

Continued high activity in the first quarter – infection prevention a global sustainability issue

First quarter 2021

- Revenues amounted to SEK 41.8 (48.1) million, a decrease by 13%. Adjusted for currencies the decrease was 3%.
- EBITDA amounted to SEK 1.9 (14.4) million with an EBITDA-margin of 5% (30%).
- Operating profit amounted to SEK -9.7 (3.9) million.
- Net loss for the period amounted to SEK -10.5 (-11.2) million. Earnings per share amounted to SEK -0.31 (-0.34).
- Cash flow from operating activities amounted to SEK -0.9 (-3.5) million corresponding to SEK -0.03 (-0.11) per share.

Covid-19 impact

- During the first quarter, we saw continued recovery in the licensing business with BD and positive development for our BIP portfolio. Sales of BIP products is still affected by reduced general health care, due to Covid-19. The roll-out of vaccines will gradually have a positive impact and lead to a more normal situation in healthcare. At the same time, the global healthcare backlog grows and must be managed. In this context, we see a great need for infection prevention, which is positive for both the license- and BIP businesses. However, near-term developments are still difficult to assess.

Key events during the first quarter

- Breakthrough in the licensing collaboration with Zimmer Biomet with a CE marking for trauma implants with Bactiguard's technology. Production has started and recurring license revenues are gradually being generated.
- A large randomized clinical study shows almost 70% reduction in urinary tract infections with the Bactiguard technology.
- Bactiguard's disinfection- and wound care solution was launched in Greece.
- Apoteket AB includes Hydrocyn in their range.
- Covid-19 related interim approval for Bactiguard's TempSensor Catheter in Canada.
- Continued strengthening of sales focus by recruiting a new Global Head of Sales.
- Cecilia Edström informed the Board that she will be leaving her post as CEO when a successor has been appointed.

Key events after the end of the quarter

- The wound care range will be introduced in Spain.

Key figures

| | Jan-Mar 2021 | Jan-Mar 2020 | Full Year 2020 | RTM 2021 |
|--|-----------------|-----------------|-------------------|-------------|
| Revenues ² , SEKm | 41.8 | 48.1 | 186.0 | 179.7 |
| EBITDA ³ , SEKm | 1.9 | 14.4 | 26.7 | 14.2 |
| EBITDA margin ³ , % | 5% | 30% | 14% | 8% |
| Operating profit ² , SEKm | -9.7 | 3.9 | -17.6 | -31.2 |
| Net profit/loss for the period ² , SEKm | -10.5 | -11.2 | -38.4 | -37.8 |
| Adjusted net profit/loss for the period ^{1,3} , SEKm | -10.5 | 1.6 | -27.5 | -35.8 |
| Earnings per share ² , SEK | -0.31 | -0.34 | -1.14 | -1.13 |
| Adjusted earnings per share ^{1,3} , SEK | -0.31 | 0,05 | -0.82 | -1.07 |
| Cash flow from operating activities ² , SEKm | -0.9 | -3.5 | 0.7 | 3.3 |
| Cash flow from operating activities per share ³ , SEK | -0.03 | -0.11 | 0.02 | 0.1 |
| Equity ratio ³ , % | 54% | 51% | 55% | 54% |
| Net debt ³ , SEKm | 258.3 | 241.5 | 254.1 | 258.3 |

¹ The part of the purchase price for the acquisition of Vigilez that consisted of shares is considered, for accounting purposes, as a financial instrument and the forward effect is thus reported as a financial item in the income statement and has affected net profit/loss for first quarter 2020 with SEK -12.8 million and full year 2020 with SEK -10.9 million. The adjustment is only affecting accounting and has no effect on cash flow.

² Defined according to IFRS.

³ Alternative performance measure. For definition and reconciliation, see pages 17-18.

CEO comments the first quarter

Continued high activity in the first quarter – infection prevention a global sustainability issue

We saw a continued recovery in the licensing business with BD and reached important milestones in the collaboration with Zimmer Biomet during the quarter. The recently published clinical study confirming how effectively Bactiguard technology reduces the risk of catheter-related urinary tract infections also received great positive attention. At the same time, the work of registering our expanded product portfolio in more markets continues and sales efforts are intensified. Healthcare is still under major pressure due to the pandemic, which has affected demand throughout the past year. In the meantime, a large global healthcare backlog has been built up, which makes the need for infection prevention greater than ever. We are ready to meet that need with our efficient and secure technology and broad product portfolio.

License business – important breakthrough with Zimmer Biomet

The licensing business with Becton, Dickinson and Co (BD) was negatively affected in 2020 when regular healthcare was drastically reduced and elective surgeries were postponed, due to the pandemic. The recovery we began to see in the fourth quarter of 2020 continued during the first quarter. Royalties from BD reflect end-customer sales and have now increased two consecutive quarters, indicating a recovery in US healthcare. At the same time, BD has increased its stocks to some extent to be able to meet increasing demand when the situation normalizes, which had a positive effect on us in the quarter.

The collaboration with Zimmer Biomet is progressing at an ever-faster pace. An important milestone is the CE marking we received in January for their Bactiguard-coated trauma implants. This is a prerequisite for launch in the European market. At the beginning of April, production started at our facility in Penang and Bactiguard will initially act as a contract manufacturer for Zimmer Biomet. The launch will take place later this year and as production increases and the products reach end customers, we will see rising license revenues.

Preparations for product registration in the US are ongoing and will now be intensified. We continue to view the partnership with Zimmer Biomet very positively, as it has the potential to expand Bactiguard's license business considerably.

The pandemic has temporarily led to reduced investment capacity for new potential partners and more time-consuming processes. Despite this, we see a clearly increasing interest in Bactiguard's technology and have several interesting dialogues underway. I am confident in our ability to establish new exciting licensing partnerships and our goal of establishing one or two new deals per year remains unchanged.

Positive development for the BIP portfolio

In all regions healthcare is under strong pressure due to the pandemic. At the same time, regular occupancy has been low, with the exception of the care for Covid-19 patients. Therefore, sales development has been weaker than expected since the second quarter 2020, but during the first quarter of this year, sales of our BIP portfolio developed positively. Our assessment is that it will take a few more quarters before healthcare can return to a more normal situation.

The acquisition of Vigilenz is strategically important and successful. We have broadened the product portfolio with effective products for wound care and disinfection and they are today an important part of our growth strategy. The registration of these products in Europe, the Middle East and India is in progress, but local regulations mean that global rollout is taking a little longer than we would like.

There is strong interest in the wound care range and we have recently established collaborations with more pharmacy chains that want to supplement their range with our products, including Swedish Apoteket AB and apotea.se. As recently as last week, we took another step in Europe with a collaboration for the wound care portfolio in the Spanish market.

Early this year, we established our own sales force for the Nordic region. Our ambition is to increase the marketing intensity and make Bactiguard more visible and influential. We are already starting to see results and expect to see an increased effect of these investments throughout the year.

Further strengthening clinical evidence

Although we already have extensive clinical evidence, we are investing in new studies. In March, a study was published in the internationally renowned scientific journal "Antimicrobial resistance and infection control", which further confirms Bactiguard's infection prevention technology by reducing the risk of catheter-related urinary tract infections by almost 70%.

In addition to demonstrating a significant reduction in the risk of infection, this Indian study provides new insight into how effective Bactiguard's technology is in an environment where infections caused by multi-resistant bacteria are a major problem. We are very pleased with the results of the largest randomized, controlled trial to date on Bactiguard's urinary catheters, which further confirms that our technology is effective in preventing infections.

The study has received a great deal of attention in healthcare and has already led to new contacts and potential collaborations. In April, the first project meeting in the "Vision Zero for healthcare associated infections in India" project was held, where we have the opportunity of establishing collaborations with leading Indian healthcare providers.

Later this year, the results of a Belgian study will be published, where ICU patients were connected to the ventilators via an endotracheal tube (ETT) from Bactiguard. This study may provide clinical evidence for patients cared for in ventilators, which is urgent given the secondary lung infections that affect Covid-19 patients. Here, our technology can be used to prevent further complications for already critically ill patients.

Major global need for infection prevention

The pandemic has put healthcare under severe pressure. To manage the global healthcare burden, efficient and secure healthcare is required. Bactiguard offers well-proven, effective and safe solutions that significantly reduce the risk of infections. And our clinical studies show an effect that many drugs do not come close to, which is a great asset.

The pandemic has had a short-term negative impact on Bactiguard, but the need for infection prevention is greater than ever and we are positive about the future. We have a broader product portfolio and have invested in increased production and development capacity. We have also sharpened our sales organization and made several important breakthroughs in the licensing business. Bactiguard is well positioned to advance its positions in a situation where infection prevention will be a central component in future healthcare and one of the most important global sustainability issues.

Our goal is clear - to establish Bactiguard as a standard of care for infection prevention and thus save lives, increase patient safety and reduce healthcare costs.

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.

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.

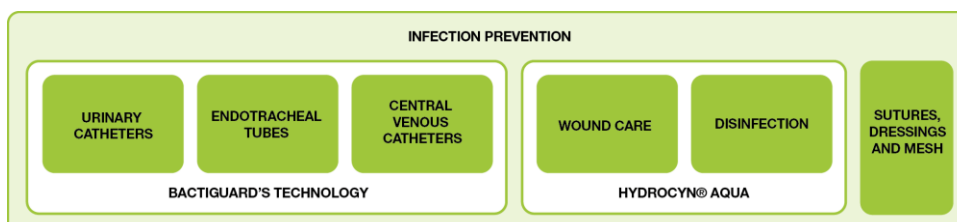
License revenues also comprise royalties; a variable remuneration when the products reach the market and generate sales revenues. The licensee gains access to Bactiguard’s process expertise, while the coating itself – a concentrate of noble metals – is a trade secret.

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

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

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.



Development in the first quarter

Revenues

| MSEK | Q1 2021 | Q1 2020 |
|-----------------------|-------------|-------------|
| License revenues | 26.4 | 27.8 |
| New license revenues | - | - |
| Sales of BIP products | 13.0 | 16.2 |
| Other revenues | 2.4 | 4.2 |
| Total revenues | 41.8 | 48.1 |

Revenues in the quarter amounted to SEK 41.8 (48.1) million, which is a decrease of 13%. Adjusted for currencies the decrease was 3%.

License revenues amounted to SEK 26.4 (27.8) million. During the pandemic, regular healthcare and elective surgeries have been postponed, which has affected BD's sales of consumables negatively. The recovery we began to see in the fourth quarter 2020 continued during the first quarter and BD has also increased their stock to some extent. Revenues from BD amounted to SEK 25.4 (27.8) million and were negatively affected by currency effects of SEK 3.7 million. Royalties from BD related to end customer sales increased in the quarter, which indicates a higher occupancy rate in healthcare in the US, where BD has most of its catheter sales.

At the beginning of April, the production of Bactiguard-coated trauma implants started in Penang on behalf of Zimmer Biomet. This generated a first recurring license revenue in the quarter. Bactiguard's license revenues from Zimmer Biomet will increase as production increases. When the implants reach end customers in Europe later this year, Bactiguard will also receive royalties with a delay of a quarter.

Sales of BIP products amounted to SEK 13.0 (16.2) million in the quarter and accounted for 31% of total revenues. The development was positive in general, with sales growth in Southeast Asia, Europe and the Middle East. Growth was primarily driven by wound care products, but we also saw a positive development in the demand for catheters.

The comparison with the first quarter 2020 is affected by the acquisition of Vigilenz and the outbreak of the pandemic. Vigilenz was consolidated as of March 1, 2020. Thus, the first quarter 2020 only included one month of Vigilenz's operations. The outbreak of the Covid-19 pandemic during the first quarter 2020 caused an immediate shortage of protective equipment and Bactiguard had a large order intake for disinfectants in March 2020.

Other income amounted to SEK 2.4 (4.2) million, of which SEK 1.0 (3.6) million relates to balance sheet-related currency effects.

Financial results

EBITDA for the quarter amounted to SEK 1.9 (14.4) million, corresponding to an EBITDA margin of 5% (30%).

Other external costs increased by SEK 0.4 million compared to the first quarter 2020 due to the acquisition of Vigilenz, higher activity in product registrations and digital marketing. On the other hand, travel costs decreased as an effect of the pandemic which counteracted the increase.

Personnel costs increased by SEK 4.0 million compared to the first quarter 2020. The increase is attributable to the integration of Vigilenz and the establishment of a direct sales organization in the Nordic region.

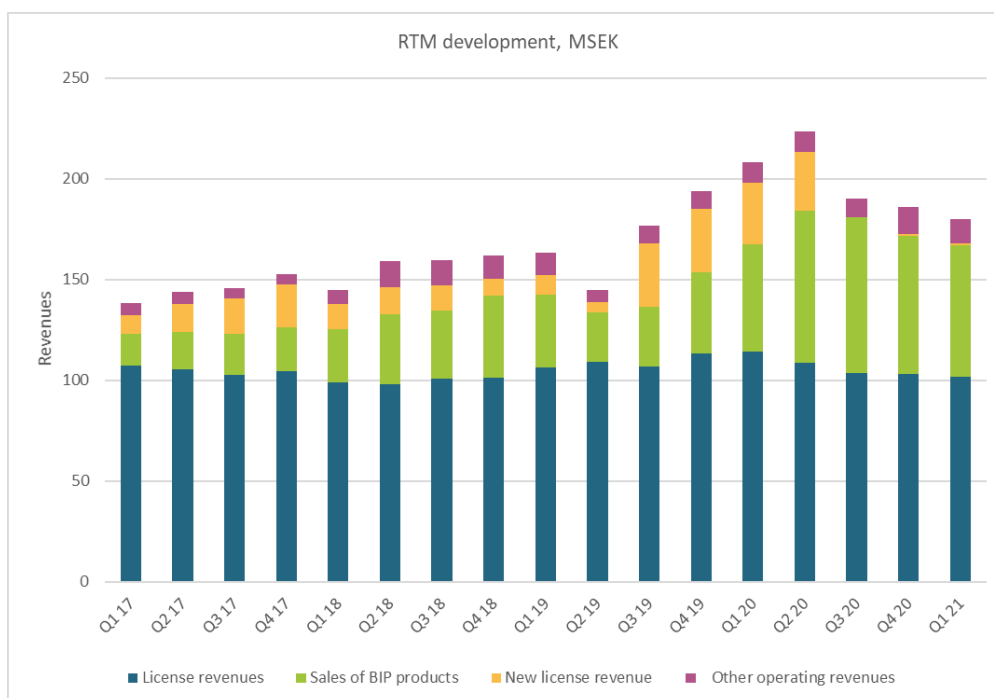
Other operating expenses consist of balance sheet-related currency effects that affected the result negatively by SEK -0.9 (-1.0) million.

Operating profit amounted to SEK -9.7 (3.9) million. Depreciation, which does not affect cash flow, impacted operating profit by SEK -11.6 (-10.5) million, whereof depreciations on the Bactiguard technology amounted to SEK -6.4 (-6.1) million.

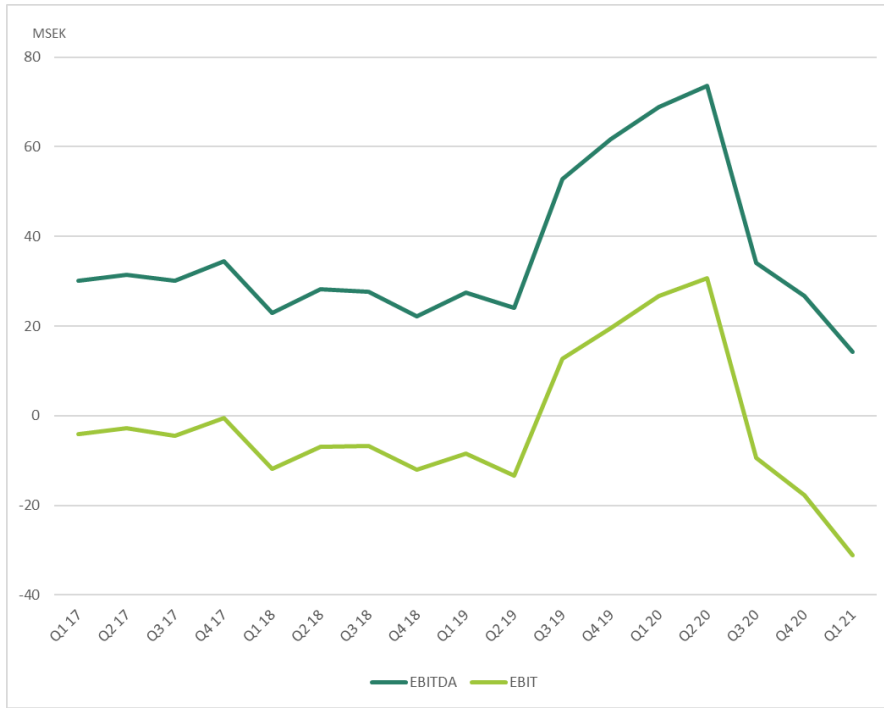
Financial items amounted to SEK -1.3 (-16.5) million. Financial costs mainly consist of interest expenses for bank loans and currency effects. The first quarter 2020 was affected by the fact that the part of the purchase price for the acquisition of Vigilenz that consisted of shares was considered as a financial instrument and the forward effect was thus reported as a financial item in the income statement, which affected the finance net with SEK -12.8 million.

Tax for the period amounted to SEK 0.5 (1.5) million. Income tax in foreign subsidiaries amounted to SEK -0.4 million of the tax, while SEK 0.9 million refers to changes in deferred tax attributable to the Group's intangible assets and leasing agreements.

Revenues development, rolling twelve months



Operating profit, rolling twelve months



The positive development of the EBITDA result in 2019 and the beginning of 2020 is an effect of good revenue growth, attributable to new licensing agreements, growth in BIP-sales and the acquisition of Vigilenz. During the second half of 2020, both license revenues and BIP-sales were affected by reduced regular healthcare and postponed operations due to the pandemic, which had an impact on earnings development. EBITDA margin for the rolling twelve months period April 2020 to March 2021 was 8% (33%).

Cash flow

Cash flow from operating activities was SEK -0.9 (-3.5) million. Working capital increased as a result of an increase in sales at the end of the quarter and thus increased accounts receivables.

Investments amounted to SEK -3.7 (-1.9) million in the quarter and consisted of SEK -2.0 million in tangible fixed assets, primarily related to investments in the production facility in Penang to increase capacity, and SEK -1.7 million in intangible assets, which refers to capitalized development expenses.

Amortization of leasing debt affected cash flow from financing activities with SEK -1.9 (-1.3) million.

The negative cash flow from operating activities and investments was partly financed by utilizing the credit facility, which had a positive impact of 5.3 million in the cash flow for the quarter, and total cash flow for the first quarter amounted to SEK -1.6 (-2.9) million.

Financial position

Consolidated equity amounted to SEK 364.9 (376.6) million on March 31, 2021 and the net debt amounted to SEK 258.3 (241.5) million.

In connection with the acquisition of Vigilenz, the Group's existing credit facility provided by SEB was renegotiated and the term extended to February 2023. The total outstanding amount on March 31, 2021 was SEK 170.9 (170.9) million. The loan agreement includes a mandatory annual payment of an amount corresponding to 50% of free cash flow (cash flow before financing, deducted by interest and amortization of leasing debt), but not exceeding SEK 35 million (a so-called cash sweep). As a consequence of the effects of the pandemic, the terms of the loan agreement with SEB were renegotiated in January 2021. The terms have been renegotiated with regard to covenants and available overdraft facilities, which now amount to SEK 45 (30) million, other terms are unchanged. On March 31, 2021 SEK 14.4 (-) million of the overdraft facility was utilized.

On March 31, 2021 total assets amounted to SEK 671.0 (734.4) million. The largest asset items on the balance sheet are goodwill of SEK 246.5 million and the Bactiguard technology which amounted to SEK 143.3 million. The Bactiguard technology is depreciated by approximately SEK 25 million annually over a period of 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 172.5 SEK on 31 March 2021, and the market capitalization amounted to SEK 5,786 million. The share price development during 2020 meant that Bactiguard, as of January 1, 2021 was moved from the Nasdaq Small Cap to the Nasdaq Mid Cap segment.

The share capital of Bactiguard on 31 March 2021 amounted to SEK 0.8 million divided into 29,543,885 B shares, each with one vote (29,543,885 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 2021 amounted to 33,543,885 shares and 69,543,885 votes.

Ownership

On 31 March ,2021 Bactiguard had 4,436 shareholders.

| Shareholders | No of A-shares | No of B-shares | Total number | % of capital | % of shares |
|---|-------------------|-------------------|-------------------|-----------------|----------------|
| Christian Kinch with company and family | 2,000,000 | 4,125,977 | 6,125,977 | 18.3% | 34.7% |
| Thomas von Koch and company | 2,000 000 | 4,125,878 | 6,125,878 | 18.3% | 34.7% |
| Nordea Investment Funds | | 3,419,987 | 3,419,987 | 10.2% | 4.9% |
| Jan Ståhlberg | | 3,354,387 | 3,354,387 | 10.0% | 4.8% |
| Fjärde AP Fonden | | 3,325,781 | 3,325,781 | 9.9% | 4.8% |
| Handelsbanken Investments Funds | | 1,878,155 | 1,878,155 | 5.6% | 2.7% |
| State Street Bank and Trust Co | | 959,027 | 959,027 | 2.9% | 1.4% |
| UBS AG London Branch | | 898,194 | 898,194 | 2.7% | 1.3% |
| Försäkringsbolaget Avanza Pension | | 828,615 | 828,615 | 2.5% | 1.2% |
| Lancelot Asset Management AB | | 632,000 | 632,000 | 1.9% | 0.9% |
| Total, major shareholders | 4,000,000 | 23,545,001 | 27,545,001 | 82.1% | 91.4% |
| Total, others | | 5,998,884 | 5,998,884 | 17.9% | 8.6% |
| Total number of shares | 4,000,000 | 29,543,885 | 33,543,885 | 100% | 100% |

Employees

The average number of employees in the group in quarter amounted to 189 (101), of which 124 (64) are women. The increase is attributable to the acquisition of Vigilenz March 1, 2020.

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, 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 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. As of January 2021, one change in accounting principles has been implemented. The outcome of currency forwards is, from 2021, reported as other income and other operating expenses, respectively. Previously, this outcome was reported under financial items. In other respects, no changes in accounting principles have taken place since the annual report for 2020 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 sister 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 48-49 and 62-63 in the Annual Report for 2020.

Covid-19

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

During the past year, the pandemic has affected Bactiguard in several ways. The need for infection prevention increased and thus created new opportunities for Bactiguard, which also had a positive effect on revenues at the beginning of the pandemic. During the third quarter 2020, there was a clear negative impact on our operations related to reduced regular healthcare and postponed interventions.

We saw a continued recovery during the first quarter in the licensing business and positive development of our BIP sales. Both license revenues as well as sales of BIP products are still affected by reduced regular healthcare and postponed elective surgeries. The acquisition of Vigilenz has strengthened Bactiguard and improved cash flow.

There is now a major global healthcare backlog that needs to be managed. The roll-out of vaccines will have a positive effect for healthcare and society at large. We will gradually return to a more normal situation, and we see great need for infection prevention. However, near-term developments are still difficult to assess.

Although the pandemic has affected Bactiguard negatively in the short term, we see a bright future. The need for care remains and we are pushing an accelerating backlog ahead of us that must be addressed. In addition, we have extended our product portfolio and invested in production- and development capacity. We work closely with our licensing partners and see that our technology in the future will generate great value in the form of new license agreements and thus increased cash flow. Based on the above, we believe that the technology has a value far exceeding the book value and therefore sees no need for impairment regarding the Group's intangible assets and deferred tax.

Financial targets

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

- an average growth of 20% per year over a five-year period, with 2020 as the base year;
- an EBITDA margin of at least 30% at the end of the five-year period (year 2025);
- 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 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|---|-----------------|-----------------|-------------------|----------------|
| <i>Revenues</i> | | | | |
| License revenues | 26 419 | 27 750 | 103 463 | 102 132 |
| Sales of BIP products | 12 964 | 16 195 | 68 852 | 65 620 |
| Other revenues | 2 399 | 4 160 | 13 711 | 11 951 |
| | 41 783 | 48 105 | 186 026 | 179 704 |
| Change in inventory of finished goods | 533 | 2 807 | 4 700 | 2 426 |
| Capitalized expenses for own account | 1 565 | 374 | 3 959 | 5 150 |
| Raw materials and consumables | -8 387 | -7 671 | -43 853 | -44 570 |
| Other external expenses | -12 538 | -12 110 | -49 330 | -49 758 |
| Personnel costs | -20 172 | -16 140 | -67 188 | -71 220 |
| Depreciation and amortisation | -11 613 | -10 500 | -44 293 | -45 407 |
| Other operating expenses | -874 | -1 000 | -7 659 | -7 533 |
| | -51 487 | -44 240 | -203 664 | -210 912 |
| Operating profit/loss | -9 705 | 3 865 | -17 638 | -31 208 |
| <i>Profit/loss from financial items</i> | | | | |
| Financial income | 2 394 | 312 | 2 240 | 4 322 |
| Financial income | -3 738 | -4 031 | -15 667 | -15 374 |
| Result from change in derivative ⁴ | | -12 800 | -10 868 | 1 932 |
| | -1 344 | -16 518 | -24 295 | -9 121 |
| Profit before tax | -11 049 | -12 653 | -41 933 | -40 329 |
| Taxes for the period | 504 | 1 477 | 3 545 | 2 571 |
| Net profit/loss for the period | -10 545 | -11 176 | -38 388 | -37 758 |
| Attributable to: | | | | |
| Shareholders of the parent | -10 545 | -11 176 | -38 388 | -37 758 |
| Earnings per share, SEK ⁵ | -0,31 | -0,34 | -1,14 | -1,13 |

⁴ The part of the purchase price for the acquisition of Vigilenz that consisted of shares is considered, for accounting purposes, as a financial instrument and the forward effect is thus reported as a financial item in the income statement. This affected the net profit/loss for the first quarter with SEK -12.8 million and for the full year 2020 with SEK -10.9 million.

⁵ No dilution effect

Condensed consolidated statement of comprehensive income

| Condensed statement of comprehensive income | Jan-Mar | Jan-Mar | Full year | RTM |
|---|---------|---------|-----------|---------|
| | 2021 | 2020 | 2020 | 2021 |
| Net profit/loss for the period | -10 545 | -11 176 | -38 388 | -37 758 |
| <i>Other comprehensive income:</i> | | | | |
| <u>Items that will be reclassified to profit or loss for the year</u> | | | | |
| Translation differences | 2 070 | 1 059 | -7 091 | 2 070 |
| Other comprehensive income, after tax | 2 070 | 1 059 | -7 091 | 2 070 |
| Total comprehensive income for the period | -8 475 | -10 117 | -45 479 | -35 688 |
| Attributable to: | | | | |
| Shareholders of the parent | -8 475 | -10 117 | -45 479 | -35 688 |
| Total earnings per share | -0,25 | -0,30 | -1,36 | -1,06 |
| Number of shares at the end of period ('000) | 33 544 | 33 302 | 33 544 | 33 544 |
| Weighted average number of shares ('000) | 33 544 | 33 302 | 33 544 | 33 544 |

Condensed consolidated statement of financial position

| Amounts in TSEK | 2021-03-31 | 2020-03-31 | 2020-12-31 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 246 479 | 248 220 | 245 411 |
| Technology | 143 300 | 168 707 | 149 652 |
| Brands | 26 120 | 26 140 | 26 155 |
| Customer relationships | 8 987 | 10 673 | 9 334 |
| Capitalised development expenditure | 22 811 | 21 353 | 22 324 |
| Patents | 1 185 | 310 | 1 117 |
| Intangible assets | 448 882 | 475 404 | 453 994 |
| Leased assets | 70 827 | 77 639 | 73 029 |
| Buildings | 13 903 | 15 248 | 13 509 |
| Improvements, leasehold | 7 968 | 9 560 | 8 370 |
| Machinery and other technical plant | 9 848 | 8 025 | 7 981 |
| Equipment, tools and installations | 5 222 | 4 762 | 5 283 |
| Property, plant and equipment | 107 768 | 115 235 | 108 173 |
| Long-term receivables | 1 697 | 1 826 | 1 708 |
| Financial assets | 1 697 | 1 826 | 1 708 |
| Total non-current assets | 558 347 | 592 465 | 563 875 |
| Current assets | | | |
| Inventory | 34 902 | 40 899 | 34 161 |
| Accounts receivable | 51 519 | 61 673 | 49 642 |
| Other current receivables <i>Note 2</i> | 16 816 | 19 676 | 17 657 |
| Cash and cash equivalents | 9 380 | 19 723 | 9 886 |
| Total current assets | 112 616 | 141 971 | 111 346 |
| TOTAL ASSETS | 670 963 | 734 436 | 675 221 |
| Equity attributable to shareholders of the parent | | | |
| Share capital | 839 | 833 | 839 |
| Other equity | 364 036 | 375 758 | 372 511 |
| Total equity | 364 875 | 376 590 | 373 349 |
| Non-current liabilities | | | |
| Deferred tax liability | 11 192 | 16 844 | 11 980 |
| Liabilities to credit institutions | 193 627 | 180 673 | 188 016 |
| Liabilities leasing agreements | 64 381 | 70 475 | 66 263 |
| Total non-current liabilities | 269 199 | 267 992 | 266 259 |
| Current liabilities | | | |
| Liabilities to credit institutions | - | 826 | - |
| Accounts payable | 7 515 | 16 743 | 8 801 |
| Liabilities leasing agreements | 9 647 | 9 272 | 9 746 |
| Other current liabilities <i>Note 2</i> | 3 855 | 41 502 | 3 991 |
| Accrued expenses and deferred income | 15 872 | 21 511 | 13 076 |
| Total current liabilities | 36 889 | 89 854 | 35 614 |
| Total liabilities | 306 088 | 357 846 | 301 872 |
| TOTAL EQUITY AND LIABILITIES | 670 963 | 734 436 | 675 221 |

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 2020 | 833 | 675 690 | -711 | -289 120 | 386 691 |
| <i>Adjustment of equity for previous year</i> | | | | 17 | 17 |
| Profit/loss for the period | | | | -11 176 | -11 176 |
| <i>Other comprehensive income:</i> | | | | | |
| Translation differences | | | 1 059 | | 1 059 |
| Total comprehensive income after tax | - | - | 1 059 | -11 176 | -10 117 |
| Transactions with shareholders | | | | | |
| Total transactions with shareholders | - | - | - | - | - |
| Closing balance, 31 March 2020 | 833 | 675 690 | 348 | -300 296 | 376 590 |
| | | | | | |
| Opening balance, 1 January 2021 | 839 | 707 805 | -7 802 | -327 492 | 373 349 |
| 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 |
| Transactions with shareholders | | | | | |
| Total transactions with shareholders | - | - | - | - | - |
| Closing balance, 31 March 2021 | 839 | 707 805 | -5 732 | -338 037 | 364 875 |

Condensed consolidated statement of cash flows

| Amounts in TSEK | Jan-Mar 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|--|-----------------|-----------------|-------------------|----------------|
| Net profit/loss for the period | -10 545 | -11 176 | -38 388 | -37 757 |
| Adjustments for depreciation and amortisation and other non-cash items | 12 095 | 20 928 | 52 629 | 43 795 |
| Cash flow from changes in working capital | -2 443 | -13 263 | -13 539 | -2 719 |
| Cash flow from operating activities | -893 | -3 511 | 702 | 3 319 |
| Acquisition of subsidiary | - | -38 939 | -41 663 | -2 724 |
| Investments in non-current assets | -3 691 | -1 858 | -15 350 | -17 183 |
| Cash flow from investing activities | -3 691 | -40 797 | -57 013 | -19 907 |
| Debt incurred | - | 43 441 | 43 441 | - |
| Amortisation of lease | -1 882 | -1 286 | -5 498 | -6 094 |
| Amortisation of loan | -139 | - | -1 376 | -1 515 |
| Change in bank overdraft | 5 256 | - | 8 856 | 14 112 |
| Other financing activities | -291 | -793 | 781 | 1 284 |
| Cash flow from financing activities | 2 944 | 41 362 | 46 204 | 7 787 |
| Cash flow for the period | -1 640 | -2 946 | -10 107 | -8 801 |
| Cash and cash equivalents at start of period | 9 886 | 22 878 | 22 878 | 19 723 |
| Exchange difference in cash and cash equivalents | 1 134 | -209 | -2 886 | -1 542 |
| Cash and cash equivalents at end of period | 9 380 | 19 723 | 9 886 | 9 380 |

Condensed parent company

| Amounts in TSEK | Jan-Mar 2021 | Jan-Mar 2020 | Full year 2020 |
|--|-----------------|-----------------|-------------------|
| Revenues | 0 | 1 413 | 2 315 |
| Operating expenses | -1 376 | -2 448 | -7 578 |
| Operating profit/loss | -1 376 | -1 035 | -5 263 |
| Net financial items | -604 | -13 676 | -13 636 |
| Profit/loss after financial items | -1 980 | -14 711 | -18 899 |
| Tax for the period | - | - | - |
| Net profit/loss for the period | -1 980 | -14 711 | -18 899 |

The parent company presents no separate statement of comprehensive income since the company has no items in 2021 or 2020 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 | 2021-03-31 | 2020-03-31 | 2020-12-31 |
|--------------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Financial assets | 659 420 | 658 952 | 659 431 |
| Deferred tax asset | 15 255 | 15 255 | 15 255 |
| Total non-current assets | 674 674 | 674 207 | 674 686 |
| Current assets | 1 049 | 1 857 | 880 |
| Total current assets | 1 049 | 1 857 | 880 |
| TOTAL ASSETS | 675 723 | 676 064 | 675 566 |
| EQUITY & LIABILITIES | | | |
| Total equity | 479 115 | 453 162 | 481 095 |
| Non-current liabilities | | | |
| Liabilities to credit institutions | 169 657 | 168 987 | 169 489 |
| Total non-current liabilities | 169 657 | 168 987 | 169 489 |
| Current liabilities | 26 952 | 53 916 | 24 982 |
| Total current liabilities | 26 952 | 53 916 | 24 982 |
| Total liabilities | 196 609 | 222 903 | 194 471 |
| TOTAL EQUITY AND LIABILITIES | 675 723 | 676 064 | 675 566 |

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 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|-------------------------------|-----------------|-----------------|-------------------|---------------|
| Operating profit/loss | -9 705 | 3 865 | -17 638 | -31 208 |
| Depreciation and amortisation | <u>11 613</u> | <u>10 500</u> | <u>44 293</u> | <u>45 407</u> |
| EBITDA | 1 908 | 14 365 | 26 655 | 14 199 |

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 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|------------------------|-----------------|-----------------|-------------------|----------------|
| EBITDA | 1 908 | 14 365 | 26 655 | 14 199 |
| Revenue | <u>41 783</u> | <u>48 105</u> | <u>186 026</u> | <u>179 704</u> |
| EBITDA-marginal | 5% | 30% | 14% | 8% |

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. 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.

| Amounts in TSEK | Jan-Mar 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|------------------------------------|-----------------|-----------------|-------------------|----------------|
| Net profit | -10 545 | -11 176 | -38 388 | -37 758 |
| IFRS adjustment from set-off issue | <u>0</u> | <u>12 800</u> | <u>10 868</u> | <u>1 932</u> |
| Adjusted Net profit/loss | -10 545 | 1 624 | -27 520 | -35 826 |

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 2021 | Jan-Mar 2020 | Full year 2020 |
|---------------------------------------|-----------------|-----------------|-------------------|
| Liabilities to credit institutions | 193 627 | 181 499 | 188 016 |
| Long-term liabilities leasing | 64 381 | 70 475 | 66 263 |
| <u>Short-term liabilities leasing</u> | <u>9 647</u> | <u>9 272</u> | <u>9 746</u> |
| Interest-bearing liabilities | 267 655 | 261 246 | 264 024 |
| Cash and cash equivalents | <u>-9 380</u> | <u>-19 723</u> | <u>-9 886</u> |
| Net debt | 258 275 | 241 522 | 254 138 |

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 2021 | Jan-Mar 2020 | Full year 2020 |
|---------------------|-----------------|-----------------|-------------------|
| Equity | 364 875 | 376 590 | 373 349 |
| Balance sheet total | <u>670 963</u> | <u>734 436</u> | <u>675 221</u> |
| Equity ratio | 54% | 51% | 55% |

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 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|------------------------------------|-----------------|-----------------|-------------------|---------------|
| Adjusted Net profit/loss | -10 545 | 1 624 | -27 520 | -35 826 |
| Number of shares at the end of the | <u>33 544</u> | <u>33 302</u> | <u>33 544</u> | <u>33 544</u> |
| Adjusted earnings per share | -0,31 | 0,05 | -0,82 | -1,07 |

Profit/loss from financial items

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

Note 1 Revenue distribution

| Total Group | Jan-Mar 2021 | Jan-Mar 2020 | Full year 2020 | RTM 2021 |
|--|-----------------|-----------------|-------------------|----------------|
| Amounts in TSEK | | | | |
| Type of product/service | | | | |
| License | 26 419 | 27 750 | 103 463 | 102 132 |
| <u>Sales of BIP products</u> | <u>12 964</u> | <u>16 195</u> | <u>68 852</u> | <u>65 620</u> |
| Total | 39 383 | 43 946 | 172 315 | 167 753 |
| Time for revenue recognition | | | | |
| Performance commitment is met at a certain time | 39 383 | 43 946 | 172 315 | 167 753 |
| <u>Performance commitment is met during a period of time</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | 39 383 | 43 946 | 172 315 | 167 753 |

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 2020, 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 2021 | | Jan-Mar 2020 | | Full year 2020 |
|---------------------------|-----------------|-----------|-----------------|-----------|--------------------------|
| Assets | Derivatives | (level 2) | Derivatives | (level 2) | Derivatives (level 2) |
| Assets | | | | | |
| Other current receivables | 276 | | - | | 1 988 |
| Liabilities | | | | | |
| Other current liabilities | | | 1030 | | |

Quarterly information

| Amounts in TSEK | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | RTM |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| License revenues | 26 929 | 27 698 | 25 004 | 33 650 | 27 750 | 22 085 | 20 249 | 32 786 | 26 419 | 101 540 |
| New license revenues | 1 082 | 1 036 | 29 351 | - | - | - | - | 592 | - | 592 |
| Sales of BIP products | 3 143 | 3 154 | 8 650 | 25 289 | 16 195 | 25 413 | 10 365 | 16 878 | 12 964 | 65 620 |
| Other revenues | 2 754 | 1 149 | 4 153 | 886 | 4 160 | 712 | 3 536 | 5 304 | 2 399 | 11 951 |
| Total revenues | 33 909 | 33 037 | 67 158 | 59 825 | 48 105 | 48 211 | 34 150 | 55 561 | 41 783 | 179 704 |
| EBITDA | 7 181 | 5 735 | 36 472 | 12 221 | 14 365 | 10 522 | -3 103 | 4 871 | 1 908 | 14 198 |
| EBITDA margin | 21% | 17% | 54% | 20% | 30% | 22% | -9% | 9% | 5% | 8% |
| EBIT | -3 382 | -4 785 | 25 908 | 1 739 | 3 865 | -777 | -14 291 | -6 435 | -9 705 | -31 208 |
| Net profit/loss for the period | -3 423 | -5 627 | 23 716 | 1 560 | -11 176 | -272 | -16 114 | -10 826 | -10 545 | -37 757 |
| Adjusted net profit/loss for the period | | | | | 1 624 | -2 204 | -16 114 | -10 826 | -10 545 | -39 689 |
| Earnings per share, SEK | -0,10 | -0,17 | 0,71 | 0,05 | -0,34 | -0,01 | -0,48 | -0,32 | -0,31 | -1,13 |
| Adjusted earnings per share, SEK | | | | | 0,05 | -0,07 | -0,48 | -0,32 | -0,31 | -1,18 |
| Operating cash flow | -6 476 | -243 | 23 850 | 36 850 | -3 511 | 3 583 | -3 301 | 3 931 | -893 | 3 320 |
| Operating cash flow per SEK | -0,19 | -0,01 | 0,72 | 1,11 | -0,11 | 0,11 | -0,10 | 0,12 | -0,03 | 0,10 |
| Net debt | 238 158 | 239 188 | 217 217 | 185 006 | 241 523 | 241 587 | 250 109 | 254 138 | 258 275 | 258 275 |
| Total shares (pcs) | 33 302 373 | 33 302 373 | 33 302 373 | 33 302 373 | 33 302 373 | 33 543 885 | 33 543 885 | 33 543 885 | 33 543 885 | 33 543 885 |

Forthcoming disclosures of information

| | |
|-----------------|---|
| 28 April 2021 | Annual General Meeting via postal voting |
| 15 July 2021 | Interim report 1 April - 30 June 2021 |
| 28 October 2021 | Interim report 1 July - 30 September 2021 |

Contacts

For additional information, please contact:

Cecilia Edström, CEO: +46 8 440 58 80

Gabriella Björknert Caracciolo, CFO and Deputy CEO: +46 72 141 62 49

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, 22 April 2021

| | |
|-----------------|---------------|
| 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 2021-04-22, at. 08.00.