

# Bactiguard<sup>®</sup>

## Interim report Q3 2024 presentation

Thursday 24 October 2024

Christine Lind, CEO

Patrick Bach, CFO





## Q3 SUMMARY

**Delivers positive EBITDA and initiates review of 2028 financial targets due to previously announced agreement termination**





# Q3 2024 key figures and highlights

Bactiguard turns profitable on EBITDA level in third quarter

## Key figures Q3 2024 (Q3 2023)

Revenues **73.9** ▲ (49.5) MSEK

EBITDA **9.9** ▲ (-9.5) MSEK

Net Loss **-4.7** ▼ (-24.6) MSEK

CF from operating activities **8.3** ▲ (-35.0) MSEK

## Highlights from Q3

- Profitability on EBITDA level
- Solid growth in BD main driver of EBITDA
- Strong third quarter for Wound Management

## Events after the quarter

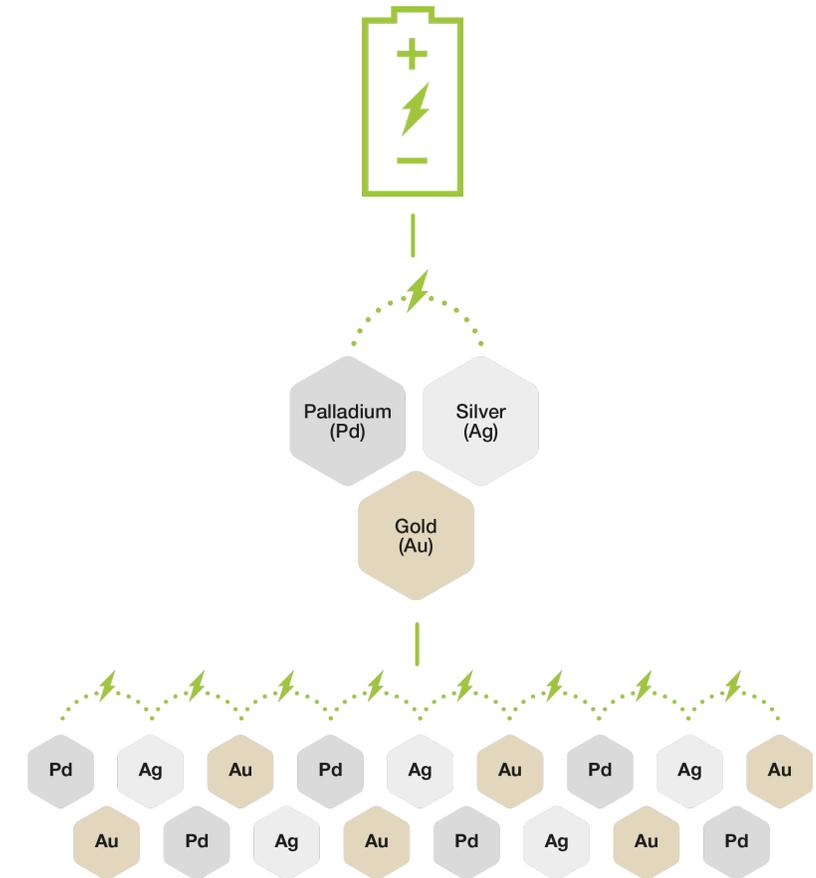
- Review of 2028 financial targets – outcome to be communicated in Q1 2025



# Advanced infection prevention technology

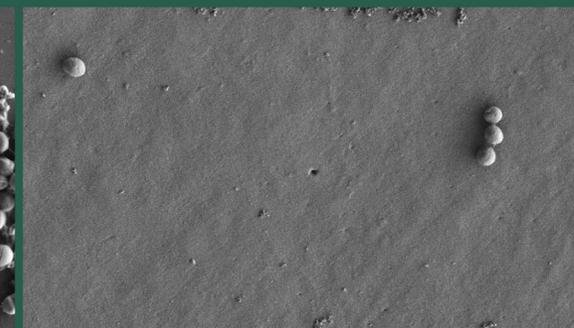
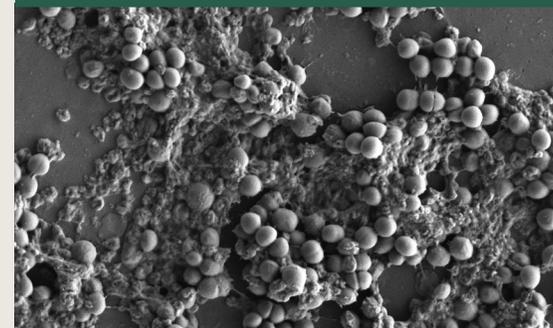
Reduces microbial adhesion and biofilm formation on medical devices

- **Biocompatible, safe and proven** – reduces the risk of medical device related infections
- **Ultra-thin noble metal coating technology**; gold, silver and palladium
- In contact with fluids, the noble metals create a **galvanic effect** due to their varying electro potentials
- More than **100,000 patients** included in clinical trials
- Efficacy assessed in more than **40 clinical studies**
- Studies cover **various patient cohorts, regions, and therapeutic areas**



Uncoated surface

Coated surface



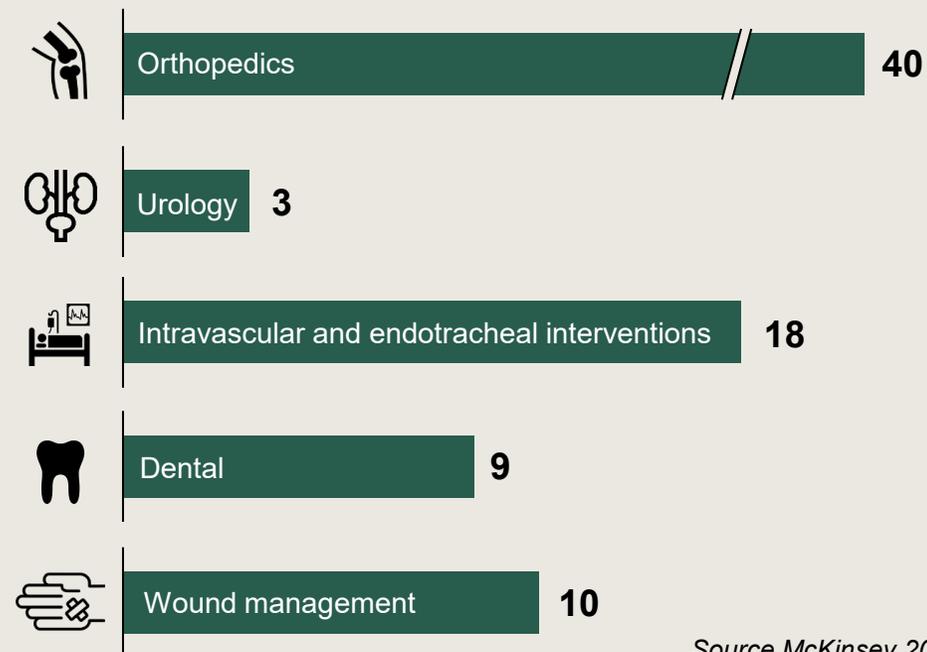


# Critical global healthcare trends driving market needs

## 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
- Political unrest, conflicts, wars and natural disasters
- Demand for more efficient and safe healthcare

## The market opportunity (USD 80bn)



Source McKinsey 2022



# Effective license focused strategy and business model

Increased interest in our infection prevention technology from MedTech companies

License  
partnerships

Focus: advance current  
and develop future

R&D  
Medical  
Regulatory

Focus: deliver competencies  
to enhance partnerships

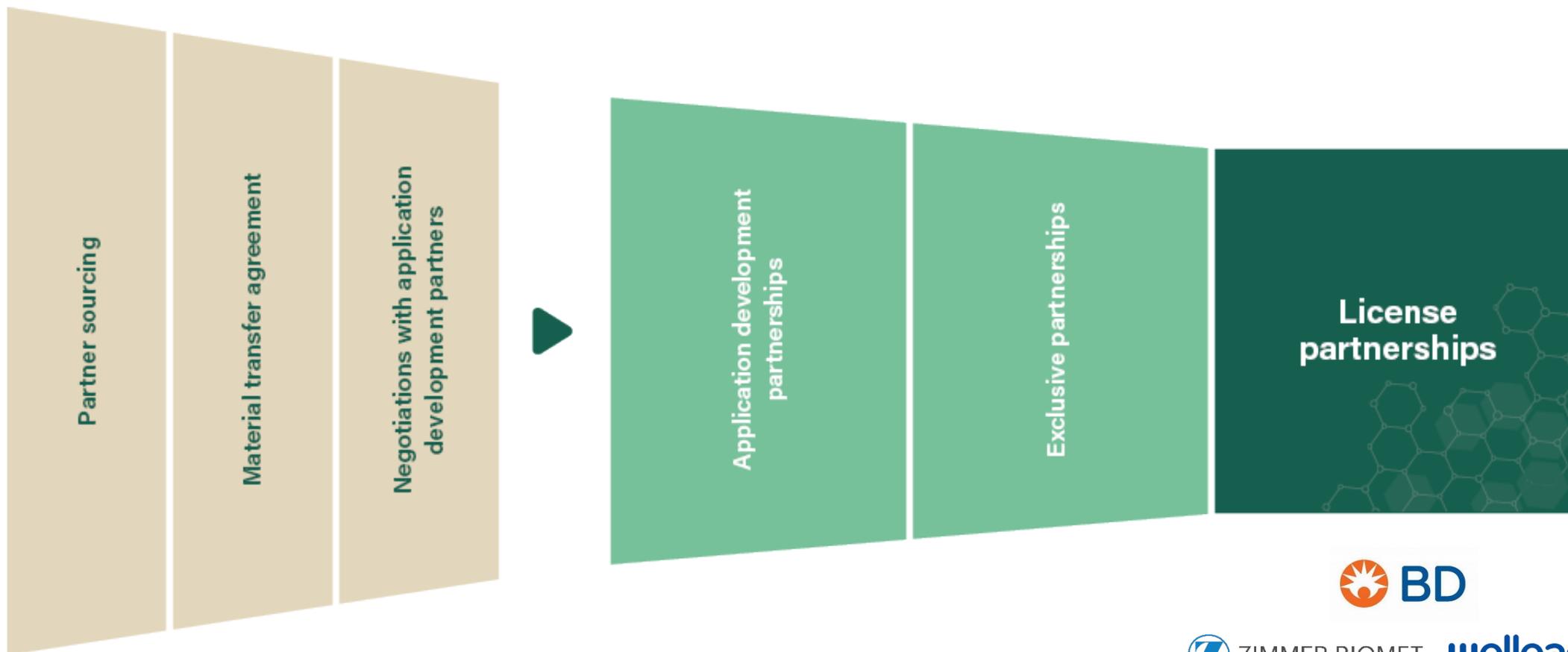
Wound Management  
portfolio

Focus: grow profitably



# Business model and partner journey

Three types of revenues – partners generating exclusivity and license revenues are communicated





# Solid BD growth drives EBITDA for Q3

Global partnership approach – BD's success is Bactiguard's success

- Revenues from BD collaboration **main driver of EBITDA**
- Close collaboration on **expansion of Bactiguard-coated Foley catheters** into both **existing** and **new markets**
- Engagement **across the entire value chain** – from technology to go-to-market

## At a glance



- **Q3 revenues: 33.3 MSEK**
- Partnership since early 90s – 230 million Foleys coated catheters sold
- Exclusive global license for coated Foley catheters (ex China)





# Zimmer Biomet trauma agreement remains in effect

Infection rates and medical need significantly higher in trauma segment

- Termination of the **multiple orthopedic product segment agreement** announced early October
- Ongoing trauma collaboration also includes work with **regulatory processes in Europe and the US**
- Commercialization activities for **ZNN Bactiguard trauma nail** continued, especially in Europe



## At a glance



- **Q3 revenues: 10.3 MSEK**
- Global leader in orthopedics
- Agreement covers trauma implant segment (signed in 2019)



# Wound Management by Bactiguard

Preventing infections by offering effective, biocompatible solutions to improve wound healing

- Continued **path of profitable growth** during the third quarter
- **Published results of randomized study in peritoneal and wound lavage\*** – reduced overall surgical-site infections by 58%, and superficial surgical-site infections by 72%



## At a glance

**HYDROCYN<sup>®</sup>**  
*aqua*

- **Q3 revenues: 17.9 MSEK**
- Offering includes Hydrocyn aqua (enabling wound healing and preventing infections) and a wide range of surgical sutures



# Total revenue Q3 2024

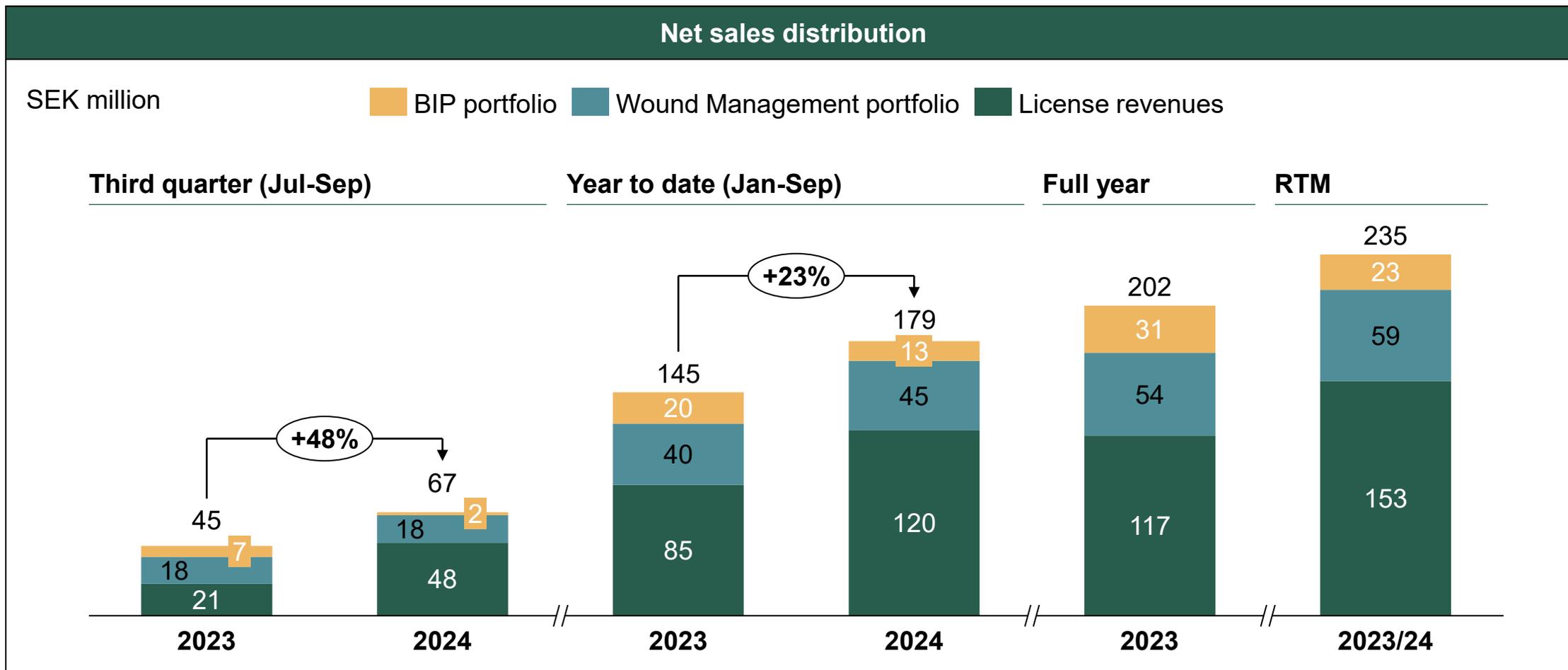
Solid growth in license revenues, notably from BD partnership

MSEK	Jul-Sep		Jan-Sep		Full year	RTM
	2024	2023	2024	2023	2023	2023/24
Total license revenue	47.5	20.8	120.5	85.0	117.2	152.6
License partners	46.6	18.0	114.2	74.8	104.3	143.7
Exclusivity partners	-	2.7	5.3	7.1	9.7	7.9
Application development partners	0.9	0.2	1.0	3.2	3.2	1.0
Wound Management portfolio	17.9	17.5	45.3	39.9	53.8	59.2
BIP portfolio	1.9	7.1	12.8	20.4	30.5	23.0
<b>Net sales</b>	<b>67.3</b>	<b>45.5</b>	<b>178.6</b>	<b>145.3</b>	<b>201.5</b>	<b>234.9</b>
Other operating revenues	6.6	4.0	15.0	16.5	21.6	20.1
<b>Total revenue</b>	<b>73.9</b>	<b>49.5</b>	<b>193.6</b>	<b>161.8</b>	<b>223.2</b>	<b>255.0</b>

- **Total license revenue** amounted to **47.5 (20.8) MSEK**
- Revenues from **BD** amounted to **33.3 (9.2) MSEK**
- Revenues from **Zimmer Biomet** amounted to **10.7 (11.6) MSEK**
- Revenues from **Wound Management** amounted to **17.9 (17.5) MSEK**
- Revenues from **BIP** amounted to **1.9 (7.1) MSEK**
- **Total revenue** amounted to **73.9 (49.5) MSEK**. Adjusted for currency of 0.4 MSEK, revenue increased by 48.7 percent in Q3
- **For Jan-Sep, total revenue** amounted to **193.6 (161.8) MSEK**. Adjusted for currency of 7.6 MSEK, revenue increased 15.0 percent

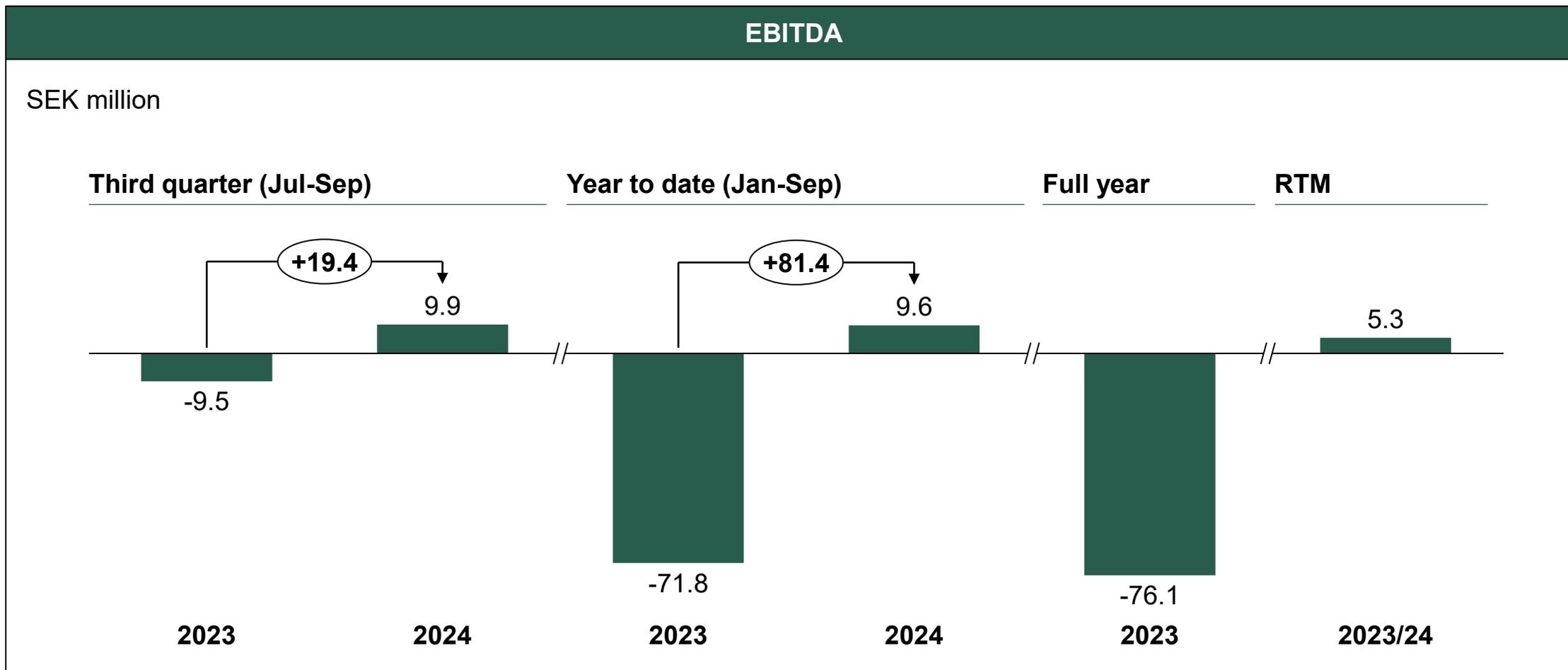


# Net sales grew 48% in Q3 and 23% YTD, driven by solid growth in license revenues





# EBITDA grew to 9.9 MSEK in Q3 and to 9.6 MSEK YTD





# Total operating expenses and cash flow Q3 2024

On track to **deliver cost savings exceeding 25 MSEK** on a yearly basis following the transformation

## Operating expenses

- **Costs for raw materials and consumables** amounted to **-6.9 (-10.5) MSEK**, a decrease of 3.7 MSEK
- **Other external costs** amounted to **-27.8 (-21.6) MSEK**, an increase of 6.3 MSEK
- **Personnel costs** amounted to **-24.9 (-25.0) MSEK**, a decrease of 0.1 MSEK
- **Other operating expenses** amounted to **-4.1 (-3.2) MSEK**, an increase of 0.9 MSEK
- **In Q3, total OPEX** amounted to **-56.9 (-49.8) MSEK**, an increase of 7.1 MSEK
- **YTD, total OPEX** amounted to **-153.5 (-185.1) MSEK**, a decrease of 31.6 MSEK

## Cash flow

- **Cash flow from operating activities** amounted to **8.3 (-35.0) MSEK**
- **Cash flow from investing activities** amounted to **-2.9 (-0.7) MSEK**
- **Cash flow from financing activities** amounted to **-3.9 (-3.0) MSEK**
- **In Q3, total cash flow** amounted to **1.6 (-38.7) MSEK**
- **YTD, total cash flow** amounted to **-20,5 (-73.0) MSEK**
- **Cash and cash equivalents** at the end of the quarter was **106.4 (124.4) MSEK**



# Our priorities ahead – focus is still in focus

Vision: become the **global standard of care for preventing medical device related infections**

- **Advance current partnerships** – with BD, Zimmer Biomet and Well Lead
- **New partnerships** in strategic therapeutic areas – convert early-stage projects into exclusivity and license partnerships
- Continue profitable growth of **Wound Management**
  
- **Build competencies within the knowledge and specialist organization further**
  - corporate culture
  - specialist areas (R&D, coating, medical, commercial, and regulatory)
  
- Continue to deliver **profitability and sustainable growth**





# Q&A

“to champion a healthier world  
by preventing infections”



# Questions & Answers

End of Q3 2024 presentation



**Christine Lind**  
CEO



**Patrick Bach**  
CFO

