

## Interim report for Q3 2021

### Capital injection initiates a new phase of accelerated expansion

#### Third quarter (July-September 2021)

- Revenues amounted to SEK 45.2 (34.1) million, an increase of 32%. Adjusted for currency effects revenues increased by 36%.
- EBITDA amounted to SEK 1.2 (-3.1) million with an EBITDA margin of 3% (-9%).
- Operating profit amounted to SEK -10.7 (-14.3) million.
- Net loss for the period amounted to SEK -10.8 (-16.1) million. Earnings per share amounted to SEK -0.31 (-0.48).
- Cash flow from operating activities amounted to SEK 14.3 (-3.3) million, corresponding to SEK 0.41 (-0.10) per share.

#### Nine-month period (January-September 2021)

- Revenues amounted to SEK 133.0 (130.5) million, an increase of 2%. Adjusted for currency effects revenues increased by 10%.
- EBITDA amounted to SEK 4.9 (21.8) million, with an EBITDA margin of 4% (17%).
- Operating profit amounted to SEK -30.4 (-11.2) million.
- Net loss for the period amounted to SEK -33.4 (-27.6) million. Earnings per share amounted to SEK -0.95 (-0.82).
- Cash flow from operating activities amounted to SEK 18.9 (-3.2) million, corresponding to SEK 0.54 (-0.10) per share.

#### Key events during the third quarter

- The Board of Bactiguard appointed Anders Göransson as new CEO from 1 October.
- Through a directed new share issue to AMF, Bactiguard received approximately SEK 228 million in new capital before transaction costs.
- Carl Johan Fredin was recruited to the role of Chief Licensing Officer and took up the position in October.
- Aniocyn, the wound care product for animals, has been launched and is now available in Sweden, Norway and Finland.
- Bactiguard's contract for wound care products with the public sector in Malaysia was extended by another year with increased volumes.

#### Key events after the end of the third quarter

- New clinical study shows 53% reduction in ventilator-associated pneumonia with Bactiguard's endotracheal tube



## COVID-19 effects

The global roll-out of vaccines and fewer new covid cases have gradually had a positive effect on the return to a more normal situation for healthcare in most regions. During the third quarter, we saw a continued stabilization of license revenues from BD. At the same time, a global healthcare backlog has been built up and must be managed. In this perspective, we see a great need for infection prevention, which is positive for both the licensing and BIP business. However, near term developments remain difficult to assess, as new virus outbreaks cannot be ruled out.

## CEO comments the third quarter

### Capital injection initiates a new phase of accelerated expansion

**We saw an increase in license revenue from BD during the quarter and the rollout of Zimmer Biomet's orthopedic trauma implants (ZNN Bactiguard) is underway in Europe. At the same time, the intensity of the dialogues with potential new license partners has increased – which is a clear token that infection prevention has never been more important and that Bactiguard's technology is effective.**

**Sales of BIP products are still affected by the pandemic, but we have seen a recovery during this year. Compared to the third quarter of 2020 when the impact was greatest, we see a clear improvement. The level of activity in our regions has increased significantly which is a good sign.**

**With the capital injection of SEK 228 million before transaction costs from AMF, we have the financial strength we need to continue developing the company and accelerate growth. Bactiguard is today stronger than ever and on its way into a new, exciting growth phase.**

### The license business

Revenues from Becton, Dickinson & Company (BD) have gradually recovered since the second half of 2020, when the pandemic hit healthcare the hardest. During the third quarter, we saw an increase that reflects that BD's sales have now returned to more normal levels and that they need slightly larger safety margins. The underlying licensing business with BD is stable and we are back at the annual level that prevailed before the pandemic.

The collaboration with Zimmer Biomet continues to develop very positively. In Italy and South Africa, among others, the first patients have already undergone surgery with Zimmer® Natural Nail® (ZNN) Bactiguard implants. The launch is in progress in Spain, the United Kingdom and Germany, among others, and the product registration process in the US has intensified. The large clinical study that Zimmer Biomet has decided to carry out to further strengthen evidence that the Bactiguard technology reduces postoperative infections will be initiated this autumn.

As ZNN Bactiguard gradually reaches more patients, Bactiguard's license revenues will increase. The need for implants that reduce healthcare-associated infections is growing globally. I therefore see that the collaboration with Zimmer Biomet, one of the world's leading medical technology companies, will create new opportunities for Bactiguard and expand our licensing business considerably going forward.

### BIP wound care products launched in Europe

Sales of our own portfolio for infection prevention (BIP products) continued to be negatively affected by the pandemic, although we see a positive recovery in compared with the third quarter last year. The healthcare sector in most regions is gradually returning to more normal activity



levels, but there is still uncertainty about possible new outbreaks of the coronavirus. In countries and regions where we have our own sales force, Sweden, India, the Middle East and Malaysia, the level of activity has increased significantly. Our assessment is that demand for BIP products will increase with an improvement in the pandemic situation.

The acquisition of Malaysian Vigilenz (now Bactiguard Southeast Asia) in February 2020 has expanded Bactiguard's product portfolio with new effective products for wound care and infection prevention. In 2021, we have established several new collaborations with leading pharmacy chains and distributors in infection prevention in Spain, Sweden and Germany, among others. In Sweden, the wound care and animal care products are already available to consumers, and we have received good response from the market. In Germany and Spain, the launch is somewhat delayed due to the pandemic, and we expect sales to pick up early next year.

### **New strong clinical data for Bactiguard's technology**

At the European Society of Intensive Care Medicine congress in October, primary data from a new study were presented which show that Bactiguard's endotracheal tubes reduce the risk for seriously ill intensive care patients to catch pneumonia by over 50 percent. This strengthens our clinical evidence in yet another application area.

Ventilator-associated pneumonia (VAP) is a serious complication that can affect intubated patients who are supported by a ventilator. During the pandemic, data from several countries have shown that the risk of VAP has increased. A recently published study in the US shows that all major types of healthcare-associated infections increased in 2020, with VAP increasing by almost 45%. This is serious as VAP leads to extended care time, increased costs and most importantly the risk of increased mortality.

The result of Bactiguard's new study is an important reinforcement of the already extensive clinical evidence and supports a broader implementation of Bactiguard's technology.

### **The right prerequisites for expansion through strengthened management and new share issue**

In September, a directed new issue was carried out to the Swedish pension fund AMF, which provided Bactiguard with SEK 228 million in new capital before transaction costs. This gives us the financial strength to make new investments in the marketing, sales and licensing organization and to improve our operational capacity, in order to accelerate growth.

Over the past twelve months, Bactiguard has strengthened the team and expanded group management. The recent recruitment of Carl Johan Fredin as Chief Licensing Officer means that we put even more focus on the growing licensing business and the strong interest we encounter in our technology. Today, the number of license discussions is record high and the target of signing 1-2 new license deals per year remains unchanged.

### **Major global need for Bactiguard's technology**

During my first month, I have had the privilege of meeting and listening to our licensing partners, healthcare professionals and patients and how they perceive our products. I have also had the opportunity to personally meet all the teams in both Sweden and Malaysia to discuss infection prevention and our passion to save lives. I can therefore rightly say that Bactiguard is very well positioned and that the need for infection prevention has never been greater. The pandemic has even more clearly put focus on the problem of antibiotic resistance and healthcare-associated infections. Bactiguard and our unique technology thus have an important role to play.

I am proud and happy to lead Bactiguard in this exciting phase of the company's development. We are now investing to accelerate growth and take Bactiguard to the next level.



To conclude, I would like to thank my predecessor Cecilia Edström for her significant contributions to Bactiguard. Cecilia has strengthened the organization, established new strategic licensing partnerships, and built a broader and stronger platform for continued expansion. It is reassuring that Cecilia continues to support Bactiguard in her new role as senior advisor and active member of the board.

Anders Göransson, CEO

*The interim report for Bactiguard Holding AB (publ) for the period July – September 2021 is available as a PDF at [www.bactiguard.com](http://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 person set out below 2021-10-28, at 08:00.*

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**Presentation of Q3**

An audiocast for investors, analysts and media will be held at **10:00 CET today**, where CEO Anders Göransson and CFO Gabriella Björknert Caracciolo will present the interim report and answer questions.

The report and a presentation for the webcast will be available at Bactiguard's website [www.bactiguard.com](http://www.bactiguard.com)

**To participate in the webcast, please use this link:**

<https://tv.streamfabriken.com/bactiguard-q3-2021>

**To participate only by conference call, dial:**

SE: +46850558358 UK: +443333009273 US: +16467224904

**About Bactiguard**

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

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

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

Read more about Bactiguard [www.bactiguard.com](http://www.bactiguard.com)

