

## Interim report for Q1 2021

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

#### First quarter (January-March 2021)

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

#### Key events during the first quarter

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

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

- The wound care range will be introduced in Spain.

#### COVID-19 effects

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

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

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

#### License business – important breakthrough with Zimmer Biomet

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

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

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

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

#### Positive development for the BIP portfolio

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

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



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

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

#### **Further strengthening clinical evidence**

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

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

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

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

#### **Major global need for infection prevention**

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

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

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

Cecilia Edström, CEO

*The interim report for Bactiguard Holding AB (publ) for the period January-March 2021 is now available as a PDF at [www.bactiguard.com](http://www.bactiguard.com).*



*This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below 2021-04-22, at 08.00.*

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**Presentation of Q1**

A webcast for shareholders, analysts and media will be held at **11:00 CET today**, where CEO Cecilia Edström and CFO Gabriella Björknert Caracciolo will present the interim report and answer questions. The report and a presentation for the webcast will be available at Bactiguard's website [www.bactiguard.com](http://www.bactiguard.com).

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

<https://tv.streamfabriken.com/bactiguard-q1-2021>

**About Bactiguard**

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

The Bactiguard technology is based on a thin noble metal alloy coating that prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard offers the technology through licence agreements and our BIP (Bactiguard Infection Protection) portfolio of products. Urinary catheters with Bactiguard's coating are market leaders in the USA and Japan through our licensing partner BD.

Bactiguard's product portfolio also includes a non-alcoholic product line for wound care and disinfection. It effectively kills viruses, bacteria and fungi while being biocompatible, pH neutral and tissue friendly. The active ingredient hypochlorous acid is the same substance as the body's immune cells use in their defence against infectious organisms.

Bactiguard is in a strong expansion phase in the markets in Europe, China, India and the Middle East through our own product portfolio and by establishing licensing deals in new therapy areas.

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