

## Year-end Report 2022 Bactiguard Holding AB

### A strong year for Bactiguard – investments in organization to capture future growth

#### Fourth quarter 2022, October – December

- Revenues amounted to SEK 72.2 (46.1) million, an increase of 57%. Adjusted for currency effects, revenues increased by 23%.
- Operating loss amounted to SEK -13.3 (-23.8) million, an increase of SEK 10.5 million.
- EBITDA amounted to SEK -1.1 (-12.1) million, with an EBITDA-margin of -1.5% (-26.3).
- Net loss for the period amounted to SEK -14.2 (-25.4) million.
- Loss per share amounted to SEK -0.40 (-0.72).
- Cash flow from operating activities amounted to SEK 7.0 (-11,6) million, corresponding to SEK 0.20 (-0.33) per share.

#### The period January – December 2022

- Revenues amounted to SEK 253.5 (179.0) million, an increase of 42%. Adjusted for currency effects, revenues increased by 15%.
- Operating loss amounted to SEK -55.7 (-54.2) million, a decrease of SEK -1.5 million.
- EBITDA amounted to SEK -6.4 (-7.2) million, with an EBITDA-margin of -2.5% (-4.0).
- Net loss for the period amounted to SEK -52.9 (-58.8) million.
- Loss per share amounted to SEK -1.51 (-1.68).
- Cash flow from operating activities amounted to SEK 3.1 (7.3) million, corresponding to SEK 0.09 (0.21) per share.

#### Key events during the fourth quarter

- A clinical study, the first of its kind done on humans, examined the company's surface layer technology on trauma implants when applied to the most severe cases of open fractures. The study showed an infection rate of 8.6% (in similar healthcare settings, the infection rate is between 12.5 % and 29.1%).
- The company's surface layer technology was ranked as one of the 20 most important Swedish innovations in life science of all time.
- Fatima Stensvad Flodin, Chief Quality & Regulatory Officer, joined Bactiguards management team and Sathish Subramaniam was appointed Chief Technology Officer as of 1 December.

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

- In January, the first MDR (Medical Device Regulations 2017/745) product approval was announced, following a comprehensive authorization process. The MDR approval relates to the latex BIP Foley Catheter which is an indwelling urinary catheter with Bactiguard's unique infection prevention technology.



## CEO statement

### A strong year for Bactiguard

*Total revenue for 2022 was SEK 253 million, a growth of 42 percent compared to last year (15 percent when adjusted for currency effects). Looking at Q4, total revenue was SEK 72 million, and growth was 57 percent compared with Q4 2021 (23 percent when adjusted for currency effects). EBITDA amounted to SEK -6.4 million for 2022 (SEK -7.2 million 2021). EBITDA for the fourth quarter amounted to SEK -1.1 million (SEK -12.1 million Q4 2021).*

#### **Investments in organization to capture future growth**

Bactiguard had a strong 2022 with activities supporting the growth strategy within its five key therapeutic areas: orthopaedics, urology, intravascular/critical care, dental and wound care. Bactiguard's revenues developed very well. In parallel, significant investments were made in the organization to unleash the full growth potential. We strengthened our commercial capabilities within licensing, we allocated additional resources to our technology business development team and appointed Sathish Subramaniam as new Chief Technology Officer. We also developed the BIP product portfolio offering further and restructured the sales organization. Looking ahead, the investments will put Bactiguard in a better position to capture growth opportunities across our therapeutic areas and focus markets, such as the US, and deliver on our long-term financial goals.

#### **Strong growth in licensing and expanded clinical evidence**

The licensing business grew significantly in 2022, adding new fields of application and diversifying our revenue streams. Overall, license revenues were on a strong growth trajectory and increased by 43 percent during the year to SEK 161 million (+23 percent when adjusted for currency effects). For Q4 in isolation, total license revenue amounted to SEK 46 million (+88 percent, +58 percent when adjusted for currency effects). Becton, Dickinson & Company (BD) remained our largest license partner where revenues were stable and back to pre-pandemic level.

When it comes to the ZNN Bactiguard trauma implants, focus remains on regulatory clearances in more key markets, including the US which once received will be a key milestone. The global market for orthopaedic trauma devices is expected to grow from around USD 9 billion in 2022 to USD 16 billion by 2030, which presents vast business opportunities for Bactiguard. In Q4, we also expanded our clinical evidence in the orthopaedic field. In a first-in-man clinical study, the use of our coating technology on trauma implants was evaluated when applied to the most severe cases of open fractures. The study showed an infection rate of 8.6 percent (in similar health-care settings infection rates are between 12.5 percent and 29.1 percent).

During the year, we signed two new development projects within our key therapeutic areas: with our existing licence partner Zimmer Biomet (an expansion into their broader portfolio including joint reconstruction, for instance hips and knees) and Dentsply Sirona (operating in the dental field). Both projects progressed well in 2022.

#### **BIP sales organization restructured and strengthened**

Revenues from the combined BIP product portfolio was lower than anticipated in Q4. Certain regions were disrupted by the sales reorganization as well as of certain supply issues related to sutures. Full year, however, the product portfolio sales increased.

Early 2023, we received our first MDR product approval. The approval is a testament to our quality management system and lays the foundation for product approvals to come, which will be key in taking our BIP product offering to the next level.



## Outlook

The rise of infections, and more frequent use of antibiotics, imposes a serious threat to both global health and modern medicine. Our strategy is founded on the opportunities behind these critical macro healthcare trends – we see an increasing demand for infection prevention which is what our technology, solutions and products bring. We therefore felt extra proud to be ranked as one of the top 20 Swedish life science innovations of all times, in prominent company by Losec, the Turbuhaler and the Walker. Our offering creates multiple positive impact, they combat antimicrobial resistance, decrease patient suffering, save lives, and not the least, contribute to healthier healthcare economics.

With 2022, we have kicked-off our growth strategy. Our ambition is to bring Bactiguard's technology to more devices, and consequently, to more patients worldwide. This will be achieved through new as well as deepened license partnerships and accelerated sales of our BIP portfolio. Our transformation journey has only just started, the potential to be part of solving some of the global health challenges by keeping people safe from infections is huge.

Anders Göransson, CEO

*The year-end report 2022 for Bactiguard Holding AB (publ) is available as a PDF at [www.bactiguard.com](http://www.bactiguard.com)*

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## Presentation of Bactiguard Holding AB's Year-end Report 2022

An audiocast for investors, analysts and media will be held at **10:00 CET today, February 9, 2023**. CEO Anders Göransson and CFO Carin Jakobson will present the report and answer questions.

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

<https://www.bactiguard.com/report/q4-2022>

## 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 the Bactiguard technology are market leading in the USA and Japan through our licensing partner BD, and in 2021 orthopaedic trauma implants, ZNN Bactiguard, were launched by Zimmer Biomet. Bactiguard's product portfolio also includes a non-alcoholic product line for wound care and disinfection. It effectively kills microbes while being biocompatible and tissue friendly.

Bactiguard is in a strong expansion phase in the markets in Europe, China, India, the Middle East and Southeast Asia through our own product portfolio and by establishing licensing deals in new therapy areas. Bactiguard has around 210 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)

