

Bactiguard[®]

Q4 and year-end 2023 presentation

Thursday 8 February 2024

Thomas von Koch, Interim CEO
Patrick Bach, CFO





Q4 and year-end 2023:

Stable fourth quarter marking the end of a challenging year





Christine Lind appointed new CEO

Broad strategic and operational experience from more than 25 years in the healthcare sector



- CEO/executive level business development and strategy positions at biotech companies
- Investment banker at Merrill Lynch in New York, advising biotech and pharma companies
- Most recently Senior Vice President Corporate Development at SSI Strategy/NDA Group AB

- BSc in Finance & Information Systems from New York University and MBA from Columbia Business School
- Born 1974 in the US – lived in Sweden since 2015

- **Joins at the beginning of May** – assumes **CEO role 14 May** in connection with Annual General Meeting



Biggest strategic shift in Bactiguard's history – recap

Focus areas head – update on transformation progress

License

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

R&D and coating development

- institutionalize
 - Billy Södervall Academy
 - lab facility Markaryd

BIP portfolio

- BD agreement
- transition/phase out ongoing
- outsourcing discussions

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



Strengthened ties with BD in Q4 2023

Bactiguard's **longest** and **strongest** partnership

Looking back...

- **BD** (Becton Dickinson & Company) **one of the largest global medical technology companies**
- In **partnership since early 1990s** – more than **230 million coated Foley catheters** sold to date generating more than USD 1bn in additional sales for BD

Looking ahead...

- **BD exclusive global license** for Bactiguard coated Foley catheters (ex China) – global market value for Foleys around USD 1.5bn, growth some 5%*
- Limited but positive impact on income statement 2024 – **more substantial contribution over time**



* Future market insights.com (September 2020) and Grand View Research.com (Foley Catheter Market Size, Share and trends report 2030).



91.4%
of patients implanted have not
experienced infection¹

Bactiguard[®]

**BACTIGUARD TECHNOLOGY
DOES NOT IMPAIR THE
BONE INTEGRATION**



WITHOUT

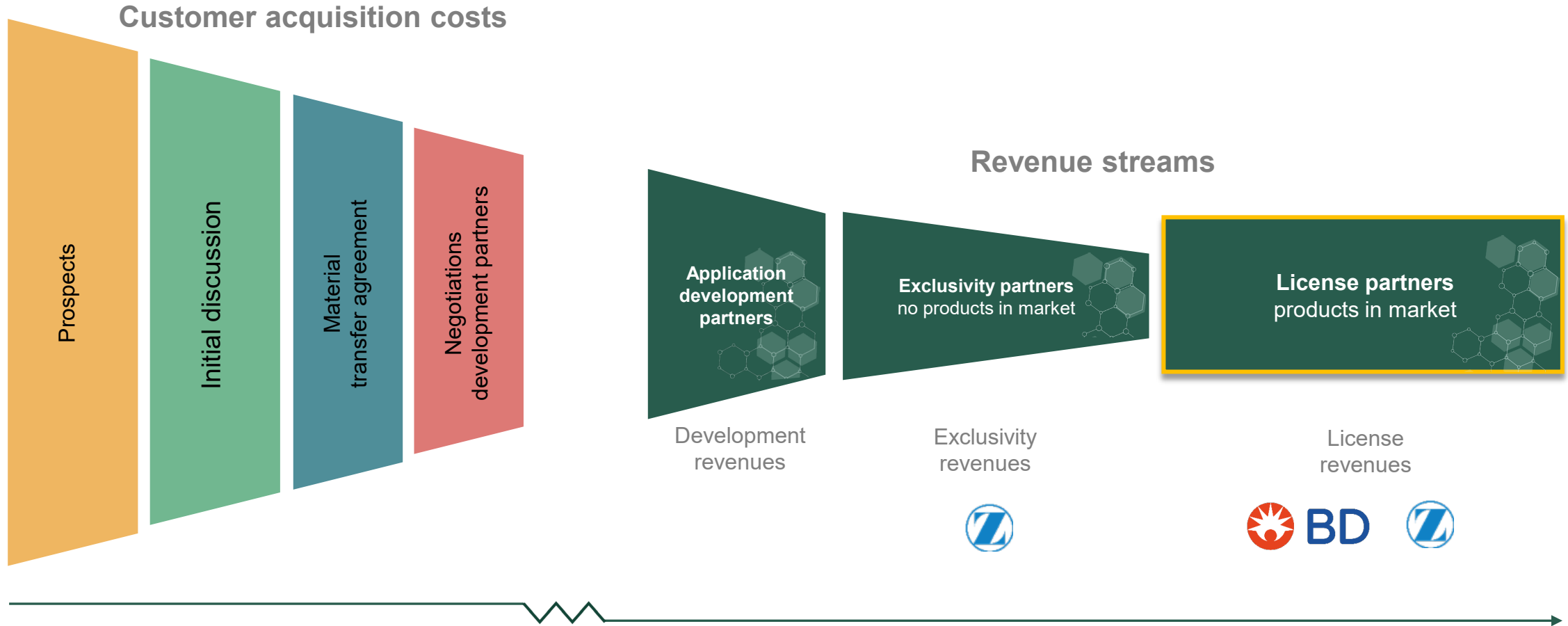


WITH BACTIGUARD





A license focused business model – recap





Financials Q4 2023 (Q4 2022) and key events

Stable fourth quarter marking the end of a challenging year

Revenues	EBITDA	Net Loss	Operating cash flow
61 (72) SEKm	-4.2 (-1.1) SEKm	-27.2 (-14.2) SEKm	4.1 (3.1) SEKm

Key events in Q4

- **Strengthened relationship with BD** – interim agreement granting BD exclusive global license (ex China) for Foleys with Bactiguard's coating
- Announced a **sharpened strategy with full focus on license business** and **phasing out the BIP portfolio**
- **New financial targets for 2028** – net sales SEK 1.000 million, EBITDA of SEK 500 million



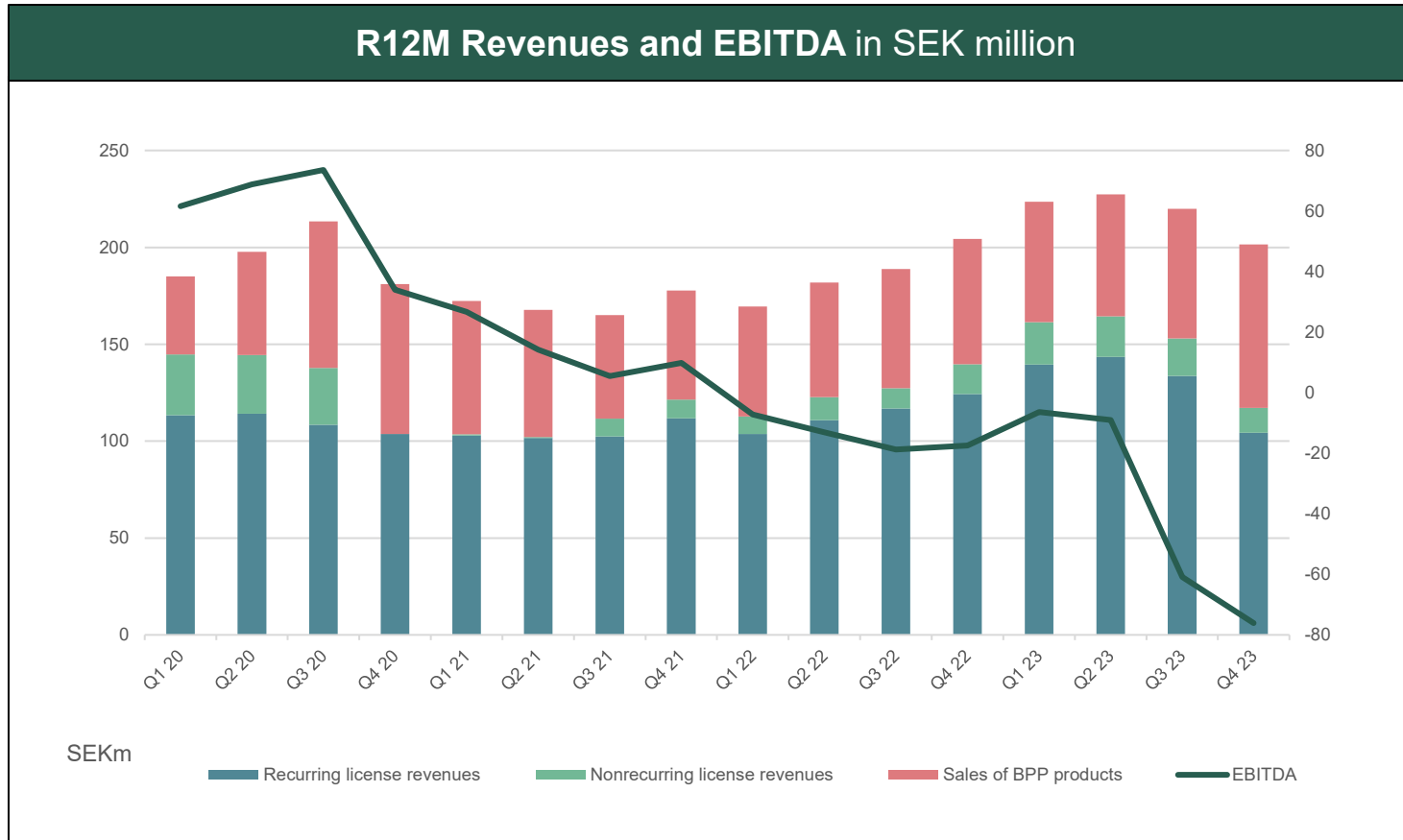
Financial overview

SEKm	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Total revenues	61.3	72.2	223.2	253.5
- License	32.2	46.3	117.2	161.4
- BPP	24.1	14.9	84.4	62.2
Total cost	-85.1	-85.5	-355.1	-309.2
EBITDA	-4.2	-1.1	-76.1	-6.4
EBITDA margin	-7%	-2%	-34%	-3%
Net loss	-27.2	-14.2	-138.4	-52.9
Operating cash flow	4.1	3.1	-60.9	-7.9

- Recurring License sales from BD of SEK 93.1 million FY sales vs SEK 133.9 million LY, related to the stock reduction
- Recurring License revenues from Zimmer recurring royalties and contract manufacturing of SEK 11.2 million FY vs SEK 5.6 million LY.
- Non-recurring license revenue for the FY was 12.9 million vs 22.0 million LY
- BPP sales of SEK 84.4 million FY vs SEK 62.2 million LY, related to growth in both Wound Management and the end of sales within BIP
- Total costs of SEK 355.1 million FY incl. SEK 42 million one-off from Q2



Rolling 12-months



Recurring license revenues

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

Non-recurring license revenues




- Zimmer Biomet (broader portfolio)

BPP sales

- BIP end of life sales growth
- Wound Management sales growth



Q4 2023 highlights – Licensing business

Recurring license revenue	Non-recurring license revenue
<p data-bbox="588 494 1210 615">Revenues Q4 2023 29.1 (38.9) SEKm</p> <p data-bbox="236 739 519 843"></p> <ul data-bbox="226 893 861 1075" style="list-style-type: none">• BD exclusive global license for Bactiguard coated Foley catheters (ex China)• Q4 revenues back to 2019 pre-covid-19 levels <p data-bbox="970 739 1429 843"> ZIMMER BIOMET Orthopedics (trauma)</p> <ul data-bbox="978 893 1536 1115" style="list-style-type: none">• ZNN Bactiguard roll-out across Europe continues• Best guess FDA approval early 2026• Commercial launch in Japan in July 2024	<p data-bbox="1719 494 2344 615">Revenues Q4 2023 3.0 (7.4) SEKm</p> <p data-bbox="1773 739 2321 843"> ZIMMER BIOMET Orthopedics (broader portfolio)</p> <ul data-bbox="1811 893 2168 929" style="list-style-type: none">• Exclusivity partnership



Q4 2023 highlights and status – BPP

BPP (Bactiguard Product Portfolio)

Revenues Q4 2023
24.1 (14.9) SEKm
61%

- BPP FY sales of 84 million SEK, up 36 percent vs LY, partly attributable to the “end-of-life” BIP products sales in Q4
- Wound Management account for SEK 54 million of the BPP full-year 2023 revenues (increase of 24 percent compared to 2022)
- Hydrocyn aqua obtained CDSCO approval for commercialization in India





Updated financial targets – recap

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

Profitability

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

Growth

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

Application areas generating revenues

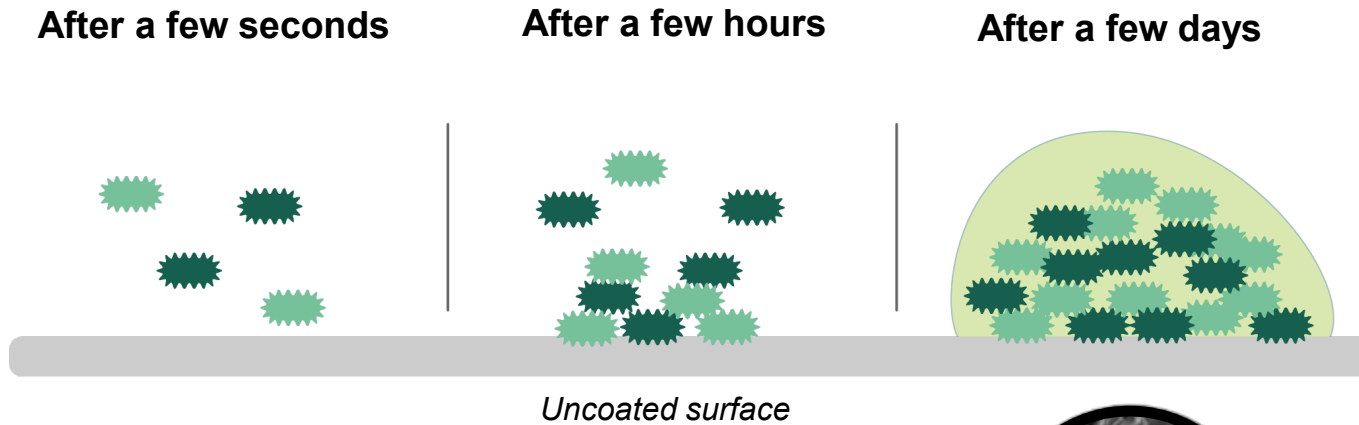
have at least **10 application areas in license partnerships with products in the market** by year-end 2028

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



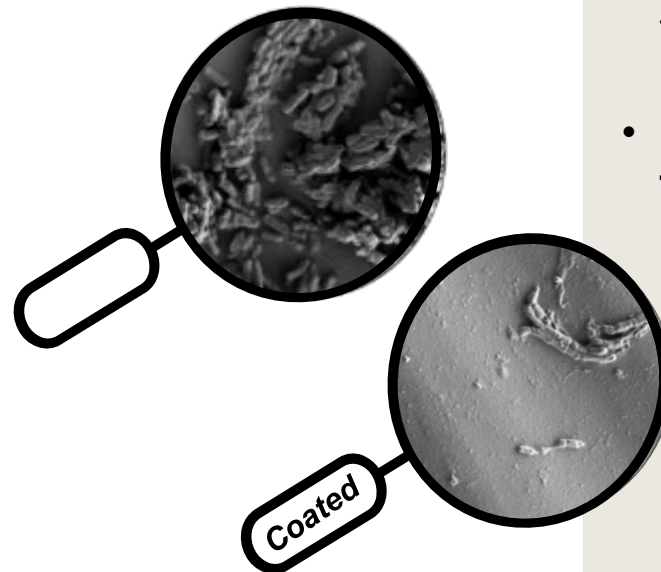


Why avoiding biofilm matters



- Medical devices attract microbes
- **Bacteria multiply on the surface**, colonize and start spreading
- Within days, **biofilm forms protecting them from immune responses and antibiotics**
- Established **biofilm a source for infections** to spread throughout the body
- **Early prevention crucial to avoid biofilm formation**

to mitigate the risks associated with biofilm formation, medical devices intended to stay in the body for more than two days should be coated



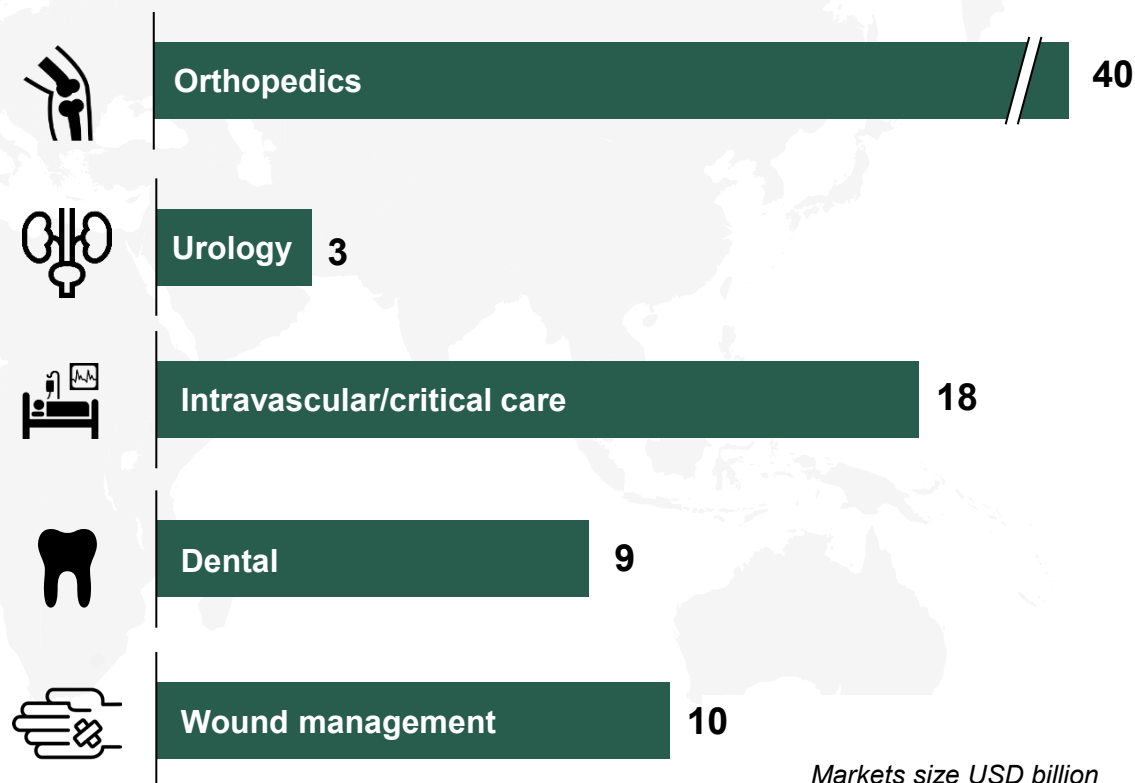


Opportunities behind critical global healthcare trends

The issues

- **Antimicrobial resistance** one of the top global public health threats facing humanity – associated with the death of close to 5 million people globally in 2019
- **1 in 10 patients** worldwide affected by **healthcare associated infections**
- **Demographic development, ageing population** and increasing **lifestyle diseases**
- **Strained healthcare resources**

The USD 80bn market opportunity





Q&A

“to champion a healthier world
by preventing infections



Questions & Answers

Q4 and year-end 2023 presentation



Thomas von Koch
Interim CEO



Patrick Bach
CFO

