



Replacing animal testing with best-in-class *in vitro* technology

28 October 2021

SENZA
GEN

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SenzaGen in short

Vision



- To replace animal testing with best-in-class *in vitro* technology, establish a new industry standard and contribute to safer products in society

Leading technology



- Non-animal toxicity testing with high quality standard
- Skin & respiratory sensitization testing with GARD®, based on genomics and machine learning
- High performance | human relevance | broad applicability | expertise in “difficult-to-test” samples
- Irritation and corrosion testing
- Risk assessment of medical devices

Business model



- Commercialization of GARD®-platform
- Expansion of regulatory test offering
- Active acquisition strategy
- Current focus areas: Europe, North America, Asia

Growing market



- Fast growing market driven by multiple secular trends
- Animal testing bans increasing regulatory demand
- Increased community engagement
- Demand for more accurate test results
- Cost and time effectiveness

Investment highlights

Accelerating growth strategy through acquisitions and rapid organic growth

Advancing toward category leadership within non-animal testing on the back of established GARD®-technology

Superior accuracy and human-like predictability

Genomics, machine learning and biology is combined in the GARD®-platform resulting in accuracy of over 90%, ability to handle challenging samples in small quantities and with short turn-around time

Addressable market driven by regulations, CSR and efficiency

Regulatory forces in several markets, active CSR initiatives in corporations and demand for more human like, faster and more accurate test providing beneficial macro conditions for SenzaGen

YoY sales growth of 31% during H1 2021. Tripled sales in 2020

Expanding customer base and increasing retention with increasing orders from new and returning customers. Customer base consist of international pharma, medical device, chemical and cosmetic companies

Triggers ahead driving new commercial opportunities

GARD®skin has been recommended to be adopted as a standard OECD test by EURL ECVAM, paving way for accelerated sales growth. Expansion of test portfolio with more approved OECD tests (regulatory tests)

- I. Accelerated growth strategy
- II. Acquisition of VitroScreen
- III. Established market position enabling expansion
- IV. Fragmented *in vitro* toxicology testing market
- V. Experienced Management and Board

Accelerated growth strategy

Targeting category leadership through rapid organic- and acquisition-driven growth

Acquisition-driven growth

Organic growth

Accelerated growth strategy (cont'd)

Acquisition-driven growth

Targeting category leadership

- Targeting acquisitions of growing and profitable companies
- Complementary acquisitions along the value chain
- Expanding SenzaGen's offering to meet new end-points

Clear synergy areas already identified

- Cross-sales with joint sales forces
- Expanded test sales
- Allocate tests to specific labs
- Purchasing & cost efficiency

Accelerated growth strategy enables rapid sales growth

- Acquisition of new knowledge and technologies
- Sales organization & customer list
- Commercially operating labs

Organic growth

Drive direct sales and customer retention

- Continue capturing new customers for GARD[®] with scientific sales and marketing approach
- Customer-centric approach forming lasting relationships with flexibility in study design and quick turn-around time
- Deploying select distributors to reach customers in new markets, engage high quality CRO:s to complement in-house capacity

Expanding current product and service portfolio

- Upsell opportunity to established customer base
- Expansion of regulatory test offering
- Providing additional non-animal testing for new endpoints

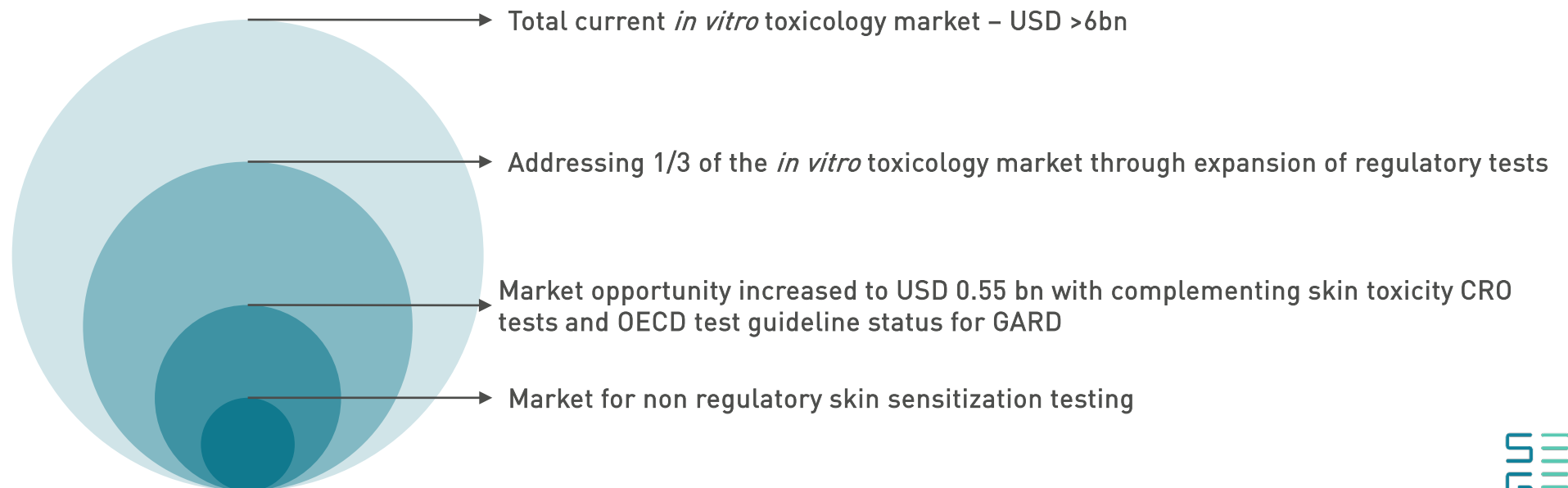
Ensure regulatory acceptance

- OECD adoption of GARD[®]skin as official test guideline
- Inclusion of GARD[®]skin Medical Device in new ISO standard for medical devices
- Medical device development tools submission to the FDA for GARD[®]skin Medical Device

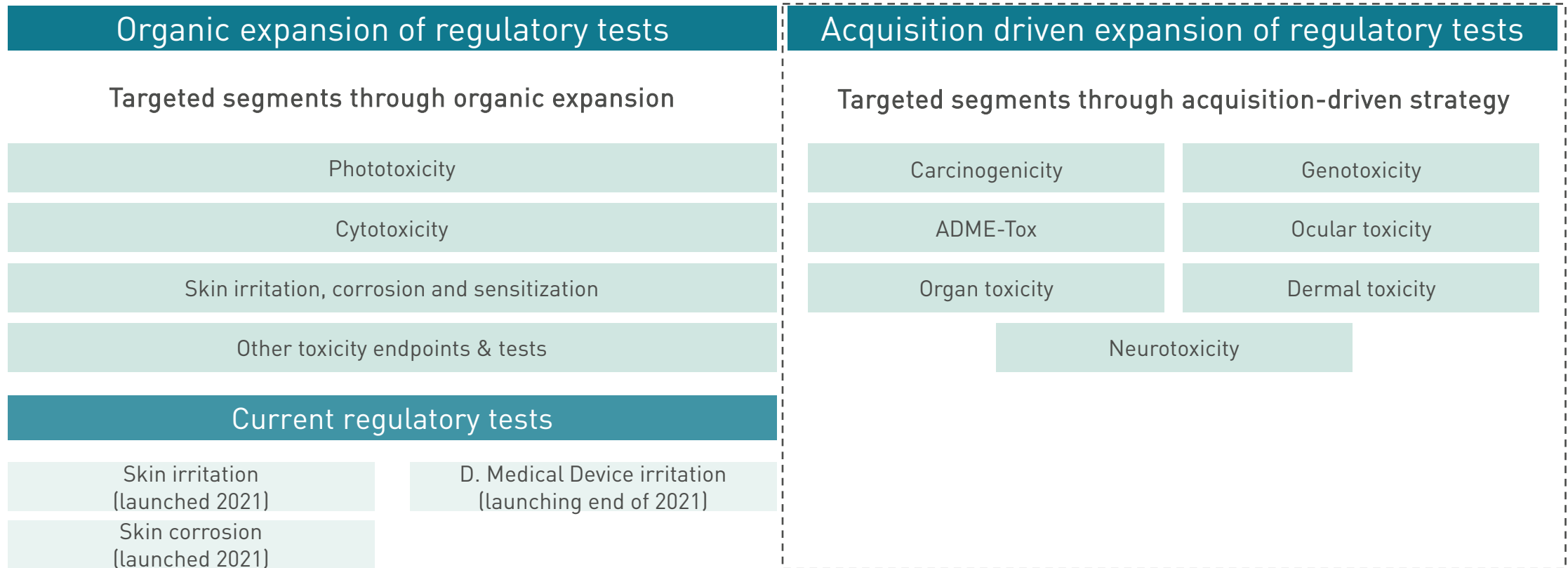
Accelerated growth strategy (cont'd)

OECD validation, enabling new commercial opportunities and acquisitions

- **Validation enabling expansion** – In July 2021, the EU Reference Laboratory for alternatives to animal testing EURL ECVAM, announced their scientific advisory committee ESAC had finalized its GARD[®] opinion. The groundbreaking GARD[®]-technology, based on both genomics and machine learning, has been validated by an objective group of international experts. ESAC recommends that OECD includes GARD[®]skin on their list of internationally agreed test methods – a major milestone in the regulatory approval process for the GARD[®]-technology
- **Expansion of tests** – Implementation of new tests started in 2021 with irritation and corrosion assays. Several tests planned for launch short and medium term
- **M&A** – the total *in vitro* toxicology market is highly attractive and can be further reached with complementary acquisitions



Rapid expansion of regulatory test portfolio



Accelerated growth strategy enabling expansion of regulatory test offering

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VitroScreen – *in vitro* specialists

Acquisition of VitroScreen

VitroScreen in brief

- Founded in 2001 by Dr Marisa Meloni, industry expert and an advisor to OECD and other organizations, VitroScreen has two decades of experience and knowledge within the *in vitro* toxicology and pre-clinical testing industry.
- VitroScreen provides non-animal testing and research services and is organized in 4 business units:
 1. GLP facility for *in vitro* toxicology including regulatory testing
 2. Pre-clinical *in vitro* testing service unit for safety and efficacy testing with a wide range of 3D human tissue models
 3. Center of excellence for *in vitro* science with a platform for production of human organoids for efficacy prediction and microbiome research
 4. Consulting unit providing advice on regulatory *in vitro* toxicology strategies
- Based in Milan, Italy with 11 highly trained and specialized employees (e.g., Study Directors, PhDs, Regulatory affairs specialists, QA and R&D).
- Approx. 200 customers, 11 regulatory GLP certified test. Well established in Europe with presence North America and Asia.
- 2020 financials: Revenue approx. EUR 1.6M, Gross margin approx. 70%; EBITDA margin approx. 6%.
- Distribution partner of SenzaGen since 2019.

H1 2021 revenues
SEK 9.6m¹
YoY growth of 18%

Portfolio of 11
regulatory tests




Approx. 200
customers

11
employees

Acquisition enabling accelerated growth

Acquisition rationale		Transaction highlights															
<p>Synergies and cross-selling</p> <ul style="list-style-type: none"> Utilization of respective organizations' sales capabilities to drive increased revenues from joint offering. Upselling to respective organizations' established customer base. Strengthening purchasing and operational efficiency. 	<p>Portfolio and platform expansion</p> <ul style="list-style-type: none"> Enabling complete toxicology testing package for regulatory and product development projects towards cosmetics, chemical, medical device and pharma industries. Platform expansion: addition of tests and customers through M&A activities. 	<p>190% SenzaGen revenue increase H1 2021</p>	<p>SEK 14.6m total revenues of combined entities H1 2021</p>														
<p>Market expansion</p> <ul style="list-style-type: none"> Expansion of addressable market, from USD 550 million to USD 2.3 billion. Broadened offering in <i>in vitro</i> toxicology and pre-clinical efficacy testing. Access to innovation platform in organoid, micro tissue and other 3D models. 	<p>Complementing expertise</p> <ul style="list-style-type: none"> Addition of operationally and strategically important team members enables acceleration of innovative projects. Dr Marisa Meloni will be key member of the SenzaGen senior management, advisory committee and shareholder of the joint company. 	<p>195% SenzaGen revenue increase FY2020</p>	<p>SEK 23.6m total revenues of combined entities FY2020</p>														
		<table border="1"> <thead> <tr> <th>Purchase price table</th> <th>EURm</th> </tr> </thead> <tbody> <tr> <td>Up-front consideration shares</td> <td>0.6</td> </tr> <tr> <td>Up-front cash consideration</td> <td>2.0</td> </tr> <tr> <td>Total up-front consideration</td> <td>2.6</td> </tr> <tr> <td>Performance based consideration 2022-2024</td> <td>1.4</td> </tr> <tr> <td>Total performance based consideration</td> <td>1.4</td> </tr> <tr> <td>Total consideration</td> <td>4.0</td> </tr> </tbody> </table>		Purchase price table	EURm	Up-front consideration shares	0.6	Up-front cash consideration	2.0	Total up-front consideration	2.6	Performance based consideration 2022-2024	1.4	Total performance based consideration	1.4	Total consideration	4.0
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Combined entities

	 Current SenzaGen	+	 Current VitroScreen	=	 Combined
Description	Non-animal toxicology testing		Non-animal toxicology and leading innovation in pre-clinical testing		Innovative non-animal toxicology and pre-clinical testing
Total revenue FY2020 (SEKm)	8.0		15.6 ¹		23.6
Total revenue H1 2021 (SEKm)	5.0		9.6 ¹		14.6
Current number of regulatory tests	2		11		11 ²
Targeted <i>in vitro</i> toxicology segments	Skin irritation, corrosion and sensitization		Skin irritation, corrosion and sensitization, genotoxicity, ocular toxicity, dermal toxicity		Skin irritation, corrosion and sensitization, genotoxicity, ocular toxicity, dermal toxicity
Geographical presence	Europe, North America & Asia		Europe, North America & Asia		Strengthened position in Europe, North America & Asia

1) SEK/Euro: 9.9848 as per 2021-10-26 (ecb.europa.eu)

2) The two regulatory tests offered by SenzaGen are overlapping with VitroScreen's regulatory tests





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The GARD[®] product portfolio

Established GARD[®] tests

Current GARD[®]-tests

- Skin sensitization
 - GARD[®]skin
 - GARD[®]skin Medical Device
 - GARD[®]potency
 - GARD[®]skin Dose-Response
- Respiratory sensitization
 - GARD[®]air

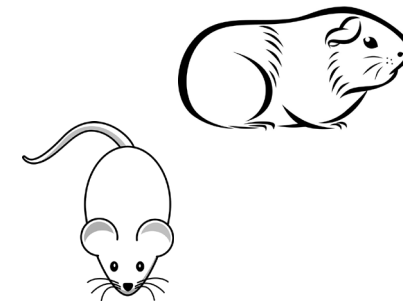
	GARD [®] skin	GARD [®] potency	GARD [®] air	GARD [®] skin Medical Device	GARD [®] skin Dose-Response
 Cosmetics	✓	✓	✓		✓
 Chemicals	✓	✓	✓		✓
 Pharmaceuticals	✓	✓	✓		✓
 Medical Devices				✓	✓

GARD[®]skin has been recommended to be adopted as a standard OECD test by EURL ECVAM, paving way for accelerated sales growth

High performance and broad applicability

Replacing animal testing with reliable human relevant results

GARD®: Next generation <i>In vitro</i>	First generation <i>In vitro</i>	Traditional testing <i>In vivo</i>
90-95% Accuracy	75-80% Accuracy	70-75% Accuracy vs. Human data
<ul style="list-style-type: none"> • Biomarker signatures • Assessment of challenging substances • Quantitative potency assessment 	<ul style="list-style-type: none"> • Single biomarkers • Qualitative potency assessment • Used within defined approaches 	<ul style="list-style-type: none"> • Not human relevant • Ethical and regulatory considerations • Time consuming with ethical committee and test turn around



GARD[®] – attractive test for all industries in evaluation of skin and respiratory sensitization

High performance



- High accuracy, sensitivity and specificity
- Reliable and conclusive result
- Transparent classification: no subjective judgement required

Broad applicability



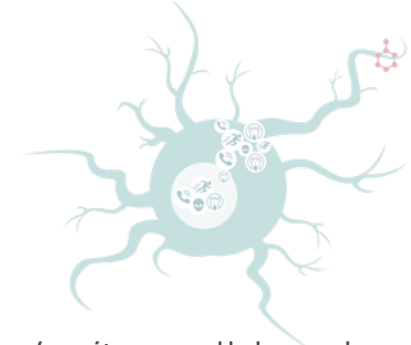
- Ability to test a wide range of products and materials, including challenging substances
- A broad selection panel of solvents
- Can be used with extraction vehicles according to ISO 10993-12

Efficiency



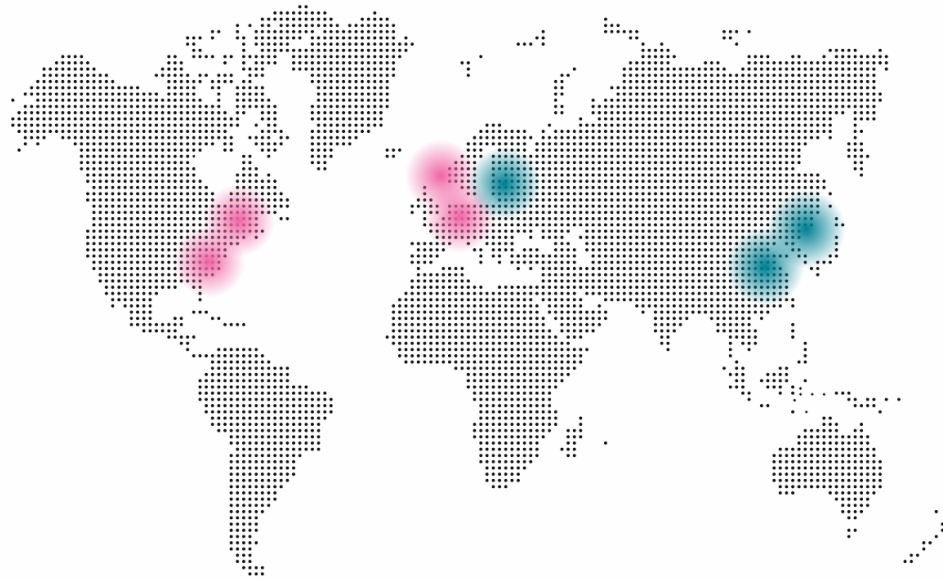
- Short test time: 2 weeks
- Small sample amount
- Cost-effective

Ethical



- *In vitro* = cell-based method
- No need for animals
- Supports 3Rs initiatives

Geographical presence



Focus on key markets

Europe and North America

- Markets driven by regulatory demand and increasing community involvement with Europe leading the way
- SenzaGen have collaboration and licensing agreements in both North America and Europe
- During the year SenzaGen have delivered orders to several global companies

Asia-Pacific

- Increasing regulatory pressure
- Emerging future market for SenzaGen's tests

Expanding customer base

Increasing retention with loyal customers

- Several international companies that became SenzaGen customers in 2020 continued using GARD® in 2021
- Substantial increase in inquiries from new customers during H1 2021
- Based on customer feedback, SenzaGen have expanded the regulatory test offering, expanding the product portfolio
- Signed distribution agreement with Enthalpy and preferred supplier and master service agreement with several global companies during H1 2021
- Expanded collaboration agreements with both Charles River Laboratories and American Research Institute for Fragrance Materials (RIFM) during H1 2021

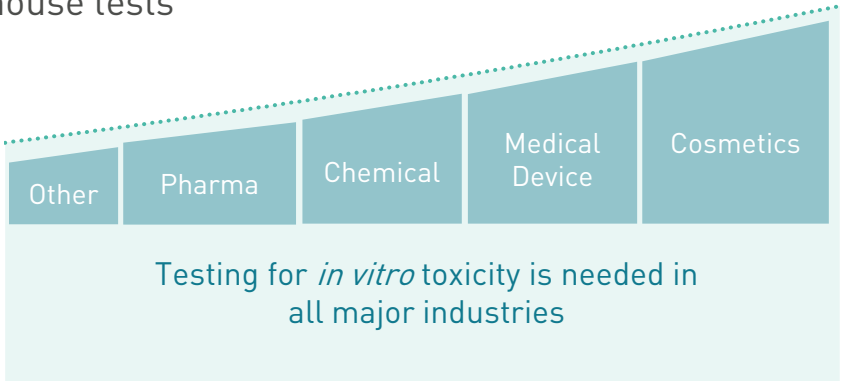


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Targeting a fragmented market

Growing *in vitro* toxicology testing market

- Global *in vitro* market is estimated to be worth approx. USD 8.9 billion by 2023, growing 6.8% annually
- SenzaGen is currently offering tests within the fastest growing segment of the *in vitro* toxicology testing market – skin irritation, corrosion and sensitization, estimated to reach USD 550 million by 2023, growing 9.5% annually
- Cytotoxicity, phototoxicity and other endpoints can be addressed by SenzaGen with OECD approved and in-house tests



Global *in vitro* toxicology testing market (USDm)¹

Toxicology tests and endpoints	2018	2023	CAGR (%)
Skin irritation, corrosion and sensitization	350	550	9.5
Carcinogenicity	430	650	8.6
Cytotoxicity	950	1,390	7.9
Other toxicity endpoints & tests	600	850	7.2
Genotoxicity	800	1,100	6.6
ADME-Tox	1,700	2,300	6.2
Ocular toxicity	300	400	5.9
Organ toxicity	600	790	5.7
Phototoxicity	220	290	5.7
Dermal toxicity	200	260	5.7
Neurotoxicity	230	300	5.5
Total	6,380	8,880	6.8

 Targeted segments through organic growth
 Expansion through acquisition of VitroScreen

Targeting expansion into key segments of the market, accelerating sales growth

1) Kalorama Information, Market report "In vitro toxicology", (2018 – 2023).

Market driven by regulatory demand

Macro forces providing beneficial market conditions

Industry trends and drivers towards non-animal testing

- **Regulatory**
 - Animal testing bans such as; EU cosmetics ban, ISO 19993 standard (aimed at reducing and replace animal testing) and state laws in US banning animal testing
- **Ethical**
 - Increased society engagement 3R
 - Active CSR initiatives in corporations
- **Scientific**
 - Tests better reflecting human biology
 - More accurate test results and superior performance
- **Economic**
 - Animal testing is costly and time consuming
 - Animal tests often requires high amount of valuable sample volumes



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Experienced Management team



Peter Nählstedt
CEO

Peter has broad commercial and leadership experience in Life sciences from both organic and acquisition-driven growth.



Anna Chérouvrier Hansson
VP Sales & Business Dev.

Anna has an extensive background in marketing, sales and business development. Additional experience include commercialization in the pharmaceutical industry.



Tina Dackemark Lawesson
VP Marketing & Communications

Tina has long experience from developing several life science and new technology companies in marketing, IR and communication roles.



Marianne Olsson
VP Finance

Marianne has during the last 5 years developed SenzaGen from a start-up project to a listed company . She has 25+ years of previous experience in finance and administration roles.



Helen Olsson
VP HR

Helene has 20+ years of experience in organization development and change management.



Henrik Johansson
Chief Scientist

Henrik has 10+ years of experience in research and development within cell and molecular biology He is a co-developer of the GARD®-technology platform.



Mikael Wahlgren
Legal Adviser

Mikael's experience include general counsel for Alfa Laval Group and several life science companies.



Åsa Nyhlén
VP Operations

Åsa has 20+ years experience in laboratory services and leadership in pharmaceuticals, medical devices and food industries.

Well-renowned Board of Directors



Carl Borrebaeck
Chairman & founder

Carl is the founder of SenzaGen and several other life science companies, including Immunovia and BioInvent International.



Anki Malmborg Hager
Director

Anki has extensive experience as an entrepreneur and CEO in the life science sector. Experience include CEO of SenzaGen 2014-2019, Cantargia, Ximmune and Diaprost.



Paul Yianni
Director

Paul brings 30+ years of leadership and commercial experience from top positions in the chemicals industry including CEO of Spolchemie and head of M&A at DIC Europe.



Laura Chirica
Director

Laura has 20+ years of experience in commercial positions both in start-ups and multinational companies within life science and diagnostics.



Paula Zeilon
Director

Paula has 30+ years management, commercial and business development experience from within the life science industry.



Ian Kimber
Director

Ian has a long and recognized career in toxicology and immunology from academia, the pharmaceutical and biopharmaceutical industries.

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Thank you!

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