

# Bactiguard<sup>®</sup>

## Interim Report Q2 2023 presentation

Tuesday July 18, 2023

Thomas von Koch, interim CEO





## **Interim Report Q2 2023:**

**Strategy of bolstering Licensing and US go-to-market stays firm**





# Opportunities behind critical global healthcare trends

“not a question of if, it’s a question of when”

## The issues

- Rise of infections, increased antibiotics use and **development of multi-resistant bacteria** a threat to global health and modern medicine

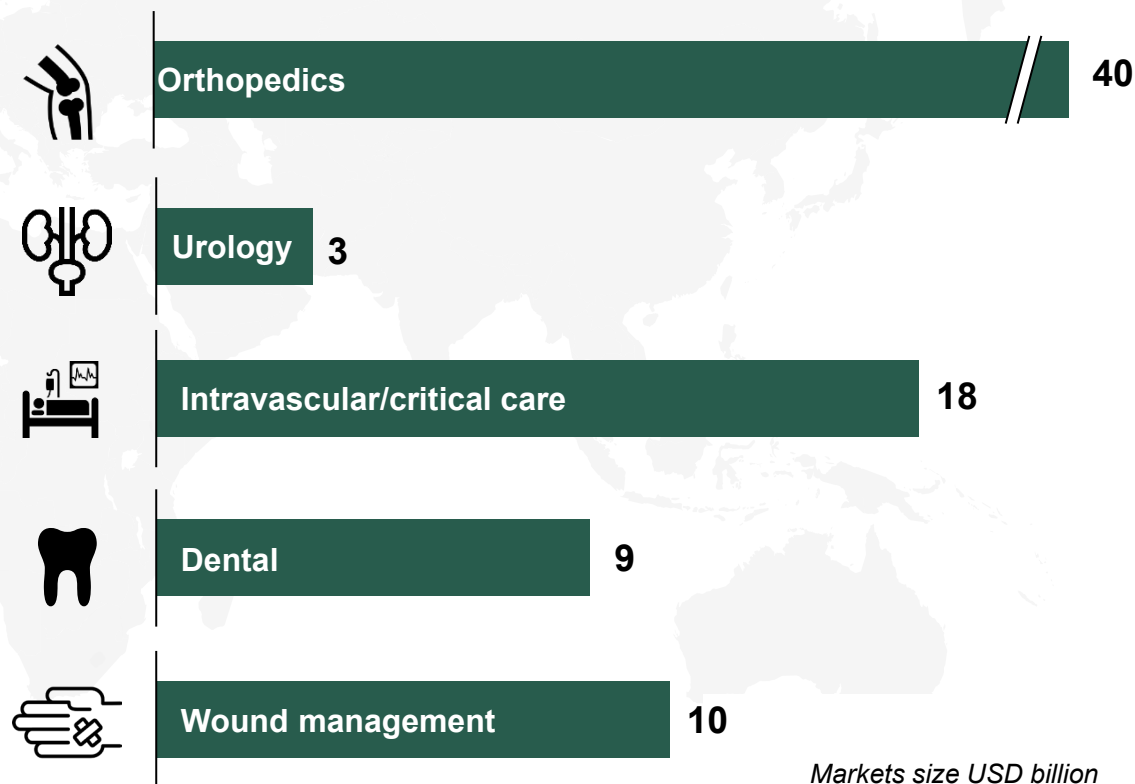
- WHO estimates **more than ten million people will die** from infections caused by multi-resistant bacteria by 2050

- **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



Markets size USD billion



# Preventing infections – a top-priority in US healthcare

Did you know that...

**50% of patients in American emergency hospitals** take antibiotics preventively. Even so, in these hospitals...

- **3% have HAI**
- nearly 700,000 **contract HAI** (of which around 70,000 die)

**HAI and frequent use of antibiotics** feed multi-resistant bacteria

- multi-resistance increased by 14% in 2021 in American hospitals
- total yearly cost of multi-resistance around **USD 55bn in the US**

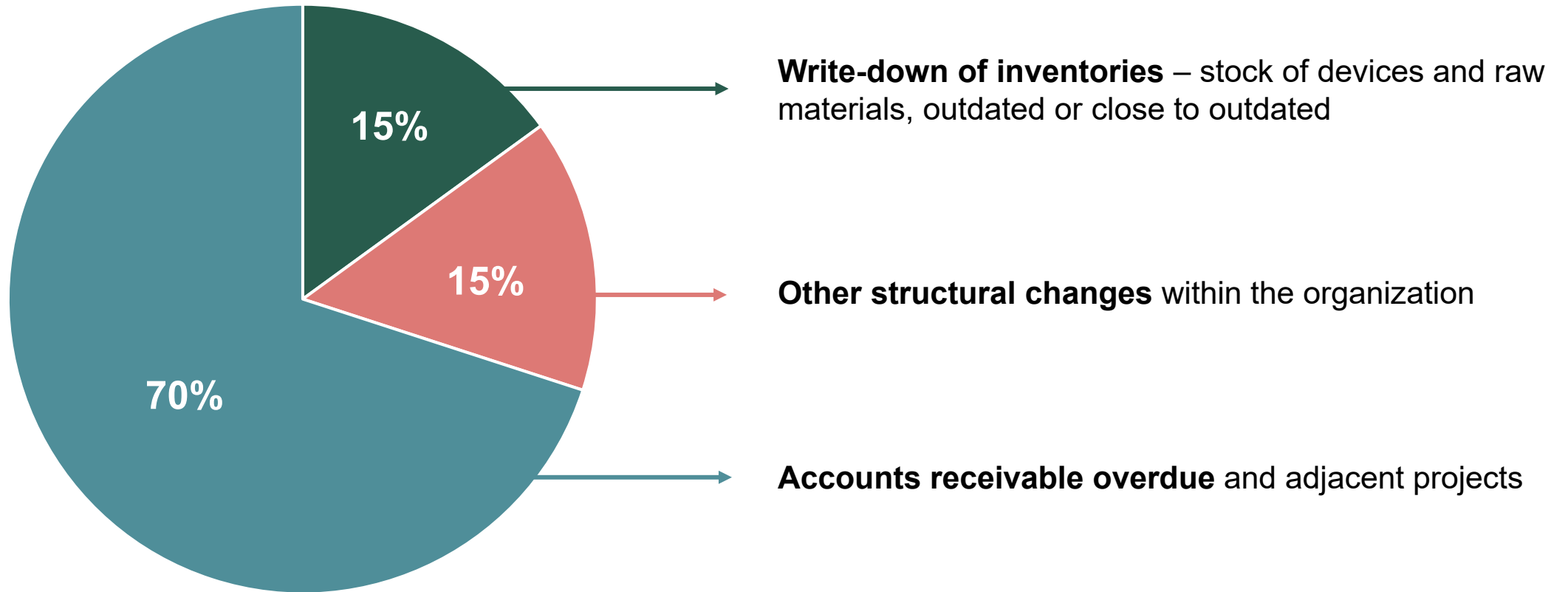
Areas of HAI include **bloodstream, urinary tract, ventilation pathways** and **surgical wounds**





# “Well-needed clean up to focus on our growth strategy”

One-time adjustments of 42 MSEK announced on July 7, 2023





# Financials Q2 2023 (Q2 2022) and key events

Strategy of bolstering Licensing and US go-to-market stays firm

Revenues	EBITDA	Net Loss	Operating cash flow
<b>51 (60) MSEK</b>	<b>-55.7 (-3.8) MSEK</b> <i>Includes -42 MSEK one-time</i>	<b>-64.5 (-13.7) MSEK</b>	<b>-20.4 (-1.1) MSEK</b>

## Key events Q2

- Regulatory approval of ZNN Bactiguard in Japan (April)
- Study comparing Bactiguard's coated central venous catheters with non-coated launched (April)
- Bactiguard Wound Care – section in Wounds International, and present at wound care conference EWMA (April and May)
- Strengthened board – Dr Richard Kuntz ex CMO and Scientific Officer Medtronic (May)
- Leadership changes – Mikael Sander appointed Global Head of BPP (April), Thomas von Koch appointed interim CEO (May) and Anders Göransson, Global Head of Licensing, resigned (July)



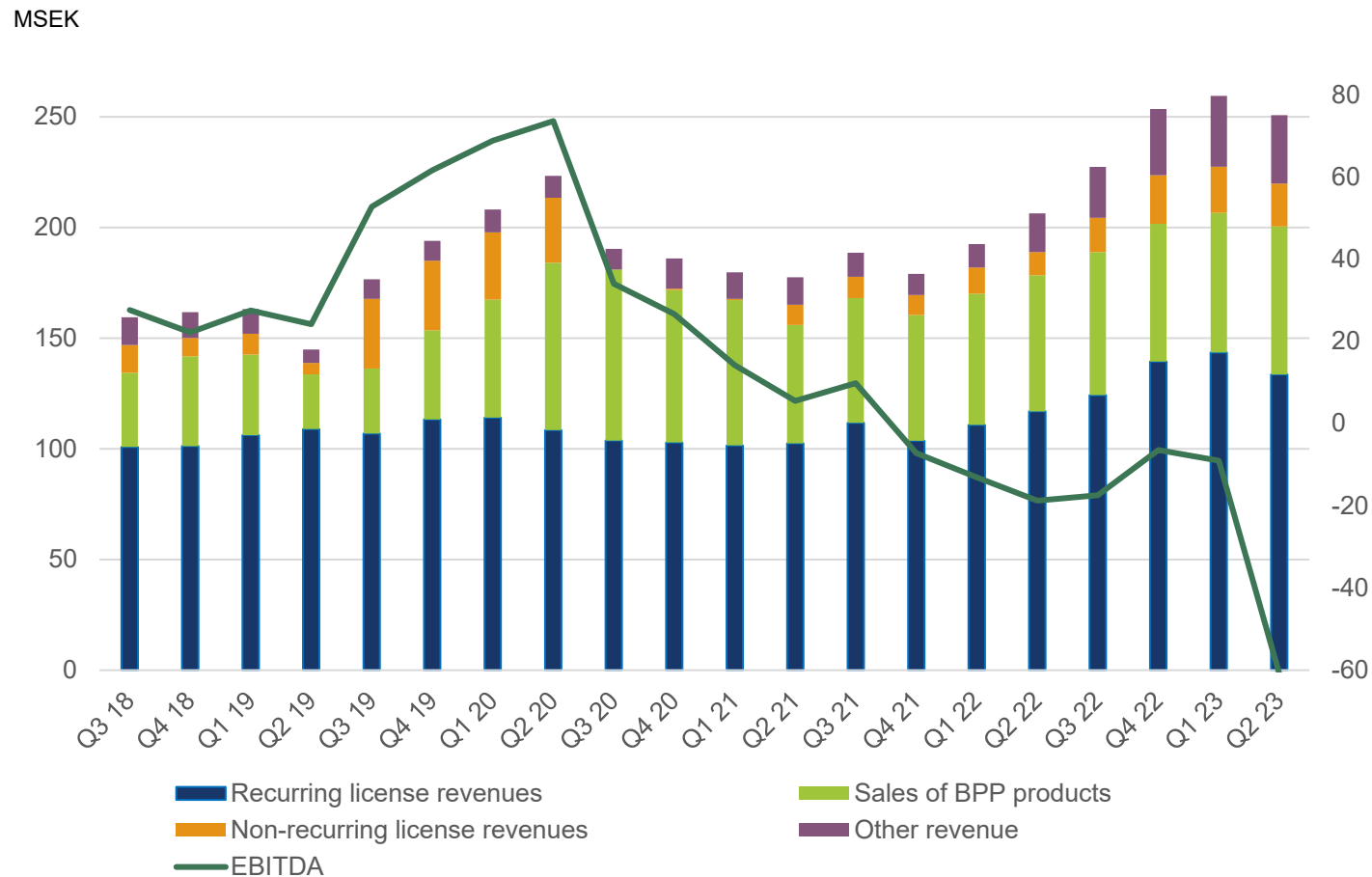
# Financial overview

Amounts in MSEK	2023	2022	2023	2023
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun
<b>Total revenues</b>	51.2	59.9	112.4	115.1
- License	24.8	36.2	64.2	72.6
- BPP	19.4	15.6	35.6	30.9
<b>EBITDA</b>	-55.7	-3.8	-62.3	-7.8
<b>EBITDA margin %</b>	-109	-6	-55	-7
<b>Depreciations</b>	-12.2	-11.0	24.3	23.6
<b>Net loss</b>	-64.5	-13.7	-86.6	-30.2
<b>Operating cashflow</b>	-20.4	-1.1	-29.3	-14.0

- **Total revenue decrease 15%**
  - License -31%
  - BPP +25%
- **Investment phase** related to growth strategy and transformation journey
- **Depreciations stable** – mainly attributed to technology



# Rolling 12-months revenues



## Long-term business

- revenues transform over time

## Recurring license revenues (blue)

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

## Non-recurring license revenues (yellow)

- Zimmer Biomet (broader portfolio) and Dentsply Sirona making progress

## BPP revenues (green)





# Q2 2023 highlights – Licensing business

Recurring revenues	Non-recurring revenues	
<div data-bbox="293 492 912 664"><p><b>Revenues Q2 2023</b> 18.5 (29.0) MSEK -36%*</p></div> <div data-bbox="234 735 519 842"></div> <ul data-bbox="224 892 968 1113" style="list-style-type: none"><li>• Largest license partner</li><li>• Several strong quarters – now a decrease related to building up in-house stock</li><li>• Levels expected to be substantially lower in Q3</li><li>• Adjustments expected to be finalized in Q4</li></ul>	<div data-bbox="1447 492 2066 664"><p><b>Revenues Q2 2023</b> 6.3 (7.2) MSEK -13%*</p></div> <div data-bbox="1131 735 1589 842"><p>ZIMMER BIOMET Orthopedics (trauma)</p></div> <ul data-bbox="1136 873 1684 1096" style="list-style-type: none"><li>• Progress according to plan</li><li>• ZNN Bactiguard regulatory approval in Japan</li><li>• Additional go-to-market cost of 10 MSEK (included in profit warning) related to upfront fee from 2019</li></ul>	<div data-bbox="1773 735 2321 842"><p>ZIMMER BIOMET Orthopedics (broader portfolio)</p></div> <ul data-bbox="1786 873 2204 905" style="list-style-type: none"><li>• Progress according to plan</li></ul> <div data-bbox="1786 1001 2066 1085"></div> <ul data-bbox="1786 1115 2277 1179" style="list-style-type: none"><li>• Development phase longer than estimated</li></ul>



# Q2 2023 highlights – BPP

## BPP (Bactiguard Product Portfolio)

**Revenues Q2 2023**  
19.4 (15.6) MSEK  
+25%\*

- **Strong sales in May and June**
- Continued focus on **profitability** and **operational excellence**
- **Study** comparing Bactiguard's coated central venous catheters with non-coated launched
- **Bactiguard Wound Care** – section in specialist publication Wounds International and delegation at EWMA, Europe's leading wound care conference
- Mikael Sander appointed Global Head of BPP

**Bactiguard**<sup>®</sup>  
preventing  
infections





# Recap of key priorities 2023

Continued focus on **Licensing** and **US go-to-market strategy**, and **BPP operational excellence**

**Strengthen  
license business –  
current and new partners**

**Technology –  
drive and develop  
coating, current and new**

**BPP –  
profitability and operational  
excellence**

**US go-to-market  
strategy**

**Continued focus on  
FDA-approvals**

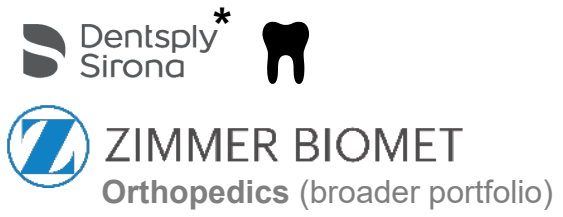
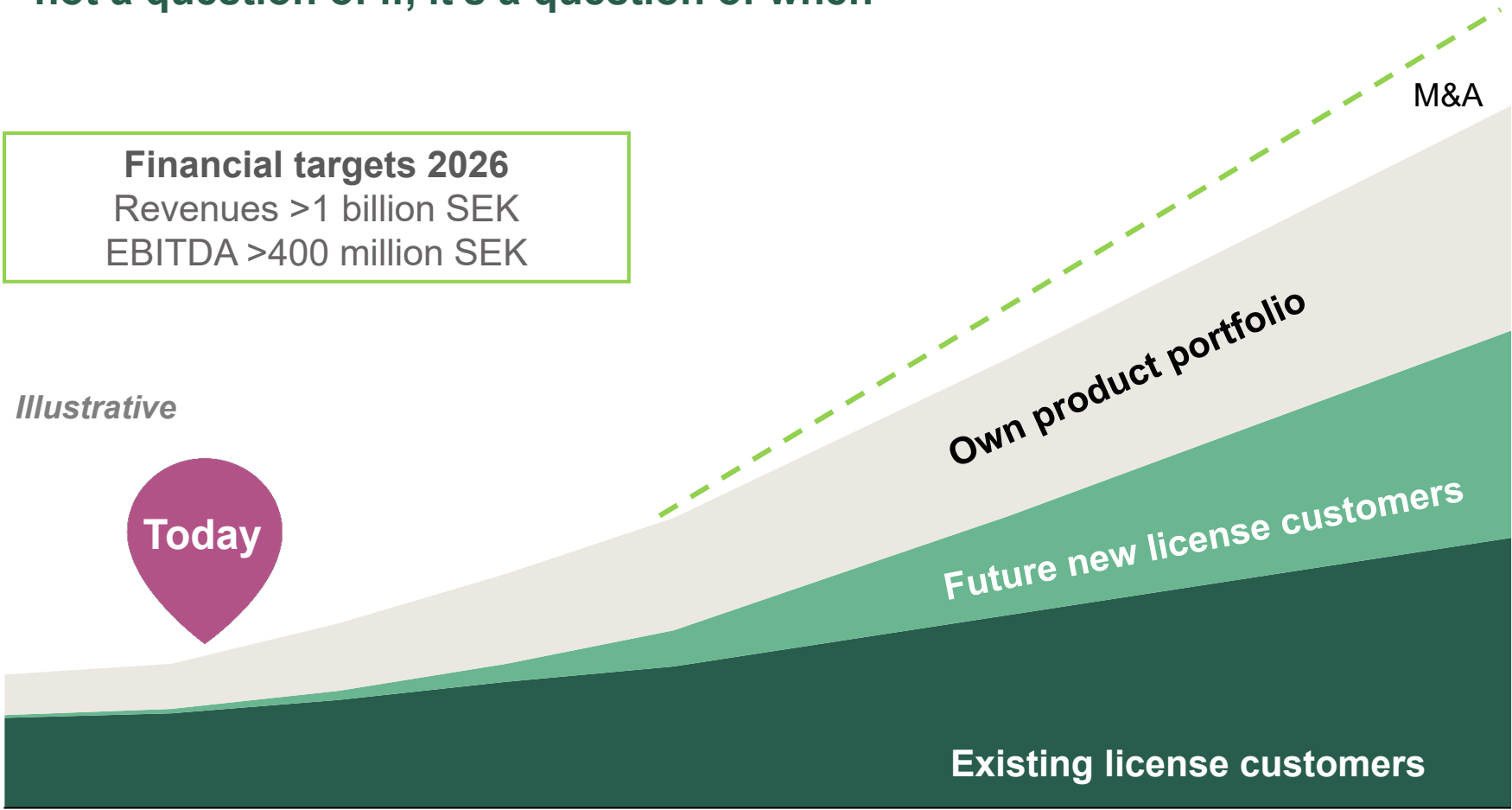




# Drivers to deliver growth and profitability

“not a question of if, it’s a question of when”

**Financial targets 2026**  
 Revenues >1 billion SEK  
 EBITDA >400 million SEK





# Questions & Answers

Interim Report Q2 2023



**Thomas von Koch**  
interim CEO



**Carin Jakobson**  
CFO





# Q&A

“to champion a healthier world  
by preventing infections