

# Bactiguard<sup>®</sup>

## Interim Report Q3 2023 presentation

Friday October 27, 2023

Thomas von Koch, Interim CEO





# Interim Report Q3 2023:

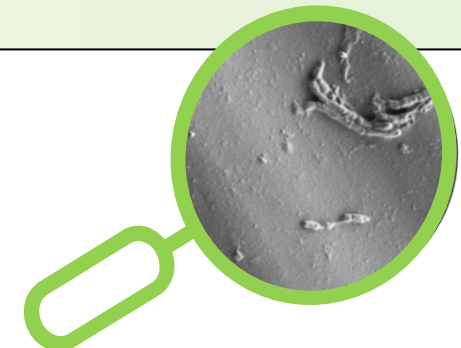
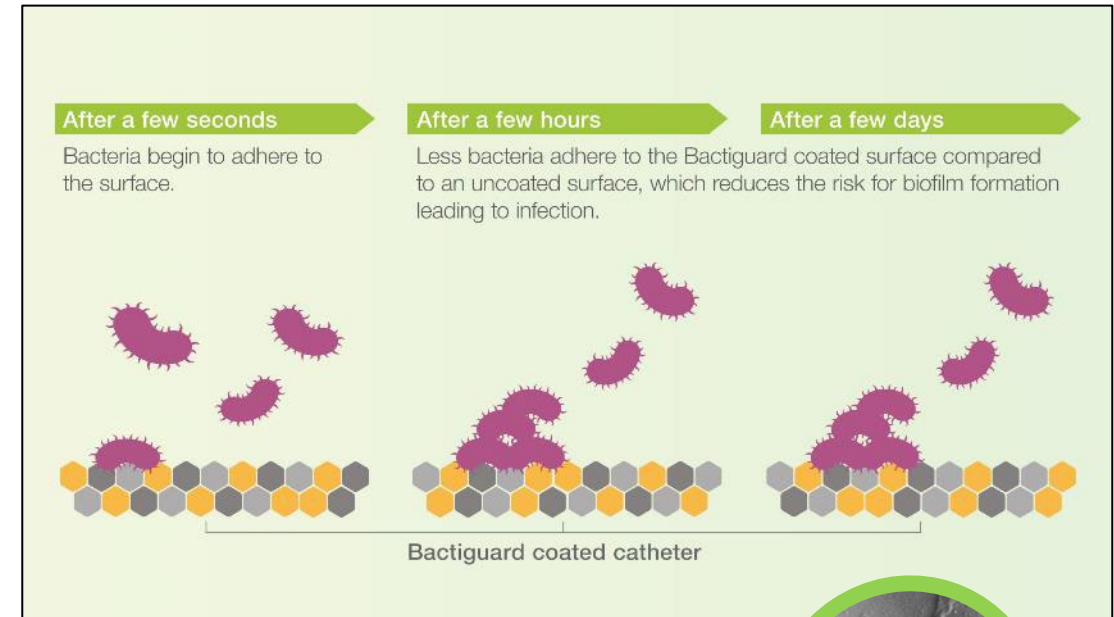
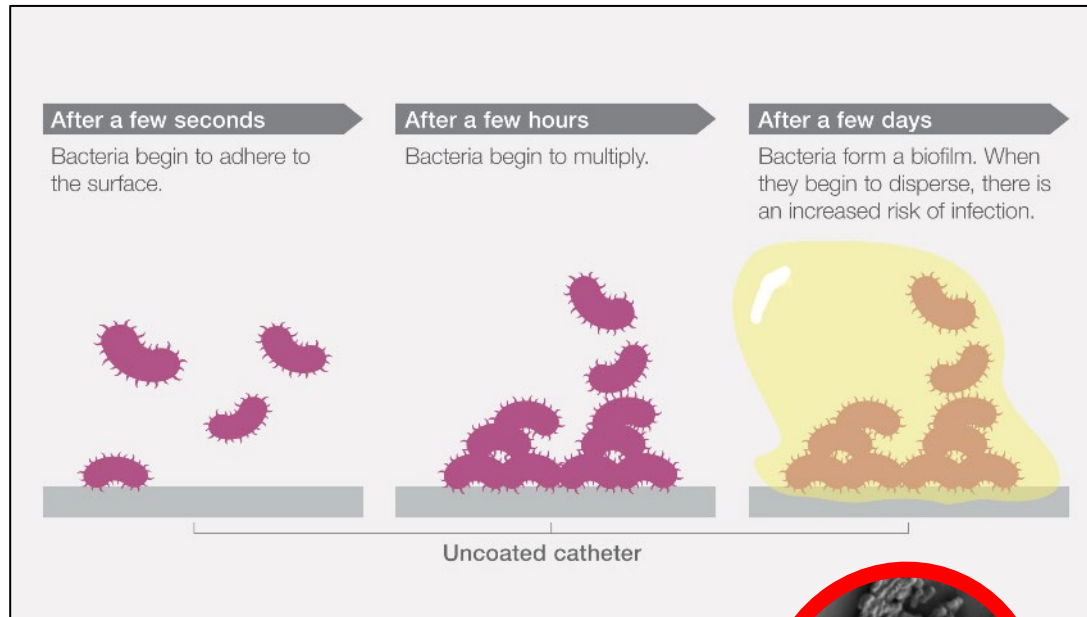
**Transforming Bactiguard into a license focused business with the vision to become global standard of care**





# The dangers of biofilm

Medical devices that stay in the body more than two days – a possible danger for infection





# A novel noble metal stent coating reduces in vitro platelet activation and acute in vivo thrombosis formation

Published in Scientific Reports in October 2023 – available on [www.bactiguard.com](http://www.bactiguard.com)

Joint study by Bactiguard, KI and KTH

- **Efficacy of the coating to reduce thrombo-inflammatory reactions and acute stent thrombosis** – gather more data and to provide proof of concept
- **Two versions of the coating** – “standard” (gold, silver, palladium), and modified version (with neodymium)
- **In vivo** and **in vitro** (pigs and through blood marker analysis, including human samples)
- **Coated stent group significant decrease in blood clot volume** vs control group – **effect observed one hour** after the stent was implanted, more accentuated after two hours
- **Conclusion:** promising results, Bactiguard’s coating has the **potential to reduce the thrombo-inflammatory reaction of an intravascular device**

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# Biggest strategic shift in Bactiguard's history

Key priorities rest of 2023 and 2024

## License

- strengthen organization
- double down on current partnerships
- new partnerships

## R&D and coating development

- institutionalize
- Billy Södervall Academy

## BIP portfolio

- outsourcing discussions
- orderly transition and gradual phase out

“from a medical device production company to a **knowledge and specialist organization** – and a **profitable high-margin business**”



# A vision firmly connected to Bactiguard's strategy

## Vision (what we strive to become)

“to be the **global standard of care** for preventing medical device related infections”

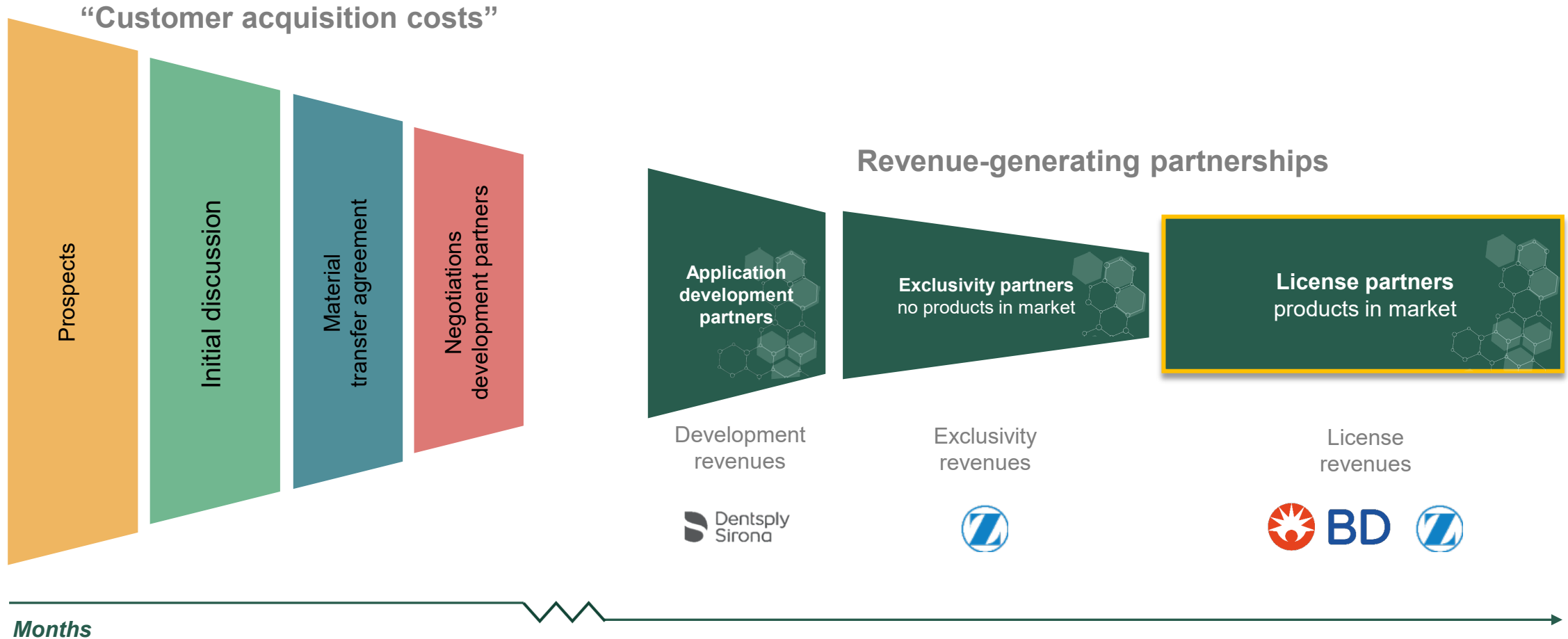
## Mission (what we do to reach our vision)

“by being the **premier partner for leading medtech companies**, joining forces to **redefine healthcare** and **improve health** worldwide”





# A license focused business model – effective full-year 2023





# Financials Q3 2023 (Q3 2022) and key events

Transformation into a license focused business with the vision to become global standard of care

Revenues	EBITDA	Net Loss	Operating cash flow
49 (66) SEKm	-9.5 (2.5) SEKm	-24.6 (-8.5) SEKm	-35.7 (3.1) SEKm

## Key events Q3 and events after the period

- **Profit warning:** EBITDA to be negatively affected by 42 SEKm full-year 2023, adjustments of one-time character and the result of an in-depth review of financial items negatively affecting the business
- **New strategy announced on October 5:** sharpened strategy with full focus on Licensing
- **Updated financial goals announced on October 26:** profitability, growth and application areas generating license revenues





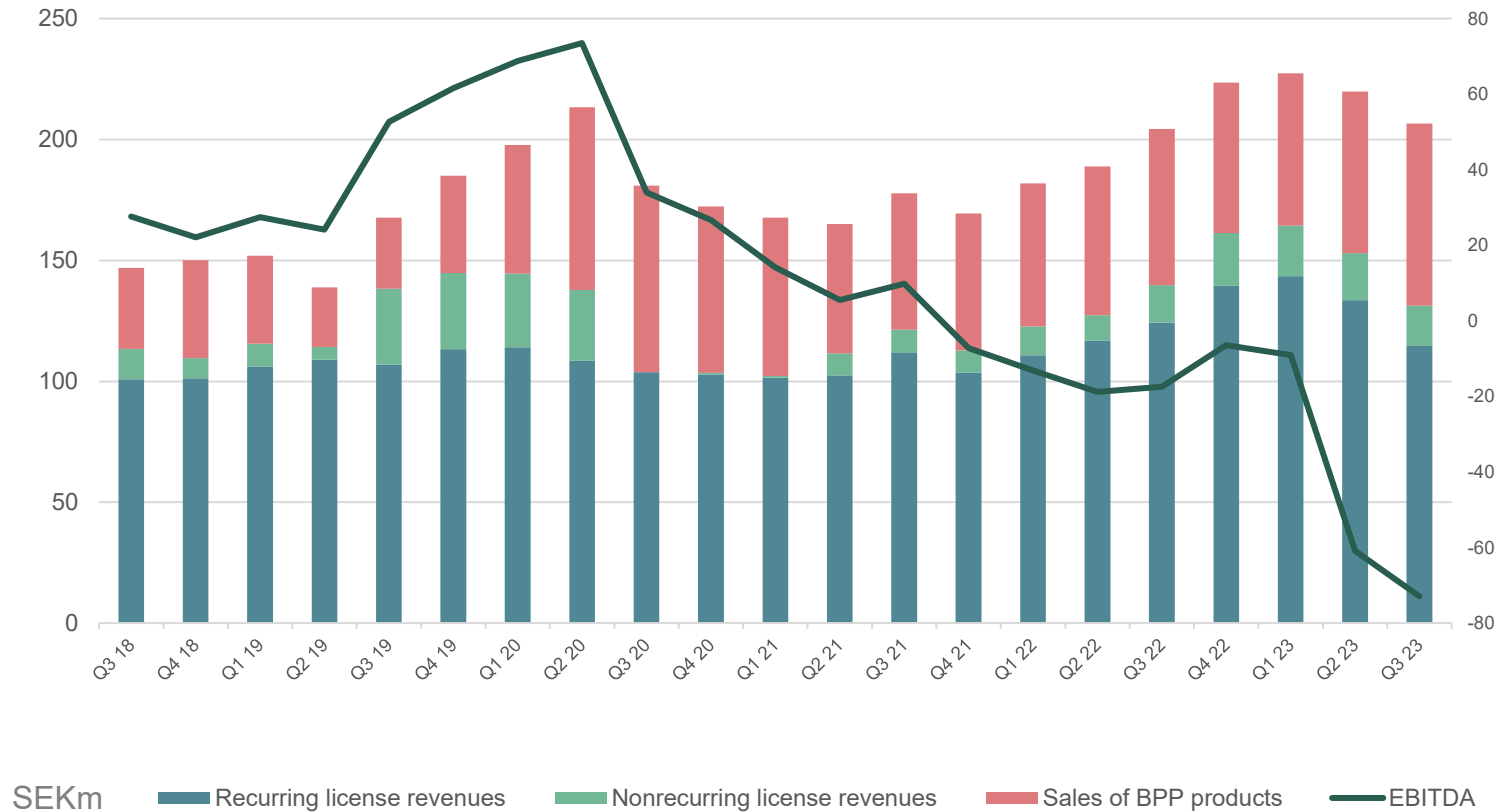
# Financial overview

Amounts in SEKm	2023	2022	2023	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
<b>Total revenues</b>	49,5	66,2	161,8	181,3
- License	20,8	42,4	85,0	115,1
- BPP	24,6	16,3	60,3	47,2
<b>Total cost</b>	-71,1	-77,1	-270,0	-223,7
<b>EBITDA</b>	-9,5	2,5	-71,8	-5,3
EBITDA margin	-19%	4%	-44%	-3%
<b>Net loss</b>	-24,6	-8,5	-111,2	-38,7
<b>Operating cashflow</b>	-35,7	3,1	-65,0	-10,9

- **Total revenue YTD decrease of 11%**
  - License -26%
  - BPP 28%
- Cost YTD impacted by Q2 -42 SEKm adjustment
- Cost of goods in line with last year (ex adjustment)
- Other external expense YTD 5 SEKm (ex adjustment)
- Personnel cost YTD 8 SEKm (ex adjustment)



# Rolling 12-months revenues



Note - "old" revenue format

## Recurring license revenues

- Key driver BD and initial contributions from Zimmer Biomet (trauma)

## Non-recurring license revenues




- Zimmer Biomet (broader portfolio) and Dentsply

## BPP sales

- BIP sales growth but still unprofitable
- Wound Management sales growth



# Q3 2023 highlights – Licensing business

Recurring revenues	Non-recurring revenues	
<p data-bbox="293 492 912 664"><b>Revenues Q3 2023</b> 9.2 (34.8) SEKm -74%</p>  <ul data-bbox="226 892 932 1075" style="list-style-type: none"><li>• Largest license partner</li><li>• Levels substantially lower in Q3, as expected</li><li>• Adjustments expected to be finalized in Q4 and back to pre-covid levels</li></ul>	<p data-bbox="1447 492 2066 664"><b>Revenues Q3 2023</b> 11.6 (7.6) SEKm 53%</p>  <ul data-bbox="1138 875 1612 1058" style="list-style-type: none"><li>• ZNN Bactiguard roll-out across Europe continues</li><li>• Commercial launch in Japan expected in 2024</li></ul>	<p data-bbox="1775 739 2321 843"><b>ZIMMER BIOMET</b> Orthopedics (broader portfolio)</p> <ul data-bbox="1786 875 2359 943" style="list-style-type: none"><li>• Process taking longer than expected - best guess FDA approval early 2026</li></ul>  <ul data-bbox="1786 1115 2249 1183" style="list-style-type: none"><li>• Development project outcome uncertain</li></ul>



# Q3 2023 highlights and status – BPP

## BPP (Bactiguard Product Portfolio)

**Revenues Q3 2023**  
24.6 (16.3) SEKm  
51%

- Despite **strong BIP sales of 7.0 SEKm** in Q3, **profitability issues remain**
- **Outsourcing discussions intense** with current and new partners for CVCs, ETTs, and Foleys
- **Wound Management** not affected by license focused strategy – strong sales of **17.5 SEKm** in Q3
- Marketing efforts of **Hydrocyn aqua** continues according to plan – clean to heal chronic and complicated wounds





# Updated financial targets

Mid-term expectations given new strategy and license focused business model

## Profitability

deliver an **EBITDA of SEK 500 million by year-end 2028**

*Replaces: EBITDA of at least SEK 400 million in 2026*

## Growth

deliver **net sales in excess of SEK 1 billion by year-end 2028**

*Replaces: Annual revenues of at least SEK 1 billion in 2026*

## Application areas generating license revenues

have at least **10 application areas in license partnerships with products in the market by year-end 2028**

*Replaces: Strategic goal of 1-2 new license agreements per year*





# Q&A

“to champion a healthier world  
by preventing infections



# Questions & Answers

Interim Report Q3 2023



**Thomas von Koch**  
Interim CEO



**Carin Jakobson**  
CFO

