant	13 505	9 848	10 465
Equipment, tools and installations	3 550	5 222	5 650
Property, plant and equipment	100 650	107 768	100 647
Long-term receivables	1 813	1 697	1 674
Financial assets	1 813	1 697	1 674
Total non-current assets	521 748	558 347	528 948
Current assets			
Inventory	38 406	34 902	36 064
Accounts receivable	57 310	51 519	43 157
Other current receivables <i>Note 2</i>	20 987	16 816	23 534
Cash and cash equivalents	202 305	9 380	217 587
Total current assets	319 007	112 616	320 342
TOTAL ASSETS	840 755	670 963	849 290
Equity attributable to shareholders of the parent			
Share capital	876	839	876
Other equity	525 198	364 036	540 574
Total equity	526 074	364 875	541 450
Non-current liabilities			
Deferred tax liability	4 829	11 192	7 320
Liabilities to credit institutions	178 751	193 627	180 664
Liabilities leasing agreements	56 149	64 381	57 645
Total non-current liabilities	239 729	269 199	245 628
Current liabilities			
Accounts payable	28 334	7 516	27 904
Liabilities leasing agreements	10 263	9 647	9 652
Other current liabilities <i>Note 2</i>	5 167	5 151	5 242
Accrued expenses and deferred income	31 188	15 872	19 413
Total current liabilities	74 951	38 186	62 211
Total liabilities	314 680	307 386	307 839
TOTAL EQUITY AND LIABILITIES	840 755	672 260	849 289

Condensed consolidated statement of changes in equity

Amounts in TSEK	Equity attributable to shareholders of the parent				
	Share capital	Other capital contributions	Translation reserve	Retained earnings including net profit for the period	Total equity
Opening balance, 1 January 2021	839	707 805	-7 802	-327 492	373 349
<i>Adjustment of equity for previous year</i>					
Profit/loss for the period				-10 545	-10 545
<i>Other comprehensive income:</i>					
Translation differences			2 070	-	2 070
Total comprehensive income after tax	-	-	2 070	-10 545	-8 475
Closing balance, March 31 2021	839	707 805	-5 732	-338 037	564 875
Opening balance, 1 January 2022	876	930 680	-3 841	-386 265	541 450
Profit/loss for the period				-16 477	-16 477
<i>Other comprehensive income:</i>					
Translation differences			1 101	-	1 101
Total comprehensive income after tax	-	-	1 101	-16 477	-15 376
Transactions with shareholders					
Total transactions with shareholders	-	-	-	-	-
Closing balance, 31 March 2022	876	930 680	-2 740	-402 742	526 074

Condensed consolidated statement of cash flows

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	RTM 2022
Net profit/loss for the period	-16 477	-10 545	-58 773	-64 705
Adjustments for depreciation and amortisation and other non-cash items	2 600	12 095	43 922	32 598
Increase/decrease inventory	-704	-1 094	-3 720	-3 330
Increase/decrease accounts receivable	-11 730	-2 205	4 521	-5 004
Increase/decrease other current receivables	2 264	-1 129	-4 105	-712
Increase/decrease accounts payable	-47	-959	17 993	18 905
Increase/decrease other current liabilities	12 164	2 943	7 418	16 639
Cash flow from changes in working capital	1 947	-2 444	22 107	26 498
Cash flow from operating activities	-11 930	-894	7 256	-5 609
Investments in non-current assets	-949	-3 691	-7 294	-2 723
Cash flow from investing activities	-949	-3 691	-7 294	-2 723
Operating cash flow	-12 879	-4 585	-38	-8 332
Amortisation of lease	1 166	-1 882	-8 618	-8 724
Amortisation of loan	-245	-139	-562	2 486
Change in bank overdraft	-3 391	5 256	-8 856	-17 503
Set-up fee	0	168	0	-2
New share issue	0		228 000	228 000
Other financing activities	-292	-458	-4 137	-4 137
Cash flow from financing activities	-2 762	2 945	205 827	200 120
Cash flow for the period	-15 641	-1 640	205 789	191 788
Cash and cash equivalents at start of period	217 588	9 886	9 886	9 381
Exchange difference in cash and cash equivalents	357	1 135	1 913	1 135
Cash and cash equivalents at end of period	202 304	9 381	217 588	202 304

Condensed parent company income statement

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
Revenues	0	0	2 315	2 315
Operating expenses	-1 498	-1 376	-7 577	-7 699
Operating profit/loss	-1 498	-1 376	-5 262	-5 384
Net financial items	-337	-604	-13 637	-13 370
Profit/loss after financial items	-1 835	-1 980	-18 899	-18 754
Tax for the period				
Net profit/loss for the period	-1 835	-1 980	-18 899	-18 754

The parent company presents no separate statement of comprehensive income since the company has no items in 2022 or 2021 recognized in other comprehensive income. Net profit/loss for the period for the parent company thereby also constitutes the comprehensive income for the period.

Condensed parent company balance sheet

Amounts in TSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets			
Financial assets	873 074	659 420	879 086
Deferred tax asset	15 255	15 255	15 254
Total non-current assets	888 329	674 674	894 340
Current assets	8 673	1 049	3 856
Total current assets	8 673	1 049	3 856
EQUITY & LIABILITIES			
Total equity	695 242	479 115	696 139
Non-current liabilities			
Liabilities to credit institutions	170 941	169 657	170 941
Total non-current liabilities	170 941	169 657	170 941
Current liabilities	30 818	26 952	31 116
Total current liabilities	30 818	26 952	31 116
Total liabilities	201 759	196 608	202 057
TOTAL EQUITY AND LIABILITIES	897 001	675 723	898 196

Definition performance measures

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

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

EBITDA

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

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

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
Operating profit/loss	-16 569	-9 705	-54 187	-61 052
Depreciation and amortisation	<u>12 567</u>	<u>11 613</u>	<u>47 004</u>	<u>47 958</u>
EBITDA	-4 002	1 908	-7 183	-13 094

EBITDA-margin

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

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
EBITDA	-4 002	1 908	-7 183	-13 094
Revenue	<u>55 202</u>	<u>41 783</u>	<u>179 048</u>	<u>192 467</u>
EBITDA-margin	-7%	5%	-4%	-7%

Adjusted net profit/loss

As a partial payment of the acquisition of Vigilenz, a set-off issue was executed after the Annual General Meeting in April 2020. According to the IFRS regulations, the set-off issue must technically be reported as a forward contract, which affects the reported net result. To simplify the comparison between the years, the key figure Adjusted net profit/loss for the period is presented, which shows the net profit/loss for the period adjusted for the non-recurring accounting effect in connection with set-off issue.

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.

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021
Liabilities to credit institutions	178 751	193 627	180 664
Long-term liabilities leasing	56 149	64 381	57 645
<u>Short-term liabilities leasing</u>	<u>10 263</u>	<u>9 647</u>	<u>9 652</u>
Interest-bearing liabilities	245 164	267 655	247 960
Cash and cash equivalents	<u>-202 305</u>	<u>-9 380</u>	<u>-217 587</u>
Net debt	42 859	258 274	30 373

Equity ratio

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

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021
Equity	526 074	364 875	541 450
Balance sheet total	<u>840 755</u>	<u>672 260</u>	<u>849 289</u>
Equity ratio	63%	54%	64%

Earnings per share

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

Adjusted Earnings per share

Profit attributable to holders of ordinary shares in the Parent Company, adjusted for the non-recurring accounting effect in connection with the set-off issue, divided by the weighted average number of outstanding ordinary shares during the period. The key figure is presented to simplify comparisons between the years.

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
Adjusted Net profit/loss	-16 477	-10 544	-58 772	-64 705
Number of shares at the end of the period ('000)	<u>35 044</u>	<u>33 544</u>	<u>35 044</u>	<u>35 044</u>
Adjusted earnings per share	-0,47	-0,31	-1,68	-1,85

Profit/loss from financial items

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

Note 1 Revenue distribution

Total Group	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	RTM 2022
Amounts in TSEK				
Type of product/service				
License	36 405	26 419	112 718	103 463
<u>Sales of BIP products</u>	<u>15 373</u>	<u>12 964</u>	<u>56 768</u>	<u>68 852</u>
Total	51 777	39 384	169 486	172 315
Time for revenue recognition				
Performance commitment is met at a certain time	51 777	39 384	169 486	172 315
<u>Performance commitment is met during a period of time</u>				
Total	51 777	39 384	169 486	172 315

Note 2 Financial assets and liabilities

The table below shows the breakdown of financial assets and financial liabilities recognized at fair value in the consolidated balance sheet. Distribution of how fair value is determined is based on three levels;

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: based on directly or indirectly observable market data not included in level 1.

Level 3: based on input data that is not observable on the market.

For description of how real values have been calculated, see annual report 2021, note 4. Fair value of financial assets and liabilities is estimated to be substantially consistent with posted values. The group holds derivative instruments for foreign exchange contracts which are recognized at fair value through profit or loss, considering the current exchange rate on the foreign exchange market and the remaining maturity of respective instruments.

Amounts in TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
	Derivatives (level 2)	Derivatives (level 2)	Derivatives (level 2)
Assets			
Other current receivables	0	0	1 988
Liabilities			
Other current liabilities	1 583	1 345	0

Quarterly information

Amounts in TSEK	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	RTM
License revenues	27 750	22 085	20 249	32 786	26 419	23 021	29 529	24 690	33 585	110 825
New license revenues	0	0	-	592	-	8 533	526	-	2 819	11 879
Sales of BIP products	16 195	25 413	10 365	16 878	12 964	13 251	13 215	17 338	15 373	59 177
Other revenues	4 160	712	3 536	5 304	2 399	1 213	1 927	4 023	3 424	10 587
Total revenues	48 105	48 211	34 150	55 561	41 783	46 017	45 197	46 051	55 202	192 467
EBITDA	14 365	10 522	-3 103	4 871	1 908	1 833	1 189	-12 114	-4 002	-13 094
EBITDA margin	30%	22%	-9%	9%	5%	4%	3%	-26%	-7%	-7%
EBIT	3 865	-777	-14 291	-6 435	-9 705	-9 991	-10 673	-23 818	-16 569	-61 052
Net profit/loss for the period	-11 176	-272	-16 114	-10 826	-10 545	-12 031	-10 793	-25 404	-16 477	-64 706
Adjusted net profit/loss for the period				-10 826	-10 545	-12 031	-10 793	-25 404	-16 477	-64 706
Earnings per share, SEK	-0,34	-0,01	-0,48	-0,32	-0,31	-0,36	-0,31	-0,72	-0,47	-1,85
Adjusted earnings per share, SEK				-0,32	-0,31	-0,36	-0,31	-0,72	-0,47	-1,85
Operating cash flow	-3 511	3 583	-3 301	3 931	-893	5 485	14 305	-16 766	-11 930	-8 906
Operating cash flow per share, SEK	1,11	-0,11	0,11	-0,10	0,12	-0,03	0,41	-0,46	-0,34	-0,25
Net debt	185 006	241 523	241 587	250 109	254 138	258 275	13 219	30 372	42 859	42 859
Total shares (pcs)	33 302 373	33 302 373	33 543 885	33 543 885	33 543 885	33 543 885	35 043 885	35 043 885	35 043 885	35 043 885

Forthcoming disclosures of information

29 April 2022	Annual General Meeting
14 July 2022	Interim report 1 April - 30 June 2022
27 October 2022	Interim report 1 July - 30 Sept 2022

Contacts

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Signatories of the report

The Board of Directors and the CEO certify that the interim report, to the best of their knowledge, provides a fair overview of the parent company's and the group's operations, financial position and results and describes the material risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 26 April 2022

Thomas von Koch
Chairman

Christian Kinch
Deputy chairman

Anna Martling
Board Member

Jan Ståhlberg
Board Member

Cecilia Edström
Board Member

Anders Göransson
CEO

This interim report is unaudited

About Bactiguard

Bactiguard is a Swedish medical device company with a mission to save lives. To achieve this mission, we develop and supply infection prevention solutions which reduce the risk of infections and the use of antibiotics. This way, we save significant costs for healthcare and the society at large.

The Bactiguard technology is based on a thin noble metal alloy coating that prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard offers the technology through licence agreements and our BIP (Bactiguard Infection Protection) portfolio of products. Urinary catheters with the Bactiguard technology are market leading in the USA and Japan through our licensing partner BD, and in 2021 orthopaedic trauma implants, ZNN Bactiguard, were launched by Zimmer Biomet. Bactiguard's product portfolio also includes a non-alcoholic product line for wound care and disinfection. It effectively kills microbes while being biocompatible and tissue friendly.

Bactiguard is in a strong expansion phase in the markets in Europe, China, India, the Middle East and Southeast Asia through our own product portfolio and by establishing licensing deals in new therapy areas. Bactiguard has about 210 employees around the world. Its headquarters and one of three production facilities are located in Stockholm, the other two in Malaysia. Bactiguard is listed on Nasdaq Stockholm.

Read more about Bactiguard www.bactiguard.com

This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above 2022-04-27, at. 08.00.