



# INVENT MEDIC SWEDEN

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Year-end report  
Q4 2020

# Summary of the year-end report

## Eventful ending to a challenging year with progress in the Nordics, Europe and the United States

### TWELVE MONTHS (January – December 2020)

- The company's sales amounted to 1,517 (620) KSEK.
- Other operating income amounted to 30 (0) KSEK.
- Operating costs amounted to 16,941 (13,357) KSEK.
- Result before and after tax amounted to -15,643 (-12,743) KSEK.
- Result per share amounted to -1.12 (-1.23) SEK.
- Cash and cash equivalents at the end of the period amounted to 10,899 KSEK.
- The board and the CEO propose that no dividend be paid for the financial year 2020-01-01 - 2020-12-31.

### FOURTH QUARTER (October – December 2020)

- The company's sales amounted to 356 (372) KSEK.
- Other operating income amounted to 17 (0) KSEK.
- Operating costs amounted to 4,909 (4,150) KSEK.
- Result before and after tax amounted to -4,593 (-3,783) KSEK.
- Result per share amounted to -0.31 (-0.37) SEK.

### Results in brief

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Sales income	356	372	1,517	620
Other operating income	17	0	30	0
Operating costs	-4,909	-4,150	-16,941	-13,357
Result for the period	-4,593	-3,783	-15,643	-12,743

## CEO summary and important events

### CEO Karin Bryder summarizes the quarter

- In the fourth quarter, Efemia bladder support was included in the German healthcare system's list of cost reimbursement approved medical products, a distribution agreement was signed for Spain, an application for market registration of Efemia in the US was completed for final review and a holistic menstrual cup project was included in our product pipeline. We thus ended 2020 at a high pace when it comes to creating the fundamental structure of Invent Medic, the whole way from product development and production/logistics to commercialisation including an international network with selected distributors who share our commitment for innovation and women's health. Despite all of this progress, 2020 still feels like a year that we gladly leave behind us together with the pandemic, which put most of the planned healthcare in Europe on hold. In comparison to all of the human and economic tragedies as a consequence of the pandemic, our challenges are easy to bear, but we would at the same time have really liked to see our distributors follow through on their ambitious growth strategies that were ready to go in the beginning of 2020.

### Important events during the fourth quarter of 2020

- On October 2, it was announced that Invent Medic Sweden AB is giving its product Efemia bladder support to women queueing for a stress urinary incontinence operation. The "Få stöd i kön" campaign is aimed at women waiting for stress urinary incontinence surgery. The healthcare is seeing extraordinary long queues for surgery appointments due to the ongoing Covid-19 pandemic, as many planned operations have been postponed. This includes surgery for stress urinary incontinence, with longer waiting times for women keen to not having to be troubled by urine leakage. With this campaign, the company is hoping to facilitate everyday life for women queueing for operations such as TVT surgery.

- On October 4, Invent Medic announced the inclusion of the company's product Efemia bladder support on the list of medicinal products eligible for reimbursement in Germany. The distributor Arteriomed GmbH has received the information from 'The National Association of Health Insurance Funds GKV' that Invent Medic's first product Efemia bladder support will be included on the insurance companies' list of medicinal products eligible for reimbursement on October 15, 2020. The inclusion of Efemia on the list of medicinal products eligible for reimbursement will entitle patients receiving the product to reimbursement from the healthcare system, in accordance with federal regulations in Germany.

- On October 22, Invent Medic announced the appointment of EMERGO by UL as its US representative in FDA-related matters, including the company's upcoming application for market registration of Efemia bladder support. Invent Medic is planning to submit a 510(k) application for Efemia to the FDA in 2020. A 510(k) approval grants the right to market the product in the United States. This process has taken a further step forward as Invent Medic has now signed an agreement with EMERGO by UL, which will represent the company during the application process.

- On November 23, it was announced that Invent Medic is extending its product pipeline through an acquisition of a holistic menstrual cup concept. The company has acquired the rights to a holistic menstrual cup project, which has been developed by the Norwegian industrial designer Line Irene Andersen. The company is now aiming to finalise a first menstrual cup and applicator in preparation of an estimated market introduction during the second half of 2021. The company estimates to be able to complete these products within its existing financial planning. By extending its product portfolio, Invent Medic is able to utilise the sales network created for the product Efemia bladder support. The network is currently covering the Nordic countries as well as Belgium, the Netherlands, the UK and Germany.

## CEO summary and important events, cont.

- **On December 1, it was announced that Invent Medic is strengthening its market and sales team.** A recruitment process for the new positions Growth Marketing Manager and Customer Success Manager has been initiated. The aim of both positions is to strengthen the company's market and sales organisation in the reseller, distributor and consumer markets.

- **On December 14, it was announced that Invent Medic's product Efemia bladder support will be launched in Spain with the regional partner En Suelo Firme.** The company has signed a distribution agreement with Madrid-based En Suelo Firme, which is focusing on offering pelvic floor health products to Spanish-speaking women in Europe. En Suelo Firme has a strong presence in social media with over 250,000 followers and over 4 million visitors on its website each year.

With the distribution agreement for Spain, Invent Medic expands its Efemia outreach to eight European markets. The company is reaching healthcare entities and users in Sweden, Norway, Denmark, the UK, Germany, the Netherlands and Belgium via previously signed agreements. Invent Medic will also apply for FDA registration of Efemia in the United States in the near future.

Efemia is expected to become available for users in Spain from the first quarter of 2021. Around 4.6 million women in Spain are estimated to use some kind of protection against urine leakage and are therefore potential Efemia users. En Suelo Firme holds several exclusive or official distribution agreements for leading products in pelvic floor health, and it is targeting healthcare specialists as well as the direct-to-user market.

### Important events after the end of the period

- **On January 29, it was announced that Invent Medic signs a framework agreement for Efemia bladder support with Region Östergötland and extends its agreement with Västra Götalandsregionen, both healthcare regions in Sweden.** The company has signed a framework agreement for delivery of the product Efemia bladder support to Region Östergötland after a completed public procurement process. The agreement is valid for two years, with an option for the region to extend the agreement with up to two years. Invent Medic is also announcing that Västra Götalandsregionen has decided to extend the framework agreement for the delivery of Efemia with one year in accordance with the terms of the agreement.

- **On February 1, it was announced that the company recruits Klara Rasmusson and Jonatan Sanchez Hallén to the new positions Customer Success Manager and Growth Marketing Manager.** Both positions came into effect on February 1, 2021 as a part of Invent Medic's strong focus on increasing growth in 2021.

- **On February 4, it was announced that Invent Medic's menstrual cup project is now entering its next phase.** A refined prototype will be tested by several women. An invitation to become a member of the testing panel is published in the Efemia brand's social media channels.

## A word from our CEO Karin Bryder

### Eventful ending to a challenging year with progress in the Nordics, Europe and the United States

*In the fourth quarter, Efemia bladder support was included in the German healthcare system's list of cost reimbursement approved medical products, a distribution agreement was signed for Spain and an application for market registration of Efemia in the US was completed and sent to our regulatory partner for final review. We also included a holistic menstrual cup project in our product pipeline.*

We thus ended 2020 at a high pace when it comes to creating the fundamental structure of Invent Medic, the whole way from product development and production/logistics to commercialisation including an international network with selected distributors who share our commitment for innovation and women's health.

Within this area, we have really delivered in line with our ambition in 2020. We extended our outreach to eight European markets including the UK and Germany, while at the same time strengthening our position in the Nordic region by signing agreements with healthcare regions and leading pharmaceutical chains. We did not fully reach our goal to submit an application for market approval of Efemia bladder support in the United States to the FDA, but the application is completed and is now going through a final review by our regulatory partner EMERGO with the intent to submit it as soon as possible.

Despite all of this progress, 2020 still feels like a year that we gladly leave behind us together with the pandemic, which put most of the planned healthcare in Europe on hold. In comparison to all of the human and economic tragedies as a consequence of the pandemic, our challenges are easy to bear, but we would at the same time have really liked to see our distributors follow through on their ambitious growth strategies that were ready to go in the beginning of 2020. Instead, they had to significantly scale down their efforts during the majority of the year. Despite this, we can see that Invent Medic's net sales grew from 620 KSEK to 1,517 KSEK in 2020, corresponding to an increase of approx. 140%. The contribution margin, i.e. net sales after direct production costs, was over 70% which is very encouraging. Our net sales is mainly coming from Sweden and Norway, and it is clear that the product is now starting to become well-received in the Nordics with many recurring customers. We are noticing that women are continuing to use Efemia bladder support, and that prescribers are recommending it more often.

Since the end of 2020, we are also noticing that our distributors in other countries, such as Germany and the UK, are increasing their activities. They are now once again starting to utilise activities to promote growth in preparation for an expected normalisation of the market. This feels exciting, and we are convinced that Efemia bladder support will receive a warm welcome here just like in the Nordics when given a realistic opportunity. Digital meetings and events are still the norm, and the latest one in the UK was aimed at physiotherapists. At this event, we were thrilled to



see physiotherapist and comedian Elaine Miller present Efemia to her British colleagues.

During the rest of 2021, it will also be interesting to deepen our collaboration with our Spanish distributor En Suelo Firme, which we signed an agreement with in late 2020. They have a very ambitious focus on social media, and we expect them to reach out with Efemia bladder support to Spanish speaking women in both Spain and the rest of Europe.

Going forward, we are also planning to launch a lot of activities related to our new menstrual cup project, which was acquired from the industrial designer Line Andersen in 2020, including the start of a user study in Q1 2021. The recruitment for the study started in the beginning of February, and we noticed a very strong interest after just a few hours.

Even though our growth plan has been pushed forward at least one year, I am fully convinced that we will reap great benefits also from a net sales perspective when the pandemic subsides. We have collected valuable knowledge on how to reach out with Efemia to different groups of women and caregivers in 2020, and this will be of great use for our whole product portfolio in 2021 and beyond.

A handwritten signature in dark ink, reading 'Karin Bryder'.

Karin Bryder, CEO Invent Medic Sweden AB

Lund, February 11, 2021



## Business activities

### Vision

*For women – throughout life.*

### Business model

*Invent Medic provides 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.*

Invent Medic develops 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 bladder support and menstrual cup. The sales and possible out-licensing of existing and future products can thus be conducted in an effective manner on Invent Medic's own terms.

Invent Medic owns the brand Efemia, which represents the company's first product series with a focus on intimate care products. In addition to this, Invent Medic owns other brands which can be used to future product series focusing on other women's health-related areas.

In Sweden, Invent Medic provides its products through its own online store, resellers and when relevant through the public healthcare system via public procurement contracts. In the rest of the world, the company utilises distributors via regional distribution agreements.

### Business activities

#### **Efemia – Efemia bladder support**

The first Efemia-branded product, Efemia bladder support, is a CE-marked medical technology product which was introduced in the market during the fall of 2018. Efemia bladder support targets the millions of women around the world that are being limited in their everyday life by stress incontinence (urine leakage). The product has been proven to be effective and easy to use in clinical studies and post-launch studies. In Sweden, Efemia bladder support is offered directly to users via the company's online store, [www.efemia.se](http://www.efemia.se), and online through the pharmacy chains Apoteket AB, Apotek Hjärtat, Kronans Apotek and Apotea. Invent Medic has also signed five framework agreements which together cover seven healthcare regions in Sweden.



In Denmark, the product is available via the distributor Props and Pearls, and it can be purchased in their online store and at a physical store in Copenhagen. Quintet is Invent Medic's distributor in Norway, offering the product via their own online store while also collaborating closely with the public healthcare, which has included Efemia bladder support in its program for cost reduction. The product can also be prescribed.

The possibility for women to purchase Efemia bladder support at a reduced price through the public healthcare system is available also in the UK and the Netherlands. The product is provided by the respective distributors AGH and Pelvitech in these countries, while Pelvitech is also the distributor for Belgium. In Germany, Invent Medic has signed an agreement with the distributor Arteriomed, which has its own online store in addition to collaborating with the public healthcare system. The product is registered at NHS England as a cost-reduced aid. En Suelo Firme is the distributor for Spain, focusing on marketing and sales directly to consumers via its own online store.

## Business activities

### **Efemia – Efemia menstrual cup**

Invent Medic acquired a menstrual cup concept from the industrial designer Line Andersen in 2020. This second product in Invent Medic's product portfolio is under development, and a market introduction is estimated to be conducted in the second half of 2021.

### **Development**

Invent Medic is continuously evaluating possibilities to develop new and innovative women's health solutions on its own. These solutions shall give women an opportunity to live an active life on their own terms. With this said, external products under development that are so far along in their development process that they can be taken to market in a time and cost-effective manner are also evaluated.



## Market estimates

### **Efemia bladder support**

Globally, around 50 million women experience symptoms connected to stress incontinence according to the company's estimation. This means that there is a substantial potential market for a non-surgical aid like Efemia. 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 730 000 women (in the ages 20-80 years) in Sweden are using some kind of protection against urine leakage and are thereby potential regular users. According to the company's assessment, the main target group is women who are having daily or weekly problems, which is around 300,000 women in Sweden. This number can be extrapolated to all countries in the world as no difference in frequency for stress urinary incontinence has been detected between different countries.

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 result from follow-up-studies shows that Efemia bladder support is well received by new users. More than 75% state that they will continue to use the product, and over 85% that they will recommend it to others.

### **Efemia menstrual cup**

The market for menstrual cups has increased significantly in recent years. Despite this, less than 20% of menstruating women use a menstrual cup. However, surveys show that a large share of them would like to do so if they could find a product that feels easy to use and safe. In Sweden alone, there are more than 2 million menstruating women.

## 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	542 947	Approved	2038-04-11
PCT/EP	PCT/EP2019/059357	In progress	
Design – vaginal plug			
Australia	201816052	Approved	2028-10-10
Canada	183988	Approved	2030-05-25
Canada	190402	Approved	2030-05-25
China	201830565149.3	Approved	2028-10-10
EU	5230521	Approved	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 result from business activities

The sales income for the fourth quarter amounted to 356 (372) KSEK and the net result amounted to -4,593 (-3,783) KSEK. The net result for the full year amounted to -15,643 (-12,743) KSEK.

### Cash flow

Cash and cash equivalents at the end of the period amounted to 10,899 (2,606) KSEK. The cash flow from the operating activities during the fourth quarter amounted to -5,074 (-2,774) KSEK.

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

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Cash flow from operating activities	-4,530	-2,774	-16,546	-11,506
Cash flow from investment activities	-544	-42	-644	-277
Cash flow from financing activities	0	1,500	25,483	1,500
Cash flow for the period	-5,074	-1,316	8,293	-10,283
Cash and cash equivalents at the beginning of the period	15,973	3,922	2,606	12,889
Cash and cash equivalents at the end of the period	10,899	2,606	10,899	2,606

### Assets

Invent Medic's fixed assets consist of patents, development costs and production tools. Investments during the period is presented in the table below.

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Development costs	0	0	0	0
Patents and brands	544	42	644	277
Furnishings	0	0	0	0
Total investments	544	42	644	277

## Development during the period

### Equity

The tables below show information regarding Invent Medic's equity. The company's equity per 31 December, 2020 amounted to 12,052 (3,711) KSEK, of which share capital amounted to 1,473 (1,031) KSEK.

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Equity at the beginning of the period	16,645	7,494	3,711	16,454
Rights issue	0	0	29,829	0
Issuing costs	0	0	-5,846	0
Result for the period	-4,593	-3,783	-15,643	-12,743
Amount at the end of the period	12,052	3,711	12,052	3,711
Result per share, SEK	-0.31	-0.37	-1.12	-1.23

### Personnel and organisation

Invent Medic's organisation consisted of seven employees, including the CEO, during the period. Invent Medic is managed in a virtual organisation model where hired employees have the core competence, with additional competence required during specific circumstances acquired through consultants. As the company develops, additional core competence will be included by hiring additional employees when needed.

### The Share

The result after tax divided by the number of shares at the end of the report period amounts to -0.31 (-0.37) SEK. Invent Medic has more than 5,000 shareholders.

	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Average number of shares	14,730,608	10,311,428	13,994,078	10,331,428
Result per share, SEK	-0.31	-0.37	-1.12	-1.23

	Number of shares	Quota value per share
Number of shares/value at the beginning of the year	10,311,428	0.1
Number of shares/value 2020-12-31	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.

### Conditions for continued business operations

The financial information in the interim report is reported based on the assumption that business operations will continue. The Company has historically reported losses. When finalizing the interim report, the management and the board have based their assumptions on existing cash and cash equivalents and expected financing through subscription of new shares via warrants in March 2021 and increased net sales. When estimating future expenses, the management has taken into consideration that some expenses are under the management's control and can therefore be eliminated or postponed.

According to the Board's assessment, the existing working capital is sufficient to sustain the current business operations during the next twelve months.

### 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 are 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, FEBRUARY 11, 2021

THE BOARD OF INVENT MEDIC SWEDEN AB

Lars Persson | Helena Liljedahl | Lars Wilander

Gun-Britt Fransson | Johan Wennerholm

*This information is information that Invent Medic Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on February 11, 2021.*

# Financial statements

## Income statement

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Sales	356	372	1,517	620
Other operating income	17	0	30	0
Total operating income	373	372	1,547	620
Commodities	-101	-91	-437	-151
Additional external expenses	-2,189	-1,837	-7,201	-5,199
Personnel costs	-2,431	-2,069	-8,667	-7,406
Depreciation	-149	-149	-596	-596
Additional operating costs	-39	-4	-40	-5
Total operating costs	-4,909	-4,150	-16,941	-13,357
Operating profit/loss	-4,536	-3,778	-15,394	-12,737
Profit/loss after financial items	-57	-5	-249	-6
Profit/loss before tax	-4,593	-3,783	-15,643	-12,743
Result for the period	-4,593	-3,783	-15,643	-12,743

## Balance sheet

KSEK	2020-12-31	2019-12-31
<b>ASSETS</b>		
<b>Intangible fixed assets</b>		
Development costs	1,079	1,471
Patents and trademark	2,344	1,818
Total intangible fixed assets	3,423	3,289
<b>Furnishings and equipment</b>		
	236	322
Total tangible fixed assets	236	322
Total fixed assets	3,659	3,611
<b>Current assets</b>		
Inventories	751	538
Current receivables	1,371	859
Cash and cash equivalents	10,899	2,606
Total current assets	13,021	4,003
<b>TOTAL ASSETS</b>	<b>16,680</b>	<b>7,614</b>

## Financial statements

EQUITY AND LIABILITIES	2020-12-31	2019-12-31
Equity	12,052	3,711
Non-current liabilities	2,667	1,500
Current liabilities	1,961	2,403
Total equity and liabilities	16,680	7,614

### Cash flow analysis

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Cash flow from operating activities	-4,530	-2,774	-16,546	-11,506
Cash flow from investment activities	-544	-42	-644	-277
Cash flow from financing activities	0	1,500	25,483	1,500
Cash flow for the period	-5,074	-1,316	8,293	-10,283

### Changes in equity

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Equity at the beginning of the period	16,645	7,494	3,711	16,454
Rights issue	0	0	29,829	0
Issuing costs	0	0	-5,846	0
Result for the period	-4,593	-3,783	-15,643	-12,743
Amount at the end of the period	12,052	3,711	12,052	3,711

### Key financial indicators

KSEK	2020-12-31	2019-12-31
Working capital, KSEK <sup>1</sup> , KSEK	11,060	1,600
Cash and cash equivalents <sup>2</sup> , %	625%	144%
Equity/assets ratio <sup>3</sup> , %	72%	49%
Debt-to-equity <sup>4</sup> , %	22%	40%
Number of employees	7	6

<sup>1</sup> Current assets excluding current liabilities

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

<sup>3</sup> Equity in percent of total assets

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



## Upcoming financial information and events

Annual General Meeting | 2021-05-05  
Interim report Q1 2021 | 2021-05-05

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# INVENT MEDIC SWEDEN