

# Recovery in the fourth quarter – Infection prevention key in future healthcare

## Fourth quarter

- Revenues amounted to SEK 55.6 (59.8) million, a decrease by 7% (adjusted for currency -2%).
- EBITDA amounted to SEK 4.9 (12.2) million with an EBITDA-margin of 9% (20%).
- Operating profit amounted to SEK -6.4 (1.7) million.
- Net profit/loss amounted to SEK -9.4 (1.6) million. Earnings per share amounted to SEK -0.28 (0.05) per share.
- Cash flow from operating activities amounted to SEK 3.9 (36.9) million or SEK 0.12 (1.11) per share.

## Key events during the fourth quarter

- Further expansion in Europe with new partnership in Spain.
- Initial order from China for Bactiguard's coating concentrate.
- Strengthened sales and marketing organisation.

## Key events after the end of the quarter

- The Bactiguard coated Zimmer Biomet trauma implants received the CE-mark.
- Hydrocyn® aqua launched in Greece.
- Cecilia Edström resigns as CEO

## Full year

- Revenues amounted to SEK 186.0 (193.9) million, a decrease by 4% (adjusted for currency -2%).
- EBITDA amounted to SEK 26.7 (61.6) million with an EBITDA-margin of 14% (32%).
- Operating profit amounted to SEK -17.6 (19.5) million.
- Net profit/loss amounted to SEK -37.0 (16.3) million, whereof SEK -10.9 million refers to an IFRS related adjustment from the set-off issue<sup>1</sup>. Earnings per share amounted to SEK -1.10 (0.49) per share.
- Cash flow from operating activities amounted to SEK 0.7 (54.0) million or SEK 0.02 (1.62) per share.

## Covid-19 impact

- We saw a recovery to more normal levels in the licensing business and stronger sales of our own BIP-products during the fourth quarter compared to the third quarter. License revenues from BD and sales of BIP products are still negatively affected by reduced general health care and postponed planned operations, following the pandemic. The roll-out of vaccines will gradually have a positive effect on the return to a more normal situation, but it may take another quarter or two. At the same time, a global care debt has evolved and must be managed. In this context, we see a great need for our infection prevention products. However, the near-term development is still difficult to assess.

## Key figures

	Q4 2020	Q4 2019	2020	2019
Revenues <sup>2</sup> , SEKm	55.6	59.8	186.0	193.9
EBITDA <sup>3</sup> , SEKm	4.9	12.2	26.7	61.6
EBITDA margin <sup>3</sup> , %	9%	20%	14%	32%
Operating profit <sup>2</sup> , SEKm	-6.4	1.7	-17.6	19.5
Net profit/loss for the period <sup>2</sup> , SEKm	-9.4	1.6	-37.0	16.3
Adjusted net profit/loss for the period <sup>3</sup> , SEKm	-9.4	1.6	-26.1	16.3
Earnings per share <sup>2</sup> , SEK	-0.28	0.05	-1.10	0.49
Adjusted earnings per share <sup>3</sup> , SEK	-0.28	0.05	-0.78	0.49
Cash flow from operating activities <sup>2</sup> , SEKm	3.9	36.9	0.7	54.0
Cash flow from operating activities per share <sup>3</sup> , SEK	0.12	1.11	0.02	1.62
Equity ratio <sup>3</sup> , %	55%	60%	55%	60%
Net debt <sup>3</sup> , SEKm	254.1	185.0	254.1	185.0

<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 with SEK -10.9 million in 2020. 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 page 19-20

## CEO comments the fourth quarter

# Recovery in the fourth quarter – Infection prevention key in future healthcare

**We saw a recovery in the BD licensing business and stronger sales of our own BIP products in the fourth quarter. It is gratifying, but the pandemic is negatively impacting us as regular healthcare is still at low levels in many countries and elective surgeries postponed. This has created a significant global healthcare backlog that must be managed. In that perspective, infection prevention is of strategic importance not only to Bactiguard but to the whole world, which opens up new opportunities to us. With the acquisition of Vigilenz, a broader product portfolio and market presence, the CE mark for Zimmer Biomet's trauma implants and a strengthened marketing and sales organization, we enter 2021 as a stronger company.**

The main events in 2020 were the pandemic and our strategic acquisition of Malaysian Vigilenz, which we completed in February. The acquisition added several important assets and broadened our product portfolio to include wound care, in addition to our products for the blood stream, urinary- and respiratory tracts. We extended our product portfolio with Hydrocyn® aqua for advanced wound care and disinfection and got a modern and efficient production facility in Malaysia. In addition, we established a stronger footprint in Southeast Asia and a well-established organization for direct sales in Malaysia. As a result, sales in Southeast Asia have developed well, even though several countries in the region have been shut down periodically during the pandemic.

## Breakthrough in the license business with Zimmer Biomet

During the year, our license business with BD has been negatively impacted by the pandemic. Reduced regular healthcare and postponed elective surgeries have affected BD's sales of consumables. We saw a recovery to more normal levels in the fourth quarter and BD recently reported a more positive development. The underlying business with BD is stable and is expected to continue to recover as healthcare returns to more normal activities.

We have recently made important progress in our licensing cooperation with Zimmer Biomet, which continues at a high pace. The CE mark we received for their Bactiguard-coated trauma implants in January 2021 is a real breakthrough. This paves the way for production and launch in the first half of 2021. We will initially produce at our facility in Penang and regular license revenues will be generated when the products are shipped and used. In parallel, work is underway with the US registration. The partnership with Zimmer Biomet, which started in 2019, is developing in a positive way and has the potential to expand Bactiguard's license business significantly.

In the fourth quarter, we reported another breakthrough in China. Our partner Well Lead has - despite the pandemic - made important progress in the development of its own portfolio of medical devices with Bactiguard's coating technology. As a consequence, Well Lead placed its first order for Bactiguard's coating concentrate to be used in product development and manufacturing, pending regulatory approval for locally produced products. The order generated license revenues in the fourth quarter of just over SEK 9 million. As the products are approved, our partnership with Well Lead will change from a distributor partnership to licensing.

I am disappointed that we did not reach our target of signing one or two new license deals in 2020. We have several exciting projects and dialogues underway, but the pandemic has led to reduced investment capacity among potential partners and more lengthy processes. The strategy of establishing one or two new license deals per year remains unchanged, with a focus on orthopaedic and dental implants and different types of products for the bloodstream, such as

stents and dialysis catheters. We know that Bactiguard's technology is very well suited for different types of medical applications, both for short-term and long-term use, and we are convinced that ongoing projects and studies will lead to new licensing deals.

## Continued global expansion

I'm glad to welcome very experienced leaders, marketers and salespeople to Bactiguard. The management team has been strengthened with Petra Kaur Ljungman as Marketing and Communications Officer and Peter Rådqvist as Head of Global Sales. Both of them bring experience of creating profitable growth. They add strategic and operational expertise that is important for Bactiguard's continued global expansion. This will increase speed in our sales organization and make Bactiguard more visible and influential. The goal is to make our products the obvious choice for infection prevention and standard of care.

During the autumn we initiated a change of our sales strategy and we have now established our own sales force in the Nordic region, in addition to the one we have in Malaysia. At the same time, our distributor partnerships continue to be important, and in the fourth quarter we continued our expansion in Europe by signing a partnership for the Spanish market, which encompasses the BIP portfolio with products for the urinary tract, bloodstream and respiratory tract. The partnership is significant as Spain is one of Europe's largest countries with 46 million inhabitants. We have also made progress in the Indian market. The e-commerce platform launched by the Indian government for medical devices, has given us several orders for central venous catheters and interest in our products is growing.

Disinfection and wound care are important in of our growth strategy. We focus on launching the effective and non-alcoholic solution Hydrocyn® aqua in Europe, the Middle East, and India in addition to Southeast Asia. The global rollout continues at high speed, however due to local regulations it will take some time before we see a significant impact on sales.

In January this year, we took another step in the European market with the launch of Hydrocyn in Greece, following the launch in Sweden at the beginning of 2020. We were quick to increase production and secure deliveries as there was a huge shortage of disinfectants in healthcare and for key community services. We are glad that we were able to support the police and others in a difficult situation. However, establishing private air transportation is expensive. In December, we received an EU-grant, but it was far from enough to cover the additional costs. We would have appreciated a little more support from the Swedish government and the EU.

## Infection prevention a global concern

2020 has been a challenging year due to the pandemic, although Bactiguard makes its entrance into 2021 as a stronger company. In 2020, we made our first acquisition ever and integrated Vigilenz, we broadened our product portfolio, made progress in the licensing business and sharpened our sales strategy.

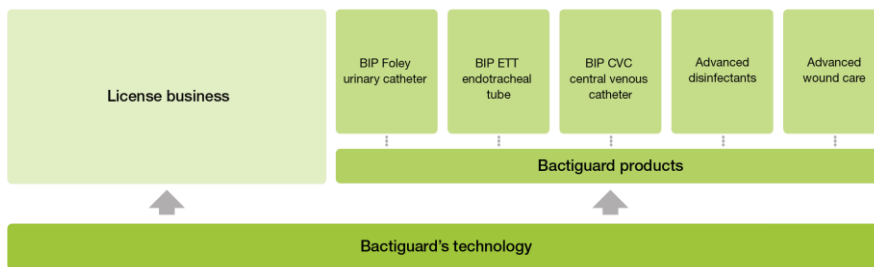
The global roll-out of vaccines will have a positive effect on societies and our everyday lives, not least to bring healthcare back to more normal activities. The speed of the roll-out and the risk of mutations with new outbreaks make the near-term development difficult to assess. At the same time, the global healthcare backlog must be managed, and in the Stockholm Region it is estimated that it will take two years to deal with the pent-up need. Thus, infection prevention is not only a strategic matter for Bactiguard, but also a central component in future healthcare and one of the most important sustainability issues.

I have been a part of Bactiguard's executive management team for seven intensive years. It has been an incredibly exciting period, both for me and the company and we have created value for patients, our partners, and shareholders. I am convinced that Bactiguard is better equipped than ever to take advantage of increased global demand for infection prevention. Therefore, I believe that the time is right to hand over to a new CEO who can set the bar for the coming five-year period and take Bactiguard to the next level.

Cecilia Edström, CEO

## Business model

Bactiguard's vision and mission are to prevent healthcare associated infections, increase patient safety and save lives. The basis for our business model is a unique technology for infection prevention, which we offer to other manufacturers of medical devices through licensing agreements and through our own product portfolio of consumables for health care.



### Bactiguard Infection Protection (BIP)

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

### License revenues

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

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

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

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

# Development in the fourth quarter

## Revenues

MSEK	Q4 2020	Q4 2019
License revenues	32.8 <sup>1</sup>	33.7
New license revenues	0.6	-
Sales of BIP products	16.9	25.3 <sup>1</sup>
Other revenues	5.3	0.9
<b>Total revenues</b>	<b>55.6</b>	<b>59.8</b>

<sup>1</sup> In 2019 BIP products were sold to China for SEK 16.5 million. In 2020 the partnership with China has changed from a distributor partnership to a license business, therefore SEK 9.4 million in revenue is included in License revenues.

Revenues in the quarter amounted to SEK 55.6 (59.8) million, which is a decrease of 7%. Adjusted for currencies the decrease was 2%.

License revenues amounted to SEK 32.8 (33.7) million, whereof SEK 23.4 (33.7) million related to revenues from BD. Revenues from BD were negatively affected by currency effects of SEK 3.3 million. During the quarter, we saw a recovery to more normal levels, but revenues from BD are still impacted by reduced regular healthcare and postponed operations due to the pandemic. Revenues during the fourth quarter 2019 were significantly higher than normal due to additional orders. The underlying business with BD is stable and is expected to recover as healthcare returns to a more normal activity level.

In China, Bactiguard has a combined license and distributor agreement with Well Lead. In 2020, Well Lead has made progress in the development of its own medical devices with Bactiguard's technology. Previously, exclusively finished BIP products were delivered to Well Lead and in December, Bactiguard received the first order for its coating concentrate, as the next step in the development of the business. The order amounted to SEK 9.4 million and is included in the fourth quarter's license revenues. There was no license income from China in the fourth, however, BIP products were delivered at a value of SEK 16.5 million.

Ongoing projects have resulted in new license revenues of approximately SEK 0.6 (-) million in the quarter.

We saw stronger sales of BIP products in the quarter compared with the previous quarter. Revenues amounted to SEK 16.9 (25.3) million and amounted to SEK 10.4 million in the third quarter. The comparison is affected by the fact that the fourth quarter 2019 included BIP products to China of SEK 16.5 million. The new product portfolio from Vigilenz also contributed positively to sales.

During the quarter, Southeast Asia and the Middle East developed well. In Europe, a new distributor agreement was signed for Spain covering the BIP products and in January 2021, a partnership for Hydrocyn® aqua was established in Greece.

Other income amounted to SEK 5.3 (0.9) million, of which SEK 3.0 million relates to balance sheet-related currency effects and SEK 1.4 million relates to grants. The grant is an EU grant for increased transportation costs. The total grant has been transferred to Svenskt Industriflyg, as a compensation for increased costs related to the private air transportation that was established between Asia and Europe in the spring. Corresponding costs for the grant are included under the item Raw materials and consumables, which means a neutral effect on the result of the grant received.

## Financial results

EBITDA for the quarter amounted to SEK 4.9 (12.2) million, corresponding to an EBITDA margin of 9% (20%).

Costs for raw material and consumables increased by SEK 2.6 million during the fourth quarter compared to corresponding quarter previous year, despite lower sales of BIP products. This is a combination of remaining freight costs from previous quarters, depreciation for obsolescence and higher purchase costs for raw materials due to currency effects. These non-recurring items have a negative effect on the gross margin in the quarter.

Other external costs decreased with SEK 2.7 million compared to the same period last year. The reduction is attributable to lower consulting and travel costs as well as lower marketing activities because of canceled exhibitions.

Personnel costs increased by SEK 1.6 million compared to the fourth quarter last year. The increase is attributable to the integration of Vigilenz.

Other operating expenses consist of balance sheet-related currency effects that affected the result for the fourth quarter negatively by SEK -4.4 (-1.2) million.

The Group's operating profit for the quarter amounted to SEK -6.4 (1.7) million. Depreciation, which does not affect cash flow, affected operating profit by SEK -11.3 (-10.5) million, whereof depreciations on Bactiguard technology amounted to SEK -6.4 (-6.0) million.

Financial items amounted to SEK -3.0 (-2.0) million. Financial costs in the quarter mainly consists of currency effects and interest expenses for bank loans.

Tax for the period amounted to SEK 0.0 (1.8) million. Income tax in foreign subsidiaries amounted to SEK -0.5 million of the tax, while SEK 0.5 million refers to changes in deferred tax attributable to the Group's intangible assets.

## Development during 2020

### Revenues

MSEK	2020	2019
License revenues	102.9	113.3
New license revenues	0.6	31.5
Sales of BIP products	68.9	40.2
Other revenues	13.7	8.9
<b>Total revenues</b>	<b>186.0</b>	<b>193.9</b>

Revenue amounted to SEK 186.0 (193.9) million, a decrease by 4%. Adjusted for currency the decrease was 2%.

In 2020 the license revenues from BD decreased with SEK 19.9 million. The decrease is partly an effect of a weaker dollar, which has affected revenues from BD by SEK -3.3 million, but above all an effect of lower volumes due to the pandemic. During the pandemic, regular healthcare and planned operations have been impacted, which has had a negative effect on BD's sales of

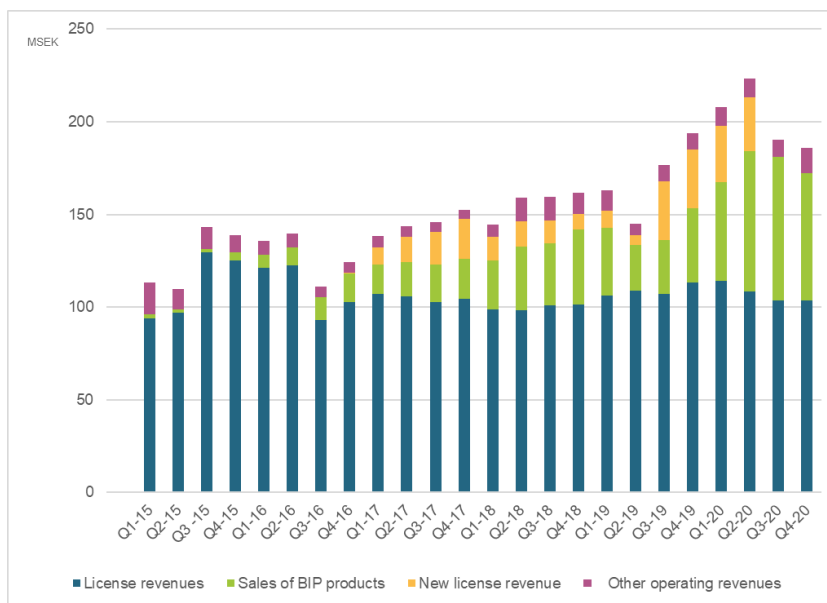
consumables. The underlying business with BD is stable and is expected to continue to recover as healthcare returns to more normal activities.

Ongoing projects have resulted in new license revenues of approximately SEK 0.6 million during 2020. Last year included SEK 31.5 million in new license revenues, whereof SEK 29.4 million from the agreement with Zimmer Biomet and SEK 2.1 million from the agreement with Well Lead.

In 2020 BIP sales amounted to SEK 68.9 (40.2) million and represented 37% of total revenues. The growth was mainly driven by increased sales of the product portfolio from Vigilenz. At the end of March, the product HYDROCYN aqua® was launched in Sweden and its scope was broadened from advanced wound care to disinfection. Revenues from Vigilenz are included in BIP sales as of March 2020.

Other revenues amounted to SEK 13.7 (8.9) million, whereof SEK 9.5 (4.3) million refers to increased exchange rate effects related to balance sheet items.

### Revenues development, rolling twelve months



## Financial results

EBITDA in 2020 amounted to SEK 26.7 (61.6) million, corresponding to an EBITDA margin of 14% (32%). The high EBITDA level 2019 was mainly a result of license revenues of SEK 29.4 million related to the license agreement with Zimmer Biomet.

Costs for raw material and consumables increased because of the increase in BIP sales, increased shipping costs, inventory adjustments for obsolescence and higher purchase costs for raw materials due to currency effects.

Other external costs were SEK 3.1 million higher compared to last year. Other external costs increased because of the acquisition of Vigilenz, higher activity within clinical studies and

increased consultant costs. Lower marketing costs because of canceled exhibitions had the opposite effect of the cost development.

The increase of personnel costs by SEK 9.1 million is attributable to the integration of Vigilenz.

Other operating expenses consist of balance sheet-related currency effects that affected negatively by SEK -7.3 (-2.5) million.

Operating profit for 2020 amounted to SEK -17.6 (19.5) million. Depreciation, which does not affect cash flow, affected operating profit by SEK -44.3 (-42.1) million, whereof depreciation on Bactiguard technology amounted to SEK -25.1 (-23.8) million.

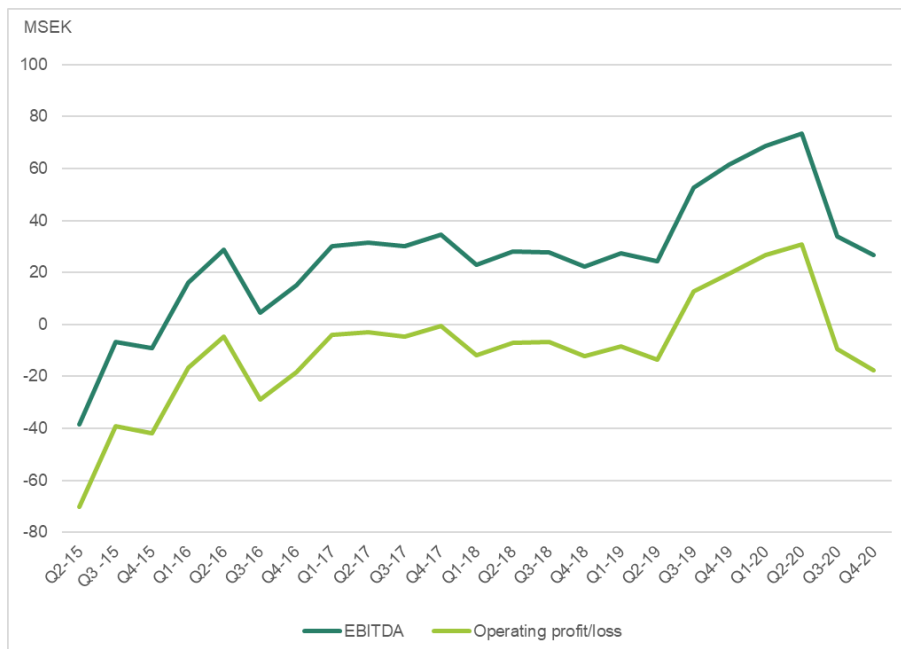
Financial items amounted to SEK -24.3 (-9.2) million. The part of the purchase price for the acquisition of Vigilenz that consisted of shares is for accounting purposes considered as a financial instrument and the forward effect is thus reported as a financial item in the income statement. This affected net financial items by SEK -10.9 million in 2020.

Interest expenses for bank loans and an up-front fee for new medium-term financing, which was secured in connection with the acquisition amounted during the year to SEK -5.7 (-4.8) million. The remaining part of the financial net mainly consists of interest for leasing. Forward hedging in USD has during the year affected the financial net positively by SEK 2.2 (-1.2) million.

Tax for the period amounted to SEK 5.0 (5.9) million. Income tax in foreign subsidiaries amounted to SEK -0.8 (0,0) million. Remaining amount refers to changes in deferred tax attributable to the Group's intangible assets.

Loss for the full year 2020 amounted to SEK -37.0 (16.3) million, whereof the accounting effect related to the set-off issue accounted for SEK -10.9 million.

### Operating profit, rolling twelve months



The stable EBITDA result of the past years is an effect of good revenue growth, attributable to new licensing agreements, growth in BIP sales and the acquisition of Vigilenz. During the second half of 2020, license revenues were lower than in the corresponding period last year, which has an impact on earnings development. The EBITDA margin was 14% (32%) in 2020.



## Cash flow and financial position

Cash flow from operating activities was SEK 3.9 (36.9) million in the quarter due to a positive operating profit and higher sales of inventories. At the end of the quarter, larger payments were also received on older accounts receivable, which contributed positively. During the fourth quarter last year, payment of the initial license fee of SEK 29.4 million was received from Zimmer Biomet, which generated a strong cash flow.

Investments amounted to SEK -7.2 (-1.3) million in the quarter and consisted of SEK -2.8 million in tangible fixed assets, primarily in production facilities, and SEK -4.4 million in intangible assets, which refers to capitalized development expenses and costs for renewed patent.

During the quarter, a small part of the overdraft facility was used, which had a negative cash flow effect of SEK -5.0 million and total cash flow for the fourth quarter amounted to SEK -7.8 (17.3) million.

In 2020, cash flow from operating activities amounted to SEK 0.7 (54.0) million. The difference is mainly an effect of lower profit and negative working capital. The change in working capital is due to the stock of BIP products built up in Sweden and Malaysia at the beginning of the year to meet the increased demand the pandemic initially created, but which later slowed down due to reduced activities in healthcare and difficulties in conducting active sales in closed markets.

The acquisition of Vigilenz affected cash flow from investing activities by SEK -41.7 million net. The acquisition was financed by an increase of the Group's existing credit facility by SEK 43.4 million and a conditional new share issue of 241 512 B shares.

The Group's investments in fixed assets amounted to SEK -15.4 (-4.4) million in 2020, because of investments in production facilities in Penang, Malaysia, Group IT investments, and capitalized expenditures in development projects. Amortization of leasing debt affected cash flow from financing activities by SEK -5.5 (-8.9) million. Investments have partly been financed by utilization of the credit facility, whereof 8.9 million were utilized on December 31, 2020.

Total cash flow for 2020 amounted to SEK -10.1 (21.7) million.

Consolidated equity amounted to SEK 374.7 (386.7) million on December 31, 2020. Following the Annual General Meeting on April 28, a set-off issue of 241 512 Serie B shares was carried out, as partial payment for the acquisition of Vigilenz. According to IFRS, the shares are valued at the market price as of the issue date (SEK 133/ share), which meant an increase in equity of SEK 32.1 million. For accounting purposes, this partial payment is considered a financial instrument and the forward effect has had an impact of the loss of the year of SEK -10.9 million. Thus, the net impact on equity from the set-off issue was SEK 21.2 million in 2020.

Net debt amounted to SEK 254.1 (185.0) million on December 31, 2020. In connection with the acquisition of Vigilenz, the Group's existing credit facility from SEB was renegotiated. This means that the term is extended to February 2023 and the total outstanding amount on December 31, 2020 amounted to SEK 170.9 (127.5) million. The loan agreement includes a mandatory payment which means an amount corresponding to 50% of free cash flow (cash flow before financing, deducted by interest and amortization of leasing debt), but not exceeding SEK 35 million, is paid annually. As a consequence of the effects of the pandemic, the terms of the loan agreement with SEB were renegotiated in January 2021. The terms have been renegotiated with regard to covenants and available overdraft facilities, which now amount to SEK 45 (30) million, other terms are unchanged.

On December 31, 2020, total assets amounted to SEK 675.2 (641.4) million. The largest asset items on the balance sheet are goodwill of SEK 245.4 million and the Bactiguard technology

which amounted to SEK 149.7 million at the end of the period. The Bactiguard technology is depreciated by approximately SEK 25 million annually over a period of 15 years.

Note 3 contains an acquisition analysis for the acquisition of Vigilenz.

## Other information

### The share and share capital

Trade in the Bactiguard share takes place at Nasdaq Stockholm under the ticker symbol "BACTI". The last price paid for the listed B share on 30 December 2020 was 143 SEK, and the market capitalization amounted to SEK 4.797 million. The share price development during 2020 meant that Bactiguard, as of January 1, 2021, was moved from the Nasdaq Small Cap to the Nasdaq Mid Cap segment.

The share capital of Bactiguard on 31 December 2020 amounted to SEK 0.8 million divided into 29 543 885 B shares, each with one vote (29 543 885 votes) and 4 000 000 A shares, each with ten votes (40 000 000 votes). The total number of shares and votes in Bactiguard on 31 December 2020 amounted to 33 543 885 shares and 69 543 885 votes. During the second quarter 241 512 new B shares were issued as partial payment for the acquisition of Vigilenz.

### Ownership

On 31 December 2020 Bactiguard had 4 999 shareholders.

Shareholders	No of A-shares	No of B-shares	Total number	% of capital	% of shares
Christian Kinch and company	2 000 000	4 125 977	6 125 977	18.3%	34.7%
Thomas von Koch and company	2 000 000	4 125 878	6 125 878	18.3%	34.7%
Nordea Investment Funds		3 419 987	3 419 987	10.2%	4.9%
Jan Ståhlberg		3 354 387	3 354 387	10.0%	4.8%
Fjärde AP Fonden		3 300 391	3 300 391	9.8%	4.7%
Handelsbanken Investments Funds		1 895 302	1 895 302	5.7%	2.7%
State Street Bank and Trust Co		821 282	821 282	2.4%	1.2%
Försäkringsbolaget Avanza Pension		702 790	702 790	2.1%	1.0%
UBS AG London Branch		695 655	695 655	2.1%	1.0%
Lancelot Asset Management AB		650 000	650 000	1.9%	0.9%
<b>Total, major shareholders</b>	<b>4 000 000</b>	<b>23 091 649</b>	<b>27 091 649</b>	<b>80.8%</b>	<b>90.7%</b>
Total, others		6 452 236	6 452 236	19.2%	9.3%
<b>Total number of shares</b>	<b>4 000 000</b>	<b>29 543 885</b>	<b>33 543 885</b>	<b>100%</b>	<b>100%</b>

### Employees

The average number of employees in the group in period amounted to 163 (59), of which 105 (36) are women. At the end of the period, the number of employees was 181 (51), the increase is attributable to the acquisition of Vigilenz.

### Key events during the quarter

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

### Key events after the end of the quarter

For key events, see page 1. All press releases are available on the website [www.bactiguard.com](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.

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

### Segment reporting

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

### Related-party transactions

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

### Parent company

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

### Risk factors

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

### Covid-19

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

During the year, the pandemic affected Bactiguard in several ways. The pandemic has increased the need for infection prevention and thus created new opportunities for Bactiguard, which also had a positive effect on sales figures during the first half of the year. During the third quarter, the pandemic had a clear negative impact on our operations as a result of reduced regular healthcare and postponed interventions. During the fourth quarter, we saw a recovery to more normal levels in the licensing business and stronger sales of our own BIP products than during the third quarter. Both license revenues as well as sales of BIP products are still affected by reduced regular healthcare and postponed operations. The acquisition of Vigilenz has strengthened Bactiguard and improved cash flow.

There is now a large healthcare debt globally that needs to be processed. The roll-out of vaccines will have a positive effect and we see a great need for our products for infection prevention. However, developments in the near future are still difficult to assess.

Although Covid-19 has had a negative effect on sales and earnings, our assessment is that it is a temporary effect. The need for care remains and we are pushing an accelerating care debt ahead of us that must be addressed. In addition, we work closely with our licensing partners and see that our technology in the future will 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 the book value and therefore sees no need for impairment regarding the Group's intangible assets and deferred tax.

### **Financial targets**

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

- an average growth of 20% per year over a five-year period, with 2020 as the base year;
- an EBITDA margin of at least 30% at the end of the five-year period (year 2025);
- a dividend of 30–50% of profit after tax, taking into consideration the company's financial position. The company is in an expansion phase and will therefore in the coming years, prioritize growth over dividends.

Bactiguard will continue to expand its operations by strengthening its sales and marketing organization, developing its product portfolio and entering into new licensing agreements in more therapy areas, as well as selective acquisitions.

### **Dividend**

The Board proposes no dividend for 2020.

## Condensed consolidated income statement

Amounts in TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
<i>Revenues</i>	<i>Note 1</i>			
License revenues	33 378	33 650	103 463	144 751
Sales of BIP products	16 878	25 289	68 852	40 236
Other revenues	5 304	886	13 711	8 942
	55 561	59 825	186 026	193 929
Change in inventory of finished goods <sup>4</sup>	478	1 813	4 700	3 882
Capitalized expenses for own account <sup>5</sup>	3 436	516	3 959	2 731
Raw materials and consumables	-19 803	-17 234	-43 853	-32 062
Other external expenses	-10 994	-13 736	-49 330	-46 242
Personnel costs	-19 380	-17 788	-67 188	-58 082
Depreciation and amortisation	-11 307	-10 481	-44 293	-42 128
Other operating expenses	-4 426	-1 176	-7 659	-2 516
	-61 996	-58 086	-203 664	-174 418
<b>Operating profit/loss</b>	<b>-6 435</b>	<b>1 739</b>	<b>-17 638</b>	<b>19 511</b>
<i>Profit/loss from financial items</i>				
Financial income	1 995	1 458	2 240	151
Financial expenses	-4 952	-3 444	-15 667	-9 309
Result from change in derivative <sup>6</sup>				
	-2 957	-1 986	-13 427	-9 158
<b>Profit before tax</b>	<b>-9 392</b>	<b>-247</b>	<b>-41 933</b>	<b>10 353</b>
Taxes for the period	-26	1 806	4 953	5 903
<b>Net profit/loss for the period</b>	<b>-9 418</b>	<b>1 559</b>	<b>-36 980</b>	<b>16 256</b>
<b>Attributable to:</b>				
Shareholders of the parent	-9 418	1 559	-36 980	16 256
Earnings per share, SEK <sup>7</sup>	-0,28	0,05	-1,10	0,49

<sup>4</sup> The item has in previous year's reporting been included in Other revenues

<sup>5</sup> The item has in previous year's reporting been included in Other external expenses (313 TSEK Oct-Dec 2019, 1692 TSEK full year 2019) and Personnel costs (203 TSEK Oct-Dec 2019, 1039 TSEK full year 2019)

<sup>6</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 full year 2020 with SEK -10.9 million. The set-off issue for the acquisition of Vigilenz was completed in connection with the Annual General meeting on April 28, 2020.

<sup>7</sup> No dilution effect

## Condensed consolidated statement of comprehensive income

Amounts in TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net profit/loss for the period	-9 418	1 559	-36 980	16 256
<i>Other comprehensive income:</i>				
<u>Items that will be reclassified to profit or loss for the year</u>				
Translation differences	-3 831	172	-7 175	-406
Other comprehensive income, after tax	-3 831	172	-7 175	-406
Total comprehensive income for the period	-13 249	1 731	-44 155	15 850
<b>Attributable to:</b>				
Shareholders of the parent	-13 249	1 731	-44 155	15 850
Number of shares at the end of period ('000)	33 544	33 302	33 544	33 302
Weighted average number of shares ('000)	33 544	33 302	33 544	33 302

## Condensed consolidated statement of financial position

Amounts in TSEK	2020-12-31	2019-12-31
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	245 411	226 292
Technology	149 652	165 192
Brands	26 155	25 572
Customer relationships	9 334	8 188
Capitalised development expenditure	22 324	21 555
Patents	1 117	355
<b>Intangible assets</b>	<b>453 994</b>	<b>447 153</b>
Leased assets	73 029	79 266
Buildings	13 509	0
Improvements, leasehold	8 370	9 536
Machinery and other technical plant	7 981	4 410
Equipment, tools and installations	5 283	1 886
<b>Property, plant and equipment</b>	<b>108 173</b>	<b>95 099</b>
Long-term receivables	1 708	1 837
<b>Financial assets</b>	<b>1 708</b>	<b>1 837</b>
<b>Total non-current assets</b>	<b>563 875</b>	<b>544 090</b>
<b>Current assets</b>		
Inventory	34 161	14 351
Accounts receivable	49 642	45 414
Other current receivables <i>Note 2</i>	17 657	14 634
Cash and cash equivalents	9 886	22 878
<b>Total current assets</b>	<b>111 346</b>	<b>97 277</b>
<b>TOTAL ASSETS</b>	<b>675 221</b>	<b>641 367</b>
<b>Equity attributable to shareholders of the parent</b>		
Share capital	839	833
Other equity	373 835	385 859
<b>Total equity</b>	<b>374 673</b>	<b>386 691</b>
<b>Non-current liabilities</b>		
Deferred tax liability	12 413	13 553
Liabilities to credit institutions	188 016	102 500
Liabilities leasing agreements	66 263	71 760
<b>Total non-current liabilities</b>	<b>266 692</b>	<b>187 813</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	-	24 400
Accounts payable	8 801	8 588
Liabilities leasing agreements	9 746	9 223
Other current liabilities <i>Note 2</i>	2 234	2 528
Accrued expenses and deferred income	13 076	22 122
<b>Total current liabilities</b>	<b>33 856</b>	<b>66 862</b>
<b>Total liabilities</b>	<b>300 548</b>	<b>254 675</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>675 221</b>	<b>641 367</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 2019</b>	833	675 690	-305	-305 376	370 841
Profit/loss for the period				16 256	16 256
<i>Other comprehensive income:</i>					
Translation differences			-406		-406
<b>Total comprehensive income after tax</b>	-	-	<b>-406</b>	<b>16 256</b>	<b>15 850</b>
<b>Transactions with shareholders</b>					
<b>Total transactions with shareholders</b>	-	-	-	-	-
<b>Closing balance, December 31, 2019</b>	<b>833</b>	<b>675 690</b>	<b>-711</b>	<b>-289 120</b>	<b>386 691</b>
<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				-36 980	-36 980
<i>Other comprehensive income:</i>					
Translation differences			-7 175		-7 175
<b>Total comprehensive income after tax</b>	-	-	<b>-7 175</b>	<b>-36 980</b>	<b>-44 155</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>0</b>	<b>0</b>	<b>32 121</b>
<b>Closing balance, December 31, 2020</b>	<b>839</b>	<b>707 805</b>	<b>-7 886</b>	<b>-326 084</b>	<b>374 673</b>



## Condensed consolidated statement of cash flows

Amounts in TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net profit/loss for the period	-9 418	1 559	-36 980	16 256
Adjustments for depreciation and amortisation and other non-cash items	11 743	8 366	51 221	36 424
Cash flow from changes in working capital	1 606	26 925	-13 539	1 302
<b>Cash flow from operating activities</b>	<b>3 931</b>	<b>36 850</b>	<b>702</b>	<b>53 982</b>
Acquisition of subsidiary	-43	-	-41 663	-
Investments in non-current assets	-7 173	-1 306	-15 350	-4 423
<b>Cash flow from investing activities</b>	<b>-7 216</b>	<b>-1 306</b>	<b>-57 013</b>	<b>-4 423</b>
Debt incurred	-	-	43 441	-
Amortisation of financial lease	513	-1 899	-5 498	-8 921
Change in bank overdraft	-5 026	-8 800	8 856	-3 905
Amortisation of loan	-746	-7 500	-1 376	-15 000
Other financing activities	725	-	781	-
<b>Cash flow from financing activities</b>	<b>-4 534</b>	<b>-18 199</b>	<b>46 204</b>	<b>-27 826</b>
<b>Cash flow for the period</b>	<b>-7 819</b>	<b>17 345</b>	<b>-10 106</b>	<b>21 733</b>
<b>Cash and cash equivalents at start of period</b>	<b>19 439</b>	<b>6 601</b>	<b>22 878</b>	<b>1 893</b>
Exchange difference in cash and cash equivalents	-1 734	-1 067	-2 886	-748
<b>Cash and cash equivalents at end of period</b>	<b>9 886</b>	<b>22 879</b>	<b>9 886</b>	<b>22 878</b>

## Condensed parent company

<b>Income Statement</b>	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Amounts in TSEK				
Revenues	15	797	2 315	5 081
Operating expenses	-1 377	-1 502	-7 578	-8 310
<b>Operating profit/loss</b>	<b>-1 362</b>	<b>-704</b>	<b>-5 263</b>	<b>-3 229</b>
Net financial items	-625	-361	-13 636	-1 438
<b>Profit/loss after financial items</b>	<b>-1 987</b>	<b>-1 066</b>	<b>-18 899</b>	<b>-4 667</b>
Tax for the period	-	15 255	-	15 255
<b>Net profit/loss for the period</b>	<b>-1 987</b>	<b>14 189</b>	<b>-18 899</b>	<b>10 588</b>

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

<b>Balance Sheet</b>	2020-12-31	2019-12-31
Amounts in TSEK		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets	659 431	592 860
Deferred tax asset	15 255	15 255
<b>Total non-current assets</b>	<b>674 686</b>	<b>608 114</b>
<b>Current assets</b>	<b>2 332</b>	<b>3 769</b>
<b>Total current assets</b>	<b>2 332</b>	<b>3 769</b>
<b>TOTAL ASSETS</b>	<b>677 018</b>	<b>611 883</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Total equity</b>	<b>481 095</b>	<b>467 873</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	170 941	102 500
<b>Total non-current liabilities</b>	<b>170 941</b>	<b>102 500</b>
<b>Current liabilities</b>	<b>24 982</b>	<b>41 510</b>
<b>Total current liabilities</b>	<b>24 982</b>	<b>41 510</b>
<b>Total liabilities</b>	<b>195 923</b>	<b>144 010</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>677 018</b>	<b>611 883</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	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Operating profit/loss	-6 435	1 739	-17 638	19 511
Depreciation and amortisation	<u>11 307</u>	<u>10 481</u>	<u>44 293</u>	<u>42 128</u>
<b>EBITDA</b>	<b>4 872</b>	<b>12 221</b>	<b>26 655</b>	<b>61 640</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	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
EBITDA	4 872	12 221	26 655	61 640
Revenue	<u>55 561</u>	<u>59 825</u>	<u>186 026</u>	<u>193 929</u>
<b>EBITDA-marginal</b>	<b>9%</b>	<b>20%</b>	<b>14%</b>	<b>32%</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	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Net profit	-9 418	1 559	-36 980	16 256
IFRS adjustment from set-off issue	0	0	<u>10 868</u>	0
<b>Adjusted Net profit/loss</b>	<b>-9 418</b>	<b>1 559</b>	<b>-26 112</b>	<b>16 256</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	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Liabilities to credit institutions	188 016	126 900	188 016	126 900
Long-term liabilities leasing	66 263	71 760	66 263	71 760
Short-term liabilities leasing	<u>9 746</u>	<u>9 223</u>	<u>9 746</u>	<u>9 223</u>
Interest-bearing liabilities	264 024	207 884	264 024	207 884
Cash and cash equivalents	<u>-9 886</u>	<u>-22 878</u>	<u>-9 886</u>	<u>-22 878</u>
<b>Net debt</b>	<b>254 138</b>	<b>185 006</b>	<b>254 138</b>	<b>185 006</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	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Equity	374 673	386 691	374 673	386 691
Balance sheet total	<u>675 221</u>	<u>641 367</u>	<u>675 221</u>	<u>641 367</u>
<b>Equity ratio</b>	<b>55%</b>	<b>60%</b>	<b>55%</b>	<b>60%</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	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Adjusted Net profit/loss	-9 418	1 559	-26 112	16 256
Number of shares at the end of the period ('000)	<u>33 544</u>	<u>33 302</u>	<u>33 544</u>	<u>33 302</u>
<b>Adjusted earnings per share</b>	<b>-0,28</b>	<b>0,05</b>	<b>-0,78</b>	<b>0,49</b>

## Profit/loss from financial items

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

## Note 1 Revenue distribution

<b>Total Group</b>	Oct-Dec	Oct-Dec	Full year	Full year
Amounts in TSEK	2020	2019	2020	2019
<b>Type of product/service</b>				
License	33 378	33 650	103 463	144 751
<u>Sales of BIP products</u>	<u>16 878</u>	<u>25 289</u>	<u>68 852</u>	<u>40 236</u>
<b>Total</b>	<b>50 256</b>	<b>58 939</b>	<b>172 315</b>	<b>184 987</b>
<b>Time for revenue recognition</b>				
Performance commitment is met at a certain time	50 256	58 939	172 315	182 869
<u>Performance commitment is met during a period of time</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2 118</u>
<b>Total</b>	<b>50 256</b>	<b>58 939</b>	<b>172 315</b>	<b>184 987</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 2019, note 4. Fair value of financial assets and liabilities is estimated to be substantially consistent with book values. The group holds derivative instruments for foreign exchange contracts which are recognized at fair value through profit or loss, considering the current exchange rate on the foreign exchange market and the remaining maturity of respective instruments.

Amounts in TSEK	2020	2019
	Derivatives (level 2)	Derivatives (level 2)
<b>Assets</b>		
Other current receivables	1 988	-
<b>Liabilities</b>		
Other current liabilities	-	248

## Note 3 Acquisition

As of February 28, 2020, Bactiguard Holding AB acquired 100% of the share capital in Vigilenz Medical Devices and Vigilenz Medical Supplies (together Vigilenz) in Malaysia, which means these companies are included in the consolidated amounts from March 2020. The purchase consideration consisted of a cash payment of SEK 43.7 million at closing and, subject to approval by the annual general meeting of shareholders in April 28<sup>th</sup>, 2020, 241 512 new B-shares in Bactiguard. The shares have valued at fair value based on the market price at the time of acquisition (88 SEK/share). The acquisition was financed through credit facilities provided by Skandinaviska Enskilda Banken (SEB), with a maturity of three years.

2019 Vigilenz had a turnover of approximately MYR 18 million (approx. SEK 42 million), EBITDA of approximately MYR 2.6 million (approx. SEK 6 million) and an EBITDA-margin of 14 percent. Total number of employees is just above 100.

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

According to the acquisition analysis a goodwill of SEK 22.9 million arose upon acquisition, mainly attributable to synergies, future customers, future technology, market position and workforce at Vigilenz. The estimated useful lifetime for Technology is 6 years, customer relations 12 years, trademark Vigilenz 5 years. The assets and liabilities included in the acquisition in the report period 2020 is, according to the preliminary acquisition analysis as follows:

Amounts in TSEK	
Fair value of acquired net assets	Vigilenz
Technology	9 600
Trademark	700
Customer relations	2 500
Buildings	14 979
Improvements, leasehold	427
Leased assets	993
Machinery and other technical plant	3 680
Equipment, tools and installations	2 845
<b>Total non-current assets</b>	<b>35 724</b>
Inventory	16 795
Accounts receivable	5 110
Other current receivables	1 822
Cash and cash equivalents	3 920
<b>Total current assets</b>	<b>27 647</b>
<b>TOTAL ASSETS</b>	<b>63 371</b>
Deferred tax liability	4 806
Liabilities to credit institutions	11 554
Liabilities leasing agreements	559
<b>Total non-current liabilities</b>	<b>16 919</b>
Short-term liabilities to credit institutions	734
Accounts payable	923
Short-term liabilities leasing agreements	438
Other current liabilities	2 293
<b>Total current liabilities</b>	<b>4 388</b>
<b>TOTAL ACQUIRED NET ASSETS</b>	<b>42 064</b>

<b>Allocation of purchase consideration</b>	<b>Vigilenz</b>
Purchase consideration, cash	43 702
Consideration, shares	21 253
<b>Total consideration</b>	<b>64 955</b>
Fair value of acquired net assets	-42 064
<b>Goodwill</b>	<b>22 891</b>

<b>Investing activities</b>	<b>Vigilenz</b>
Purchase consideration, cash	43 702
Cash and cash equivalents in acquired subsidiaries	-3 920
Direct costs relating to acquisition	1 709
<b>Effects of acquisitions on cash and cash equivalents</b>	<b>41 492</b>

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

<b>Contribution from acquired companies 2020</b>	<b>Vigilenz Oct-Dec</b>	<b>Vigilenz Mar-Dec</b>
Net sales	13 154	39 297
Profit after tax for the year	-610	2 351

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

	<b>Vigilenz Jan-Dec</b>
Net sales	45 279
Profit after tax for the year	2 156

## Quarterly information

Amounts in TSEK	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	RTM
License revenues	27 278	26 929	27 698	25 004	33 650	27 750	22 085	20 249	32 786	102 871
New license revenues	0	1 082	1 036	29 351	0	-	-	-	592	592
Sales of BIP products	14 427	3 143	3 154	8 650	25 289	16 195	25 413	10 365	16 878	68 852
Other revenues	802	2 754	1 149	4 153	886	4 160	712	3 536	5 304	13 711
Total revenues	42 507	33 909	33 037	67 158	59 825	48 105	48 211	34 150	55 561	186 026
EBITDA	3 331	7 181	5 735	36 472	12 221	14 365	10 522	-3 103	4 871	26 655
EBITDA margin	8%	21%	17%	54%	20%	30%	22%	-9%	9%	14%
EBIT	-5 113	-3 382	-4 785	25 908	1 739	3 865	-777	-14 291	-6 435	-17 638
Net profit/loss for the period	-5 527	-3 423	-5 627	23 716	1 560	-11 176	-272	-16 114	-9 418	-36 980
Adjusted net profit/loss for the period						1 624	-2 204	-16 114	-9 418	-26 112
Earnings per share, SEK	-0,17	-0,10	-0,17	0,71	0,05	-0,34	-0,01	-0,48	-0,28	-1,10
Adjusted earnings per share, SEK	-	-	-	-	-	0,05	-0,07	-0,48	-0,28	-0,78
Cash flow from operating activities	-2 723	-6 476	-243	23 850	36 850	-3 511	3 583	-3 301	3 931	701
Cash flow from operating activities per share, SEK	-0,08	-0,19	-0,01	0,72	1,11	-0,11	0,11	-0,10	0,12	0,02
Net debt	155 787	238 158	239 188	217 217	185 006	241 523	241 587	250 109	254 138	254 138
Total shares (pcs)	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373	33 302 373	33 543 885	33 543 885	33 543 885	33 543 885

## Forthcoming disclosures of information

30 March 2021	Annual report 2020 is published on the company's website
22 April 2021	Interim report 1 Jan - 31 Mar 2021
28 April 2021	Annual General Meeting
15 July 2021	Interim report 1 April - 30 June 2021
28 October 2021	Interim report 1 July - 30 Sept 2021

## Contacts

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## Signatories of the report

The Board of Directors and the CEO certify that the year-end 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, 4 February 2021

Christian Kinch	Jan Ståhlberg
Chairman	Board Member

Thomas von Koch	Anna Martling
Board Member	Board Member

Cecilia Edström  
CEO and Board Member

Bactiguard is a Swedish medical device company with a mission to save lives. To achieve this mission, we develop and supply infection prevention solutions which reduce the risk of healthcare associated infections and the use of antibiotics. This way, we save significant costs for healthcare and the society in large. The Bactiguard technology prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard offers the technology through license agreements and our BIP (Bactiguard Infection Protection) portfolio of products. Through our license partner BD, urinary catheters with Bactiguard's coating are market leading in the USA and Japan. Bactiguard's own product portfolio of urinary catheters, endotracheal tubes and central venous catheters prevent some of the most common infections which appear in the urinary tract, the blood stream and the respiratory tract. Bactiguard is in a strong expansion phase in the European markets, China, India and the Middle East by establishing license agreements in new therapeutic areas. Recently, Bactiguard completed the acquisition of Malaysian Vigilenz, a manufacturer and supplier of medical devices and consumables, primarily within wound care and infection prevention. Following the acquisition, Bactiguard has about 180 employees around the world. Its headquarters and one of three production facilities are located in Stockholm, the other two in Malaysia. Bactiguard is listed on Nasdaq Stockholm. Read more about how Bactiguard save lives at [www.bactiguard.com](http://www.bactiguard.com)

This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above 2021-02-04, at. 08.00.