

## More licensing projects gives good momentum

### Third Quarter 2022, July - September

- Revenues amounted to SEK 66.2 (45.2) million, an increase of 46%. Adjusted for currency, revenues increased by 15%.
- EBITDA amounted to SEK 2.5 (1.2) million, with an EBITDA-margin of 3.8% (2.6).
- Operating profit/loss amounted to SEK -11.0 (-10.7) million, a decrease of SEK -0.3 million.
- Net profit/loss for the period amounted to SEK -8.5 (-10,8) million.
- Losses per share amounted to SEK -0.24 (-0.31).
- Cash flow from operating activities amounted to SEK 9.9 (14.3) million, corresponding to SEK 0.28 (0.41) per share.

### Key events during the quarter

- The third-generation patent for the Bactiguard technology has been granted by the European Patent Office (EPO) with protection until 2039.

### The period January – September 2022

- Revenues amounted to SEK 181.3 (133.0) million, an increase of 36%. Adjusted for currency, revenues increased by 12%.
- EBITDA amounted to SEK -5.3 (4.9) million, with an EBITDA-margin of -2.9% (3.7).
- Operating profit/loss amounted to SEK -42.4 (-30.4) million, a decrease of SEK -12.0 million.
- Net profit/loss for the period amounted to SEK -38.7 (-33.4) million.
- Losses per share amounted to SEK -1.10 (-0.95).
- Cash flow from operating activities amounted to SEK -3.9 (18.9) million, corresponding to SEK -0.11 (0.54) per share.

Key figures	2022	2021	2022	2021	2021	2021/22
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
Revenues <sup>1</sup> , SEKm	66.2	45.2	181.3	133.0	179.0	227.4
EBITDA <sup>2</sup> , SEKm	2.5	1.2	-5.3	4.9	-7.2	-17.4
EBITDA margin <sup>2</sup> , %	3.8%	2.6%	-2.9%	3.7%	-4.0%	-7.7%
Operating profit <sup>2</sup> , SEKm	-11.0	-10.7	-42.4	-30.4	-54.2	-66.2
Net profit/loss for the period <sup>1</sup> , SEKm	-8.5	-10.8	-38.7	-33.4	-58.8	-64.1
Earnings per share <sup>1</sup> , SEK	-0.24	-0.31	-1.10	-0.95	-1.68	1.83
Operating cash flow <sup>1</sup> , SEKm	9.9	14.3	-3.9	18.9	7.2	-15.5
Operating cash flow per share <sup>2</sup> , SEK	0.28	0.41	-0.11	0.54	0.21	0.44
Equity ratio <sup>2</sup> , %	61.9%	65.4%	61.9%	65.4%	63.8%	61.9%
Net debt <sup>2</sup> , SEKm	36.9	13.2	36.9	13.2	30.4	36.9

<sup>1</sup> Defined according to IFRS.

<sup>2</sup> Alternative performance measure. For definition and reconciliation, see pages 16-17.



## More licensing projects gives good momentum

Revenue for the quarter was SEK 66 million, and growth was 46 percent compared with the preceding year. Adjusted for currency effects, growth was 15 percent.

### Good momentum in licensing – important in the fight against infections

Licensing grew by 41 percent this quarter; adjusted for currency effects, the increase was 17 percent. The majority of revenue is attributable to the agreement with Becton Dickinson (BD). We have now had three consecutive strong quarters from BD, one of the largest global medtech companies that has the exclusive right to sell urinary catheters featuring Bactiguard's technology in regions including the US and Japan.

As part of the agreement with Zimmer Biomet, a global leader in orthopedics, the European launch of the ZNN Bactiguard trauma implant is continuing, where Italy and Germany are at the forefront. To study the efficacy of our technology, patients are being recruited to clinical trials at numerous leading European hospitals. Meanwhile, the regulatory efforts to have these implants approved in more key markets are progressing.

The expanded license agreement signed earlier this year with Zimmer Biomet is also performing positively, and the development initiatives in orthopedic implants (for example, knee and hip prostheses) are progressing according to plan. Product development under the agreement that was signed in April with Dentsply Sirona, a global leader in the dental industry, is also progressing according to plan. Both of these development projects support our robust growth in new license revenue this quarter. All together, this means that in the longer term our technology will be usable in many more fields of application and will reach a greater number of patient groups. This will generate more, and more differentiated, revenue streams for us.

The positive performance in licensing clearly demonstrates the value of our technology, which we are alone in offering the global market. During the quarter, our patent protection in Europe was extended until 2039. Combined with our confidential recipe and know-how, our intellectual property protection remains strong.

We are strengthening our organization to create a platform for accelerated profitable growth. Focus is on product development in licensing, regulatory approvals, patent protection, higher production capacity and an expansion of the license and sales organizations.

### Continued growth in the BIP portfolio in priority markets

The combined BIP portfolio sales increased 23 percent; adjusted for currency effects, 11 percent. This is below the level of our ambition. However, also this quarter we saw increased demand primarily for our catheters and wound care products in focus markets where we have strengthened our sales organization (the Nordic region, India and Malaysia).

### Our technology is bacteria's enemy

It is not surprising that demand for our products is increasing, considering the benefits that infection prevention can provide – both for individuals and society at large. Avoiding an infection – for example, in connection with orthopedic surgery, or extended use of foley catheters or venous catheters – could mean the difference between life and death.

Our technology provides unique protection against infections, even those caused by multi-resistant bacteria. By itself, this should be enough reason to use our technology on everything that will be placed within the body for longer than two days in order to prevent the occurrence of biofilm, which could lead to infection. There is an additional aspect to this: the reduced need for the use of antibiotics, which means we are playing a part in mitigating the risk of antimicrobial resistance.

Zimmer Biomet operates in a market worth USD 28 billion and has reported sales of over USD 6 billion. That's where the potential for our business within orthopedic implants lies. If all of these implants were treated with our technology, the business potential becomes clear. Accordingly, it becomes clear how much both individuals, healthcare and society at large have to gain by using the Bactiguard technology. Our unique and efficient solution is an important tool in the fight against antimicrobial resistance.

**Anders Göransson**, CEO



## Business model

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

### License revenues

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

- The license revenues also include royalties, i.e., a variable remuneration when the products reach the market and generate sales revenue, and revenues related to contract manufacturing.
- New license revenues include upfront license fees as well as remuneration linked to milestones and product development.

License partner	Applications area	Market
Becton Dickinson and Company (BD, former C.R. Bard)	Urinary catheter (Foley)	US, Japan, UK, Ireland, Canada and Australia
Zimmer Biomet	Trauma and Orthopedic implants	Global excluding South-East Asia, China, India and South Korea
Dentsply Sirona*	Part of Dental	Global
Well Lead Medical	Urinary catheters, ETT and CVC	China
Smartwise Sweden AB	Advanced vascular injection catheters	Global

\* Development agreement with options on license agreements.

### Bactiguard Infection Protection (BIP)

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

### Bactiguard's leading offer for infection prevention

#### Current license partnerships

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

#### BIP portfolio

Medical devices

Wound care products

Sutures and dressings



## Development in the third quarter

### Revenue

MSEK	2022 Jul-Sep	2021 Jul-Sep
License revenues	36.9	29.5
New license revenues	5.5	0.5
Sales of BIP products	16.3	13.2
<b>Net sales</b>	<b>58.7</b>	<b>43.3</b>
Other revenues	7.5	1.9
<b>Total revenues</b>	<b>66.2</b>	<b>45.2</b>

Total revenue for the third quarter amounted to SEK 66.2 (45.2) million, an increase of SEK 21.0 million, or 46 percent. Net sales totaled SEK 58.7 (43.3) million, corresponding to an increase of 36 percent. Adjusted for the positive currency effect of SEK 9.4 million, the increase corresponded to 15 percent.

License revenue totaled SEK 36.9 (29.5) million, of which SEK 7.6 million in positive currency effects, which was in line with the preceding year after taking the positive currency effects into account. License revenue from BD amounted to SEK 34.8 (29.1) million, which is an increase compared with the corresponding period in the preceding year of SEK 5.7 million, corresponding to 19 percent before currency effects. Other license revenue is attributable to our contract manufacturing of ZNN Bactiguard on behalf of Zimmer Biomet for the EMEA market, and a small but growing share of royalties for the same product, which consists of a percentage of Zimmer Biomet's sale price, where Bactiguard receives a certain amount in connection with manufacturing and the remainder when the products reach the market.

New license revenue in the third quarter amounted to SEK 5.5 (0.5) million and related primarily to project revenue for the new agreement signed with Zimmer Biomet in the first quarter of 2022, as well as development revenue for the collaboration with Dentsply Sirona. Both projects are proceeding in accordance with plans.

BIP sales for the third quarter totaled SEK 16.3 (13.2) million, up SEK 3.1 million, corresponding to growth of 23 percent. Growth is driven by our priority products, meaning coated catheters and our wound care portfolio in our primary markets – the Nordic region, India and Malaysia. Adjusted for currency effects of SEK 1.6 million, growth totaled 11 percent.

Other revenue amounted to SEK 7.5 (1.9) million, of which SEK 5.9 (1.3) million pertained to currency effects. The remainder is primarily related to rent income.

### Result

EBITDA for the third quarter amounted to SEK 2.5 (1.2) million and the EBITDA margin was 3.8 percent (2.6).

Costs for raw materials and consumables for the third quarter amounted to SEK -13.2 (-11.5) million, an increase of 19 percent, which must be set in relation to an increase of 23 percent in revenue from BIP products compared with the corresponding period in 2021. Other external costs rose SEK 6.8 million, corresponding to a cost increase of 52 percent related primarily to higher costs for consultants/temporary staff. Staff costs increased SEK 5.1 million, an increase of 27 percent in line with our strategic priorities involving, for example, regulatory initiatives and development projects. Other operating expenses are related to currency exchange losses including forward sales in USD totaling SEK -7.8 (-2.2) million.

Operating loss amounted to SEK -11.0 (-10.7) million. Depreciation impacted operating loss by SEK -13.5 (-11.9) million. Amortization of intangible assets totaled SEK -9.9 (-8.1) million, attributable primarily to amortization of SEK -6.4 (-6.4) million relating to Bactiguard's technology. Depreciation of fixed assets totaled SEK -3.6 (-3.7) million, attributable primarily to depreciation of leases totaling SEK -2.7 (-2.6) million.

Financial items totaled SEK 0.4 (-1.8) million, where SEK -2.2 (-2.0) million pertained to interest expenses, SEK 2.9 (0.3) million to unrealized exchange gains, SEK 0.0 (0.2) million to realized exchange gains and the remaining SEK -0.3 (-0.3) million to other financial expenses.

Tax for the period amounted to SEK 2.0 (1.7) million, of which change in deferred tax amounted to SEK 2.0 (1.5) million attributable to the Group's intangible assets and leases, which is calculated at the Swedish tax rate of 20.6 percent. Income tax in foreign subsidiaries is calculated on the basis of a tax rate of 24.0 percent.

Net loss for the third quarter of 2022 amounted to SEK -8.5 (-10.8) million.

## Development during the period January - September

### Revenue

MSEK	2022	2021
	Jan-Sep	Jan-Sep
License revenues	99.6	79.0
New license revenues	15.5	9.1
Sales of BIP products	47.2	39.4
<b>Net sales</b>	<b>162.3</b>	<b>127.5</b>
Other revenues	19.0	5.5
<b>Total revenues</b>	<b>181.3</b>	<b>133.0</b>

Total revenue for the January–September 2022 period amounted to SEK 181.3 (133.0) million, an increase of SEK 48.3 million or 36 percent. Net sales for the January–September 2022 period amounted to SEK 162.3 (127.5) million, an increase of SEK 34.8 million or 27 percent. Adjusted for positive currency effects of SEK 21.5 million, the increase was 10 percent.

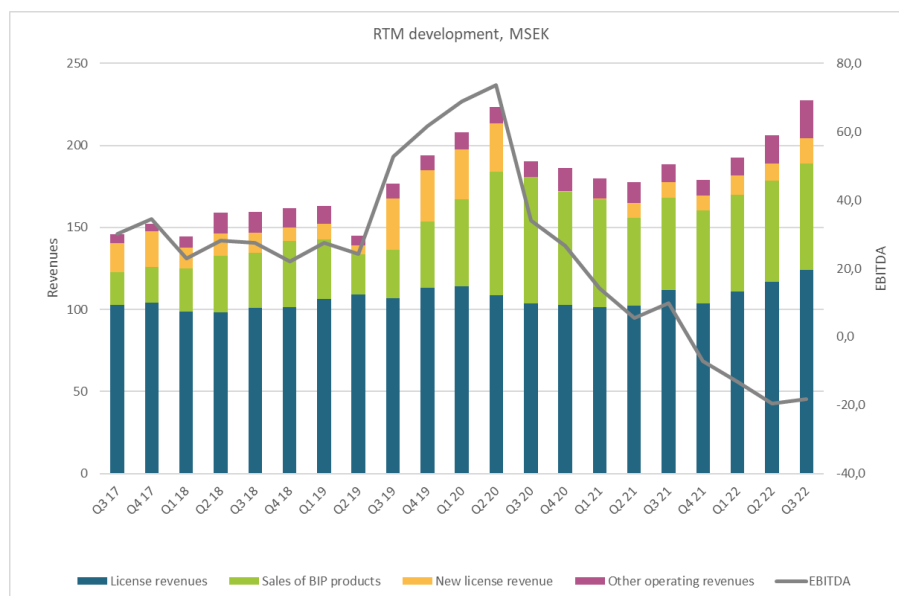
License revenue for the January–September period was SEK 99.6 (79.0) million, adjusted for positive currency effects of SEK 16.9 million, growth was 5 percent. License revenues for the period from BD amounted to SEK 96.1 (76.6) million, an increase of SEK 19.5 million or 25 percent, of which SEK 13.4 million related to positive currency effects. License revenue from BD during the year was consistently higher compared with 2021, which was due in part to BD restoring buffer stock, and we expect revenue to stabilize at pre-covid levels. Revenue from contract manufacturing and royalty for Zimmer Biomet totaled SEK 3.5 (1.2) million.

New license revenue for the period totaled SEK 15.5 (9.1) million, an increase of SEK 6.4 million or 71 percent. Whereof SEK 1.6 million relates to positive currency effects. New license revenue mainly relates to project revenue from the agreement signed with Zimmer Biomet at the beginning of the year but also to initial fees and development revenue related to the agreement with Dentsply Sirona. 2021 new license revenue relates to reached milestones from Zimmer Biomet for the Trauma implant agreement signed in 2019.

BIP sales for January–September 2022 totaled SEK 47.2 (39.4) million, an increase of SEK 7.8 million or 20 percent. Revenues increased primarily for the strategic products such as wound care and Bactiguard catheters in our focus markets. Adjusted for positive currency effects of SEK 3.0 million growth totaled 12 percent.

Other income amounted to SEK 19.0 (5.5) million, of which SEK 13.8 (2.3) million pertained to positive currency effects. The remaining revenue was primarily related to rent income.

## Revenues development, rolling twelve months



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

## Result

EBITDA for the January–September period amounted to SEK -5.3 (4.9) million, corresponding to an EBITDA margin of -2.9 percent (3.7).

Costs for raw materials and consumables for the period increased SEK 3.8 million, corresponding to a cost increase of 12 percent, which must be set in relation to an increase of 20 percent in revenue from BIP products compared with the corresponding period in 2021. Other external costs increased SEK 25.1 million, corresponding to a cost increase of 67 percent related primarily to increased costs for consultants/temporary staff as well as regulatory initiatives and travel costs in line with the strategic priorities determined by the company. Staff costs rose SEK 11.7 million, corresponding to a cost increase of 19 percent related to personnel within marketing and sales. Other operating expenses for the period are related primarily to exchange losses.

Operating loss for the January–September 2022 period totaled SEK -42.4 (-30.4) million. Depreciation/amortization impacted operating loss by SEK -37.1 (-35.3) million. Amortization of intangible assets totaled SEK -26.3 (-24.1) million, where the largest item comprised amortization relating to Bactiguard's technology of SEK -19.0 million. Depreciation of fixed assets totaled SEK -10.8 (-11.2) million, attributable primarily to depreciation of leases totaling SEK -8.0 million.

Net financial items totaled SEK -0.9 (-6.2) million, where SEK -6.1 (-6.4) million pertained to interest expenses, SEK 6.4 (0.9) million to unrealized exchange gains and the remaining SEK -1.2 (-0.9) million to other financial expenses.

Tax for the period amounted to SEK 4.6 (3.2) million. Of the tax for the period, SEK 5.4 (3.6) million pertained to a change in deferred tax attributable to the Group's intangible assets and leases, which is calculated at the Swedish tax rate of 20.6 percent. Income tax in foreign subsidiaries is calculated on the basis of a tax rate of 24.0 percent.

Net loss for the period for the first nine months of the year amounted to SEK -38.7 (-33.4) million.

## Operating profit/loss, 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. During the pandemic, earnings developed was negatively affected as regular healthcare decreased in favor of Covid-19 efforts, which also affected the focus and prioritization of potential license partners.

This year, we see strong revenue growth while investments in business development, regulatory expertise and delivery capacity increased in accordance with the focused growth strategy presented in the first quarter of this year. This had a negative impact on earnings during the first six months of the year, while the last quarter had a positive EBITDA.

## Financial targets

During the first quarter 2022, new long-term financial targets for 2026 were presented.

### Sales growth

Annual revenues of at least SEK 1 000 million

### Profitability

Annual EBITDA of at least SEK 400 million

This will be achieved through a significant capacity building within our licensing business, combined with investments in the BIP portfolio. Furthermore, we will invest in manufacturing, product development and a further improved sales and marketing organization. The transformation of Bactiguard will affect profitability over the next one to two years, while we expect rapidly accelerating profitability in the years 2024 to 2026

## Cashflow

Cash flow from operating activities for the quarter amounted to SEK 9.9 (14.3) million and for the period January to September to SEK -3.9 (18.9) million. Cash flow from changes in working capital was SEK 4.4 (17.7) million for the quarter and SEK 7.9 (20.1) million for the period January to September.

Cash flow from investing activities amounted to SEK -6.8 (-0.5) million for the quarter and SEK -7.0 (-6.1) million for the period. During the third quarter of 2022, investments were made in warehouses and machinery equipment in a subsidiary in Malaysia.

Cash flow from financing activities for the quarter amounted to SEK -2.7 (210.6) million and for the period to SEK -9.0 (211.6) million. In the third quarter of 2021, a directed share issue was carried out to AMF of SEK 228.0 million, where issue costs amounted to SEK 5.1 million.

Cash flow for the quarter amounted to SEK 0.3 (224.4) million and for the period SEK -20.0 (224.4) million. Cash and cash equivalents at the end of the period amounted to SEK 204.8 (235.5) million.

## Financial position

Equity on 30 September 2022 amounted to SEK 512 (565) million and net debt to SEK 37 (13) million.

The parent company has a credit facility in SEB with a term until December 2024. The total outstanding amount on September 30, 2022 amounted to SEK 171 (171) million. As of September 30, 2022, the overdraft facility from SEB of SEK 30 million was unutilized. Foreign subsidiaries have credit facilities amounting to SEK 9.5 (9.5) million as of September 30.

Total assets in the Group amounted to SEK 826 (865) million on September 30, 2022.

## Other information

### The share and share capital

Bactiguard's B share is listed on Nasdaq Stockholm with the ticker "BACTI". The closing price paid for the B share was SEK 94.00 (161.20) on September 30, 2022 and the market capitalization amounted to SEK 3 294 (5 649) million.

The share capital in Bactiguard on September 30, 2022 amounted to SEK 0.9 (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). The total number of shares and votes in Bactiguard on September 30, 2022 was 35 043 885 shares and 71 043 885 votes.



## Ownership

Shareholders	No. of A shares	No. of B shares	Total number	% of capital	% of votes
Thomas Von Koch och bolag	2 000 000	4 604 182	6 604 182	18,9	34,6
Christian Kinch med familj och bolag	2 000 000	4 179 426	6 179 426	17,6	34,0
Jan Ståhlberg		3 605 150	3 605 150	10,3	5,1
Nordea Investment Funds		3 419 987	3 419 987	9,8	4,8
Fjärde AP-fonden		3 370 992	3 370 992	9,6	4,8
Handelsbanken Fonder		1 741 942	1 741 942	5,0	2,5
AMF - försäkring och fonder		1 697 340	1 697 340	4,8	2,4
Avanza Pension		1 265 658	1 265 658	3,6	1,8
UBS AG London Branch, W8IMY		853 013	853 013	2,4	1,2
Lancelot Avalon Master		642 700	642 700	1,8	0,9
<b>Total, major shareholders</b>	<b>4 000 000</b>	<b>25 380 390</b>	<b>29 380 390</b>	<b>83,8</b>	<b>92,0</b>
Total, others		5 663 495	5 663 495	16,2	8,0
<b>Total number of shares</b>	<b>4 000 000</b>	<b>31 043 885</b>	<b>35 043 885</b>	<b>100,0</b>	<b>100,0</b>

Per September 30, 2022 Bactiguard had 3 633 (3 912) shareholders.

## Employees

Full-time positions in the Group during the period January - September counted to 227 (208) FTE including consultants, of which 147 (142) were women. The average number of employees was 194 people, most of whom were in the subsidiaries in Malaysia. As of the end of September, the number of full-time employed persons was 216.

## Key events during the quarter

The European Patent Office (EPO) has granted a European patent for Bactiguard's technology. The company's new patent, which is the third generation, will provide comprehensive protection for Bactiguard technology until 2039.

## Key events after the end of the quarter

No significant events occurred after the end of the period.

## Accounting and valuation principles

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

Accounting and valuation principles are stated in the annual report for 2021. The accounting principles are unchanged from previous periods.

## Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may derive revenues and incur expenses, whose operating results are regularly reviewed by the Chief Operating decision maker and for which there is separate financial information. The company's reporting of operating segments is consistent with the

internal reporting provided to the Chief Operating decision maker. The Chief Operating decision maker is the function that assesses the operating segment performance and decides how to allocate resources. The company has determined that the Group's executive management constitutes the Chief Operating decision maker. The company is considered in its entirety to operate within one business segment

## **Parent company**

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

## **Risk factors**

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

## **Impact of macro events on the company**

In addition to already identified risks, the impact of the ongoing pandemic is analyzed regularly. The Global economy is still affected by the pandemic with lockdowns in China, among others. The company's activities are not significantly affected in other markets.

Bactiguard does not have suppliers or sales to either Russia, Belarus or Ukraine. However, the Global economy is affected by the situation of the war and we follow developments closely and continuously evaluate the operational and financial effects as the Global situation may change and affect the company's financial position.

The Global economy and the supply situation in the world are affected by the Corona pandemic and Russia's invasion of Ukraine, with increased inflation and higher prices for electricity and higher interest rates as a result. The company does not always have the opportunity to change the price towards the customer, which can have a negative impact on the financial position. Increased interest rates will also affect the company's interest costs negatively. The company also has a large exposure to the US dollar and other currencies, see the annual report for 2021.

## Group consolidated income statement

Amounts in TSEK		2022	2021	2022	2021	2021	2021/22
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
<b>Revenues</b>	<i>Note 1</i>						
License revenues		42 423	30 055	115 057	88 028	112 718	139 746
Sales of BIP products		16 303	13 215	47 229	39 430	56 768	64 567
Other revenues		7 460	1 927	19 035	5 539	9 562	23 058
<b>Total revenues</b>		<b>66 185</b>	<b>45 197</b>	<b>181 320</b>	<b>132 997</b>	<b>179 048</b>	<b>227 371</b>
Change in inventory of finished goods		1 633	2 015	2 999	3 025	3 057	3 031
Capitalized expenses for own account		-102	239	0	2 339	2 412	74
Raw materials and consumables		-13 153	-11 500	-34 469	-30 668	-44 152	-47 952
Other external expenses		-20 017	-13 184	-62 516	-37 406	-56 101	-81 211
Personnel costs		-24 203	-19 100	-72 716	-61 004	-84 692	-96 403
Depreciation and amortisation		-13 490	-11 863	-37 059	-35 300	-47 004	-48 763
Other operating expenses		-7 808	-2 479	-19 927	-4 352	-6 756	-22 331
<b>Sum</b>		<b>-77 140</b>	<b>-55 870</b>	<b>-223 687</b>	<b>-163 366</b>	<b>-233 235</b>	<b>-293 556</b>
<b>Operating profit/loss</b>		<b>-10 955</b>	<b>-10 673</b>	<b>-42 367</b>	<b>-30 369</b>	<b>-54 188</b>	<b>-66 185</b>
<b>Profit/loss from financial items</b>							
Financial income		5 012	2 003	12 976	5 876	7 008	14 108
Financial expenses		-4 656	-3 808	-13 865	-12 116	-16 072	-17 821
<b>Sum</b>		<b>356</b>	<b>-1 805</b>	<b>-889</b>	<b>-6 240</b>	<b>-9 064</b>	<b>-3 714</b>
<b>Profit before tax</b>		<b>-10 599</b>	<b>-12 478</b>	<b>-43 256</b>	<b>-36 609</b>	<b>-63 252</b>	<b>-69 899</b>
Taxes for the period		2 053	1 685	4 557	3 241	4 479	5 795
<b>NET PROFIT/LOSS FOR THE PERIOD</b>		<b>-8 546</b>	<b>-10 793</b>	<b>-38 699</b>	<b>-33 368</b>	<b>-58 773</b>	<b>-64 104</b>
<b>Attributable to:</b>							
The parent company's shareholders		-8 546	-10 793	-38 699	-33 368	-58 773	-64 104
Earnings per share, SEK before and after dilution		-0,24	-0,31	-1,10	-0,95	-1,68	-1,83

## Condensed statement of comprehensive Income

Amounts in TSEK		2022	2021	2022	2021	2021	2021/22
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
<b>Net profit/loss for the period</b>		<b>-8 546</b>	<b>-10 793</b>	<b>-38 699</b>	<b>-33 368</b>	<b>-58 773</b>	<b>-64 104</b>
<b>Other comprehensive income:</b>							
Items that will not be reclassified to profit or loss for the year		-	-	-	-	-	-
<b>Items that will be reclassified to profit or loss for the year:</b>							
Translation differences		5 181	1 300	8 483	1 903	3 961	10 541
<b>Other comprehensive income, after tax</b>		<b>5 181</b>	<b>1 300</b>	<b>8 483</b>	<b>1 903</b>	<b>3 961</b>	<b>10 541</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-3 365</b>	<b>-9 493</b>	<b>-30 216</b>	<b>-31 465</b>	<b>-54 812</b>	<b>-53 563</b>
<b>Attributable to:</b>							
The parent company's shareholders		-3 365	-9 493	-30 216	-31 465	-54 812	-53 563
Number of shares at the end of period ('000)		35 044	35 044	35 044	35 044	35 044	35 044
Weighted average number of shares ('000)		35 044	35 044	35 044	35 044	35 044	35 044

## Group condensed statement of financial position

Amounts in TSEK	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	251 076	246 369	247 485
Technology	105 190	130 597	124 245
Brands	26 108	26 050	26 015
Customer relationships	6 905	8 293	7 946
Capitalised development expenditure	14 546	21 000	19 823
Patents	881	1 036	1 113
<b>Intangible assets</b>	<b>404 706</b>	<b>433 344</b>	<b>426 627</b>
Leased assets	58 190	65 971	63 776
Buildings	15 424	13 726	14 132
Improvements, leasehold	5 997	7 036	6 623
Machinery and other technical plant	17 435	9 676	10 465
Equipment, tools and installations	5 154	5 600	5 650
<b>Property, plant and equipment</b>	<b>102 201</b>	<b>102 008</b>	<b>100 646</b>
Long-term receivables	1 693	1 686	1 674
<b>Financial assets</b>	<b>1 693</b>	<b>1 686</b>	<b>1 674</b>
<b>Total non-current assets</b>	<b>508 601</b>	<b>537 038</b>	<b>528 947</b>
<b>Current assets</b>			
Inventory	43 503	32 537	36 064
Accounts receivable	47 899	43 155	43 157
Other current receivables <i>Note 2</i>	9 266	4 515	7 161
Prepaid expenses and accrued income	11 665	11 779	16 371
Cash and cash equivalents	204 838	235 505	217 587
<b>Total current assets</b>	<b>317 170</b>	<b>327 491</b>	<b>320 342</b>
<b>TOTAL ASSETS</b>	<b>825 771</b>	<b>864 528</b>	<b>849 289</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the parent</b>			
Share capital	876	876	876
Other equity	510 358	564 410	540 574
<b>Total equity</b>	<b>511 234</b>	<b>565 286</b>	<b>541 450</b>
<b>Non-current liabilities</b>			
Deferred tax liability	872	8 504	7 320
Liabilities to credit institutions	179 570	179 534	180 664
Liabilities leasing agreements	51 148	59 705	57 645
<b>Total non-current liabilities</b>	<b>231 590</b>	<b>247 744</b>	<b>245 628</b>
<b>Current liabilities</b>			
Accounts payable	33 778	21 176	27 905
Liabilities leasing agreements	11 043	9 485	9 652
Other current liabilities <i>Note 2</i>	9 248	5 760	5 242
Accrued expenses and deferred income	28 877	15 078	19 412
<b>Total current liabilities</b>	<b>82 945</b>	<b>51 499</b>	<b>62 211</b>
<b>Total liabilities</b>	<b>314 535</b>	<b>299 242</b>	<b>307 839</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>825 771</b>	<b>864 528</b>	<b>849 289</b>

## Group condensed 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 2021</b>	839	707 805	-7 802	-327 492	373 350
Profit/loss for the period				-33 368	-33 368
<i>Other comprehensive income:</i>					
Translation differences			1 903		1 903
<b>Total comprehensive income after tax</b>			<b>1 903</b>	<b>-33 368</b>	<b>-31 467</b>
<b>Transactions with shareholders</b>					
New share issue	37	223 366			223 403
<b>Total transactions with shareholders</b>	<b>37</b>	<b>223 366</b>			<b>223 403</b>
<b>Closing balance, 30 September 2021</b>	<b>876</b>	<b>931 171</b>	<b>-5 899</b>	<b>-360 860</b>	<b>565 286</b>
<b>Opening balance, 1 January 2022</b>	876	930 680	-3 841	-386 265	541 450
Profit/loss for the period				-38 699	-38 699
<i>Other comprehensive income:</i>					
Translation differences			8 483		8 483
<b>Total comprehensive income after tax</b>	<b>-</b>	<b>-</b>	<b>8 483</b>	<b>-38 699</b>	<b>-30 216</b>
<b>Closing balance, 30 September 2022</b>	<b>876</b>	<b>930 680</b>	<b>4 642</b>	<b>-424 964</b>	<b>511 234</b>

## Group condensed statement of cash flows

Amounts in TSEK

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year	2021/22 RTM
<b>Net profit/loss for the period</b>	<b>-8 546</b>	<b>-10 793</b>	<b>-38 699</b>	<b>-33 368</b>	<b>-58 773</b>	<b>-64 104</b>
Adjustments for depreciation and amortisation and other non-cash items	14 088	7 401	26 942	32 170	43 921	38 693
Increase/decrease inventory	-4 611	2 851	-5 745	2 145	-3 720	-11 610
Increase/decrease accounts receivable	5 039	16 861	-5 531	7 880	4 521	-8 889
Increase/decrease other current receivables	3 278	1 679	4 820	150	-4 105	565
Increase/decrease accounts payable	5 399	-1 749	4 470	7 460	17 993	15 003
Increase/decrease other current liabilities	-4 745	-1 944	9 841	2 460	7 418	14 798
<i>Cash flow from changes in working capital</i>	<i>4 360</i>	<i>17 697</i>	<i>7 854</i>	<i>20 095</i>	<i>22 107</i>	<i>9 867</i>
<b>Cash flow from operating activities</b>	<b>9 902</b>	<b>14 305</b>	<b>-3 903</b>	<b>18 897</b>	<b>7 255</b>	<b>-15 544</b>
Investments in non-current assets	-6 834	-447	-7 019	-6 105	-7 294	-8 208
<b>Cash flow from investing activities</b>	<b>-6 834</b>	<b>-447</b>	<b>-7 019</b>	<b>-6 105</b>	<b>-7 294</b>	<b>-8 208</b>
Amortisation of lease	-2 318	-2 897	-8 005	-7 194	-8 618	-9 429
Amortisation of loan	-163	-137	-598	-414	-562	-746
Change in bank overdraft	208	-14 300	923	-8 857	-8 856	924
Set-up fee	0	167	0	502	0	-502
New share issue	0	228 000	0	228 000	228 000	0
Other financing activities	-447	-267	-1 352	-464	-4 137	-5 025
<b>Cash flow from financing activities</b>	<b>-2 720</b>	<b>210 566</b>	<b>-9 031</b>	<b>211 573</b>	<b>205 827</b>	<b>-14 777</b>
<b>Cash flow for the period</b>	<b>348</b>	<b>224 424</b>	<b>-19 953</b>	<b>224 365</b>	<b>205 788</b>	<b>-38 529</b>
Cash and cash equivalents at start of period	201 197	10 663	217 587	9 886	9 886	235 505
Exchange difference in cash and cash equivalents	3 293	418	7 204	1 254	1 913	7 863
<b>Cash and cash equivalents at end of period</b>	<b>204 838</b>	<b>235 505</b>	<b>204 838</b>	<b>235 505</b>	<b>217 587</b>	<b>204 838</b>

## Condensed parent company income statement

Amount in TSEK	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year	2021/22 RTM
Revenues	-	-	-	-	-	-
Operating expenses	-1 379	-1239	-4 204	-2 896	-5 633	-6 941
<b>Operating profit/loss</b>	<b>-1 379</b>	<b>-1 239</b>	<b>-4 204</b>	<b>-2 896</b>	<b>-5 633</b>	<b>-6 941</b>
Net financial items	549	-634	1 295	-1 861	-2 198	958
<b>Profit/loss after financial items</b>	<b>-830</b>	<b>-1 873</b>	<b>-2 909</b>	<b>-4 757</b>	<b>-7 831</b>	<b>-5 983</b>
Tax for the period	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>-830</b>	<b>-1 873</b>	<b>-2 909</b>	<b>-4 757</b>	<b>-7 831</b>	<b>-5 983</b>

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

## Condensed parent company balance sheet

Amounts in TSEK	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets	863 051	887 396	879 086
Deferred tax asset	15 255	15 255	15 254
<b>Total non-current assets</b>	<b>878 306</b>	<b>902 651</b>	<b>894 340</b>
<b>Current assets</b>			
Cash and cash equivalents	10 605	2 342	3 490
	6 151	35	366
<b>Total current assets</b>	<b>16 756</b>	<b>2 377</b>	<b>3 856</b>
<b>TOTAL ASSETS</b>	<b>895 062</b>	<b>905 028</b>	<b>898 196</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Total equity</b>	<b>693 230</b>	<b>698 539</b>	<b>696 139</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>			
	30 891	35 548	31 116
<b>Total current liabilities</b>	<b>30 891</b>	<b>35 548</b>	<b>31 116</b>
<b>Total liabilities</b>	<b>201 831</b>	<b>206 489</b>	<b>202 057</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>895 062</b>	<b>905 028</b>	<b>898 196</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	2022	2021	2022	2021	2021	2021/22
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
Operating profit/loss	-10 955	-10 673	-42 367	-30 369	-54 187	-66 185
Depreciation and amortisation	13 490	11 863	37 059	35 300	47 004	48 763
<b>EBITDA</b>	<b>2 535</b>	<b>1 189</b>	<b>-5 308</b>	<b>4 931</b>	<b>-7 184</b>	<b>-17 422</b>

### EBITDA-margin

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

Amounts in TSEK	2022	2021	2022	2021	2021	2021/22
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
EBITDA	2 535	1 189	-5 308	4 931	-7 184	-17 422
Revenue	66 185	45 197	181 320	132 997	179 048	227 371
<b>EBITDA-margin %</b>	<b>3,8%</b>	<b>2,6%</b>	<b>-2,9%</b>	<b>3,7%</b>	<b>-4,0%</b>	<b>-7,7%</b>

### Cash flow from operating activities per share

Cash flow per share calculated as the sum of cash flow from operating activities and cash flow from investing activities divided by the average number of shares outstanding during the period. The key figure is presented because it is used by analysts and other stakeholders to evaluate the company.



## Net debt

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

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

Amounts in TSEK	2022	2021	2021
	2022-09-30	2021-09-30	2021-12-31
Liabilities to credit institutions	179 570	179 534	180 664
Long-term liabilities leasing	51 148	59 705	57 645
Short-term liabilities leasing	11 043	9 485	9 652
<b>Interest-bearing liabilities</b>	<b>241 761</b>	<b>248 724</b>	<b>247 960</b>
Cash and cash equivalents	-204 838	-235 505	-217 587
<b>Net debt</b>	<b>36 923</b>	<b>13 220</b>	<b>30 373</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	2022	2021	2021
	2022-09-30	2021-09-30	2021-12-31
Equity	511 234	565 286	541 450
Balance sheet total	825 771	864 528	849 289
<b>Equity ratio %</b>	<b>61,9%</b>	<b>65,4%</b>	<b>63,8%</b>

## Profit/loss from financial items

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

## Note 1 Revenue distribution

Amounts in TSEK	2022	2021	2022	2021	2021	2021/22
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year	RTM
<b>Type of product/service</b>						
License	36 903	29 529	99 587	78 969	103 659	124 277
New license	5 520	526	15 469	9 059	9 059	15 469
Sales of BIP products	16 303	13 215	47 229	39 430	56 768	64 567
<b>Total</b>	<b>58 726</b>	<b>43 270</b>	<b>162 285</b>	<b>127 458</b>	<b>169 486</b>	<b>204 313</b>
<b>Time for revenue recognition</b>						
Performance commitment is met at a certain time	53 206	43 270	146 816	127 458	169 486	204 313
Performance commitment is met during a period of time	5 520	-	15 469	-	-	-
<b>Total</b>	<b>58 726</b>	<b>43 270</b>	<b>162 285</b>	<b>127 458</b>	<b>169 486</b>	<b>204 313</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 2021, note 4. Fair value of financial assets and liabilities is estimated to be substantially consistent with posted values. The group holds derivative instruments for foreign exchange contracts which are recognized at fair value through profit or loss, considering the current exchange rate on the foreign exchange market and the remaining maturity of respective instruments.

Amounts in TSEK	2022	2021	2021
	2022-09-30	2021-09-30	2021-12-31
	Derivatives (level 2)	Derivatives (level 2)	Derivatives (level 2)
<b>Assets</b>			
Other current receivables	0	0	0
<b>Liabilities</b>			
Other current liabilities	3 806	1 161	1 583

## Quarterly information

Amount in TSEK	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	RTM 21/22
License revenues	36 903	29 099	33 585	24 690	29 529	23 021	26 419	124 277
New license revenues	5 520	7 130	2 820	0	526	8 533	0	15 469
Sales of BIP products	16 303	15 553	15 373	17 338	13 215	13 251	12 964	64 567
Other revenues	7 460	8 151	3 424	4 023	1 927	1 213	2 399	23 058
Total revenues	66 185	59 932	55 202	46 051	45 197	46 017	41 783	227 371
EBITDA	2 535	-3 842	-4 002	-12 114	1 189	1 833	1 908	-17 422
EBITDA margin %	3.8%	-6.4%	-7.2%	-26.3%	2.6%	4.0%	4.6%	-7.7%
EBIT	-10 955	-14 843	-16 569	-23 818	-10 673	-9 991	-9 705	-66 185
Net profit/loss for the period	-8 546	-13 676	-16 477	-25 404	-10 793	-12 031	-10 545	-64 103
Net profit/loss per share, SEK	-0.24	-0.39	-0.47	-0.72	-0.31	-0.36	-0.31	-1.83
Operating cash flow	9 902	-1 874	-11 930	-11 642	14 305	5 485	-893	-15 544
Operating cash flow per share, SEK	0.28	-0.05	-0.34	-0.34	0.41	0.16	-0.03	-0.44
Net debt	36 923	42 392	42 859	30 372	13 219	254 340	254 138	152 546
Total shares (pcs)	35 043 885	35 043 885	35 043 885	35 043 885	35 043 885	33 543 885	33 543 885	35 043 885

## Forthcoming disclosures of information

9 February 2023	Year-end report 2022
27 April 2023	Interim report 1 January - 31 March 2023
18 July 2023	Half-year report 1 April - 30 June 2023
26 October 2023	Interim report 1 July - 30 September 2022

## Contacts

For additional information, please contact:

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## Signatories of the report

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

**Stockholm 27th of October 2022**

Thomas von Koch  
*Chairman*

Christian Kinch  
*Deputy chairman*

Anna Martling  
*Board Member*

Magdalena Persson  
*Board Member*

Jan Ståhlberg  
*Board Member*

Anders Göransson  
*CEO*

This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above 2022-10-27, at 08.00 a.m. CET.

## About Bactiguard

Bactiguard is a Swedish medical technology company whose mission is to save lives. To achieve this mission we develop and supply infection prevention solutions which reduce the risk of infections and reduce the use of antibiotics. In this way, we save considerable costs for healthcare and society.

Bactiguard's technology is based on a thin noble metal alloy of precious metals that prevents bacteria from attaching and forming biofilm on medical devices. Bactiguard offers the technology through license agreements and its own product portfolio BIP (Bactiguard Infection Protection). Urinary catheters with Bactiguard's technology are market leaders in the US and Japan through licensing partner BD and in 2021 orthopedic trauma implants, ZNN Bactiguard, were launched by Zimmer Biomet. Bactiguard's product portfolio also includes an alcohol-free 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 of Europe, China, India, the Middle East and Southeast Asia through our own product portfolio and by establishing licensing deals in new therapeutic areas. The company has about 230 employees around the world and the head office 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)