

BrainCool AB (publ) - interim report for Q1 2023

Overview

The Group (mkr)	01.01.2023	01.01.2022	01.01.2022
	-31.03.2023	-31.03.2022	-31.12.2022
Net Sales	2.668	5.017	17.588
Total operating income	4.340	10.354	33.789
Result after financial items	-15.636	-9.122	-45.584
Depreciation and write-downs of tangible and intangible assets	-1.195	-1.150	-4.754
Cash in bank	15.978	3.184	41.206
Result per share (sek)	-0,10	-0,14	-0,61*
<i>*Includes paid but not registered shares</i>			

CEO Martin Waleij, comments

BrainCool continued to make advances in its business development during the first few months of 2023. After intense negotiations in the spring, a major reward was presented with the breakthrough deal with the American corporation ZOLL®. The deal with ZOLL® is a distributor- and partner agreement concerning distribution, marketing, and sales of BrainCool™/IQool™ System stretching to 2030.

The agreement encompasses an initial fixed order of 350 systems and a significant number of cooling plates worth over SEK 100 million over 18-24 months period. Deliveries start on April 1, 2024. The agreement applies to the markets in the U. S., Germany, Austria, Switzerland and the Netherlands. Other markets may be added later on.

ZOLL® Corporation has global reach and is part of the Japanese Asahi Kasei company that manufactures medical devices and related software solutions. The agreement with ZOLL® has profound effects on BrainCool. BrainCool will wind down most of the marketing and sales organization in the U. S saving SEK 25 million. It will scale up its production resulting in lower cost per unit produced. Higher revenue and lower cost may lead to a positive result in 2024. And overall give more resources to the development of the various parts of the company. The organization has focused hard on securing the now received breakthrough order of SEK 100m, which has affected direct sales during Q1. The agreement with ZOLL® means that BrainCool almost certainly will reach its sales target for 2025, which is at least SEK 100m.

In the spring we launched a new commercialization strategy in the U. S. for the new cooling product Cooral® System supporting patients undergoing treatment for cancer. The strategy is aiming for establishing reimbursement in the U. S. The strategy includes a clinical trial in the U. S. Cooral® System is one of very few Breakthrough devices which has obtained FDA approval. There is significant revenue potential via expected automatic reimbursement for break-through products.

BrainCool will address a niche market in the U. S. clinical trial to ensure cost efficiency in attaining reimbursement. The focus is on patients affected by lymphoma that are also treated with stem cell transplants. The trial will encompass 80-100 patients with the first patient enrolled in the first quarter

of 2024. The study is expected to be completed by the end of 2025. In parallel, a global marketing strategy will be developed.

In March BrainCool signed an agreement with Karolinska Institutet to deliver RhinoChill® in an extensive clinical study concerning ultra-early cooling of patients affected by cardiac arrest. The value of the order amounts to SEK three million. More important though is that the study may be the base for an approval that the treatment is considered a medical indication. That would imply that ultra-early cooling is necessary when treating patients with cardiac arrest. A positive outcome would substantially increase the market potential for RhinoChill®.

BrainCool is also aiming for establishing the use of cooling and RhinoChill® as a medical indication when treating stroke with thrombectomy. The company has initiated a study encompassing 400 patients. The study will be made in cooperation with the university hospital in Freiburg and it will be financed by means from the EU. Thrombectomy is a relatively new treatment with a rapid penetration. The number of patients undergoing thrombectomy was around 200.000 in 2022 and it is expected to be up to 1.5 million patients in 2025 mainly in the western world and Japan.

Contacts

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About Us

BrainCool AB (publ) is an innovative medical device company that develops, markets, and sells leading medical cooling systems for indications and areas with significant medical benefits within the healthcare sector. The company focuses on two business segments, Brain Cooling and Oncology. BrainCool AB (publ) is based in Lund, Sweden, and its share is listed on Nasdaq First North Growth Market, named "BRAIN".

Eminova Fondkommission AB is the company's Certified Adviser.

This information is information that BrainCool 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 above, at 2023-05-31 14:11 CEST.

Attachments

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