



Bactiguard

Q1 presentation
8 May, 2018

Highlights in Q1 and early Q2 2018

- ✓ Revenues of MSEK 33.0 (41.0), 20% lower than in Q1 2017. Last year included new license revenue of 1 MUSD.
- ✓ BIP sales increased by 157% - ten consecutive quarters of increasing BIP sales (rolling twelve-month figures)
- ✓ License revenues from BD, down by 5 MSEK in Q1 due to somewhat lower volumes and negative currency effects
- ✓ EBITDA margin of 6%
- ✓ Operating cash flow of MSEK -13.7 (-2.0), due to higher BIP sales and outstanding license payment (received in Q2)
- ✓ Major delivery to China, sales growing in India and MEA
- ✓ Extended agreement with Region Skåne
- ✓ New partnerships for BeNeLux and Mexico
- ✓ Smartwise enters collaboration with AstraZeneca
- ✓ Jan Ståhlberg proposed as a new member and Chairman of the Board



Health care-associated infections

HAI frequency



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



In Sweden, health care-associated infections result in approximately 1,500 patient deaths every year.

Media and public attention

svt NYHETER Nyheter Lokalt Sport SVT Play Bar

/ STOCKHOLM



Karolinska Universitetssjukhuset i Huddinge Foto: TT

Resistenta tarmbakterier sprids

Spridningen av resistenta tarmbakterier av typ VRE sprids från sjukhus till sjukhus i landet, enligt Dagens Nyheter som rapporterar om ett omfattande utbrott på Karolinska universitetssjukhuset i Huddinge.

DAGENS Medicin Specialistområden Opinion



Ett omfattande utbrott av VRE har upptäckts på Karolinska universitetssjukhuset i Huddinge

MAGE-TARM

Resistenta tarmbakterier sprids i landet

STHLM

Karolinska drabbat av utbrott av resistenta tarmbakterier



40 fall av VRE i utbrott på Karolinska i Huddinge. Foto: Christian Örnberg/XP/TT

UPPDATERAD 2018-03-14 PUBLICERAD 2018-03-13

Karolinska universitetssjukhuset i Huddinge har drabbats av ett omfattande VRE-utbrott. De



Foto: Anna Littborn / TT.

2:10 min

Resistent tarmbakterie sprids fortfarande på Nyköpings lasarett

Publicerat torsdag 26 april kl 06:15

Utbrottet av den resistenta tarmbakterinen VRE pågår fortfarande på flera av landets sjukhus. Sjukhusen har inte kontroll på smittan än.

Läkartidningen START AKTUELLT KLINIK & VETENSKAP OPINION

AKTUELLT - START NYHETER PATIENTSÄKERHET KULTUR MÄNNISKOR & MÖTEN

SENASTE Läkare oroas över patientsäkerheten på Höglandssjukhuset

KONTAKT SKRIV

NYHETER

VRE-utbrott på Nyköpings lasarett

33 fall av VRE har konstaterats på Nyköpings lasarett. Enligt Landstinget Sörmland pågår smittspårning och cirka 400 patienter har kallats till provtagning.

Joakim Andersson

Spread of resistant bacteria between hospitals

Sweden April 19, 2018



[Tillsyn](#) [Föreskrifter](#) [Publicerat](#) [Pressrum](#) [Kontakt](#) [Innehåll A-Ö](#) [Nationella minoriteter](#) [Teckenspråk](#) [In English](#)

Folkhälsorapportering & statistik

Livsvillkor & levnadsvanor

Mikrobiologi & laboratorieanalyser

Smittskydd & beredskap

[Hem](#) → [Nyheter och press](#) → [Nyhetsarkiv](#) → [2018](#) → [April](#) → [Spridning av VRE mellan sjukhus](#)

Nyheter och press

| Nyhetsarkiv | — |
|-------------|---|
| 2018 | — |
| Maj | |
| April | |
| Mars | |

Spridning av VRE mellan sjukhus

PUBLICERAT 19 APRIL 2018

Sjukhus i Stockholm, Sörmland, Västerbotten och Örebro har drabbats av smittspridning med resistenta tarmbakterier, vankomycinresistenta enterokocker (VRE). Landstingen arbetar intensivt med att stoppa utbrotten.

Förflyttningar av patienter har lett till att VRE spridits mellan och inom olika sjukhus. Analyser vid Folkhälsomyndigheten har visat att det är samma stam av denna resistenta bakterie som cirkulerar.

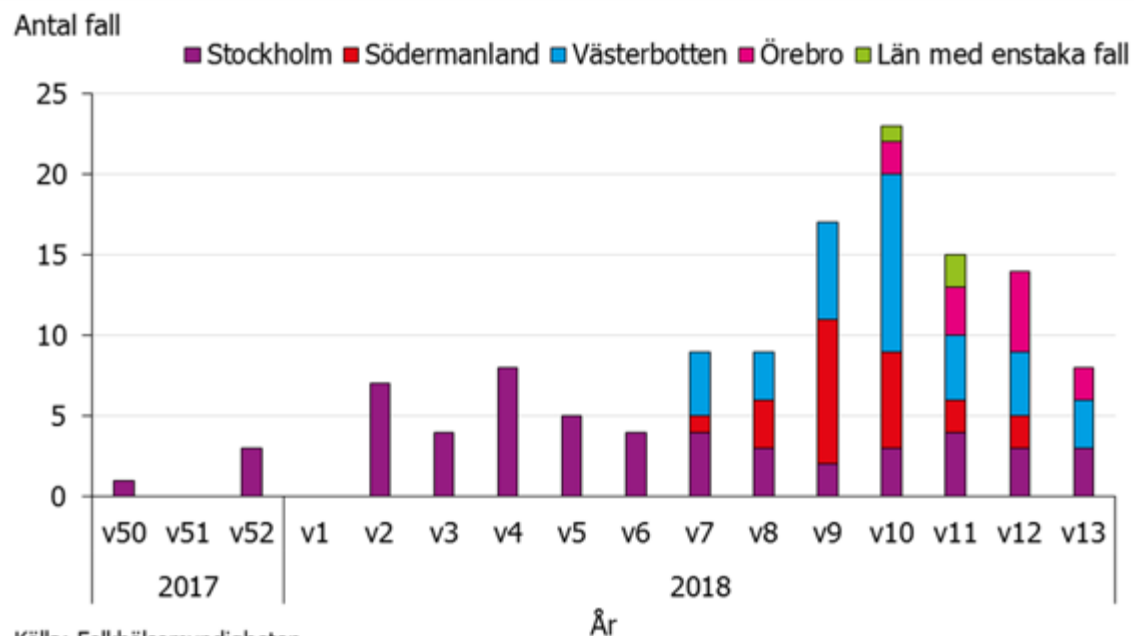
En VRE-infektion är allvarlig, då resistensen innebär att det finns relativt få behandlingsalternativ. Bakterierna är resistenta mot antibiotika (vankomycin) som brukar användas för att behandla svåra infektioner.

Kontakt

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From the break out in Dec-17, more than 150 patients indentified with VRE

Figur. Antal patienter identifierade med utbrottstammen fördelade utifrån det landsting där fallet först identifierades, 2017–2018



Källa: Folkhälsomyndigheten

Figur. Antal patienter identifierade med utbrottstammen fördelade utifrån det landsting där fallet först identifierades, 2017–2018

The role of infection prevention and control

WHO: Every infection prevented is an antibiotic treatment avoided

THE ROLE OF INFECTION PREVENTION AND CONTROL IN PREVENTING ANTIBIOTIC RESISTANCE

Every infection prevented is an antibiotic treatment avoided

- Play your role in controlling antibiotic resistance!
- Ensure IPC programmes are in place and champion IPC practices

On average, 1 in every 10 patients is affected by health care-associated infections (HAIs)

- Antibiotic-resistant HAIs can double or more, the likelihood of death
- Over 50% of surgical site infections can be resistant to antibiotics

Effective infection prevention and control (IPC) and water, sanitation and hygiene (WASH) stops the spread of antibiotic-resistant organisms

IPC and WASH in health care protects patients and health workers from avoidable infections

The WASH and WASH facilities

- effectively include:
- core components of IPC programmes
- a clean, well-functioning environment and equipment

antibiotics

Every infection prevented is antibiotic treatment avoided

- Play your role in controlling antibiotic resistance!
- Ensure IPC programmes are in place and champion IPC practices

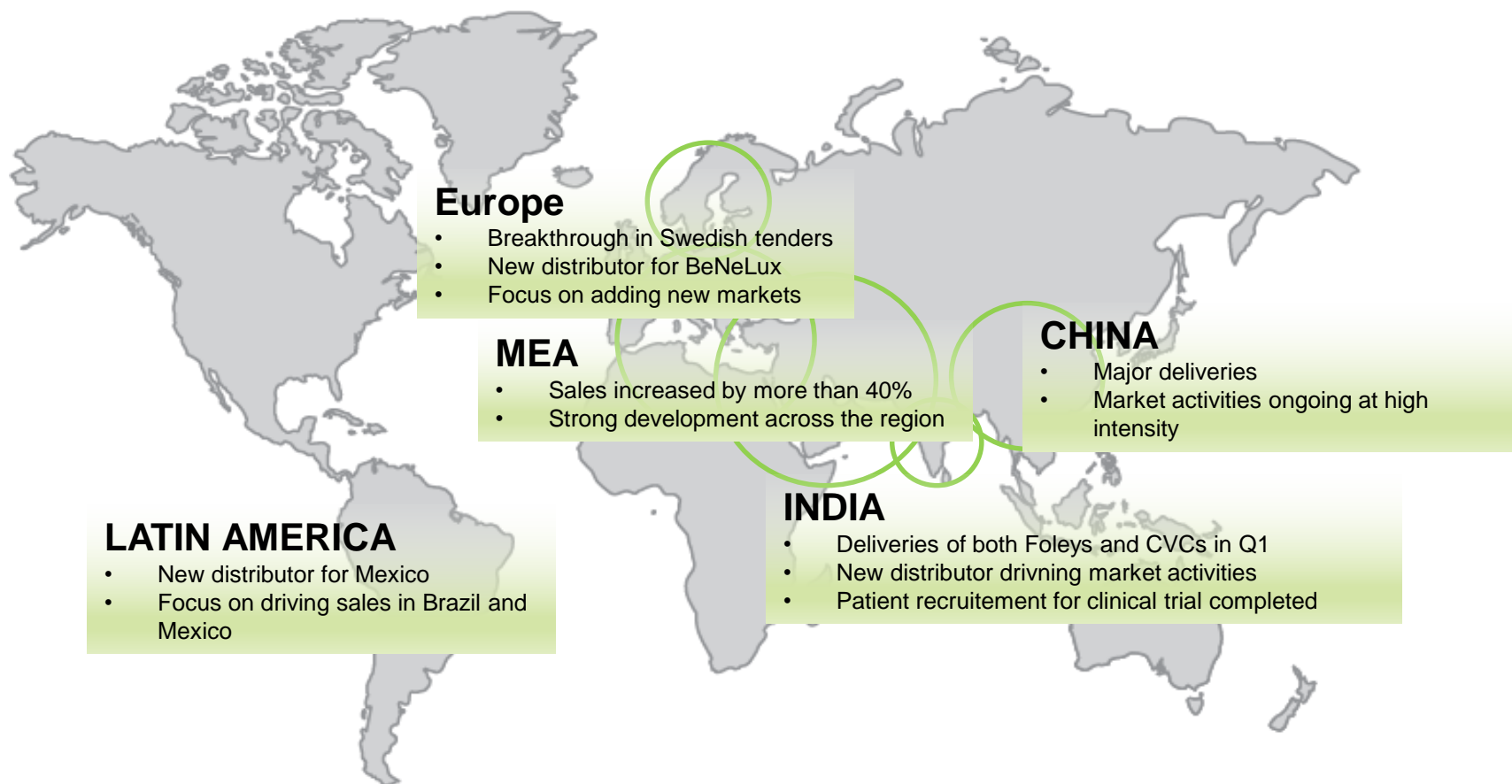
IPC saves millions of lives every year

HANDLE ANTIBIOTICS WITH CARE

Sources: World Health Organization. Infection prevention and control. Available at <http://www.who.int/infection-prevention-and-control> | World Health Organization. Water sanitation and hygiene. Available at <http://www.who.int/water-sanitation-and-hygiene>. All reasonable precautions have been taken by the World Health Organization to verify the information contained in this document. However, the published material is being distributed without warranty of any kind, either expressed or implied. The responsibility of the interpretation of and use of the material rests with the reader. For more details see <http://www.who.int/mediacentre/faq-who>. © World Health Organization 2017. Some rights reserved. This work is available under the CC BY-NC-SA 4.0 IGO license.

World Health Organization

Market update



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
- Aiming for CE mark in first half of 2018



Smartwise Sweden AB

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

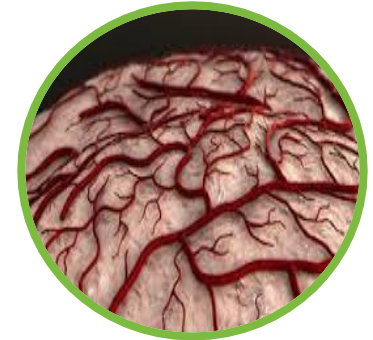


Several other ongoing discussions

Smartwise license agreement

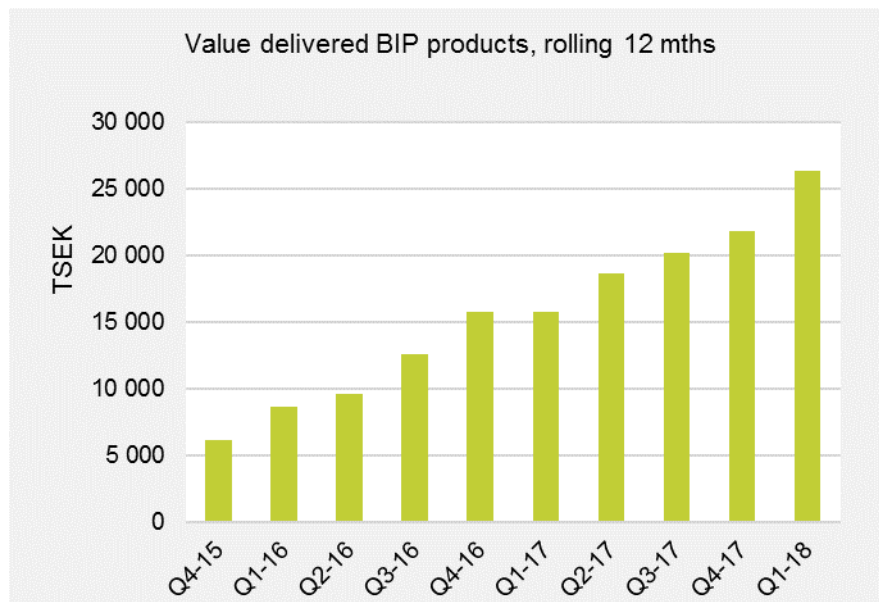
New therapeutic application

- ✓ Advanced Bactiguard-coated vascular injection catheters aimed at delivering high dose, locally targeted therapies to damaged tissue, in remote and critical areas of the body
- ✓ Coating reduces risk of infections and thrombosis in critically ill patients
- ✓ Smartwise Sweden AB a privately owned innovation company
- ✓ USD 2.5 million, for the exclusive and global right to the Bactiguard technology for this application
- ✓ Revenue accounted for in 2017, outstanding receivable of USD 1.25 million received in Q2 2018
- ✓ Collaboration agreement with Astra Zeneca
- ✓ Royalty payments on third party sales once products are commercialized in 2-3 years



Development in revenues from BIP products

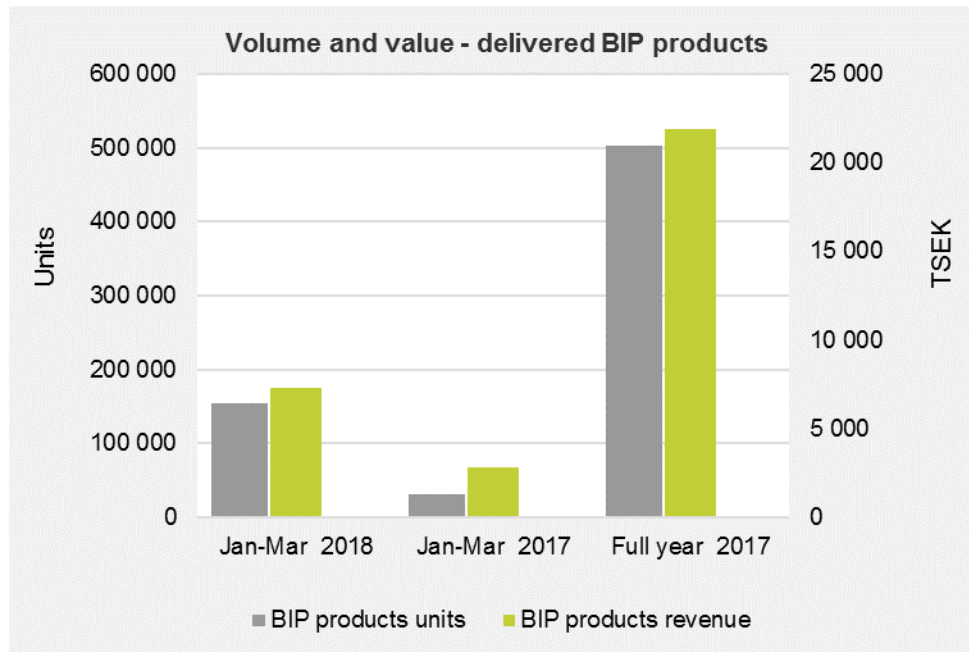
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- Ten consecutive quarters of growth, based on rolling 12 months.
- 21% CAGR in this time period.

Delivered products

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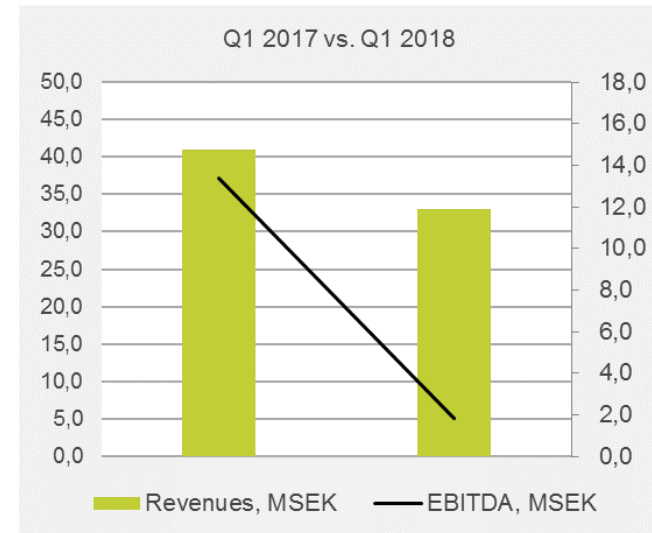


- Revenues from BIP-products of MSEK 7.3 (2.8) in Q1, related to 155 000 (48 000) units.
- BIP revenue growth of 157% in Q1
- For the full year 2017, 502 000 units were delivered, generating revenues of MSEK 21.8

Financial highlights

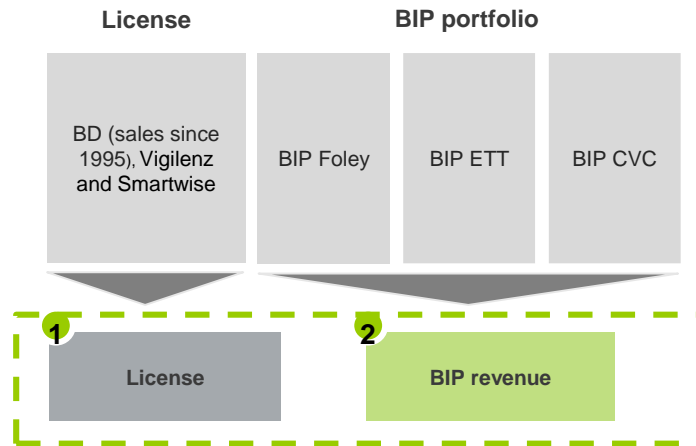
First quarter (Jan-Mar 2018)

- Revenues of MSEK 33.0 (41.0), decrease of 20%, mainly explained by no new license revenues in Q1 2018.
- EBITDA of MSEK 1.8 (13.4), 6% EBITDA-margin



Revenue streams

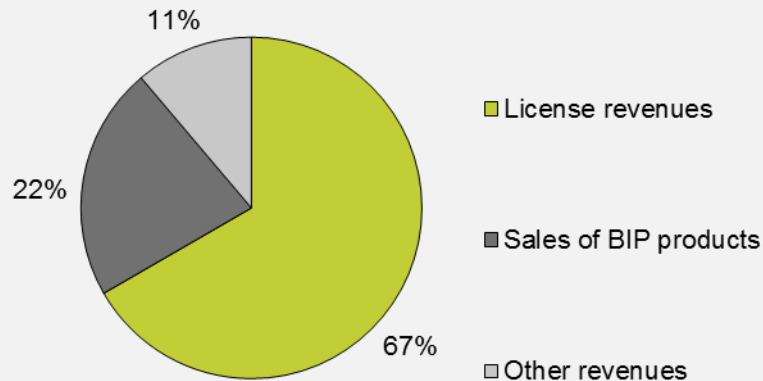
Two revenue streams in the income statement



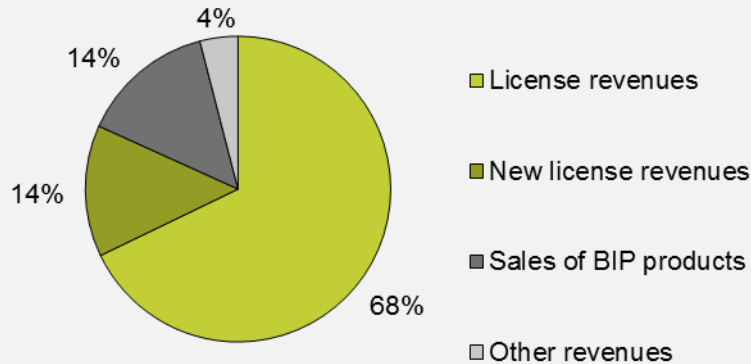
From a product perspective Bactiguard has two lines of business;
Licenses and the BIP portfolio, acknowledged in the accounts as two revenue streams

Revenue distribution

Revenue distribution, Jan-Mar 2018



Revenue distribution, Full year 2017



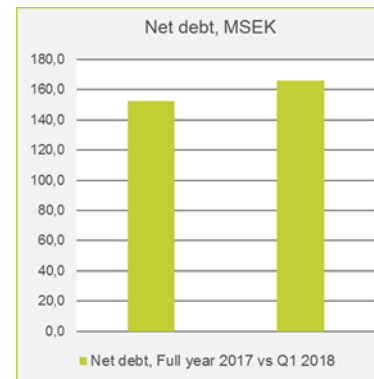
| MSEK | Jan-Mar 2018 | Jan-Mar 2017 | Full year 2017 |
|-----------------------|-----------------|-----------------|-------------------|
| License revenues | 22,0 | 27,4 | 104,3 |
| New license revenues | 0,0 | 8,8 | 21,4 |
| Sales of BIP products | 7,3 | 2,8 | 21,8 |
| Other revenues | 3,7 | 2,0 | 6,2 |
| Total Revenues | 33,0 | 41,0 | 153,6 |

Financial position

- Equity ratio of 61 %
- Net debt of MSEK 166.0
- Cash position of MSEK 6.0. Out of granted overdraft facility of MSEK 30, MSEK 8.4 was utilized 31 March 2018

Loans

- Three-year MSEK 180 credit facility at Skandinaviska Enskilda Banken (SEB) raised in December 2017
- Term loan of MSEK 150, amortized by SEK 35 million until maturity
- Revolving credit/overdraft facility of MSEK 30
- Interest rate STIBOR 90 + margin of 3.0 %, i.e. annual interest costs of MSEK 4.5
- Customary covenants



Financial targets

- Average sales growth of 20% per annum for a 5-year period, with 2015 as the base year – starting point MSEK 118.5
- EBITDA margin of at least 30% at the end of the 5-year period (by 2020)
- Equity ratio of at least 30%
- Over time uphold a dividend policy of 30-50% of net profit, taking into consideration the financial position of the Company.
Bactiguard is currently in an expansion phase and will prioritize expansion before dividends

Concluding remarks

- ✓ Revenues lower than last year
- ✓ Ten consecutive quarters of increasing BIP sales
 - Strong development in China, India and the Middle East
 - Swedish sales growing as tenders go live, Stockholm and Skåne
- ✓ Lower license revenues
 - Lower revenues from Bard in the first quarter
 - Preparing to enter orthopaedic trauma segment
 - Smartwise agreement with AstraZeneca
 - Potential for more in other application areas
- ✓ Expansion with cost control, investing in sales & marketing
- ✓ Cash flow injection in Q2
- ✓ Solid platform for growth with focus on closing in on our financial targets.



OUR VISION

Eliminate healthcare associated infections to

- 1. save lives**
- 2. reduce cost and**
- 3. limit antimicrobial resistance, through preventive standards of care.**



More information is available at www.bactiguard.se

For questions and additional information, please contact:



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