

Porous titanium granules

– a scaffold for the body's bone cells



Invitation to subscribe to units

Tigran Technologies AB (publ), 556596-4417

This is an in-house translation of the Swedish teaser. In the event of any discrepancies between the Swedish and the English versions, the Swedish version shall prevail



Tigran Technologies AB (publ.)

In the case of some injuries and diseases, including in the dental field, an operation is required to recreate bone tissue, for example to secure or preserve dental implants. However, one problem with most of the existing methods for recreating bone tissue is that the filling material shrinks in volume after a time, which involves a number of practical as well as aesthetic problems. Moreover, with the organic alternatives there is a potential risk of disease transfer as well as moral aspects to be considered.

Tigran's products consist of porous titanium granules that function as an essential scaffold for the body's bone cells when new bone needs to be built. The titanium granules also contribute to stable anchoring for implants. The titanium granules cannot be reabsorbed, which means that the material volume does not shrink with time and, since titanium is inorganic, they do not carry the potential disease risks associated with other materials.

Tigran is pursuing extensive clinical trials to demonstrate the effect of the titanium granules and has a number of published and ongoing studies. The titanium granules have demonstrated the potential to function in a number of different applications that, in the Board's judgement, today lack good alternative treatments. Tigran intends to focus initially on the dental field; in the first instance on peri-implantitis and various other applications.

Peri-implantitis

Titanium dental implants are used to replace damaged or lost teeth. Dental implants have been used for a long time with great reliability; however, recent years have seen the spread of increased awareness of peri-implantitis, an inflammation that forms around dental implants and causes the bone to recede, which can lead to the implant loosening.

Studies performed during the treatment of peri-implantitis have shown that the bone can be recreated with the aid of titanium granules, which then stabilise the dental implant. Only Tigran's products have been able to demonstrate bone rebuilding in peri-implantitis situations in scientific trials.

The market potential within peri-implantitis is estimated to amount to approximately 1 billion EUR in 2015¹. On top of this, there is also a significant market potential for other dental applications (see further information in Tigran's prospectus which is available in Swedish only).

6 000 patients treated

Tigran's products have, to a limited extent, been commercially available since the end of 2008, and have been used in approximately 6 000 patients without any reported problems. The products, which are based on the company's patent, are approved for use within the EU as well as in certain other countries thanks to the CE marking they carry. A premarket notification (510(k)) for clearance to sell the product in the USA has been submitted to FDA and processes for obtaining market approval are underway also for other markets.

Tigran has products that, in the Board's judgement, work well and solve major problems; however, publication of the clinical trials that are so crucial for the company has taken longer time than expected. The lack of published articles has meant that the products have not yet had the expected impact in the selected markets and the Board has also noted that more clinical studies are needed to cultivate the market and stimulate further acceptance for Tigran's products.

Board and senior executives

Jan-Eric Österlund is Chairman of the Board. The other Members of the Board are Lars Magnus Bjursten, Staale Petter Lyngstadaas, Arve Nilsson, Sven Erik Nilsson, Knut Ramel and Anders Williamsson. Björn Sellert is external Chief Executive Officer.

Reference to prospectus

All investments in shares are associated with risk. In the prospectus for Tigran Technologies AB (publ.) there is a description of the potential risks associated with Tigran's operations and its shares. Before taking a decision to invest, the description of these risks together with other information in the complete prospectus should be read carefully. The prospectus is available in Swedish only for downloading on the websites of Tigran and AktieTorget (www.tigran.se and www.aktietorget.se).

1. Estimat based on the market for dental implants, reports from Millenium Research Group and Tigrans expertise.



The offer in brief

- The subscription period runs from 25th May 2011 to 9th June 2011.
- The subscription price is 0.40 SEK per unit, i.e., 0.08 SEK per ordinary share, and the warrants are issued free of charge.
- The record date was 20th May 2011. For each existing share, irrespective of series, one (1) unit right is obtained. A holding of five (5) unit rights entitles the holder to subscribe for one (1) unit. One (1) unit consists of five (5) ordinary shares and three (3) free of charge warrants, series TO 3, each entitling the holder to subscribe for one (1) new ordinary share in the company.
- The offer includes 67,487,498 units, each one of the units consisting of five (5) new ordinary shares and three (3) warrants.
- The issue volume amounts initially to approximately 27 MSEK; in total approximately 51.3 MSEK if the issue is fully subscribed and all warrants are utilised.
- The number of shares before the issue amounts to 337,437,494 shares, of which 131,986,665 are ordinary shares and 205,450,829 preferred shares.
- The company's value amounts to approximately 27 MSEK (pre-money).
- Trade in paid subscription units takes place from 25th May 2011 until the Swedish Companies Registration Office has registered the rights issue. It is estimated that this registration will take place at the start of July 2011.
- A holding of one (1) warrant, series TO 3, entitles the holder to subscribe for one (1) newly issued ordinary share at a price of 0.12 SEK.
- The subscription for ordinary shares with the support of warrants can take place from 13th July 2011 until 25th April 2012 inclusive. The opportunity to use the warrants will occur on four occasions, on subscription and payment no later than 3 pm on 30th September 2011, on subscription and payment no later than 3 pm on 9th December 2011, on subscription and payment on later than 3 pm on 29th February 2012 and on subscription and payment no later than 3 pm on 25th April 2012.
- The newly issued warrants, series TO 3, will be traded on AktieTorget with effect from 13th July 2011.

Decision on and motive for the issue

Tigran is now carrying out an issue of units (ordinary shares and associated warrants) that when fully subscribed will bring in initially around 27 MSEK to the company. If the issue is fully subscribed and all attached warrants are utilised, Tigran receives a further approximately 24.3 MSEK; in total approximately 51.3 MSEK before the costs of the issue.

It is intended to use the new funds to complete ongoing clinical trials, and to continue clinical development work and product development as well as a limited cultivation of a limited number of markets, primarily in Europe. Tigran also intends to apply for regulatory approval in selected markets such as the USA.

Subscription commitments and guarantees

Tigran has received subscription commitments amounting to 8 MSEK and guarantees amounting to 19 MSEK, equivalent to the total initial volume of the issue. The subscription commitments of 8 MSEK are linked to bridge financing obtained previously.

Björn Sellert, CEO, comments

Recent years have been characterized by extensive investments in the development of our technology as well as in clinical studies and regulatory work. The development work has resulted in different products, the potential of which to promote the growth of new bone and anchor implants it has been possible to verify via our ongoing and published studies, above all in our focus area, peri-implantitis, and also in a number of other application areas.

Since, according to our investigations, there are no scientific reports of any other satisfactory alternative treatments to Tigran's titanium granules for the rebuilding of bone tissue in the case of bone loss around dental implants, I consider that there is a significant market potential for our technology. During 2011, moreover, we submitted a (510(k)) premarket notification to the American Food and Drug Administration (FDA) to obtain clearance to sell our products in the USA. According to our judgment, the USA constitutes around half of the global market for medical devices. We are, thereby, one step closer to what could be our most important future market.

Through limited market cultivation, above all in Europe, we have received confirmation that the products function without problem. Around 6000 patients have so far been operated on using our titanium granules without any reported complications. However, further published scientific documentation is required to increase acceptance of the titanium granules. With this knowledge, we have revised our strategy and we are now focusing more on getting clinical studies published, instead of focusing on sales. We have decided to carry out a rights issue that will finance the clinical studies, planned development and market cultivation in a few selected markets, as well as the regulatory work. Our current strategy is not to grow in new markets but instead to focus to a limited extent on certain key markets that we have cultivated previously.

Tigran's titanium granules are the only bone regeneration material that from the very start has been designed to function together with titanium implants. I believe strongly in our products and, with our expertise as well as our very positive study results, we have a good basis for eventually becoming a significant player in our business area, which means that we can increase the value of the company considerably before a potential exit.

Björn Sellert - CEO, Tigran Technologies AB (publ.)



With our expertise as well as our very positive study results, we have a good basis for eventually becoming a significant player in our business area, which means that we can increase the value of the company considerably before a potential exit.

- CEO Björn Sellert



Terms and instructions

The offer

The Annual General Meeting of Tigran Technologies AB (publ.) on 16th May 2011 approved the Board's decision of 13th April 2011 on a rights issue with pre-emptive rights for existing shareholders up to a maximum of 337,437,490 ordinary shares and 202,462,494 warrants, series TO 3. The ordinary shares and warrants are to be issued in so-called units, each one of the units consisting of five (5) new ordinary shares and three (3) warrants. The issue price per unit is 0.40 SEK, i.e. 0.08 SEK per ordinary share and the warrants are issued free of charge. The public is also entitled to subscribe to ordinary shares and warrants in the issue. The terms and instructions for the issue are given below.

Pre-emptive right to subscribe

Those who on the record date of 20th May 2011 are registered as shareholders in Tigran have a pre-emptive right to subscribe for units. For each existing share, irrespective of series, one (1) unit right is obtained. A holding of five (5) unit rights entitles the holder to subscribe for one (1) unit. One (1) unit consists of five (5) ordinary shares and three (3) free of charge warrants, series TO 3, each entitling the holder to subscribe for one (1) new ordinary share in the company.

Record date

The record date at Euroclear Sweden AB ("Euroclear Sweden") for determining who will obtain unit rights in the issue is 20th May 2011. The last day for trading in the company's shares, including the right to obtain unit rights is 17th May 2011 and the first day, excluding the right to obtain unit rights, is 18th May 2011.

Unit rights

The shareholders' pre-emptive right is exercised with the support of unit rights. Those who are registered as shareholders on the record date of 20th May 2011 obtain one (1) unit right for each existing share. Subscription for one (1) unit requires five (5) unit rights.

In order to prevent losing the value of the unit rights obtained, the shareholder must either subscribe to units with the support of unit rights in Tigran Technologies AB by no later than 9th June 2011 or sell the unit rights by no later than 3rd June 2011.

Trading with unit rights

Unit rights will be traded on AktieTorget during the period 25th May – 3rd June 2011.

Subscription price

The subscription price amounts to 0.40 SEK per unit i.e. 0.08 SEK per share. Brokerage is not charged.

Information for direct registered shareholders

Those who on the record date are registered in the shareholders register kept on behalf of the company by Euroclear Sweden receive a printed issue report with enclosed notice of payment as well as a folder holding a summary of the terms for the issue and reference to the complete prospectus. Among other things, the printed issue report makes clear the number of unit rights obtained and the whole number of units that can be subscribed.

Those who are entered on the list of mortgagees etc. connected to the shareholders register do not receive an issue report but are informed separately instead. A separate VP notification, which reports the registration of unit rights on the shareholder's VP account, will not be sent out.

Information for nominee-registered shareholders

Shareholders whose holdings are registered as administered by a bank or other administrator receive neither an issue report nor special application form; however a folder is sent out containing a summary of the terms for the issue and referring to the complete prospectus. Subscription and payment must be made according to the instructions from the bank or stockbroker in question.

Subscription period

The subscription of units will take place in the manner described below, during the period 25th May – 9th June 2011 inclusive.

Note that the subscription for units must be made no later than 3 pm on 9th June 2011. After the subscription period expires, unused unit rights are invalid and thus have no value. Unused unit rights will thereafter be deregistered from the shareholder's VP account without notice from Euroclear Sweden.

The Tigran Board has the right to extend the time during which applications for subscription and payment can be made. In this case, notification of this will be made no later than 9th June 2011. The Tigran Board has not reserved the right to withdraw the offer permanently or temporarily. Nor is it possible to withdraw the offer after trade with shares and warrants has started.

Subscription and payment with the support of unit rights

The application to subscribe with the support of unit rights takes place by making a simultaneous cash payment by no later than 3 pm on 9th June 2011. Note that it can take up to three bank days for the payment to reach the beneficiary's account. For this reason, application forms that are sent by post should be sent in plenty of time before the final day for subscriptions. Subscription and payment must be done in accordance with one of the alternatives below:

1. Printed notice of payment from Euroclear Sweden.
In the case where all the unit rights received on the record date are to be used to subscribe for units, the printed notice of payment from Euroclear Sweden should be used when applying to subscribe by payment. Special application form I is not to be used in these circumstances. No additions or changes may be made to the printed text on the notice of payment. The application is binding.

2. Special application form I
In the case where unit rights have been acquired or disposed of, or if the shareholder for other reasons intends to utilise a different number of unit rights than that set out on the printed notice of payment from Euroclear Sweden, special application form I is to be used. The application to subscribe by payment must be made according to the instructions given on special application form I. The printed notice of payment from Euroclear Sweden is not to be used in these circumstances. Special application form I can be ordered from Sedermera Fondkommission AB via telephone or email.

Special application form I must be received by Sedermera Fondkommission AB no later than 3 pm on 9th June 2011. Only one application form per subscriber will be taken into consideration. In the event that several application forms are submitted, the latest one to arrive will apply.

If special application form I is incomplete or incorrectly completed, it may not be taken into consideration. The application is binding. In the case where a subscriber pays too large a sum, Tigran will ensure that the excess amount is repaid.

Completed special application forms are to be sent, or handed in, to:

Sedermera Fondkommission AB
Issuing services
Importgatan 4
SE-262 73 Ängelholm, Sweden

Telephone: +46 431-47 17 00
Fax: +46 431-47 17 21
Email: nyemission@sedermera.se
Website: www.sedermera.se

Subscription without the support of unit rights

In the event that not all of the units are subscribed with pre-emptive rights according to the above, within the framework for the issue's highest amount the Board will decide on the allocation of units to others who have subscribed units without the support of pre-emptive rights, in accordance with the following.

In the first instance, units that are subscribed without the support of unit rights will be allocated to such subscribers who have also subscribed for units with the support of unit rights, irrespective of whether the subscriber was a shareholder on the record date or not, and in the event that allocation to these cannot take place in full, allocation will take place pro rata in proportion to the number of unit rights used for subscribing for units and, to the extent this cannot take place, by lottery.

Secondly, allocation of units that are subscribed without the support of unit rights will be made to others who subscribed without the support of unit rights, and in the case that allocation to these cannot take place in full, allocation will take place pro rata in proportion to the number of units that each person subscribed and, to the extent this cannot take place, by lottery.

Thirdly, allocation of units that are subscribed without the support of unit rights will take place to issue guarantors in proportion to the size of the guarantees made and, to the extent that this cannot take place, by lottery.

Subscription of units without pre-emptive rights will take place during the same period as the subscription of units with pre-emptive rights, that is to say from 25th May – 9th June 2011 inclusive. Applications to subscribe without the support of unit rights are to be made on the intended special application form II. Such application forms can be obtained from Sedermera Fondkommission AB at the above address, website or telephone number, from the company's website (www.tigran.se) or from AktieTorget's website (www.aktietorget.se).

Completed application forms must be received by Sedermera Fondkommission AB at the above address, fax number or email address no later than 3 pm on 9th June 2011. Only one application form per subscriber will be taken into consideration. In the event that several application forms are submitted, the latest one to arrive will apply. If the application form is incomplete or incorrectly completed, it may not be taken into consideration. The application is binding. In the case where a subscriber pays too large a sum, Tigran will ensure that the excess amount is repaid.

Information on any allocation is provided by despatch of a sales note and payment must be made in accordance with the instructions therein. It is estimated that sales notes will be despatched as soon as possible after the expiry of the subscription period and payment must be made no later than four bank days thereafter. Those who have not been allocated any shares will not receive notification.

Shareholders domiciled outside Sweden

Shareholders domiciled outside Sweden and who have the right to subscribe for units in the issue can contact Sedermera Fondkommission AB at the above telephone number for information on subscription and payment.

Note that according to this prospectus the offer is not directed to individuals domiciled in the USA, Canada, New Zealand, South Africa, Japan, Australia or other countries where participation presumes further prospectus, registration or other measures than those that follow from Swedish law.

Payments from abroad are to be made to Sedermera Fondkommission AB's bank account with Swedbank:

BIC: SWEDSESS

IBAN: SE44 8000 0816 9591 3403 9479

Paid subscription units

Subscription by payment is registered at Euroclear Sweden as soon as this can be done, which normally means up to three bank days after payment. After this, the subscriber receives a VP notice with confirmation that the paid subscribed units have been booked to the subscriber's VP account. Shareholders who have their holdings nominee-registered with an administrator via safe custody accounts with a bank or stockbroker are provided with information from the respective administrator.

Trading with paid subscription units

Trading with paid subscription units will take place on AktieTorget with effect from 25th May 2011 until the Swedish Companies Registration Office has registered the rights issue. It is estimated that this registration will take place at the start of July 2011.

Delivery of shares and warrants

Paid subscription units will be replaced by ordinary shares and warrants as soon as the issue has been registered by the Swedish Companies Registration Office. After this registration, the paid subscription units will be booked out from the respective VP account and will be replaced by ordinary shares and warrants without separate notification. In connection with this, it is assumed that the newly issued ordinary shares and warrants will be traded on AktieTorget.

Right to dividend

Profit dividends for the new ordinary shares will be paid on the record date for dividends that falls after the share's registration in the shareholders register kept by Euroclear Sweden. Ordinary shares that are issued after subscribing without the support of warrants, TO 3, will carry the right to a profit dividend for the first time on the record date for dividends or the day when a shareholder is entered in the shareholders register and thereby qualifies to receive a dividend, and which falls after the share subscription is implemented.

Publication of the results of the issue

The outcome of the issue will be published by a press release on the websites of the company and of AktieTorget, which is estimated to take place during week 24, 2011.

The outcome respecting the final degree of utilisation of the warrants, TO 3, is estimated to be available in week 26, 2012, via a press release on the websites of the company and AktieTorget.

Trading with shares and warrants

The company's shares are traded on AktieTorget. Ordinary shares are traded under the short name TIGR and ISIN code SE0000899908. The newly issued ordinary shares will be traded on AktieTorget. A trading unit consists of one (1) ordinary share.

The newly issued warrants, series TO 3, will be traded on AktieTorget with effect from 13th July 2011. The ISIN code for warrants, series TO 3, is SE0003944156

Issuing institution

Sedermera Fondkommission AB is acting as the issuing institution in connection with the pre-emptive rights issue as well as in connection with the issue of ordinary shares by subscription with support of warrants, TO 3.

Terms for warrants TO 3

A holding of one (1) warrant, TO 3, entitles the holder to subscribe for one (1) newly issued ordinary share at a price of 0.12 SEK. Subscription for ordinary shares with the support of warrants can take place from 13th July 2011 until 25th April 2012 inclusive. This is to be done by cash payment by no later than 25th April 2012.

The opportunity to use the warrants will be given on four occasions, on subscription and payment no later than 3 pm on 30th September 2011, on subscription and payment no later than 3 pm on 9th December 2011, on subscription and payment on later than 3 pm on 29th February 2012 and on subscription and payment no later than 3 pm on 25th April 2012.

Application forms and instructions for payment will be available on the company's website (www.tigran.se) and on Sedermera Fondkommission AB's website (www.sedermera.se) from 13th July 2011.

Note that TO3 warrants that are not used or sold by 25th April 2012 lapse and will be cleaned out of VP accounts or safe custody accounts.

Recalculation of subscription price and subscription entitlement, where applicable

The subscription price or the number of ordinary shares in the company respectively, to which the warrants give an entitlement to subscribe, may be recalculated, for example in the case of a script issue or a new share issue. In the event where recalculation comes into question, the company will publish more information via a press release on the websites of the company and of AktieTorget (www.tigran.se and www.aktietorget.se).

Questions concerning the new rights issue can be directed to:

Tigran Technologies AB (publ)
Tel.: +46 40-693 92 70, Email: info@tigran.se

Sedermera Fondkommission AB
Tel.: +46 431-47 17 00, Email: nyemission@sedermera.se

The prospectus is available in Swedish only via the company's website (www.tigran.se) and AktieTorget's website (www.aktietorget.se)

The prospectus is also available from Sedermera Fondkommission AB's website (www.sedermera.se).