

Strong growth and profitability driven by increased need for infection prevention

First quarter (January-March 2020)

- Revenues amounted to SEK 48,1 (33,9) million and increased by 42% (adjusted for currency 36%).
- EBITDA¹ amounted to SEK 14,4 (7,2) million with an EBITDA-margin¹ of 30% (21%).
- Operating profit² amounted to SEK 3,9 (-3,4) million.
- Net profit/loss² amounted to SEK 1,6 (-3,4) million, or SEK 0,05 (-0,10) per share.
- Operating cash flow¹ for the quarter amounted to SEK -3,5 (-6,5) million or SEK -0,11 (-0,19) per share.

Key events during the first quarter

- The Malaysian company Vigilenz was acquired and Bactiguard's increased and extended its financing.
- In early February, Christian Kinch left his position as CEO and Cecilia Edström was appointed new CEO.
- Bactiguard launched HYDROCYN aqua® in Sweden and secured customer orders of just over SEK 20 million.
- Bactiguard decided to start manufacturing of advanced disinfectants in Sweden.
- Bactiguard and Svenskt Industriflyg established an air bridge for protective medical equipment.
- Bactiguard's sales and earnings were positively affected by Covid-19. The spread of the pandemic has not had any significant negative effects or caused interruptions to the business, and the interest in infection prevention has increased.

Key events after the end of the quarter

- Urinary catheters for continuous temperature monitoring and infection control were launched in April.
- The AGM resolved on a new issue of shares as part of the purchase consideration for Vigilenz and Christian Kinch was elected new Chairman of the Board.
- Gabriella Björknert Caracciolo was recruited to the role as CFO and will assume her position in August 2020.

Key figures

	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
Revenues ² , SEKm	48,1	33,9	193,9	208,1
EBITDA, SEKm	14,4	7,2	61,6	68,8
EBITDA margin, %	30%	21%	32%	33%
Operating profit, SEKm	3,9	-3,4	19,5	26,7
Net profit/loss for the period ³ , SEKm	1,6	-3,4	16,3	21,3
Earnings per share ³ , SEK	0,05	-0,10	0,49	0,64
Operating cash flow, SEKm	-3,5	-6,5	54,0	56,9
Operating cash flow per share, SEK	-0,11	-0,19	1,62	1,71
Equity ratio ¹ , %	53%	56%	60%	53%
Net debt ¹ , SEKm	241,5	238,2	185,0	241,5

¹ Alternative performance measure. For definition and reconciliation, see page 15-16

² Defined according to IFRS

Comments by the CEO

Strong growth and profitability driven by increased need for infection prevention

To say the least, the first quarter has been eventful and challenging. In conjunction with assuming the role as CEO of Bactiguard, we completed our first ever acquisition and the timing could not have been better. The development of the Covid-19 pandemic has painfully highlighted the urgent need for infection prevention. This has led to an increased interest in Bactiguard and generated strong sales from mid-March.

Total revenues increased by more than 40 percent in the quarter and EBITDA doubled, generating an EBITDA margin of 30 percent and a positive net result.

License business

Revenues from Becton, Dickinson & Company (BD) were higher than during the first quarter of 2019. This is due to both somewhat higher volumes and a favorable dollar exchange rate. Demand for different medical devices now varies greatly as a result of Covid-19. Companies that provide infection prevention, consumables and intensive care equipment are experiencing a significantly higher demand, whereas companies that focus on surgical, orthopedic and capital-intensive products and equipment experience a much tougher situation.

The licensing business with Zimmer Biomet, one of the world's leading orthopedic companies, is developing according to plan and the focus is currently on the regulatory process. New license revenue will be generated as we reach certain milestones in the collaboration and when the products reach the market.

We are convinced that the strength of the Bactiguard technology for various types of medical applications, both for short-term and long-term use, will pave the way for new licensing deals.

Bactiguard Infection Protection (BIP)

Following the acquisition of Vigilenz, Bactiguard has a much broader product portfolio, with catheters and tubes for the blood stream, urinary and respiratory tract, and wound care. We focus on areas where infections are frequent and lead to complications for both patients and healthcare providers. A broader portfolio makes us more attractive as supplier to healthcare providers and as a partner for our distributors since we can offer a more complete range for infection prevention.

Given the large volumes we delivered during the second half of 2019, we expected a much slower start to 2020, but that was not the case.

Launch of HYDROCYN aqua®

In mid-March, we launched HYDROCYN aqua® on the Swedish market. The product has previously primarily been sold as an advanced wound care solution. At launch, the scope was expanded to disinfection. HYDROCYN aqua® has many advantages. It is pH neutral, water-based and the active substance is a natural part of the human immune system. Unlike alcohol and chlorhexidine, it is therefore not toxic or harmful to the body, nor is it flammable.

In just a few days, we secured orders of approximately SEK 20 million, which corresponds to roughly half the annual sales of our own products for both Bactiguard and Vigilenz in 2019. This is very encouraging, and we see great potential to expand sales in both the Swedish and other European markets. Initially, we handled the supply of goods from Malaysia via a private air bridge that was quickly established when regular transport capacity disappeared almost overnight as a result of Covid-19. This is not a long-term sustainable solution, which is why we



quickly decided to start production also in Sweden to be closer to our end customers in the European market. In this perspective, we feel that the decision we took more than five years ago, to move production home to Sweden and establish a plant at our headquarters south of Stockholm was right.

Launch of new catheter for intensive care

The product portfolio has also recently been expanded with a urinary catheter that combines integrated temperature monitoring with infection prevention. Within intensive care in particular, continuous temperature measurement is critical to monitor patients' health. The fact that we can now offer both monitoring and infection prevention in the same product is a great advantage for intensive care patients where the risk of infections is very high, and complications can be a matter of life and death.

Increased need for infection prevention

Sales of Bactiguard's original product portfolio were at par with the corresponding quarter of last year. From mid-March and during April, we saw increased interest and higher demand for our products, both in Sweden and in other markets. Bactiguard's endotracheal tube is now used, for example, for anesthetized Covid-19 patients at the Karolinska University Hospital. The lockdowns that several countries have applied for a couple of months creates challenges for both us and our distributors. Contacts with healthcare providers are limited as physical visits are not possible in many markets, but as we develop new communication channels and the extent of the restrictions diminishes, we see good opportunities to strengthen our position.

My first 100 days as CEO

When I sum up the first hundred days as CEO, I realize that the level of activity has been very high. I can also proudly say that we have helped to limit the consequences of the Corona pandemic by contributing with our knowledge and offering products for infection prevention. We have collaborated with the Swedish government, authorities, other companies and healthcare. A couple of our employees have actively contributed to the care and testing of Covid-19 patients. This has given us insights of how patients are affected by this virus that does not follow any previously known patterns and how Bactiguard's products can help reduce the risk of serious complications. Healthcare has mobilized in a fantastic way and we have gained unique experiences and established new networks that will be important in the longer term.

The acquisition of Vigilenz is strategically important. In a shorter perspective, it has broadened our product portfolio and contributed to a positive sales development. In the longer term, we have improved our capacity to develop new products and license applications.

The pace in the management team and the company is high, and we are building for the future, while we are in the middle of a global crisis. Therefore, I am very pleased that we have recruited Gabriella Björknert Caracciolo to the role of CFO. Gabriella has a broad experience in finance, IT and business development from the financial sector and I am convinced that she has a lot to contribute to the management team and to the process of taking Bactiguard to the next level.

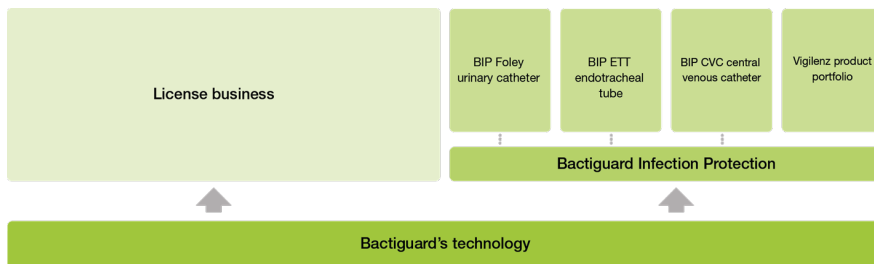
The need for infection prevention is now increasing worldwide and Bactiguard offers a unique technology that is effective, safe and reduces the risk of healthcare associated infections. We are confident in our opportunities to develop the business and we also see great potential in new applications and thus reaching new market segments.

Covid-19 has affected us all - both as individuals and companies. At the same time, it has opened up new opportunities for Bactiguard which will remain after the pandemic has subsided. I would therefore like to take this opportunity to thank our colleagues for your efforts that contribute to increasing patient safety and saving lives, every day.

Cecilia Edström, CEO

Business model

Bactiguard's vision and mission are to prevent healthcare associated 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 and through our own product portfolio of consumables for health care.



Bactiguard Infection Protection (BIP)

Bactiguard has a broad portfolio of products that protect against and prevent infections. The portfolio primarily comprises catheters and tubes for the blood stream, urinary and respiratory tracts and wound care products, including sutures, wound wash, dressings and disinfectants.

License revenues

Bactiguard licenses the technology to medical device companies throughout the world that apply the technology to their products and sell them under their own brand. In our license business we receive initial fees related to the right to use our technology for products within a specific application and geographical area.

License revenues also comprise royalties; a variable remuneration when the products reach the market and generate sales revenues. The licensee gains access to Bactiguard's process expertise, while the coating itself – a concentrate of noble metals – is a trade secret.

The term "new license revenues" includes the initial fees, while royalty is included in license revenues.

License partner	Application area	Territory
Becton Dickinson and Company (former C.R. Bard)	Urinary catheter (Foley)	The USA, Japan, the UK, Ireland, Canada and Australia
Smartwise Sweden AB	Advanced vascular injection catheters	Global
Well Lead Medical	Urinary catheters, ETT and CVC	China
Zimmer Biomet	Orthopaedic trauma implants	Global agreement excluding South-East Asia

Developments in the first quarter

Revenues

Revenues for the first quarter increased by 42% to SEK 48,1 (33,9) million. Adjusted for currency effects the growth was 36%. The increase was primarily driven by sharply increased sales of the product portfolio included in the acquisition of Vigilenz from March 2020.

MSEK	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
License revenues	27,8	26,9	113,3	114,1
New license revenues	-	1,1	31,5	30,4
Sales of BIP products	16,2	3,1	40,2	53,3
Other revenues	4,2	2,8	8,9	10,3
Total revenues	48,1	33,9	193,9	208,1

License revenues from BD make up the bulk of revenues and accounted for 58% of total revenues for the quarter. These license revenues were somewhat higher than the corresponding quarter last year and amounted to SEK 27.8 (26.9) million. A continued strengthening of the dollar exchange rate had a positive impact on license revenue in the quarter.

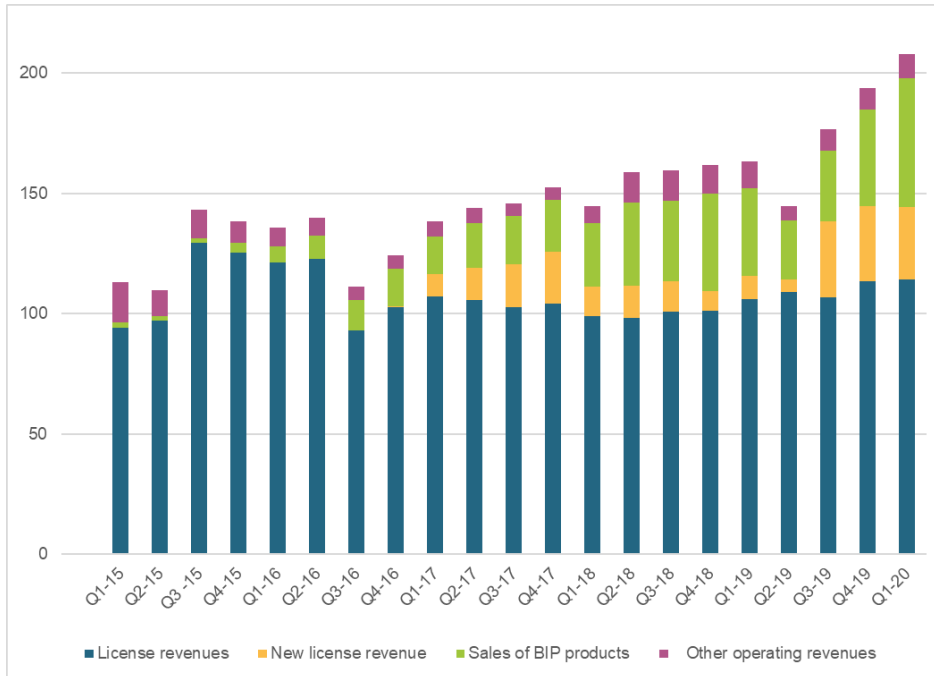
No new license revenue was generated in the first quarter, while the corresponding quarter last year included new license revenue of SEK 1.1 million from the agreement with Well Lead for China.

BIP sales amounted to SEK 16.2 (3.1) million in the first quarter. The growth was driven by increased sales of the product portfolio that was included in the acquisition of Vigilenz. In March, the product HYDROCYN aqua® was launched in the Swedish market and its scope was broadened from advanced wound care to disinfection. A flying start resulted in an order intake of more than SEK 20 million, as demand for disinfectants is extensive due to the Covid-19 outbreak.

Revenues related to the acquisition of Vigilenz Medical Devices and Vigilenz Medical Supplies ("Vigilenz") are included in the Group's revenues and earnings as of March 2020. Revenues in these companies for March amounted to SEK 2.2 million.

Other revenues amounted to SEK 4.2 (2.8) million, of which SEK 3.6 (1.8) million is attributable to balance sheet-related exchange rate effects.

Revenues development, rolling twelve months



Financial results

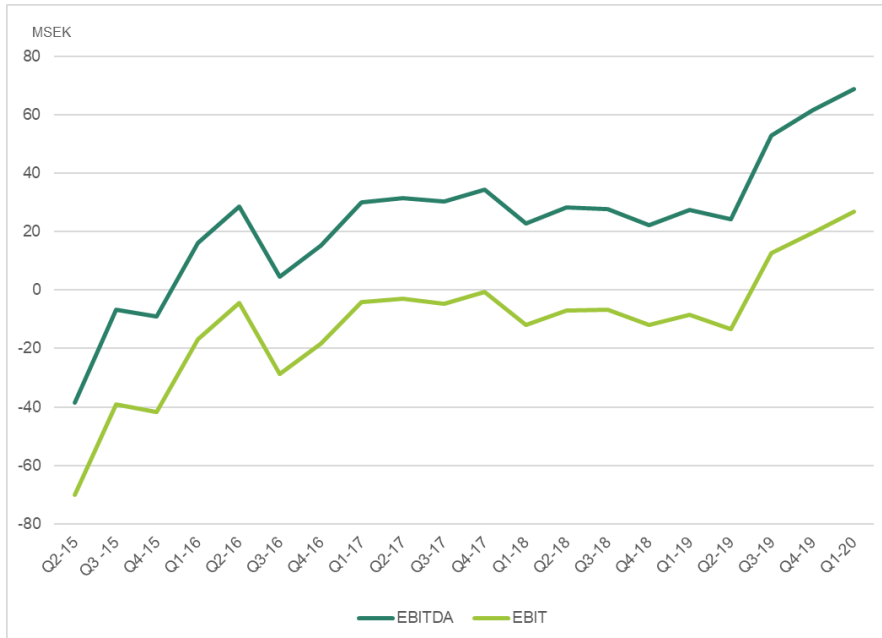
The large revenue increase during the first quarter had a positive effect on operating profit and EBITDA doubled to SEK 14.4 (7.2) million, corresponding to an EBITDA margin of 30% (21%). Other external costs and personnel costs increased by SEK 3.2 million compared to the first quarter of last year. Half of the increase in costs is attributable to the acquisition of Vigilez and the other half is related to increased investments in sales and marketing.

The Group's operating profit for the first quarter of 2020 amounted to SEK 3.9 (-3.4) million. Depreciation, which does not affect cash flow, affected operating profit by SEK -10.5 (-10.6) million.

Financial items amounted to SEK -3.7 (-1.1) million, of which approximately half, SEK -1.4 (0.0) million refers to effects from forward hedging and SEK -1.8 (-1.2) million refers to interest expenses for bank loans and up-front fee for new medium-term financing, which was secured in connection with the acquisition of Vigilez.

Tax for the period amounted to SEK 1.5 (1.1) million during the first quarter. Reported income tax refers to changes in deferred tax attributable to the Group's intangible assets.

Operating profit, rolling twelve months



The positive trend in operating profit is an effect of revenue growth, attributable to new licensing agreements, growth in BIP sales and the acquisition of Vigilenz. The EBITDA margin was 33% for the rolling twelve month period ending on 31 March 2020.

Cash flow and financial position

Operating cash flow (cash flow from operating activities) amounted to SEK -3.5 (-6.5) million. The fact that operating cash flow is negative despite a positive earnings trend is explained by a sharp increase in sales and thus increased accounts receivable at the end of the quarter, combined with a build-up of inventories to meet a greater demand for care due to Covid-19.

Cash flow from investing activities amounted to SEK -40.8 (-2.6) million, of which SEK 38.9 million is net cash flow from the acquisition of Vigilenz. The acquisition was financed by an increase of the Group's existing credit facility by SEK 43.4 million and a conditional new share issue of 241 512 B shares (approved by the Annual General Meeting April 28). The shares have been valued at fair value based on the market price at the time of acquisition (88 SEK/share). Total cash flow for the first quarter was SEK -2.9 (1.4) million.

Consolidated equity on March 31, 2020 amounted to SEK 390.8 (367.0) million and net debt to SEK 241.5 (238.2) million. In connection with the acquisition of Vigilenz, the Group's existing credit facility was renegotiated. This means that the term is extended to February 2023 and the total outstanding amount on 31 March 2020 amounted to SEK 181.5 (158.8) million. In addition to this credit facility, Bactiguard has access to an overdraft facility of SEK 30 million. On March 31, 2020, it was unused.

On March 31, 2020, total assets in the Group amounted to SEK 734.4 (656.0) million. The largest asset items on the balance sheet are goodwill of SEK 248.2 million and the Bactiguard technology which amounted to SEK 168.7 million at the end of the period. The Bactiguard technology is depreciated by approximately SEK 25 million annually over a period of 15 years.

Note 3 contains a preliminary acquisition analysis for the acquisition of Vigilenz.

Other disclosures

The share and share capital

Trade in the Bactiguard share takes place at Nasdaq Stockholm under the ticker symbol "BACTI". The last price paid for the listed B share on 31 March 2020 was SEK 141 SEK, and the market capitalization amounted to SEK 4 696 million.

The share capital of Bactiguard on 31 March 2020 amounted to SEK 0.8 million divided into 29,302,373 B shares, each with one vote (29,302,373 votes) and 4,000,000 A shares, each with ten votes (40,000,000 votes). The total number of shares and votes in Bactiguard on 31 March 2020 amounted to 33,302,373 shares and 69,302,373 votes.³

Ownership

On 31 March 2020 Bactiguard had 6,275 shareholders.

Shareholders	No of A-shares	No of B-shares	Total number	%	%
				of capital	of shares
Christian Kinch and company	2 000 000	4 125 977	6 125 977	18,4%	34,8%
Thomas von Koch and company	2 000 000	4 125 878	6 125 878	18,4%	34,8%
Ståhlberg, Jan		3 330 032	3 330 032	10,0%	4,8%
Fjärde AP Fonden		3 288 354	3 288 354	9,9%	4,7%
Nordea Investment Funds		3 191 961	3 191 961	9,6%	4,6%
Handelsbanken Investments Funds		1 790 000	1 790 000	5,4%	2,6%
Försäkringsbolaget Avanza Pension		937 421	937 421	2,8%	1,3%
Lancelot Asset Management AB		660 000	660 000	2,0%	0,9%
Fröafall Invest AB		502 000	502 000	1,5%	0,7%
Swedbank Försäkring		405 544	405 544	1,2%	0,6%
Total, major shareholders	4 000 000	22 357 167	26 357 167	79,1%	90,0%
Total, others	0	6 945 206	6 945 206	20,9%	10%
Total number of shares	4 000 000	22 357 167	33 302 373	100%	100%

Human resources

The average number of employees in the group in the first quarter amounted to 101 (62), of which 64 (37) are women. At the end of the period, the number of employees was 174 (65), the increase is attributable to the acquisition of Vigilenz.

Key events during the quarter

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

Key events after the end of the quarter

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

³ Refers to the number of shares before the new issue of shares decided at the AGM on April 28, 2020

Accounting and valuation principles

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

The accounting and valuation principles are stated in the annual report and no changes have taken place since the annual report for 2019 was published.

Segment reporting

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

The company is considered in its entirety to operate within one business segment.

Related-party transactions

Since 2017, Bactiguard has a license agreement with Smartwise Sweden AB ("Smartwise"), a company owned by a group of private and institutional investors, including Bactiguard's main shareholders Christian Kinch and Thomas von Koch. During the period, no transactions with Smartwise took place, but Smartwise's parent company has leased premises from Bactiguard at market terms. In addition, no transactions with related parties occurred in the period.

Parent company

Revenues consist of invoiced intercompany expenses (management fees). During the period, the parent company received interest on its receivables from group companies. No investments were made during the period.

Risk factors

Companies within the Group are exposed to various types of risk through their activities. The company continually engages in a process of identifying all risks that may arise and assessing how each of these risks shall be managed. The Group is working to create an overall risk management program that focuses on minimizing potential adverse effects on the company's financial results. The company is primarily exposed to market related risks, operational risks and financial risks. A description of these risks can be found on page 48 and 62-63 in the Annual Report for 2019.

Financial goals

Bactiguard's goal is to create value and generate good returns for the shareholders. Bactiguards financial goals are to achieve:

- an average growth of 20% per year over a five-year period, with 2015 as the base year, and adjusted revenues of SEK 118.5 million as the starting point.
- an EBITDA margin of at least 30% at the end of the five-year period (year 2020).
- an equity ratio of at least 30%

Bactiguards long-term objective is to achieve a dividend of 30–50% of profit after tax, taking into consideration the company's financial position. The company is in an expansion phase and will therefore in the coming years, prioritize growth over dividends. Bactiguard will continue to expand its operations by strengthening its sales and marketing organization, developing its product portfolio and entering into new licensing agreements in more therapy areas, as well as selective acquisitions.

Condensed consolidated income statement

Amounts in TSEK	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
<i>Revenues</i>				
License revenues	27 750	28 011	144 751	144 490
Sales of BIP products	16 195	3 143	40 236	53 288
Other revenues	4 160	2 754	8 942	10 347
	48 105	33 909	193 929	208 125
Change in inventory of finished goods ⁴	2 807	1 207	3 882	5 482
Capitalized expenses for own account ⁵	374	2 075	2 731	1 030
Raw materials and consumables	-7 671	-4 760	-32 062	-35 001
Other external expenses	-12 110	-10 541	-46 242	-47 813
Personnel costs	-16 140	-14 467	-58 082	-59 755
Depreciation and amortisation	-10 500	-10 563	-42 128	-42 065
Other operating expenses	-1 000	-243	-2 516	-3 274
	-44 240	-37 291	-174 418	-181 397
Operating profit/loss	3 865	-3 382	19 511	26 728
<i>Profit/loss from financial items</i>				
Financial income	312	931	151	2 873
Financial expenses	-4 031	-2 050	-9 309	-14 630
	-3 719	-1 120	-9 158	-11 757
Profit before tax	146	-4 502	10 353	14 971
Taxes for the period	1 477	1 079	5 903	6 301
Net profit/loss for the period	1 623	-3 423	16 256	21 272
Attributable to:				
Shareholders of the parent	1 623	-3 423	16 256	21 272
Earnings per share, SEK ⁶	0,05	-0,10	0,49	0,64
Condensed statement of comprehensive				
	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
Net profit/loss for the period	1 623	-3 423	16 256	21 272
<i>Other comprehensive income:</i>				
<u>Items that will be reclassified to profit or loss for the year</u>				
Translation differences	1 059	-382	-406	1 059
Other comprehensive income, after tax	1 059	-382	-406	1 059
Total comprehensive income for the period	2 682	-3 804	15 850	22 331
Attributable to:				
Shareholders of the parent	2 682	-3 804	15 850	22 331
Total earnings per share	0,08	-0,11	0,48	0,67
Number of shares at the end of period ('000)	33 302	33 302	33 302	33 302
Weighted average number of shares ('000)	33 302	33 302	33 302	33 302

4 The item has in previous reporting been included in Other revenues

5 The item has in previous reporting been included in Other external expenses and Personnel costs

6 No dilution effect

Condensed consolidated statement of financial position

Amounts in TSEK	2020-03-31	2019-03-31	2019-12-31
ASSETS			
Non-current assets			
Goodwill	248 220	226 292	226 292
Technology	168 707	183 047	165 192
Brands	26 140	25 572	25 572
Customer relationships	10 673	9 073	8 188
Capitalised development expenditure	21 353	22 836	21 555
Patents	310	354	355
Intangible assets	475 404	467 173	447 153
Leased assets	77 639	83 487	79 266
Buildings	15 248	-	-
Improvements, leasehold	9 560	10 736	9 536
Machinery and other technical plant	8 025	4 979	4 410
Equipment, tools and installations	4 762	1 913	1 886
Property, plant and equipment	115 235	101 114	95 099
Long-term receivables	1 826	477	1 837
Financial assets	1 826	477	1 837
Total non-current assets	592 465	568 765	544 090
Current assets			
Inventory	40 899	16 598	14 351
Accounts receivable	61 673	47 603	45 414
Other current receivables <i>Note 2</i>	19 676	19 461	14 634
Cash and cash equivalents	19 723	3 612	22 878
Total current assets	141 971	87 274	97 277
TOTAL ASSETS	734 436	656 039	641 367
Equity attributable to shareholders of the parent			
Share capital	833	833	833
Other equity	388 558	366 204	385 859
Total equity	389 390	367 036	386 691
Non-current liabilities			
Deferred tax liability	16 844	18 391	13 553
Liabilities to credit institutions	180 673	143 676	-
Liabilities leasing agreements	70 475	74 738	71 760
Total non-current liabilities	267 992	236 806	85 313
Current liabilities			
Liabilities to credit institutions	826	14 400	126 900
Accounts payable	16 743	11 197	8 588
Liabilities leasing agreements	9 272	8 956	9 223
Other current liabilities <i>Note 2</i>	28 702	1 927	2 528
Accrued expenses and deferred income	21 511	15 714	22 122
Total current liabilities	77 054	52 195	169 362
Total liabilities	345 046	289 001	254 675
TOTAL EQUITY AND LIABILITIES	734 436	656 038	641 367

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 2019	833	675 690	-305	-305 376	370 841
Profit/loss for the period				-3 423	-3 423
<i>Other comprehensive income:</i>					
Translation differences			-382		-382
Total comprehensive income after tax	-	-	-382	-3 423	-3 804
Transactions with shareholders					
Total transactions with shareholders	-	-	-	-	-
Closing balance, 31 March 2019	833	675 690	-687	-308 799	367 038
Opening balance, 1 January 2020	833	675 690	-711	-289 120	386 691
<i>Adjustment of equity for previous year</i>				17	17
Profit/loss for the period				1 623	1 623
<i>Other comprehensive income:</i>					
Translation differences			1 059		1 059
Total comprehensive income after tax	-	-	1 059	1 623	2 682
Transactions with shareholders					
Total transactions with shareholders	-	-	-	-	-
Closing balance, 31 March 2020	833	675 690	348	-287 480	389 390

Condensed consolidated statement of cash flows

Amounts in TSEK	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
Net profit/loss for the period	1 624	-3 423	16 256	21 273
Adjustments for depreciation and amortisation and other non-cash items	8 128	8 022	36 424	36 530
Cash flow from changes in working capital	-13 263	-11 075	1 302	-856
Cash flow from operating activities	-3 511	-6 476	53 982	56 947
Acquisition of subsidiary	-38 939	-	-	-38 939
Investments in non-current assets	-1 858	-2 589	-4 423	-5 250
Cash flow from investing activities	-40 797	-2 589	-4 423	-44 189
Cash flow from financing activities	41 362	10 475	-27 826	4 620
Cash flow for the period	-2 946	1 410	21 733	17 378
Cash and cash equivalents at start of period	22 878	1 893	1 893	3 612
Exchange difference in cash and cash equivalents	-209	309	-748	-1 267
Cash and cash equivalents at end of period	19 723	3 612	22 878	19 723

Condensed parent company

Amounts in TSEK	Jan-Mar 2020	Jan-Mar 2019	Full year 2019
Revenues	1 413	1 826	5 081
Operating expenses	-2 448	-2 678	-8 310
Operating profit/loss	-1 035	-852	-3 229
Net financial items	-876	-401	-1 438
Profit/loss after financial items	-1 911	-1 253	-4 667
Tax for the period	-	-	15 255
Net profit/loss for the period	-1 911	-1 253	10 588

The parent company presents no separate statement of comprehensive income, since the company has no items in 2020 or 2019 recognized in other comprehensive income. Net profit/loss for the period for the parent company thereby also constitutes the comprehensive income for the period.

Amounts in TSEK	2019-12-31	2019-03-31	2019-12-31
ASSETS			
Non-current assets			
Financial assets	657 020	604 989	592 860
Deferred tax asset	15 255	-	15 255
Total non-current assets	672 275	604 989	608 114
Current assets	1 857	1 292	3 769
Total current assets	1 857	1 292	3 769
TOTAL ASSETS	674 131	606 281	611 883
EQUITY & LIABILITIES			
Total equity	465 962	456 032	467 873
Non-current liabilities			
Liabilities to credit institutions	168 987	127 050	102 500
Total non-current liabilities	168 987	127 050	102 500
Current liabilities	39 183	23 199	41 510
Total current liabilities	39 183	23 199	41 510
Total liabilities	208 169	150 249	144 010
TOTAL EQUITY AND LIABILITIES	674 131	606 281	611 883

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 2020	Jan-Mar 2019	Full year 2019	RTM 2020
Operating profit/loss	3 865	-3 382	19 511	26 728
Depreciation and amortisation	<u>10 500</u>	<u>10 563</u>	<u>42 128</u>	<u>42 065</u>
EBITDA	14 365	7 181	61 640	68 794

EBITDA-marginal

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 2020	Jan-Mar 2019	Full year 2019	RTM 2020
EBITDA	14 365	7 181	61 640	68 794
Revenue	<u>48 105</u>	<u>33 909</u>	<u>193 929</u>	<u>208 125</u>
EBITDA-margin	30%	21%	32%	33%

Net debt

Net debt is a measure used to describe the group's indebtedness and its ability to repay its debt with cash generated from the group's operating activities if the debts matured today. The company considers this key figure interesting for creditors who want to understand the group's debt situation.

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

Amounts in TSEK	Jan-Mar 2020	Jan-Mar 2019	Full year 2019
Liabilities to credit institutions	181 499	158 076	126 900
Long-term liabilities leasing	70 475	74 738	71 760
<u>Short-term liabilities leasing</u>	<u>9 272</u>	<u>8 956</u>	<u>9 223</u>
Interest-bearing liabilities	261 246	241 770	207 884
Cash and cash equivalents	-19 723	-3 612	-22 878
Net debt	241 523	238 157	185 006

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 2020	Jan-Mar 2019	Full year 2019
Equity	389 390	367 037	386 691
Balance sheet total	<u>734 436</u>	<u>656 038</u>	<u>641 367</u>
Equity ratio	53%	56%	60%

Earnings per share

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

Operating cash flow

Cash flow from operating activities including changes in working capital. Direct reconciliation against financial report possible. Operating cash flow per share is operating cash flow in relation to the weighted average number of outstanding ordinary shares during the period. Key ratios regarding operating cash flow are presented as they are used by analysts and other stakeholders to evaluate the company.

Profit/loss from financial items

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

Note 1 Revenue distribution

Total Group	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
Amounts in TSEK				
Type of product/service				
License	27 750	28 011	144 751	144 490
<u>Sales of BIP products</u>	<u>16 195</u>	<u>3 143</u>	<u>40 236</u>	<u>53 288</u>
Total	43 945	31 156	184 987	197 778
Time for revenue recognition				
Performance commitment is met at a certain time	43 945	30 073	182 869	166 308
<u>Performance commitment is met during a period of time</u>	<u>0</u>	<u>1 082</u>	<u>2 118</u>	<u>31 470</u>
Total	43 945	31 156	184 987	197 778

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 2018, note 4. Fair value of financial assets and liabilities is estimated to be substantially consistent with book 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 2020		Jan-Mar 2019		Full year 2019	
	Derivatives (level 2)	Fair value	Derivatives (level 2)	Fair value	Derivatives (level 2)	Fair value
Assets						
Other current receivables	-	-	-	-	-	-
Liabilities						
Other current liabilities	1 030	1 030	-	-	248	248

Note 3 Acquisition

As of February 28, 2020, Bactiguard Holding AB acquired 100% of the share capital in Vigilenz Medical Devices and Vigilenz Medical Supplies (together Vigilenz) in Malaysia, which means these companies are included in the consolidated amounts from March 2020. The purchase consideration consisted of a cash payment of SEK 43,7 million at closing and, subject to approval by the annual general meeting of shareholders in April 28th, 2020, 241 512 new B-shares in Bactiguard. The shares have valued at fair value based on the market price at the time of acquisition (88 SEK/share). The acquisition was financed through credit facilities provided by Skandinaviska Enskilda Banken (SEB), with a maturity of three years. Bactiguard has had a license collaboration with Vigilenz since 2015. 2019 Vigilenz had a turnover of approximately MYR 18 million (approx. SEK 42 million), EBITDA of approximately MYR 2,6 million (approx. SEK 6 million) and an EBITDA-margin of 14 percent. Total number of employees is just above 100.

The acquisition boosts Bactiguard's position in infection prevention and wound care and improves innovation and product development capacity and expertise. Vigilenz also has a strong network of distributors in South East Asia. As a result of the acquisition, joint revenues are expected to grow faster than on a stand-alone basis, as the product portfolios are complementary and can be offered throughout both companies distribution networks. In a three to five years perspective, Bactiguard also expects cost synergies of SEK 5-10 million.

According to the preliminary acquisition analysis a goodwill of SEK 21,4 million arose upon acquisition, mainly attributable to synergies, future customers, future technology, market position and workforce at Vigilenz. The estimated useful lifetime for Technology is 6 years, customer relations 12 years, trademark Vigilenz 5 years. The assets and liabilities included in the acquisition in the report period 2020 is, according to the preliminary acquisition analysis as follows:

Amounts in TSEK	
Fair value of acquired net assets	Vigilenz
Technology	9 600
Trademark	700
Customer relations	2 800
Buildings	14 979
Improvements, leasehold	427
Leased assets	997
Machinery and other technical plant	3 680
Equipment, tools and installations	2 575
Total non-current assets	35 758
Inventory	16 795
Accounts receivable	5 110
Other current receivables	2 279
Cash and cash equivalents	3 920
Total current assets	28 104
TOTAL ASSETS	63 862
Deferred tax liability	4 745
Liabilities to credit institutions	11 554
Liabilities leasing agreements	559
Total non-current liabilities	16 858
Short-term liabilities to credit institutions	734
Accounts payable	923
Short-term liabilities leasing agreements	438
Other current liabilities	1 314
Total current liabilities	3 409
TOTAL ACQUIRED NET ASSETS	43 595

Allocation of purchase consideration	Vigilenz
Purchase consideration, cash	43 702
Consideration, debt (issuance shares after AGM)	21 253
Total consideration	64 955
Fair value of acquired net assets	-43 595
Goodwill	21 360

Investing activities	Vigilenz
Purchase consideration, cash	43 702
Cash and cash equivalents in acquired subsidiaries	-3 920
Direct costs relating to acquisition	1 235
Effects of acquisitions on cash and cash equivalents	41 018

Direct costs relating to acquisition are included in the item Other external expenses in income statement.

Contribution for acquired companies to consolidated sales and profit	Vigilenz
Net sales	2 294
Profit after tax for the year	-346

The table below shows sales and profit as if the acquisition of Vigilenz had taken place on 1 Januari 2020

Jan- March 2020	Vigilenz
Net sales	8 276
Profit after tax for the year	-540

Quarterly information

Amounts in TSEK	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
License revenues	21 974	24 933	27 035	27 278	26 929	27 698	25 004	33 650	27 750
New license revenues	-	5 209	3 108	-	1 082	1 036	29 351	-	-
Sales of BIP products	7 294	14 901	3 939	14 427	3 143	3 154	8 650	25 289	16 195
Other revenues	3 239	6 302	1 313	802	2 754	1 149	4 153	886	4 160
Total revenues	32 508	51 345	35 395	42 507	33 909	33 037	67 158	59 825	48 105
EBITDA	1 845	9 072	7 906	3 331	7 181	5 735	36 472	12 221	14 365
EBITDA margin	6%	18%	22%	8%	21%	17%	54%	20%	30%
EBIT	-6 883	123	-167	-5 113	-3 382	-4 785	25 908	1 739	3 865
Net profit/loss for the period	-7 975	-903	-526	-5 527	-3 423	-5 627	23 716	1 560	1 623
Earnings per share, SEK	-0,24	-0,03	-0,02	-0,17	-0,10	-0,17	0,71	0,05	0,05
Operating cash flow	-12 350	10 575	5 364	-2 723	-6 476	-243	23 850	36 850	-3 511
Operating cash flow per SEK	-0,37	0,32	0,16	-0,08	-0,19	-0,01	0,72	1,11	-0,11
Net debt	165 982	156 222	151 942	155 787	238 158	239 188	217 217	185 006	241 523
Total shares (pcs)	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373

Forthcoming disclosures of information

13 August 2020	Interim report 1 April - 30 June 2020
5 November 2020	Interim report 1 July - 30 Sept 2020

Contacts

For additional information, please contact:

Cecilia Edström, CEO: +46 8 440 58 80

Lina Arverud, acting CFO: +46 709 69 66 30

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, 13 May 2020

Christian Kinch	Jan Ståhlberg
Chairman	Board Member

Thomas von Koch	Anna Martling
Board Member	Board Member

Cecilia Edström
CEO and Board Member

This interim report is unaudited.

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 healthcare associated infections and the use of antibiotics. This way, we save significant costs for healthcare and the society in large. The Bactiguard technology prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard offers the technology through license agreements and our BIP (Bactiguard Infection Protection) portfolio of products. Through our license partner BD, urinary catheters with Bactiguard's coating are market leading in the USA and Japan. Bactiguard's own product portfolio of urinary catheters, endotracheal tubes and central venous catheters prevent some of the most common infections which appear in the urinary tract, the blood stream and the respiratory tract. Bactiguard is in a strong expansion phase in the European markets, China, India and the Middle East by establishing license agreements in new therapeutic areas. Recently, Bactiguard completed the acquisition of Malaysian Vigilenz, a manufacturer and supplier of medical devices and consumables, primarily within wound care and infection prevention. Following the acquisition, Bactiguard has about 180 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 how Bactiguard save lives at www.bactiguard.com

This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above 2020-05-13, at. 08.00.