Supporting slides


**MEDICAL DEVICE | SOFTOX SOLUTIONS**

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# SoftOx Solutions: Proven effective technology ready to enter the market

**Please note that SB1M acts as Sole Manager and Bookrunner in the private placement in December 2021.**

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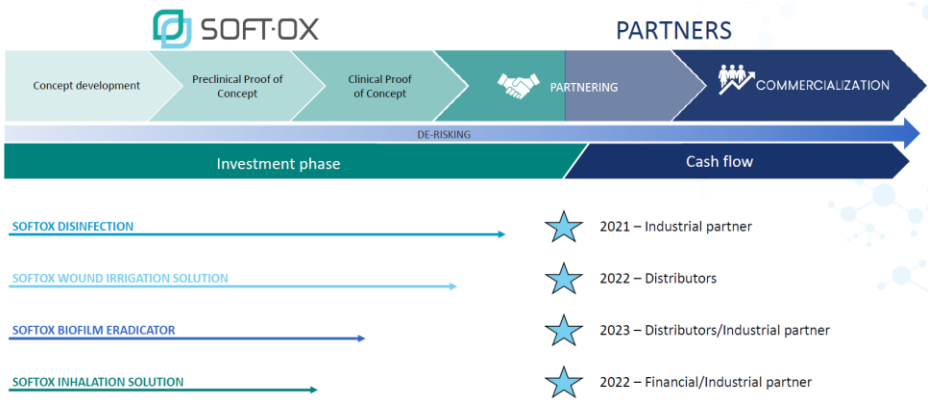
# SoftOx Solutions

Proven technology that effectively eradicates bacteria and viruses without creating resistance

## Highlights

- Answers unmet market need of alcohol-free disinfection product for 31 mill healthcare workers in EU and US, of which 25-55% have irritated skin and eczema.
  - » 70% of healthcare workers experience problems with alcohol.
- Winning of the Norwegian and Swedish public hospital tenders.
- The EU Commission's interpretation of the Biocidal Regulations allows SoftOx to enter the market with all its disinfectant products in the EU and EEA area
- 57 granted patents addressing formulations, uses, methods and devices.
- Medical technology platform developed over 10+ years with numerous opportunities for future development products.
- Experienced research and development team, with support from Bispebjerg Hospital and University of Copenhagen

## Planned pathway to market




## Business segments

**Disinfection**
Infection prevention solutions for hands and surfaces

**Wounds**
Infection prevention and treatment for acute and chronic wounds

**Respiratory**
Infection treatment for viral infections

Source: SpareBank 1 Markets, Company, World Health Organization, Eurostat, Kaiser Family, Foundation.

# News flow – value drivers and major milestones

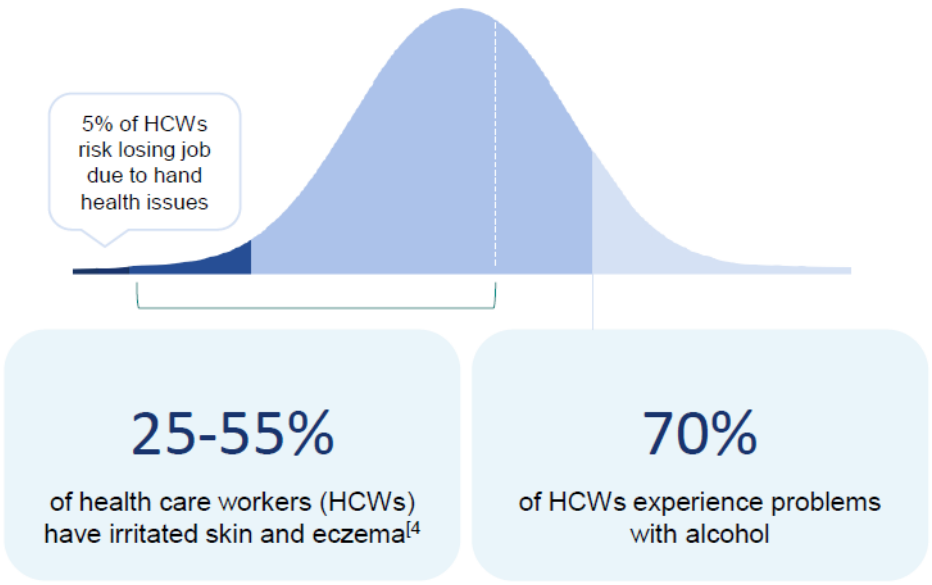
| | 2021 | 1H 2022 | 2H 2022 | 1H 2023/2H 2023 |
|---|---|---|---|---|
| Disinfection (EU & ROW) | Won Norwegian and Swedish hospital tenders | • Partner discussions Hand disinfectant EU and ROW | • Start sale in major EU markets | • Start sale in major ROW markets |
| Disinfection (US) | Response from FDA on classification as drug | • Partner discussions Hand disinfectant US | • Preclinical work Hand Disinfectant US | • Initiation of clinical program for Hand disinfectant US |
| Wound Irrigation Solution | SWIS-02 showed superior improvement in wound healing and confirmed SoftOx's base technology | • Apply for US and EU approval<br>• Start talks with major distributors | • Establish GMP production line | • Start sale in the US market and achieve EU approval |
| Infection Remover | Phase Ia initiation with first patient enrolment | • Finish phase 1 | • Initiation of first patient in phase 2 | • Initiation of phase 3<br>• Start commercial talks |
| Inhalation Solution | Phase Ia initiation with first patient enrolment | • Finish phase 1<br>• Financial partner | • Initiation of first patient in phase 2 | • Initiation of phase 3<br>• Start commercial talks |

Source: SpareBank 1 Markets, Company.

# Great need for alcohol-free disinfectant products

25-55% of healthcare workers have irritated skin and eczema

## Distribution of hand eczema among HCWs globally




## Comments

- There is 59 million healthcare workers worldwide, of which EU and US account for 31 million
  - » 25-55% of healthcare workers have irritated skin and eczema
  - » 70% of healthcare workers experience problems with alcohol
- SoftOx is the only approved alcohol-free alternative for hospitals
- Winning of the Norwegian and Swedish public hospital tenders based on quality and price
- The EU Commission's interpretation of the Biocidal Regulations allows SoftOx to enter the market with all its disinfectant products in the EU and EEA area

Source: SpareBank 1 Markets, Company, World Health Organization, Eurostat and Kaiser Family Foundation

# Disinfectant revenue potential from targeted markets

| Norway | | | | | | | |
|---|---|---|---|---|---|---|---|
| # Healthcare workers (m) | 0.57 | 0.57 | 0.57 | 0.57 | 0.57 | 0.57 | Won Norwegian public hospital tender |
| Share with eczema | 25% | 30% | 35% | 40% | 45% | 50% | |
| # Healthcare workers with eczema (m) | 0.14 | 0.17 | 0.20 | 0.23 | 0.26 | 0.28 | |
| # bottles per year | 10 | 10 | 10 | 10 | 10 | 10 | 5L per HCW per year, 0.5L per bottle |
| NOK per bottle | 25 | 25 | 25 | 25 | 25 | 25 | |
| **SoftOx revenues (NOKm)** | **36** | **43** | **50** | **57** | **64** | **71** | |

| EU excl. Norway | | | | | | | |
|---|---|---|---|---|---|---|---|
| # Healthcare workers (m) | 13.7 | 13.7 | 13.7 | 13.7 | 13.7 | 13.7 | Won Swedish public hospital tender |
| Share with eczema | 25% | 30% | 35% | 40% | 45% | 50% | |
| # Healthcare workers with eczema (m) | 3.4 | 4.1 | 4.8 | 5.5 | 6.2 | 6.9 | |
| SoftOx penetration of HCW with eczema | 30% | 30% | 30% | 30% | 30% | 30% | Penetration of healthcare workers with e |
| # Healthcare workers with contribution to S | 1.0 | 1.2 | 1.4 | 1.6 | 1.9 | 2.1 | Germany alone account +900k healthcare |
| # Bottles per healthcare worker per year | 10 | 10 | 10 | 10 | 10 | 10 | 5L per HCW per year, 0.5L per bottle |
| NOK per bottle | 25 | 25 | 25 | 25 | 25 | 25 | 80%-90% gross profit |
| **SoftOx revenues (NOKm)** | **257** | **309** | **360** | **412** | **463** | **515** | |
| | 8% | 9% | 11% | 12% | 14% | 15% | |

| Rest of World | | | | | | | |
|---|---|---|---|---|---|---|---|
| # Healthcare workers (m) | 28 | 28 | 28 | 28 | 28 | 28 | |
| Share with eczema | 25% | 30% | 35% | 40% | 45% | 50% | |
| # Healthcare workers with eczema (m) | 7.0 | 8.4 | 9.8 | 11.2 | 12.6 | 14.0 | |
| SoftOx penetration of HCW with eczema | 10% | 10% | 10% | 10% | 10% | 10% | Penetration of healthcare workers with e |
| # Healthcare workers with contribution to S | 0.7 | 0.8 | 1.0 | 1.1 | 1.3 | 1.4 | |
| # Bottles per healthcare worker per year | 10 | 10 | 10 | 10 | 10 | 10 | 5L per HCW per year, 0.5L per bottle |
| NOK per bottle | 25 | 25 | 25 | 25 | 25 | 25 | 80%-90% gross profit |
| **SoftOx revenues (NOKm)** | **175** | **210** | **245** | **280** | **315** | **350** | |

| US | | | | | | | |
|---|---|---|---|---|---|---|---|
| # Healthcare workers (m) | 16.8 | 16.8 | 16.8 | 16.8 | 16.8 | 16.8 | |
| Share with eczema | 25% | 30% | 35% | 40% | 45% | 50% | |
| # Healthcare workers with eczema (m) | 4.2 | 5.04 | 5.88 | 6.72 | 7.56 | 8.4 | |
| SoftOx penetration of HCW with eczema | 25% | 25% | 25% | 25% | 25% | 25% | Penetration of healthcare workers with e |
| # Healthcare workers with contribution to S | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 | 2.1 | |
| # Bottles per healthcare worker per year | 10 | 10 | 10 | 10 | 10 | 10 | 5L per HCW per year, 0.5L per bottle |
| NOK per bottle | 25 | 25 | 25 | 25 | 25 | 25 | 80%-90% gross profit |
| **SoftOx revenues (NOKm)** | **263** | **315** | **368** | **420** | **473** | **525** | |

Source: SpareBank 1 Markets, Company, SSB, World Health Organization, Eurostat and Kaiser Family Foundation.

# Softox Wound Irrigation Solution and Biofilm Eradicator revenue potential

| SoftOx Wound Irrigation Solution | | | | | | |
|---|---|---|---|---|---|---|
| US market | 6 088 | | | | | |
| SoftOx market share | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| SoftOx revenues in US | 30.4 | 60.9 | 91.3 | 121.8 | 152.2 | 182.6 |
| | | | | | | |
| Additional potential in Europe | 4 238 | | | | | |
| SoftOx market share | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| SoftOx revenues in Europe | 21.2 | 42.4 | 63.6 | 84.8 | 106.0 | 127.1 |

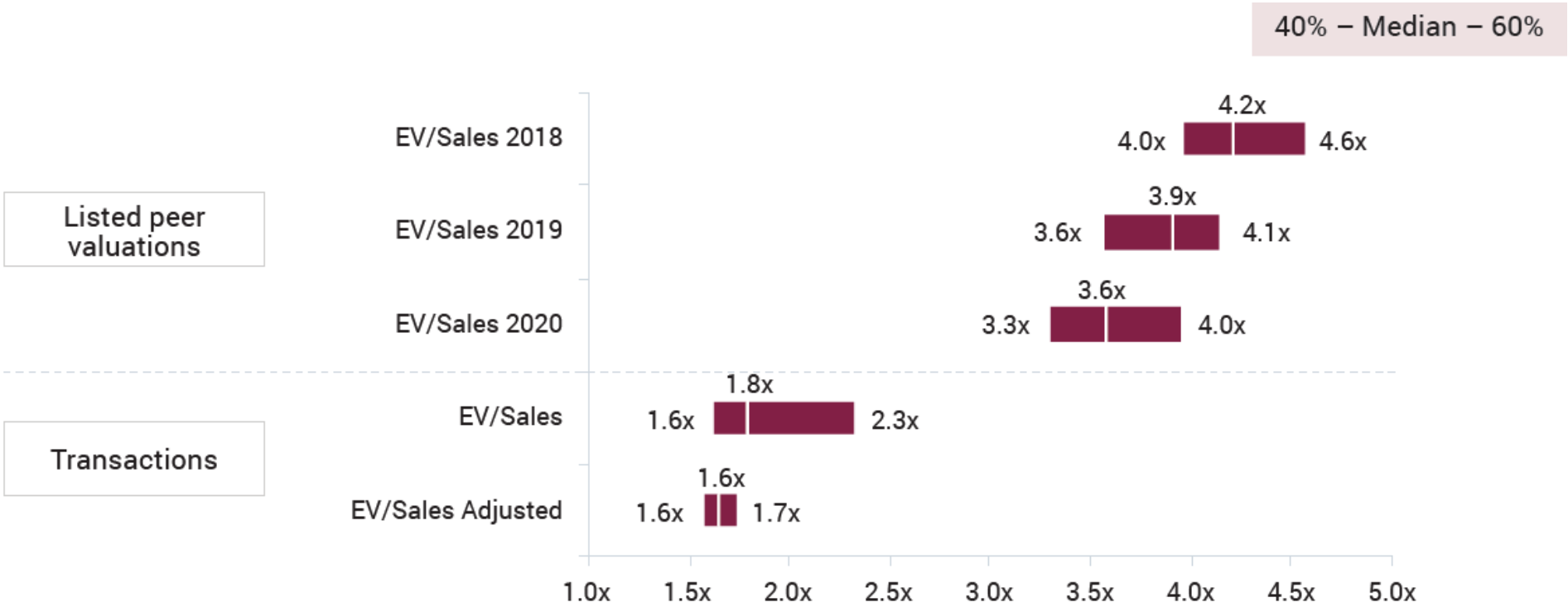
| SoftOx Biofilm Eradicator (US only) | | | | | | |
|---|---|---|---|---|---|---|
| US market size for chronic wounds (NOKm) | 32 701 | | | | | |
| SoftOx market share | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| SoftOx revenues | 164 | 327 | 491 | 654 | 818 | 981 |

Source: SpareBank 1 Markets, Company, World Health Organization, Eurostat and Kaiser Family Foundation.

# Medical device transactions points to EV/Sales 1.6x-2.3x

Transactions are typically smaller companies and/or companies in early-phase

We apply EV/Sales 1.5x due to the risk of execution of bringing SoftOx solutions into the markets




Source: SpareBank 1 Markets, Company, IMAP. Based on transactions during 2016-2018.

# Implied pre-money equity excl. value creation from inhalation solution

Assuming the company will issue NOK60m equity today. Additionally, the company will need NOK200m to bring all the products to the market.

New equity of NOK60m includes bringing hand disinfectant products to the European market, wound irrigation solution to the US market and Biofilm eradicator solution to phase II study.

Additional investments of NOK170-200m includes bringing hand disinfectant products to the US market (incl. FDA approval) and the rest of the world, and bringing biofilm eradicator products to the market. We believe this additional investment will be partly financed through grants. The Norwegian department of defense has recently granted NOK10m and the company has received NOK4-6m in grants annually the last three years.

We exclude the inhalation solution in our estimates. It is expected to be separated from the company before 2024 and the global market size is expected to reach 940USDbn in 2027 (i.e. 3% of the addressable market) which indicates a huge upside potential if they succeed.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disinfectant to Norway | 36 | 43 | 50 | 57 | 64 | 71 | 100% Probability of success |
| Disinfectant to EU excl. Norway | 180 | 216 | 252 | 288 | 324 | 360 | 70% Probability of success |
| Disinfectant to Rest of the world | 88 | 105 | 123 | 140 | 158 | 175 | 50% Probability of success |
| Disinfectant to US market | 131 | 158 | 184 | 210 | 236 | 263 | 50% Probability of success |
| **SoftOx disinfectant revenues 2024** | **435** | **521** | **608** | **695** | **782** | **869** | |
| SoftOx Wound Irrigation Solution (US only) | 15 | 30 | 46 | 61 | 76 | 91 | 50% Probability of success |
| **SoftOx total revenues 2024** | **450** | **552** | **654** | **756** | **858** | **960** | |
| | | | | | | | |
| SoftOx Biofilm Eradicator (US only) | 65 | 131 | 196 | 262 | 327 | 392 | 40% Probability of success |
| **SoftOx total revenues 2025** | **515** | **683** | **850** | **1018** | **1185** | **1353** | |
| | | | | | | | |
| 2024 | | | | | | | |
| EV/Sales | 1.5x | 1.5x | 1.5x | 1.5x | 1.5x | 1.5x | Medical device transactions 1.6-2.3x EV/Sales |
| Equity value | 675 | 828 | 981 | 1 134 | 1 287 | 1 441 | |
| New equity | 60 | 60 | 60 | 60 | 60 | 60 | |
| Additional investments needed | 200 | 200 | 200 | 200 | 200 | 200 | SB1Me: NOK170-200m |
| | | | | | | | |
| Implied pre-money equity (NOKm) | 415 | 568 | 721 | 874 | 1 027 | 1 181 | |

Source: SpareBank 1 Markets, Company, Transparency market research.

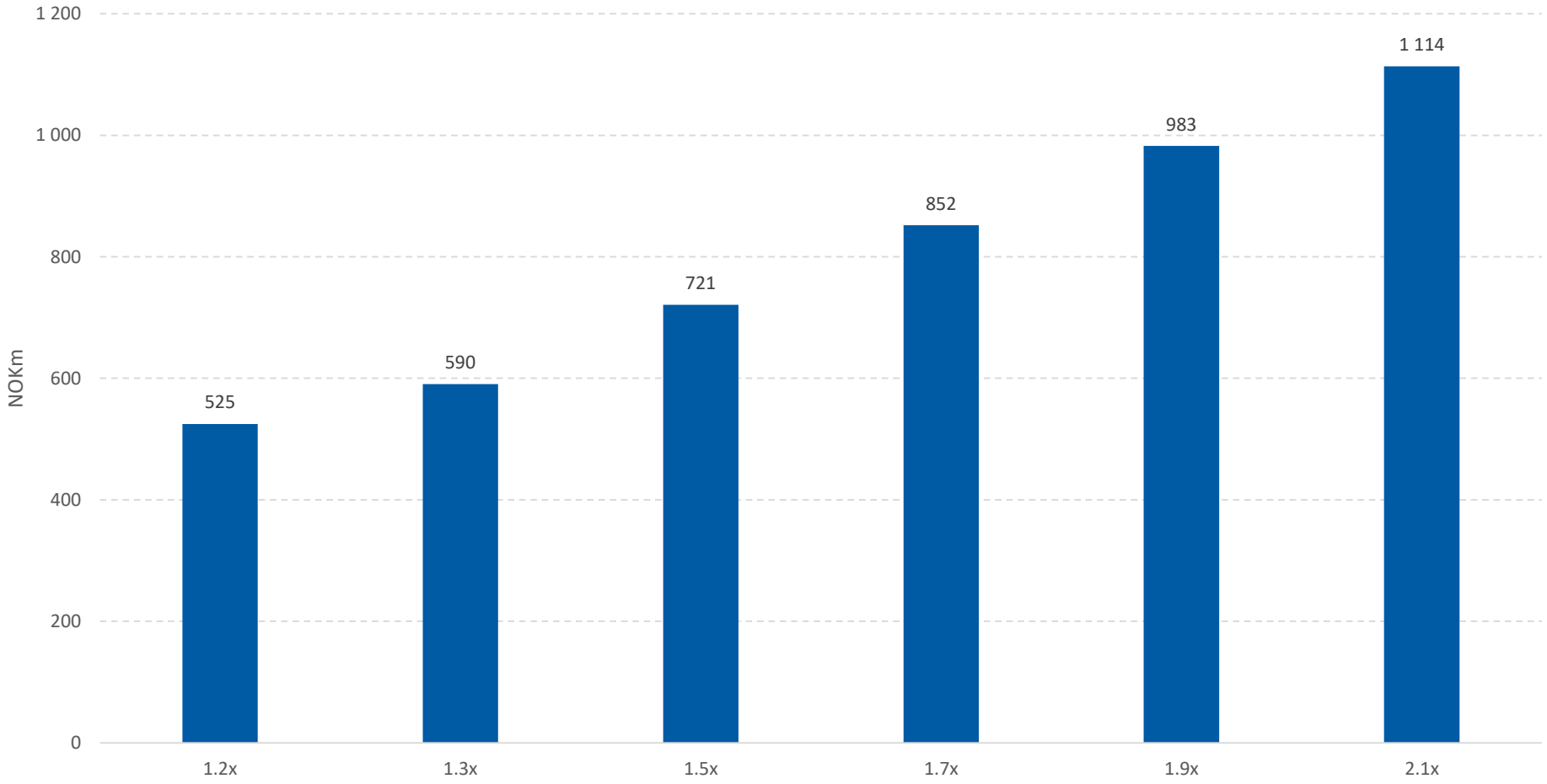
# Return analysis

| | 2021 | 2022 | 2023 | 2024 | 2025 | Comment |
|---|---|---|---|---|---|---|
| Revenues | 7.5 | 50 | 409 | 654 | 850 | Disinfectant to US included from 2024 |
| | | | | | | |
| Gross profit | -0.9 | 15.0 | 327.2 | 523.2 | 680.2 | |
| - margin | -12% | 30% | 80% | 80% | 80% | Company guidance: 80-90% gross margin |
| | | | | | | |
| EBITDA | -86.1 | -5.0 | 40.9 | 98.1 | 127.5 | ~50% of opex is related to R&D |
| - margin | -1154% | -10% | 10% | 15% | 15% | Company guidance: 30-35% margin excl R&D |
| | | | | | | |
| EBIT | -87.7 | -8.0 | 37.9 | 95.1 | 124.5 | |
| -margin | -1176% | -16% | 9% | 15% | 15% | |
| | | | | | | |
| Net income | -87.8 | -8.1 | 37.8 | 95.0 | 124.4 | |
| | | | | | | |
| Equity value (current price) | 691 | 691 | 691 | 691 | 691 | Based on todays share price of NOK75 |
| Implied EV/Sales | 92.7x | 13.9x | 1.7x | 1.1x | 0.8x | |
| | | | | | | |
| Entry EV/Sales | | | | | 1.5x | |
| Exit EV/Sales | | | | | 2.0x | |
| Exit EV | | | | | 1 701 | |
| | | | | | | |
| MoM multiple | | | | | 2.5x | |
| IRR | | | | | 25% | |

Source: SpareBank 1 Markets, Company.

# Pre-money equity sensitivity

Based on 35% share of healthcare workers with eczema




Source: SpareBank 1 Markets, Company.

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- The Company's business is difficult to evaluate because the Company has a limited history and has generated limited sales revenue/profit since its incorporation. Its past performance does not necessarily give a basis for its likely future results. There is a risk that the Company will not be able to maintain and develop its business in a sufficient and effective manner. The Company cannot guarantee that it will generate revenue or sustainable income in the future that is significant enough to achieve profitability, and the Company may not be able to earn the planned revenue or to raise sufficient working capital to fund its operations until its business generates positive cash flow.

- Investments in pharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect, obtain regulatory approval and become commercially viable.

- The Company operates in a heavily regulated market and is subject to a regulatory system where the Company is required to comply with, and is affected by, extensive and complex laws and regulations. Any failure to comply with applicable laws and regulations or if new regulations were to be introduced, this could entail increased costs, fines, or a failure to obtain the necessary regulatory permits and approvals. Any failure to comply could also trigger counterparties' rights to terminate or amend contracts entered into with the Company.

- The Company is dependent on its ability to commercialize product candidates. Commercialization of any product candidate requires success in a range of challenging activities such as research, funding, clinical trials, obtaining regulatory approval for and a general market acceptance of the products, resulting in sales and distribution. The Company's ability to commercialize its products is also dependent on the Company's ability to compete with other products and successfully execute the Company's pricing strategy, in addition to qualify for, identify, register, maintain, enforce and defend the intellectual property rights and claims covering the product.

- The Company is dependent on the ability to complete clinical trials in a timely fashion or at all. The ability to complete clinical studies may be affected by several internal or external factors, including possible delays in the planning phase, processing of or quality assurance work related to the trials, including failures or delays by third parties. In addition, the ability to complete clinical trials may be affected by delays or failures in obtaining regulatory approvals to commence clinical studies. Any failures or delays in completing clinical trials could result in, for instance, delay the approval or commercialization of a product and as such the receipt of any product revenue.

- The dynamic nature of clinical programmes may require the Company to change its existing programmes and routines from time to time or to develop new programmes. Such change is likely to influence the overall capital requirement and revenue flow of the Company, including the costs and time required to complete the clinical program, or incurred costs or reserves used to create and test new programs.

- The Company's product development may not deliver as expected. The result of preclinical studies and early trials may not be predictive of the result of later-stage clinical trials. A product candidate appearing promising in earlier stages of studies and trials may be found to be insufficient or fail to show a desired degree of safety or efficiency in later stages.. Even with the risk of most product candidates never receiving the necessary approval or reaching the market being accounted for, a failure or insufficiency found in a previously promising candidate in the later stages of testing could result in the Company using disproportionate amounts of funds or man-hours to no avail.

- The Company's future success is dependent upon the ability to attract, recruit and retain qualified employees. All of which may be difficult to recruit due to a high degree of competition within the science community. In addition, there is a risk that the Company does not have sufficient protection against former employees soliciting customers or other employees following termination of employment or the former employee participating in competing activities placing the Company at a competitive disadvantage.

- The Company may from time to time be involved in legal disputes and litigation, including liability claims in connection with clinical trials or otherwise in connection with the use or misuse of the Company's products after commercialization.

Source: SpareBank 1 Markets, Company.

# Risk factors

- Undesirable side effects may arise during the development of the Company's new products or on previously approved products, which could delay or stop the product's clinical development, prevent its regulatory approval and/or limit its commercial potential if approved, and the Company may identify, discover or become aware of late showing undesirable side effects. Late showing undesirable side effects could result in regulatory authorities withdrawing the approval of such products, regulatory authorities requiring additional warnings on the label or the regulators requiring additional data from studies, as well as healthcare professionals or patients not accepting the product, choosing competing alternatives instead. Undesirable side effects discovered during clinical trials or on previously approved products may also give cause to legal disputes like product liability claims or cause the Company's reputation to suffer.

- The Company is dependent on the ability to develop and sustain successful partnerships and collaborations with different partners within several fields. These partners may include suppliers, the third-parties necessary to conduct clinical trials, manufacturers, distributors, marketing partners and key customers or licensees. Due to the dependency on third parties, the Company is also subject to a number of manufacturing and supply chain risks, including potential delays, complications, disputes or additional costs. Any of these challenges could lead to the delay of the Company's development process, challenges in trials or productions, or a delay of the time to market for the Company's products.

- The Company is currently facing, and may in the future continue to face, intense competition from new as well as from known competing developers and products, who may achieve the same or better results than the Company's products. In addition, several of the Company's competitors have a longer operating history than the Company and may, as a consequence, have significantly more capital, research and development resources. The competitors may also have more experience within regulatory, operational, manufacturing and marketing matters. There can be no assurance that the Company's products and services will continue to compete successfully against current or new entrants in the market in the future.

- The biopharmaceutical market in which the Company operates is subject to rapid and substantial development and technological change. This requires the Company to continuously try to anticipate, respond and adapt to the changes in a timely fashion and preferably before its competitors. The Company's future success is dependent on its ability to continue to improve existing products, and continuously develop new products and solutions that are innovative, effective, cost-efficient and safe to meet the ever changing needs of new and existing customers and the industry as a whole.

- The Company may be financially dependent on receiving public grants and reimbursements. Such grants and reimbursements may enable the Company to research and develop projects with a highly uncertain commercial potential without undue risk. The Company cannot make any assurances that the Company will be able to continue to obtain public grants or reimbursements or to have grant applications approved in the future, on the same terms or at all.

- The Company is dependent on its intellectual property rights and the ability to protect its rights and know-hows. Adequate protection of its intellectual property will require the Company to obtain and maintain patent protection for its methods, products, processes, technologies, and to preserve the Company's trade secrets. Adequate protection will also require the Company to operate without infringing the intellectual rights of third parties, and preventing third parties from infringing on the Company's intellectual rights. No assurances can be made that the Company will be able to successfully protect its intellectual property in the future, or that pending patent applications will be approved, either in a timely manner or at all or that the Company will be able to develop additional products that are patentable. There is also a risk that existing or former employees, consultants or partners of the Company will allege that they have rights to the Company's intellectual property.

- Insufficient compliance with laws or regulations, or what the public perceives to be insufficient compliance, may also entail a bad reputation for the Company. Finally, insufficient compliance may force the Company to shut down its operations.

- The Company currently operates in multiple jurisdictions and may decide to expand and invest further in international markets in the future. Operating internationally is dependent on regulatory approvals from authorities in various jurisdictions in order to commercialize in those regions. Regulatory approvals may be denied, delayed, withdrawn or limited for a number of reasons, and different regulatory authorities around the world may have different requirements for approving pharmaceuticals. A failure to properly comply with the different laws and regulations in each jurisdiction could also lead to costly litigations, penalties and other sanctions. In addition, the Company has and may in the future enter into various supplier, manufacturer and customer agreements governed by foreign law. Any legal dispute or litigation related to such agreements could lead to substantial costs on the Company.

- The Company expects to continue to incur substantial research, development and operational expenses. There is an inherent risk that the currently available funds will not be sufficient to meet the Company's needs in the future. In the case of insufficient funding, the Company will need to seek additional funds for instance by increasing the Company's debt or by way of capital increases. Such funding may not be available at acceptable costs, on reasonable terms or at all. In case of any future capital increase, depending on the structure of the offering or the jurisdiction of the shareholder, existing shareholders may not have the ability to be allocated shares. This may result in a significant dilution of the existing shareholders. An issuance of additional shares or convertible securities could also reduce the market price of the shares.

- Any investment in shares involves risk of loss of capital. The trading history may not be representative for the future trading market on the Company's shares on Euronext Growth Oslo. The trading volume and price of the shares may fluctuate significantly in response to a number of factors, many of which are out of the Company's control. The market price of the shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. As a consequence, there can be no certainty that the market price of the shares will not experience significant fluctuations or decline below the subscription price or the current trading price.

Source: SpareBank 1 Markets, Company.