

# Bactiguard<sup>®</sup>

## Investor presentation Q4/Year-end Report 2022

February 9, 2023

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# **A strong year for Bactiguard – investments in organization to capture future growth**

The audiocast will begin shortly



# 2022 in brief

Rise of infections a serious threat to global health – Bactiguards' offering provides solutions

- Strong year with **revenues of 253 MSEK – +42 percent** (for Q4 +57 percent)
- **Well positioned to capture growth opportunities** – investments in organization to strengthen capabilities
- **Strong year in licensing business** - met goal of two new partnerships
- **BIP sales lower** than anticipated





# Opportunities behind critical global healthcare trends

## Saving lives by preventing infections

### The issues

- **Rise of infections** and increased antibiotics use a threat to global health and modern medicine
- Multi-resistant bacteria a “**silent pandemic**”
- **1 in 10 patients** worldwide affected by **healthcare associated infections**
- **Demographic development, ageing population** and increasing **lifestyle diseases**
- Strained **healthcare resources**

### Therapeutic areas market size



USD billion



# Key financials Q4 2022 (Q4 2021) and events

Strong revenue growth of 57% (adjusted for currency effects 23% compared to Q4 2021)





Revenue	EBITDA	Net Profit	Operating cash flow
<b>MSEK 72.2 (46.1)</b> License 46.3 (24.7) BIP 14.9 (17.3)	<b>MSEK -1.1 (-12.1)</b>	<b>MSEK -14.2 (-25.4)</b>	<b>MSEK 3.1 (-12.8)</b>

## Key events:

- Expanded clinical evidence for orthopaedics with first-in-man study on coated implants
- Ranked as one of the top 20 Swedish life science innovations of all times
- Fatima Stensvad Flodin, Chief Quality & Regulatory Officer, joined Bactiguard's management team
- Sathish Subramaniam appointed Chief Technology Officer



# Highlights – License business Q4 and 2022

License	New licenses
 <div data-bbox="231 714 851 886"> <p><b>Revenues Q4 2022</b> MSEK 38.9 (23.6) +65%*</p> </div> <p><b>Becton, Dickinson &amp; Company</b></p> <ul style="list-style-type: none"> <li>Remains largest license partner</li> <li>Revenues stable and back to pre-pandemic level</li> </ul>	   <div data-bbox="1398 642 2023 815"> <p><b>Revenues Q4 2022</b> MSEK 7.4 (1.1) NA%*</p> </div> <p><b>Goal met: two new license partnerships in 2022</b></p> <p><b>Zimmer Biomet Trauma</b></p> <ul style="list-style-type: none"> <li>Contract manufacturing, development work, and growing royalty from the trauma implants in EMEA</li> </ul> <p><b>Zimmer Biomet</b></p> <ul style="list-style-type: none"> <li>Expansion into joint reconstruction (hips and knees)</li> </ul> <p><b>Dentsply Sirona</b></p> <ul style="list-style-type: none"> <li>Dental, a key therapeutic area</li> </ul>



# Highlights – Zimmer Biomet Trauma Q4 and 2022

## ZIMMER BIOMET TRAUMA

- Zimmer® Natural Nail® (ZNN) Bactiguard-implants launch continues across EMEA
- Regulatory efforts for ZNN Bactiguard implants approval in more key markets continues – US approval will be a key milestone
- **Expanded clinical evidence for orthopedics** with first-in-man study on coated implants
  - severe open fractures
  - 8.6% infection rate (comparison 12.5% to 29.1%)



Illustration - example of timely bony union (as assessed by the independent experts)





# Highlights – BIP product portfolio Q4 and 2022

- **Sales lower than anticipated**
  - Restructuring of sales organization
  - Supply issues related to sutures
  - Post-covid issues still affecting healthcare system
  - Strategic investments in commercial offering
- **Good momentum in**
  - Nordic, India and Malaysia (own sales teams)
  - BIP Foley (urinary catheters) and Bactiguard Woundcare
- **First MDR product approval received** early 2023 – key event paving the way for future product approvals

## PRODUCT PORTFOLIO

**Revenues Q4 2022**  
MSEK 14.9 (17.3)  
-14%\*







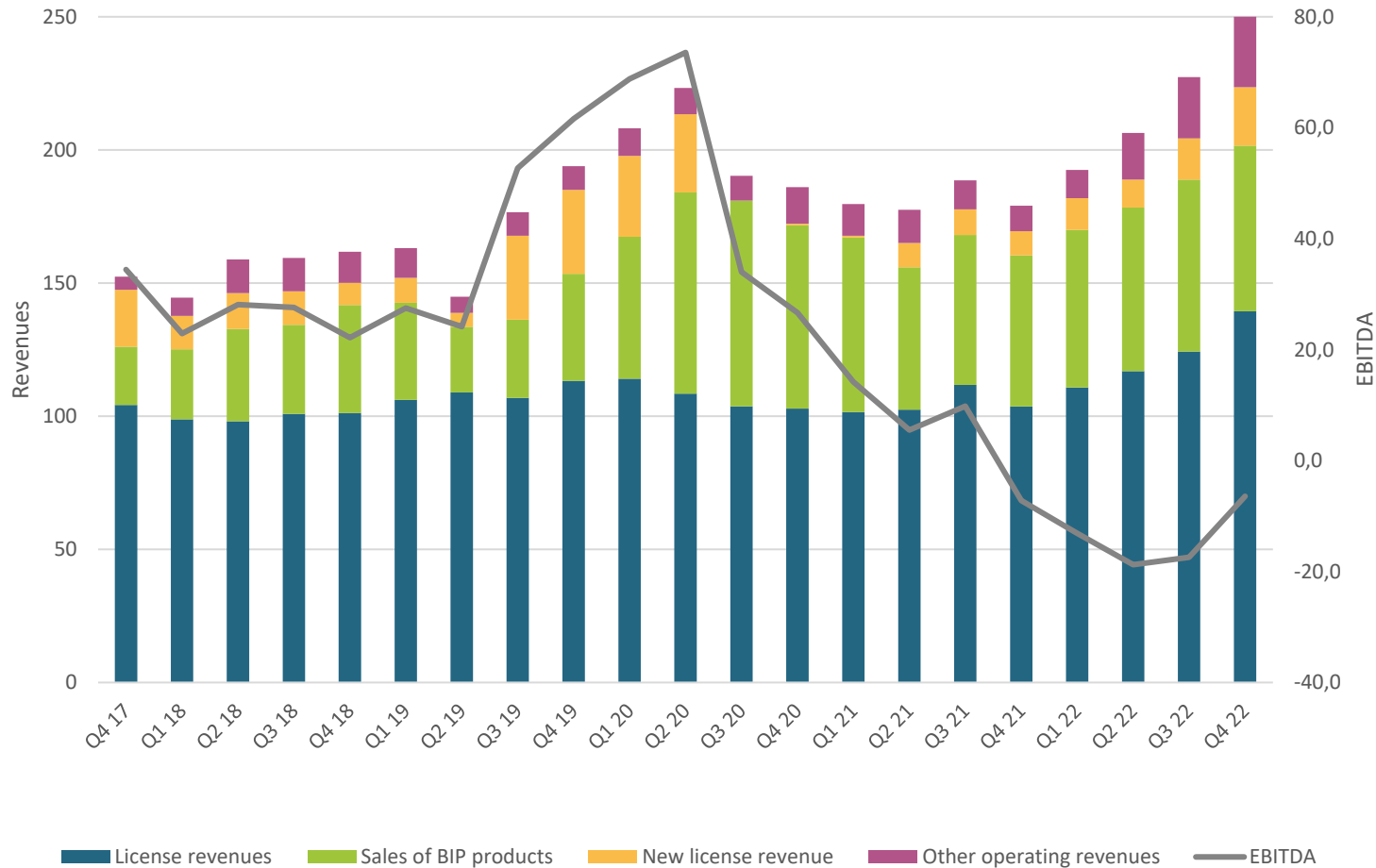
# Financials

Keeping people safe from infections



# Rolling 12-month revenue

RTM development, MSEK



- **Rolling 12-months revenue numbers at all-time high**
- **License**
  - BD volume stable on a high level
  - Growing business from Zimmer Biomet
- **BIP product portfolio** grew by 9% driven by India, Nordics and Malaysia
- Good momentum in **New license** from Zimmer Biomet and Dentsply Sirona



# Financial overview

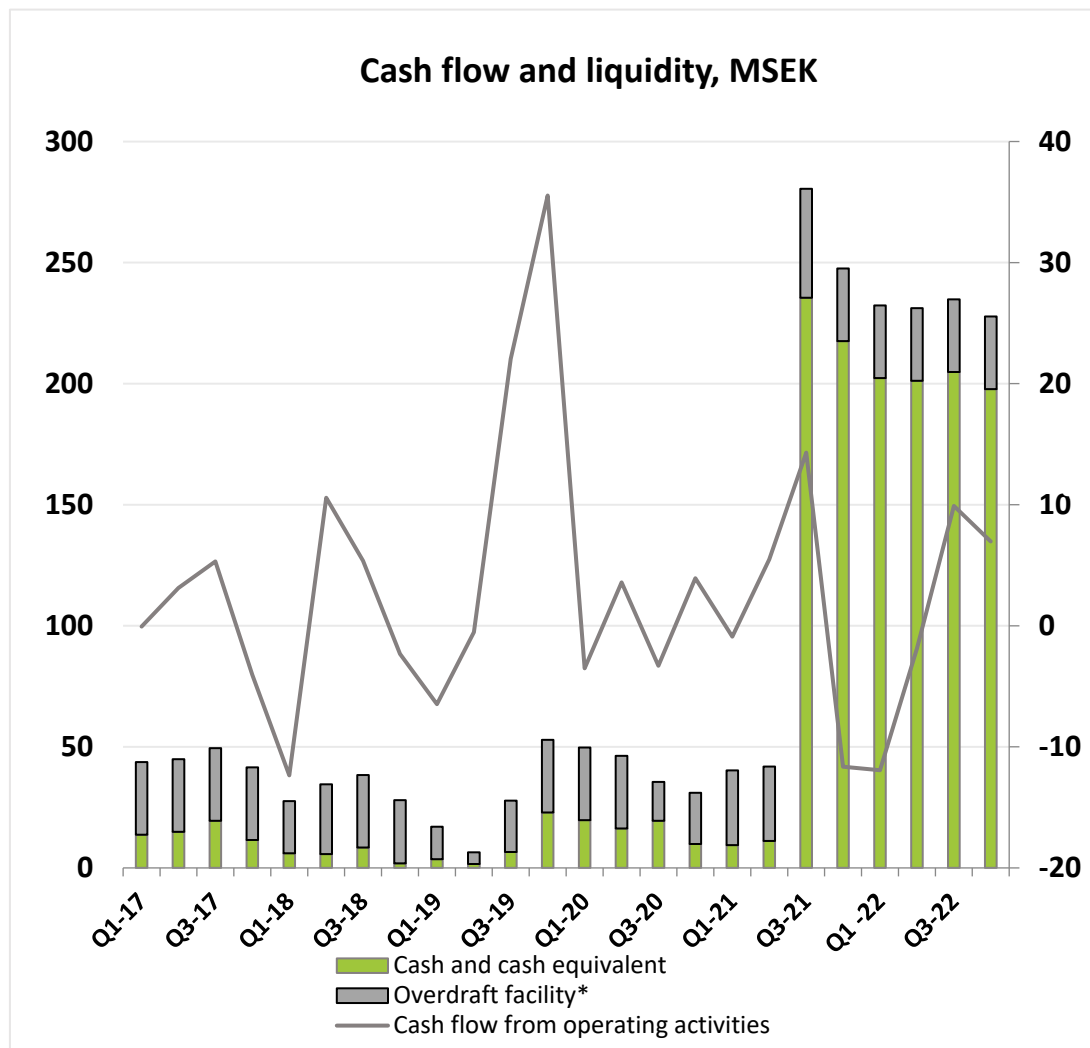
Amounts in TSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Full year	Full year
Total revenues	72.2	46.1	253.5	179.0
EBITDA	-1.1	-12.1	-6.4	-7.2
EBITDA margin %	-1.5%	-26.3%	-2.5%	-4.0%
Depreciations	-12.2	-11.7	-49.2	-47.0
Net loss	-14.2	-25.4	-52.9	-58.8
Operating cashflow	3.1	-12.8	-7.9	-0.0

## 2022 vs 2021

- **Strong year**
- Revenues MSEK 253.5 (179) – increase of 42% though higher license revenue of 42% and 9% higher BIP revenue
- EBITDA of -6.4 (-7.2) MSEK, improve – impacted by investments in line with the focused growth strategy
- Operating cashflow impacted by improved working capital and investments in warehouse and machinery



# Cash flow and liquidity



- **Strong financial position**
- Cash flow from operating activities Q4 7.0 (11.6) MSEK
- Available liquidity incl. overdraft facility 228 (248) MSEK

\* New share issue of MSEK 228 before transaction cost in Sept 2021



# To summarize

Keeping people safe from infections



# Well positioned for sustainable growth

## Critical prerequisites in place

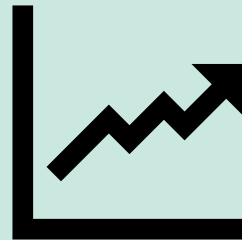
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### Clinical evidence & regulatory

- **>200 million catheters used**, no reported adverse event
- **>40 clinical studies** incl. **>100 000 patients**, including
  - **Urinary catheters -69%**  
*Kai-Larsen et al. 2021*
  - **Endotracheal tubes -53%**  
*Damas et al. 2022*
  - **First-in-man clinical study** on coated trauma implants  
*Thevarajan et al 2022*
- **First MDR product approval**

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### Capital for growth



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### Investments in organization

- **Commercial capabilities strengthened** for continued expansion
- **Resources allocated to technology business development**
- Sales function reorganized
- **BIP portfolio developed further**



**IP protection further strengthened**  
European Patent Office granted a new patent until 2039

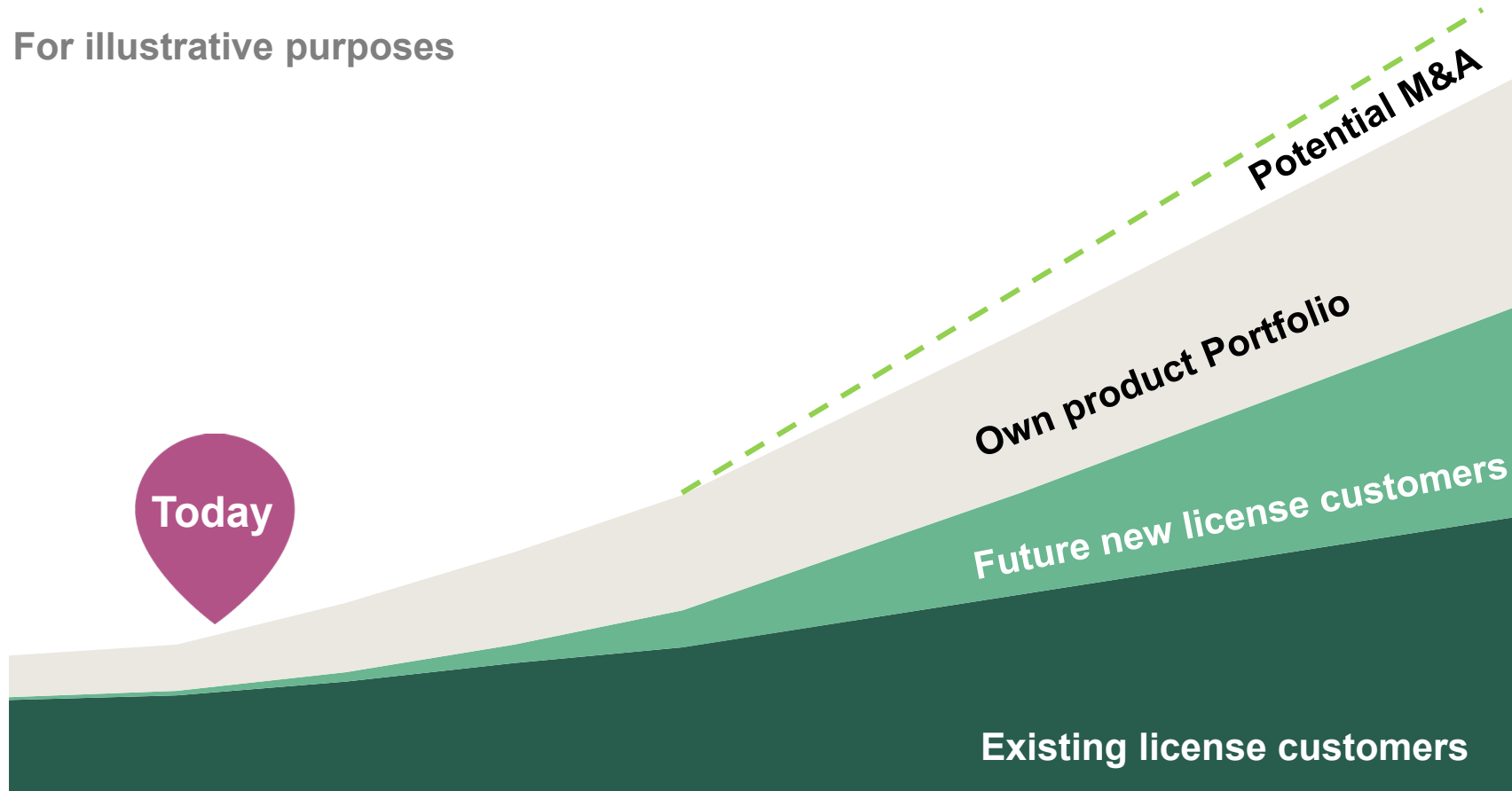




# Outlook – drivers to deliver on 2026 financial goals

The need for infection prevention has never been greater

For illustrative purposes

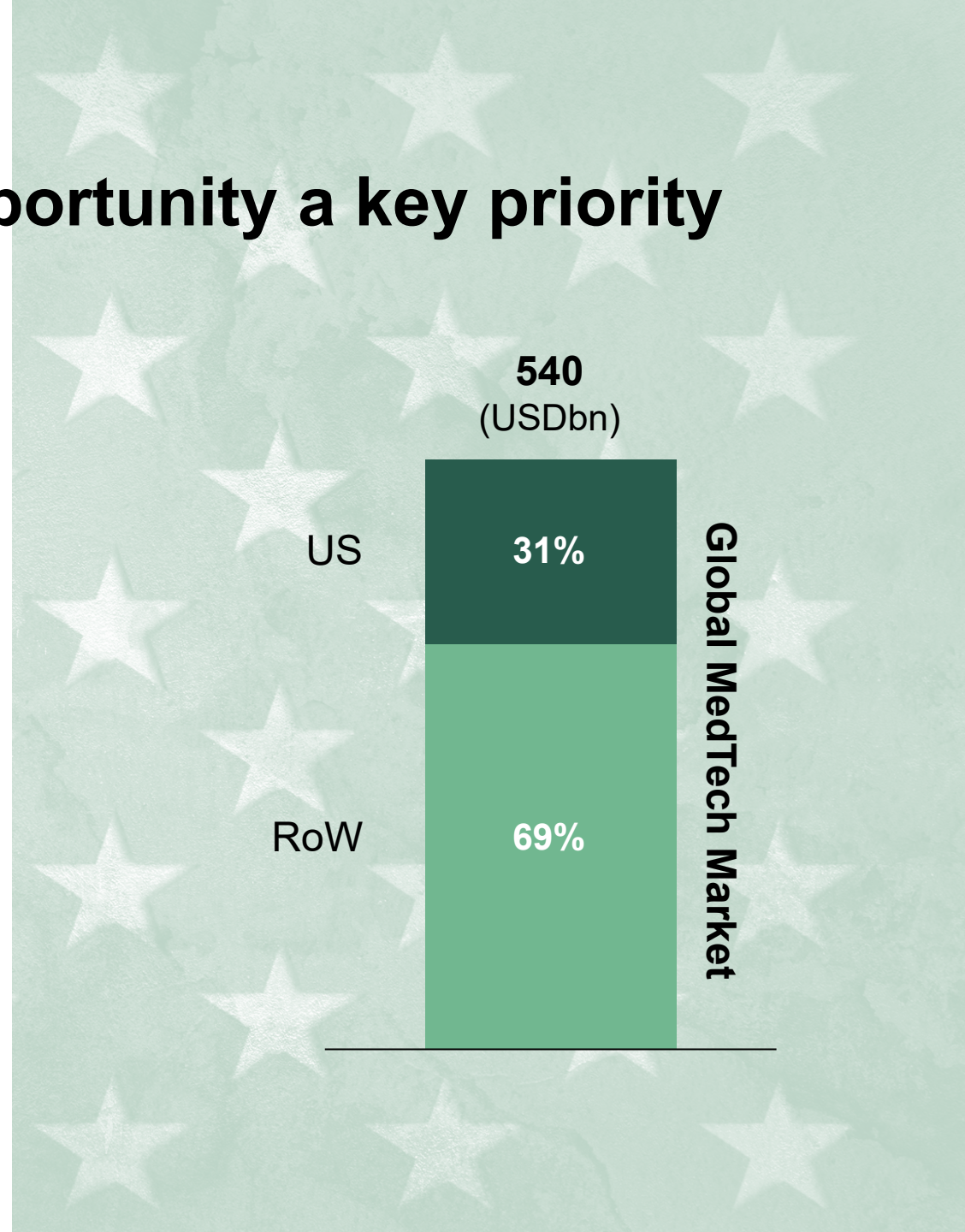




# Capitalizing on the US market opportunity a key priority

Represents around 31% of the global MedTech market

- Huge potential for Bactiguard’s offering of infection prevention solutions and products
- **Product approvals key and an “entrance barrier”**
  - Approval of ZNN Bactiguard trauma implant – no indication of timing but once achieved, a landmark event
  - Approval of BIP products
- **Go-to-market strategy for own products still under evaluation** – via license partner or distribution partner







# Growth strategy kick-started

## Recap of today's presentation

- **Strong year**
- Achieved **goal of two new license partnerships**
- **Investments in the organization** to strengthen capabilities
  
- **Global healthcare macro trends** present **growth opportunities** and potential to make **positive impact** with our infection prevention offering

**Our transformation journey  
has only just started...**





## Här är hela listan – De viktigaste svenska medicininnovationerna

Högst upp på Life Science Swedens rankning över moderna svenska innovationer inom medicinområdet finns Losec från dåvarande Astra.



1. **Losec** (Astra, Ivan Östholm, Sven-Erik Sjöstrand, Enar Carlsson m.fl.)
2. **Rullatorn** (Aina Wifalk)
3. **Healon/Xalatan** (Pharmacia, Endre A. Balazs, Johan Stjernschantz m.fl.)
4. **Turbuhaler** (Draco, Kjell Wetterlin, m.fl.)
5. **Curosurf** (Karolinska institutet/Karolinska sjukhuset, Tore Curstedt, Bengt Robertson)
6. **Benförankrad hörapparat** (Chalmers, Bo Håkansson, Anders Tjellström m.fl.)
7. **Genotropin** (Kabi, Genentech, Bertil Åberg m.fl.)
8. **Triomix**, blodvaggan (Barbro Hjalmarsson, Triolab)
9. **Suturnålen** (Sandvik, Anna Hultin Stigenberg)
10. **Elekta Unity** (Elekta)
11. **ELISA**, enzymkopplad immunadsorberande analys (Peter Perlmann och Eva Engvall)
12. **Tigr Matrix** – kirurgiskt nät (Novus Scientific)
13. **Intensitetsmodulerad strålbehandling**, IMRT (Anders Brahme m.fl., Karolinska institutet)
14. **Test för APC-resistens** (Björn Dahlbäck)
15. **Infektionsförebyggande ytskikt** (Bactiguard, Billy Södervall m fl.)
16. **Eye Tracker** (Tobii)
17. **Steen Solution** (Stig Steen, Xvivo)
18. **Sorbact** – hydrofobiskt förband (Abigo m.fl.)
19. **Datorstyrda kylmössan Dignicap** (Yvonne Olofsson, John Kern)
20. **Nikotintuggummi** (Ove Fernö, Leo Läkemedel)



# Questions & Answers



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