

# Annual Report 2021

01.01.2021 – 31.12.2021



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Qufora is a medical device company that works to enable people with chronic bowel disorders to live a more fulfilled life.

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# Contents

## Management’s report

- A message from the CEO ..... 4
- The company ..... 5
- Year in headlines ..... 6
- Strategy ..... 7
- Primary activities ..... 8
- Market description .....12
- Performance ..... 14
- Leading the industry ..... 16
- Pursuing sustainability ..... 28
- Risk management ..... 32
- Key figures .....34

## A message from the CEO

Dear reader,

I am happy to share a solid growth result in a challenging year although many factors started coming back to a form of normality after COVID-19. We were challenged with high transportation costs and supply issues from China and still many healthcare professional were limited in seeing their patients with long waiting lists and ongoingly experiencing lack of resources in clinics and hospitals. As with many other companies and healthcare institution we utilised digital channels more, and we managed to launch our newest innovation, MiniGo as planned.

Over the last year, we managed to maximise our launches through clearer positioning in the market and strengthening our communication. We have started several initiatives to get closer to healthcare professionals who prescribe our products, through enhanced co-creation and a more structured dialogue such as advisory boards. We sponsor important clinical research that can help thousand of users and HCPs in their daily lives. Finally, we are well on our way to expanding our European footprint by increasing our market shares in newer markets such as Germany and Italy as well as preparing our entrance in France.

All over Europe we see an increasing elderly population who need high quality aids to reduce bowel dysfunctions that are likely to increase with higher age. In Qufora, we are designing products for people and not for medical conditions, in fact they must create distance to the condition and relate more to a higher purpose in life: human health. In 2021 Qufora revolutionised the bowel management industry, through the development and launch of MiniGo and MiniGo Flex, which aim to help eradicate the taboo around bowel problems. The product has won a prestigious Red Dot Award, and we will continue to implement the new design principles in upcoming product designs.

We look into a new normal, and likely things will never return to the past circumstances. But I feel certain that we in Qufora are ready for change, we are relatively small and a very agile company with bright and ambitious people. We want to lead the industry into a sustainable future.

Lena E. Lachenmeier  
CEO



## The company

Qufora is a medical device company that works to enable people with chronic bowel disorders to live a more fulfilled life.

Our work is driven by four cornerstones that we believe, in combination, can challenge the industry through patient-centered insights and design-driven innovations.

Progress towards a healthier world for those with bowel disorders begins with a willingness to break the limits of conventional thinking. Qufora's first product revolutionized the category of bowel care by introducing the cone segment and we have set new award-winning design standards for irrigation products. This is a road we will continue to travel.

We have an empathic and vibrant company culture, and everyone at Qufora is striving to challenge the status quo and pioneer the advancement of the bowel irrigation industry to serve a range of new customer segments. The ambition is to become industry leaders by 2025.

At Qufora we take pride in being a passionate and open-minded company that embraces partnerships and co-creation at all levels. We have a dialogue-based approach, and we value our strong and constructive collaborations with users, healthcare professionals – and all partners who inspire us and share our mission.



## Year in headlines

- In 2021 sales finished at 125,2 MDKK, slightly higher than expected and 20,4% over last year.
- Gross Margins finished at 62,8%, an improvement over 2020.
- Operating profit finished at 17,7 MDKK, which is lower than expected, mainly due to challenging supply conditions.
- EBITDA in 2021 finished at 14,1%.
- Our bowel care business develops well in our key markets.
- We notice a very positive development for the key value drivers: new patient discharge and retention to treatment.
- We outgrow the market and increase our market shares in our key markets, especially driven by the launch of our newest product MiniGo and MiniGo Flex.
- On this background management finds the 2021 result satisfactory and the positive development is expected to continue in 2022.

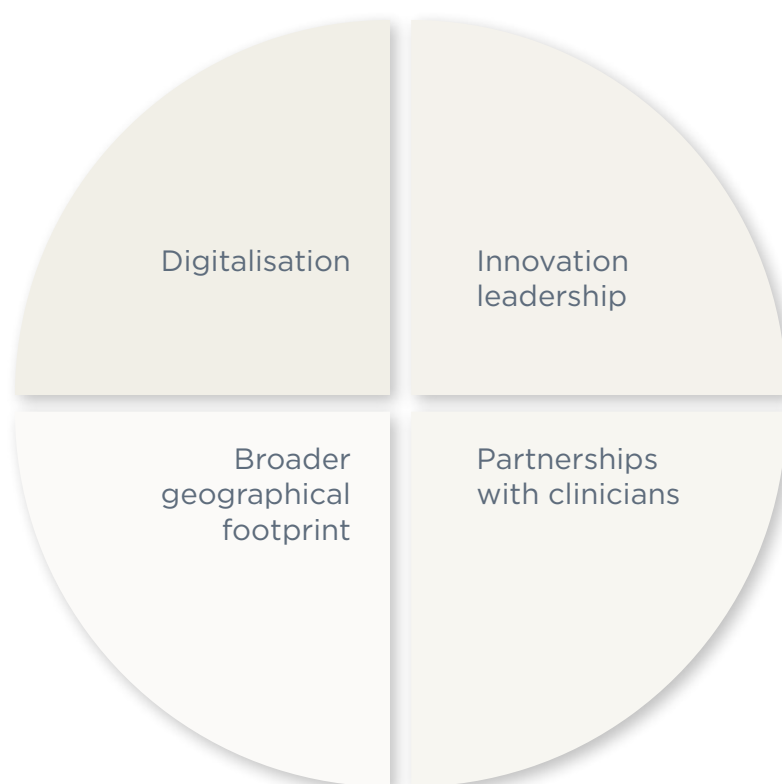
In 2021, Qufora was once again awarded Børsen Gazelle, thereby recognised as being amongst the fastest growing and well-performing companies in Denmark. A Gazelle is awarded to companies which have achieved continuous growth in revenue or gross profit for the last four financial years, and which has in total, more than doubled the revenue or the gross profit in the period. 2021 marks the sixth time that Qufora has received this prestigious national Danish Business award.

**BØRSEN.**  
GAZELLE 2021 

## Strategy

Our 2025 strategy entails:

- We optimise the functionality of our solutions through patient-centered insights and design-driven **innovation**
- Build long lasting **partnerships** with clinicians, with whom we share our mission in a dialogue based approach
- Broader **geographical** footprint by growing and expanding in Europe
- **Digitalisation** is key to support our customers and employees internationally. We take our responsibility seriously to offer high quality support, education and training.



## Primary activities

Qufora is a medical device company that works to enable people with chronic bowel disorders to live a better life. We're building a center of excellence to find solutions for people with bowel disorders through innovation.

The Group and company's principal activities are in line with previous year development and marketing of medical devices through own distribution network.





## Bowel care

We offer a broad range of solutions for bowel irrigation to overcome chronic constipation and faecal incontinence. Many people can benefit from solutions that are easy and intuitive to use, and that can help them regain their sense of control and self-confidence.



## Continence care

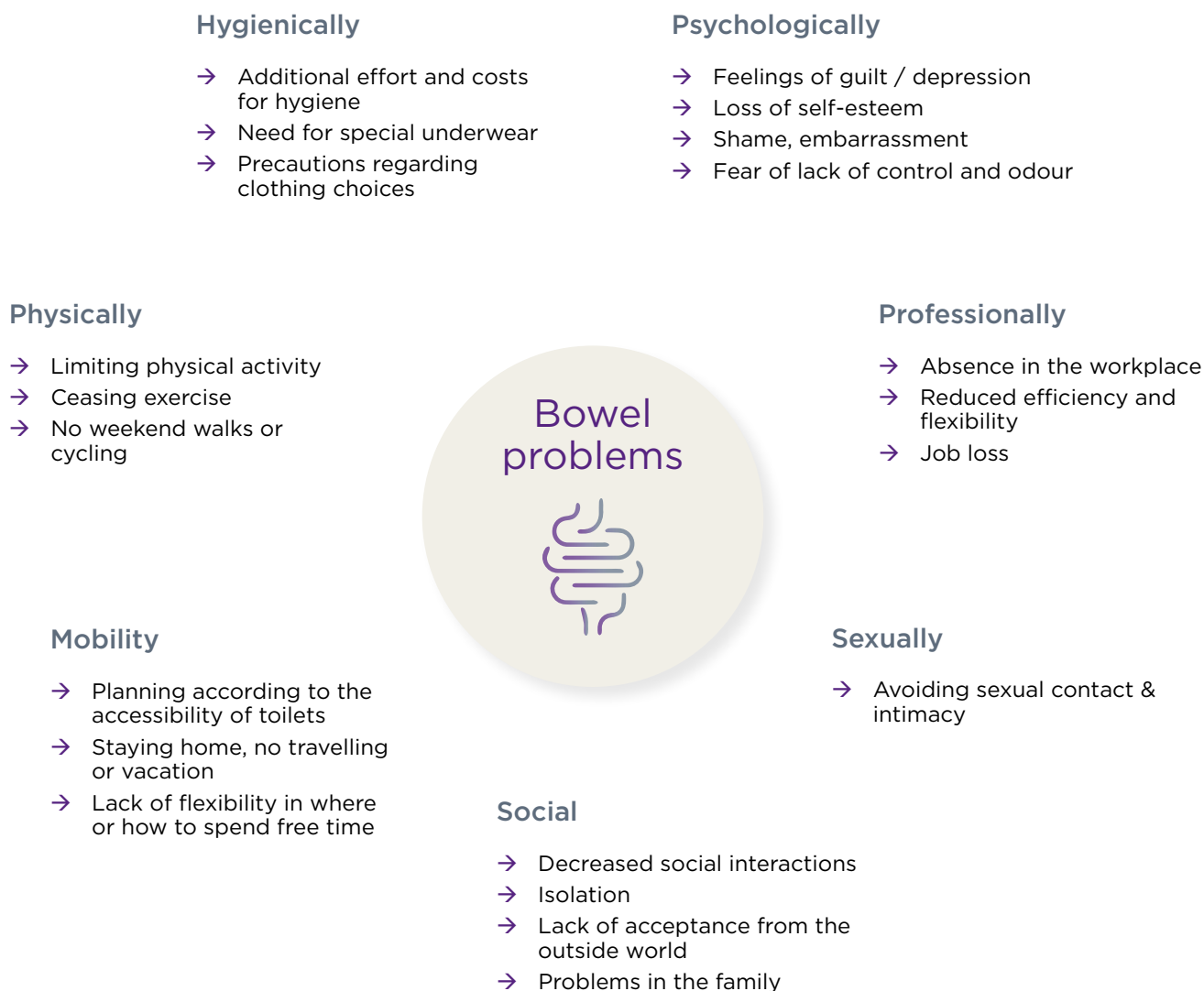
Qufora produces a wide range of easy-to-use and reliable urinary continence products. Designed with improved patient care as our top priority, our range of bags, valves and accessories provide innovative, high-quality solutions for almost any urology care need.

## The impact of bowel problems

Bowel dysfunction can happen to everyone, no matter the age, gender or lifestyle.

It can be frustrating to live with an “invisible” illness that causes a great deal of discomfort and inconvenience, and which can be difficult for family or friends – and even doctors or healthcare providers – to spot.

Bowel problems are still a taboo for most. Therefore, bowel problems are still an undertreated disorder.



## Faecal Incontinence



1 in 10 are affected<sup>1</sup>



A largely hidden problem, many patients feel too embarrassed or ashamed to admit their symptoms to family & friends<sup>2</sup>

## Chronic Constipation



Worldwide, it is estimated to affect 14% of adults<sup>3</sup>



Almost 77,000 people were admitted to hospital for it<sup>4</sup>

*in the UK between 2018-19*

## Neurogenic Bowel dysfunction

**95%**

Up to 95% of people with spinal cord injury (SCI) report constipation and 75% have experienced episodes of faecal incontinence.<sup>5</sup>



Patients report that bowel dysfunction is the most important problem among a wide variety of other consequences.<sup>5</sup>

## LARS

**25-80%**

It is estimated that between 25% - 80% of patients develop one or more symptoms of LARS following sphincter-preserving rectal surgery<sup>5</sup>

**40-60%**

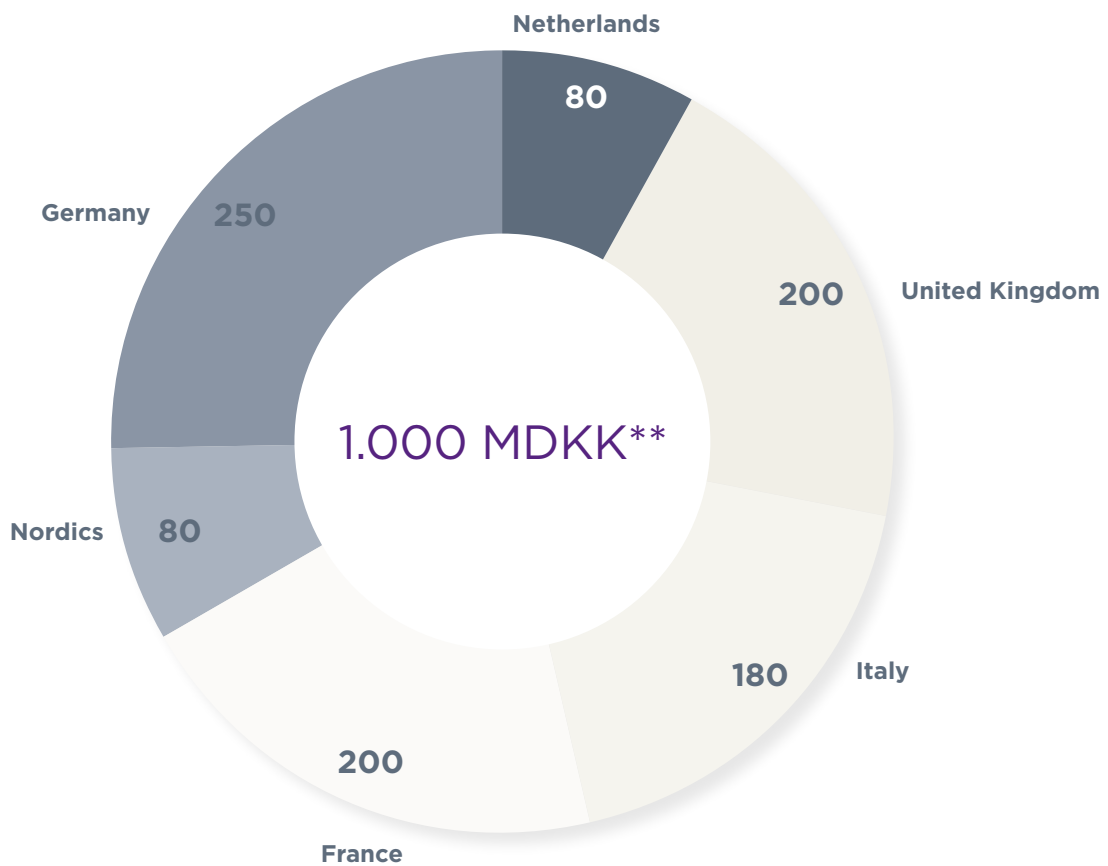
40-60% of patients experience that their bowel function changes significantly following rectal resection, or effects will be short-term<sup>6</sup>

## Market description

### Current market value of transanal irrigation

In 2021 our biggest market, the UK, grew 8,7% with Qufora growing 19,4%\* in the UK. We therefore significantly outgrow the market but more importantly we are developing the market with innovative low volume solutions towards the functional segment.

Our strategy to spread and grow our European footprint is well underway with good growth in all markets, and a plan to enter the French market in 2023.



\* Refers to UK PCA data

\*\* Internal estimation



## Performance



### 2021 Highlights

#### Revenue

Group: 125,2 MDKK  
+ 20,4% growth

A/S: 94,4 MDKK  
+ 24,3% growth

#### EBITDA

Group: 17,7 MDKK  
+ 2,4% growth

A/S: 15,6 MDKK  
+ 92,3% growth

#### ROE

Group: 29,6%

A/S: 35,5%

#### Expected development, including special assumptions and uncertain factors

First quarter of 2022 ended according to budget. Expectations for the following three quarters and thereby for the entire year are in line with the budget. Disruptions to the global supply chains remains to be a cause of uncertainty. Increasing inflation and interests' rates are also matters of concern to management.

It is management's assessment that well-functioning logistics and quality assurance systems have been established as well as an extensive distribution network ensuring a platform for the launch of new products in existing and new markets.

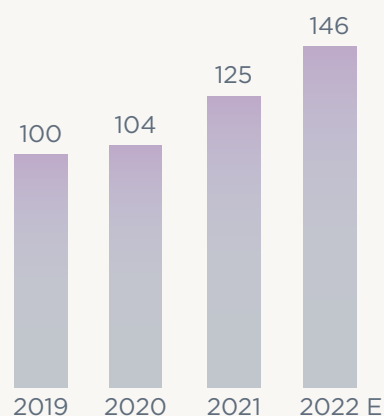
The result for the year for the parent company and the group is realized in accordance with management's expectations. The result for 2022 for both the parent company and the group is expected to increase with at least 25%

## Highlights - Key figures for the group

### Turnover

Turnover was 125,2 MDKK in 2021 mainly driven by bowel care in our key markets. Growing with 20,4%.

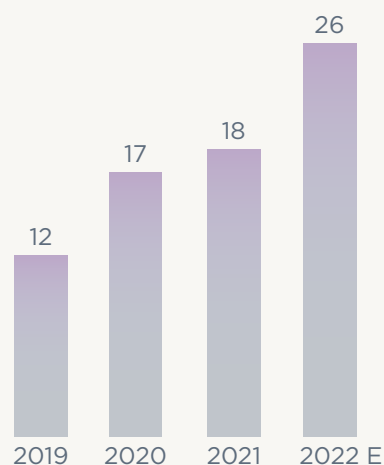
Turnover came in slightly above expectation despite a somewhat lower capacity in hospital clinics due to COVID-19. We expect turnover in 2022 to increase with 17%.



### EBITDA

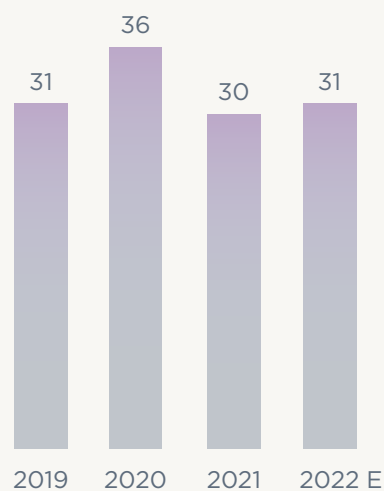
EBITDA amounted to 17,7 MDKK in 2021, equal to 14,1% driven by turnover increase.

EBITDA is expected to increase to 26 MDKK in 2022, equaling 17,8%.



### ROE

ROE ended at 29,6% in 2021 and is expected to stay at the high level in 2022.



## Leading the industry by passion, innovation and collaboration

Qufora is more than a business. Ours is a personal story. Qufora is based on its founders' personal story of bowel dysfunctions; our motivation has been personal from the start.

We believe everyone deserves the right to bowel irrigation solutions that fit seamlessly into their lives – regardless of their situation, or how active they want to be. That is why we focus on developing products that are so easy and intuitive to use, people can regain their sense of control and self-confidence.

### Problem-solving

We believe everyone deserves the right to bowel irrigation solutions that fit seamlessly into their lives – regardless of their situation, or how active they want to be.



### Product-designing

We design functional, simple and aesthetic medical for people with bowel dysfunction aids to live their best and most fulfilled lives. We call it design that matters.



### Passion-driven

Qufora is more than a business, it is a personal story. Living with a spinal cord injury, one of our founders believed that bowel irrigation solutions could be improved.



### Partner-oriented

Everything we do is centred around the experience of users and healthcare professionals. We embrace co-creation and seek to collaborate across all levels, to be inspired to create better solutions.







## Partnerships - together we are better!

**A strong collaboration with both users and healthcare professionals is the key to successful innovations and user retention.**

At Qufora, we develop new products based on a strong collaboration with healthcare professionals and users. We use their feedback, to find ways to optimise product design and perform usability tests to understand how the product is perceived, in order to develop a solution that is designed for the everyday life of a user.

“



**Tony's Story: turning around my life**

By his own admission, Tony was in “a really desperate place” after five years, before he was given hope with starting bowel irrigation.

“I went into hospital to have surgery on my disc. Due to complications during the surgery, I had permanent nerve damage in my spine and lost a lot of my mobility. Although I regained some of my mobility, the long-term effects were a loss of bowel and bladder control. This had severe impact on my day-to-day life. I didn't want to go out, be active or even be at the office.

A pivotal moment for me, was when I was referred the Walton Center where Professor Young identified my problem and initiated bowel irrigation for me. Before this time, the thought of having a normal life, was unimaginable to me.

With mixed feelings, I received my first product from Qufora. At first, it felt strange. However, within days, I had gotten used to how to use the system. I was no longer afraid of it. And it turned my life around. I regained my confidence, started to go out and be a lot more social”.

- Tony Currie, Qufora IrriSedo User

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**Read about how we support and collaborate with users and healthcare professionals:**

Effective bowel management requires that users keep to their regime over time. This cannot be achieved alone. We work with healthcare professionals to stay on top of the newest knowledge, as well as offering support, online and offline, to both users and healthcare professionals in the ongoing pursuit for effective bowel management.

## MyQufora

Myqufora has been developed in collaboration with healthcare professionals and users. It is a platform that supports both healthcare professionals and users with information, help and advice. We offer guides, help videos, FAQs and tips, as well as chat- and e-mail support.

## Qufora Club

Our Qufora Club is aimed towards healthcare professionals who are interested in the latest research, information and news on the bowel and bowel management.

## Qufora Direct

Qufora Direct is an ordering support function. Through Qufora Direct, healthcare professionals can easily order bowel irrigation solutions - we handle prescription requests, delivery directly to the user as well as follow-ups with the user to ensure they have everything they need.

## Qufora Development Board

Around the world we involve healthcare professionals who are closest to their patients and function as advocates for the users in developing new and improving products to improve bowel and human health. We aim to transform their knowledge and clinical experience into great innovations and important solutions for patients around the world. The Qufora Development boards meet several times per year and discuss everything from needs, prototypes, evidence and clinical practices.

## Qufora Advisory Board

With a group of international doctors, we constantly strive to improve the standard of care for people with bowel dysfunction. In pursue to drive the clinical agenda for bowel management, we engage in relevant evidence discussions, product requirements, patient outcomes and performance measurements.

## Products - design that matters!

**Qufora IrriSedo is a product range designed uniquely for every person who could need bowel irrigation, with the purpose of making irrigation as smooth, comfortable and natural as possible.**

At Qufora we do not just make medical devices. We design solutions that are intended to fit into the life of its user.

When we design solutions at Qufora, we design for a person, not a function. Like all other devices and objects we surround ourselves with on a day-to-day basis, they do not only solve a certain technical and functional purpose, they are a part of the life of the user. That's why design matters - also for medical devices.

When we design a medical device, we are aware of the many psychological needs that the solution needs to be able to meet. No one wants to be categorized as "sick", so why should the device look like a medical instrument, if it doesn't have to? Why do bowel irrigation solutions have to look like a water-measuring instrument? Why do the colors have to be white and blue? These are the questions we ask ourselves during the design process.

Users within this category of devices may also have a natural concern: "What if something goes wrong?". This both relates to physical harm, but also the despair from incorrect use of the product. What about on a holiday or at work or dinner? That's why it is very important to us that our solutions are as simple and intuitive as possible.

At Qufora we have a passion for, and a focus on the user experience, all the way through the organisation. It is a huge advantage that design is so highly prioritised because it allows us to never do "business as usual", but instead find innovative and user-driven ways to design the optimal products for both users and society.



That's why design matters  
- also for medical devices.

**Marlene Corydon, Design Manager, Qufora**





## Qufora® IrriSedo Flow

Qufora® IrriSedo Flow, launched in April 2022, takes the standards of high volume bowel irrigation design to new level.



In 2022, Qufora IrriSedo Flow was awarded with the Red Dot Award: Product Design 2022.



red**dot** winner 2022

## Qufora® IrriSedo MiniGo

Qufora® IrriSedo MiniGo, launched in April 2021, symbolised a new era in its field of low volume bowel irrigation.



In 2021, Qufora IrriSedo MiniGo was awarded with the Red Dot Award: Product Design 2021.



**reddot** winner 2021



## Problem-solving

**We offer a broad range of solutions for bowel irrigation to overcome chronic constipation and faecal incontinence.**

Many people can benefit from solutions that are easy and intuitive to use, and that can help them regain their sense of control and self-confidence. The Qufora range of transanal irrigation products are intended to assist a wide range of patients in the management of chronic constipation, faecal incontinence, neurogenic bowel dysfunction and Low Anterior Resection Syndrome (LARS).

### Qufora® IrriSedo MiniGo

Low volume irrigation via a cone



### Qufora® IrriSedo Flow

High volume irrigation via a flow cone



### Qufora® IrriSedo Klick

High volume irrigation via a water-inflated catheter



### Qufora® IrriSedo Bed

High volume irrigation in bed via a bed catheter







## Qufora® IrriSedo Flow

Hang the water bag for water flow by gravity, or stand the water bag up for water flow by the light-weight and compact pump.

**Imagine the possibilities**



## Passion driven - more than a business!

**Qufora is a personal story, which is why we are driven with a passion.**

Niels Balle and seven companions founded Qufora in 2006. With a spinal cord injury and living with bowel problems himself, Niels believed in the power of design to improve products and services that advance healthcare for users and healthcare providers.



In 1977 I had a bicycle injury that left me paralyzed from the waist down. Beyond the obvious consequences of paralysis, I was left with a less obvious, but maybe even more impactful pain  
- my bowel.

Bowel irrigation helped me regain my confidence, as well as my active lifestyle. However, I was also left with the belief that “this could be done in a better, simpler and more effective way”.

We founded Qufora with that purpose: to find better ways for people in distress to regain their confidence.

No two people are the same. That is also true when it comes to life with bowel dysfunction. This is why we decided to focus on bowel irrigation. Because there had to be different alternatives to different conditions and different lifestyles.

I am pleased that we, today are at a place where we can meet the needs of different people.

“

No two people are the same. That is also true when it comes to life with bowel dysfunction.

**Niels Balle, Co-Founder, Qufora**



## Pursuing sustainability

Our mission is centered around 'human health' and we have a holistic approach where we consider several aspects linked to the health and well being of our customers and end-users: patient journey, products, societal value (healthcare economy), education, quality of life and sustainability and environmental footprint.

Sustainability has multiple layers, and we strive to become an increasingly sustainable company, when opportunities allow. At the product level, we strive to design products with the least environmental impact and ensure guidance for users on how to dispose of waste.

## Design that matters for the environment

With Qufora IrriSedo MiniGo, we have taken the next step in limiting the environmental impact of our products.

# 1

PVC and phthalate-free, to lessen our impact on the world around us

# 2

Reduced weight of the soft pump and cone over our comparable product, which helps minimise the impact on the environment by more efficient transportation

# 3

Re-designed the box to also serve as storage for the products between irrigations, reducing the amount of extra packaging included - which helps reduce the amount of waste



Continuing to reduce resources in production and transportation has been an important part of the design process of Qufora IrriSedo Flow.

With a redesigned approach to arranging the products inside the box, the protection of the products is optimised, while at the same time reducing unused space for more efficiency during transportation.

This has resulted in the following reductions over our comparable cone product:

- ➔ The flow cone is made with 10% less material
- ➔ Reduction of plastic in the packaging



Qufora IrriSedo Flow

## Global goals

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.



### Ensure healthy lives and promote well-being for all ages

Our mission is to improve the quality of life for people suffering from bladder and bowel related issues.

We constantly work to improve the standards of good health and care for all and to lower the risk of contamination.

We acknowledge that bladder and bowel related issues are considered a taboo area for many and can lead to social isolation, lack of control, mental challenges and even depression. We embrace both the physical and mental challenges of bowel related issues in a holistic and sustainable way.

We educate and increase openness around bowel related issues to break down taboos within the area. This is to help people suffering from these conditions replace anxiety and embarrassment with knowledge.

### Reduce inequality within and among countries

We want to ensure all people, despite conditions and challenges, have equal opportunities in daily life and none shall be limited in freedom due to bladder or bowel challenges.

We make space for diversity and for people with special needs or limited physical abilities and we believe that working with colleagues of different cultures, gender, ages and ethnicities is a valuable attribute to an innovative development working environment.





### Ensure sustainable consumption and production patterns

We embrace the circular mindset and we have an ambition to implement clean sustainable materials that will contribute to a more efficient use of materials and resources in our future products, and product upgrades, wherever this is possible without compromising product quality, safety or usability.

We will reduce the amount of materials and resources used in the development of every new product and service, and we commit to always improve and make new products and manufacturing processes more efficient and sustainable in comparison to what they replace.

We will design every new product with a circular mindset and consider the entire use cycle; Before, during and after use.

We will communicate this in a transparent and honest way to our customers and end-users, so they can handle the product responsibly, including after use and at the end-of-life of the product.

### Strengthen the mess of implementation and revitalize the global partnership for sustainable development

By further strengthening the relationship to our strategic partners and through consistent pressure and encouragement towards a sustainable circular agenda, we will affect and influence them in terms of lowering their CO2 emissions, reducing the amount of materials and resources used, as well as using the 'right' materials in the 'right' way with the suitable and most efficient technologies available.

We support and partner up with relevant patient organizations and contribute to and participate in relevant congresses and events within the bladder and bowel area. We keep strengthening our collaboration with healthcare professionals and support increased research and education within the bladder and bowel area.

We establish and develop advisory boards and clinical trials and studies and sponsor relevant PHD studies within the bowel and bladder area.

We will invest in knowledge, education and know-how for our employees for them to be able to execute and act on our sustainability ambitions and goals.



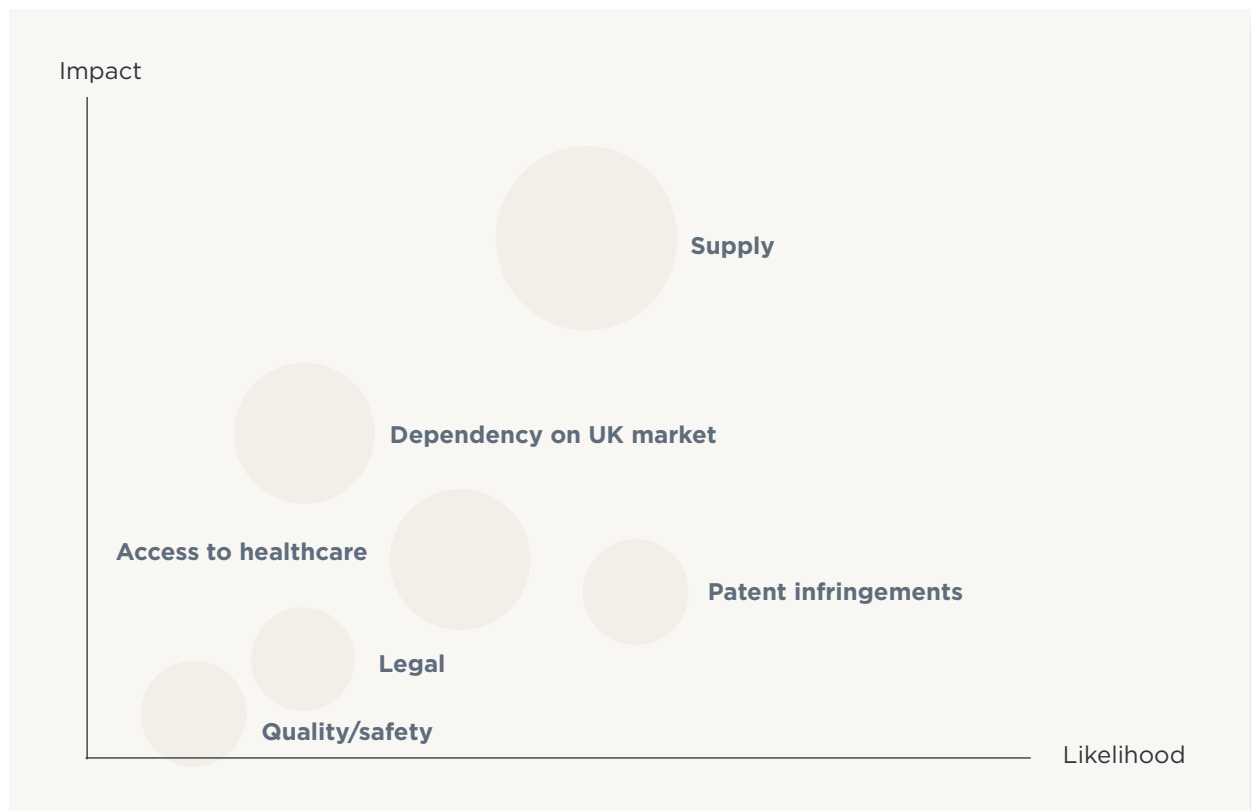
## Risk management

### Examples of risks:

- Disruption of supply chain
- Limited access to nurses and doctors as during Covid pandemic
- Dependency on UK market
- Compliance issues
- Quality problems or safety issues in using products
- Patent infringements

### Risk mitigations:

- Increase stock levels
- Digital solutions for patients and HCP's
- Increase our European footprint
- High-quality QMS processes
- Strong MedTech suppliers and close collaboration
- Strong regulatory expertise





## Knowledge resources

At Qufora we take pride in being a passionate and open-minded company that embraces partnerships and co-creation at all levels. We have a dialogue-based approach, and we value our strong and constructive collaborations with users, healthcare professionals – and all partners who inspire us and share our mission.

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## Research and development activities

During 2021 the Group has, as in previous years, been focused on development projects. These activities have influenced both the P&L and Balance Sheet for 2021. We expect these projects to have a positive effect on the results in the coming years.

## Exceptional circumstances

Supply chain is severely disrupted by increased transportation cost and COVID-19 related disturbances. These circumstances are expected to continue during 2022.

## Uncertainties connected with recognition or measurement

It is management's opinion that there are no uncertainties present at calculation and measurement of different accounting items.

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## Events after the balance sheet date

In May 2022 Qufora launched Qufora Irrisedo Flow.



## Key figures

<b>Figures in dkk '000</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Profit/loss</b>			
Turnover	125.200	103.961	99.666
Index	122	104	
Operating profit/loss	17.684	17.270	12.345
Index	102	140	
Net financials	-245	-1.784	-182
Profit before Tax	12.797	11.056	7.590
Index	110	146	
Profit for the year	9.741	8.848	5.402
Index	110	164	
<b>Balance sheet</b>			
Total assets	102.709	89.344	78.134
Index	115	115	
Investment in intangible assets	6.064	6.110	23.079
Index	99	26	
Equity	37.574	28.322	20.402
Index	133	139	
<b>Cashflow</b>			
Net cash flow:			
Operating activities	13.943	10.296	-60
Investing activities	-8.218	-6.633	-22.202
Financing activities	2.580	-7.925	12.502
Cash flows for the year	8.305	-4.262	-9.760

## Key figures

<b>Ratios</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Profitability</b>			
Return on equity	29,6%	36,3%	30,6%
Solvency	36,6%	31,7%	26,1%
Profit margin	7,7%	8,5%	5,4%
Return on assets	12,7%	17,4%	10,0%
<b>Others</b>			
Number of employees	57	50	48

## THANK YOU TO ALL STAKEHOLDERS

We would like to express our gratitude to all of the extraordinary efforts made by everyone from employees to customers, suppliers and local partners to bring us through all the demands and challenges of 2021 with a continued positive outlook for the coming years.

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