

## Interim report third quarter 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.

### 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.

### 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 after the end of the 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.

## Key figures

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full Year 2020	RTM 2021
Revenues <sup>2</sup> , SEKm	45,2	34,1	133,0	130,5	186,0	188,6
EBITDA <sup>3</sup> , SEKm	1,2	-3,1	4,9	21,8	26,7	9,8
EBITDA margin <sup>3</sup> , %	3%	-9%	4%	17%	14%	5%
Net profit/loss for the period <sup>2</sup> , SEKm	-10,8	-16,1	-33,4	-27,6	-38,4	-44,2
Adjusted net profit/loss for the period <sup>1,3</sup> , SEKm	-10,8	-16,1	-33,4	-16,7	-27,5	-44,2
Earnings per share <sup>2</sup> , SEK	-0,31	-0,48	-0,95	-0,82	-1,14	-1,26
Adjusted earnings per share <sup>1,3</sup> , SEK	-0,31	-0,48	-0,95	-0,50	-0,82	-1,26
Operating cash flow <sup>2</sup> , SEKm	14,3	-3,3	18,9	-3,2	0,7	22,8
Operating cash flow per share <sup>3</sup> , SEK	0,41	-0,10	0,54	-0,10	0,02	0,65
Equity ratio <sup>3</sup> , %	65%	56%	65%	56%	55%	65%
Net debt <sup>3</sup> , SEKm	13,2	250,1	13,2	250,1	254,1	13,2

<sup>1</sup> 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 and has affected net profit/loss for the second quarter 2020 with SEK 1,9 million and full year 2020 with SEK -10.9 million. The adjustment is only affecting accounting and has no effect on cash flow.

<sup>2</sup> Defined according to IFRS.

<sup>3</sup> Alternative performance measure. For definition and reconciliation, see pages 19-20

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

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

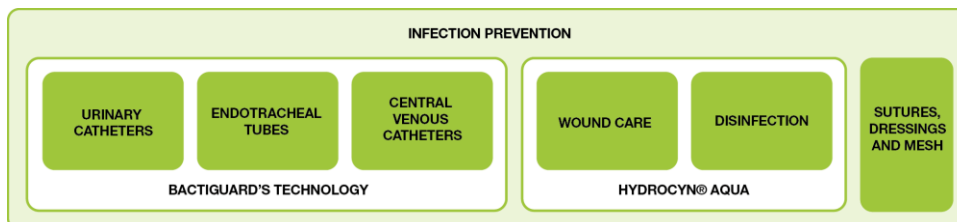
The license revenues also include royalties, i.e a variable remuneration when the products reach the market and generate sales revenue, and revenues related to contract manufacturing.

New license revenues include initial license fees as well as remunerations linked to milestones and product development.

License partner	Application area	Market
Becton Dickinson and Company (BD, former C.R. Bard)	Urinary catheter (Foley)	The US, Japan, the UK, Ireland, Canada and Australia
Zimmer Biomet	Orthopedic 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 includes products for the urinary, blood and respiratory tract as well as wound care products in the form of surgical sutures, wound washes, dressings and disinfectants..



## Development in the third quarter

### Revenue

MSEK	Q3 2021	Q3 2020
License revenues	29.5	20.2
New license revenues	0.5	-
Sales of BIP products	13.2	10.4
Other revenues	1.9	3.5
<b>Total revenues</b>	<b>45.2</b>	<b>34.1</b>

Total revenues in the quarter amounted to SEK 45.2 (34.1) million, an increase of 32%. Adjusted for currency effects, organic growth was 36%.

License revenues from BD were higher than the corresponding period last year, amounting to SEK 29.1 (20.2) million. The underlying business is stable although volumes may vary between quarters. Since the pandemic outbreak in spring 2020, volumes have gradually stabilized and during the third quarter we saw a substantial increase. Adjusted for currency effects of SEK 0.1 million, organic growth was 44% in the quarter. We do not expect this sharp increase to continue for the rest of the year, but to stabilize at a more normal level.

New license revenue of SEK 0.5 million related to product development was generated in the quarter.

BIP sales amounted to SEK 13.2 million (10.4) in the third quarter and represented 29% of total revenues. Sales have continued to be negatively impacted by reduced regular healthcare as a result of the pandemic. Nevertheless, sales of catheters/sutures and wound care products are developing positively. The investment in our own sales force in the Nordics continues to generate results in the form of gradually increased sales. In addition, the investment in animal care has started to generate revenues.

Malaysia was affected by several weeks of lockdown during the third quarter due to the pandemic. We have rescheduled operations in accordance with the restrictions, maintained production and delivered implants to Zimmer Biomet well in advance of the European launch. The restrictions have begun to ease, and the situation has stabilized.

### Result

EBITDA in the quarter amounted to SEK 1.2 (-3.1) million and the EBITDA margin was 3% (-9%).

Costs for raw materials and supplies were at the same level as the corresponding period last year. Other external costs increased by SEK 0.9 million compared with the third quarter of 2020. Freight costs were higher and provisions for potential customer losses were somewhat higher than in the third quarter last year. Consultants and temporary employees have been replaced by permanent employees and staff costs have increased due to these changes and investments in the marketing and sales organization. In total, the increase amounts to SEK 5.0 million compared with the third quarter 2020.

Other operating expenses consist of balance sheet-related currency effects that affected profit by SEK -2.2 (-1.2) million.

Operating profit amounted to SEK -10.7 (-14.3) million. Depreciation, which does not affect cash flow, and amortization affected operating profit by SEK -11.8 (-11.2) million, of which SEK -6.4 (-6.4) million relates to depreciation of the Bactiguard technology and SEK -2.6 (-2.6) million relates to amortization for leasing.

Financial items amounted to SEK -1.8 (-3.3) million. Financial costs mainly consist of interest on loans and unrealized currency effects related to financing activities of 1.7 (1.5).

During 2020, the result was affected by the fact that the part of the purchase price for the acquisition of Vigilez that consisted of shares was considered a financial instrument and the forward effect was reported as a financial item in the income statement, which affected net financial items by SEK 1.9 million.

Tax for the period amounted to SEK 1.7 (1.5) million. Income tax in foreign subsidiaries constitutes SEK 0.2 (-0.3) million of the tax for the period, which is calculated on the basis of a tax rate of 24%. SEK 1.5 (1.8) million of the period's tax relates to a change in deferred tax attributable to the Group's intangible assets and leasing agreements, which is based on Swedish tax rate of 20.6%. Deferred tax is not fully comparable between the years due to changed tax rates.

The result for the third quarter 2021 amounted to SEK -10.8 (-16.1) million.

## Development January - September

### Revenues

MSEK	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
License revenues	79.0	70.1	102.9	111.8
New license revenues	9.1	-	0.6	9.7
Sales of BIP products	39.4	52.0	68.9	56.3
Other revenues	5.5	8.4	13.7	10.8
<b>Total revenues</b>	<b>133.0</b>	<b>130.5</b>	<b>186.0</b>	<b>188.6</b>

Group revenues amounted to SEK 133.0 (130.5) million, an increase of 2%. Adjusted for currency effects the increase was 10%.

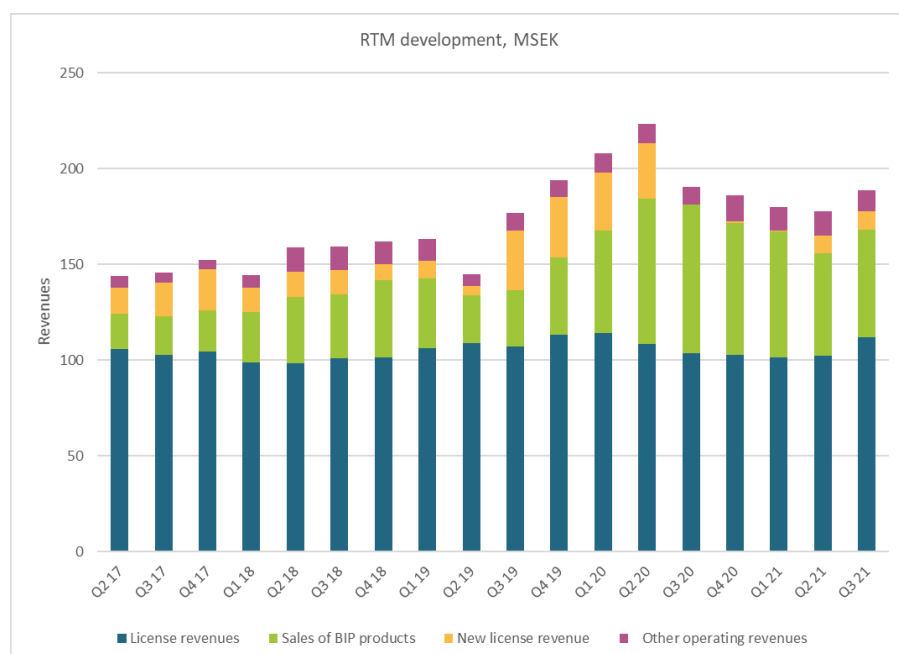
License revenues amounted to SEK 79.0 (70.1) million. Revenues from BD amounted to SEK 76.6 million and increased by SEK 6.6 million during the nine-month period. Both volumes and royalties increased compared to the corresponding period last year, but currency effects had a negative impact on BD revenues by SEK -9.2 million. Organic growth was 23%.

In early April, contract manufacturing of Bactiguard-coated trauma implants started on behalf of Zimmer Biomet in Penang, Malaysia. Bactiguard receives license revenues from Zimmer Biomet related to production and when the implants reach end customers Bactiguard will also receive royalties. In the second quarter 2021, the first milestone in the license agreement with Zimmer Biomet was reached after the European launch and generated new license revenues of SEK 8.5 million. In the first three quarters of 2021, license revenues from Zimmer Biomet amounted to SEK 10.4 (0.0) million. A total of SEK 0.6 million in new license revenues related to product development was received during the nine-month period.

BIP sales amounted to SEK 39.4 (52.0) million and accounted for 30% of total revenues during the first nine months. The comparison with the same period last year is affected by the strong demand for disinfection at the outbreak of the pandemic in 2020. Proceeds from the product portfolio that came with the acquisition of Vigilez are included in the BIP portfolio as of March 2020.

Other income amounted to SEK 5.5 (8.4) million, of which SEK 2.3 (6.5) million relates to currency effects.

## Revenue development, rolling twelve months



The chart shows how revenues for each type of revenue stream have developed over a rolling 12-month period per quarter.

## Financial results

EBITDA for the nine-month period amounted to SEK 4.9 (21.8) million, corresponding to an EBITDA margin of 4% (17%).

Costs for raw materials and supplies increased during the nine-month period, partly due to inventory write-downs. Freight costs increased due to generally higher prices driven by lack of capacity caused by the pandemic.

Other external costs decreased somewhat in the nine-month period compared to the corresponding period last year, due to lower costs for clinical studies and consultants.

Personnel costs increased by SEK 13.2 million compared to the previous year. The increase is mainly due to the integration of Vigilenz and the establishment of a direct sales force in the Nordics and investments in the market organization.

Operating profit for the period amounted to SEK -30.4 (-11.2) million. Depreciation, which does not affect cash flow, affected operating profit by SEK -35.3 (-33.0) million, of which depreciation on the Bactiguard technology amounted to SEK -19.1 (-18.8) million and amortization for leasing amounted to SEK -8 (-7.8) million.

Financial items amounted to SEK -6.2 (-21.3) million. The part of the purchase price for the acquisition of Vigilenz 2020 consisting of shares, is considered a financial instrument and the forward effect was recognized as a financial item in the income statement. This affected net financial items during the period January to September by SEK -10.9 million.

Tax for the period amounted to SEK 3.2 (5.0) million. Income tax in foreign subsidiaries amounts to SEK -0.4 (-0.3) million of the period's tax, which is calculated on the basis of a tax rate of 24%. Of the tax for the period, SEK 3.6 (5.3) million relates to a change in deferred tax attributable to the Group's intangible assets and leasing agreements, which is based on at a Swedish tax rate of 20.6%. Deferred tax is not fully comparable between the years due to changes in tax rates.

The result for the period January to September amounted to SEK -33.4 (-27.6) million.

## Operating profit, rolling twelve months



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

The positive development of EBITDA in 2019 and the beginning of 2020 was an effect of good revenue development attributable to new license agreements, growth in BIP sales and the acquisition of Vigilenz. Since the third quarter 2020, both license revenues and sales of BIP products have been negatively affected by reduced regular healthcare and postponed elective surgeries as a result of the pandemic, which had an impact on the development of earnings. Higher license revenue from BD in the third quarter 2021 has resulted in a positive EBITDA development. The rolling twelve-month EBITDA margin was 5% (18%) for the period September 2020 to September 2021.

## Cash flow

Cash flow from operating activities was SEK 14.3 (-3.3) million during the third quarter. Investments amounted to SEK -0.4 (-3.6) million and consisted of SEK -0.4 (-3.5) million in property, plant and equipment mainly related to capacity-enhancing investments in the production facility in Penang, Malaysia, and SEK -0.2 (0) million in intangible assets, which relates to capitalized development expenses.

Amortization of lease liabilities affected cash flow from financing activities by -2.9 (-2.8) MSEK. The capital increased as a result of the directed new issue of SEK 228 million. Total cash flow in the quarter was positive and amounted to SEK 224.4 (4.6) million.

For the period January to September, cash flow from operating activities amounted to SEK 18.9 (-3.2) million and investments amounted to SEK -6.1 (-49.8) million. Total cash flow for the three quarters amounted to 224.4 (-2.3). The positive effect on cash flow is due to the directed share issue mentioned above.



## Financial position

Consolidated equity on September 30, 2021 amounted to SEK 565.3 million (387.9) and net debt to SEK 13.2 (250.1) million.

Bactiguard received SEK 228 million in a directed share issue to the Swedish pension fund AMF. Related transaction costs for the directed share issue will be charged to the premium fund in equity and as of 30 September 2021, SEK 4.6 million was charged to equity.

The Group's credit facility with SEB runs until February 2023. On September 30, 2021, the total outstanding amount was SEK 170.9 (170.9) million. As a result of the effects of the pandemic, the terms of the loan agreement with SEB were renegotiated in January 2021. The change in terms relates to covenants and the overdraft facility, which was increased to SEK 45 (30) million, while other terms were unchanged. As of September 30, 2021, SEK 0.0 (-3.9) million of the overdraft facility was utilized.

Total assets in the Group amounted to SEK 864.5 million (698.5) on September 30, 2021. The largest asset items in the balance sheet relate to goodwill of SEK 246.4 million, cash and cash equivalents SEK 235.5 million and Bactiguard's technology SEK 130.6 million. The technology is depreciated with approximately SEK 25 million per year over 15 years.

## Other information

### The share and share capital

The Bactiguard share is listed on Nasdaq Stockholm under the ticker "BACTI". The closing price for the Class B share was SEK 161.2 on September 30, 2021 and the market capitalization amounted to SEK 5,649 million. The share price development in 2020 meant that Bactiguard was moved from the Nasdaq small cap to Nasdaq Mid Cap segment on January 1, 2021.

The Board of Directors of Bactiguard, pursuant to the authorization from the Annual General Meeting on April 28, 2021, resolved on a directed share issue of 1,500,000 Class B shares. The subscription price in the directed share issue amounted to SEK 152 per share, which corresponds to a premium of 0.3 percent to the closing price on Nasdaq Stockholm 21 September 2021. Through the new share issue, Bactiguard will receive approximately SEK 228 million before transaction costs.

The shares were subscribed for by the Swedish pension fund AMF. The proceeds from the issue are intended to be used to accelerate Bactiguard's growth and business development through investments in the marketing and sales organization, clinical and operational capacity and to enable strategic smaller acquisitions.

On September 30, 2021, Bactiguard's share capital amounted to SEK 0.9 million divided into 31,043,885 Class B shares with one vote each (31,043,885 votes) and 4,000,000 Class A shares with ten votes each (40,000,000 votes). On September 30, 2021, the total number of shares and votes in Bactiguard amounted to 35,043,885 shares and 71,043,885 votes.

### Ownership

On 30 September 2021 Bactiguard had 3,912 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	17,5%	34,0%
Thomas von Koch with company	2 000 000	4 125 878	6 125 878	17,5%	34,0%
Nordea Investment Funds		3 419 987	3 419 987	9,8%	4,8%
Jan Ståhlberg		3 354 387	3 354 387	9,6%	4,7%
Fjärde AP Fonden		3 340 781	3 340 781	9,5%	4,7%
Handelsbanken Fonder		2 078 373	2 078 373	5,9%	2,9%
AMF – Försäkring och Fonder		1 504 612	1 504 612	4,3%	2,1%
State Street Bank and Trust Co		1 057 536	1 057 536	3,0%	1,5%
Försäkringsbolaget Avanza Pension		1 053 980	1 053 980	3,0%	1,5%
UBS AG London Branch		984 173	984 173	2,8%	1,4%
<b>Total, major shareholders</b>	<b>4,000,000</b>	<b>25 045 684</b>	<b>29 045 684</b>	<b>82,9%</b>	<b>91,6%</b>
Total, others		5 998 201	5 998 201	17,1%	8,4%
<b>Total number of shares</b>	<b>4,000,000</b>	<b>31 043 885</b>	<b>35 043 885</b>	<b>100%</b>	<b>100%</b>

## Employees

The average number of employees in the group in the quarter amounted to 208 (148), of which 142 (94) are women. The increase is mainly attributable to the acquisition of Vigilenz on 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](http://www.bactiguard.com)

## Key events after the end of the quarter

For key events, after the end of the quarter, see page 1. All press releases are available on the website [www.bactiguard.com](http://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.

Accounting and valuation principles are stated in the annual report. As of January 2021, the assessment has changed and the outcome of currency futures is reported as of 2021 as other income and other operating expenses, respectively. Previously, this outcome was reported under financial items. In other respects, no changes 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.

## 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.

## 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, Thomas von Koch, and the members of the board Anna Martling and Jan Ståhlberg. 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.

## 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 pages 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 the recommendations of each country from the equivalent of the Public Health Agency of Sweden and takes action accordingly.

Over the past year, the pandemic has affected Bactiguard in several ways. The pandemic has increased the need for infection prevention and thus created new opportunities for Bactiguard, which had a positive effect on sales at the beginning of the pandemic. During the third quarter of 2020, the pandemic had a clear negative impact on our business due to reduced regular healthcare and postponed elective surgeries.

In 2021, we have seen a stabilization of license revenues from BD as healthcare in the US has recovered faster than in the rest of the world. Sales of BIP products continue to be affected by the decrease in regular healthcare brought about by Covid-19. The acquisition of Vigilenz 2020 has strengthened Bactiguard and improved cash flow.

There is now a large global healthcare debt that needs to be processed. The roll-out of vaccines will continue to have a positive effect on the return to a more normal situation for healthcare and society at large and we see a great need for infection prevention. However, developments in the near future remain difficult to assess.

Short-term, Bactiguard has been negatively impacted by the pandemic but we see a bright future. The need for healthcare remains and we are pushing an accelerating healthcare debt ahead of us that must be addressed. In addition, we have broadened our product portfolio and invested in increased production and development capacity. We work closely with our licensing partners and see that our technology will in the future contribute great value in the form of new license transactions and thus increased cash flow. Based on the above, we believe that the technology has a value far exceeding book value and therefore do not see any impairment requirement 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. Bactiguard's 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
<i>Revenues</i>	<i>Note 1</i>					
License revenues	30 055	20 249	88 028	49 836	103 463	121 406
Sales of BIP products	13 215	10 365	39 430	41 609	68 852	56 308
Other revenues	1 927	3 536	5 539	4 871	13 711	10 843
	45 197	34 150	132 997	96 316	186 026	188 558
Change in inventory of finished goods	2 015	551	3 025	3 672	4 700	3 503
Capitalized expenses for own account	239	42	2 339	481	3 959	5 775
Raw materials and consumables	-11 500	-10 229	-30 668	-13 822	-43 853	-50 471
Other external expenses	-13 184	-12 287	-37 406	-26 050	-49 330	-48 400
Personnel costs	-19 100	-14 125	-61 004	-33 683	-67 188	-80 385
Depreciation and amortisation	-11 863	-11 188	-35 300	-21 799	-44 293	-46 606
Other operating expenses	-2 479	-1 205	-4 352	-2 028	-7 659	-8 779
	-55 870	-48 441	-163 366	-93 228	-203 664	-225 363
<b>Operating profit/loss</b>	<b>-10 673</b>	<b>-14 291</b>	<b>-30 369</b>	<b>-11 203</b>	<b>-17 638</b>	<b>-36 805</b>
<i>Profit/loss from financial items</i>						
Financial income	2 003	881	5 876	0	2 240	7 871
Financial income	-3 808	-4 218	-12 116	-7 133	-15 667	-17 068
Result from change in derivative <sup>4</sup>		0		-10 868	-10 868	0
	-1 805	-3 336	-6 240	-18 001	-24 295	-9 197
<b>Profit before tax</b>	<b>-12 478</b>	<b>-17 627</b>	<b>-36 609</b>	<b>-32 541</b>	<b>-41 933</b>	<b>-46 002</b>
Taxes for the period	1 685	1 514	3 241	3 465	3 545	1 807
<b>Net profit/loss for the period</b>	<b>-10 793</b>	<b>-16 113</b>	<b>-33 368</b>	<b>-29 076</b>	<b>-38 388</b>	<b>-44 195</b>
<b>Attributable to:</b>						
Shareholders of the parent	-10 793	-16 113	-33 368	-27 562	-38 388	-44 195
Earnings per share, SEK	-0,31	-0,48	-0,95	-0,83	-1,14	-1,26

<sup>4</sup> 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 second quarter 2020 with SEK 1,9 million and full year 2020 with SEK -10,9 million. The adjustment is only affecting accounting and has no effect on cash flow.

## Condensed consolidated statement of comprehensive income

Condensed statement of comprehensive income	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
	2021	2020	2021	2020	2020	2021
Net profit/loss for the period	-10 793	-16 113	-33 368	-29 076	-38 388	-44 195
<i>Other comprehensive income:</i>						
<u>Items that will be reclassified to profit or loss for the year</u>						
Translation differences	1 300	-232	1 903	-3 344	-7 091	-1 844
Other comprehensive income, after tax	1 300	-232	1 903	-3 344	-7 091	-1 844
Total comprehensive income for the period	-9 493	-16 345	-31 465	-32 420	-45 479	-46 039
<b>Attributable to:</b>						
Shareholders of the parent	-9 493	-16 345	-31 465	-32 420	-45 479	-46 039
Total earnings per share	-0,27	-0,49	-0,90	-0,93	-1,36	-1,31
Number of shares at the end of period ('000)	35 044	33 302	35 044	33 302	33 544	35 044
Weighted average number of shares ('000)	35 044	33 302	35 044	33 302	33 544	35 044

## Condensed consolidated statement of financial position

Amounts in TSEK	2021-09-30	2020-09-30	2020-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	246 369	247 333	245 411
Technology	130 597	156 003	149 652
Brands	26 050	26 190	26 155
Customer relationships	8 293	9 681	9 334
Capitalised development expenditure	21 000	19 748	22 324
Patents	1 036	222	1 117
<b>Intangible assets</b>	<b>433 344</b>	<b>459 178</b>	<b>453 994</b>
Leased assets	65 971	72 399	73 029
Buildings	13 726	14 403	13 509
Improvements, leasehold	7 036	8 821	8 370
Machinery and other technical plant	9 676	8 677	7 981
Equipment, tools and installations	5 600	5 116	5 283
<b>Property, plant and equipment</b>	<b>102 008</b>	<b>109 415</b>	<b>108 173</b>
Long-term receivables	1 686	1 720	1 708
<b>Financial assets</b>	<b>1 686</b>	<b>1 720</b>	<b>1 708</b>
<b>Total non-current assets</b>	<b>537 038</b>	<b>570 312</b>	<b>563 875</b>
<b>Current assets</b>			
Inventory	32 537	49 127	34 161
Accounts receivable	43 155	42 554	49 642
Other current receivables <i>Note 2</i>	16 294	17 046	17 657
Cash and cash equivalents	235 505	19 439	9 886
<b>Total current assets</b>	<b>327 491</b>	<b>128 165</b>	<b>111 346</b>
<b>TOTAL ASSETS</b>	<b>864 528</b>	<b>698 478</b>	<b>675 221</b>
<b>Equity attributable to shareholders of the parent</b>			
Share capital	876	839	839
Other equity	564 410	387 084	372 510
<b>Total equity</b>	<b>565 286</b>	<b>387 923</b>	<b>373 349</b>
<b>Non-current liabilities</b>			
Deferred tax liability	8 504	13 010	11 980
Liabilities to credit institutions	179 533	193 718	188 016
Liabilities leasing agreements	59 705	65 750	66 263
<b>Total non-current liabilities</b>	<b>247 743</b>	<b>272 478</b>	<b>266 259</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	-	769	-
Accounts payable	21 176	9 634	8 801
Liabilities leasing agreements	9 485	9 310	9 746
Other current liabilities <i>Note 2</i>	5 760	2 211	3 991
Accrued expenses and deferred income	15 078	16 152	13 076
<b>Total current liabilities</b>	<b>51 499</b>	<b>38 077</b>	<b>35 614</b>
<b>Total liabilities</b>	<b>299 242</b>	<b>310 555</b>	<b>301 872</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>864 528</b>	<b>698 478</b>	<b>675 221</b>

## 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
<b>Opening balance, 1 January 2020</b>	833	675 690	-711	-289 120	386 691
<i>Adjustment of equity for previous year</i>				17	17
Profit/loss for the period				-27 562	-27 562
<i>Other comprehensive income:</i>					
Translation differences			-3 344		-3 344
<b>Total comprehensive income after tax</b>	-	-	<b>-3 344</b>	<b>-27 562</b>	<b>-30 905</b>
<b>Transactions with shareholders</b>					
Share issue	6	32 115	-	-	32 121
<b>Total transactions with shareholders</b>	<b>6</b>	<b>32 115</b>	<b>-</b>	<b>-</b>	<b>32 121</b>
<b>Closing balance, September 30 2020</b>	<b>839</b>	<b>707 804</b>	<b>-4 055</b>	<b>-316 682</b>	<b>387 923</b>
<b>Opening balance, 1 January 2021</b>	839	707 805	-7 802	-327 492	373 349
Profit/loss for the period				-33 369	-33 369
<i>Other comprehensive income:</i>					
Translation differences			1 903		1 903
<b>Total comprehensive income after tax</b>	0	0	<b>1 903</b>	<b>-33 369</b>	<b>-31 466</b>
<b>Transactions with shareholders</b>					
New Share issue <sup>5</sup>	38	223 366	-	-	223 403
<b>Total transactions with shareholders</b>	<b>38</b>	<b>223 366</b>	<b>-</b>	<b>-</b>	<b>223 403</b>
<b>Closing balance, 30 September 2021</b>	<b>876</b>	<b>931 170</b>	<b>-5 899</b>	<b>-360 861</b>	<b>565 286</b>

Information regarding the directed share issue see above.

<sup>5</sup> Directly attributable costs to the transaction will be recognized as a deduction item from premium reserve, in equity. Which in the quarter amounted to SEK 4.6 million.

## Condensed consolidated statement of cash flows

Amounts in TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
Net profit/loss for the period	-10 793	-16 114	-33 369	-27 562	-38 388	-44 195
Adjustments for depreciation and amortisation and other non-cash items	7 401	7 793	32 170	39 478	52 629	45 321
Cash flow from changes in working capital	17 697	5 020	20 095	-15 144	-13 539	21 700
<b>Cash flow from operating activities</b>	<b>14 305</b>	<b>-3 301</b>	<b>18 897</b>	<b>-3 228</b>	<b>702</b>	<b>22 826</b>
Acquisition of subsidiary	-	-128	-	-41 620	-41 663	-43
Investments in non-current assets	-447	-3 454	-6 105	-8 177	-15 350	-13 278
<b>Cash flow from investing activities</b>	<b>-447</b>	<b>-3 582</b>	<b>-6 105</b>	<b>-49 797</b>	<b>-57 013</b>	<b>-13 321</b>
<b>Operating cash flow</b>	<b>13 858</b>	<b>-6 883</b>	<b>12 792</b>	<b>-53 025</b>	<b>-56 311</b>	<b>9 505</b>
Debt incurred	-	119	-	43 715	43 441	-274
Amortisation of lease	-2 897	-2 823	-7 194	-6 010	-5 498	-6 682
Amortisation of loan	-137	22	-414	-631	-1 376	-1 159
Change in bank overdraft	-14 300	13 881	-8 857	-	8 856	-13 882
Set-up fee	167	-	502	0	-	502
New share issue	228 000	-	228 000	-	-	228 000
Other financing activities	-267	282	-464	-215	781	532
<b>Cash flow from financing activities</b>	<b>210 566</b>	<b>11 481</b>	<b>211 573</b>	<b>50 740</b>	<b>46 204</b>	<b>207 037</b>
<b>Cash flow for the period</b>	<b>224 424</b>	<b>4 598</b>	<b>224 365</b>	<b>-2 285</b>	<b>-10 107</b>	<b>216 542</b>
<b>Cash and cash equivalents at start of period</b>	<b>10 663</b>	<b>16 303</b>	<b>9 886</b>	<b>22 878</b>	<b>22 878</b>	<b>19 439</b>
Exchange difference in cash and cash equivalents	418	-1 462	1 254	-1 154	-2 886	-477
<b>Cash and cash equivalents at end of period</b>	<b>235 505</b>	<b>19 439</b>	<b>235 505</b>	<b>19 439</b>	<b>9 886</b>	<b>235 504</b>



## Condensed parent company

Amounts in TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Revenues	0	319	0	2 300	2 315
Operating expenses	-1 239	-1 324	-4 135	-6 201	-7 577
<b>Operating profit/loss</b>	-1 239	-1 005	-4 135	-3 901	-5 262
Net financial items	-634	-632	-1 861	-13 011	-13 637
<b>Profit/loss after financial items</b>	-1 873	-1 637	-5 996	-16 912	-18 899
Tax for the period	0	0	0	0	0
<b>Net profit/loss for the period</b>	-1 873	-1 637	-5 996	-16 912	-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	2021-09-30	2020-09-30	2020-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets	887 396	659 106	659 431
Deferred tax asset	15 255	15 255	15 255
<b>Total non-current assets</b>	<b>902 651</b>	<b>674 361</b>	<b>674 686</b>
<b>Current assets</b>	<b>2 377</b>	<b>2 753</b>	<b>2 332</b>
<b>Total current assets</b>	<b>2 377</b>	<b>2 753</b>	<b>2 332</b>
<b>TOTAL ASSETS</b>	<b>905 028</b>	<b>677 114</b>	<b>677 018</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Total equity</b>	<b>698 539</b>	<b>483 082</b>	<b>481 095</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	170 941	170 941	170 941
<b>Total non-current liabilities</b>	<b>170 941</b>	<b>170 941</b>	<b>170 941</b>
<b>Current liabilities</b>	<b>35 548</b>	<b>23 091</b>	<b>24 982</b>
<b>Total current liabilities</b>	<b>35 548</b>	<b>23 091</b>	<b>24 982</b>
<b>Total liabilities</b>	<b>206 489</b>	<b>194 032</b>	<b>195 923</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>905 028</b>	<b>677 114</b>	<b>677 018</b>

## 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
Operating profit/loss	-10 673	-14 291	-30 369	-11 203	-17 638	-36 805
Depreciation and amortisation	<u>11 863</u>	<u>11 188</u>	<u>35 300</u>	<u>32 987</u>	<u>44 293</u>	<u>46 606</u>
<b>EBITDA</b>	<b>1 189</b>	<b>-3 103</b>	<b>4 931</b>	<b>21 784</b>	<b>26 654</b>	<b>9 801</b>

### 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
EBITDA	1 189	-3 103	4 931	21 784	26 654	9 801
Revenue	<u>45 197</u>	<u>34 150</u>	<u>132 997</u>	<u>130 465</u>	<u>186 026</u>	<u>188 558</u>
<b>EBITDA-margin</b>	<b>3%</b>	<b>-9%</b>	<b>4%</b>	<b>17%</b>	<b>14%</b>	<b>5%</b>

### 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
Net profit	-10 793	-16 113	-33 368	-27 562	-38 388	-44 195
IFRS adjustment from set-off issue	<u>0</u>	<u>0</u>	<u>0</u>	<u>10 868</u>	<u>10 868</u>	<u>0</u>
<b>Adjusted Net profit/loss</b>	<b>-10 793</b>	<b>-16 113</b>	<b>-33 368</b>	<b>-16 694</b>	<b>-27 520</b>	<b>-44 195</b>

### 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Liabilities to credit institutions	179 533	194 487	179 533	194 487	188 016
Long-term liabilities leasing	59 705	65 750	59 705	65 750	66 263
<u>Short-term liabilities leasing</u>	<u>9 485</u>	<u>9 310</u>	<u>9 485</u>	<u>9 310</u>	<u>9 746</u>
Interest-bearing liabilities	248 723	269 547	248 723	269 547	264 024
Cash and cash equivalents	<u>-235 505</u>	<u>-19 439</u>	<u>-235 505</u>	<u>-19 439</u>	<u>-9 886</u>
<b>Net debt</b>	<b>13 219</b>	<b>250 108</b>	<b>13 219</b>	<b>250 108</b>	<b>254 138</b>

## 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Equity	565 286	387 923	565 286	387 923	373 349
Balance sheet total	<u>864 528</u>	<u>698 478</u>	<u>864 528</u>	<u>698 478</u>	<u>675 221</u>
<b>Equity ratio</b>	<b>65%</b>	<b>56%</b>	<b>65%</b>	<b>56%</b>	<b>55%</b>

## 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
Adjusted Net profit/loss	-10 793	-16 113	-33 368	-16 694	-27 520	-44 195
Number of shares at the end of the period ('000)	<u>35 044</u>	<u>33 544</u>	<u>35 044</u>	<u>33 544</u>	<u>33 544</u>	<u>35 044</u>
<b>Adjusted earnings per share</b>	<b>-0,31</b>	<b>-0,48</b>	<b>-0,95</b>	<b>-0,50</b>	<b>-0,82</b>	<b>-1,26</b>

## Profit/loss from financial items

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

## Note 1 Revenue distribution

Total Group	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020	RTM 2021
Amounts in TSEK						
<b>Type of product/service</b>						
License	30 055	20 249	88 028	70 085	103 463	121 406
Sales of BIP products	13 215	10 365	39 430	51 973	68 852	56 308
<b>Total</b>	<b>43 270</b>	<b>30 615</b>	<b>127 458</b>	<b>122 058</b>	<b>172 315</b>	<b>177 714</b>
<b>Time for revenue recognition</b>						
Performance commitment is met at a certain time	43 270	30 615	127 458	122 058	172 315	177 714
<u>Performance commitment is met during a period of time</u>	0	0	0	0	0	0
<b>Total</b>	<b>43 270</b>	<b>30 615</b>	<b>127 458</b>	<b>122 058</b>	<b>172 315</b>	<b>177 714</b>

## 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.

### Financial assets and liabilities measured at fair value

Amounts in TSEK	Jan-Sep 2021 Derivatives (level 2)	Jan-Sep 2020 Derivatives (level 2)	Full year 2020 Derivatives (level 2)
<b>Assets</b>			
Other current receivables	0	1 026	1 988
<b>Liabilities</b>			
Other current liabilities	1 161	0	0

## Quarterly information

Amounts in TSEK	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	RTM
License revenues	25 004	33 650	27 750	22 085	20 249	32 786	26 419	23 021	29 529	111 756
New license revenues	29 351	0	-	-	-	592	-	8 533	526	9 651
Sales of BIP products	8 650	25 289	16 195	25 413	10 365	16 878	12 964	13 251	13 215	56 308
Other revenues	4 153	886	4 160	712	3 536	5 304	2 399	1 213	1 927	10 844
Total revenues	67 158	59 825	48 105	48 211	34 150	55 561	41 783	46 017	45 197	188 557
EBITDA	36 472	12 221	14 365	10 522	-3 103	4 871	1 908	1 833	1 189	9 802
EBITDA margin	54%	20%	30%	22%	-9%	9%	5%	4%	3%	5%
EBIT	25 908	1 739	3 865	-777	-14 291	-6 435	-9 705	-9 991	-10 673	-36 804
Net profit/loss for the period	23 716	1 560	-11 176	-272	-16 114	-10 826	-10 545	-12 031	-10 793	-44 195
Adjusted net profit/loss for the period				-2 204	-16 114	-10 826	-10 545	-12 031	-10 793	-44 195
Earnings per share, SEK	0,71	0,05	-0,34	-0,01	-0,48	-0,32	-0,31	-0,36	-0,31	-1,26
Adjusted earnings per share, SEK				-0,07	-0,48	-0,32	-0,31	-0,36	-0,31	-1,26
Operating cash flow	23 850	36 850	-3 511	3 583	-3 301	3 931	-893	5 485	242 305	250 828
Operating cash flow per share, SEK	0,72	1,11	-0,11	0,11	-0,10	0,12	-0,03	0,16	6,91	7,16
Net debt	217 217	185 006	241 523	241 587	250 109	254 138	258 275	254 340	13 219	13 219
Total shares (pcs)	33 302 373	33 302 373	33 302 373	33 543 885	33 543 885	33 543 885	33 543 885	33 543 885	35 043 885	35 043 885

## Forthcoming disclosures of information

10 February 2022	Year-end report 2021
8 April 2022	Annual report 2021
27 April 2022	Interim report 1 Jan - 31 Mar 2022
29 April 2022	Annual General Meeting
14 July 2022	Interim report 1 April-30 June 2022
27 October 2022	Interim report 1 July-30 Sept 2022

## Contacts

For additional information, please contact:

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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, October 28<sup>th</sup> 2021

Thomas von Koch

Chairman of the Board

Christian Kinch

Deputy Chairman of the Board

Anna Martling

Board Member

Jan Ståhlberg

Board Member

Cecilia Edström

Board Member

Anders Göransson

CEO

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, Middle East and South East Asia 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 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 how Bactiguard save lives 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 above contact persons, on 2021-10-28, at 08:00 a.m. CET.



## Revue report

### Introduction

We have performed a review of the interim report for Bactiguard Holding AB (publ) for the period January 1, 2021 to September 30, 2021. The Board of Directors and the CEO are responsible for preparing and presenting this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

### The focus and scope of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Company's Elected Auditor*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, to perform analytical review and to take other review measures. A review has a different focus and a much smaller scope compared with the focus and scope of an audit in accordance with ISA and good auditing practice in general. The audit measures taken in a review do not allow us to obtain such assurance that we become aware of all the important circumstances that could have been identified if an audit had been performed. The stated conclusion based on a review therefore does not have the certainty that a stated conclusion based on an audit has.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, October 28<sup>th</sup> 2021

DELOITTE AB

Therese Kjellberg

Authorized Public Accountant