

**ACHIKO AG  
AND ITS SUBSIDIARIES**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2021 AND 31 DECEMBER 2020  
AND FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 2020

**Achiko AG and Its Subsidiaries**  
**Interim Consolidated Financial Statements**  
**30 June 2021**

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**BUSINESS REVIEW**

In the first half of 2021, Achiko AG has conducted trials with its diagnostic test technology, AptameX, and has implemented organisational changes to lower its cost profile. Following the balance sheet date, AptameX and Teman Sehat, the Achiko AG's digital passporting service, have received approval from the Indonesian Government. Achiko AG is currently building a sales and customer support team with a view to sales in Q4 of 2021.

The AptameX Covid-19 diagnostic test kit was successfully integrated into the Teman Sehat digital passporting service for launch in Indonesia. It was approved by the local Indonesian government and launched in June 2020 in Pekanbaru, Indonesia. The combination of AptameX and Teman Sehat creates an accurate, low-cost, state-of-the-art digital ecosystem that covers the entire Covid-19 testing user journey, from test scheduling to payments through to obtaining a result within minutes to help mitigate the spread of Covid-19.

Testing 3 to 5 times per month contributes to the safety of users and communities while providing strong potential revenue streams for Achiko AG through Teman Sehat. The testing ecosystem can be used as a mass screening product to secure both geographic targets ranging from neighborhoods to countries, or vertical market targets such as food processing, transport, mine sites, healthcare and many other high value situations.

Achiko AG's research and clinical development teams remain predominantly in Europe and the United Kingdom. Joining the Company is key personnel whose expertise will enhance operations in Indonesia and Taiwan. Product development has been moved entirely to Taiwan and Indonesia to quickly scale to high production capacity towards immediately providing AptameX to the Indonesian population.

In August 2021, Achiko AG has secured product and registration approval from Indonesia's Ministry of Health for both AptameX and Teman Sehat, and has moved onto production. Key supplies from conjugate to spectrophotometry is being sourced out from Taiwan, and plastics from Indonesia. Achiko AG is currently gearing up for big scale production and expects first substantial production output in early Q4 2021.

Achiko AG concluded the first half of 2021 with an operating loss of USD 4.6 million in comparison to a loss of USD 5 million in the first half of 2020. Share option expenses were lowered by USD 2.1 million to compensate for the loss of the revenue from the fintech business of USD 0.4 million, higher costs for salaries and board remuneration of USD 0.6 million and higher R&D as well as other operating costs of USD 0.7 million. Beneath the operating loss are substantial gains in business.

Operational changes and the achievement of product approval milestones have led to USD 3.85 million in financing. By redeeming the remaining balance by Yorkville, Achiko AG has moved away from market-based notes for funding. Due to the simplification of financing arrangements, Achiko AG and its Subsidiaries is in position to move to good standing and shift to a sales-driven organisation.

**Achiko AG and Its Subsidiaries**  
**Interim Consolidated Financial Statements**  
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**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2021 AND 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

	Notes	30 June 2021 (unaudited)	31 December 2020 (audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	8	51,894	44,965
Deferred tax assets		257,038	265,655
Investment in joint venture	9	87,500	-
Rental deposit		-	6,137
<b>Total Non-Current Assets</b>		<b>396,432</b>	<b>316,757</b>
<b>Current Assets</b>			
Prepaid expenses and advances	10	717,376	698,069
Prepaid tax		78,100	104,340
Trade and other receivables	11, 16	16,343	54,111
Cash on hand and in banks	12, 16	401,009	599,176
<b>Total Current Assets</b>		<b>1,212,828</b>	<b>1,455,696</b>
<b>TOTAL ASSETS</b>		<b>1,609,260</b>	<b>1,772,453</b>

Notes to the Interim Consolidated Financial Statements are an integral part of the Interim Consolidated Financial Statements taken as a whole.

**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2021 AND 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

	Notes	30 June 2021 (unaudited)	31 December 2020 (audited)
<b>LIABILITIES AND EQUITY</b>			
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	15	1,229,357	1,122,156
Share premium	15	16,563,565	14,228,283
Other reserves	15	8,163,622	5,749,537
Accumulated losses		<u>(30,111,328)</u>	<u>(25,152,049)</u>
<b>Total equity attributable to owners of the Company</b>		<b>(4,154,784)</b>	<b>(4,052,073)</b>
Non-controlling interest		<u>-</u>	<u>-</u>
<b>Total Equity</b>		<b>(4,154,784)</b>	<b>(4,052,073)</b>
<b>LIABILITIES</b>			
<b>Non-current Liability</b>			
Post-employment benefit liabilities		232,249	242,510
Other liabilities		<u>81,986</u>	<u>85,555</u>
<b>Total Non-Current Liabilities</b>		<b>314,235</b>	<b>328,065</b>
<b>Current Liabilities</b>			
Trade and other payables	14, 16	2,621,775	2,210,305
Accrued expenses	13, 16	914,410	937,607
Convertible subordinated loan	16	1,636,432	2,166,206
Embedded derivative liabilities	16	147,902	92,805
Tax payables		<u>129,290</u>	<u>89,538</u>
<b>Total Current Liabilities</b>		<b>5,449,809</b>	<b>5,496,461</b>
<b>Total Liabilities</b>		<b>5,764,044</b>	<b>5,824,526</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,609,260</b>	<b>1,772,453</b>

Notes to the Interim Consolidated Financial Statements are an integral part of the Interim Consolidated Financial Statements taken as a whole.

**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021 AND 2020**  
**AND FOR THE YEAR ENDED 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

	Notes	30 June 2021 (unaudited)	30 June 2020 (unaudited)	31 December 2020 (audited)
Revenue	4	37,911	2,701,687	2,805,708
Cost of revenue		19,955	(2,277,518)	(2,395,811)
<b>GROSS PROFIT (LOSS)</b>		<b>17,956</b>	<b>424,169</b>	<b>409,897</b>
<b>OPERATING EXPENSES</b>				
Marketing and distribution expenses		(119,942)	(63,330)	(263,850)
Administrative expenses	5	(3,734,437)	(5,280,055)	(11,721,986)
Research and product development expenses		(351,897)	(153,128)	(574,745)
Other operating income (expenses) – net	6	(471,086)	30,282	(441,234)
Impairment of goodwill		-	-	(1,604,050)
<b>Loss from operation</b>		<b>(4,659,406)</b>	<b>(5,042,062)</b>	<b>(14,195,968)</b>
Interest expense		(297,699)	-	(33,913)
<b>Loss before tax</b>		<b>(4,957,105)</b>	<b>(5,042,062)</b>	<b>(14,229,881)</b>
Income tax benefit (expense)		(2,174)	-	161,165
<b>LOSS FOR THE YEAR</b>		<b>(4,959,279)</b>	<b>(5,042,062)</b>	<b>(14,068,716)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of post-employment benefit liabilities		-	-	(171,318)
Related tax on remeasurement		-	-	1,613
Item that may be reclassified subsequently to profit or loss:				
Exchange gain arising from translation of foreign operations		9,285	13,531	(93,635)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(4,949,994)</b>	<b>(5,028,531)</b>	<b>(14,332,056)</b>
<b>Basic loss per share</b>	7	<b>(0.04)</b>	<b>(0.06)</b>	<b>(0.14)</b>

Notes to the Interim Consolidated Financial Statements are an integral part of the Interim Consolidated Financial Statements taken as a whole.

**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021 AND 2020**  
(Expressed in United States Dollar, unless otherwise stated)

	Notes	Equity attributable to the owners of the Parent Company				Total	Non-controlling interest	Total Equity
		Share capital	Share premium	Other reserves	Accumulated losses			
<b>Balance as of 1 January 2020</b>		<b>89,632</b>	<b>11,645,897</b>	<b>122,028</b>	<b>(11,165,046)</b>	<b>692,511</b>	-	<b>692,511</b>
Redenomination of share capital	15	852,930	(852,930)	-	-	-	-	-
Share options to employees		-	-	3,188,451	-	3,188,451	-	3,188,451
Loss for the year		-	-	-	(5,042,062)	(5,042,062)	-	(5,042,062)
Other comprehensive income		-	-	13,531	-	13,531	-	13,531
<b>Balance as of 30 June 2020</b> (unaudited)		<b>942,562</b>	<b>10,792,967</b>	<b>3,324,010</b>	<b>(16,207,108)</b>	<b>(1,147,749)</b>	-	<b>(1,147,749)</b>
<b>Balance as of 1 January 2021</b>		<b>1,122,156</b>	<b>14,228,283</b>	<b>5,749,537</b>	<b>(25,152,049)</b>	<b>(4,052,073)</b>	-	<b>(4,052,073)</b>
Issuance of share capital		107,201	2,335,282	-	-	2,442,483	-	2,442,483
Share warrants issued		-	-	543,279	-	543,279	-	543,279
Share options to employees		-	-	1,044,143	-	1,044,143	-	1,044,143
Equity share reserves		-	-	817,378	-	817,378	-	817,378
Loss for the year		-	-	-	(4,959,279)	(4,959,279)	-	(4,959,279)
Other comprehensive income		-	-	9,285	-	9,285	-	9,285
<b>Balance as of 30 June 2021</b> (unaudited)		<b>1,229,357</b>	<b>16,563,565</b>	<b>8,163,622</b>	<b>(30,111,328)</b>	<b>(4,127,021)</b>	-	<b>(4,127,021)</b>

Notes to the Interim Consolidated Financial Statements are an integral part of the Interim Consolidated Financial Statements taken as a whole.

**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021 AND 2020**  
(Expressed in United States Dollar, unless otherwise stated)

	<b>30 June 2021</b> (unaudited)	<b>30 June 2020</b> (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	43,711	2,985,604
Cash paid to employees	(1,302,616)	(697,187)
Cash paid to suppliers and others	(1,616,485)	(2,871,037)
Net cash used in operations	(2,875,390)	(582,620)
Income tax paid	(2,174)	-
<b>Net Cash Used in Operating Activities</b>	<b>(2,877,564)</b>	<b>(582,620)</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Acquisition of property and equipment	-	(10,637)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received for promissory notes and loans	2,671,666	-
Deposit on share subscription	-	99,069
<b>Net Cash Provided by Financing Activities</b>	<b>2,671,666</b>	<b>99,069</b>
<b>NET DECREASE IN CASH ON HAND AND IN BANKS</b>	<b>(205,898)</b>	<b>(494,188)</b>
Effect of exchange rate changes in cash on hand and in banks	7,731	(12,720)
<b>CASH ON HAND AND IN BANKS AT BEGINNING OF THE YEAR</b>	<b>599,176</b>	<b>593,157</b>
<b>CASH ON HAND AND IN BANKS AT END OF THE YEAR</b>	<b>401,009</b>	<b>86,249</b>

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**1. GENERAL INFORMATION**

Achiko AG (the Company) is a public listed Company originally established on 25 May 2018 at Cayman Islands and whose shares are traded on the SIX Swiss Exchange since 8 November 2019.

The Company's address is at Tessinerplatz 7, CH-8002 Zurich, Switzerland.

Achiko AG and its Subsidiaries (the "Group") are in a transformation from providing a digital payment platform service to a healthtech business. The digital payment platform service provides secure payment solutions for game publishers and application developers to accept various payment method for any digital contents and goods through the "Mimopay" brand. For the transformation to a healthtech business, the Group developed a mobile app with a digital passporting service (Teman Sehat) and a non-invasive, saliva-based diagnostic test for the detection of COVID-19 (AptameX).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation of the Financial Statements**

The interim consolidated financial statements for the six months ending 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2020.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

Functional and presentation currency used in the preparation of the interim consolidated financial statements is the United States Dollar (USD).

**b. New Standards, Interpretations and Amendments Effective from 1 January 2021**

A number of new standards and interpretations are effective from 1 January 2021, but they do not have a material effect on the Group's interim consolidated financial statements.

**c. Investment in joint venture**

A joint venture is a joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method less impairment losses, if any.

Investment in joint venture is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets provided, equity instruments issued or liabilities incurred or assumed as at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on a joint venture represents the excess of the cost of acquisition of the joint venture over the Company's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investment.

In applying the equity method of accounting, the Company's share of its joint venture's post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from joint venture are adjusted against the carrying amounts of the investments. When the Company's share of the losses of a joint venture equal or exceeds its interest in the joint venture, including any other unsecured noncurrent receivables, the Company does not recognise further losses, unless it has obligations to make or has made payments on behalf of the joint venture.

Unrealised gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Dividends receivable from a joint venture is recognised as reductions in the carrying amount of the investment.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Investment in joint venture (Continued)**

The Company determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**d. Foreign Currency**

The rates used to translate foreign subsidiaries' balances and transactions are as follows:

In United States Dollars (USD)	Income statement average rates		Balance sheet period-end rates	
	First half-year 2021	First half-year 2020	30 June 2021	31 December 2020
Indonesian Rupiah (IDR)	14,298.35	14,599.57	14,511.60	14,040.90
Korean Won (KRW)	1,117.40	1,206.19	1,127.86	1,088.43
Hongkong Dollars (HKD)	7.76	7.76	7.77	7.75
Swiss Franc (CHF)	0.91	0.97	0.92	0.88

**3. SIGNIFICANT ACCOUNTING ESTIMATION AND JUDGMENTS**

The preparation of interim consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting period. Judgments and estimates used in preparing the interim consolidated financial statements are reviewed periodically based on historical experience and various factors, including expectations and events in the future that may occur. However, actual results may differ from these estimates. The uncertainty about these assumptions and estimates could result in outcomes that required a material adjustment to the carrying amounts of assets and liabilities affected in the future period.

The judgements, estimates and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2020.

**Covid-19 Pandemic**

The Covid-19 pandemic has impacted the routine operation of the Group. However, the Group has taken necessary and controllable actions to protect the Group's business from severe impact. The Company has developed a Covid-19 testing and contact tracing platform Teman Sehat ("Health Buddy"). The platform has been launched in June 2020 in the areas of South Tangerang and Pekanbaru, Indonesia, as approved by the Indonesian Government. In August 2020, the Company filed a provisional patent for a novel Covid-19 test kit and entered into a license agreement with Regenacellx.sl which grants commercialisation rights in exchange for a royalty and technical advice. Selling alone the test kits or combined with its platform Teman Sehat, the Company believes that the technology plays a crucial role in resolving the world's problem with the pandemic.

Although the Group cannot estimate the length or gravity of the impact of the Covid-19 outbreak as of the interim reporting period, the Group's expects positive impact from the contract tracing platform Teman Sehat and the test kit technology businesses.

**Going Concern**

The Board of Directors and the management regularly assess the Group's ability to continue as a going concern and is of the opinion that the Group is to be viewed as continuing in business for the foreseeable future. The interim consolidated financial statements have been prepared on a going concern basis.

Details of the going concern assessment are discussed in Note 18.

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**4. REVENUE**

In June 2021 and 2020, revenue generated was from payment service businesses through different payment channels, including Telco vouchers, ATM payments, and game cards and vouchers. These channels are used in paying certain digital goods and services.

Revenue is recognised at a point in time upon completion of the payment transaction.

The Group has disaggregated the revenue from contracts with customers into primary geographic markets as follows:

	<u>30 June 2021</u> (unaudited)	<u>30 June 2020</u> (unaudited)
Indonesia	25,011	1,253,100
Singapore	12,900	1,438,681
Hong Kong	-	9,906
<b>Total</b>	<b><u>37,911</u></b>	<b><u>2,701,687</u></b>

**5. ADMINISTRATIVE EXPENSES**

This account consists of:

	<u>30 June 2021</u> (unaudited)	<u>30 June 2020</u> (unaudited)
Salaries and wages	1,271,522	849,870
Employee share option expense	1,044,143	3,188,451
Professional fees	632,729	924,954
Quality management & regulatory affairs	281,773	-
Directors' remuneration	268,830	87,285
Rent	36,412	30,998
Travel and transportation	6,787	22,296
Depreciation and amortization	5,605	17,475
Service fees	-	6,828
Post-employment benefit expense	-	3,556
Others	186,636	148,342
<b>Total</b>	<b><u>3,734,437</u></b>	<b><u>5,280,055</u></b>

**6. OTHER OPERATING INCOME (EXPENSES) - NET**

This account consists of:

	<u>30 June 2021</u> (unaudited)	<u>30 June 2020</u> (unaudited)
Foreign exchange gain (loss) - net	29,941	(12,647)
Bank administration	(7,219)	(6,115)
Financing and listing fees	(265,874)	(169,268)
Other income (expense) - net	(227,934)	218,218
<b>Total</b>	<b><u>(471,086)</u></b>	<b><u>30,282</u></b>

Financing and listing fees consist of expenses related to the Company's fundraising and listing in SIX Swiss Exchange.

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**7. LOSS PER SHARE**

The computation of loss per share for the year ended 30 June 2021 and 31 December 2020 is as follow:

	<u>30 June 2021</u> (unaudited)	<u>30 June 2020</u> (unaudited)
Loss for the year	(4,959,279)	(5,042,062)
Outstanding weighted average number of shares during the year	<u>110,651,019</u>	<u>89,632,142</u>
<b>Basic loss per share</b>	<b>(0.04)</b>	<b>(0.06)</b>

As of 30 June 2021 and 2020, the Company does not have any potentially dilutive ordinary shares.

The vested shares options granted to employees have not been included in the calculation of diluted earnings per share because they are considered anti-dilutive for the calculation of loss per share

**8. PROPERTY AND EQUIPMENT**

The details and movement of property and equipment are as follows:

	<u>30 June 2021</u> (unaudited)				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Exchange differences</u>	<u>Ending balance</u>
<b>Cost</b>					
Computer	1,196	3,216	-	-	4,412
Office equipment	42,099	10,998	-	(4,278)	48,819
Testing equipment	<u>31,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,013</u>
Sub-total	<u>74,308</u>	<u>14,214</u>	<u>-</u>	<u>(4,278)</u>	<u>84,244</u>
<b>Accumulated Depreciation</b>					
Computer	365	199	-	-	564
Office equipment	28,978	5,406	-	(2,598)	31,786
Testing equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	<u>29,343</u>	<u>5,605</u>	<u>-</u>	<u>(2,598)</u>	<u>32,350</u>
<b>Net Book Value</b>	<b><u>44,965</u></b>				<b><u>51,894</u></b>

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**8. PROPERTY AND EQUIPMENT** (Continued)

	31 December 2020 (audited)				
	Beginning balance	Additions	Deductions	Exchange differences	Ending balance
<b>Cost</b>					
Computer	1,196	-	-	-	1,196
Office equipment	38,895	8,583	7,854	2,475	42,099
Testing equipment	-	31,013	-	-	31,013
Sub-total	40,091	39,596	7,854	2,475	74,308
<b>Accumulated Depreciation</b>					
Computer	33	332	-	-	365
Office equipment	20,135	20,200	7,615	(3,742)	28,978
Testing equipment	-	-	-	-	-
Sub-total	20,168	20,532	7,615	(3,742)	29,343
<b>Net Book Value</b>	<b>19,923</b>				<b>44,965</b>

Depreciation expense in 2021 and 2020 are charged to administrative expenses in the interim consolidated statement of profit or loss and other comprehensive income (Note 5).

Management believes that the carrying amount of property and equipment are recoverable and there are no events or changes in circumstances which may indicate impairment; therefore no provision for impairment of property and equipment was provided.

**9. INVESTMENT IN JOINT VENTURE**

On 8 February 2021, the Company and PT Indonesia Farma Medis established PT Achiko Medika Indonesia (“AMI”), a joint venture company for the production, distribution and marketing of a non-invasive, saliva-based diagnostic test for the detection of Covid-19 (AptameX) in Indonesia. The Company has 49% interest in AMI. The Company’s interest is accounted for using the equity method in the interim consolidated financial statements.

The investment in joint venture amounted to USD 87,500. As of 30 June 2021, management is of the opinion that there are no events or changes of circumstances which may indicate impairment in the value of the investment.

**10. PREPAID EXPENSE AND ADVANCES**

This account consists of:

	30 June 2021 (unaudited)	31 December 2020 (unaudited)
Advances and prepayments		
Advances	52,455	30,835
Prepayment	14,921	17,234
Prepaid advertising expense	650,000	650,000
<b>Total</b>	<b>717,376</b>	<b>698,069</b>

Prepaid advertising expense represents a media placement value from PT Media Nusantara Citra Tbk (MNC). MNC is the largest media company in Southeast Asia.

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**11. TRADE AND OTHER RECEIVABLES**

This account consists of:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Trade receivables	12,172	15,808
Other receivables	4,171	38,303
<b>Total</b>	<b><u>16,343</u></b>	<b><u>54,111</u></b>

**12. CASH ON HAND AND IN BANKS**

This account consists of:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Cash on hand	441	597
Cash in banks		
Indonesian Rupiah	161,266	71,930
Swiss Franc	101,582	78,609
United States Dollar	58,003	383,919
Korean Won	54,479	61,964
Singapore Dollar	25,161	2,074
Hong Kong Dollar	77	83
Sub-total	400,568	598,579
<b>Total</b>	<b><u>401,009</u></b>	<b><u>599,176</u></b>

**13. ACCRUED EXPENSES**

This account consists of:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Salaries and wages	628,295	540,170
Others	286,115	397,437
<b>Total</b>	<b><u>914,410</u></b>	<b><u>937,607</u></b>

**14. TRADE AND OTHER PAYABLES**

This account consists of:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Trade payables	2,218,230	2,020,934
Other payables	403,545	189,371
<b>Total</b>	<b><u>2,621,775</u></b>	<b><u>2,210,305</u></b>

Other payables include advances from PT Indonesia Farma Medis for subscription on shares of PT Achiko Medika Indonesia.

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**15. SHARE CAPITAL AND OTHER RESERVES**

**Share Capital**

	<u>30 June 2021</u> (unaudited)		<u>31 December 2020</u> (audited)	
	<u>Number of Shares</u>	<u>USD</u>	<u>Number of Shares</u>	<u>USD</u>
<b>Issued ordinary shares</b>				
At the inception date	2	-	2	-
Issued for cash	16,359,505	142,782	16,359,505	142,782
Issued for non-cash	99,443,114	233,645	89,771,018	126,444
Redenomination of shares	-	852,930	-	852,930
<b>Total</b>	<b><u>115,802,621</u></b>	<b><u>1,229,357</u></b>	<b><u>106,130,525</u></b>	<b><u>1,122,156</u></b>

At the reporting date, the Company had issued a total amount of 115,802,621 ordinary shares with a par value of CHF 0.01 each, of which the amount fully paid-in totaled a share capital of CHF 1,158,026. In addition, the Company has 52,915,902 shares as authorized share capital and 42,945,208 shares as conditional share capital from which are 12,151,126 shares are allocated for employee participations and 30,794,082 shares for financing, acquisitions and other purposes as of 30 June 2021.

In 2021, the Company increased its share capital by issuing 9,672,096 shares to settle the convertible subordinated loans, embedded derivative liabilities and interest expenses.

**Share Premium**

Details of share premium are as follows:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
<b>Share premium from issued ordinary shares</b>		
Issued for cash	5,759,651	5,759,651
Issued for non-cash	11,656,844	9,321,562
Redenomination of shares	(852,930)	(852,930)
<b>Total</b>	<b><u>16,563,565</u></b>	<b><u>14,228,283</u></b>

**Other Reserves**

Details of other reserves are as follows:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Employee share option plan reserve	6,238,918	5,194,775
Share warrants	1,175,834	632,555
Equity share reserves	817,378	-
Translation difference	(68,508)	(77,793)
<b>Total</b>	<b><u>8,163,622</u></b>	<b><u>5,749,537</u></b>

i. Employee share option reserve

The Company granted a total of 14,630,448 share options as of 30 June 2021. Vested share options as of 30 June 2021 and 31 December 2020 amounted to 9,114,857 and 7,200,671 shares, respectively.

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**15. SHARE CAPITAL AND OTHER RESERVES (Continued)**

i. Employee share option reserve (Continued)

The fair values for share options granted during the year were calculated using the Black-Scholes pricing model. The inputs into the model of the year of granting were as follows:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Weighted average share price	USD 0.265	USD 0.442
Expected volatility	190%	218%
Risk free rate	1.67%	0.77%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices.

ii. Share warrant reserve

The share warrants issued in 2021 represents the 3,000,000 equity-settled warrants granted to Negma Group Ltd with the right to convert into one share per one warrant of the Company within an exercise period of 5 years at a strike price of USD 0.25 to USD 0.37.

The fair values for share options granted during the year were calculated using the Black-Scholes pricing model. The inputs into the model of the year of granting were as follows:

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Weighted average share price	USD 0.180	USD 0.468
Expected volatility	189%	211%
Risk free rate	0.09%	0.28%

iii. Equity share reserves

Equity share reserves represent the Company shares borrowed from MNC used for the conversion of Negma convertible subordinated loan. The equity shares are expected to be redelivered in October 2021.

**16. FINANCIAL INSTRUMENTS**

**Fair Value of Financial Instruments**

All financial assets and liabilities recognised in the interim consolidated statement of financial position as of 30 June 2021 and 31 December 2020 approximate their fair values due to short-term maturities of these financial instruments.

The Group uses the following three-level hierarchy for determining and disclosing fair value of financial instruments by valuation technique:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between levels or changes to the valuation techniques during the period.

**Categories of Financial Instruments**

	<u>30 June 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
<b>Financial Assets</b>		
<b>Financial assets at amortised cost</b>		
Cash on hand and in banks	401,009	599,176
Trade and other receivables	16,343	54,111



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**16. FINANCIAL INSTRUMENTS** (Continued)

**Categories of Financial Instruments** (Continued)

	<b>30 June 2021</b> (unaudited)	<b>31 December 2020</b> (audited)
<b>Financial Liabilities</b>		
<b>Financial liabilities at fair value through profit or loss</b>		
Embedded derivative liability on convertible subordinated loan	147,902	92,805
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	2,621,775	2,210,305
Accrued expenses	914,410	937,607
Convertible subordinated loan	1,636,432	2,166,206

Convertible Subordinated Loan with Negma Group Ltd

On 8 March 2021, the Company completed the convertible subordinated loan facility (the "Agreement") with Negma Group Ltd (the Creditor) based on a binding term sheet announced 30 November 2020. The Agreement comes attached with an issuance of 3,000,000 million warrants, where each warrant confers the right to purchase one registered share of the Company and has an exercise period between the 30th and 360th day after the date of issuance of the warrants with an exercise price of CHF 0.35.

Except for interest payments, all claims of the Creditor against the Company under the Agreement are subordinated to the claims of all other creditors of the Company which are not equally subordinated.

The Creditor, at its sole and absolute discretion, may elect to convert any amount outstanding under the Agreement to the Company's shares (the "Conversion Feature"). If the outstanding amount is not converted, the Company shall repay the total principal and interest amounts one year after the utilisation date.

Management has identified three components in the convertible subordinated loan: (i) the convertible subordinated loan as host contract; (ii) the related embedded derivative liability; and (iii) the share warrants attached on the convertible subordinated loan.

The embedded derivative liability is determined from the Conversion Feature, arising from the difference between the conversion price against the market price of shares at the date of conversion.

The Conversion Feature satisfies the definition of derivative as:

- The market price difference changes in response between the Company's changes in share price and conversion price;
- It requires a net investment that is smaller than otherwise would be required; and
- It is settled at a future date (at the date of conversion).

At initial recognition of the convertible subordinated loan, the embedded derivative liability is first measured at fair value, determined by the difference between the fair value of the Company's shares against the conversion price, where the equivalent shares basis is estimated at full conversion of the convertible subordinated loan. A separate valuation is regarded more appropriate to calculate the value of the warrants using Black-Scholes Model. The residual value is assigned to the host contract.

Subsequent to initial recognition, the embedded derivative liability is measured at fair value through profit or loss, with changes in fair value recognised directly in profit or loss. The host contract is amortised using straight-line method over the term of the convertible subordinated loan.

Reconciliation of embedded derivative liability is as follows:

	<b>30 June 2021</b> (unaudited)	<b>31 December 2020</b> (audited)
Fair value at beginning of the period	92,805	-
Additions during the period	225,696	255,048
Settlement during the period	(326,489)	-
Gain on changes in fair value	155,890	(162,243)
<b>Fair value at end of the period</b>	<b>147,902</b>	<b>92,805</b>

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**16. FINANCIAL INSTRUMENTS** (Continued)

Reconciliation of convertible subordinated loan (host contract) is as follows:

	<b>30 June 2021</b> (unaudited)	<b>31 December 2020</b> (audited)
Balance at beginning of the period	2,166,206	-
Additions during the period	2,014,270	2,244,952
Interest amortised during the period	264,858	21,254
Settlement during the period	(2,808,902)	(100,000)
<b>Balance at end of the period</b>	<b>1,636,432</b>	<b>2,166,206</b>

**17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties primarily comprise of key management personnel (members of the Board of Directors, members of the Advisory Board, and members of the Executive Committee) and significant shareholders. Transactions with related parties are carried out at arm's length.

The following shareholders hold a participation of more than 3% of the issued share capital of the Group's ultimate parent Achiko AG:

	<b>30 June 2021</b> (unaudited)	<b>31 December 2020</b> (audited)
Heracles Investment Group Limited	12.83%	13.20%
Negma Group, Ltd	10.96%	-
PT Media Nusantara Citra Tbk	9.18%	9.45%
Neural Networks Limited	4.76%	5.20%
Monecor (London) Limited	3.06%	-

The outstanding balance from related parties recognized in the interim consolidated statement of financial position is the prepaid expenses from PT Media Nusantara Citra Tbk amounting to USD 650,000.

Total fees, salaries, and other short-term benefits of key management personnel in 2021 amounted to USD 660,870. Share option based compensation (grant based) of key management personnel in 2021 amounted to USD 749,170.

**18. GOING CONCERN**

The ongoing COVID-19 pandemic continues to adversely impact many industries including the Group's operations. These conditions continue to cause uncertainty over the Group's ability to continue as a going concern.

The Group is still in a transition and build-up phase and the ability to continue as going concern depends materially on: (i) the implementation of the Group's strategy to transform into a healthtech company with the development of its operation and build-up of its distribution, and (ii) additional successful fundraising.

The Group expects positive impact with the expected certification of AptameX in Q4 of 2021.

As of 30 June 2021, the Group has recorded a net loss of USD 4,931,516 resulting to an increase of the Group's accumulated loss to USD 30,083,565.

The Company has taken the following measures to financially stabilize the Group:

**a. Financial measures undertaken**

**Additional utilisation of the subordinated loan facility with Yorkville and conversion**

On 9 February 2021, the Company utilised USD 0.5 million of the subordinated loan facility with Yorkville, and another USD 0.5 million on 15 April 2021. After these utilisations, the remaining unused, uncommitted facility amounted to USD 8.5 million.

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**18. GOING CONCERN (Continued)**

**a. Financial measures undertaken (Continued)**

**Convertible subordinated loan facility and warrant agreement with Negma**

On 8 March 2021, the Company completed the subordinated loan facility of USD 1 (CHF 0.9) million with Negma based on the binding term sheet announced on 30 November 2020. The convertible loan comes attached with an issuance of 1.5 million warrants. Each warrant confers the right to purchase one registered share of the Company, has an exercise period between the 30th and 360th day after the date of issuance of the warrants, and with an exercise price of CHF 0.35. This replaces the convertible note agreement with Negma dated 16 July 2020. However, the 1.4 million outstanding warrants based on the convertible note agreement with Negma of 2020 remain in full force.

**Capital increase of converted conditional capital**

On 16 March 2021, the Company registered 3,072,095 shares based on the conversion of USD 1 million of the subordinated convertible loan by Yorkville. After the capital increase, the share capital amounts to CHF 1,089,039 and is divided into 108,903,900 registered shares with a par value of CHF 0.01 each. The conditional share capital pursuant to Article 2.4 of the Articles of Association has been reduced accordingly to 30,794,082 shares.

**Extension of convertible loan facility with Negma**

On 18 June 2021, the Company extended the subordinated convertible loan facility of USD 1 (CHF 0.9) million with Negma Group, dated 8 March 2021, by USD 0.83 (CHF 0.75) million to USD 1.82 (CHF 1.65) million. The additional amount of the convertible loan comes attached with an issuance of additional 1.5 million warrants. Each warrant confers the right to purchase one registered share of the Company, has an exercise period between 2 November 2021 and the 360th day after the date of issuance of the warrants, and with an exercise price of CHF 0.23 (subject to customary adjustments). The additional amount is used to finalize the product development of AptameX's Covid-19 diagnostic test kit, ramp up the sales and marketing and essential working capital with focus on AptameX and Theman Sehat product launches in Indonesia in Q3 2021.

**Financing after reporting date**

In August 2021, the Company successfully raised USD 3.85 million in financing with various investors. The use of the new capital was used (i) to redeem the last tranche of USD 0.8 million of the Yorkville facility to facilitate existing and future financing arrangements and (ii) to pay for ongoing operations and the set-up of large-scale production.

**b. Operational measures undertaken**

Operationally, the Group has undertaken the following measures to stabilize the situation:

**Fast access into Indonesian market through joint venture**

On 8 February 2021, the Group established a joint venture with PT Indonesia Frarma Medis to produce, distribute and marketing AptameX in Indonesia. The Group will realise revenues on a 49% holding and earn a 10% licensing fee from gross sales out of the joint venture. Through the joint venture the Group gets access to distributors in Indonesia, such as PT Mitra Asa Pratama ("Mitra") and PT Pharos Indonesia ("Pharos"), and end customers. Mitra is a leading distributor of medical and diagnostic devices with vast network reach into government, healthcare institutions and retail markets, Pharos is one of Indonesia's largest pharmaceutical conglomerates with reach into big pharmacy groups in Indonesia and Southeast Asia.

With the implementation of the Group's strategy to commercialise Teman Sehat and AptameX, the management believes that the Group's performance can gradually improve both financially and operationally.

The Group continues to evaluate business strategies in terms of additional offerings with a focus on Covid-19 related services to implement its transformation strategy.

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**18. GOING CONCERN** (Continued)

**b. Operational measures undertaken** (Continued)

**Fully integrated digital ecosystem finalized as a product to launch**

On 3 June 2021, the digital passporting service mobile app. Teman Sehat (Health Buddy) is successfully integrated with the non-invasive, saliva-based Covid-19 diagnostic test, AptameX. Now, the digital ecosystem is technically ready to schedule Covid-19 testing, receive payments, and obtain test results within a few minutes. Users receive their result on the Teman Sehat app in form of a “Green” health pass, if the test result is negative. If the test result is positive, the user is asked to take the necessary precautions. Having achieved this milestone, the digital ecosystem is ready to be used to secure specific locations such as malls or neighbourhoods, hospitals, clinics, offices, airports, stadiums, etc. from further spread of the virus.

Subsequent to the reporting period, AptameX and Teman Sehat, the Company’s digital passporting service have received approval from the Indonesian Government in August 2021. The Company is currently building a sales and customer support team with a view to sales in Q4 of 2021.

**19. EVENTS AFTER REPORTING PERIOD**

- a. In August 2021, the Company successfully raised USD 3.85 million in financing with various investors (Note 18).
- b. On 6 July 2021, Yorkville Advisors Global LP has converted USD 200,000 of the outstanding loan for which the Company issued 1,306,471 conditional shares. The remaining USD 800,000 has been settled by the Company for a total of USD 932,132, including interest and buyout fee.
- c. The Company has received approval in August 2021 from the Indonesian Government to implement the Company’s Covid-19 diagnostic test AptameX and Theman Sehat, the digital passporting service in Indonesia (Note 18).

**20. AUTHORIZATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company, who are responsible for the preparation and completion of the interim consolidated financial statements, on September 23, 2021.