



Tigran Technologies AB Year End Report

2010

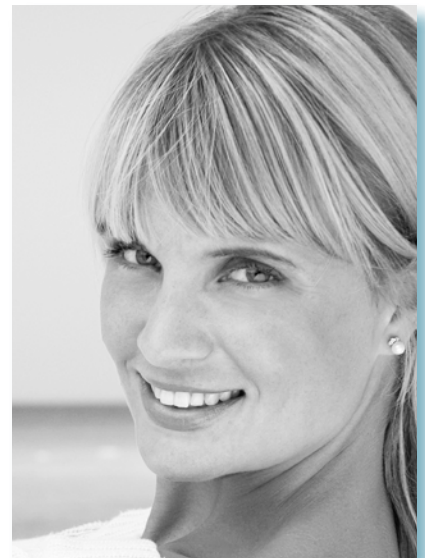
”Tigran’s method for jawbone reinforcement with titanium has been used in the treatment of approximately 6.000 patients, many with several years’ follow-up time. No reported complications.”

This is an in-house translation of the Swedish report “Bokslutskommuniké 2010”, dated February 28, 2011. In the event of any discrepancies between the Swedish and the English versions, the Swedish version shall prevail.

About Tigran Technologies

Tigran Technologies AB (publ) is a dental sales- and development company based in Sweden. Tigran offers a system for bone regeneration and implant fixation in the mouth. The technology is based on porous titanium grains acting as climbing frame for the body's bone cells in the process to rebuild jawbone in order to place and stabilize implants and prevent further bone loss. Tigran also develops instruments for an optimized treatment and increased patient comfort in dental bone regeneration procedures.

Tigran runs an extensive development program and has a number of published, submitted and on-going experimental and clinical studies. The company's products, methods and technologies are covered by a strong intellectual property portfolio. The products are CE-marked. Tigran's products are sold through selected distributors primarily in Europe and through own sales force. "Tigran" is a registered trademark of Tigran Technologies AB.



GROUP FULL YEAR 2010

- Sales amounted to MSEK 3.2
- The result for the period amounted to MSEK -21.2
- Earnings per share – average number of shares -0.07
- Earnings per share – number of shares at year-end -0.06
- Equity/assets ratio is 32.9%

FOURTH QUARTER

- Sales amounted to MSEK 0.7
- The result for the period amounted to MSEK -6.1
- Earnings per share – average number of shares SEK -0.02

PARENT COMPANY FULL YEAR 2010

- Sales amounted to MSEK 2.2 (2.4)
- The result for the period amounted to MSEK -21.3 (-22.6)
- Earnings per share – average number of shares -0.07 (-0.12)
- Earnings per share – number of shares at year-end -0.06 (-0.10)
- Equity/assets ratio is 31.7% (47%)

FOURTH QUARTER

- Sales amounted to MSEK 0.5 (0.9)
- The result for the period amounted to MSEK -6.3 (-6.4)
- Earnings per share – number of shares at year-end -0.02 (-0.03)



SIGNIFICANT EVENTS DURING THE YEAR

- Successful warrant redemption brought the Company about MSEK 20 before share issue costs
- Distribution agreements for additional markets
- Sales manager for Germany hired
- Main study within peri-implantitis submitted for publication
- The case report “Micro CT and human histological analysis of a peri-implant osseous defect grafted with porous titanium granules: A case report” accepted for publication in JOMI (The International Journal of Oral & Maxillofacial Implants)
- International multicenter studies started

SIGNIFICANT EVENTS AFTER YEAR-END

- Pre-market (510(k)) notification regarding market clearance for commercial distribution of the Company’s main product Tigran™ PTG in the USA submitted
- Regulatory approval of Tigran’s dental products in Russia
- Regulatory approval of Tigran™ Brush No 1 in South Korea
- Loan of MSEK 8.5 raised from four shareholders, due on June 30, 2011

GENERAL INFORMATION ON THE OPERATIONS

In February, a company was set up in Denmark that solely functions as a distribution company. As a consequence, as of 2010, Tigran therefore submits consolidated financial statements. Tigran’s other subsidiaries in Sweden and USA are dormant. Since the Danish company solely works with distribution, the operations of the group and the parent are described collectively under the parent company in the year end report.

Tigran’s technology focuses on bone regeneration and implant stabilization in:

- Sinus lift surgery, i.e. jawbone regeneration in connection with implant placement in the molar region. Within this application area, six year data with very good results were recently presented.
- Extraction socket filling, which involves filling the cavity of an extracted tooth with a bone regeneration material to preserve the bone that otherwise begins to resorb in about two weeks. Following the bone regeneration procedure, an implant is often placed.
- Onlay, when the bone ridge is too thin for implant placement.
- Peri-implant bony defects, an inflammatory disease around dental implants. Tigran has unique clinical evidence for the capacity of Tigran™ PTG in regenerating bone in peri-implantitis defects.

- Bony defects resulting from periodontitis (tooth loosening) – one of the most common diseases in the world. Periodontitis is an inflammatory disease that might lead to bone loss around the tooth.

DEVELOPMENT DURING THE YEAR

Scientific studies

Five year follow-up – sinus lift

A follow-up of patients from the study “Porous titanium granules used as osteoconductive material for sinus floor augmentation: a clinical pilot study” has been compiled by Associate Prof Hans Bystedt. The follow-up shows excellent long-term results for sinus lift surgery with titanium granules and immediate implant placement.

Multi-center study – sinus lift

A sinus lift multi-center study on 50 patients (Gothenburg, Copenhagen, Lund, Oslo) was during 2010 extended with one center, in Heidelberg. The study is a follow-up of Associate Prof Bystedt’s sinus lift study of 2009. An interim report is expected to be published in 2011 and the final results are estimated to come during 2012.

Case report – peri-implantitis

During fall, Dr Wohlfahrt’s case report “Micro-CT and human histological analysis of a peri-implant osseous defect grafted with porous titanium granules: A case report” was accepted for publication in JOMI (The International Journal of Oral & Maxillofacial Implants.) The case is unique in that it is the first time bone regeneration has been scientifically proven around an implant where bone has resorbed due to peri-implantitis.

Main study – peri-implantitis

Tigran’s main study on peri-implantitis, including 32 patients, was presented at the annual EAO congress in Glasgow in October. The study shows that porous titanium granules are well suited for treatment of peri-implantitis patients.

Multi-center study – peri-implantitis

A multi-center study on 60 patients with internationally well-known opinion leaders from Amsterdam, Bonn, Kristianstad, Madrid and Rome was started during 2010. The study is expected to be reported during 2012.

Pilot study – periodontitis

During the year, a pilot study in two centers (Gothenburg, Oslo) on periodontitis class II furcations was finished. The manuscript has been submitted for publication.

Experimental study – extraction sockets

A study on extraction sockets on Ireland was finished and submitted for publication through the course of the year. The study compares Tigran™ PTG with other bone regeneration materials. The study shows that Tigran’s porous titanium granules are as good or better than the market-leading bone regeneration material.

Clinical Advisory Board

The work of Tigran's clinical advisory board, comprised of some Europe's leading specialists in periodontology and maxillofacial surgery, proceeded in 2010. The board acts a consultative body of Tigran's clinical program and product development.

Regulatory Approvals

Tigran's titanium granules are CE-marked, which means they can be marketed and used within the whole EU area as well as in a number of other markets.

Product Development

The product development work continue according to plan and several new products are scheduled for launch during the coming 12-24 months.

Patents

During 2010, two new patents were registered.

Sales and Marketing

Distribution agreements for Benelux, Greece, Kazakhstan, Russia and Great Britain have been signed during the year. The Company has also hired a sales manager for the German market. Invoicing of the group increased with MSEK 0.8 compared to the previous year.

The result of the group for the year amounted to MSEK -21.2 and MSEK -21.3 (-22.6) for the parent company. The result improvement is mainly attributed to an increased invoicing.

Financial Position

Tigran's balance sheet total amounted to TSEK 5,771 for the group and TSEK 5,483 (6,865) for the parent company. The equity/assets ratio amounted to 33% for the group and 31.7% (47) for the parent company. The Company's financial position has been strengthened through a new share issue that brought in TSEK 19,824 after subscription expenses. More than half of the shareholder's equity was used up by the balance sheet day, but no control balance sheet was prepared due to surplus value in intangible assets.

Consequently, the board of Tigran has decided to evaluate different strategic alternatives in order for the Company and/or its unique products to reach its full market potential. This evaluation is in its initial stages and may in the view of the board result in either additional fund raising, a sale of the entire Company and/or its business operations or part thereof, strategic partnerships with other companies and/or changes in the ownership structure of the Company. The strategic evaluation will be focused on maximizing shareholder value. The board has appointed Danske Bank Corporate Finance to act as the Company's financial and strategic advisor in connection with the evaluation. During the evaluation, Tigran's business operations will continue as usual.

Employees

The average number of employees was 10 people (9) during the year.

Board of Directors

The annual general meeting resolved that the board shall be composed of seven directors with no deputies, whereby the board members Jan-Eric Österlund, Lars Magnus Bjursten, Maria Chambers, Stale Petter Lyngstadaas, Sven-Erik Nilsson and Anders Williamsson were re-elected and Knut Ramel was elected as new board member. Knut Ramel was also part of the Board during the period of 2000–2008.



The Share

On January 31, 2010, the redemption of warrants for series 2009/2010 in Tigran Technologies AB was closed. The issue was conducted with great interest among the shareholders and the redemption of warrants was utilized to 95%, which corresponds to a capital infusion of SEK 20,058,627 before share issue costs.

Shares and Owners as of 31.12.2010

	31.12.2010	31.12.2009
Ordinary shares	131,986,665	131,986,665
Preference shares*	205,450,829	105,157,692
Warrants 2009/ 2010 series**	0	105,759,792
Warrants 2008/ 2011 series***	1,100,000	1,100,000

*Each preference share involves a right of priority over ordinary shares in terms of the distribution of dividends by a total amount of 30 öre with an additional 15% calculated as of February 1, 2010. Dividends, after deducting the current distribution for preference shares as above, will be distributed evenly between the all of the Company's shares regardless of the type of share. In the event of the Company's dissolution or liquidation, each preference share shall have priority over ordinary shares in terms of the distribution of dividends with a total amount of 30 öre plus an additional 15% calculated as of February 1, 2010, after deducting the previous distribution for preference shares.

** 1 warrant corresponds to 1 ordinary preference share

*** 1 warrant corresponds to 1 ordinary share

Insiders, Share Ownership

	31.12.2010	31.12.2009
Jan-Eric Österlund	62,589,949	42,313,464
Sven Erik Nilsson	54,254,950	34,478,465
Knut Ramel	7,010,225	2,004,091
Anders Williamsson	5,000,004	2,500,002
Lars Magnus Bjursten	649,691	649,691
Staalet Petter Lyngstadaas	400,000	400,000
Maria Chambers	-	-
Björn Sellert	3,628,462	2,299,231
Anette Borgström	200,900	140,630
Björn Sellert closely related	5,000	5,000
Arve Nilsson	26,024,111	-
Camilla Alm Andersson	-	-

EXPECTATIONS WITH REGARD TO FUTURE DEVELOPMENTS

2011 began with regulatory approvals in Russia and South Korea, and a submitted pre-market (510(k)) notification regarding market clearance for commercial distribution in the USA. During the year, in parallel with sales of the bone reinforcing Tigran™ PTG, we will focus on development of additional products for dental surgery. These products are verified through basic studies and product launches are planned for within the coming 12-24 months.

Tigran is first to prove bone regeneration around an implant in humans. With this unique evidence and several other interesting scientific studies to be published during the coming year, we look forward to an increasing usage of Tigran's products during 2011.

Principal Owners	31.12.2010
Gilera/Cambo	34.6%
Alted/Monterro/Dirbal	10.0%
Arve Nilsson	7.7%
Oracle Opportunities	7.3%
The Bruce family including companies	5.3%
Bertil Gylling	4.0%
Weijber family	2.7%
Advanced Medical Products	2.2%
Knut Ramel	2.1%
Other Board members, management and personell	4.0%
Other	20.2%

Summary of Financial Reports

GROUP

SUMMARY OF INCOME STATEMENTS	01.01.2010 -31.12.2010	01.10.2010 -31.12.2010
(TSEK)		
Operating revenue	3,190	695
Operating expenses	-24,281	-6,748
Operating result	-21,092	-6,053
Financial items	-25	-76
Result before tax	-21,117	-6,129
Tax	-45	-
Result for the period	-21,162	-6,129

SUMMARY OF BALANCE SHEETS	31.12.2010
(TSEK)	
Assets	
Fixed Assets	87
Current Assets	5,684
Total Assets	5,771
Shareholders' Equity	1,877
Liabilities	
Long-term liabilities	0
Current liabilities	3,894
Total liabilities	3,894
Total shareholders equity and liabilities	5,771
Pledged Assets	
Assets with ownership reservation	100
Contingent liabilities	None

PARENT COMPANY

SUMMARY OF INCOME STATEMENTS	01.01.2010	01.01.2009	01.10.2010	01.10.2009
	-31.12.2010	-31.12.2009	-31.12.2010	-31.12.2009
(TSEK)				
Operating revenue	2,228	2,435	513	938
Operating expenses	-23,424	-24,876	-6,690	-7,258
Operating result	-21,196	-22,441	-6,177	-6,320
Financial items	-113	-124	-98	-70
Result before tax	-21,309	-22,565	-6,275	-6,390
Tax	-	-	-	-
Result for the period	-21,309	-22,565	6,275	6,390
SUMMARY OF BALANCE SHEETS	31.12.2010	31.12.2009		
(TSEK)				
Assets				
Fixed Assets	359	283		
Current Assets	5,124	6,582		
Total Assets	5,483	6,865		
Shareholders' Equity	1,722	3,207		
Liabilities				
Long-term liabilities	-	-		
Current liabilities	3,761	3,658		
Total liabilities	3,761	3,658		
Total shareholders equity and liabilities	5,483	6,865		
Pledged Assets				
Assets with ownership reservation	100	100		
Contingent liabilities	None	None		

PARENT COMPANY

CASH FLOW ANALYSIS	01.01.2010	01.01.2009
	-31.12.2010	-31.12.2009
(TSEK)		
Cash flow from current operations before adjustments for operating capital	-21,269	-22,295
Adjustments for operating capital	-89	-616
Cash flow from current operations	-21,358	-22,911
Cash flow from investment operations	-199	-29
Cash flow from financial operations	19,824	18,224
Cash flow for the year	-1,733	-4,716
Liquid assets at the beginning of the year	3,508	8,224
Liquid assets at year-end	1,775	3,508

Key Data

GROUP

	01.01.2010
	-31.12.2010
Operating result (TSEK)	-21,092
Result (TSEK)	-21,162
Adjusted shareholders' equity (TSEK)	1,877
Equity/assets ratio (%)	32.9
Operating margin (%)	-
Debt/equity ratio (%)	0
Return on average capital employed (%)	Neg
Return on average shareholders' equity (%)	Neg
Proportion of risk-bearing capital (%)	32.9
Interest coverage ratio (%)	Neg
Investments (TSEK)	27
Average number of employees	10
Average number of shares	325,072,587
Number of shares at year-end	337,437,494
Earnings per share – average number of shares (SEK)	-0.07
Earnings per share – number of shares at year-end (SEK)	-0.06

Key Data

PARENT COMPANY

	01.01.2010 –31.12.2010	01.01.2009 –31.12.2009
Operating result (TSEK)	-21,196	-22,441
Result (TSEK)	-21,309	-22,565
Adjusted shareholders' equity (TSEK)	1,722	3,207
Equity/assets ratio (%)	31.7	46.6
Operating margin (%)	-	-
Debt/equity ratio (%)	0	0
Return on average capital employed (%)	Neg	Neg
Return on average shareholders' equity (%)	Neg	Neg
Proportion of risk-bearing capital (%)	31.7	46.7
Interest coverage ratio (%)	Neg	Neg
Investments (TSEK)	199	29
Average number of employees	10	9
Average number of shares	325,072,587	184,264,61
Number of shares at year-end	337,437,494	237,144,357
Earnings per share – average number of shares (SEK)	-0.07	-0.12
Earnings per share – number of shares at year-end (SEK)	-0.06	-0.10

Definitions

Operating result. Result before financial items.

Result. Result after financial items and tax.

Adjusted shareholder equity. Shareholders' equity plus untaxed reserves less deferred tax.

Equity/assets ratio. Adjusted shareholders' equity as a percentage of the balance sheet total.

Operating margin. Operating result after depreciation, as a percentage of net sales for the year.

Debt/equity ratio. Interest-bearing liabilities in relation to shareholders' equity.

Return on average capital employed. Result after net financial items plus financial expenses, as a percentage of average capital employed.

Return on average shareholders' equity. Operating result (before financial income and expenses), as a percentage of average adjusted shareholders' equity.

Proportion of risk-bearing capital. Sum of shareholders' equity and deferred tax liabilities, divided by the balance sheet total.

Interest coverage ratio

Result after net financial items plus interest expenses, in relation to interest expenses

Average number of shares

Weighted average number of shares during the year.

Earnings per share (average number of shares)

Result for the year divided by the average number of shares during the year.

Earnings per share (number of shares at year-end)

Result for the year divided by the number of shares at year end.

Forthcoming Reports

Quarterly Management Report Q1 2010: May 12

Annual General Meeting and Dividends

The Annual General Meeting will be held June 16 at 5pm in Malmö. Information on the venue will be supplied with the notice of the Annual General Meeting. The Annual report will be available on May 12 on the company website www.tigran.se and on Tigran's IR page at AktieTorget www.aktietorget.se. The Board proposes no dividend payments for 2010.

These unaudited annual earning figures have not been subject to scrutiny by the company's auditors.

TIGRAN TECHNOLOGIES AB

- MEDEON SCIENCE PARK, 205 12 MALMÖ, SWEDEN
- WWW.TIGRAN.SE • INFO@TIGRAN.SE • +46 40 693 92 70