

Bactiguard[®]

Investor presentation Q2 2021

15 July, 2021

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Business highlights - second quarter 2021

Major breakthrough with Zimmer Biomet and new partnerships for wound care

LICENSE BUSINESS

- CE-mark for orthopaedic trauma implants from Zimmer Biomet in January, production start in April
- Launch of **ZNN Bactiguard** in select EMEA markets in June
- Multi-center clinical studies initiated in several European countries

BACTIGUARD PORTFOLIO

- New partnerships for Bactiguard Wound Care:
 - Apotek Hjärtat, Sweden
 - Farmaban, Spain
 - schülke, Germany
- Aniocyn - wound care for veterinary segment launched together with Musti Group in the Nordics



- ZNN Bactiguard launch
- Wound care, new partnerships
- Business dev Veterinary wound care



Bactiguard – second quarter 2021

Key Financials

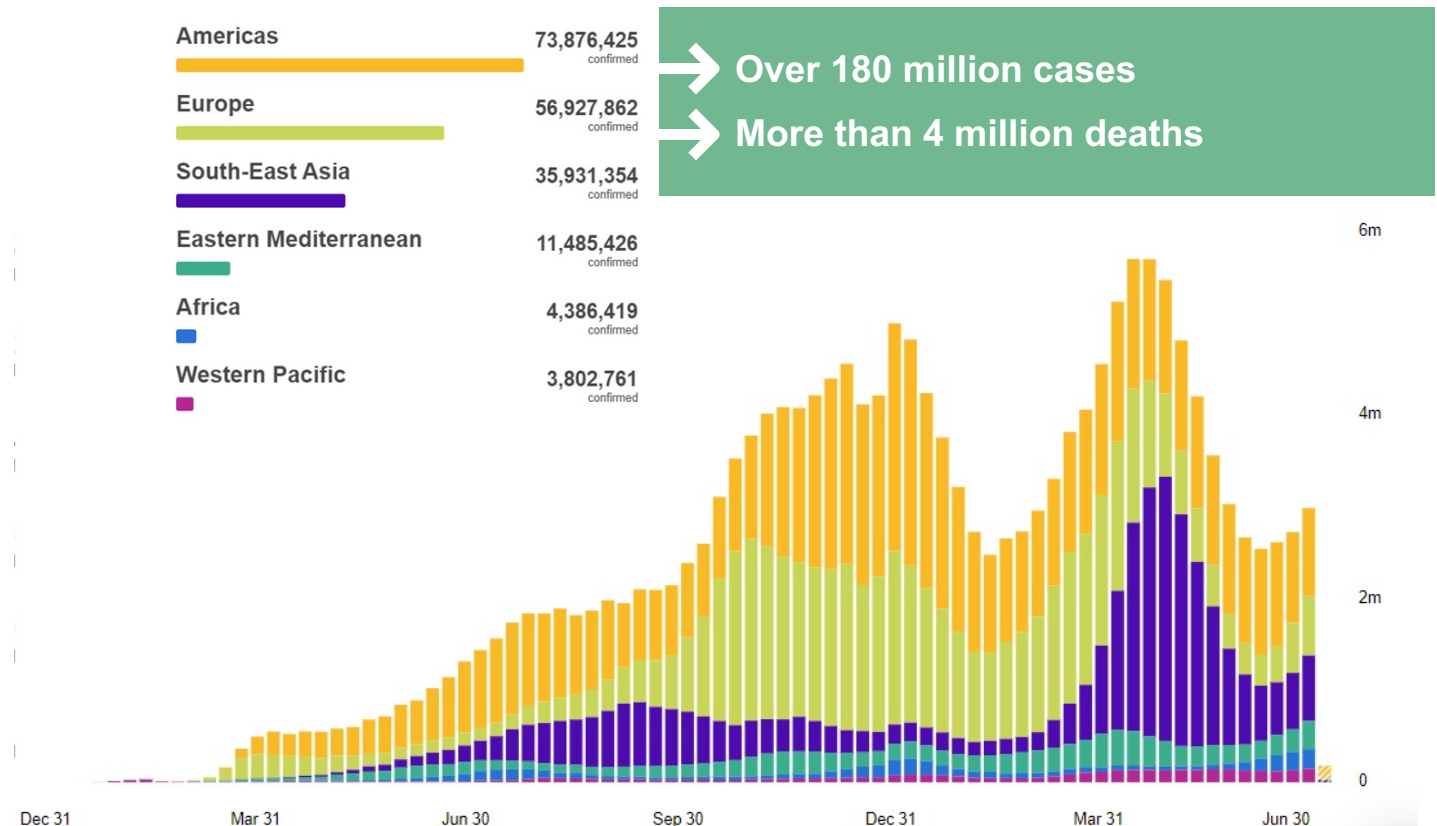
Sales	EBITDA	Net Profit	Operating cash flow
MSEK 46.0 (48.2) License 31.6 (22.1) BIP sales 13.3 (25.4)	MSEK 1.8 (10.5)	MSEK -12.0 (-0.3)	MSEK 5.5 (3.6)



Global outlook

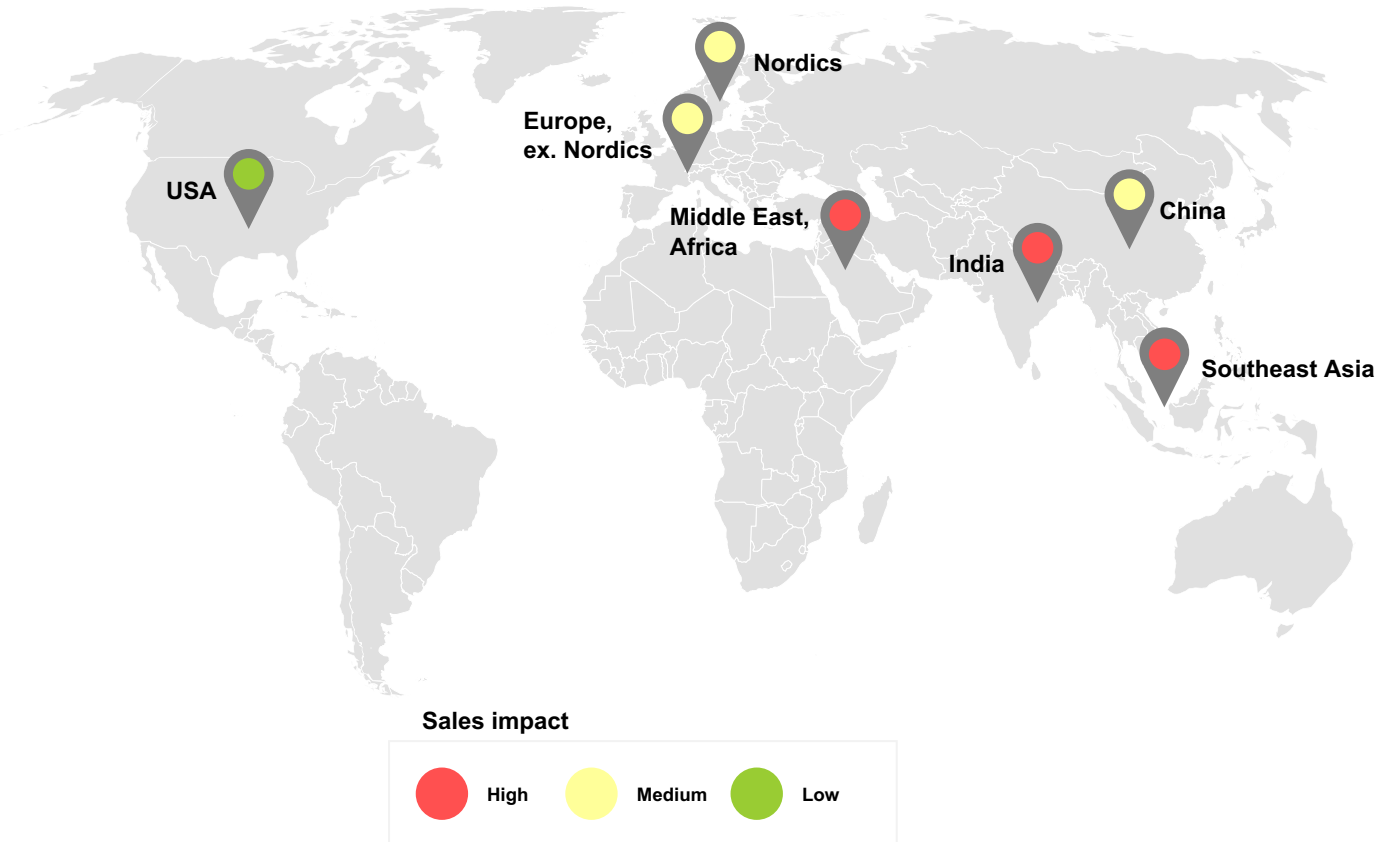
Covid-19 situation in Q2

- Centre of gravity has shifted to South East Asia and MEA
- Lock-downs affecting several countries
- India stabilizing, but still facing enormous challenges
- EU – gradually opening up, but increasing infection rates in several countries



Covid-19 affecting sales in the regions

Medium to high global impact



USA

Recovery following massive vaccination programs. Health care opening up ahead of other countries.

Nordics & Europe

Elective surgeries still low, but gradually catching up. Backlog will remain at least until 2022.

Middle East, Africa

Major impact on business, elective surgery at a minimum, limited access to hospitals. Delayed tenders.

India

Major impact on business. Increasing interest in infection control and demand gradually picking up.

China

Stable situation, but travel restrictions remain. Limited access to hospitals and HCP.

Southeast Asia

Temporary impact on business. Malaysia in lock down. Manufacturing capacity temporarily reduced.



Acquisition paving the way for business development

2020 February

Bactiguard acquires Vigilenz

2019 Sept

Zimmer Biomet Agreement

2018 Dec

First Bactiguard coated trauma implant CE marked (R&D collaboration with Vigilenz)

2020 March

Hydrocyn disinfection launch

2021 Jan

ZNN Bactiguard CE mark

2021 June

ZNN Bactiguard EMEA launch
Bactiguard Wound Care launch Swe

2021 Sept

Bactiguard wound care launch D and ES
Aniocyn Nordic launch



Zimmer Biomet EMEA launch

Positioning of Bactiguard technology

YOU
WOULDN'T
DRIVE A CAR
WITHOUT A
SEATBELT



YOU
WOULDN'T
RIDE A BIKE
WITHOUT A
HELMET



YOU
WOULDN'T
OPERATE
WITHOUT A
MASK?



SO WHY
TAKE RISKS
WITH
INFECTION
CONTROL?



Hospital acquired infections

European market data

Hospital acquired infections

3.2 million cases¹

16 million extra hospital days²

Annual HAI related cost of hospital stays

7 billion Euro²

65% of HAI cases related to biofilm

30% infection rate in orthopedic trauma

80% in open fracture cases^{3,4,5}



1. World Health Organization. Prevention of hospital-acquired infections. <https://www.who.int/csr/resources/publications/whocdscreph200212.pdf>, 2021.

2. World Health Organization. Report on the burden of endemic health care-associated infections worldwide. ISBN 978 92 4 150150 7, 2011.

3. European Centre for Disease prevention and control. Economic evaluations of interventions to prevent healthcare-associated infections. Literature review. Stockholm: ECDC; 2017.

4. Henandez-Vaquero, D.et al. Treatment of periprosthetic infections: an economic analysis. Scientific World Journal. 2013:821650, 2013.

5. Kai-Larsen, Ylva. Clinical evaluation report Bactiguard Implants. Vigilenz,



Zimmer Biomet clinical trial

A multicenter study

Summary

- Patients with severe tibial fractures in need of intramedullary nail
- 500 patients in total
- Reduced infection after fracture fixation
 - ✓ Primary endpoint:
fracture related infection after 12 months
 - ✓ Secondary endpoint:
fracture healing, Quality of life
- Total study duration 3.5 years

ZNN™ Bactiguard



Expanding infection prevention portfolio

Hypochlorous acid



HYDROCYN
WOUND CARE
VIGILENZ
B2B

HYDROCYN

BACTIGUARD WOUND CARE

ANIOCYN



DISINFECTION



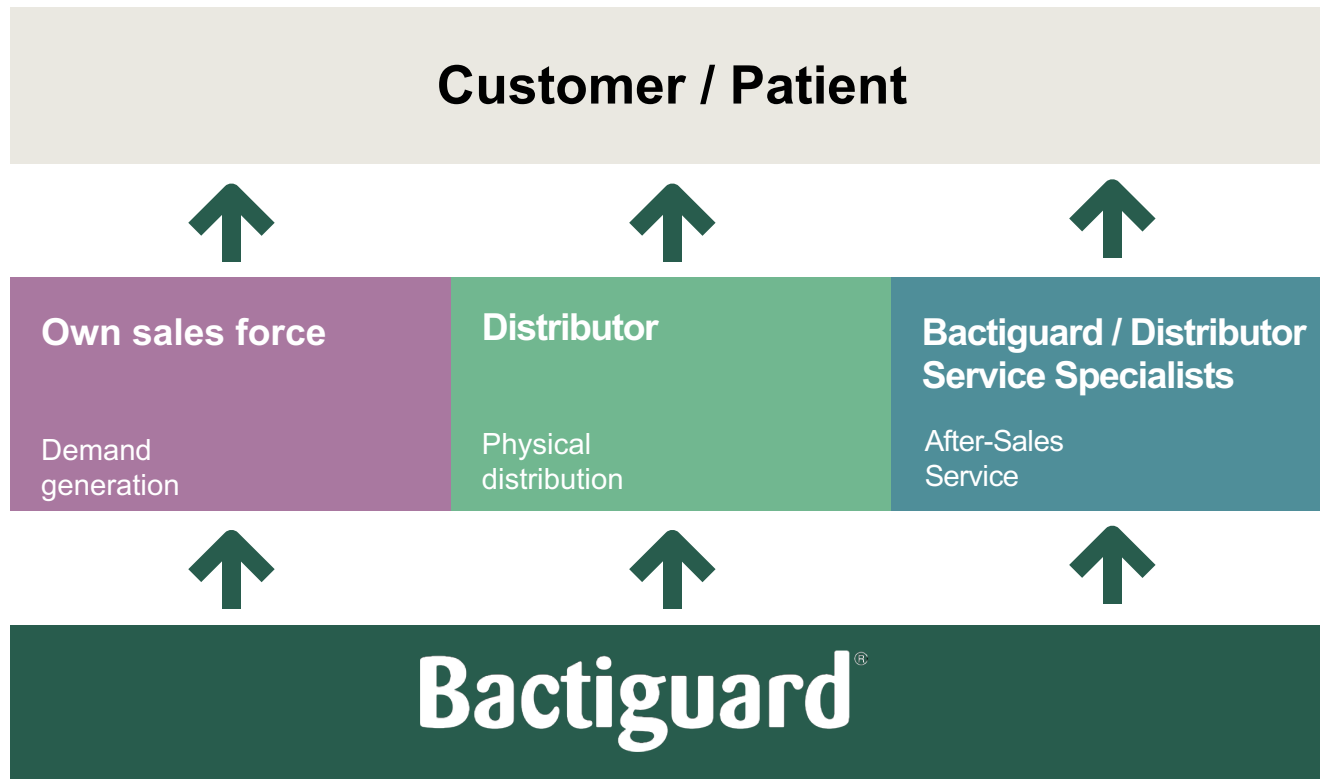
WOUND CARE



VETERINARY CARE



Hybrid distribution model



- Developing our distribution model
- Broader product portfolio for infection prevention
- Capitalise on the increasing need for infection prevention
- Investment in sales & marketing
- Positive effects from the investments in the Nordics
- Well positioned for bounce back

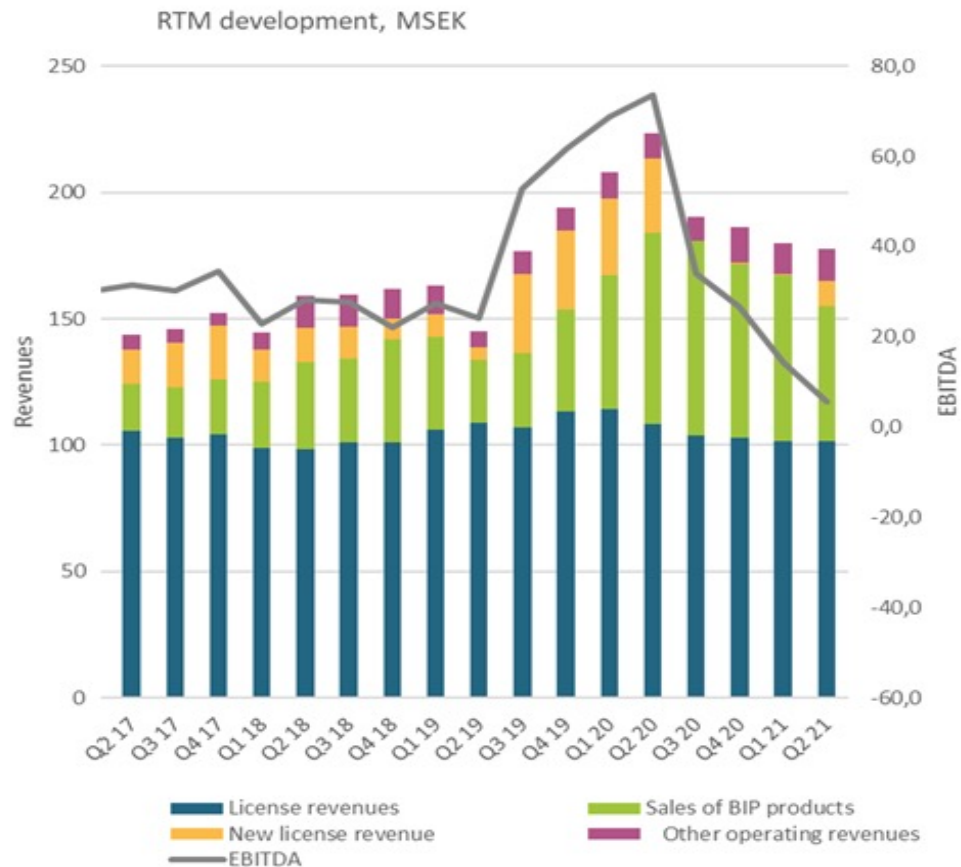


Financial update



Stable revenues second quarter

Still negative COVID-19 impact on the business



- Stable BD license revenues, negative currency effect
- BIP revenues still negatively impacted by Covid-19.
- New partnerships for Wound Care, first revenues in Q3
- New license revenue of MUSD 1, following Zimmer Biomet launch
- EBITDA development due to revenue mix and negative currency effects, increased investments in sales & marketing, inventory write-down and higher freight costs



Financial overview

MSEK	2021				2020			
	Q1	Q2	YTD 6m	RTM	Q1	Q2	YTD 6m	Full year
Revenues	41,8	46,0	87,8	177,5	48,1	48,2	96,3	186,0
EBITDA	1,9	1,8	3,7	5,5	14,4	10,5	24,9	26,7
EBITDA margin %	5%	4%	4%	3%	30%	22%	26%	14%
Depreciations	-11,8	-11,3	-23,1	-45,9	-10,5	-11,3	-21,8	-44,3
whereof depreciation technology	-6,4	-6,4	-12,8	-25,4	-6,1	-6,4	-12,5	-25,1
Net profit/loss*	-10,5	-12,0	-22,6	-49,5	-11,2	-0,3	-11,4	-38,4
Operating cash flow	-0,9	5,5	4,6	5,2	-3,5	3,6	0,1	0,7

Q2 2021 (Q2 2020)

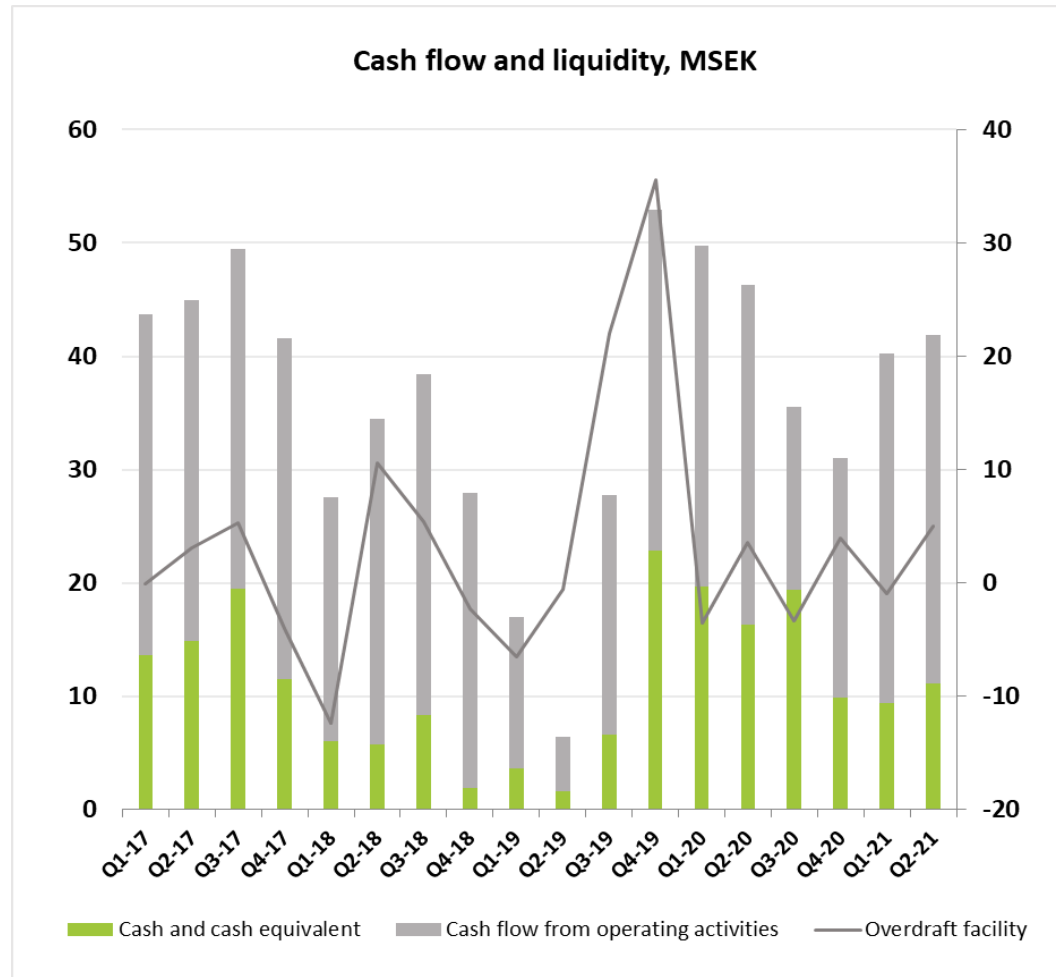
- Organic revenue growth of 5%, reported -5%
- EBITDA MSEK 1.8 (10.5) with an EBITDA-margin of 4% (22%). Higher EBITDA margin in Q2 2020 due to strong demand for disinfection related to Covid outbreak.
- Net profit/loss: MSEK -12.0 (-0.3). Regular depreciation on technology of MSEK -6.4 (-6,4), provides tax shield as technology increases in value with new applications

*According to IFRS the set-off issue is reported as a forward contract, which affected net profit/loss with MSEK 1.9 in the second quarter 2020 and SEK -10,9 million YTD 2020. The adjustment does not affect cash flow.



Cash flow and liquidity

MSEK



- Positive operating cash flow in Q2, MSEK 5.5 (3.6). Working capital increased 4.8 (-6.9) due to increase of accounts receivables at the end of the period
- Overdraft facility utilized by MSEK 14.3 (-) as of June 30
- Available liquidity MSEK 41.3, incl. overdraft facility



Strategic focus and value creation

Focus H2

LICENSE BUSINESS

- Roll out of **ZNN Bactiguard** in EMEA, next step US and RoW
- Multi-center clinical trials in long term applications - KOL network
- Expanding into new applications – several interesting dialogues ongoing
- Strengthening the team

BACTIGUARD PORTFOLIO

- Expanding the BIP portfolio, new applications and market segments
- Enhancing our distribution model for better access to end customers and KOLs
- Focus on generating recurring sales to hospitals, homecare and veterinary care
- Establishing new strategic partnerships; e.g schülke and Musti group

BUSINESS ENABLERS

- Investing in training and marketing activities - digitalisation
- Clinical studies – barrier to entry under new regulatory framework



Long term financial targets

GROWTH

Average **revenue growth of 20%** per year over a five year period from 2020

PROFITABILITY

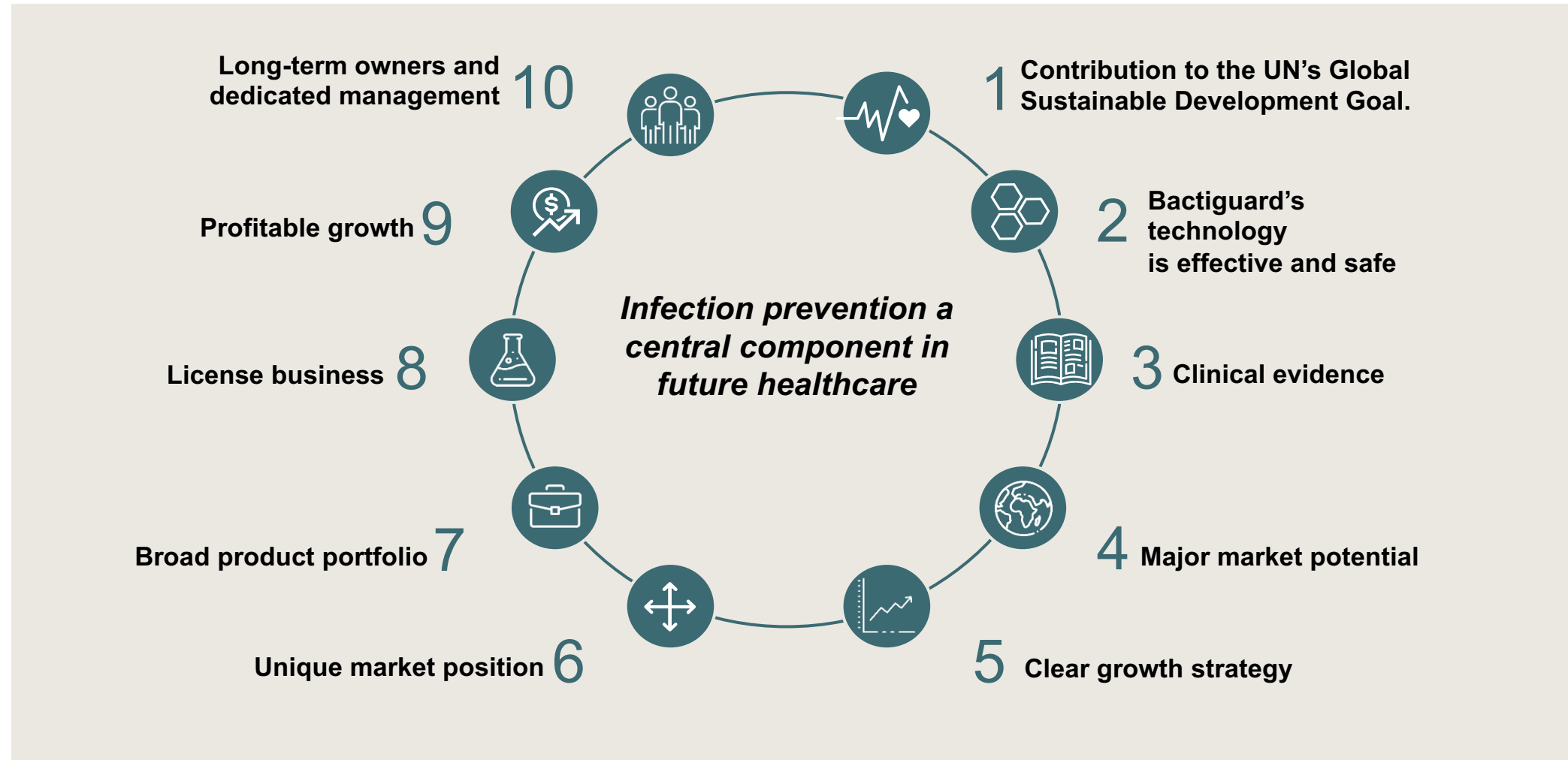
EDITDA margin of at least 30% at the end of the five-year period


DIVIDEND

A long-term goal to achieve a dividend of 30-50% of profit after tax, taking into consideration the company's financial position - growth will be prioritised over dividends

Bactiguard infection prevention – New standard of care

Ten reasons to invest in Bactiguard





**Bactiguard on the outside –
safe on the inside**

Questions & Answers



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Upcoming events and financial reports

October 28, 2021

- Q3, 2021

