



# INVENT MEDIC SWEDEN

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Interim report  
Q1 2020

# Summary of the interim report

*Oversubscribed share issue of 29.8 MSEK and cost coverage approval for Efemia in Norway and the Netherlands*

## FIRST QUARTER (January–March 2020)

- The company's sales amounted to 402 (117) KSEK.
- Other operating income amounted to 4,034 (3,090) KSEK.
- Result after tax amounted to -3,699 (-2,973) KSEK.
- Result per share amounted to -0.34 (-0.29) SEK.
- Cash and cash equivalents at the end of the period amounted to 24,273 (9,651) KSEK.

## Results in brief

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Sales income	402	117	620	41
Other operating income	1	0	0	444
Operating costs	-4,034	-3,090	-13,357	-9,795
Result for the period	-3,699	-2,973	-12,743	-9,311

## CEO summary and important events

### CEO Karin Bryder summarizes the quarter

The financing of Invent Medic's continued expansion with the company's first product Efemia bladder support in Europe and the United States was secured in Q1 2020 through a share issue of 29.8 MSEK that was subscribed to over 160 percent. At the same time, we achieved a much larger outreach for Efemia after the launches in several European markets in late 2019 and the beginning of 2020, with a substantial increase in potential users and addressable healthcare systems. We also announced that Efemia was approved for prescription with cost coverage in Norway and the Netherlands, and we believe that there is a good chance to achieve a corresponding status in more markets going forward. Additionally, we signed a framework agreement with Region Värmland in Sweden for the delivery of Efemia based on the result from their public procurement. From the end of the quarter, the sales of Efemia have been negatively affected by the Covid-19 pandemic. The damage was however limited due to the increase in possible users and a large share of digital sales.

### Important events during the first quarter of 2020

- **On January 16, it was announced that Invent Medic will conduct a new share issue in order to finance the company's accelerated market expansion.** The proceeds from the share issue and the attached free subscription warrants amount to approx. 44.7 MSEK (before issuing costs). The aim of the share issue is to finance accelerated marketing activities for the company's product Efemia.
- **On January 30, it was announced that Invent Medic publishes prospectus and information about investor meetings.**
- **On February 6, it was announced that Invent Medic's product Efemia bladder support has been approved for subscription with reimbursement in Norway.** The company's first product Efemia Bladder Support has been approved for subscription with reimbursement in Norway from April 1, 2020. Up until today, Efemia is also approved for subscription in the regions Västra Götaland and Jämtland/Härjedalen in Sweden and 21 municipalities in Denmark including Copenhagen. The company's work to establish the product in the country will be facilitated as urologists, gynaecologists and other healthcare professionals will be able to subscribe the product to their patients who will receive reimbursement for the cost.
- **On February 11, it was announced that Invent Medic publishes share issue page on its website dedicated to collect information on the company's preferential share issue with subscription period February 13-27 2020.**
- **On February 17, it was announced that Invent Medic signs a framework agreement for Efemia bladder support with Region Värmland in Sweden after a completed public procurement.** The agreement comes into effect on May 1, 2020, and it is valid for two years with an option for the region to extend it with up to an additional two years. This is Invent Medic's first delivery agreement based on a public procurement, and it is thus an important step towards the company's goal to sign agreements for Efemia with all public healthcare regions in Sweden. It also provides a good indication on the product's competitiveness in preparation for expected equivalent public procurement processes in larger European countries such as the UK and Germany.



## CEO summary and important events cont.

- On February 21, it was announced that Invent Medic's product Efemia bladder support has been approved for subscription with reimbursement in the Netherlands from February 2020. Efemia has already received an equivalent approval in Norway, and the product is also approved for subscription in three Swedish healthcare regions (of which framework agreement in one region) and 21 municipalities in Denmark. Efemia was introduced in the Netherlands by the distributor Pelvitec in November 2019 at a conference for nurses specialized in stress urinary incontinence (SUI). The product is available for purchase in the country from Q1 2020.

- On February 27, it was announced that Invent Medic's new share issue was subscribed at approx. 162 percent. Through the share issue, the company raised 29,8 MSEK before issuing costs. The proceeds from the share issue and the attached subscription warrants with exercise period in March 2021 is mainly to be used for the financing of an accelerated international market launch of the company's product Efemia bladder support.

- On March 30, Invent Medic announced that the company started 2020 in a positive manner despite delayed activities due to the corona virus (Covid-19). It was also announced that the company expects its sales for Q1 to be in line with Q4 2019, the company's strongest quarter to date. This is despite the fact that the coronavirus pandemic had a relatively immediate impact on the company's distributors in the form of reduced opportunities to conduct market activities on-site. However, the production and deliveries of Efemia have not been significantly affected.

### Important events after the end of the period

- On April 14, the company published its annual report for 2019 and other material to be used in preparation for the company's annual general meeting on May 5, 2020 in Lund, Sweden.

## A word from our CEO Karin Bryder

### Financing secured for the next phase of our international market expansion

**D**uring the quarter we completed an oversubscribed share issue of 29.8 MSEK, thus securing the financing of our ambitious expansion plan in Europe and the United States.

For Invent Medic's management and board, the first quarter of the year was dominated by preparing and conducting our successful share issue. It was inspiring to meet shareholders and other persons interested in Invent Medic in both Sweden and Denmark, and we were of course thrilled by the strong response leading to a subscription rate of more than 160 percent.

With the proceeds from the share issue, we now have the financial strength required to establish our first product Efemia bladder support in additional markets in Europe and in the United States. Our preparations for this continue at a high pace, even though we now have to rely on digital meetings and communication channels due to the extensive Coronavirus-related restrictions. Our successful market launches of Efemia in Europe, specifically in the UK and Germany, has clearly created a stronger interest in the product.

Our launches in these and other markets in the end of 2019 and the beginning of 2020 has also lead to a several times larger outreach for Efemia, both when it comes to the number of possible users and the number and size of the healthcare systems in Europe that we are now able to interact with. During the quarter we announced that Efemia has been approved for prescription with cost coverage in both Norway and the Netherlands, and there is a good chance of achieving a similar status in additional markets going forward. We were also able to sign a framework agreement for the delivery of Efemia with region Värmland during the period based on the result from their completed public procurement.

In late Q1 and after the end of the period, we have noticed lower demand for Efemia from our international partners as they are currently not able to market the product in an optimal way. Restrictions covering social activities, and in some cases even for outdoor activities, may also have a negative impact as many women are using Efemia for these types of activities. At the same time, our manufacturing and delivery chain is still working well, and Efemia is to a large extent sold via digital channels. Thanks to this we are handling the current situation relatively well, and we mainly see this period as a temporary pause for the expected continued Efemia sales growth.



As Invent Medic has a strong financial position, combined with the fact that the demand for Efemia has never been higher, we see a very promising future for the company. We continue to prepare for continued expansion in Europe and the United States, and our process for evaluation and developing additional Invent Medic products is of course also progressing. Our goal for the year to present at least one new product that is in the late stages of its development is still valid.

Finally, I would like to once again thank all new and old shareholders that participated in our share issue. Together, we will now be able to continue to contribute to increased freedom and quality of life for a large and growing number of women with SUI in the Nordics, Europe and hopefully soon also the United States and the world. They are definitely worth it. I also sincerely hope that we will be able to soon leave the Covid-19 pandemic behind us, and return to enjoying the warmth of the sun with our nearest and dearest without having to keep our distance and using elbow greetings instead of hugs.



Karin Bryder, CEO Invent Medic Sweden AB

Lund, May 5, 2020



## Business activities

### Vision and business activities

*Invent Medic's vision is to offer new and innovative products to women with the aim to improve their health and quality of life. The product portfolio shall include safe, effective and dependable products that are easy to use in everyday life.*

The first CE approved medical technology product from Invent Medic, Efemia, was launched during the fall of 2018. Efemia targets the millions of women around the world that are being limited in their everyday life by stress incontinence (SUI). SUI is defined as involuntary urinary leakage when experiencing increased abdominal pressure. The product has in clinical studies proved to be as effective as a surgical procedure without requiring any operation. Efemia is easy to carry around and can be used when needed. In Sweden, Efemia is offered directly to consumers via the company's online store, [www.efemia.se](http://www.efemia.se), and online through Sweden's two largest pharmacy chains, Apoteket AB and Apotek Hjärtat. In Denmark, consumers can purchase Efemia in stores and on [propsandpearls.com](http://propsandpearls.com), and in Q4 2019 the product was launched also in Norway, Germany and the UK with regional distributors Quintet, Arteriomed and AGH. In Q1 2020, Efemia is launched in the Netherlands and Belgium with the distributor Pelvitec. Discussions are ongoing with additional entities, both in Sweden and internationally.

### Business model

Invent Medic can develop products and services with no or low licensing costs to the immaterial rights owners by utilising internal development or acquisition of immaterial rights. In line with this strategy, the company owns all immaterial rights to Efemia, and the sales work can therefore be done efficiently, either independently or through licensing.

In 2018, Efemia was launched and sales activities in Sweden were initiated. In 2019, the company intensified its marketing and sales activities on its home market Sweden with the aim to increase the demand from both consumers and health care entities. The process to launch the product in the rest of Europe and thereafter in the USA, through distributors or via license agreements, is ongoing at the same time as the activities in Sweden.

When selling via external entities in the healthcare and women's health space, including pharmacies, Invent Medic functions as a distributor with its own warehousing. Price levels and other terms are negotiated separately with each entity, and



the product can be included in their existing marketing activities. Thanks to procured, flexible manufacturing capacity, the company is able to minimise its warehousing costs. Important professional categories within healthcare to contact include urotherapists, midwives, gynaecologists and urologists, and the company will focus on reaching them via industry events and personal meetings to build relations, trust and knowledge about the product. If an entity does not want to set up its own sales operation, the personnel can recommend the company's online store instead.

When Invent Medic sell the product directly to consumers via its online store, the company receives all the revenue, but at same time there are additional running costs as well as customer service and marketing costs. Efemia is marketed in channels including social media as well as activities that caters to women's health.

## Business activities

### Market estimate and economic potential

Around 50 million women globally suffer from stress incontinence according to the company's estimation, which means that the potential market for a non-surgical aid like Efemia is substantial. The target group consists of women who are having problems but for different reasons are not able to or do not want to undergo surgery, and those who are waiting for an operation.

Today, around 400,000 women (in the ages 45-75 years) in Sweden are using some kind of protection against urine leakage and thereby potential regular users. According to the company's assessment, the main target group are women who are having daily or weekly problems, which are around 300,000 women in Sweden. During regular use, the product should be replaced every three months, which means that a user needs four units per year.

### Clinical studies and post-launch study

In a randomized, controlled multi-center study with 97 women, Efemia was shown to reduce urinary leakage with 77% on average. The study was coordinated by Aino Fianu Jonasson (senior scientist at Karolinska University Hospital).

The results from a follow-up study to the clinical study was presented in April 2019. 75% of the participants stated that Efemia improved their quality of life, and 68% stated that they will use the product after the end of the study. The results were presented at the end of April 2019.

In a post-launch study with Efemia bladder support that was conducted together with Aller Media, Sweden's largest publisher of popular journals, 83% of the participants stated that Efemia made their everyday life easier.

During the year, two studies were conducted with women with an average age under 40 years and active in either gym or crossfit training. When these women used Efemia during training, all of them (100%) stated that they were helped with their stress urinary incontinence. 18 of 21 participants stated that they will continue to use Efemia.

### Existing and future development projects

Invent Medic sees significant value-creating potential in including additional products in the company's portfolio over the next few years.

Invent Medic is looking into possibilities to develop new innovative women's health solutions on its own. These solutions are to give women opportunity to live an active life on their own terms, just like Efemia. With that said, we are also evaluating external products that are in an advanced development stage so that they can be taken to market in a time and cost-effective manner. This type of product acquisition could create substantial value for the inventor and Invent Medic by utilising the manufacturing and distribution chain, as well as the brand awareness, that is now being created.

## Business activities

### Patent strategy

Invent Medic's main strategy is to own all immaterial rights for the products offered by the company, including patents, brands and design protection. This creates maximum flexibility when negotiating with potential distributors and license partners, while Invent Medic can avoid ongoing licensing fees.

At present, the portfolio includes all rights to the company's first product, Efemia bladder support. Invent Medic is thus not dependent

on patents owned by any third party, licenses, industrial, commercial or financial contracts or new manufacturing processes to be able to implement the planned successive global market launch of the product.

A gradual increase in the number of patents and the regions covered by the patents is expected over time as the product range and Invent Medic's geographical scope become more extensive.

### Intellectual property

Type of right	Case number	Status	Period of validity
Patent – vaginal product			
Europe <sup>1</sup>	2376020	Approved	2029-12-17
USA	9,445,882	Approved	2030-12-29
USA	10,238,479	Approved	2030-12-29
Patent – vaginal product 2			
Sweden – priority application	1850402-7	In progress	
PCT/EP	PCT/EP2019/059357	In progress	
Design – vaginal plug			
Australia	201816052	Approved	2028-10-10
Canada	183988	In progress	
China	201830565149.3	Approved	2028-10-10
EU	005230521	Published	2043-04-11
Japan	2018-022275	Approved	2039-05-10
South Korea	30-2018-0046675	Approved	2038-10-11
Russia	2018504391	Approved	2023-10-10
USA	29666186	In progress	
Brand - Efemia			
EU	017994075	Registered	2028-02-12
Norway	201816224	In progress	

1) Validated in Switzerland, Germany, Denmark, Estonia, Spain, Finland, France, UK, Greece, Croatia, Hungary, Ireland, Iceland, Italy, Lithuania, Latvia, Netherlands, Norway, Poland, Portugal, Sweden and Slovenia.



## Development during the period

### Income and results from business activities

Up until September 2018, Invent Medic was a development company and did not generate any income from sales activities. From October 2018, Invent Medic is a commercial company with sales activities. The sales income for the first quarter amounted to 402 (117) KSEK and the net result amounted to -3,699 (-2,973) KSEK.

### Cash flow

Cash and cash equivalents at the end of the period amounted to 24,273 (9,651) KSEK. The cash flow from the operating activities during the first quarter amounted to -3,811 (-3,199) KSEK.

*Numbers in parentheses are from the corresponding period last year.*

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Cash flow, operating activities	-3,811	-3,199	-11,506	-9,976
Cash flow, investment activities	-6	-39	-277	-924
Cash flow, financing activities	25,485	0	1,500	17,762
Cash flow for the period	21,668	-3,238	-10,283	6,862
Cash and cash equivalents, opening balance	2,606	12,889	12,889	6,027
Cash and cash equivalents, closing balance	24,273	9,651	2,606	12,889

### Assets

Invent Medic's assets consist of patents, development costs and production tools as shown in the table below.

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Capitalised development expenses	0	0	0	427
Patent, brand	6	39	277	495
Equipment and furnishing	0	0	0	429
Total investments	6	39	277	1,351

## Development during the period

### Equity

The tables below show information regarding Invent Medic's equity. The company's equity per 31 March, 2020 amounted to 23,997 (13,481) KSEK, of which share capital amounted to 1,473 (1,031) KSEK.

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Equity at the beginning of the period	3,711	16,454	16,454	8,003
New share issue	29,829	0	0	19,334
Issuing costs	-5,844	0	0	-1,572
Result for the period	-3,699	-2,973	-12,743	-9,311
Amount at the end of the period	23,997	13,481	3,711	16,454
Earnings per share, SEK	-0.34	-0.29	-1.23	-0.94

### Personnel and organisation

Invent Medic's organisation consists of six employees including the CEO. Invent Medic is managed in a virtual organisation model where the hired employees have the core competence while additional competence that is required during specific circumstances is acquired through consultants. During the development of the company, additional core competence will be included by hiring additional employees in the company when needed.

### The Share

The result after tax divided by the number of shares at the end of the report period amounts to -0.34 (-0.29) SEK. Invent Medic has around 2,000 shareholders.

	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Average number of shares	10,802,448	10,311,428	10,311,428	9,881,785
Result per share, SEK	-0.34	-0.29	-1.23	-0.94

	Number of shares	Quota value per share
Number/value at the start of the year	10,311,428	0.1
Number/value 2020-03-31	14,730,608	0.1

## Development during the period

### Accounting principles for the interim report

For the interim report, Invent Medic applies the accounting principles of the Swedish Annual Accounts Act and the Swedish Accounting Standards Board (BFN) general rules. More information on additional accounting principles used can be found in the company's annual report for the period 2019-01-01 – 2019-12-31.

### Auditor review

The interim report has not been reviewed by the company's auditor.

### Risks and uncertainties

Apart from the general uncertainties related to market launches and sales growth, there are no known tendencies, uncertainties, potential factors or other demands, commitments or events that is expected to have a substantial impact on the company's outlook.

### Affirmation by the board

The board and the CEO assure that this interim report gives a true and fair view of Invent Medic's operations, financial position and performance and that it describes the important risks and uncertainties that the company is subject to.

LUND, MAY 5, 2020

THE BOARD OF INVENT MEDIC SWEDEN AB

Lars Persson | Helena Liljedahl | Lars Wilander

Gun-Britt Fransson | Johan Wennerholm

# Financial statements

## Income statement

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Sales	402	117	620	41
Additional operating income	1	0	0	17
Work performed by the company for its own use and capitalized	0	0	0	427
Total operating income	403	117	620	485
Goods for resale	-114	-18	-151	-16
Additional external costs	-1,870	-1,208	-5,199	-4,339
Personnel costs	-1,900	-1,715	-7,406	-5,179
Depreciation	-149	-149	-596	-170
Additional operating expenses	-1	0	-5	-91
Total operating expenses	-4,034	-3,090	-13,357	-9,795
Operating result	-3,631	-2,973	-12,737	-9,310
Result from financial items	-68	0	-6	-1
Result before tax	-3,699	-2,973	-12,743	-9,311
Result for the period	-3,699	-2,973	-12,743	-9,311

## Balance sheet

KSEK	2020-03-31	2019-03-31	2019-12-31
ASSETS			
Intangible fixed assets			
Development costs	1,373	1,765	1,471
Patents and brands	1,795	1,668	1,818
Total intangible fixed assets	3,168	3,433	3,289
Furnishings and equipment			
	300	386	322
Total tangible fixed assets	300	386	322
Total fixed assets	3,468	3,819	3,611
Total current assets			
Inventory	577	535	538
Current receivables	1,258	789	859
Cash and bank	24,273	9,651	2,606
Total current assets	26,108	10,975	4,003
TOTAL ASSETS	29,576	14,794	7,614

## Financial statements

EQUITY AND LIABILITIES	2020-03-31	2019-03-31	2019-12-31
Equity	23,997	13,481	3,711
Long-term liabilities	3,000	0	1,500
Current liabilities	2,579	1,313	2,403
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,576</b>	<b>14,794</b>	<b>7,614</b>

## Cash flow analysis

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Cash flow, operating activities	-3,811	-3,199	-11,506	-9,976
Cash flow, investment activities	-6	-39	-277	-924
Cash flow, financing activities	25,485	0	1,500	17,762
<b>Cash flow for the period</b>	<b>21,668</b>	<b>-3,238</b>	<b>-10,283</b>	<b>6,862</b>

## Changes in equity

KSEK	2020 Jan–March	2019 Jan–March	2019 Jan–Dec	2018 Jan–Dec
Equity at the start of the period	3,711	16,454	16,454	8,003
New share issue	29,829	0	0	19,334
Issuing costs	-5,844	0	0	-1,572
Result for the period	-3,699	-2,973	-12,743	-9,311
<b>Amount at the end of the period</b>	<b>23,997</b>	<b>13,481</b>	<b>3,711</b>	<b>16,454</b>

## Financial ratios

KSEK	2020-03-31	2019-03-31	2019-12-31
Working capital <sup>1</sup> , KSEK	23,528	9,662	1,600
Cash liquidity <sup>2</sup> , %	990%	795%	144%
Solidity <sup>3</sup> , %	81%	91%	49%
Debt-to-equity <sup>4</sup> , %	13%	0%	40%
Number of employees	6	6	6

<sup>1</sup> Total current assets minus current liabilities

<sup>2</sup> Total current assets excluding inventory in percent of current liabilities

<sup>3</sup> Equity in percent of the balance sheet total

<sup>4</sup> Interest bearing liabilities in percent of equity



## Upcoming financial information and events

Invent Medic's AGM | 2020-05-05  
Interim report Q2 2020 | 2020-08-25  
Interim report Q3 2020 | 2020-10-27

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# INVENT MEDIC SWEDEN