

Bactiguard Infection Protection

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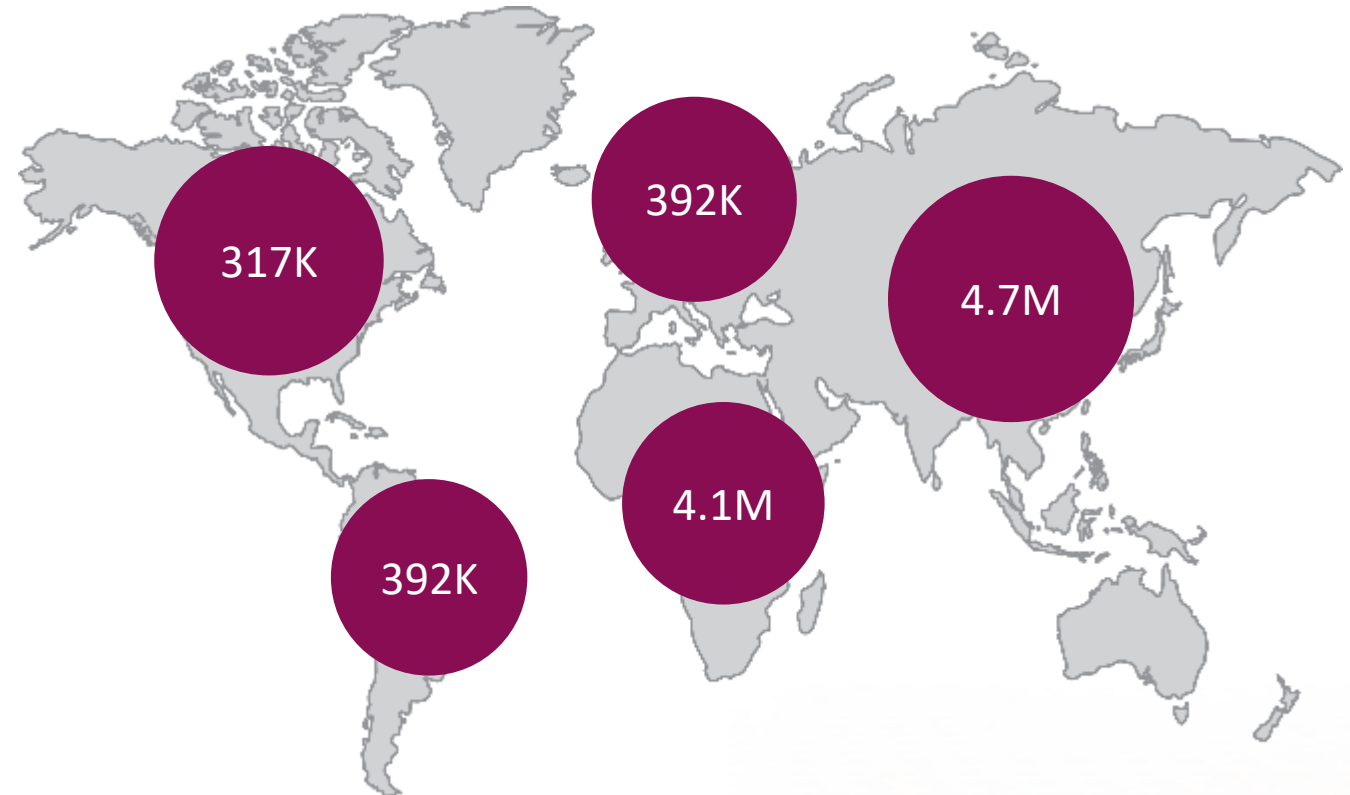
Antimicrobial Resistance (AMR)

European and Global Challenge by 2050

EU: 25 000 patients die annually

Globally: Could be as high as 700 000

2050 => 10 million lives at risk globally

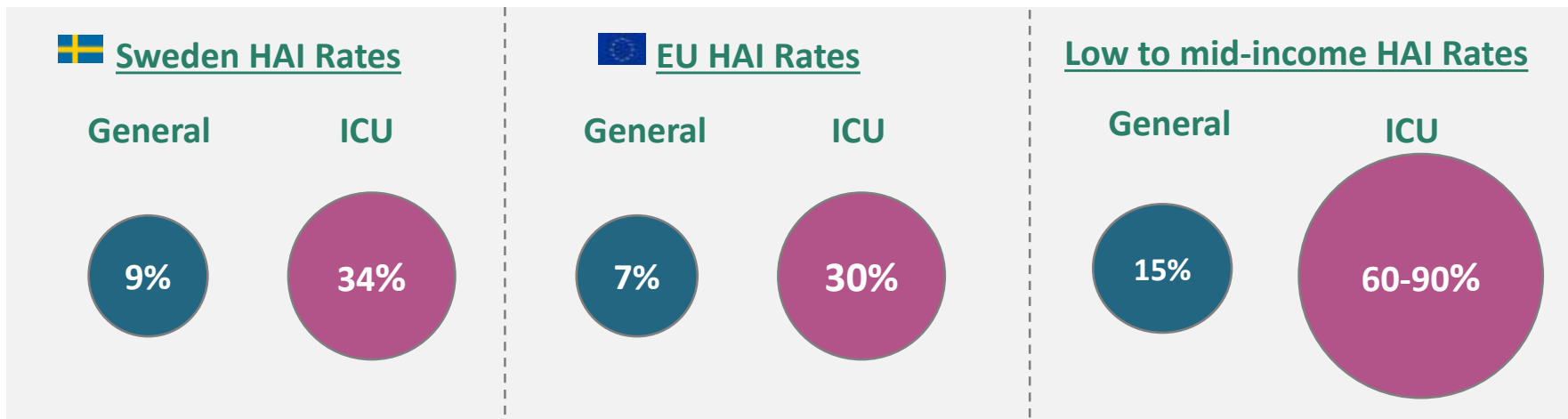


Health care-associated infections

HAI frequency



1 in every 10 patients affected by health care-associated infections worldwide



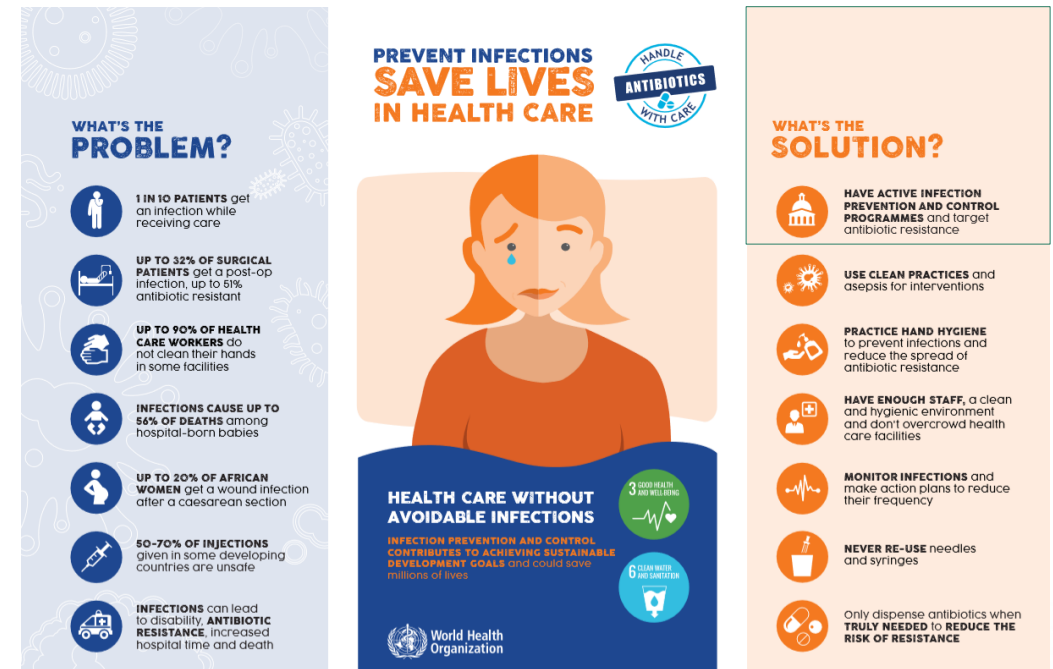
The challenge

According to the World Health Organization (WHO):

- Preventing healthcare associated infections (HAIs) has never been more important
- Every infection prevented is an antibiotic treatment avoided

“Infection prevention and control actions can save millions of lives, every year”

World Health Organization



PREVENT INFECTIONS SAVE LIVES IN HEALTH CARE

WHAT'S THE PROBLEM?

- 1 IN 10 PATIENTS get an infection while receiving care
- UP TO 32% OF SURGICAL PATIENTS get a post-op infection, up to 61% antibiotic resistant
- UP TO 90% OF HEALTH CARE WORKERS do not clean their hands in some facilities
- INFECTIONS CAUSE UP TO 54% OF DEATHS among hospital-born babies
- UP TO 20% OF AFRICAN WOMEN get a wound infection after a caesarean section
- 50-70% OF INJECTIONS given in some developing countries are unsafe
- INFECTIONS can lead to disability, **ANTIBIOTIC RESISTANCE**, increased hospital time and death

WHAT'S THE SOLUTION?

- HAVE ACTIVE INFECTION PREVENTION AND CONTROL PROGRAMMES and target antibiotic resistance
- USE CLEAN PRACTICES and asepsis for interventions
- PRACTICE HAND HYGIENE to prevent infections and reduce the spread of antibiotic resistance
- HAVE ENOUGH STAFF, a clean and hygienic environment and don't overcrowd health care facilities
- MONITOR INFECTIONS and make action plans to reduce their frequency
- NEVER RE-USE needles and syringes
- Only dispense antibiotics when **TRULY NEEDED TO REDUCE THE RISK OF RESISTANCE**

HEALTH CARE WITHOUT AVOIDABLE INFECTIONS

INFECTION PREVENTION AND CONTROL CONTRIBUTES TO ACHIEVING SUSTAINABLE DEVELOPMENT GOALS and could save millions of lives

3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION

HANDLE ANTIBIOTICS WITH CARE

World Health Organization

Bactiguard's vision

Eliminate healthcare associated infections to:

Save lives



Reduce cost



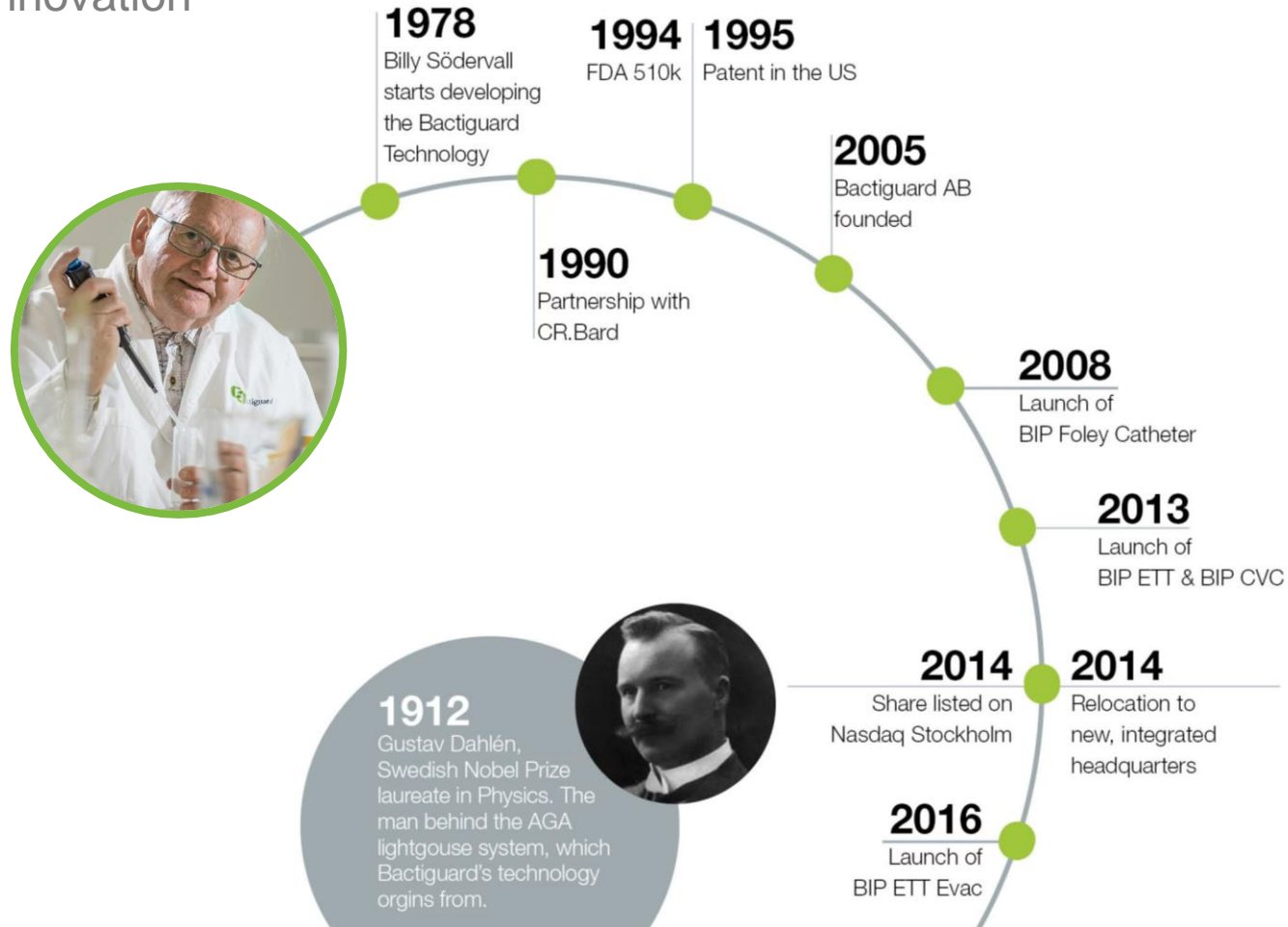
Reduce the use of antibiotics



And thereby prevent the spread of multiresistant bacteria

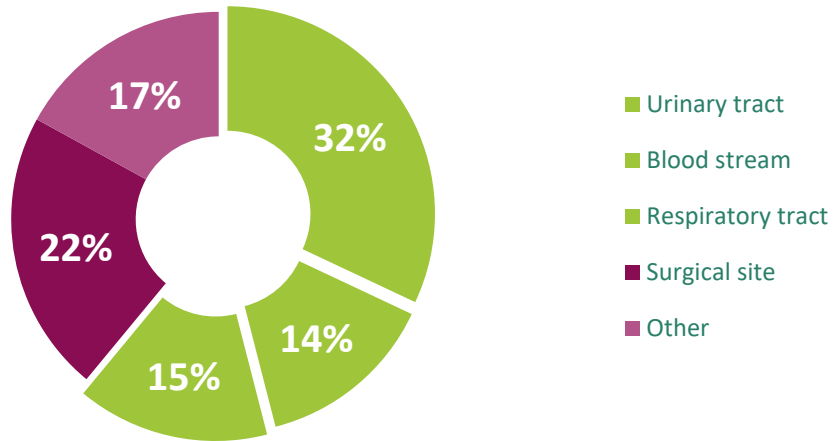
History of Bactiguard

Built on a Swedish innovation



BIP products (Bactiguard Infection Protection)

Where does HAI occur?



USA



BIP Foley Catheter



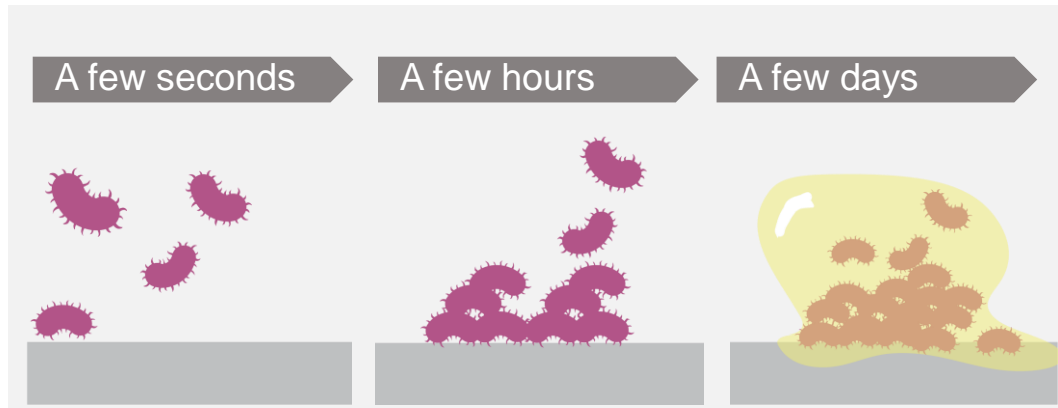
BIP ETT



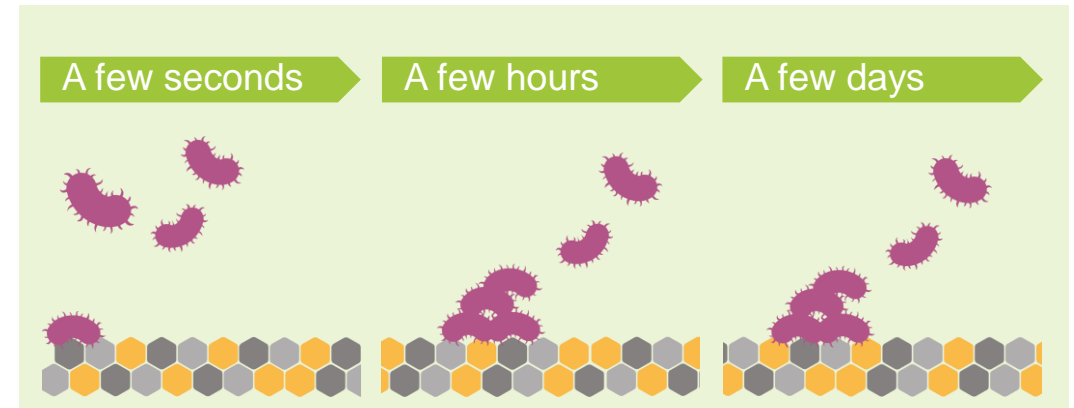
BIP CVC

Bacterial colonization – causing infections

Uncoated surface vs. Bactiguard coated surface



Uncoated surface



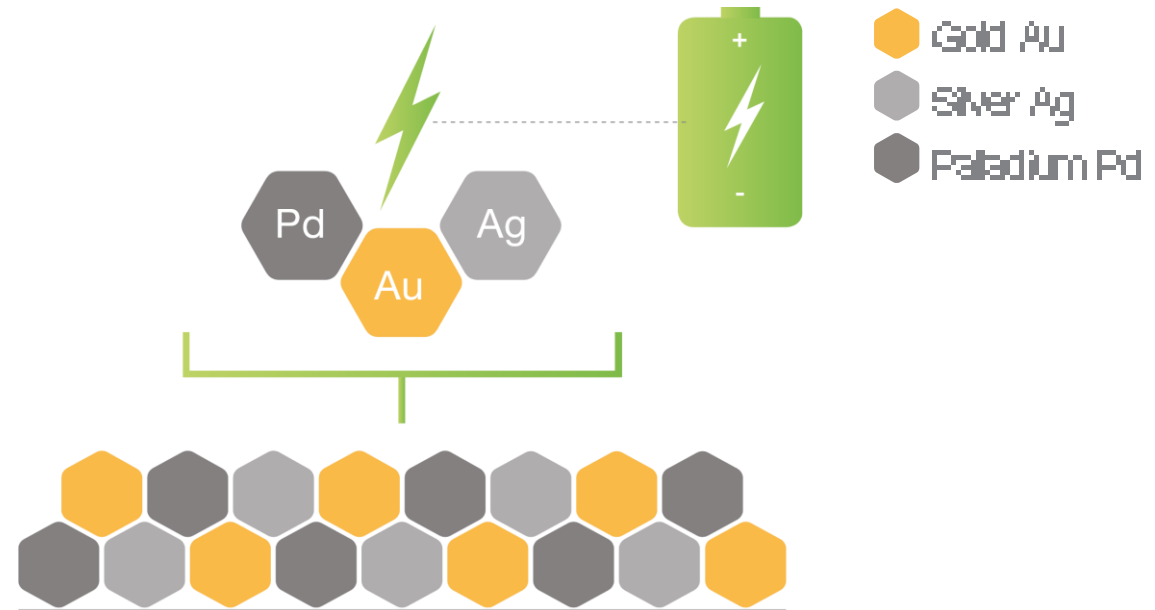
Bactiguard coated surface



The technology

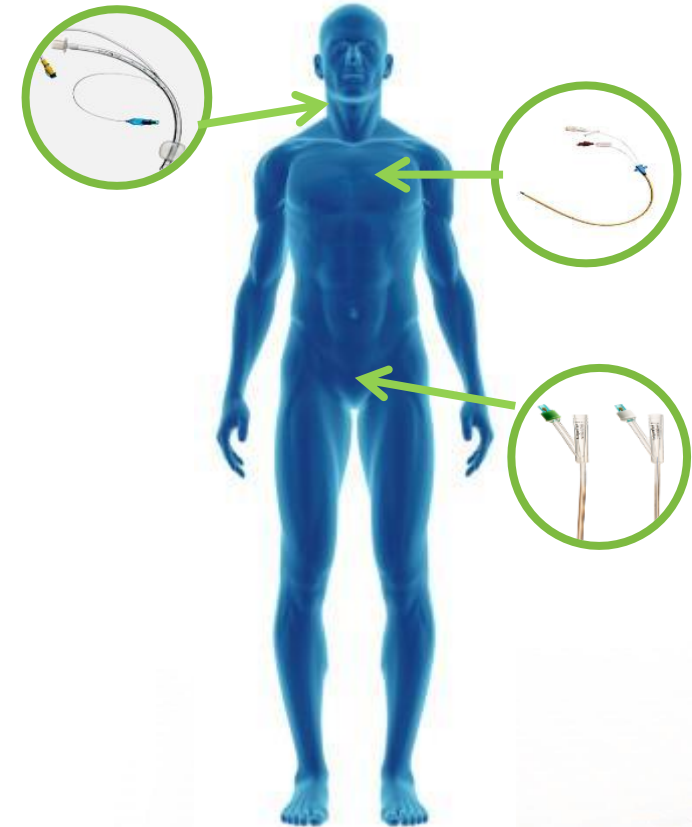
The galvanic effect – effective and safe

- When in contact with fluids the noble metals create a galvanic effect
- The different electro potentials of the metals create a micro current
- Preventing microbial adhesion
- Non-releasing mechanism
- **Effective and safe**



Clinical evidence

- **170 million** Foley catheters used since 1995
- **No adverse events** associated with the coating have been reported
- **35%** weighted average reduction of symptomatic CAUTI in clinical studies, and in some studies over **90%**
- **Permanent catheter** Several reports of successful patient cases with permanent catheterization
- **52%** reduction of catheter related blood infections with BIP CVC and indications for decreased risk of thrombosis
- **67%** reduction of ventilator associated pneumonia with BIP ETT

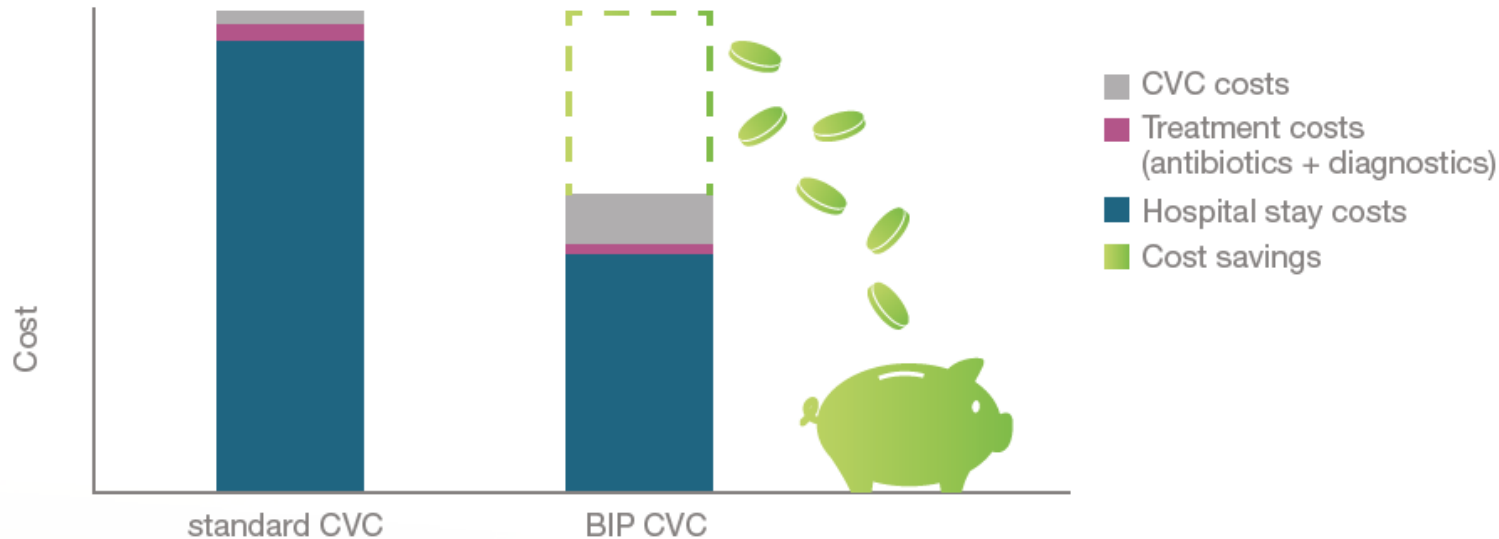




Health economy

Cost savings driven by prevention

Difference in payer costs
standard CVC vs. BIP CVC¹⁷



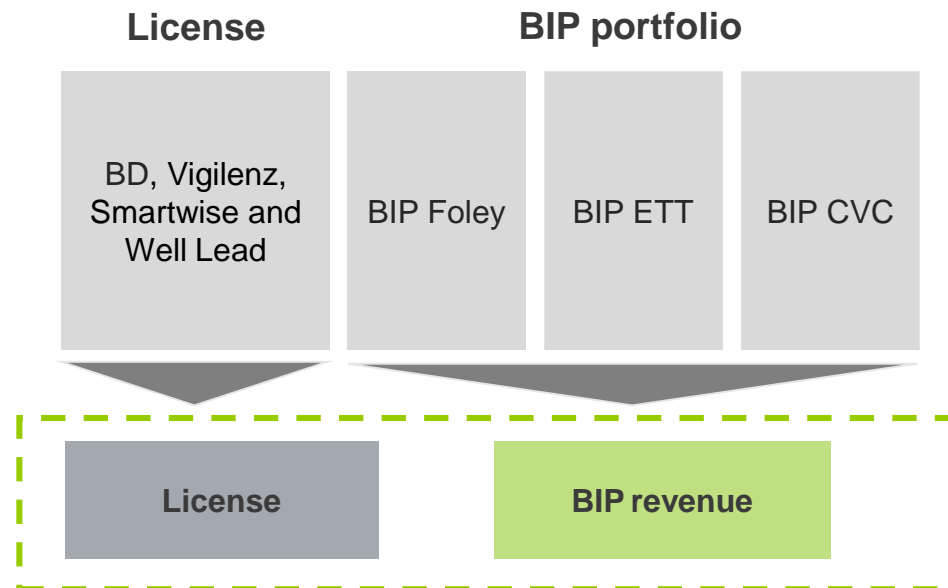
Bactiguard health economic model based on Saint *et al* 2000.¹⁷



One case of CRBSI
can cost up to
\$ 56 000 to treat^{3,4}

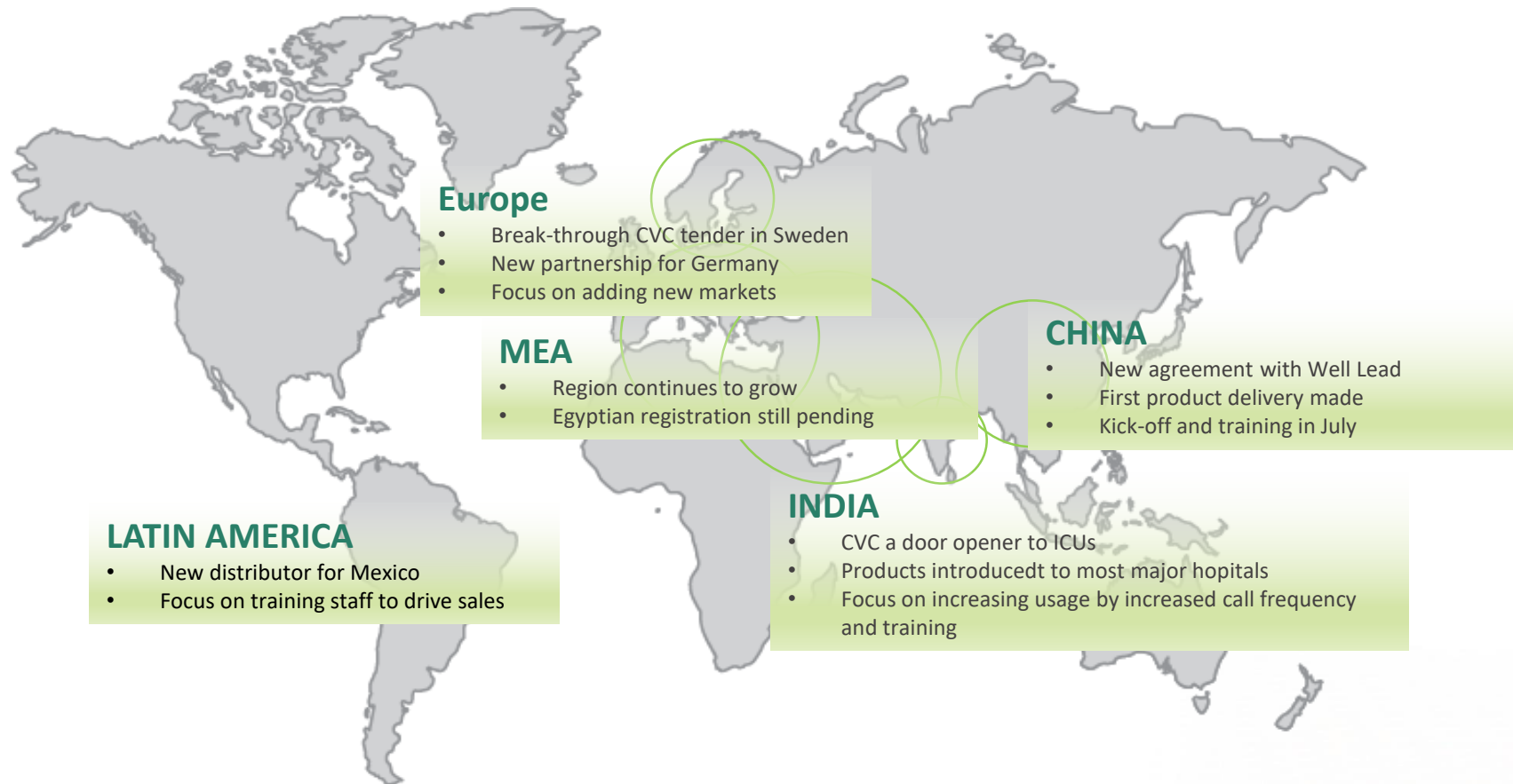
Business model

Two lines of business



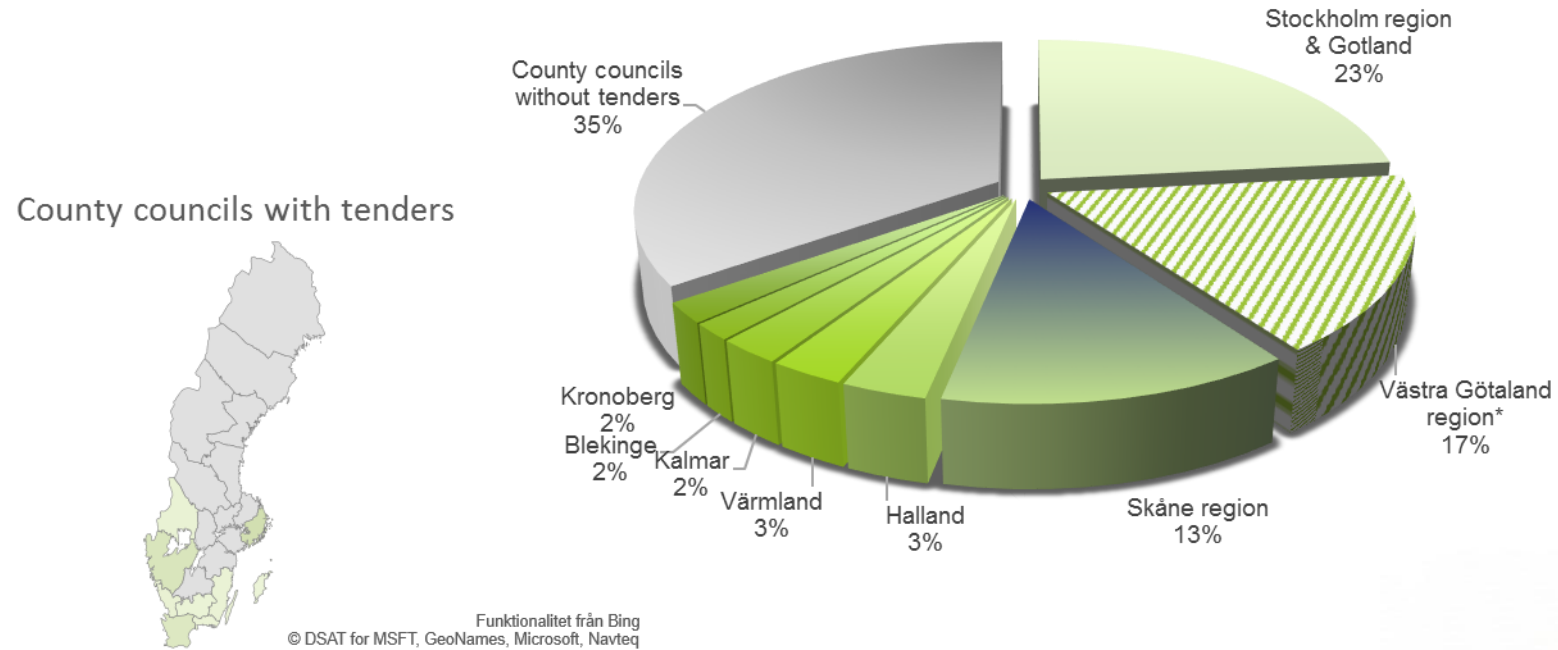
Market presence

BIP portfolio sold through distributors



Swedish presence

BIP Foleys procured for 65% and BIP CVCs for 13% of Swedish population



*Tender appealed in another product category and therefore not yet live

Licensing business



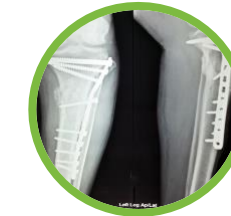
BD (C.R. Bard)

- Successful partnership since 1995
- Bactiguard coated Foley catheters for the US, Japan and UK/Ireland
- Generating stable annual revenues



Vigilenz Medical Devices

- Bactiguard coated orthopaedic trauma implants for the ASEAN markets
- Focus on concluding CE process



Smartwise Sweden AB

- Advanced Bactiguard coated vascular injection catheters
- Collaboration agreement with AstraZeneca announced in Q2 2018



Well Lead Medical

- License agreement for Foleys, CVCs and ETTs in China
- Initial revenues of MSEK 30
- Royalties and minimum sales targets going forward



Several other ongoing discussions

Why partner with Well Lead Medical?

- Ambition to accelerate growth in China
- Regulatory developments shifting towards locally produced devices
- A strategic supplier to Bactiguard
- One of the world's leading manufacturers of medical devices
- Largest supplier of both urinary catheters and endotracheal tubes in the Chinese market, products used in over 300 first class hospitals
- Specialized in research, production and sales of medical catheters in anaesthesia, urology, respiratory and hemodialysis
- Products already sold in North America, Europe, Japan, which all have strict regulatory requirements
- Listed on the Shanghai Stock Exchange



Our priorities



Double sales of our own product portfolio



Develop new license businesses



Expansion with cost control



Close in on our financial targets of 20% growth and 30% EBITDA margin

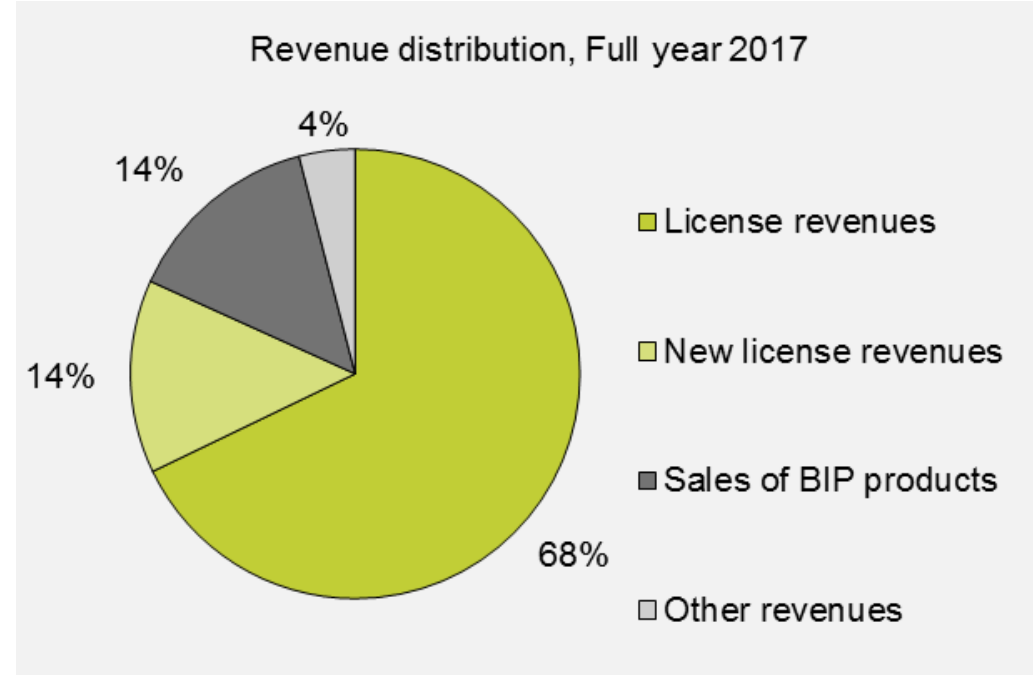
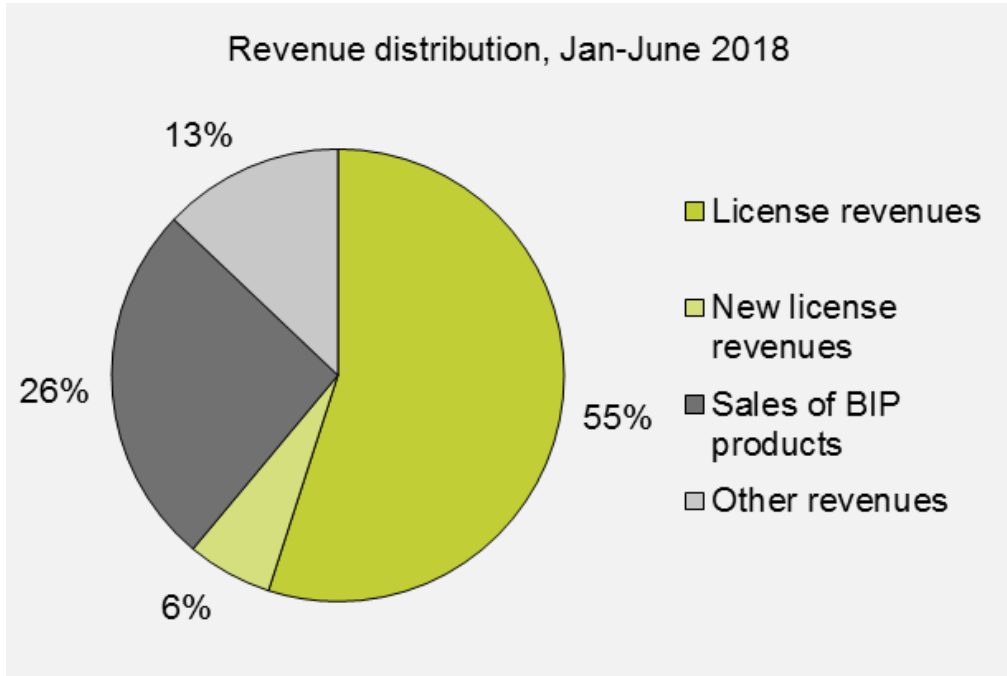
Financial highlights



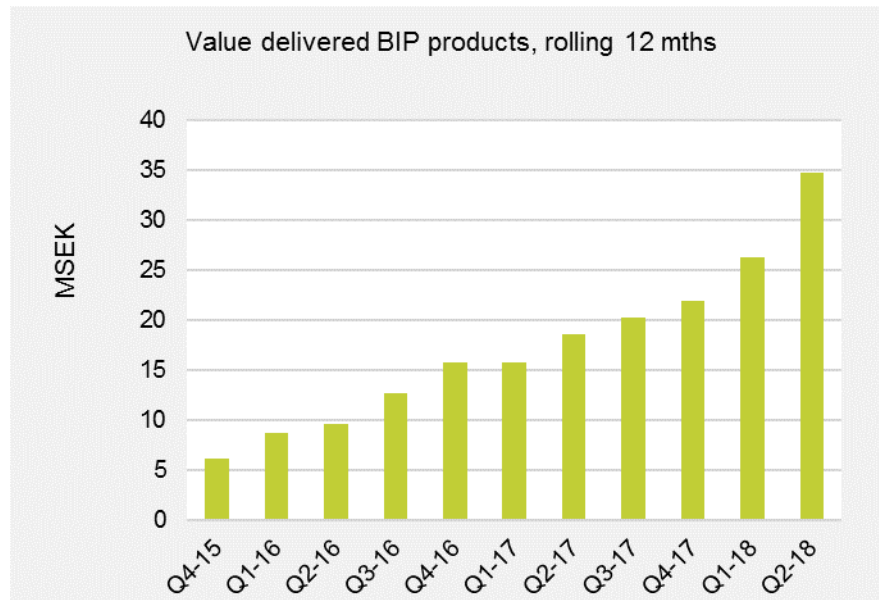
- ✓ Listed on Nasdaq Sthlm and market cap of approx. 1 500 MSEK
- ✓ Revenues are growing – MSEK 52.4 (35.6) in Q2, MSEK 153.6 full year 2017
- ✓ BIP sales more than doubled in Q2 to MSEK 14.9 (6.5)
- ✓ License business expanding, revenues flat at MSEK 30 in Q2
- ✓ EBITDA at MSEK 9.1 (3.1) and EBITDA margin of 17% (11) in Q2
- ✓ Net sales still negative due to depreciation of technology
- ✓ Positive operating cash flow of MSEK 9.7 (1.8) in Q2
- ✓ Closing in on financial targets



Revenue distribution

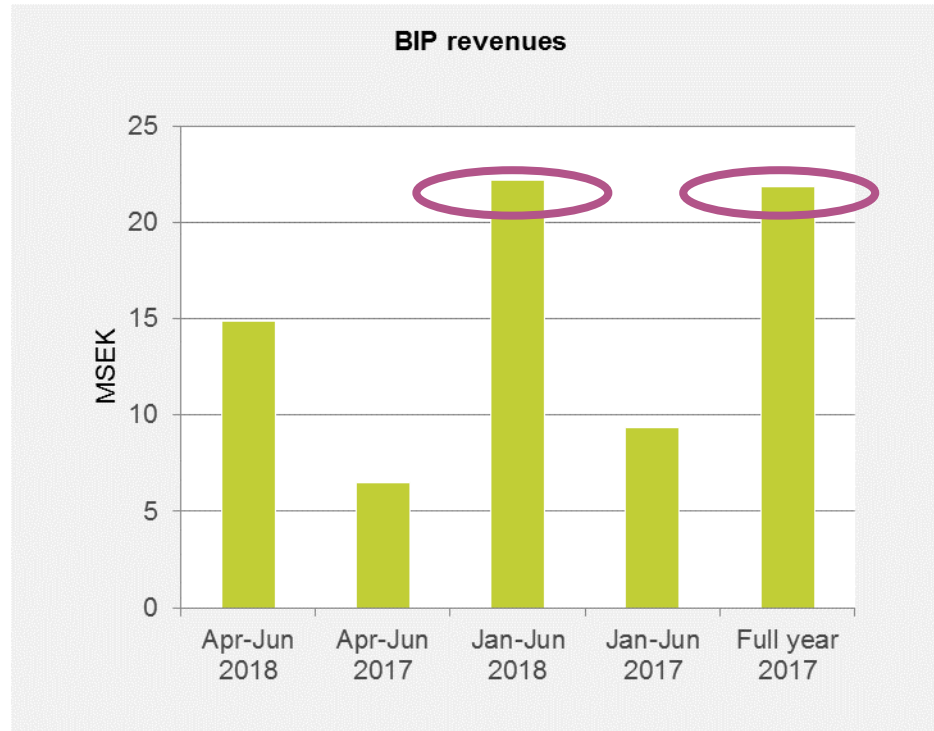


Development in revenues from BIP products



- Eleven consecutive quarters of growth, based on rolling 12 months.
- 19% CAGR in this time period.

BIP revenues



- BIP revenues more than doubled to MSEK 14.9 (6.5) in Q2 and MSEK 22.2 (9.3) in first half
- BIP revenues in line with full year revenues in 2017 after six months

Concluding remarks



- ✓ Infection control has never been more important
- ✓ Eleven consecutive quarters of increasing BIP sales
- ✓ License business expanding
- ✓ Healthy cash flow, driven by sales growth
- ✓ Expansion with cost control, investing in sales & marketing
- ✓ Solid platform for growth with focus on reaching our financial targets



INFECTION PREVENTION | SAVING LIVES

More information available at www.bactiguard.se



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