

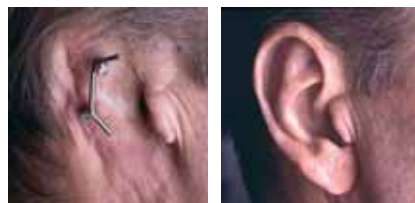


Dan Pitulia

CEO
Entific Medical Systems

Entific

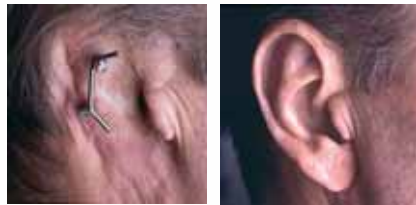
- Spin-off from dental implant company Nobel Biocare in 1999 based on same technology
- Supplies a titanium implant system
 - The world's only direct bone conduction system (BAHA)
 - Anchoring system for facial prostheses (Face to Face)



10 december, 2004

Entific

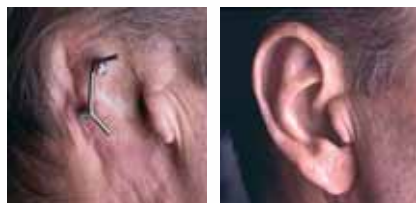
- Organic revenue growth of around 42 per cent per year on average 1999-2003
- LTM revenue Q3 2004 200 MSEK
- EBIT margin Q3 2004 18%



10 december, 2004

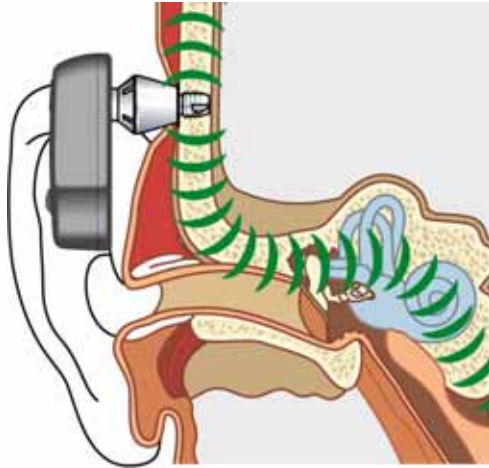
Entific

- HQ and production in Gothenburg, Sweden
- Sales and marketing organisation in the USA, UK, Germany, France, the Netherlands and Canada – distributors in over 20 additional countries
- 104 employees, of which 63 within sales and marketing



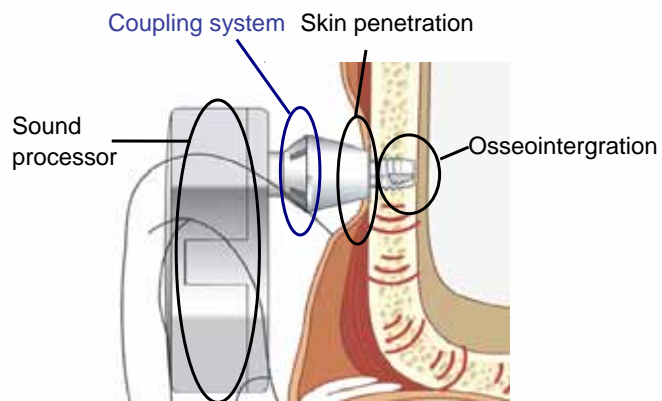
10 december, 2004

Unique technology - Direct bone conduction



10 december, 2004

Unique core technologies



10 december, 2004

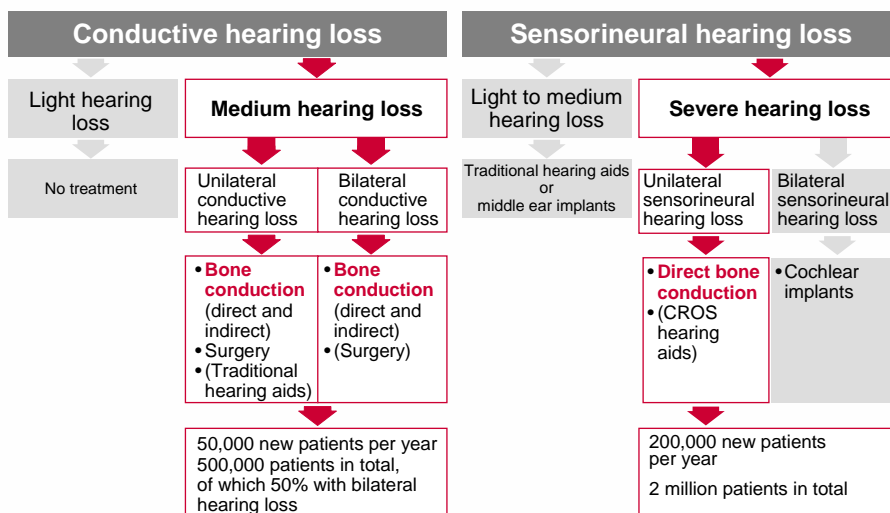
BAHA treatment - core advantages

- High sound quality and wearing comfort
- Pre-operative testing allows for predictive results
- Low risk surgery
 - Minimal invasive surgery with no risk of damage
 - Reversible
- No occlusion effect with BAHA
- MRI compatible



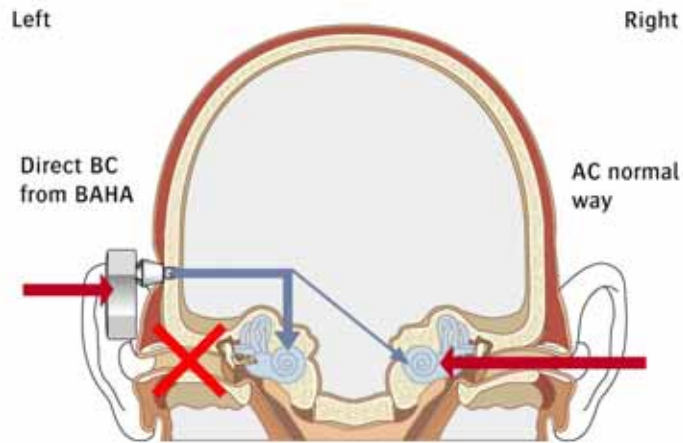
10 december, 2004

Target group of >2.5 million patients



10 december, 2004

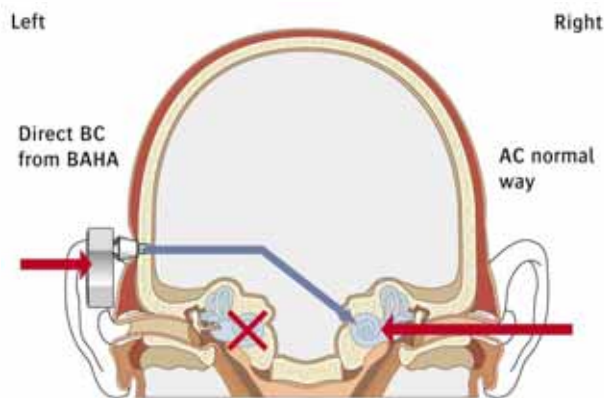
BAHA for Conductive hearing loss (“CHL”)



10 december, 2004

entific
Medical Systems

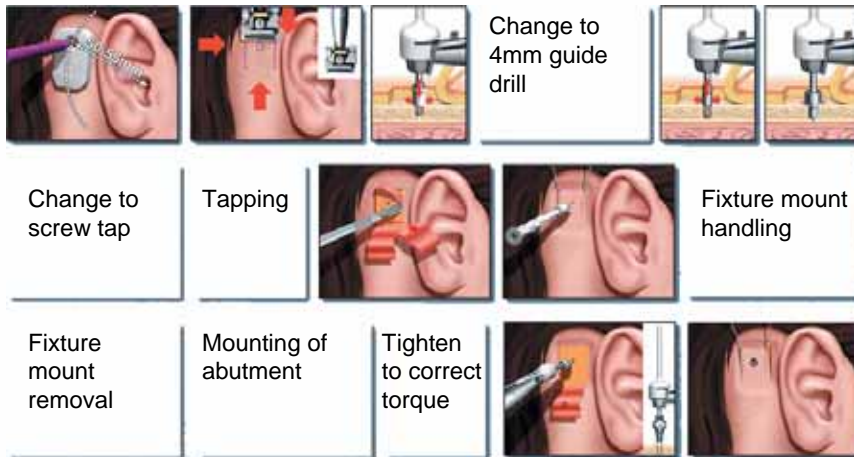
BAHA for Single-Sided Deafness (“SSD”)



10 december, 2004

entific
Medical Systems

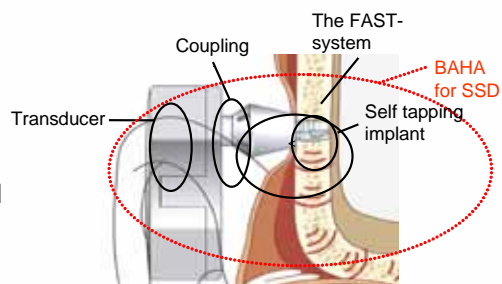
"Coffee break" surgery through continuous innovation



10 december, 2004

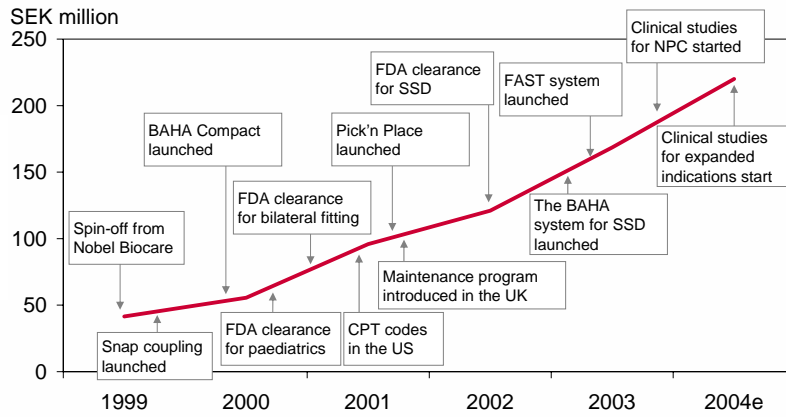
Strong IP protection

- Established patient base
 - Interface between processor and implant (snap coupling)
- Copy existing products
 - Key components
 - Patents for transducer and self-tapping implant
 - Special characteristics of the system (e.g. the FAST system)
- Covering entire indication
 - SSD



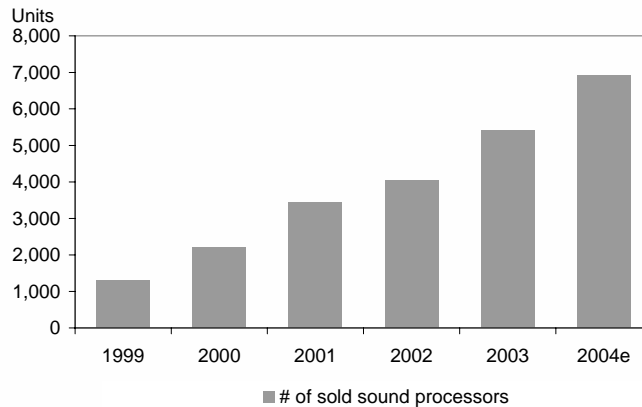
10 december, 2004

Strong sales growth driven by expanded indications and innovative product launches



10 december, 2004

Over 2/3 the patients treated since the spin-off



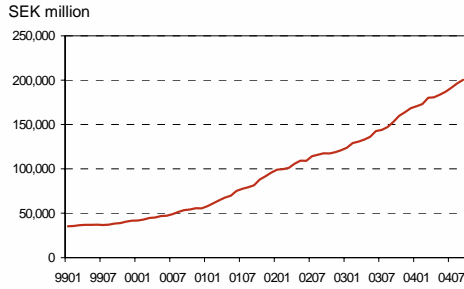
More than 20,000 treated BAHA patients worldwide – more than half of the patients treated during the period 2002–2004



10 december, 2004

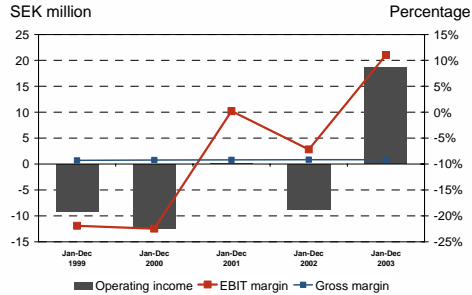
Summary financials last five years

LTM sales



- CAGR 42% since 1999
- Gross margins in excess of 80%
- EBIT of 19 MSEK (13%) in 2003 and 27 MSEK (18%) Q3 2004
- Unparalleled combination of growth and positive cash flow with 90 MSEK in cash Q3 2004

Operating income and margins

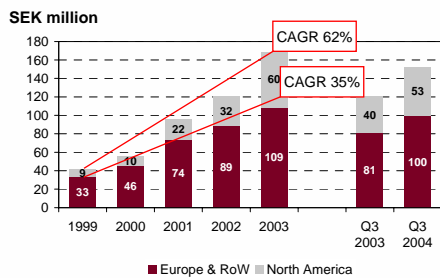


10 december, 2004

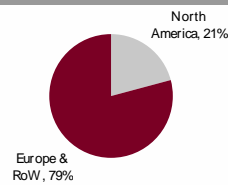


Geographical breakdown of sales

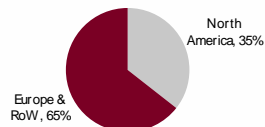
Revenue



Revenue 1999



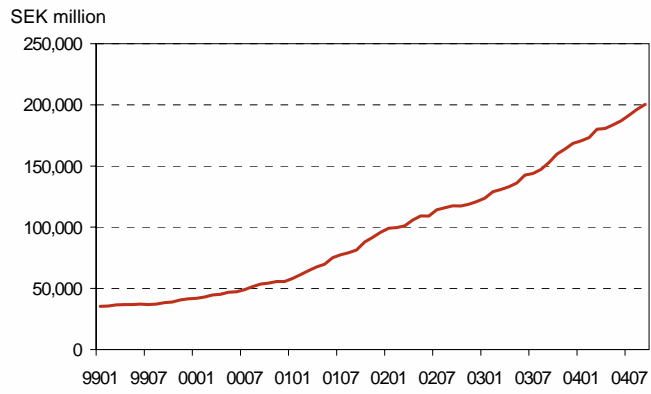
Revenue 2003



10 december, 2004

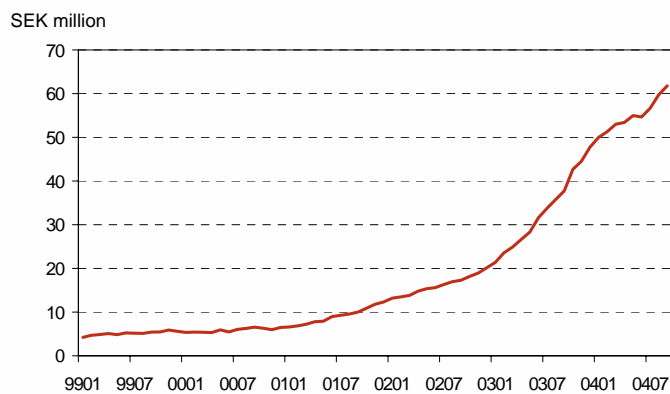


LTM total sales



10 december, 2004

LTM sales - USA



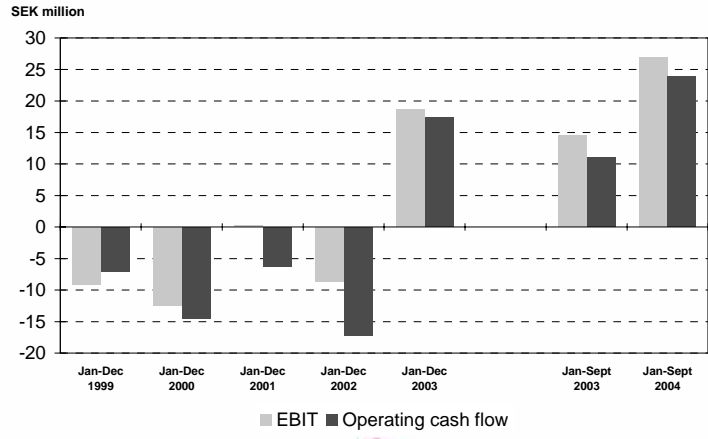
SEK/USD 7.07 during the whole period



10 december, 2004

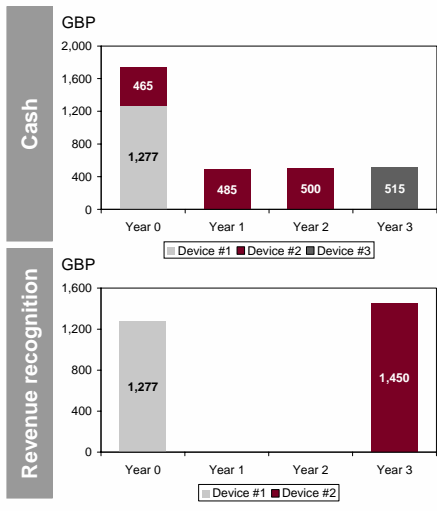
High cash conversion

EBIT and operating cash flow



10 december, 2004

Maintenance program – Cash flow effect



- Advance payment scheme in the UK
- Includes
 - Replacement device every third year
 - Accident insurance
 - Servicing charges
 - Started 2001 - 2004 is the first year of delivery
- Will generate 10-12 MSEK cash 2004



10 december, 2004

Coming five years

- Revenue growth exceeding 20 % per annum
 - Selective expanded geographical cover
 - Continue proving new indications for BAHA
- Maintain current gross margin and benefit from economies of scale
 - Long term EBIT margin to exceed 25%
- Strong cash conversion through pre-paid sales programs



10 december, 2004

