

Bactiguard Q1 2020

Investor presentation - May 13th 2020

Cecilia Edström, CEO

Lina Arverud, acting CFO

Financial highlights

Strongest 1st quarter performance to date

- Q1 revenues of MSEK 48.1 (33.9) – growth of 42% (36% currency adjusted)
- BIP sales of MSEK 16.2 (3.1) – boost in March, driven by increased need for infection prevention
- EBITDA of MSEK 14.4 (7.2)
- EBITDA margin of 30% (21%)
- Net profit of MSEK 1.6 (-3.4) – depreciation on technology of -6.1 MSEK (no effect on cash flow)
- Operating cash flow of MSEK -3.5 (-6.5)
- Growth and EBITDA margin well in line with financial targets

Operational highlights

Increased need for infection prevention

Significant events in the quarter

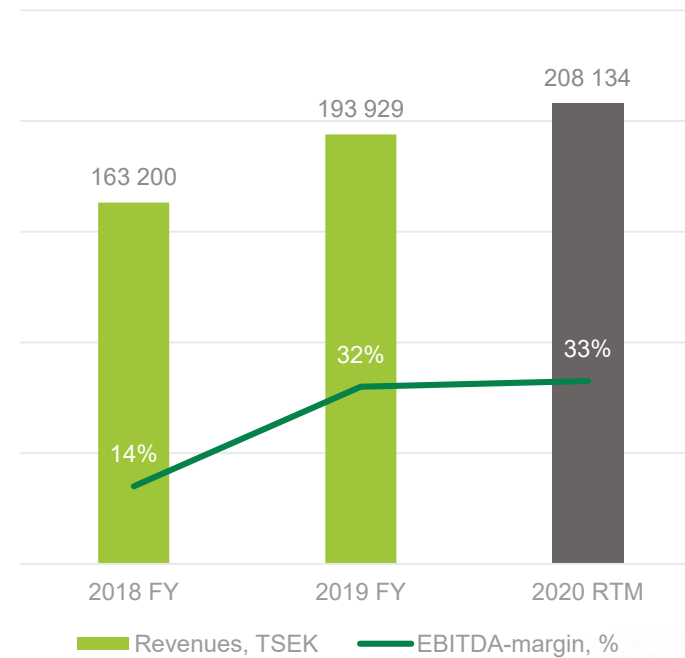
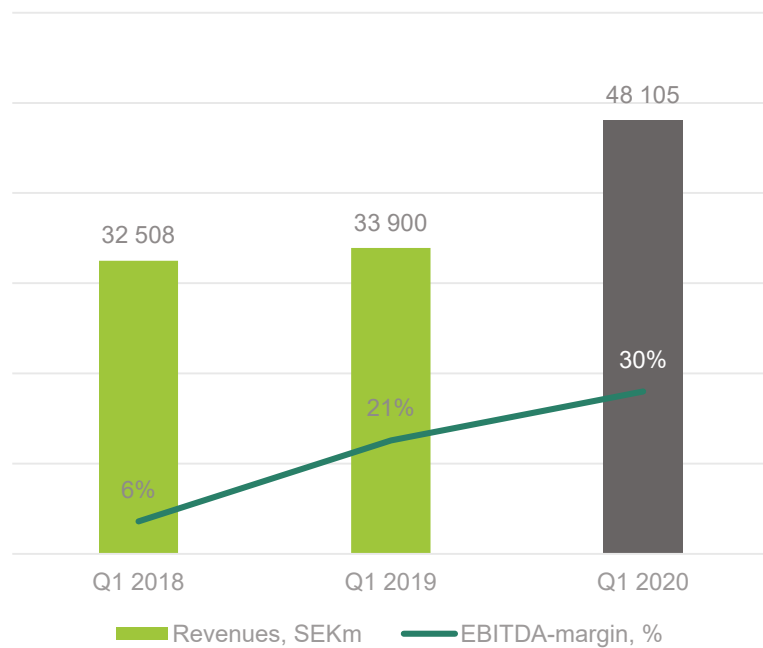
- Completion of Vigilenz acquisition
- Swedish launch of HYDROCYN aqua® in mid-March
- Orders at a total value of SEK 20 million in first few days

Significant events after the quarter

- Launch of BIP Foley TempSensor
- AGM decided on a new issue of shares, as partial payment for Vigilenz
- Christian Kinch appointed new Chairman by the AGM
- Gabriella Björknert Caracciolo appointed new CFO

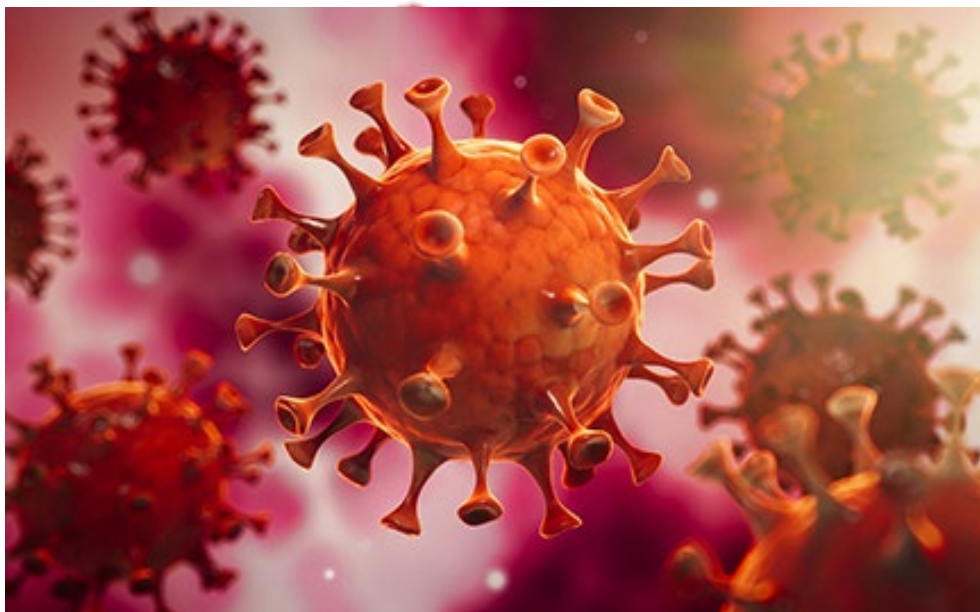


Profitable growth



Financial targets: Growth 20% and EBITDA-margin 30%

Covid-19 pandemic



Covid-19 impact

Differences in demand for medical devices

Increased demand for:

- Urgent need of protective equipment, consumables, infection control
- Ventilators, ICU equipment
- Basic supplies and consumables

Reduced demand for:

- Elective surgery – incl. orthopaedics
- Expensive, non-critical tools and equipment
- Dental care



Well timed acquisition of Vigilenz

- Completed the acquisition by end of February
- Top-line opportunities and synergies – footprint and product portfolios
- Launched HYDROCYN® aqua in Sweden mid-March
- Orders of over SEK 20 million in first few days of launch
- Air bridge for supplies from Malaysia
- Improved capacity for developing new products and license applications
- Cost synergies of 5-10 MSEK within 3-5 years



VIGILENZ®
The Signature to Quality



Bactiguard Infection Protection

Trends & development - BIP portfolio





- Covid 19 – urgent need for infection prevention
- Increased demand for ETTs and disinfectants
- Launch of HYDROCYN aqua® and BIP Foley TempSensor
- Broad portfolio for infection control and advanced wound care
- More attractive to healthcare providers and partners
- Increased production capacity in Sweden – closer to end customers



Licensing business

Development and trends

- Increasing interest and need for infection prevention
- Stable recurring revenues from Becton, Dickinson & Company (BD)
- Zimmer Biomet project on plan
 - Focus on regulatory process
 - Milestone driven payments and recurring royalties when products reach the market
- Regulatory process for China ongoing
- Partnership with two of the leading global medtech companies confirms strength of Bactiguard's technology and paves the way for new licensing opportunities

<p>BD (C.R. Bard)</p> 	<p>Well Lead Medical</p> 
<p>Zimmer Biomet</p> 	<p>Smartwise Sweden AB</p> 
<p><i>Other ongoing discussions</i></p>	

My first 100 days as CEO

Bactiguard enters new development phase

- Covid-19 has changed the way we operate and opened new opportunities
- Infection prevention – an increasingly urgent global issue and opportunity for growth
- Considerable potential for new license applications and partnerships
- Well timed and strategically important acquisition
 - Broader product portfolio, increased footprint and revenue growth
 - Improved capacity for developing new products and license applications
- Strengthening the management team
- Well prepared for entering the new development phase

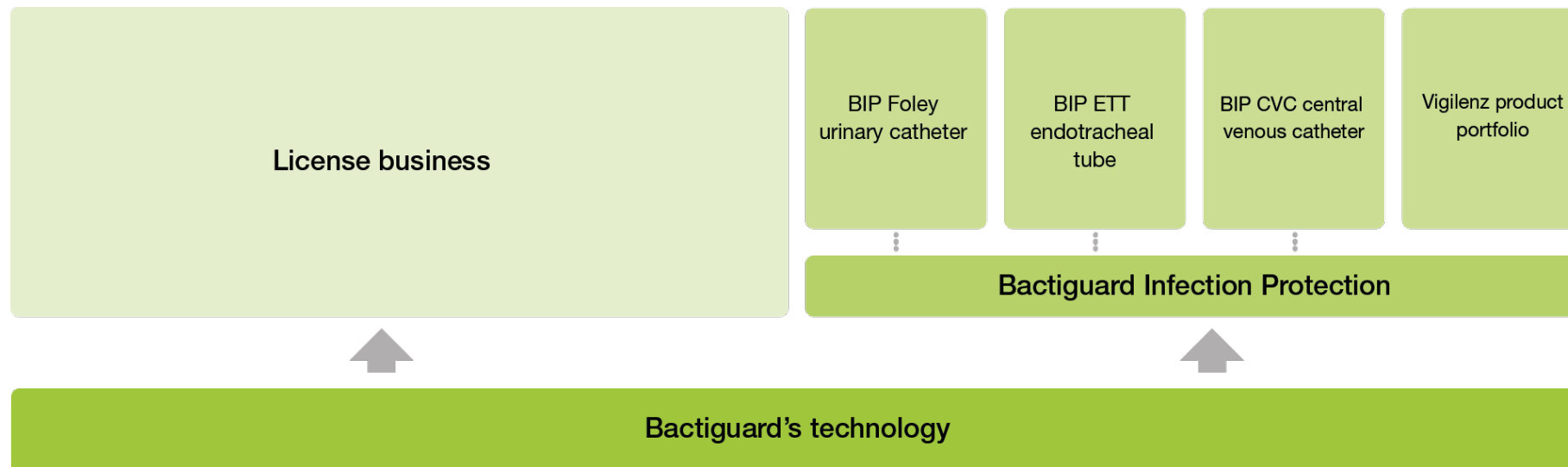
Financial update

Lina Arverud, acting CFO



Our business model

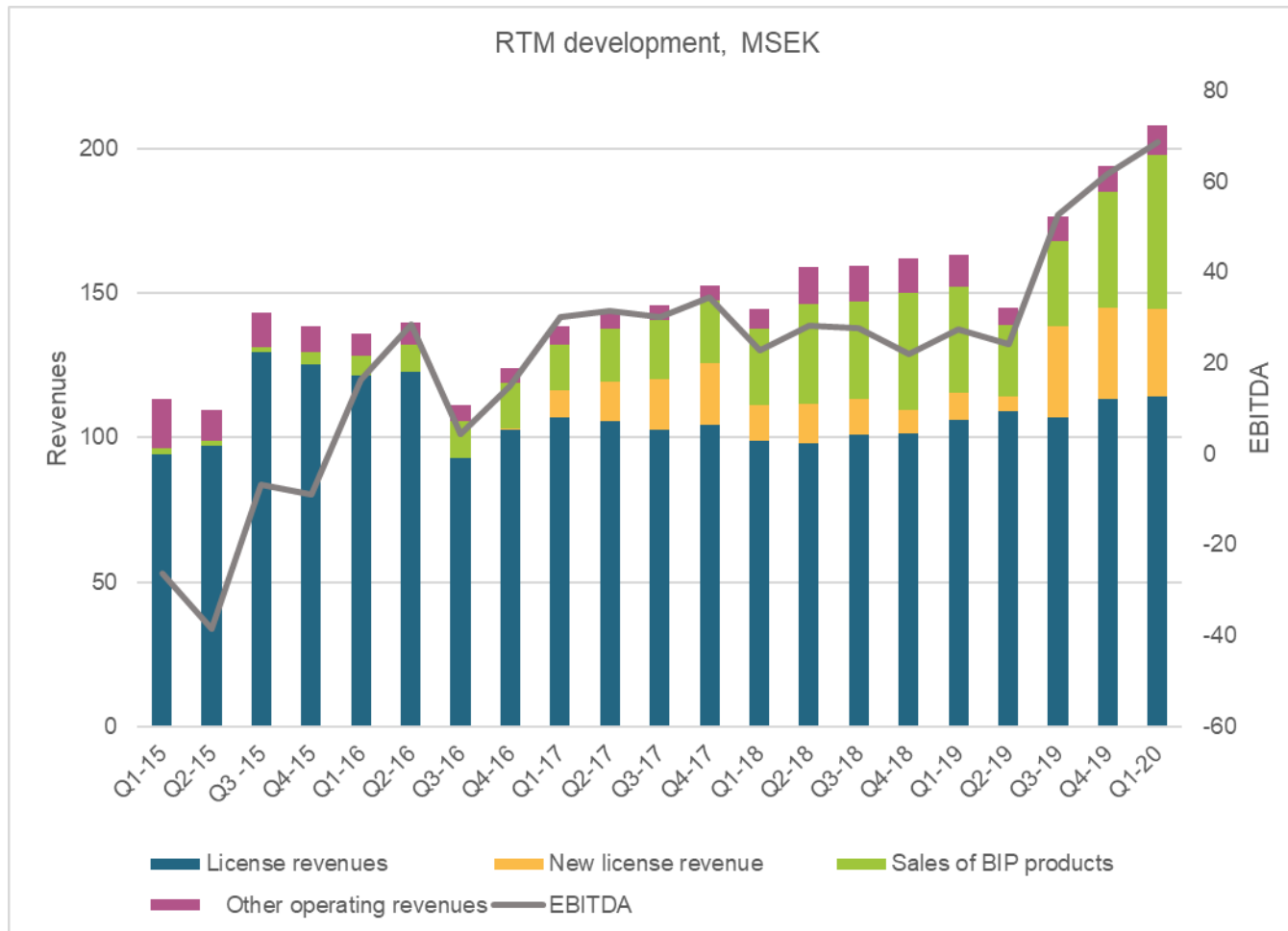
Two lines of business



License agreements for various applications with Bactiguard technology

Proprietary product portfolio – sold through distributors

Sales growth and profitability



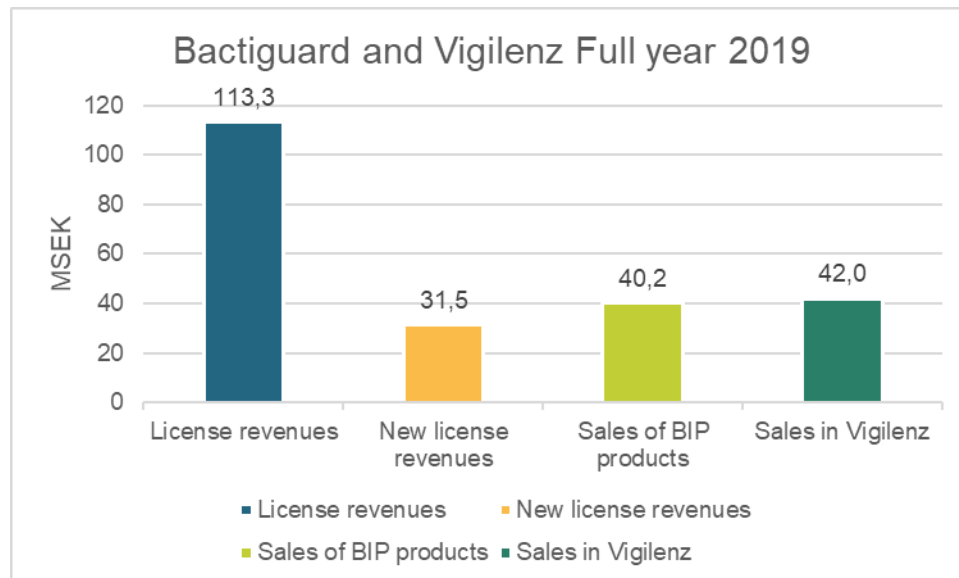
RTM 2020

- Revenue Growth +28%
- Stable recurring licensing revenues from BD
- Growing BIP revenues
- EBITDA margin 33%

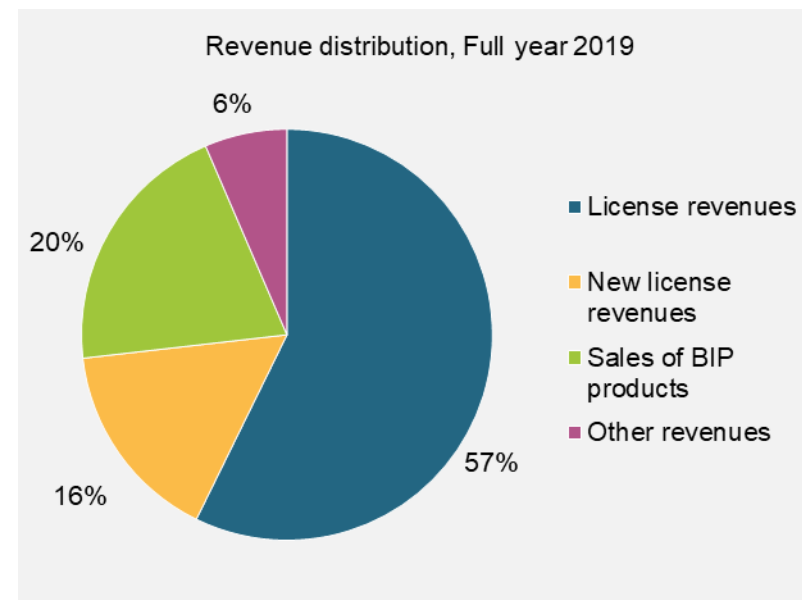
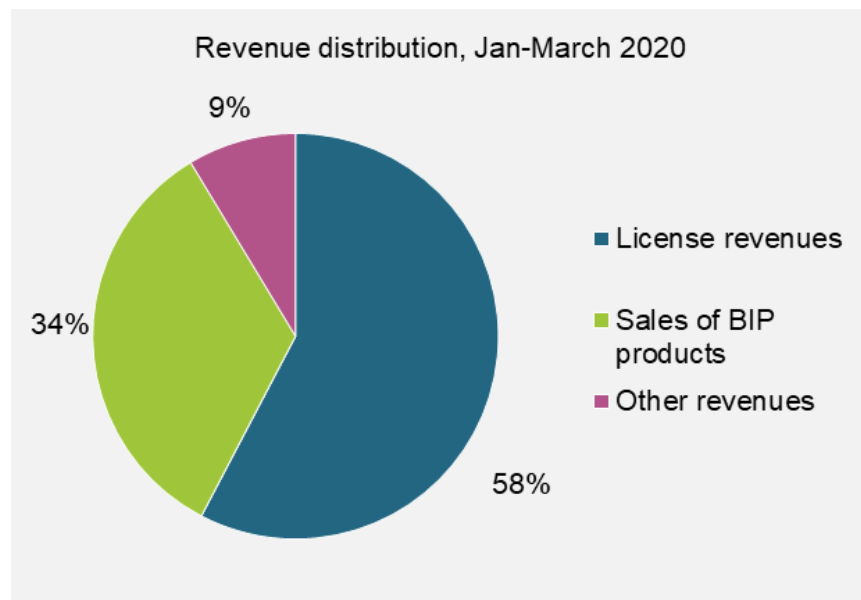
Revenue development

MSEK	Jan-Mar 2020	Jan-Mar 2019	Full year 2019	RTM 2020
License revenues	27,8	26,9	113,3	114,1
New license revenues	-	1,1	31,5	30,4
Sales of BIP products	16,2	3,1	40,2	53,3
Other revenues	4,2	2,8	8,9	10,3
Total revenues	48,1	33,9	193,9	208,1

- Somewhat higher volumes from BD and a favourable dollar exchange rate
- No new license revenues in Q1
- Strong sales of products launched in mid-March, after Vigilenz acquisition
- Broader portfolio of BIP products



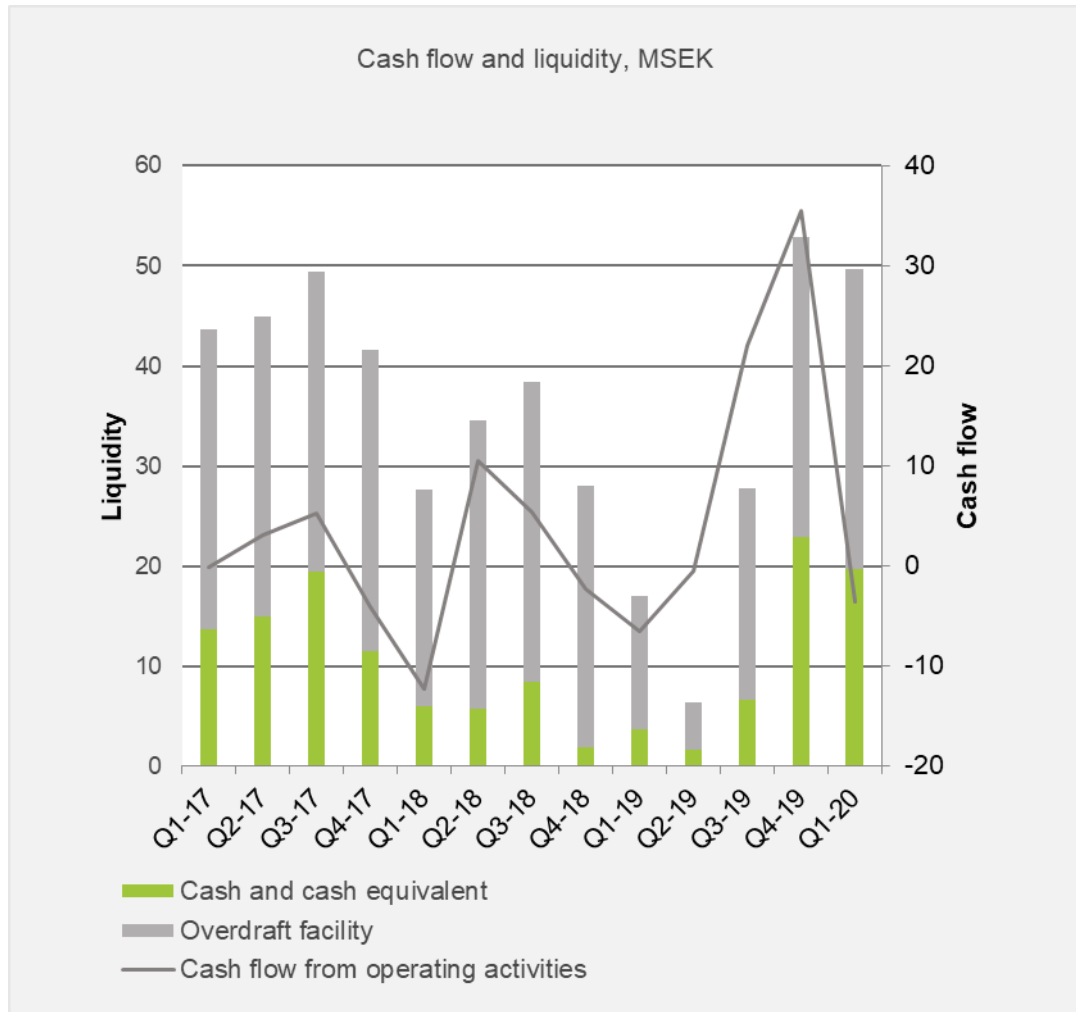
Revenue distribution



Financial overview

	2020		2019				
MSEK	Q1	RTM	Q1	Q2	Q3	Q4	Full year
Revenues	48,1	208,1	33,9	33,0	67,2	59,8	193,9
EBITDA	14,4	68,8	7,2	5,7	36,5	12,2	61,6
EBITDA margin %	30%	33%	21%	17%	54%	20%	32%
Depreciations	-10,5	-42,1	-10,6	-10,5	-10,6	-10,5	-42,1
<i>whereof depreciation technology</i>	<i>-6,1</i>	<i>-24,1</i>	<i>-6,0</i>	<i>-6,0</i>	<i>-6,0</i>	<i>-6,0</i>	<i>-23,8</i>
Net profit/loss	1,6	21,3	-3,4	-5,6	23,7	1,6	16,3
Operating cash flow	-3,5	56,9	-6,5	-0,2	23,9	36,9	54,0

Cash flow and liquidity



- Negative operating cash flow for Q1 of MSEK -3.5 (-6.5)
- Net Cash position of MSEK 19.7 (3.6)
- Liquidity MSEK 49.7
- The Vigilenz acquisition was partly financed by debt and issue of new shares
- The bank facility with SEB was increased and extended until February 2023

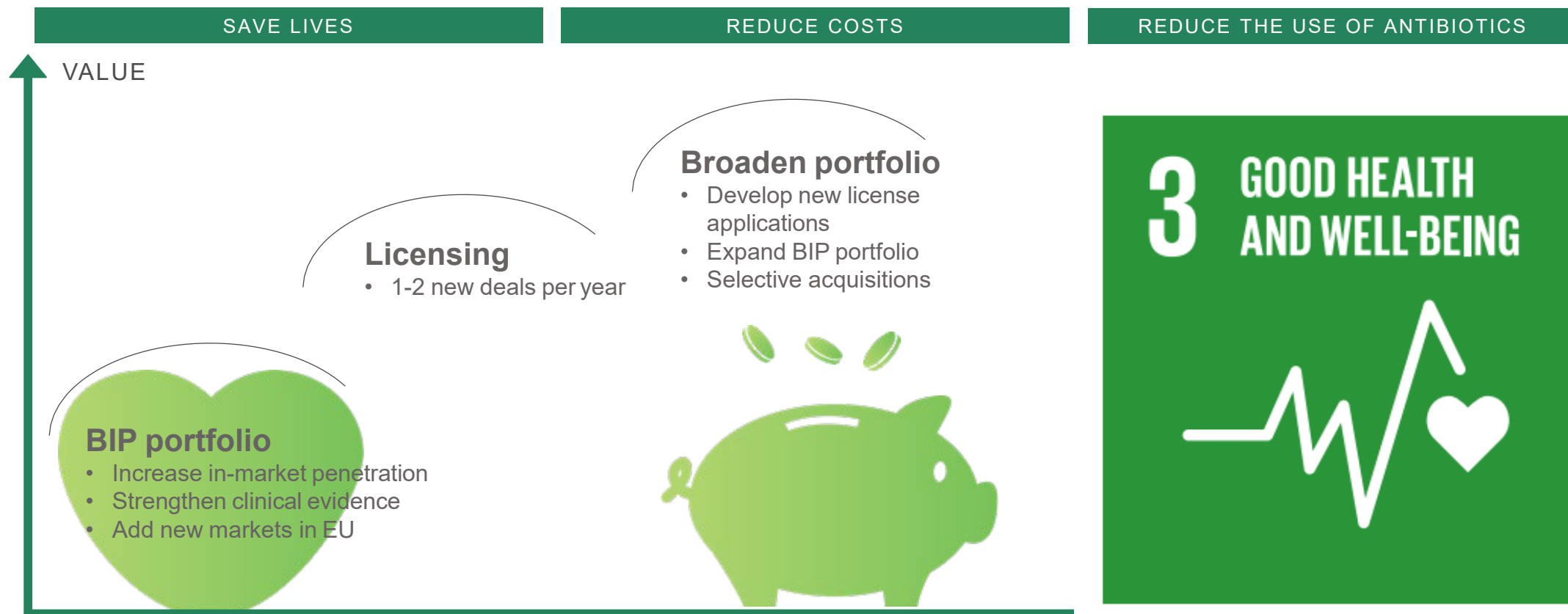
Financial targets

- Average sales growth of 20% per annum for a 5-year period, with 2015 as the base year – starting point MSEK 118.5
- EBITDA margin of at least 30% at the end of the 5-year period (by 2020)
- Equity ratio of at least 30%
- Over time uphold a dividend policy of 30-50% of net profit, taking into consideration the financial position of the Company. Bactiguard is currently in an expansion phase and will prioritize expansion before dividend



Clear growth strategy

We are contributing to the UN Sustainable Development Goals 2030



Concluding remarks

Bactiguard enters new development phase

- Covid-19 has changed the way we operate and opened up new opportunities that will remain beyond the pandemic
- Infection prevention – an increasingly urgent global issue and opportunity for growth
- Considerable potential for business expansion and new license applications
- Well timed and strategically important acquisition
 - Broader product portfolio, increased footprint and revenue growth
 - Improved capacity for developing new products and license applications
- Strong management team and Board of Directors
- Well prepared for entering the new development phase



Questions & Answers



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Upcoming financial reports

August 13, 2020

Interim report for Q2

November 05, 2020

Interim report for Q3