

Bactiguard Q4 2020

Investor presentation – February 4th 2021

Cecilia Edström, CEO

Gabriella Björknert Caracciolo, CFO

The silent tsunami



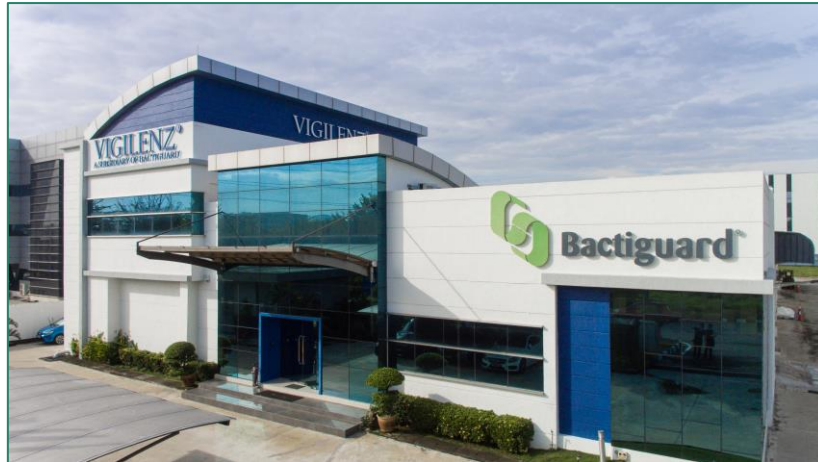
- > 100 million infected
- > 2 million deaths




- >10 million annual deaths by 2050




A solid platform for future growth




 Bactiguard


Executive Management




Stefan Grass, CMO and deputy CEO




Gabriella Birkner Caracciolo, CFO and deputy CEO



Sathish Subramaniam, COO



Petra Kaur, CMO



Peter Rådqvist, Global Head of Sales

Financial summary

Recovery in fourth quarter

- Sales MSEK 55.6 (59.8) down by 7% (- 2% currency adjusted)
 - BD license revenues of MSEK 23.4 (33.7) – approaching normal levels, but 30% lower than last year, which was exceptionally high
 - License revenues of MSEK 9.4 (0) from Well Lead
 - BIP sales of MSEK 16.9 (25.3) – last year included revenues from China of MSEK 16.5
- EBITDA of MSEK 4.9 (12.2)
- Net profit of MSEK - 9.4 (1.6) – regular depreciation on technology of MSEK -6.4 , provides tax shield as technology increases in value with new applications
- Operating cash flow of MSEK 3.9 (36.9)

FY 2020 (2019), MSEK

Sales	186.0 (193.9)
<i>where of</i>	
License revenue	103.5 (144.8)
BIP Sales	68.9 (40.2)
EBITDA	26.7 (61.6)
Net profit	-37.0 (16.3)
Operating Cash flow	0.7 (54.0)

Operational highlights

Important break-through with Zimmer Biomet and improved BIP-sales

License business

- CE-mark for orthopedic trauma implants from Zimmer Biomet, paves the way for launch in first half of 2021
- BD's business returning to more "normalised" levels
- First order for coating concentrate from Well Lead for product development and regulatory clearance




Bactiguard portfolio

- Continued focus on roll-out in Europe, Middle East and India
- New distributor for BIP-portfolio in Spain – combining ventilators with BIP ETTs and CVCs for intensive care
- Greek launch of Hydrocyn aqua for disinfection and wound care

Organisation

- Strengthening the sales and management team
- New Global Head of Sales and Nordic sales team

Licensing partnerships

License partner	Application area	Territory	Status
	Urinary catheter(Foley)	The USA, Japan, the UK, Ireland, Canada and Australia	Recurring sales and revenues
	Orthopedic trauma implants	Global agreement excl. South-East Asia	Milestone driven regulatory phase EU, US
	Urinary catheters, ETTs and CVCs	China	Development and regulatory phase
Smartwise Sweden	Advanced vascular injection catheters	Global	Development phase
Potential new opportunities	Orthopedic & dental implants, dialysis catheters etc		

BD developments

Improved performance and outlook

- Revenues ahead of expectations
- Driven by COVID-19 testing and higher revenues in all BD business segments
- Greater resiliency in both elective and routine procedures
- Interventional segment, including Urology & Critical care grew by high single digits

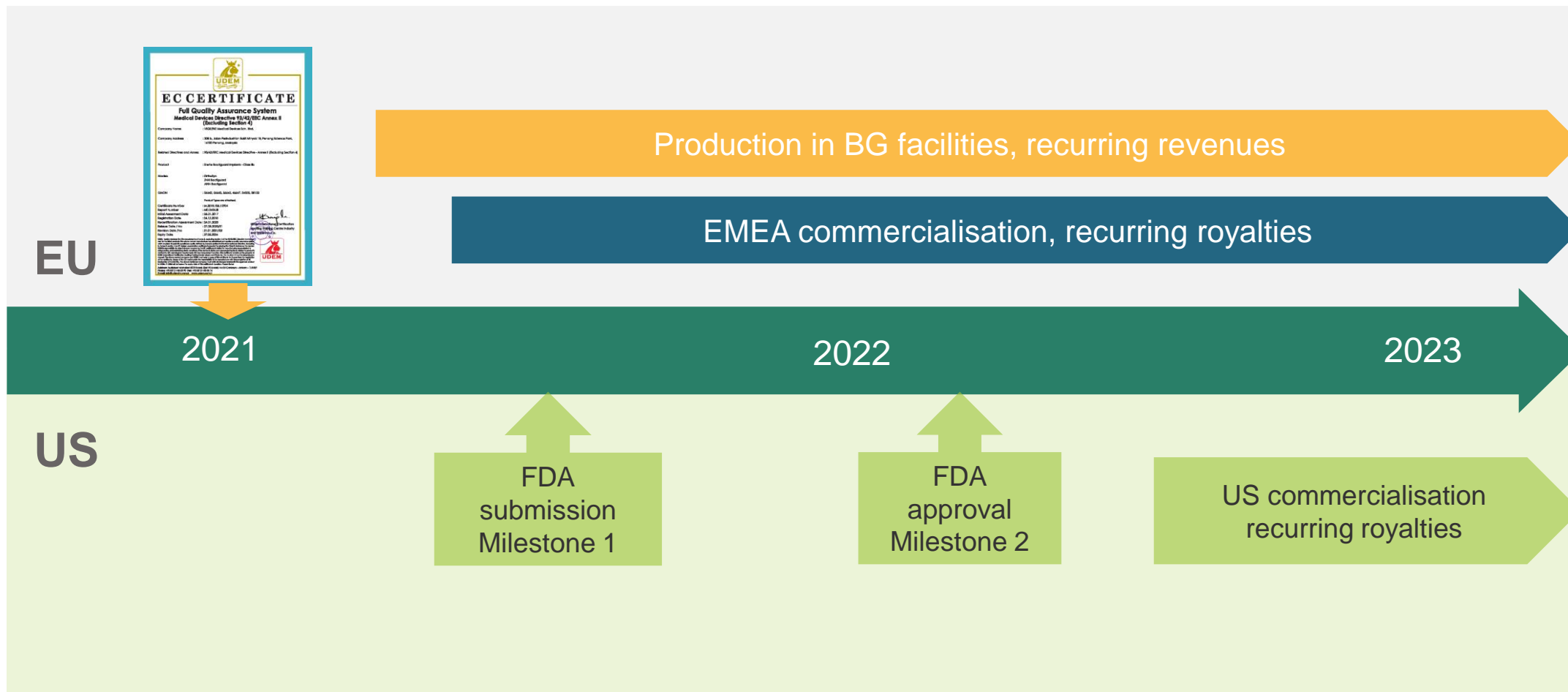


- Outlook positive for "normalized" Bactiguard license revenues in 2021
- Beginning of the year still likely to be affected due to one-quarter delay in license revenues



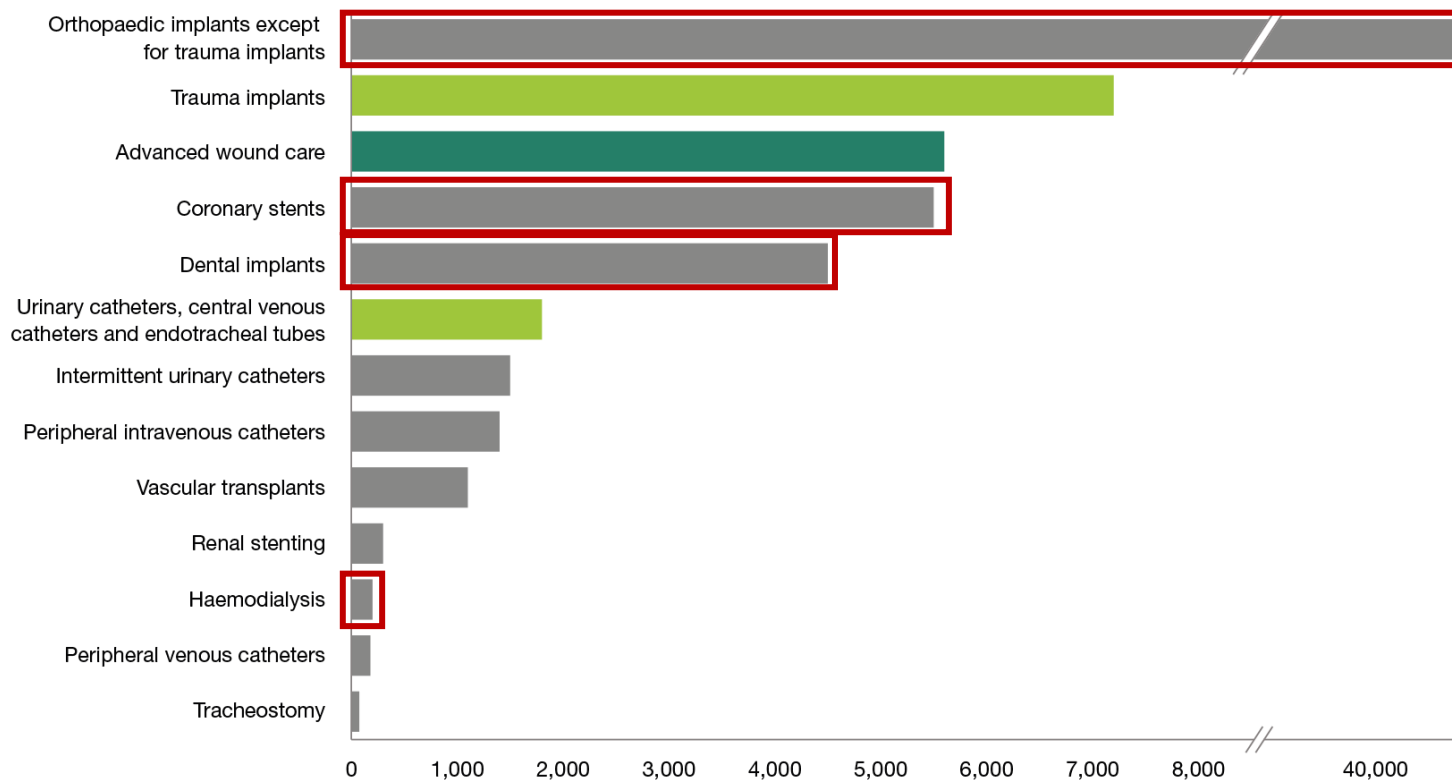
Zimmer Biomet milestones

Orthopedic trauma implants



Major potential for growth

Global market 2017 USD million



- Bactiguard's existing market segments
- New market segment through the acquisition of Vigilenz Medical Devices

Source: The Orthopaedic Industry Annual Report 2019

Bactiguard product portfolio

Product portfolio for prevention and best treatment outcome

Preventive disinfection / care



Domestic Biocide regulation

Advanced wound wash / care



MDD ClassI/ClassIII

Wound management



MDD ClassI/ClassIII

Consumables / implantable devices



MDD ClassII/ClassIII

Current market presence & product mix

Major potential in selling full product range across global footprint

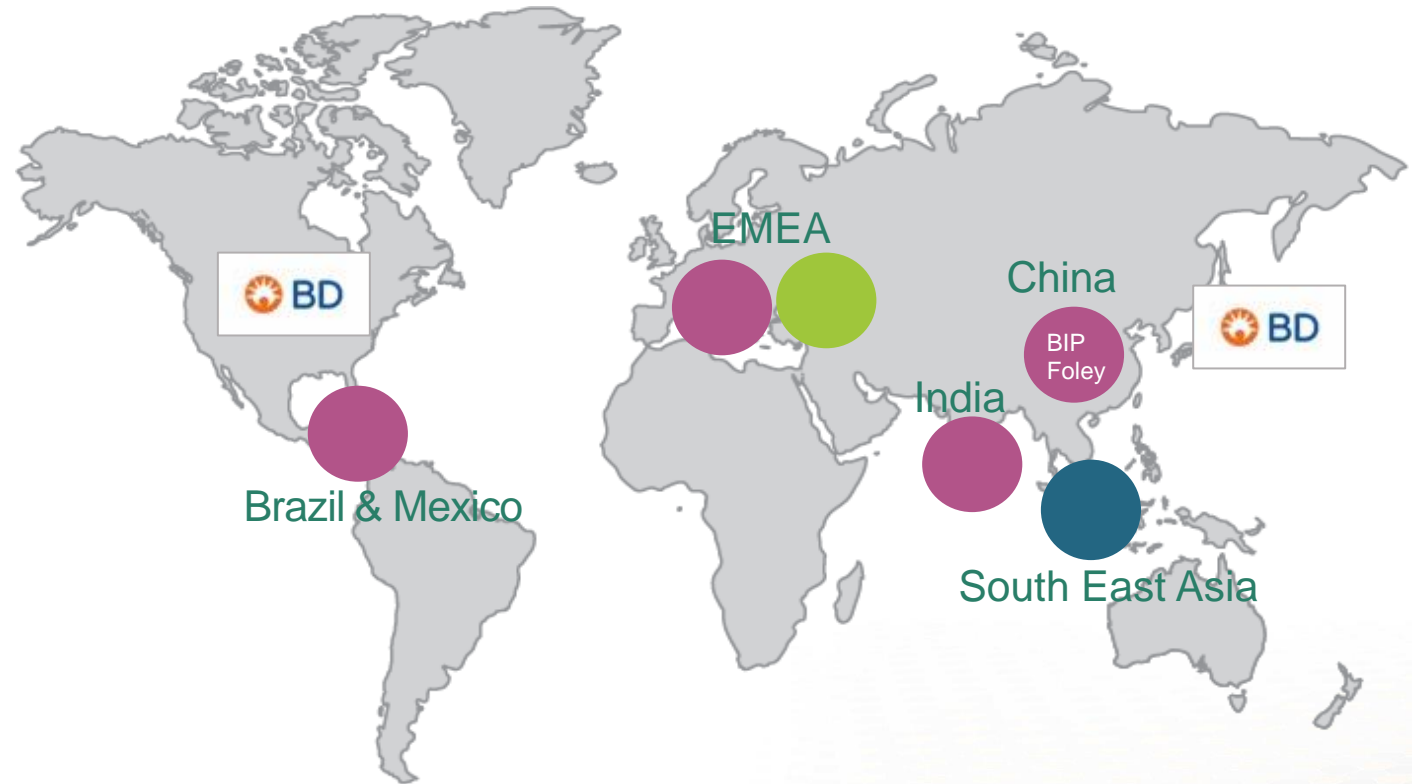
BIP Foley, CVC, ETT



Advanced Disinfection



Advanced Wound Care



New Global Head of Sales

Peter Rådqvist

- Joined Bactiguard on 1 February
- Many years of international experience from leading companies and positions in MedTech, primarily in the dental area
- Track record of driving profitable growth
- Most recently held a global role in the development of the service organization in the Swiss Straumann Group
- Previous experience from Biomet 3i (now part of Zimmer Biomet) and Dentsply
- 53 years old, bachelor's degree in marketing and economics



Strong and dedicated Executive Management Team



Stefan Grass, CMTO and deputy CEO



Gabriella Björknert Caracciolo, CFO and deputy CEO



Sathish Subramaniam, COO



Petra Kaur, CMCO



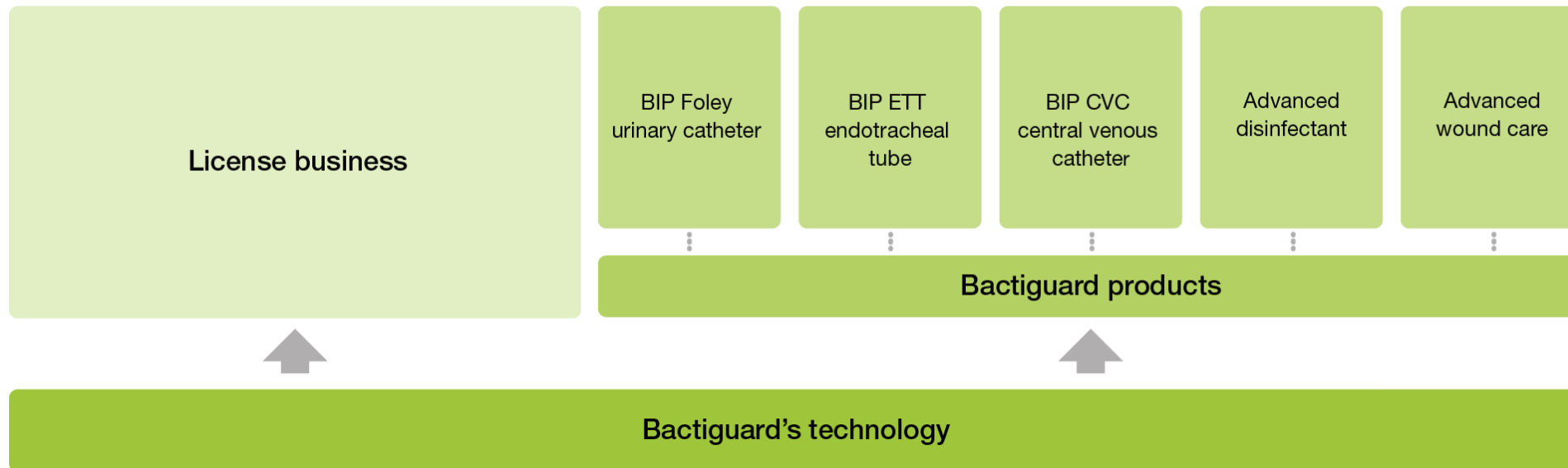
Peter Rådqvist, Global Head of Sales

Financial update



Our Business model

Expanding our portfolio for infection protection

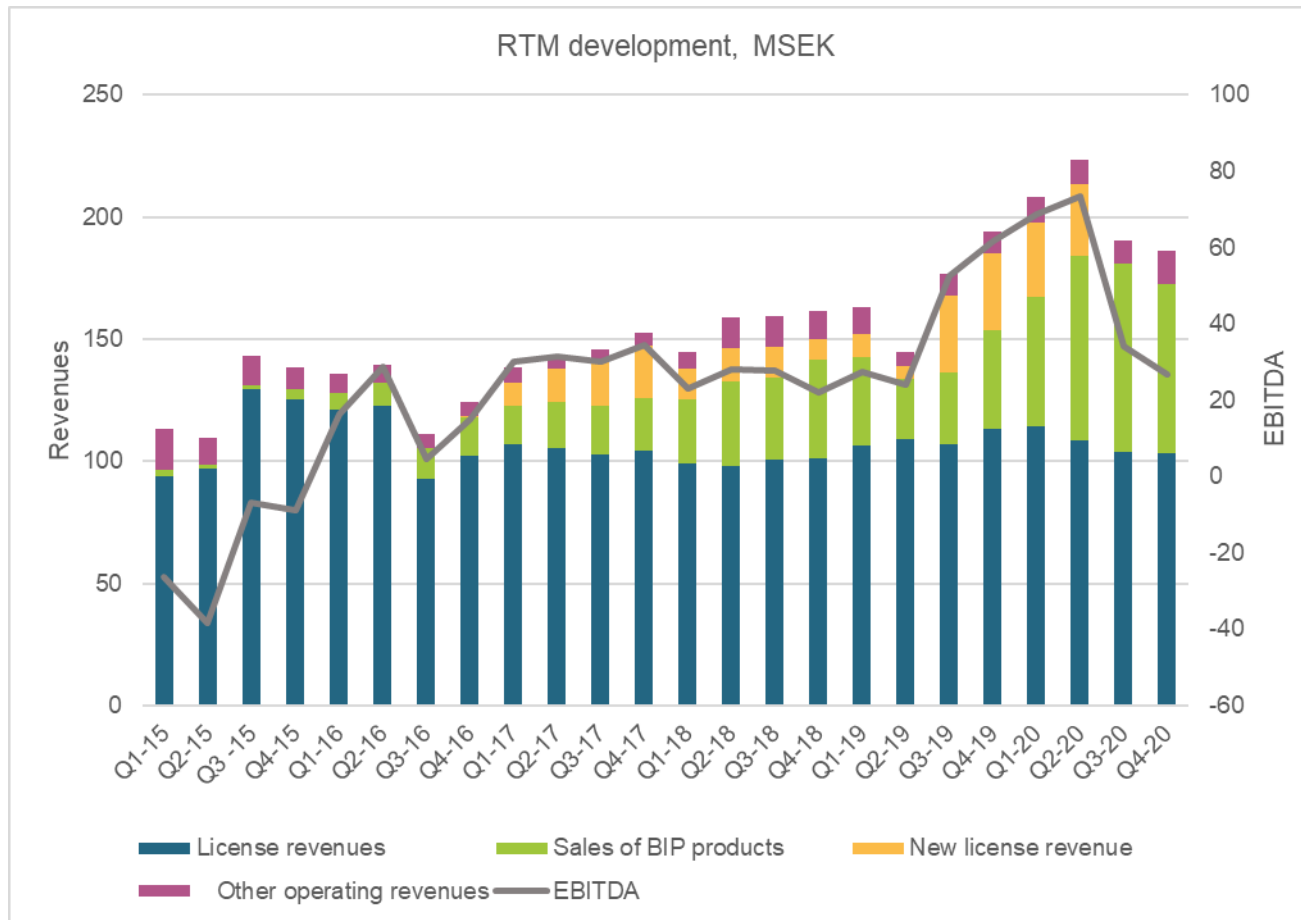


License agreements for various applications with Bactiguard technology

Proprietary product portfolio – sold through distributors

Recovery in the fourth quarter

Negative COVID-19 impact on earnings



- BD license negatively affected by currency and the pandemic
- License revenues of MSEK 9.4 from Well Lead
- Lower sales of BIP products, but sequential improvement in Q4.
- No major new license revenue in 2020

Financial overview

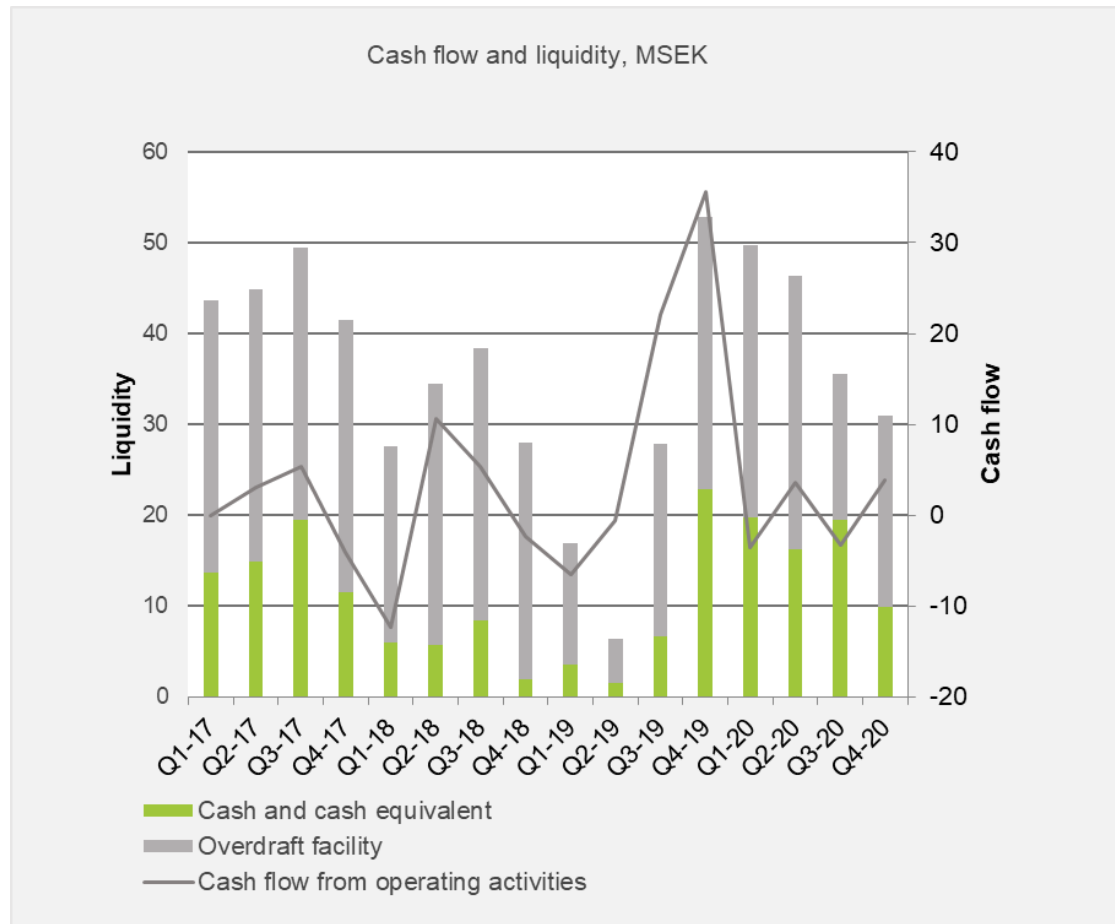
MSEK	2020					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Revenues	48,1	48,2	34,1	55,6	186,0	33,9	33,0	67,2	59,8	193,9
EBITDA	14,4	10,5	-3,1	4,9	26,7	7,2	5,7	36,5	12,2	61,6
EBITDA margin %	30%	22%	-9%	9%	14%	21%	17%	54%	20%	32%
Depreciations	-10,5	-11,3	-11,2	-11,2	-44,2	-10,5	-10,5	-10,5	-10,5	-41,9
whereof depreciation technology	-6,1	-6,4	-6,4	-6,4	-25,3	-6,0	-6,0	-6,0	-6,0	-24,0
Net profit/loss*	-11,2	-0,3	-16,1	-9,4	-37,0	-3,4	-5,6	23,7	1,6	16,2
Operating cash flow	-3,5	3,6	-3,3	3,9	0,7	-6,5	-0,2	23,9	36,9	54,0

Q4 2020 (Q4 2019)

- Negative revenue growth of -7%, adjusted for currency -2%
- EBITDA MSEK 4.9 (12.2) with an EBITDA-margin 9% (20%), mainly hit by freight costs and inventory write downs
- Full Year EBITDA MSEK 26.7(61.6)
2019 new license revenue from Zimmer Biomet of MSEK 29.4

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

Cash flow and liquidity



- The Vigilenz acquisition was partly financed by debt and by issue of new shares in Q2 2020
- Positive operating cash flow for Q4 of MSEK 3.9 (36.9). Q4 last year included large payment from Zimmer Biomet of 29.4 MSEK
- Credit facility of 30 MSEK of which MSEK 8.9 was utilized December 31
- Available liquidity incl credit facility amounted to MSEK 31.0 compared to MSEK 52.9 previous year
- Terms of the loan agreement with SEB renegotiated

Long term financial targets

Growth

- Average **revenue growth of 20%** per year over a five year period 2025

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.

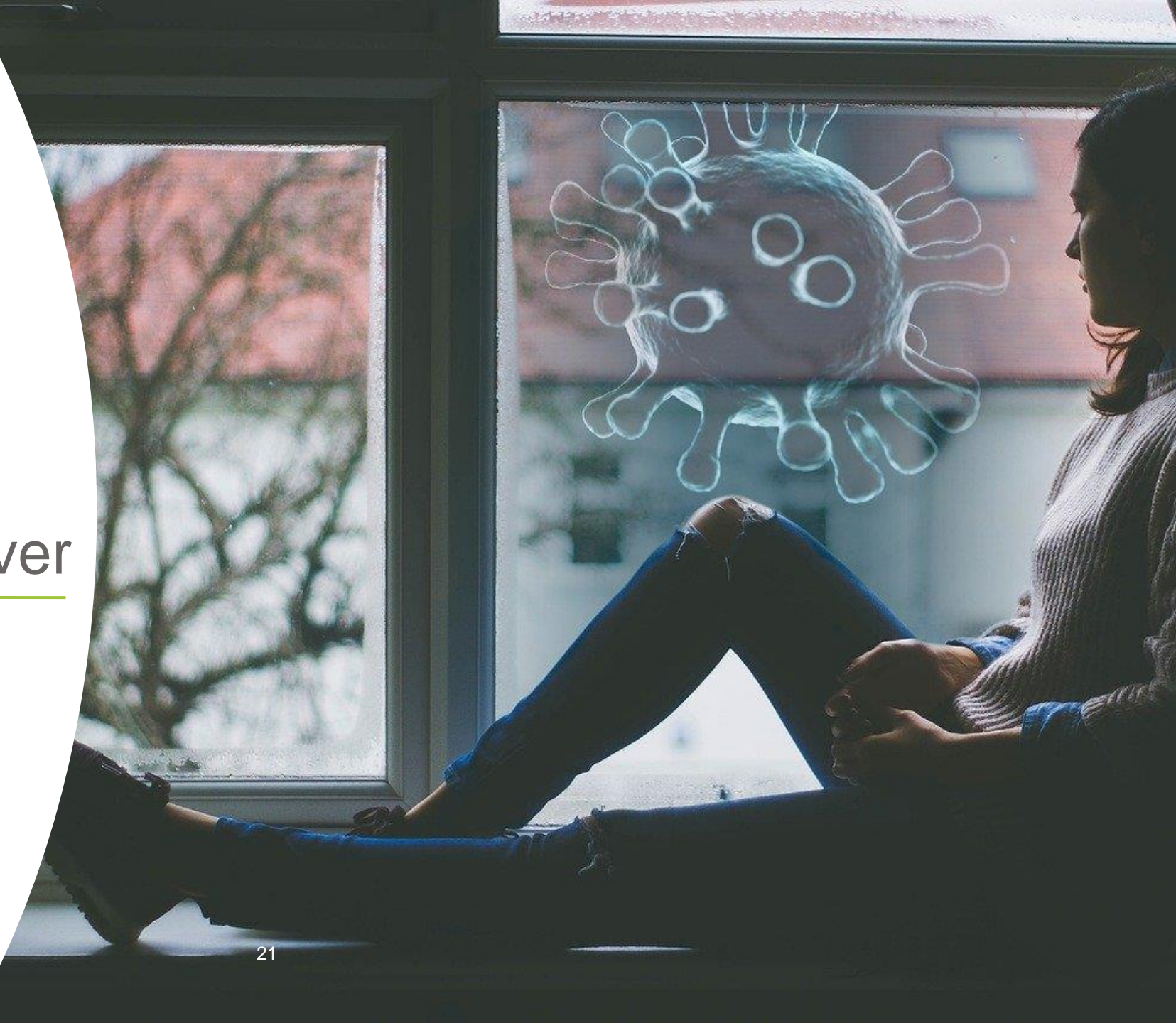
Clear growth strategy

Effective and safe
infection
prevention

Recurring license
revenues and new
agreements

Broader product
portfolio and
market coverage

Infection prevention
more needed than ever



Questions & Answers



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Upcoming financial reports

March 30, 2021

- Annual report 2020

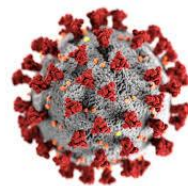
April 22, 2021

- Interim report Q1

April 28, 2021

- AGM2021

COVID-19 impact



Increased need for infection control

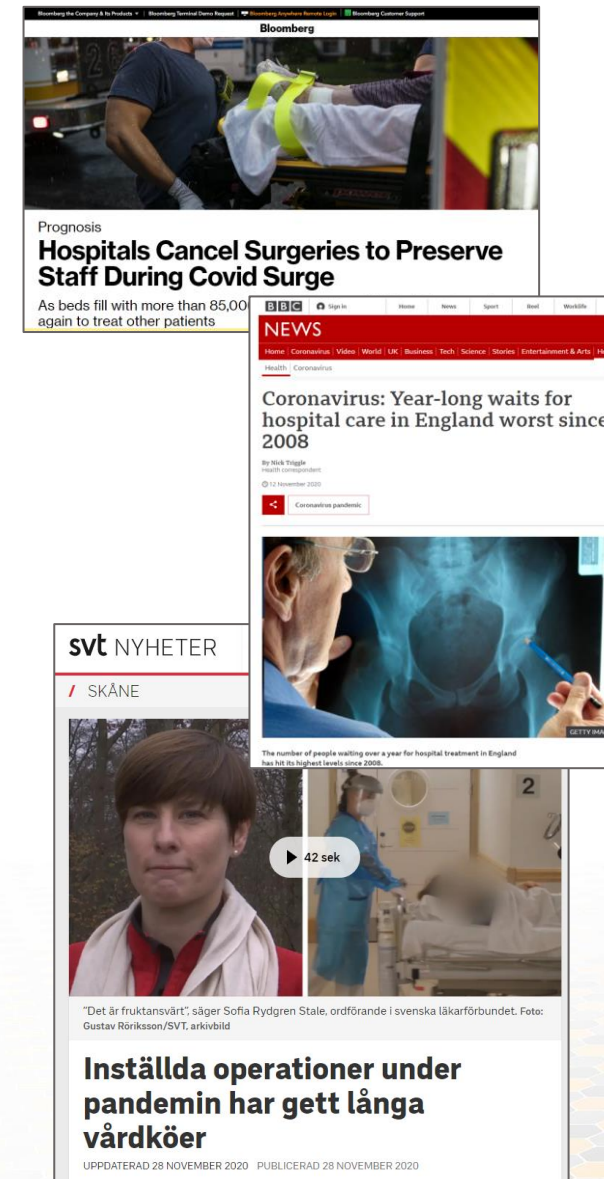
Trends:

- Increasing awareness of infections
- Behavioural changes
- Patients cautious in seeking healthcare
- Accelerating healthcare backlog
- Public finances under pressure
- Shift to digital and home-based care

Calibrating *'the new normal'*

- Increased demand for disinfectants and other protective medical devices
- Hospital acquired infections lead to complications and longer hospital stay
- Homecare environment more difficult to control
- Opportunities for BIP portfolio and new license agreements

Prevention is better than cure



Bloomberg
 Prognosis
Hospitals Cancel Surgeries to Preserve Staff During Covid Surge
 As beds fill with more than 85,000 patients again to treat other patients

BBC NEWS
 Health | Coronavirus
Coronavirus: Year-long waits for hospital care in England worst since 2008
 By Nick Triggle
 Health Correspondent
 © 12 November 2020
 Coronavirus pandemic

svt NYHETER
 / SKÅNE
 The number of people waiting over a year for hospital treatment in England has hit its highest levels since 2008.
 42 sek

Inställda operationer under pandemin har gett långa vårdköer
 "Det är fruktansvärt", säger Sofia Rydgren Stale, ordförande i svenska läkarförbundet. Foto: Gustav Röricksson/SVT, arkivbild
 UPPDATERAD 28 NOVEMBER 2020 PUBLICERAD 28 NOVEMBER 2020