

**ACHIKO AG  
AND ITS SUBSIDIARIES**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 2021

## BUSINESS REVIEW

In the first half of 2022, Achiko AG (the "Company") confirmed that calibration testing of its affordable non-invasive Covid-19 saliva based rapid test AptameX™ correctly differentiated 100% of test samples up until a comparable reverse transcription polymerase chain reaction (RT-PCR) cycle threshold (CT) value of 33, indicating the system's ability to deliver a >97% sensitive and > 97% specific rapid test at a wider range of viral loads than most other rapid tests.

The ability to offer healthcare professionals a practical alternative to PCR tests and less accurate antigen based rapid tests has been a major driver for Achiko's research and clinical development teams to produce the world's first scale application using DNA aptamers in a commercial diagnostic setting.

A key focus of operations during the reporting period was to progress the Company's efforts to successfully launch a scalable test product in Indonesia. As part of this, the Company completed its pre-sales validation process in Indonesia with first generation test kits and identified a range of improvements that are being incorporated into its second-generation product. Key materials are now being produced in Taiwan with scale plastics and assembly being undertaken in Indonesia.

In January, the Company expanded its corporate presence in Switzerland with the appointed Mr David Hodge as Head of Corporate Development to expand its corporate presence in Switzerland as it strengthens the Board, corporate finance and investor relations.

In April, the Company signed a major marketing and sales agreement with Pengurus Wilayah Nahdlatul Ulama DKI Jakarta (PWNU), the Jakarta District of Nahdlatul Ulama (NU), the largest Islamic organization in the world, located primarily in Indonesia. The agreement provides for the supply and delivery of aptamer-based diagnostics, first to its Jakarta branch of over 4 million members, and on success, to the larger membership of over 90 million registered members. At the same time, the Company signed an updated agreement with PT Indofarma Tbk (Indofarma) to use Teman Sehat™ as a telehealth platform for its diagnostic services. Indofarma is one of Indonesia's oldest pharmaceutical companies (part owned by the government). It supplies over 13,000 pharmacies, 4,000 hospitals, and 9,000 health facilities. It also conducts testing in over 100 airports and is a national manufacturer of medical devices and the National Contract Research Organisation.

The expanded collaboration with Indofarma includes additional aptamer-based diagnostics for dengue and other pathogenic diseases which the Company expects will deliver similar advantages in performance, cost and quality of production as its Covid-19 saliva based rapid test.

In May, the Company successfully registered AptameX™ under the European Union Medical Device Research and In Vitro Diagnostic Regulation and has obtained a CE Mark that grants it access to 27 countries in the European Union for its Covid-19 AptameX™ test and system.

Delays with completing the 2021 full year accounts and subsequent audit took up a considerable amount of management time and attention, making it challenging to raise sufficient financing in time to launch and scale production in Indonesia as planned before the end of the period. The SIX Swiss Exchange trading suspension for two months also temporarily affected the Company's operations including product development, marketing and sales.

Despite delays in production to meet forecast demand, the outlook for AptameX™ in Indonesia remains encouraging and the Company expects to be producing and delivering over 1 million tests per month in the final quarter of this calendar year. Samples are also being produced for use in other Asian countries, Europe and the Middle East.

Loan facilities totaling CHF 1.05 million were drawn during the period from RiverFort Global Opportunities PCC Limited ("RiverFort"), Negma Group and Buranto AG. An equity subscription agreement was completed with RiverFort for up to CHF 10.0 million, however the availability and timing is subject to shareholder approval and the Company's share capacity. In September 2022, the Company closed a financing round of CHF 1.3 million in convertible notes led by key Swiss shareholders and other new investors.

Achiko AG concluded the first half of 2022 with an operating loss of USD 2.4 million in comparison to a loss of USD 4.6 million in the first half of 2021. The Company reduced its expense base in Switzerland and focused its development efforts through one primary research and development team.

Looking ahead, the Company is establishing an improved operational foothold in Switzerland by searching for a Swiss-based CEO, strengthening its leadership in finance and other key functions and expects to be generating significant revenue from AptameX™ in Indonesia in the final quarter of 2022.

Achiko AG and Its Subsidiaries  
Interim Consolidated Financial Statements  
30 June 2022

---

C O N T E N T S

	Pages
Interim Consolidated Statement of Financial Position	1-2
Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Interim Consolidated Statement of Changes in Equity	4
Interim Consolidated Statement of Cash Flows	5
Notes to the Interim Consolidated Financial Statement	6-21

ACHIKO AG AND ITS SUBSIDIARIES  
 INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
 (Expressed in United States Dollar, unless otherwise stated)

	Notes	30 June 2022 (unaudited)	31 December 2021 (audited)
<b>ASSETS</b>			
Non-Current Assets			
Property and equipment	8	27,595	34,944
Intangible assets		662,500	441,359
Loan to joint venture		783,545	-
<b>Total Non-Current Assets</b>		<b>1,473,641</b>	<b>476,303</b>
Current Assets			
Prepaid expenses and advances	10	685,249	697,683
Prepaid tax		130,424	86,916
Other short term financial assets		-	559,268
Trade and other receivables	11, 16	4,878	26,207
Cash on hand and in banks	12, 16	53,747	68,038
<b>Total Current Assets</b>		<b>874,298</b>	<b>1,438,113</b>
<b>TOTAL ASSETS</b>		<b>2,347,939</b>	<b>1,914,416</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 2022 AND 31 DECEMBER 2021  
 (Expressed in United States Dollar, unless otherwise stated)

	Notes	30 June 2022 (unaudited)	31 December 2021 (audited)
<b>LIABILITIES AND EQUITY</b>			
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	15	1,387,391	1,387,391
Share premium	15	19,987,635	19,987,635
Other reserves	15	5,504,561	8,608,444
Accumulated losses		<u>(33,787,644)</u>	<u>(34,568,395)</u>
Total equity attributable to owners of the Company		<u>(6,908,057)</u>	<u>(4,584,926)</u>
Total Equity		<u>(6,908,057)</u>	<u>(4,584,926)</u>
<b>LIABILITIES</b>			
<b>Non-current Liability</b>			
Post-employment benefit liabilities		258,906	176,518
Convertible and subordinated loans		3,558,338	2,121,625
Other liabilities		<u>54,879</u>	<u>78,105</u>
Total Non-Current Liabilities		<u>3,872,122</u>	<u>2,376,248</u>
<b>Current Liabilities</b>			
Trade and other payables	14, 16	2,683,889	2,353,848
Accrued expenses	13, 16	1,709,820	1,285,056
Convertible subordinated loan	16	585,551	435,316
Loans related parties		302,852	-
Tax payables		<u>101,761</u>	<u>48,874</u>
Total Current Liabilities		<u>5,383,874</u>	<u>4,123,094</u>
Total Liabilities		<u>9,255,996</u>	<u>6,499,342</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>2,347,939</b></u>	<u><b>1,914,416</b></u>

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 2022 AND 2021  
 AND FOR THE YEAR ENDED 31 DECEMBER 2021  
 (Expressed in United States Dollar, unless otherwise stated)

	Notes	30 June 2022 (unaudited)	30 June 2021 (unaudited)	31 December 2021 (audited)
Revenue	4	-	37,911	62,507
Cost of revenue		(99)	(19,955)	(39,162)
GROSS PROFIT (LOSS)		(99)	17,956	23,345
OPERATING EXPENSES				
Marketing and distribution expenses		(425,964)	(119,942)	(361,246)
Administrative expenses	5	(1,457,278)	(3,734,437)	(5,757,166)
Research and product development expenses		(47,746)	(351,897)	(675,182)
Other operating income (expenses) – net	6	38,095	(471,086)	(1,584,944)
Loss from operation		(1,892,992)	(4,659,406)	(8,355,193)
Share of loss from equity accounted investments		(87,692)	-	(87,692)
Interest expense		(515,093)	(297,699)	(615,710)
Loss before tax		(2,495,777)	(4,957,105)	(9,058,595)
Income tax benefit (expense)		(319)	(2,174)	(263,184)
LOSS FOR THE PERIOD		(2,496,096)	(4,959,279)	(9,321,779)
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently				
to profit or loss:				
Remeasurement of post-employment benefit				
Liabilities		-	-	(94,567)
Item that may be reclassified subsequently				
to profit or loss:				
Exchange gain arising from translation of foreign operations		107,790	9,285	140,291
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(2,388,306)	(4,949,994)	(9,276,055)
Basic loss per share	7	(0.02)	(0.04)	(0.07)

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 2022 AND 2021  
 (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			
Balance as of 1 January 2021		1,122,156	14,228,283	5,749,537	(25,152,049)	(4,052,073)	-	(4,052,073)
Issuance of share capital	15	107,201	2,335,282	-	-	2,442,483	-	2,442,483
Share warrants issued	15	-	-	543,279	-	543,279	-	543,279
Share options to employees	5	-	-	1,044,143	-	1,044,143	-	1,044,143
Equity shares reserves	15	-	-	817,378	-	817,378	-	817,378
Loss for the period		-	-	-	(4,959,279)	(4,959,279)	-	(4,959,279)
Other comprehensive income		-	-	9,285	-	9,285	-	9,285
Balance as of 30 June 2021 (unaudited)		1,229,357	16,563,565	8,163,622	(30,111,328)	(4,127,021)	-	(4,127,021)
Balance as of 1 January 2022:		1,387,391	19,987,635	8,608,443	(34,568,395)	(4,584,926)	-	(4,584,926)
Issuance of share capital	15	-	-	-	-	-	-	-
Share warrants issued	15	-	-	-	-	-	-	-
Share options to employees	5	-	-	(3,103,882)	3,169,056	65,174	-	65,174
Equity shares reserves	15	-	-	-	-	-	-	-
Loss for the period		-	-	-	(2,388,305)	(2,388,305)	-	(2,388,305)
Other comprehensive income		-	-	-	-	-	-	-
Balance as of 30 June 2022 (unaudited)		1,387,391	19,987,635	5,504,561	(33,787,644)	(6,908,057)	-	(6,908,057)

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 2022 AND 2021  
 (Expressed in United States Dollar, unless otherwise stated)

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	21,329	43,711
Cash paid to employees	(61,452)	(1,302,616)
Cash paid to suppliers and others	(955,476)	(1,618,659)
Net Cash Used in Operating Activities	(995,600)	(2,877,564)
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Acquisition of property and equipment	(1,372)	-
Acquisition of intangible assets	(221,141)	-
Loan to JV	(224,277)	-
Net Cash Used in investing activities	(446,791)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received for promissory notes and loans	1,429,800	2,671,666
Net Cash Provided by Financing Activities	1,429,800	2,671,666
<b>NET DECREASE IN CASH ON HAND AND IN BANKS</b>	<b>(12,591)</b>	<b>(205,898)</b>
Effect of exchange rate changes in cash on hand and in banks	(1,700)	7,731
<b>CASH ON HAND AND IN BANKS AT BEGINNING OF THE PERIOD</b>	<b>68,038</b>	<b>599,176</b>
<b>CASH ON HAND AND IN BANKS AT END OF THE PERIOD</b>	<b>53,747</b>	<b>401,009</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  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

---

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. For the transformation to a healthtech business, the Group developed a mobile check-in and passport application (Teman Sehat) and a diagnostic testing technology for Covid-19 (AptameX), with first sales expected in 2022.

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 2022 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 2021.

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 2021.

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 2022

A number of new standards and interpretations are effective from 1 January 2022, 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.

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

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:

	<u>Income statement average rates</u>		<u>Balance sheet period-end rates</u>	
	First half-year 2022	First half-year 2021	30 June 2022	31 December 2021
In United States Dollars (USD)				
Indonesian Rupiah (IDR)	14,934	14,298.35	14,934	14,245.90
Korean Won (KRW)	1,288.20	1,117.40	1,288.20	1,189.38
Hongkong Dollars (HKD)	7.84	7.76	7.85	7.79
Swiss Franc (CHF)	0.96	0.91	0.95	0.91

e. Interim measurement note

Seasonality of the business: The business is not subject to any seasonality. Expenses are primarily determined by the phase of development of respective projects. Revenues are primarily determined by sales completed and cash collected.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

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 2021.

Covid-19 Pandemic

In early 2020 a coronavirus disease (Covid-19) pandemic developed globally resulting in a significant number of infections and negative effects on economic activity. The Covid-19 pandemic has impacted the Groups routine operation however, the Group has taken necessary and controllable actions to protect the Group's business from severe impact. The Group continues to actively monitor the situation and is taking any necessary measures to respond to the changing situation in cooperation with the various stakeholders.

Furthermore, in 2020, The Group developed and launched a Covid-19 test kit technology and contact tracing platform, Teman Sehat ("Health Buddy"). The platform received regulatory approval from the Indonesian Government and was launched in June 2020 in South Tangerang and Pekanbaru regions of Indonesia. Although the Group cannot estimate the length or gravity of the impact of the Covid-19 pandemic, the Group expects its contract tracing platform, Teman Sehat and the Covid-19 test kit technology businesses to be positively impacted by the Covid-19 pandemic.

Depending on the duration of the Covid-19 pandemic and continued negative impact on global economic activity, the Group may have to take additional measures that will have a negative impact on the Group's business continuity and may experience

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

certain liquidity restraints as well as incur impairments on its assets. The exact impact on the Group's activities in 2022 and thereafter cannot be reasonably predicted.

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.

4. REVENUE

In the six-month period ended 30 June 2022 and 2021, 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:

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
Indonesia	-	25,011
Singapore	-	12,900
Total	-	37,911

5 ADMINISTRATIVE EXPENSES

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
This account consists of:		
Consulting fees	61,452	1,271,522
Share based compensation	55,685	1,044,143
Professional fees	481,751	632,729
Quality management & regulatory affairs	-	281,773
Directors' remuneration	276,448	268,830
Rent	9,358	36,412
Travel and transportation	15,068	6,787
Depreciation and amortization	5,976	5,605
Service fees	338,264	-
Others	213,275	186,636
Total	1,457,278	3,734,437

6. OTHER OPERATING INCOME (EXPENSES) – NET

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
This account consists of:		
Foreign exchange gain (loss) – net	(26,611)	29,941
Bank administration	(22)	(7,219)
Financing and listing fees	-	(265,874)
Other income (expense) – net	(11,462)	(227,934)
Total	(38,095)	(471,086)

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

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

7. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of shares in issue during the period. The computation of loss per share for the six-month periods ended 30 June 2022 and 30 June 2021 are as follow:

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
Loss for the period	(2,388,306)	(4,959,279)
Outstanding weighted average number of shares during the period	132,653,911	110,651,019
Basic loss per share	(0.02)	(0.04)

As of 30 June 2022 and 2021, the Company does not have any potentially dilutive ordinary shares.

The vested share 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:

	30 June 2022 (unaudited)				
	Beginning balance	Additions	Deductions	Exchange differences	Ending balance
Cost:					
Computer	1,196	-	-	-	1,196
Office equipment	76,769	1,372	-	-	78,141
Sub-total	77,965	1,372	-	-	79,337
Accumulated Depreciation:					
Computer	1,196	-	-	-	1,196
Office equipment	41,825	8,721	-	-	50,546
Sub-total	43,021	8,721	-	-	51,742
Net Book Value	34,944	(7,349)	-	-	27,595

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

8. PROPERTY AND EQUIPMENT (Continued)

	31 December 2021 (audited)				
	Beginning Balance	Additions	Deductions	Exchange differences	Ending balance
Cost:					
Computer	1,196	-	-	-	1,196
Office equipment	73,112	3,657	-	-	76,769
Sub-total	74,308	3,657	-	-	77,965
Accumulated Depreciation:					
Computer	365	831	-	-	1,196
Office equipment	28,978	12,847	-	-	41,825
Sub-total	29,343	13,678	-	-	43,021
Net Book Value	44,965	(10,021)	-	-	34,944

Depreciation expense in 2022 and 2021 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

This account consists of:	30 June 2022	31 December 2021
Investment in PT Achiko Medika Indonesia	87,692	87,692
Equity accounted loss	(87,692)	(87,692)
Total	-	-

Name of Joint Venture: PT Achiko Medika Indonesia  
Country of Incorporation: Indonesia  
Proportion of ownership: 50%  
Principle activity: Service, supply, manufacturing, trading and marketing of AptameX product in Indonesia

The investment in PT Achiko Medika Indonesia is accounted for using the equity method in accordance with IAS 28, recognising losses up to the amount of the equity accounted investment.

	30 June 2022 (unaudited)	31 December 2021 (audited)
Total net assets/(liabilities) of PT Achiko Medika Indonesia	(228,823)	(410,927)
Loss for the period ended	(500,024)	(584,144)
Share of net loss for the year	(87,692)	(87,692)
Unrecognised equity accounted loss	(250,012)	(204,381)

ACHIKO AG AND ITS SUBSIDIARIES  
 NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
 AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
 AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
 (Expressed in United States Dollar, unless otherwise stated)

---

10. PREPAID EXPENSE AND ADVANCES

This account consists of:	30 June 2022 (unaudited)	31 December 2021 (audited)
Advances and prepayments		
Advances	-	28,575
Prepayment	35,249	19,108
Prepaid advertising expense	<u>650,000</u>	<u>650,000</u>
Total	<u>685,249</u>	<u>697,683</u>

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

ACHIKO AG AND ITS SUBSIDIARIES  
 NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
 AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
 AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
 (Expressed in United States Dollar, unless otherwise stated)

11. TRADE AND OTHER RECEIVABLES

This account consists of:	30 June 2022 (unaudited)	31 December 2021 (audited)
Trade receivables	4,878	26,207
Total	<u>4,878</u>	<u>26,207</u>

12. CASH ON HAND AND IN BANKS

This account consists of:	30 June 2022 (unaudited)	31 December 2021 (audited)
Cash on hand	73	-
Cash in banks	53,673	68,038
Total	<u>53,747</u>	<u>68,038</u>

13. ACCRUED EXPENSES

This account consists of:	30 June 2022 (unaudited)	31 December 2021 (audited)
Salaries and wages	1,399,554	894,737
Others	310,267	390,319
Total	<u>1,709,821</u>	<u>1,285,056</u>

14. TRADE AND OTHER PAYABLES

This account consists of:	30 June 2022 (unaudited)	31 December 2021 (audited)
Trade payables	2,596,197	2,266,156
Other payables	87,692	87,692
Total	<u>2,683,889</u>	<u>2,353,848</u>

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

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

15. SHARE CAPITAL AND OTHER RESERVES

Share Capital

	30 June 2022 (unaudited)		31 December 2021 (audited)	
	Number of Shares	USD	Number of Shares	USD
Opening	132,653,911	1,387,391	106,130,525	1,122,156
Issued for cash	-	-	-	-
Issued for non-cash	-	-	26,523,386	265,235
<b>Total</b>	<b>132,653,911</b>	<b>1,387,391</b>	<b>132,653,911</b>	<b>1,387,391</b>

As of 30 June 2022, the share capital amounted to CHF1,326,539.11 consisting of 132,653,911 issued shares with a nominal value of CHF 0.01 per share.

**AUTHORISED SHARE CAPITAL**

As at 30 June 2022, the Board of Directors was authorized, at any time, until 11 February 2023 to increase the share capital in an amount of CHF 428,342.36 through the issuance of 42,834,236 fully paid registered shares with a nominal value of CHF 0.01 each.

**CONDITIONAL SHARE CAPITAL**

As of 30 June 2022 the share capital can be increased by CHF 529,159.02 through the issuance of 52'915'902 full paid registered shares with a nominal value of CHF0.01 each. CHF 134,488.21 consisting of 13,448,821 shares has been allocated for issuance to satisfy share option rights under the company's share option plan for employees, directors and consultants. CHF 338,661.77 consisting of 33,866,177 shares allocated for issuance to satisfy share subscription rights associated with financing or acquisitions.

Share Premium

	30 June 2022 (unaudited)	31 December 2021 (audited)
Details of share premium are as follows:		
Share premium from issued ordinary shares		
Issued for cash	5,759,347	5,759,347
Issued for non-cash	15,081,218	15,081,218
Redenomination of shares	(852,930)	(852,930)
<b>Total</b>	<b>19,987,635</b>	<b>19,987,635</b>

Other Reserves

Details of other reserves are as follows:

	30 June 2022 (unaudited)	31 December 2021 (audited)
Employee share option plan reserve	3,411,114	6,507,437
Share warrants	2,058,508	2,038,508
Equity shares reserves	-	-
Translation difference	34,939	62,499
<b>Total</b>	<b>5,504,561</b>	<b>8,608,444</b>

i. Employee share option reserve

The Company granted a total of 11,320,240 share options outstanding as of 30 June 2022. After expiries, vested share options as of 30 June 2022 and 31 December 2021 amounted to 6,207,128 and 10,259,656 shares, respectively.

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

---

ii. Share warrant reserve

No new share warrants were issued during the period and as such no calculation was made.

iii. Equity share reserves

Equity share reserves represent the Company shares borrowed from MNC used for the conversion of Negma convertible subordinated loan in 2021. The equity shares were redelivered in December 2021.

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 were redelivered in December 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 2022 and 31 December 2021 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

	30 June 2022 (unaudited)	31 December 2021 (audited)
Financial Assets		
Financial assets at amortised cost		
Cash on hand and in banks	53,747	68,038
Trade and other receivables	4,878	26,207
Other short term financial assets	-	559,268
Financial liabilities at amortised cost		
Trade and other payables	2,596,197	2,353,848
Accrued expenses	1,797,512	1,285,056
Convertible subordinated loan	3,683,889	2,556,941

Convertible Notes

On 4 April 2022, the Company completed an equity subscription agreement with Riverfort Global Opportunities PCC Limited (“Riverfort”) for up to CHF 10 million financing over three years, the availability and timing of capital is subject to shareholder approval and the company’s share capacity. In addition, the Company entered into an unsecured loan facility of up to CHF 2 million over 2 years with an immediate financing of CHF 300,000.

On 25 May 2022, the Company completed a CHF 1.25 million financing with strategic investors Buranto AG and Negma Group. Buranto AG provided a loan facility of CHF 250,000 with the full amount drawn immediately. Derek Brandt, a co-owner of Buranto has also joined Achiko’s Advisory Board. Negma Group provided a loan facility of CHF 1.0 million, with an immediate

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

---

financing of CHF 500,000 and the balance to be drawn before 24th July 2022.

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.

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

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

	30 June 2022 (unaudited)	31 December 2021 (audited)
Balance at beginning of the period	2,556,941	2,166,206
Additions during the period	1,126,948	4,957,777
Interest amortised during the period	-	806,266
Settlement during the period	-	(5,620,637)
Director fees subordinated	-	225,867
Other	-	21,463
Balance at end of the period	<u>3,683,889</u>	<u>2,556,941</u>

#### 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:

	30 June 2022 (unaudited)	31 December 2021 (audited)
Balance at beginning of the period		
Heracles Investment Group Limited ("Heracles")	0.00%	0.56%
PT Media Nusantara Citra Tbk ("MNC")	0.00%	7.54%
Neural Networks Limited	3.26%	3.91%
SSUG	6.28%	7.54%

Holdings of 13.671m shares held by Heracles and 10.0m shares held by MNC were lent to the company for the purpose of Share Lending against convertible notes to finance the Company.

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 to 30 June 2022 amounted to USD \$ 382,500. Share option-based compensation of key management personnel to 30 June 2022 amounted to USD \$ 55,685.

#### 18. 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 subject to the items listed below, the Group is to be viewed as continuing in business for the foreseeable future. Accordingly, the Consolidated Financial Statements have been prepared on a going concern basis.

During the reporting period, the Company financed operations and product development with a range of convertible notes, direct investment, agreements to subordinate trade creditors and payables, and share lending.

The ongoing Covid-19 pandemic and it's shift to being considered as endemic continues to adversely impact many industries including the Group's operations internationally. These conditions cause uncertainty over the Group's timing to reach profitability and ability to continue as a going concern.

The Company's access to capital to finance commercialisation efforts and to resolve the indebtedness position is subject to a number of factors, including:

- a. Timing and success of Sales and Commercialisation efforts;
- b. The support of the Company's creditors, shareholders and investors;
- c. Approval at the General Meeting to increase the Share Capacity of the Company for 26,530,783 new shares;
- d. Successful use of the increase in share capital and support of the Company's shareholders and Investors through utilisation of the CHF10,000,000 Equity Subscription Agreement and / or the CHF2,000,000 loan facility from Riverfort Global Opportunities PCC Limited ("Riverfort"), or any alternative financing that the Company may secure.; and
- e. New facilities that may be secured in the future including those after the reporting period

ACHIKO AG AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022 AND 31 DECEMBER 2021  
AND FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 AND 2021  
(Expressed in United States Dollar, unless otherwise stated)

---

19. EVENTS AFTER REPORTING PERIOD

The Company reports the following significant events after the reporting date:

- a. The Company issued a set of Audited Accounts on the 26 June 2022 and whilst the Company had sufficient capital, financing arrangements, and subordination arrangements with its creditors to comply with article 725 para 2 of the Swiss Code of Obligations, the share price of the Company had fallen to such a level that, given limitations with the Company's share capacity and the terms of the convertible notes on issue, the liquidity challenge this created resulted in an adverse audit opinion and suspension of trading of its shares on SIX. Since then, the Company has moved quickly with its investors and creditors to resolve the situation through the issuance of convertible notes and subordinating creditors as follows:
- b. In September, the Company closed a financing round of CHF 1.250 million in convertible notes led by key Swiss shareholders and other new investors.
  - a. Convertible Note with interest at 7% p.a, 50% of which is convertible at the Investor's election between 6 and 12 months from the issue at a price of CHF 0.059, and the remaining 50% is repaid at maturity (12 months from issue) or convertible at the Company's election on the same terms.
  - b. Warrants in the ratio of 266,666 for every CHF 100,000 of Convertible Notes (ie 3.333 million total warrants for CHF1.250 million in Convertible Notes) exercisable at a price of 10 rappen any time between 1 and 4 years from issue.
- c. An additional \$0.806m in subordinated creditors and a financing instrument described in 19(b) above strengthen the short term liquidity and cash flow position of the Group and will ensure funds are available to start production and repayment of its creditors. The above measures strengthened the Board of Directors going concern assumption to enable the auditor to issue an updated audit opinion without an adverse opinion.

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 30, 2021.

