

# Tigran Technologies AB

## INTERIM REPORT 2010

The Board of Tigran Technologies AB (publ) hereby presents the interim report for the first six months of 2010.

*The numbers in this report refer to the Group's invoicing and earnings*

### 2010 Half-year

*The numbers in brackets reflect the corresponding period in 2009.*

- Net sales amounted to MSEK 2.3 (1.3)
- Earnings for the period amounted to MSEK -10.4 (-11.7)
- Earnings per share – number of shares at the end of the period SEK -0.03 (-0.05)
- Number of shares outstanding at the end of the period amounted to 337,437,494 (237,144,357)

### Second Quarter 2010

*The numbers in brackets reflect the corresponding period in 2009.*

- Net sales amounted to MSEK 0.4 (1.0)
- Earnings for the period amounted to MSEK -5.9 (-5.5)
- Earnings per share – number of shares at the end of the period SEK -0.02 (-0.02)

### Tigran Technologies in short

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 distributed through an international distribution network and through own sales force. "Tigran" is a registered trademark of Tigran Technologies AB.

Tigran's shares are listed on AktieTorget since November 20th 2008.



## CEO's statement

Tigran's sales almost doubled during the first six months of the year compared to the corresponding period last year. It is of course a satisfying development that confirms the market acceptance of Tigran's products. Ordertaking during the first quarter was very satisfying and exceeded the total sales of 2009. However, ordertaking during the second quarter was less than expected. The Company's sales is strongly dependant on the development of the dental market, which has been negatively affected by the recession lately. When patients postpone their dental health investments, it certainly influences also Tigran.

To prove the function and safety in the human body of our products, we at Tigran run clinical studies where the results of the product's function in the body is studied by dentists. These clinical studies take time. Therefore, it is very important and satisfying that several studies now have been completed and are ready for publication in scientific journals. The Company has now reached a new development phase where we notice a rapidly increasing interest among well-known opinion leaders to participate in further studies on our main product – the porous titanium granule. Leading experts within periodontology from Germany, Italy, Spain, the Netherlands and Sweden participate in the international multi-center study started in June on peri-implantitis (bone regeneration at infections around dental implants with concurrent bone loss). Furthermore, an international study on dental bone regeneration in extraction alveola (to prevent the jawbone from resorbing when a tooth has been extracted or lost) has been initiated.

We also work intensively with product development to be able to offer supplementing products in the future for treatment of patients suffering from, or at risk for being affected by, bone loss in the jaw.

With an extensive distributor network and an increasingly strong brand as a foundation, our focus during the remaining part of 2010 will be to further increase sales on our main European markets.



Björn Sellert  
CEO

## Business Operations during the Period January–June 2010

### Sales & Marketing

In the beginning of the period, Tigran entered into distribution agreements with the Benelux countries, Greece, Russia and Kazakhstan.

### The Annual General meeting

The Annual General meeting in Tigran Technologies took place on April 20th 2010. In accordance with the Board's proposal it was resolved not to pay any dividends for the 2009 financial year. 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, Staalet 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 to 2008.

The annual general meeting further resolved, in accordance with the Board's proposal, to authorize the Board for the period up until the next annual general meeting to resolve to issue new shares or warrants with or without pre-emptive rights for the shareholders. The authorization may not be utilized to a greater extent than that a total of 30,000,000 shares are issued or may be issued through the utilization of the warrants issued in accordance with the authorization.

The annual general meeting finally resolved, in accordance with the Board's proposal, to issue not more than 10,000,000 warrants to the company's wholly-owned subsidiary Tigran Technologies Sweden AB for further transfer to Tigran's managing director, the members of the management team and other existing and future employees (not more than 6,000,000 warrants) and to certain advisors and consultants engaged by the company (not more than 4,000,000 warrants).

Such transfer shall be made to the market value, calculated based on the Black & Scholes model. Each warrant entitles to subscription for one new common share in the company at a subscription price of SEK 0.30 per share up to and including 31 December 2013. The warrants have not yet been transferred by Tigran Technologies Sweden AB and are thus still owned by the subsidiary.

| <b>SUMMARIZED INCOME STATEMENT</b> | <b>01.01.2010</b>  | <b>01.01.2009</b>  | <b>01.04.2010</b>  |
|------------------------------------|--------------------|--------------------|--------------------|
|                                    | <b>-30.06.2010</b> | <b>-30.06.2009</b> | <b>-30.06.2010</b> |
| (TSEK)                             |                    |                    |                    |
| Net sales                          | 2,287              | 1,252              | 428                |
| Operating expenses                 | -12,648            | -12,930            | -6,125             |
| <b>Operating income</b>            | <b>-10,361</b>     | <b>-11,678</b>     | <b>-5,952</b>      |
| Income from financial items        | -43                | -64                | 17                 |
| <b>Income before taxes</b>         | <b>-10,403</b>     | <b>-11,742</b>     | <b>-5,935</b>      |
| Tax                                | -                  | -                  | -                  |
| <b>Income for the period</b>       | <b>-10,403</b>     | <b>-11,742</b>     | <b>-5,935</b>      |

| <b>SUMMARIZED BALANCE SHEET</b>     | <b>30.06.2010</b> | <b>30.06.2009</b> |
|-------------------------------------|-------------------|-------------------|
| (TSEK)                              |                   |                   |
| <b>Assets</b>                       |                   |                   |
| Fixed assets                        | 392               | 389               |
| Current assets                      | 16,930            | 17,861            |
| <b>Total Assets</b>                 | <b>17,322</b>     | <b>18,251</b>     |
| <b>Equity</b>                       | <b>12,788</b>     | <b>14,378</b>     |
| <b>Liabilities</b>                  |                   |                   |
| Long-term liabilities               | -                 | -                 |
| Current liabilities                 | 4,534             | 3,873             |
| <b>Total Liabilities</b>            | <b>4,534</b>      | <b>3,873</b>      |
| <b>Total Equity and Liabilities</b> | <b>17,322</b>     | <b>18,251</b>     |
| <b>Pledged assets</b>               |                   |                   |
| Asset with retention of title       | 100               | 100               |
| <b>Contingent liabilities</b>       | <b>None</b>       | <b>None</b>       |

## Shares and owners

| Shares and warrants          | 30.06.2010  | 31.12.2009  | 30.06.2009  |
|------------------------------|-------------|-------------|-------------|
| Ordinary shares              | 131,986,665 | 131,986,665 | 131,384,565 |
| Preference shares*           | 205,450,829 | 105,157,692 | 105,759,792 |
| Warrants 2009/2010 series**  | 0           | 105,579,792 | 105,579,792 |
| Warrants 2008/2011 series*** | 1,100,000   | 1,100,000   | 1,100,000   |

\* Each and every preference share shall provide entitlement to dividends before ordinary shares with amount of SEK 0.30 plus an additional 15% calculated as of 1 February 2010. Dividends, after deducting the current distribution for preference shares as above, will be distributed evenly between 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 SEK 0.30 plus an additional 15% calculated as of 1 February 2010, after deducting the previous distribution for preference shares.

\*\* 1 warrant corresponds to 1 preference share

\*\*\* 1 warrant corresponds to 1 ordinary share

| Principal owners          | 30.06.2010 | 31.03.2010 |
|---------------------------|------------|------------|
| Gilera/Cambo              | 34.6%      | 34.6%      |
| Alted/Monterro/Dirbal     | 10.0%      | 9.8%       |
| Arve Nilsson              | 7.7%       | 7.2%       |
| Oracle Opportunities      | 7.3%       | 7.3%       |
| Bruce Family              | 5.3%       | 5.3%       |
| Bertil Gylling            | 4.0%       | 4.0%       |
| Weijber Family            | 2.7%       | 2.7%       |
| Advanced Medical Products | 2.2%       | 2.2%       |
| Knut Ramel                | 2.1%       | 2.1%       |
| Other Board and employees | 4.1%       | 4.1%       |
| Others                    | 20.0%      | 20.8%      |

## Significant Events Following Year-End

**Clinical and Experimental Studies**

The Case report "Micro CT and human histological analysis of a peri- implant osseous defect grafted with porous titanium granules- a case " has been accepted for publication in International Journal of Oral & Maxillofacial Implants (JOMI).

**Audit**

This interim report has not been reviewed by the Company's auditors.

**Future reports**

The Management Report for the third quarter of 2010 will be submitted on November 23, 2010.

## TIGRAN TECHNOLOGIES AB

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# Tigran