

## Bactiguard Holding AB's interim report third quarter 2024

### Bactiguard delivers positive EBITDA and initiates review of 2028 financial targets due to previously announced agreement termination

#### Third quarter 2024 (July – September)

- Total revenue amounted to SEK 73.9 (49.5) million, an increase of SEK 24.5 million corresponding to 49.4%.
- Net sales amounted to SEK 67.3 (45.5) million, an increase of SEK 21.9 million corresponding to 48.1%. Adjusted for currency effects of SEK -4.2 million, net sales increased by 57.5%.
- Operating loss amounted to SEK 1.9 (21.6) million.
- EBITDA amounted to SEK 9.9 (-9.5) million.
- Net loss for the period amounted to SEK 4.7 (24.6) million.
- Loss per share, before and after dilution, amounted to SEK 0.13 (0.70).
- Cash flow from operating activities amounted to SEK 8.3 (-35.0) million corresponding to SEK 0.24 (-1.00) per share.

#### The period January – September 2024

- Total revenue amounted to SEK 193.6 (161.8) million, an increase of SEK 31.8 million corresponding to 19.6%.
- Net sales amounted to SEK 178.6 (145.3) million, an increase of SEK 33.3 million corresponding to 22.9%. Adjusted for currency effects of SEK -1.2 million, net sales increased by 23.9%.
- Operating loss amounted to SEK 25.7 (108.1) million.\*
- EBITDA amounted to SEK 9.6 (-71.8) million.\*
- Net loss for the period amounted to SEK 28.9 (111.2) million.\*
- Loss per share, before and after dilution, amounted to SEK 0.82 (3.17).
- Cash flow from operating activities amounted to SEK 6.1 (-62.4) million corresponding to SEK 0.17 (-1.78) per share.

\* The difference is mainly pertained to the SEK 42 million provision for inventory, accounts receivables, and project related items, made in the second quarter 2023.

#### CEO statement

*Total revenue for Q3 amounted to SEK 73.9 million (Q3 2023: SEK 49.5 million), including net sales of SEK 67.3 million (Q3 2023: SEK 45.5 million), and EBITDA amounted to SEK 9.9 million (Q3 2023: SEK -9.5 million). OPEX totaled SEK 56.9 million for Q3 (Q3 2023: SEK 49.8 million) and the anticipated cost savings of SEK 25 million related to the strategic shift from 2023 are expected to be delivered on a full-year basis. Total cash flow for the quarter amounted to SEK 1.6 million (Q3 2023: SEK -38.7 million).*

#### **Solid growth in global BD partnership a main driver of EBITDA**

Total license revenues amounted to SEK 47.5 million (Q3 2023: SEK 20.8 million) and were mainly driven by increased revenues from the BD partnership which amounted to SEK 33.3 million (Q3 2023: SEK 9.2 million). Our partnership now has a more global approach, where we work closely together on the expansion of Bactiguard-coated Foley catheters into both existing and new markets. The BD relationship demonstrates how the license focused strategy is proving itself. Our collaboration has shifted into a close partner cooperation where Bactiguard now engages with BD across the entire value chain, from technology through go-to-market. In short, BD's success is our success.

Revenues in the third quarter from the Zimmer Biomet partnership amounted to SEK 10.7 million (Q3 2023: SEK 11.6 million) and consisted of both license revenues from royalties and application development revenues. Notably, most of the Zimmer Biomet revenues are related to the continuing trauma agreement.

Our Wound Management portfolio had a strong third quarter with revenues of SEK 17.9 million (Q3 2023: SEK 17.5 million) and continues to grow profitably. Revenues from the BIP portfolio decreased and amounted to SEK 1.9 million (Q3 2023: SEK 7.1 million), which is in line with our expectations following the decision to discontinue our own product portfolio and transition the BIP Foley markets to BD.

With an EBITDA of SEK 9.9 million for the third quarter (Q3 2023: SEK -9.5 million), we have turned profitable on an EBITDA level both for the quarter and year-to-date. The profitability was delivered from a combination of increased license revenues and a disciplined approach to costs.

### **Termination of Zimmer Biomet multiple orthopedic products agreement, while trauma agreement remains in effect – review of 2028 financial targets initiated**

The termination of the multiple orthopedic product segment agreement in early October was a disappointment, but the trauma agreement remains in effect. Zimmer Biomet informed us that they were not prepared to commit to a more complex and lengthier US FDA pathway than initially expected for the other orthopedic product segments. However, Zimmer Biomet are strong believers in the importance of infection prevention and in our technology. We continue working together in the trauma segment where the infection rate, and therefore medical need, is significantly higher compared to, for instance, reconstructive procedures. This collaboration includes, among other things, work with regulatory processes in Europe and the US. In addition, the commercialization activities for the ZNN Bactiguard trauma nail, especially in Europe, continues.

We are in close dialogue with Zimmer Biomet to evaluate further details and analyze the longer-term financial impact of the termination of the multiple orthopedic agreement. As a consequence, we have decided to review our 2028 financial targets, set in October 2023, and the outcome of the review will be announced during Q1 2025.

### **Outlook – exploring technology application across multiple therapeutic areas**

13 September was World Sepsis Day. Nearly 50 million people contract sepsis when an infection goes astray, and more than 11 million die each year. These data points put the need for infection prevention into perspective and for Bactiguard, this drives home our mission to work with leading MedTech companies to enable differentiated medical devices to be brought to the market. We see an increased interest in our infection prevention technology, and we are actively exploring its application across multiple therapeutic areas. Our R&D team is currently working with potential MedTech partners in early-stage testing on different medical devices, surfaces, and materials to demonstrate the performance of our technology. When early-stage projects with potential partners convert into exclusivity and license partnerships, we will announce to the market accordingly.

A year has passed since Bactiguard embarked on the journey to a sharpened license focused strategy and we have been through a fundamental transformation, from being a medical device company to a licensing partnership and knowledge organization. We have reached EBITDA profitability for 2024 already in the third quarter serving as evidence that our strategy and business model are effective. Regardless, we remain humble about the complexities in creating strategic long-term partnerships with leading global MedTech companies. We will continue to work relentlessly on advancing our current partnerships as well as continue to strengthen the knowledge and specialist areas within the organization further. This will enable us to deliver future partnerships in therapeutic areas where there is a strong unmet medical need for infection prevention.

Christine Lind, CEO

*This information is information that Bactiguard Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, 2024-10-24 at 07:00 CET.*

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### **To participate in the audiocast 24 October at 11:00 CET, please use this link:**

<https://ir.bactiguard.com/report/q3-2024/>

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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