

# Bactiguard Q1 2021

---

**Investor presentation – 22 April, 2021**

Cecilia Edström, CEO

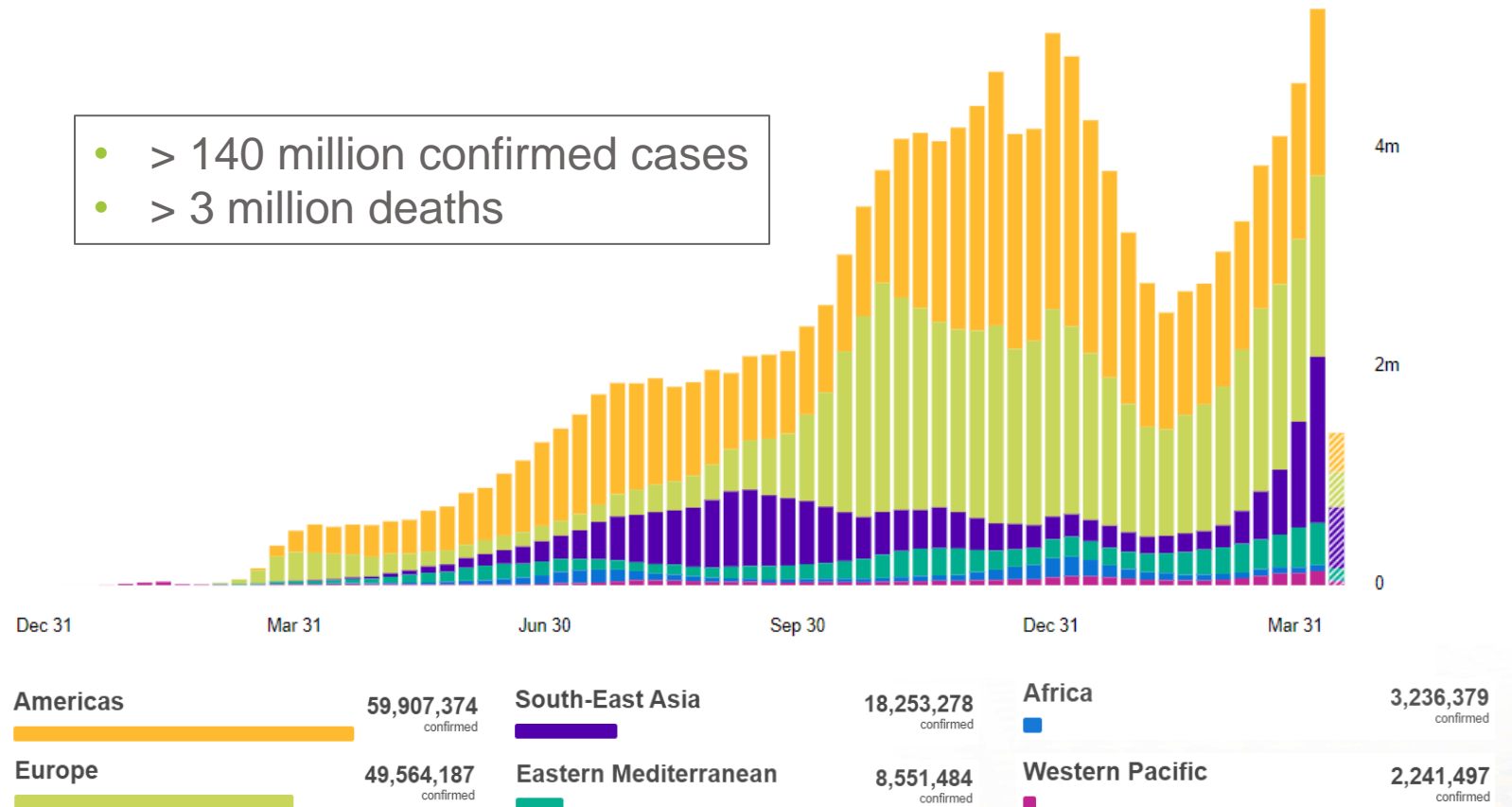
Gabriella Björknert Caracciolo, CFO

# Global outlook

## COVID-19 situation

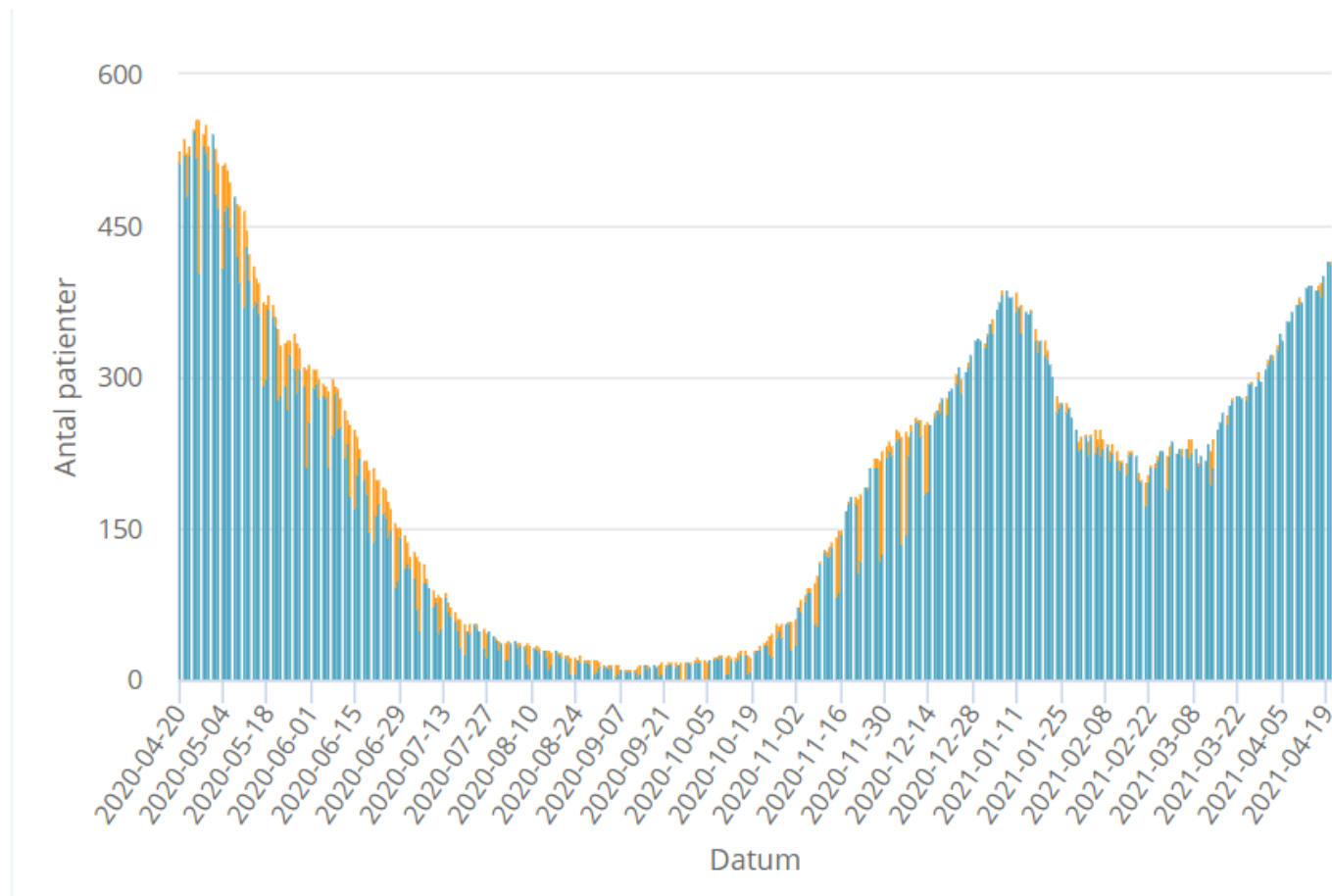
- USA highest total number of cases, followed by India and Brazil
- Half of the US population received a first dose of vaccine
- India imposing new lockdowns to curb second, more serious wave
- EU – slow vaccine roll-out, third wave with increasing no of cases
- UK and Israel – infection rates dropping drastically, following successful vaccine roll-out

• > 140 million confirmed cases  
 • > 3 million deaths



# COVID-19 patients in ICUs, Sweden

## Secondary bacterial infections increasing



- Increasing number of cases in third wave
- Lower general death rates - vaccine effect for elderly
- High and increasing ICU utilization
- Recent increase in deaths in ICUs
- Secondary bacterial infections increasing
- Ventilator acquired pneumonia
- Effect of immunosuppressive treatment?

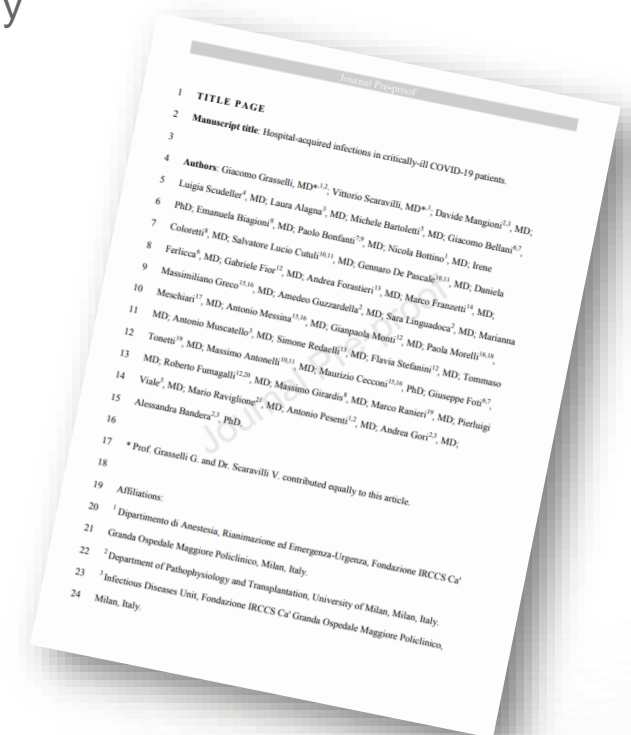
# COVID-19 and hospital-acquired infections (HAI)

## Recent publication from Italy

- 774 patients with COVID-19 treated at intensive care unit (ICU), 8 hospitals in Italy
- **46% of patients developed HAI**
- **35% of all HAI events were caused by multi-drug resistant (MDR) bacteria**
- Of the HAI events:
  - 50% ventilator-associated pneumonia (VAP)
  - 10% catheter-related blood stream infections (BSI)
- Patients with HAI and septic shock had almost **doubled mortality**

Conclusion by the authors:

“ *Critically-ill COVID-19 patients are at high risk for HAIs, especially VAPs and BSIs due to MDR organisms.* ”



# Financial summary

---

- Sales MSEK 41.8 (48.1) down by 13% (- 3% currency adjusted)
  - BD license revenues of MSEK 25.4 (27.8) – approaching normal levels
  - BIP sales of MSEK 13.0 (16.2)
- EBITDA of MSEK 1.9 (14.4)
- Net profit/loss of MSEK - 10.5 (-11.2)
- Operating cash flow of MSEK -0.9 (-3.5)

## 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	-38.4 (16.3)
Operating Cash flow	0.7 (54.0)

# Operational highlights

---

Important break-through with Zimmer Biomet and high activity level

## License business

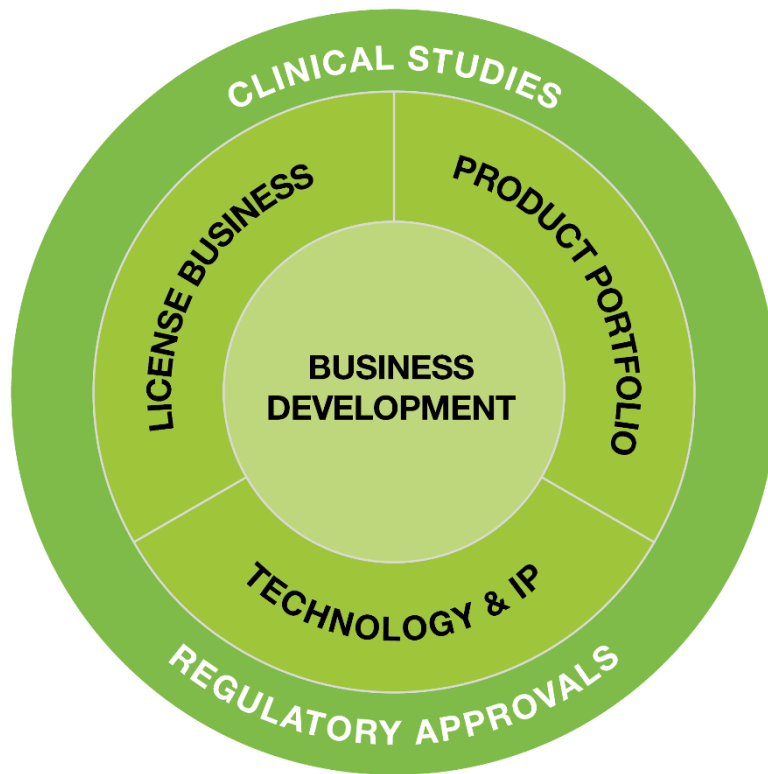
- CE-mark for Bactiguard-coated Zimmer Biomet trauma implants, production initiated
- BD's business at more "normalised" levels
- Several interesting dialogues underway

## Bactiguard portfolio

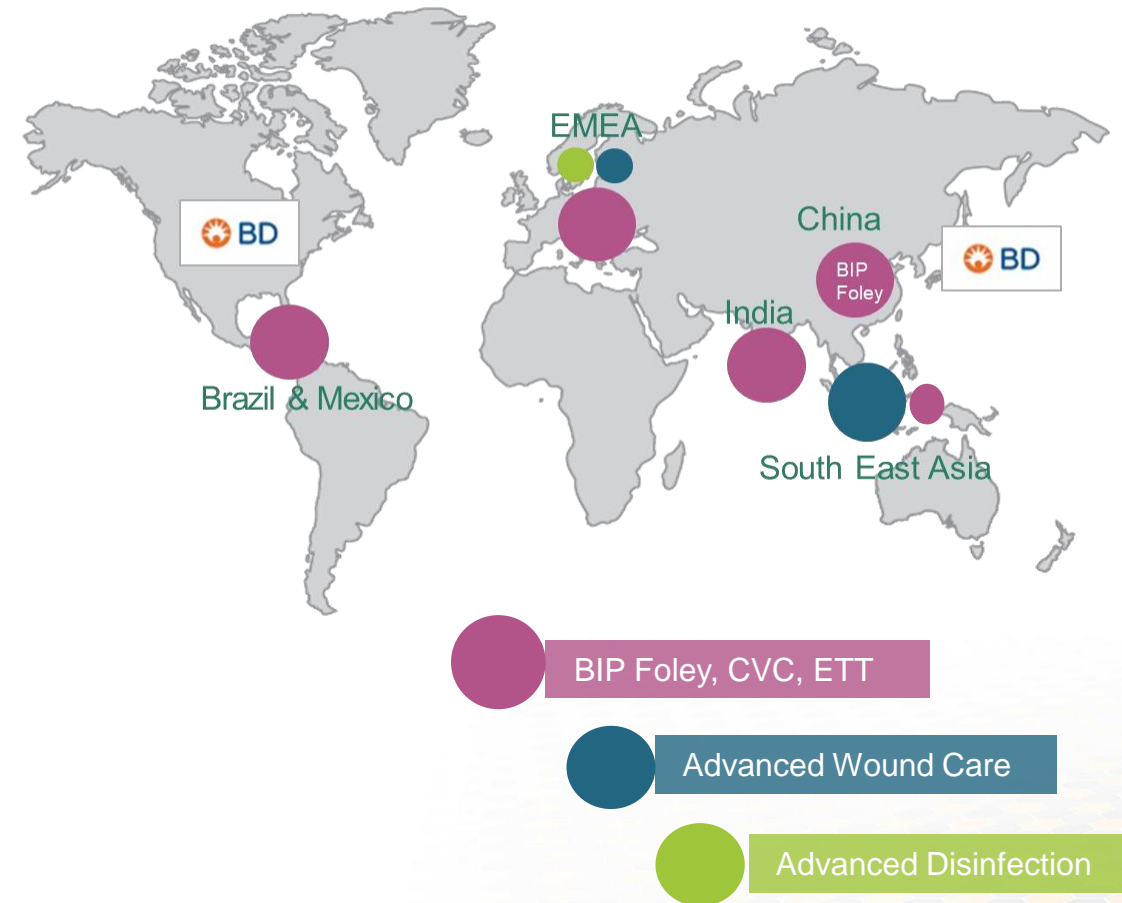
- Continued strengthening of sales team - new Global Head of Sales and Nordic team in place
- Major clinical study confirms efficacy of Bactiguard technology in reducing infections
- Continued expansion of disinfection and wound care range
  - More Swedish pharmacies include Hydrocyn in their range
  - Wound care range introduced in Spain and Greece

# Business model and market coverage

## BUSINESS MODEL

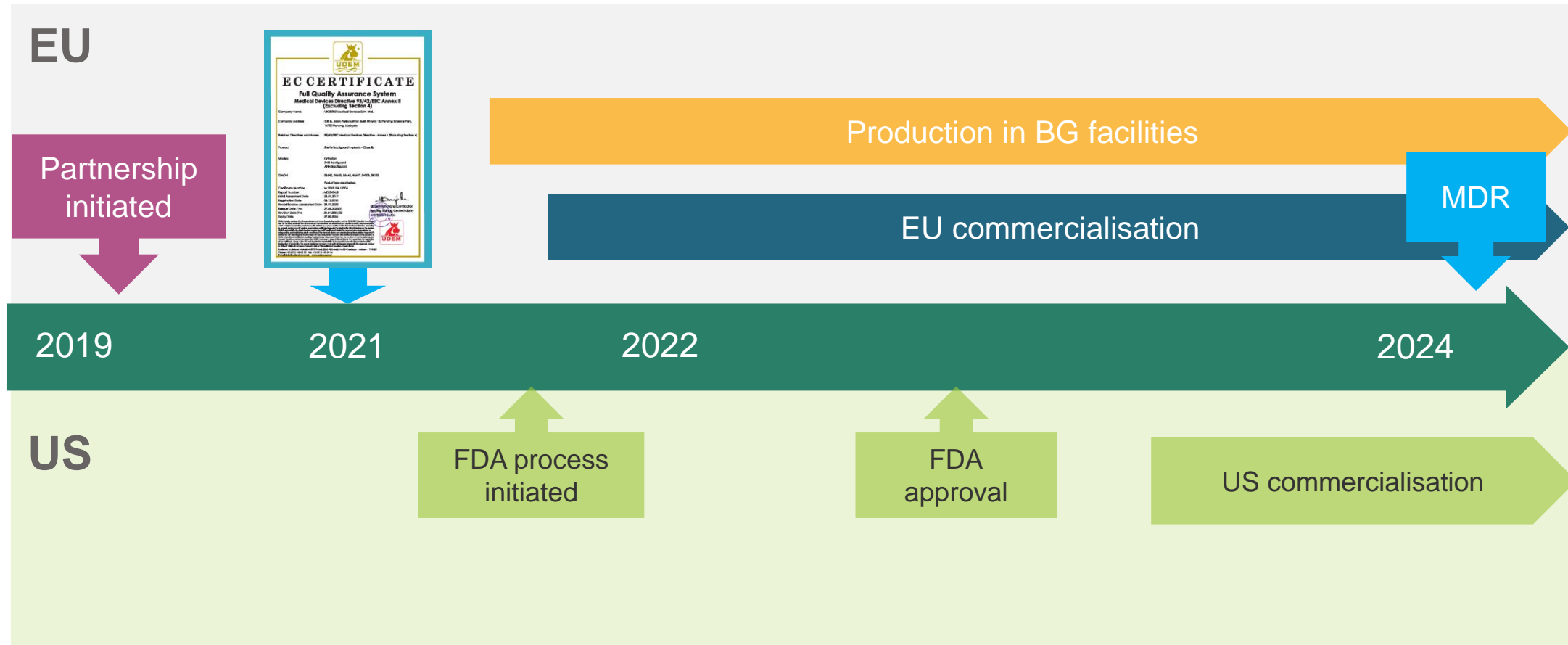


## GLOBAL PRESENCE



# Zimmer Biomet partnership milestones

## Orthopedic trauma implants



Tentative timeline



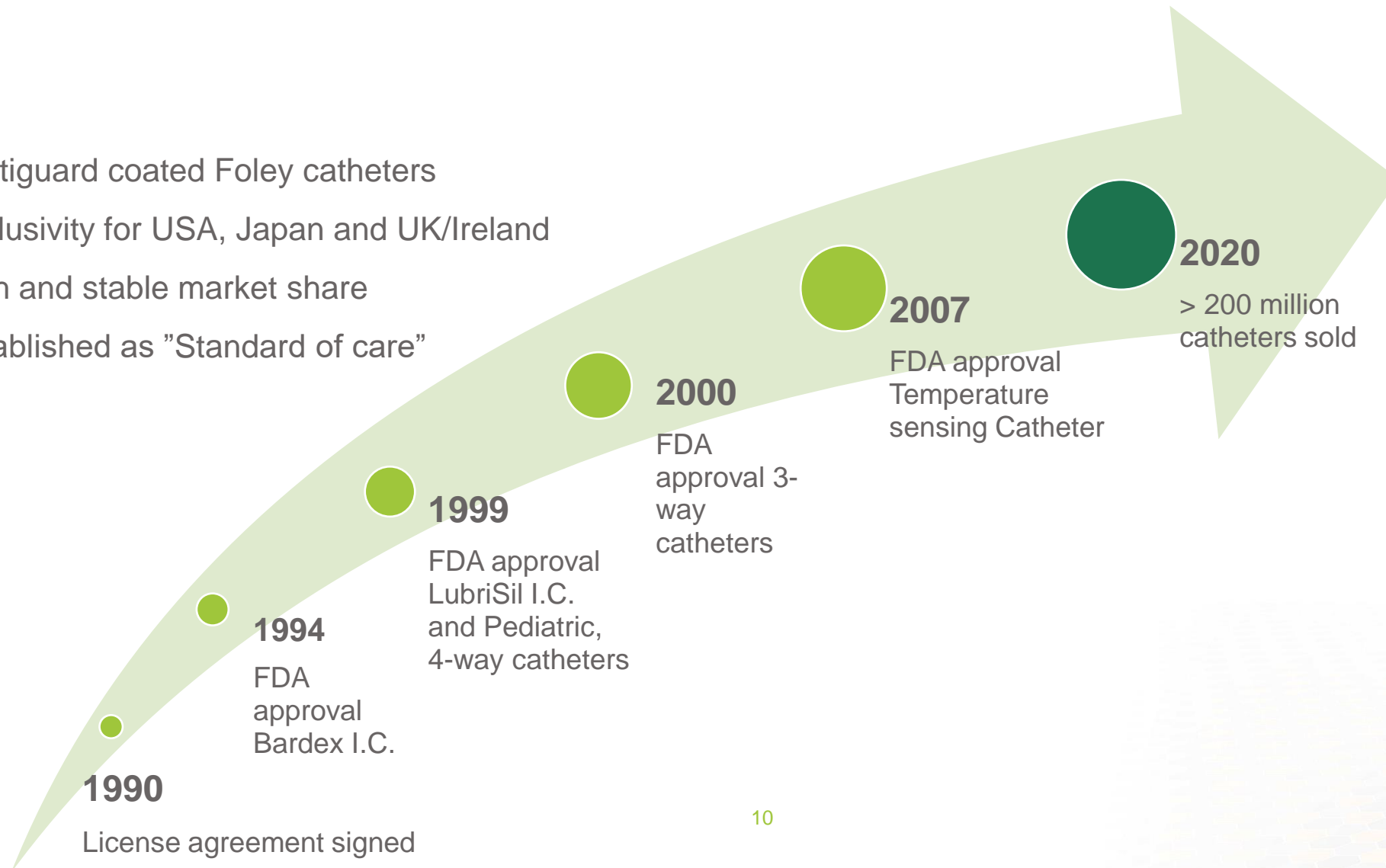
# Contract manufacturing for Zimmer Biomet

Bactiguard facility in Penang Malaysia, April 2021



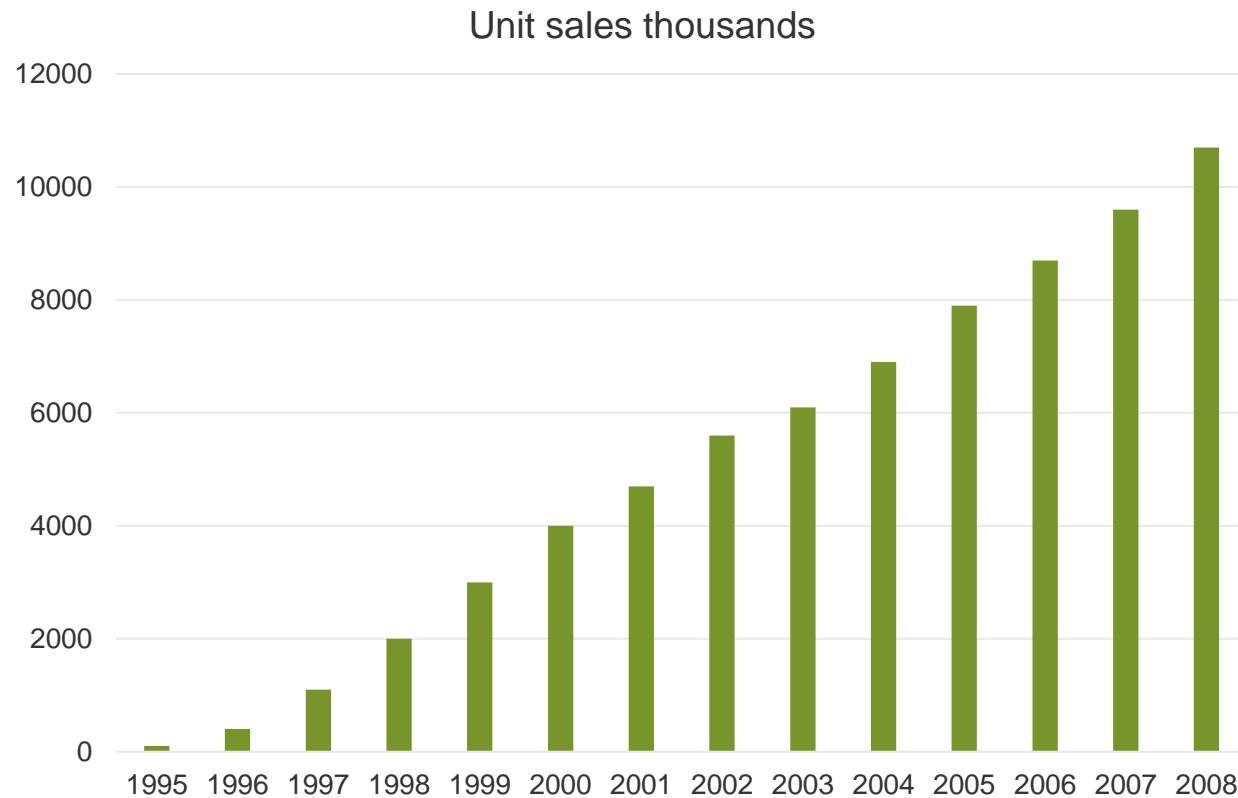
# License agreement with Bard/BD celebrating 30 years

- Bactiguard coated Foley catheters
- Exclusivity for USA, Japan and UK/Ireland
- High and stable market share
- Established as "Standard of care"



# Bactiguard coated Foleys standard of care in USA and Japan

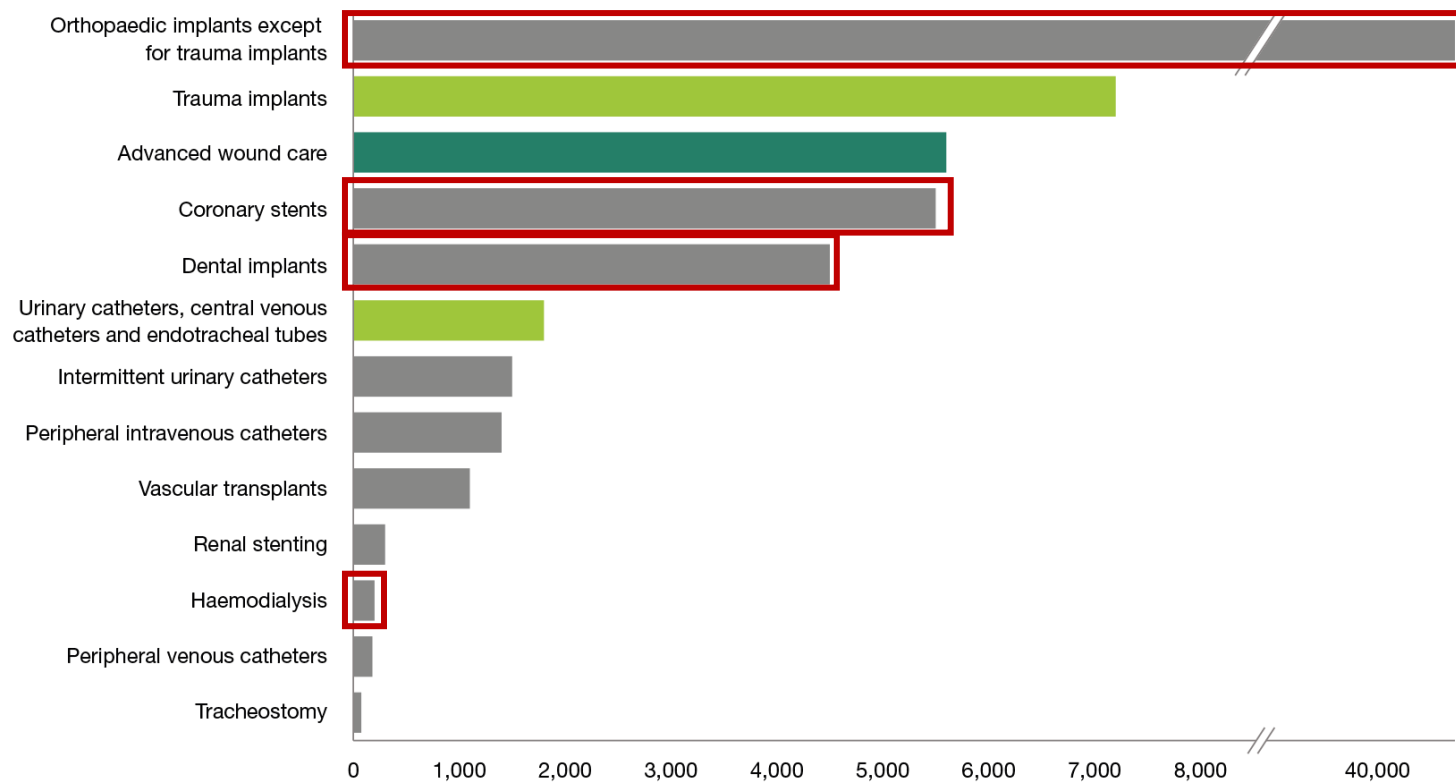
## A successful launch strategy



- Limited clinical evidence at launch – risk sharing model and **”money back guarantee”** to kick-start sales
- Strong volume growth over 15 years (**~40% market share**), thereafter stable volumes
- Bactiguard coated Foleys a **game changer** for CR Bard and **standard of care** in the US and Japan

# 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

# Strong clinical evidence

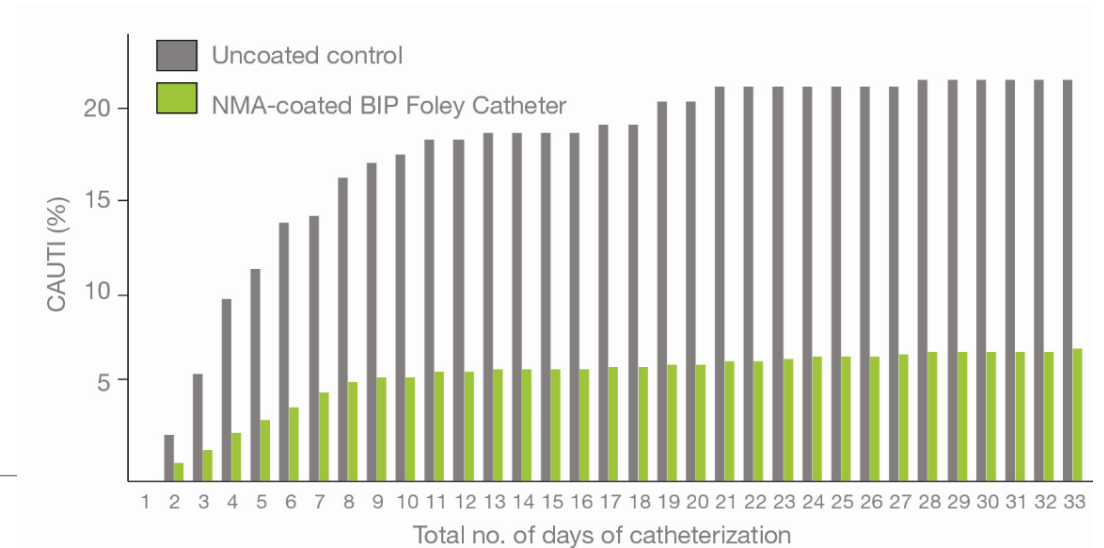
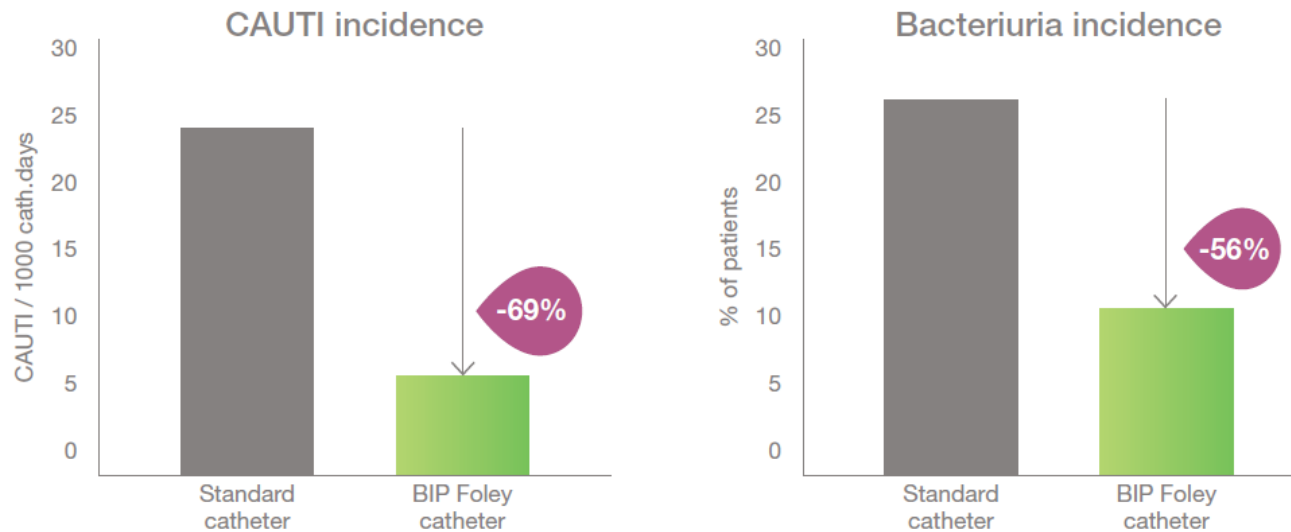
## More applications and markets covered

- **>200 million** Bactiguard coated catheters used
- **No** reported **adverse events** associated with the coating
- **Over 40 clinical studies** including more than 100,000 patients
- **42%** weighted average reduction of symptomatic CAUTI, and over **90%** in some studies
- **52%** reduction of catheter related blood infections and indications for decreased risk of thrombosis
- **53%** reduction of ventilator associated pneumonia
- Several completed studies soon to be published, including orthopaedic trauma implants and endotracheal tubes



# Significant reduction of CAUTI

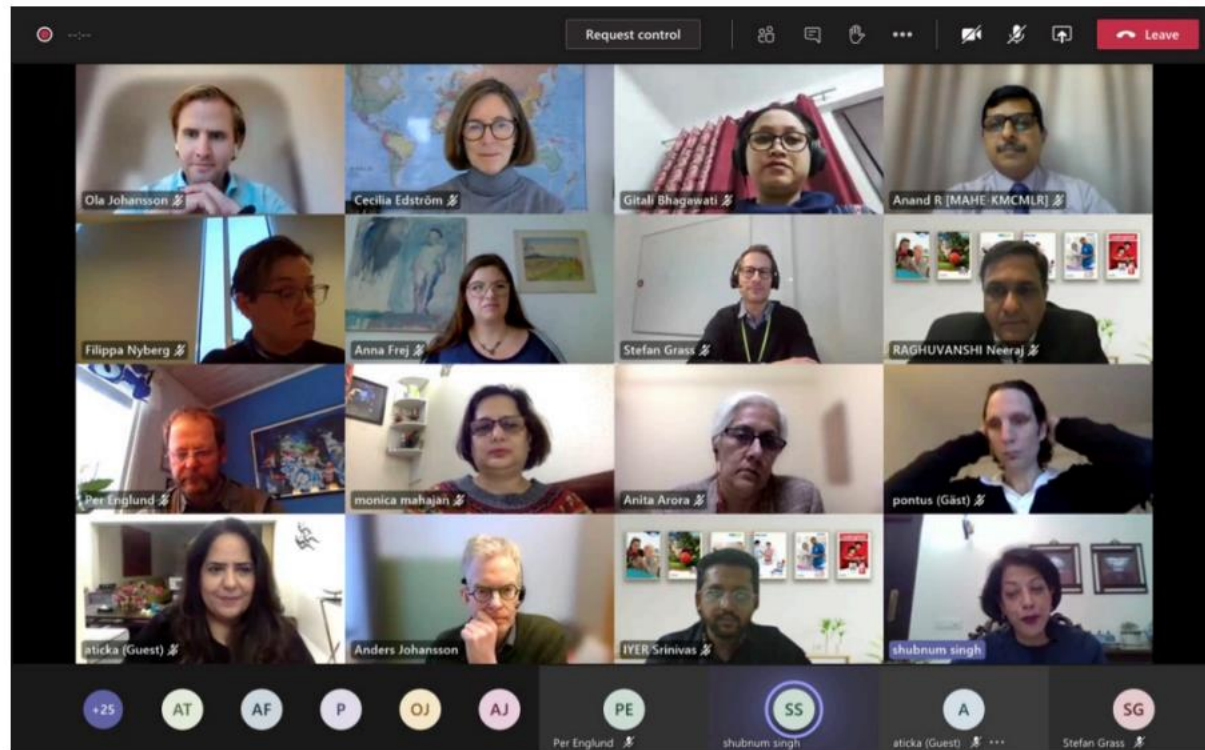
A major randomized multi-center study in India



<https://rdcu.be/cgCEH>

1. Kai-Larsen, Y., Grass, S., Mody, B. et al. Foley catheter with noble metal alloy coating for preventing catheter-associated urinary tract infections: a large, multi-center clinical trial. *Antimicrob Resist Infect Control* 10, 40 (2021). Publisher: Springer Nature. <https://rdcu.be/cgCEH>

# Vision Zero for healthcare associated infections in India



## INDIAN PARTNERS

- Max Hospitals
- Narayana Health
- Fortis Healthcare
- Manipal Hospital
- AIIMS Jodhpur
- Healthcare skill council



# Focus on sales, education & training

- Nordic and Malaysian sales teams
- Bactiguard Academy
  - Digital platforms and webinars
- Instructional movies
  - Urinary catheterization
  - Preparation, insertion and maintenance of CVC
  - Disinfection of skin and surfaces
- Clinical Guidelines
- Collaboration with leading hospitals
- Continuous medical education events



 Bactiguard Sweden

**Topic**

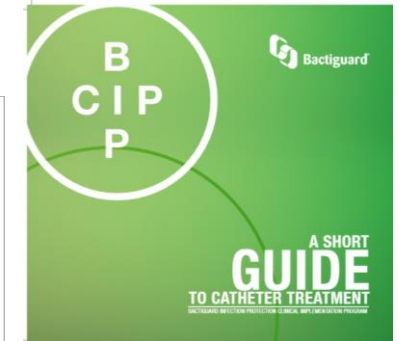
Advances in managing HAI and first hand experience sharing of treating SARS CoV 2 pts at Karolinska University Hospital, Sweden

**Speaker**



**Dr. Stefan Grass**

Background:  
MD PhD anaesthesia and intensive care, Karolinska University Stockholm  
Chief scientific officer and Deput CEO Bactiguard.





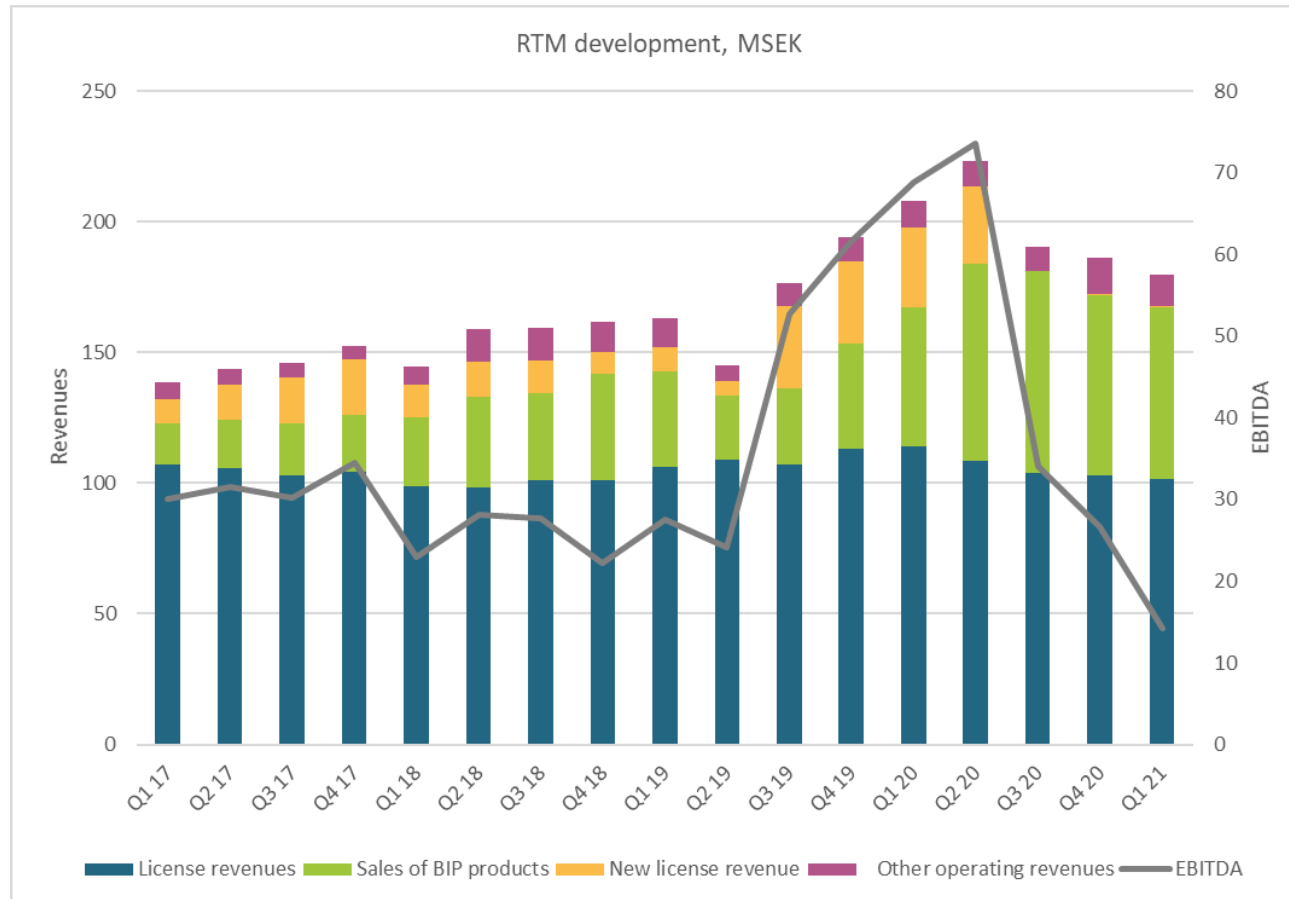
# Financial update

---



# Stable revenues first quarter

Still negative COVID-19 impact on the business



- Stable BD license revenues but negative currency effect in Q1
- Broader product portfolio from Malaysian acquisition, increasing sales of BIP products but still negative Covid-19 impact
- No new license revenue in Q1
- EBITDA development due to revenue mix, in combination with increased investments in marketing and sales.

# Financial overview

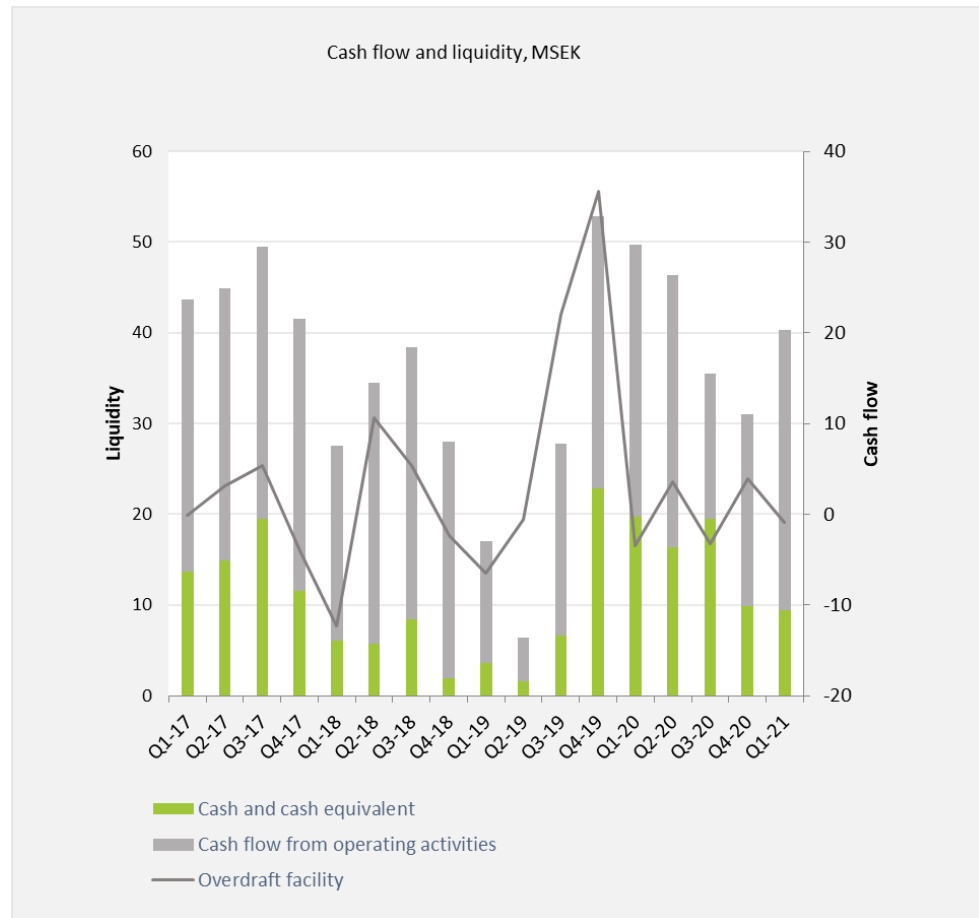
MSEK	2021		2020					2019
	Q1	RTM	Q1	Q2	Q3	Q4	Full year	Q1
Revenues	41,8	179,7	48,1	48,2	34,1	55,6	186,0	33,9
EBITDA	1,9	14,2	14,4	10,5	-3,1	4,9	26,7	7,2
EBITDA margin %	5%	8%	30%	22%	-9%	9%	14%	21%
Depreciations	-11,6	-45,4	-10,5	-11,3	-11,2	-11,3	-44,3	-10,5
whereof depreciation technology	-6,4	-25,4	-6,1	-6,4	-6,4	-6,4	-25,1	-6,0
Net profit/loss*	-10,5	-37,8	-11,2	-0,3	-16,1	-10,8	-38,4	-3,4
Operating cash flow	-0,9	3,3	-3,5	3,6	-3,3	3,9	0,7	-6,5

## Q1 2021 (Q1 2020)

- Negative revenue growth of -13%, adjusted for currency -3%
- EBITDA MSEK 1.9 (14.4) with an EBITDA-margin 5% (30%), mainly hit by currency, lower BIP sales and increased personnel and marketing costs
- Net profit/loss: MSEK -10.5 (-11.2). Regular depreciation of technology of MSEK -6.4, provides tax shield as technology increases in value with new applications

\*According to IFRS the set-off issue is reported as a forward contract, which affected net profit/loss with SEK -12,8 million in the first quarter 2020 and SEK -10,9 million YTD 2020. The adjustment does not affect cash flow.

# Cash flow and liquidity



- Operating cash flow for Q1 MSEK -0.9 (-3.5)
- Terms of the loan agreement with SEB renegotiated
- Overdraft facility increased from MSEK 30 to MSEK 45 – MSEK 14.1 utilized as of March 31
- Available liquidity incl overdraft facility MSEK 40.3 (49.7)

# Clear growth strategy

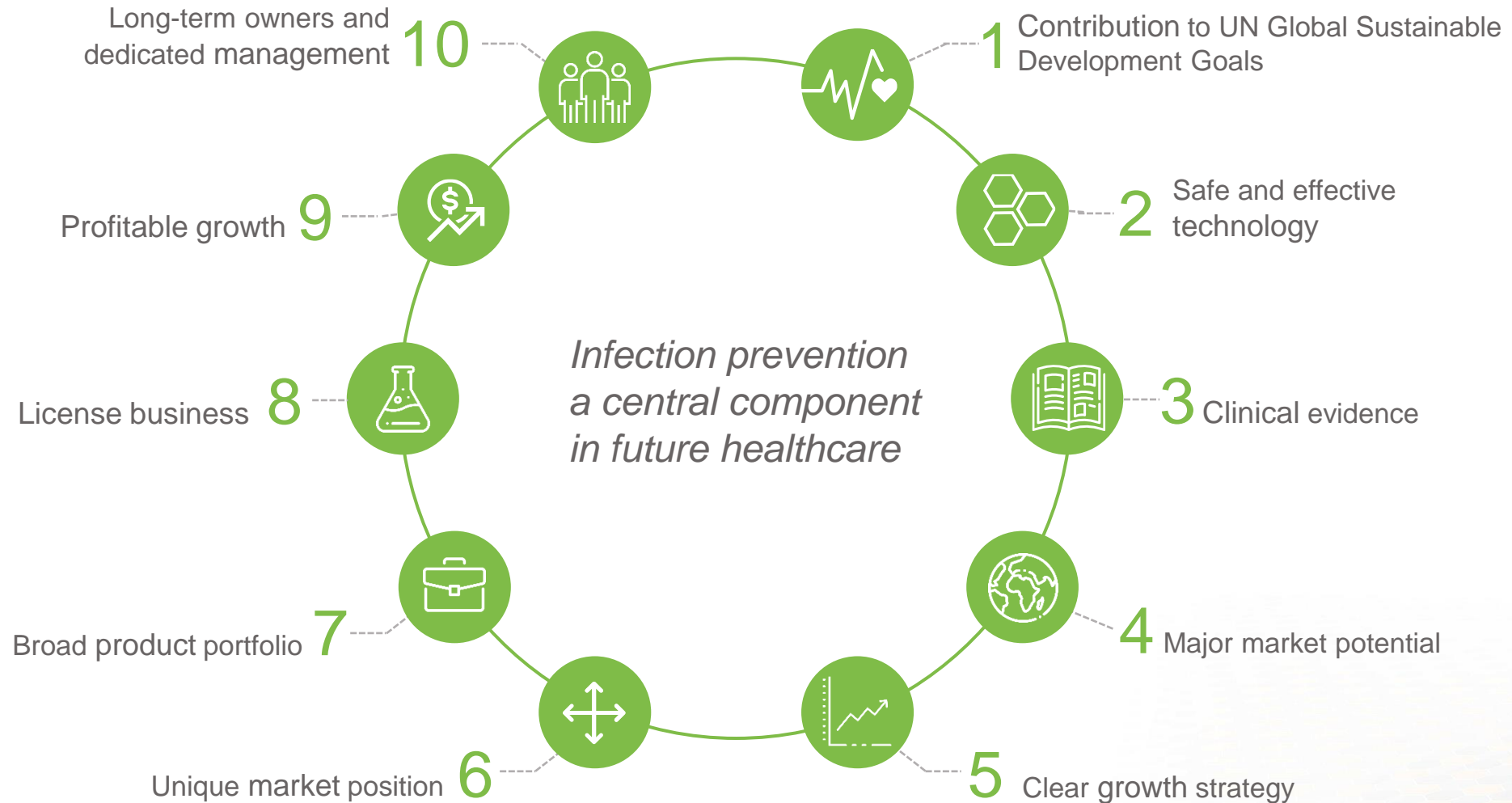
---

Effective and safe  
infection  
prevention

Recurring license  
revenues and new  
agreements

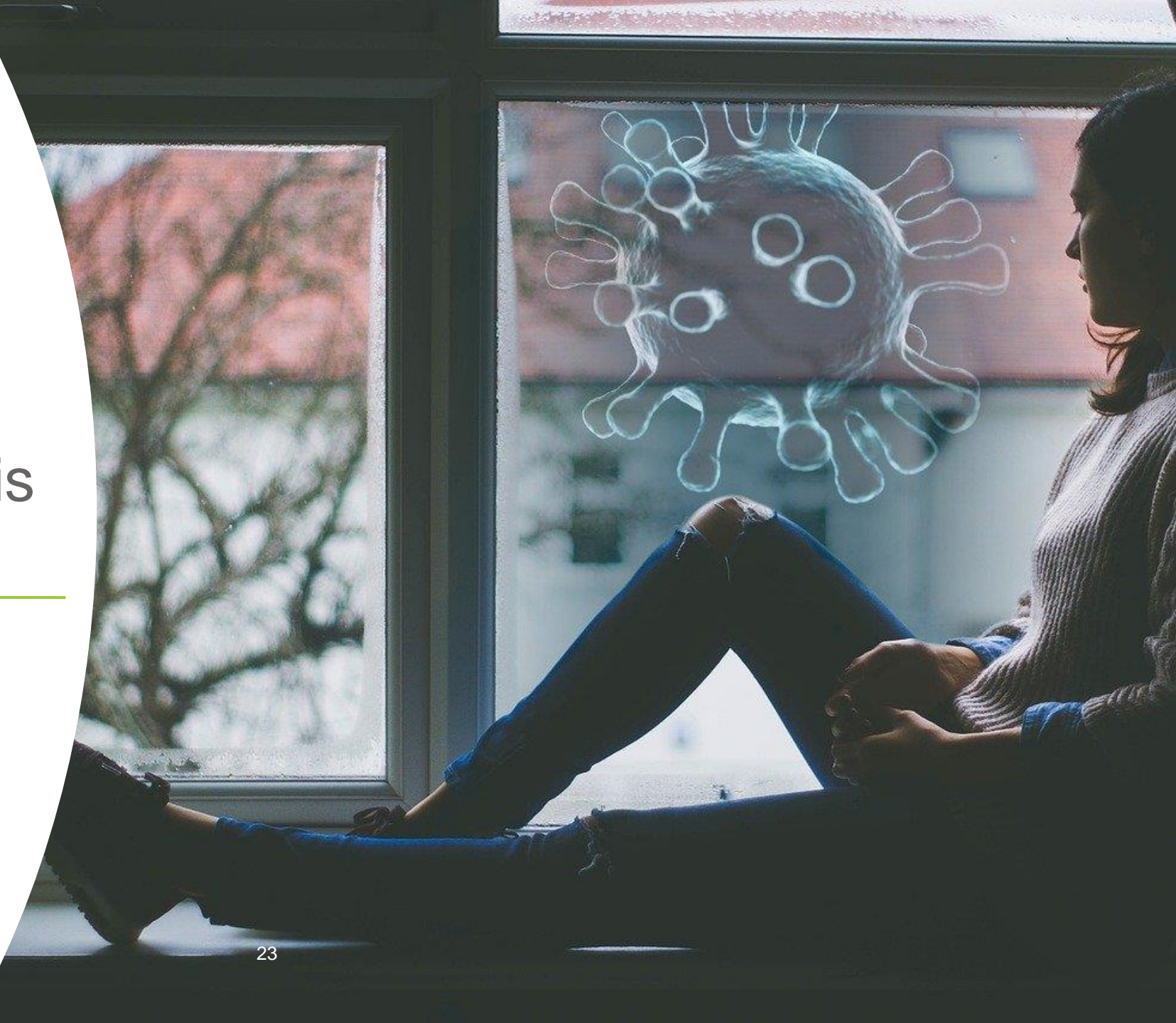
Broader product  
portfolio and  
market coverage

# Ten reasons to invest in Bactiguard



Infection prevention is  
better than cure

---



Bactiguard on the outside –  
safe on the inside





# Questions & Answers

---



**Cecilia Edström**

CEO

Phone +46 8 440 58 80

[cecilia.edstrom@bactiguard.com](mailto:cecilia.edstrom@bactiguard.com)



**Gabriella Björknert Caracciolo**

CFO

Phone +46 8 440 58 80

[gabriella.caracciolo@bactiguard.com](mailto:gabriella.caracciolo@bactiguard.com)

# Upcoming events and financial reports

---

April 28, 2021

- AGM 2021

July 15, 2021

- Q2 2021

October 28, 2021

- Q3 2021