

Bactiguard Holding AB's interim report first quarter 2024

Strategic transformation concluded and new leadership in place

First quarter 2024 (January – March)

- Total revenue amounted to SEK 58.8 (61.2) million, a decrease of SEK 2.4 million, corresponding to 3.9%.
- Net sales amounted to SEK 53.9 (55.6) million, a decrease of SEK 1.7 million, corresponding to 3.1%. Adjusted for currency effects of SEK 0.2 million, net sales decreased by 3.5%.
- Operating loss amounted to SEK 12.9 (18.7) million.
- EBITDA amounted to SEK -1.5 (-6.6) million.
- Net loss for the period amounted to SEK 9.9 (22.1) million.
- Loss per share, before and after dilution¹, amounted to SEK 0.28 (0.63).
- Cash flow from operating activities amounted to SEK -19.1 (-7.7) million, corresponding to SEK -0.54 (-0.22) per share.

CEO statement

Total revenue for Q1 2024 amounted to SEK 58.8 million (Q1 2023: SEK 61.2 million) and the EBITDA to SEK -1.5 million (Q1 2023: SEK -6.6 million), both in line with expectations following the strategic transformation activities. Costs for Q1 2024 are in control with a total OPEX of SEK -48.8 million (Q1 2023: SEK -53.6 million).

The journey continues with the new Bactiguard

The activities related to one of the biggest strategic shifts in Bactiguard's history, announced in Q3 2023, were concluded in Q1. We are well underway evolving into a knowledge and specialist organization, and now focus on license partnerships and our Wound Management business. It is an honor to be entrusted with leading the new Bactiguard and continue our journey towards our vision of becoming the global standard of care to prevent medical device related infections. I am grateful for the support from our strong Board of Directors and pending the outcome of the Annual General Meeting in May, I look forward to working together with Thomas von Koch as Chairman and Christian Kinch as a Senior Advisor to Bactiguard.

Financial results in line with expectations

The Q1 financial results are in line with our expectations following the strategic shift. We are on track to deliver cost savings from the transformation exceeding SEK 25 million on a yearly basis. Total cash flow for the period amounted to SEK -31.6 million, which relates primarily to increases in accounts receivable of SEK 16.0 million and investments of SEK 6.2 million. Accounts receivable as of the end of Q1 are attributable to invoiced and not overdue amounts with our long-standing partners. Investments relate to the new production and lab facilities in Markaryd, the move of the head office to Stockholm, and digital systems.

During Q1, we continued to strengthen our ties with Beckton Dickinson & Company (BD). The transition process is ongoing related to the agreement announced in December 2023 for additional markets for Bactiguard coated Foleys. During 2024, market demand for Bactiguard coated Foleys may be met by either BD or Bactiguard. Bactiguard obtained MDR approval for the coated silicone urinary catheter in Q1, which is an important milestone as this will support BD's go-to-market strategy in Europe. Revenues from the BD partnership were stable at SEK 28.0 million for Q1 (Q1 2023: SEK 36.3 million) and we remain confident about its potential.

The collaboration with Zimmer Biomet is making progress and revenues for Q1 amounted to SEK 3.2 million (Q1 2023: SEK 1.8 million). Following the launch in 2023 of the trauma nail ZNN Bactiguard across the European markets, the demand continues to increase, however uptake is at a slower pace than originally expected. Zimmer Biomet has informed us that there is a strong interest among clinicians and the need for infection prevention is clearly getting attention. In addition, ZNN Bactiguard is expected to be launched in Japan late Q2.

In our efforts to provide better financial transparency on progress in partnerships with our infection prevention technology, as of Q1 2024 we will divide revenues into license partnerships, exclusivity partnerships and application development partnerships. In addition, we will report Wound Management and the BIP portfolio separately. For BIP, revenues in Q1 were positively impacted by the phase-out sales and amounted to SEK 6.0 million (Q1 2023: SEK 5.1 million). For the Wound Management business, revenues for Q1 came in at SEK 12.7 million (Q1 2023: SEK 11.2 million).

Outlook – 2024 characterized by transition

While the strategic transformation has been concluded, 2024 will be characterized by transition and still be influenced by the Foley market transfer to BD and other out-licensing activities. Our dialogue with various parties to license out Bactiguard's central venous catheters and endotracheal tubes continues but, as previously stated, we expect this to have limited impact in 2024. In the dental area, conversations are ongoing with leading dental organizations and interest remains strong thanks to the clinical evidence supporting the efficacy of our technology.

With the license-focused strategy, both revenues and margins are expected to increase as we expand our infection technology through partnerships. I am fully aware of the challenges Bactiguard has had in the past. Our top priority ahead is to truly seize the USD 80 billion opportunity presented within the strategic therapeutic areas we have defined as key for our infection prevention technology. We are set to scale up in a cost-effective manner and create profitable and sustainable growth for the new Bactiguard.

Christine Lind, CEO

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To participate in the audiocast, please use this link:

bactiguard.com/report/q1-2024

To participate only by conference call, please register on the link above. Questions can be asked either in writing via the audiocast or orally if you attend the conference call.

About Bactiguard

Bactiguard is a global MedTech company developing safe and biocompatible technology to prevent medical device related infections. The company's unique technology is based on an ultra-thin noble metal coating that prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard's infection prevention technology and solutions decrease patient suffering, save lives, and unburden healthcare resources while also fighting against antimicrobial resistance, one of the most serious threats to global health and modern medicine.

Bactiguard operates through license partnerships with leading global MedTech companies that apply the technology to their medical devices and sell them under their own brand or co-branded with Bactiguard. The company also has a portfolio of wound management products.

Bactiguard is headquartered in Stockholm and listed on Nasdaq Stockholm.

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