Q1

Implantica

Interim Report Jan-Mar 2022

Financial summary

Figures within parentheses refer to the preceding year.

First quarter

- Net sales increased 141% to TEUR 198 (82).
- Adjusted gross margin amounted to 95% (91%).
- Operating loss (EBIT) increased to TEUR 4,411 (2,279).
- Loss after tax amounted to TEUR 4,888 (1,966).
- Basic and diluted loss per Class A share amounted to EUR 0.07. (0.03).
- Cash and short-term investments as at the end of the period amounted to MEUR 125.7.

Significant events

In the first quarter of 2022

- Implantica continued during this quarter to substantially strengthen its organisation on a broad front. Since our vision is to become the world leader in smart medical implants, we embrace the fact that the talent and calibre of our people are fundamental to achieve this goal. This shared vision has attracted world-class talent from diverse leading organizations.
- First RefluxStop™ implants successfully performed in the UK at King Edward VII Hospital in London by Mr. Nick Boyle, Founder of RefluxUK and VP of the European Foregut Society.
- Comprehensive eHealth patent applications filed for Implantica's platform technology encompassing 25'000 pages, providing fundamental coverage for the eHealth platform in general and extending the scope and term of patent protection for the pipeline products.
- Implantica successfully progresses with eHealth adaption of our pipeline products culminating in a 3-day eHealth workshop with 20 experts from all over Europe to advance the usability of our unique eHealth platform technology, designed to change treatment on distance.

After the end of the period

- Successfully completed RefluxStop™ EU MDR (Medical Device Regulation) Technical Documentation submission.
- Long anticipated return to physical attendance at healthcare Congresses since the Covid outbreak, receiving an enthusiastic reception from KOLs for RefluxStop™ at the German Surgeons' Congress in Leipzig, Germany and Gastrodagarna in Malmö, Sweden, among others.
- Further developing our market access strategy focussing on large centers of excellence and important KOLs in important markets. In Japan, we have been approved by the government-controlled company Jetro, which supports selected companies with important technologies with market entry in Japan.
- Our regulatory and clinical teams have been diligently preparing the extensive RefluxStop™ PMA application, for FDA approval in US. We also continued to expand our presence in our US subsidiary, Implantica Inc.

Successful RefluxStop™ market access strategy

"With our first disruptive product Reflux-Stop™, Implantica has a multi-billion-dollar business opportunity within our reach, well supported by our 4-year results and feedback from our KOLs."

Commercialisation of RefluxStop™

As previously mentioned, our US approval process has made great progress since the FDA (Food and Drug Administration) has agreed to receive a PMA (Premarket Approval) marketing application for RefluxStop™ based solely on our existing European clinical data. Our regulatory and clinical teams have been diligently preparing the extensive PMA application, including compiling the additional clinical data requested by FDA and preparing a US-based usability study on cadavers. We also continued to expand our presence in our US subsidiary, Implantica Inc.

We continue with maximum efforts to focus on the commercialisation of RefluxStop™, which has all attributes to become the new standard of care in treatment of acid reflux. This is fuelled by excellent clinical trial results, today up to 4 years, which reinforce RefluxStop's™ superior outcome.

RefluxStop™ presents fewer complications than the competition since it does not compress the food passageway. Side effects with current procedures such as swallowing difficulties, pain at swallowing, inability to belch and vomit as well as gas bloating have been dramatically reduced.

RefluxStop™ is also designed to treat acid reflux better since it treats the cause of acid reflux. It is very important to restore a low pH in the lower esophagus, as RefluxStop™ does, because acid reflux causes cancer. In the EU and US alone 48'000 deaths are expected from esophageal adenocarcinoma mainly caused by acid reflux.

The reason for this large number of deaths is that drug therapy with PPIs does not protect from this cancer risk, and no proof of such risk reduction can be found in the literature. Note that esophageal adenocarcinoma in men in the western world has increased tenfold over the past 40 years despite the introduction of PPIs in 1988.

We have increased our efforts to maximize commercial success through a dedicated market access strategy. Implantica set the foundation for RefluxStop™ global growth through focused market development activities going global with RefluxStop™ within our geographic focus. This will be supported by continuing to gather solid cost-benefit evidence of our novel device over existing therapies. Our new Payer Advocacy and Health Economics team are focusing on reimbursement achievement with insurance companies and governmental agencies in the US and globally.

Our market strategy also involves supplying robust RefluxStop™ clinical evidence through a registry study and randomized clinical investigation.

It's important to not lose sight of the magnitude of this treatment field: One billion people worldwide take at least one cure of PPI annually and 17% of the EU population have weekly acid reflux!

Altogether this supports that Implantica has a multi-billion-dollar business opportunity within our reach, with our first disruptive commercially available RefluxStop™ solution. With the right strategy and execution, RelfuxStop™ has great potential to become the new standard of care for GERD surgical treatment and build substantial value for our Investors.

The market

During the quarter, we have been utilizing and further developing our market access strategy, focusing on large centers of excellence and important KOLs in important markets, in particular the US, UK, Germany and Japan. In Japan, we have been approved to receive support for our market entry by the government-controlled company Jetro, which supports selected and important companies' market entry in Japan. We have received market feedback further increasing our conviction that RefluxStop™ has tremendous potential to become a success story.

Overall, the global implantable medical device market is expected to reach USD 168.3 billion by 2027, representing a compound annual growth rate of 5.5% over the next 5 years.

Our eHealth pipeline works within a market space forecasted to reach USD 230 billion by 2027.

We have started to focus on regulatory approval in Japan, another important market. During the quarter we started performing surgeries in the UK and will focus to build up the UK market. In parallel, we have employed a competent sales/market access team in Italy and Spain. However, our main focus is the US.

A shared vision

Implantica has continued during this quarter to substantially strengthen its organisation on a broad front. Since our vision is to become the world leader in smart medical implants, we embrace the fact that the talent and calibre of our people are fundamental to achieve this goal. People come to Implantica because they believe they can be a part of an exciting journey that revolutionizes patient care for debilitating conditions across a range of disease states by using cutting edge technology. This shared vision has attracted world-class talent from diverse leading organizations such as NASA, Massimo, Ericsson, Medtronic, AstraZeneca as well as from leading universities around the world. Implantica´s employees have shown to be talented and passionate about their jobs and very dedicated to our mission: making the next generation of surgical products and eHealth a standard of care that will empower patients to be more in control of their condition and quality of life.

Today we have a remarkable team of mechanical and software engineers, growing sales, market development and access teams and more growth across all functional areas. We're building apps, we're creating connected implants, we're working with payers, we're in the OR with the top surgeons in our field. We should not forget our patent team where we recently filed an eHealth patent application comprising 25'000 pages to secure future value growth.

We are happy we have been able to reinforce our team with such excellent competencies, and it's exciting to be the CEO of a company with so many talented people that can share our vision and values.

eHealth pipeline

We have successfully continued to develop our eHealth platform to be able to treat diseases in a way which were previously seen as untreatable. eHealth will save costs – reduce hospital stay and number of visits to the hospital. eHealth will bring treatment closer to the patient – patient will be involved and more in charge.

While most development regarding eHealth is focused on gathering information from outside the patient's body, Implantica's eHealth-system is designed to monitor, deliver and handle data as well as treat illnesses from inside the body. This enables a reduced cost of care and better patient outcomes. The future of eHealth will be the Medtech 3.0 revolution.

Entering Medtech 3.0 with Implantica's eHealth platform, designed for a future where the patient and physician have direct interaction with their tech-enabled care or enhancement continuously - wherever they are.

Implantica has a head start in this intersection of technology from traditional MedTech and rapidly evolving digitalization. The management sees enormous potential in Implantica's mission and intriguing portfolio of upcoming products that are in the forefront of this eHealth revolution. Our team is looking forward to the exciting challenges ahead of us.

As mentioned, Implantica's eHealth-system facilitates that the patient can be more involved in his or her condition and treatment. eHealth helps the patient be informed and engaged. It eases the burden and makes the treatment part of everyday life. It is designed to let the physician and the patient conveniently meet on distance to follow-up on the condition and treatment without having to meet in person, saving time and resources.

The eHealth platform technology adaption to our pipeline products has taken a large step forward during the quarter. Implantica's eHealth platform is designed to be able to change treatment on distance, saving substantial costs for society.

Going forward

We are in an exciting phase with our new technology, and we foresee Implantica mid-term to be in the forefront of the smart implant and eHealth revolution.

Looking ahead, we have a strong balance sheet to support our key business goals, most importantly, build and scale our top commercial priority RefluxStop™ while finalising development of the targets in our eHealth R&D pipeline.

Implantica has all the attributes to become an exceptional growth story with an exciting journey in front of us and that's why we manage to attract such exceptional talents to Implantica.

I would like to take this opportunity to thank our employees, partners and shareholders for their continued commitment, tireless efforts, and dedication in executing Implantica's bold strategy to enrich patients' lives with our ground-breaking technologies.

Peter Forsell
CEO and Founder, Implantica
Surgeon and Inventor

Implantica in brief

Implantica is a MedTech group committed to providing effective care for serious health conditions and improving patient quality of life by bringing advanced technology into the body. Simultaneously, Implantica aims to reduce overall costs and improve efficiency in the healthcare system.

The therapies Implantica develops are based on implants, which are inserted into the patient's body to replace bodily functions and/or treat diseases. Implantica has developed two platform technologies to be able to bring smart medical implants into the body.

Bringing advanced technology into the body requires enough power to activate a device inside the body long-term, which is the reason why a wireless energising platform has been developed. In addition, the Company has developed an eHealth platform for communicating with and reprogramming implants.

These platform technologies are covered by a multitude of patents and patent applications.

Implantica has developed a broad, patent protected, product pipeline, two-thirds of which is based on their two platform technologies.

Implantica's most progressed product, RefluxStop™, represents a potential paradigm shift in the treatment of GERD. Acid reflux has a significant impact on patient quality of life and can induce serious complications, including increased risk for oesophageal cancer.

GERD patients rely today, to a large extent, on PPIs – a drug therapy which calms symptoms of GERD. Ultimately, with PPI treatment reflux is not prevented and the risk for oesophageal cancer remains according to a report from Karolinska Institute. Alternative surgical procedures available today are plagued with complications, including compression of the food passageway and swallowing difficulties.

Top ten shareholders as of 31 March 2022

Name	Capital (%)
Peter Forsell	47.4 %
Handelsbanken	9.3 %
EFG Bank	7.4 %
Swedbank Robur	6.1 %
TIN NY Teknik	3.6 %
SIX SIS AG	2.2 %
BNP Luxembourg	2.2 %
UBS	1.4 %
Skandia Fonder	1.3 %
Skandia Liv	1.3 %

Source: Euroclear Sweden

Financial performance in brief

Figures in parentheses within the following section refer to the corresponding period in the preceding year.

Net sales

During the first quarter, net sales amounted to EUR 198 thousand (82), corresponding to an increase of EUR 116 thousand or 141%. The Omicron variant continued to create headwinds for the beginning of the year. Implantica is currently exclusively marketing its lead product, RefluxStop™.

Cost of sales and gross margin

Cost of sales during the first quarter amounted to EUR 316 thousand (314). Cost of sales considers two categories of costs. Firstly, indirect costs of straight-line amortisation of capitalised development costs relating to RefluxStop™. Secondly, Other cost of sales, which relates to direct costs for purchasing goods and services from the Group's outsourcing partners.

In the first quarter, adjusted gross margin, i.e., gross margin excluding amortization, amounted to 95% (91%).

Operating expenses and EBIT

In the first quarter operating loss (EBIT) amounted to EUR 4,411 thousand (2,279), an increase of EUR 2,132 thousand or 94%. Where Research and development costs made up EUR 1,442 thousand (937), corresponding to an increase of EUR 505 thousand or 54%. The cost increase year-on-year is driven by increased research and development activities mainly relating to eHealth and pipeline product development. General and administrative costs increasing to EUR 2,851 thousand (1,110), an increase of EUR 1,741 thousand or 157%. The increase was driven by hiring and consulting costs in the areas of commercial development as well as quality and regulatory.

Financial income and expenses

Financial income amounted to EUR 370 thousand (282) during the first quarter thanks to foreign exchange gains. Financial expenses amounted to EUR 861 thousand (359) over the quarter driven by foreign exchange losses and negative interest charges on cash balance.

Income taxes

The Group reported a tax income of EUR 14 thousand (390) in the first quarter. The tax income for the quarter is explained by changes in deferred tax assets.

Net earnings

The Group reported a net loss of EUR 4,888 thousand (1,966) for the first quarter, an increase of EUR 2,922 thousand driven by an increase in operating costs.

Equity and liabilities

As of 31 March 2022, the Group's equity amounted to EUR 155.4 million and the equity ratio was 97.3%, compared to 98.4% at 31 March 2021.

As of 31 March 2022, the Group did not have any interest-bearing debt.

Cash flow and liquidity

Net cash outflow from operating activities over the first three months of the year 2022 amounted to EUR 4,455 thousand (1,819).

As of 31 March 2022, Implantica held cash and short-term investments of EUR 125.7 million.

Auditor's review

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

Consolidated interim financial statements

Condensed consolidated statement of profit or loss

	Jan to Mar		Jan to Dec
in thousands of EUR	2022	2021	2021
Net Sales	198	82	387
Cost of sales			
Amortisation of capitalized development costs	(307)	(307)	(1,227)
Other cost of sales	(9)	(7)	(27)
Total cost of sales	(316)	(314)	(1,254)
Gross loss	(118)	(232)	(867)
Research and development costs (Note 4)	(1,442)	(937)	(6,343)
General and administrative costs	(2,851)	(1,110)	(5,931)
Operating loss	(4,411)	(2,279)	(13,141)
Financial income	370	282	684
Financial expenses	(861)	(359)	(2,993)
Loss before income taxes	(4,902)	(2,356)	(15,450)
Income taxes	14	390	(22)
Loss for the period	(4,888)	(1,966)	(15,472)
Attributable to			
Owners of Implantica AG	(4,776)	(1,966)	(15,361)
Non-controlling interests	(112)	-	(111)
Loss for the period	(4,888)	(1,966)	(15,472)
Earnings per share (Note 5)			
Basic and diluted loss per share Class A (in EUR)	(0.07)	(0.03)	(0.23)
Basic and diluted loss per share Class B (in EUR)	(0.00)	(0.00)	(0.00)

Condensed consolidated statement of profit or loss and other comprehensive income

in thousands of EUR	Jan to Mar 2022	Jan to Mar 2021	Jan to Dec 2021
Loss for the period	(4,888)	(1,966)	(15,472)
Other comprehensive income			
Remeasurement of net defined benefit liability	(29)	6	(112)
Related income taxes	4	(1)	14
Total items that will not be reclassified to profit or loss	*(25)*	*5*	*(98)*
Translation differences (Note 1)	590	(1,082)	5,611
Total items that may be reclassified subsequently to profit or loss	*590*	*(1,082)*	*5,611*
Other comprehensive income for the period, net of tax	565	(1,077)	5,513
Total comprehensive income for the period	(4,323)	(3,043)	(9,959)
Attributable to			
Owners of Implantica AG	(4,211)	(3,043)	(9,848)
Non-controlling interests	(112)	-	(111)
Total comprehensive income for the period	(4,323)	(3,043)	(9,959)

Condensed consolidated statement of financial position

in thousands of EUR	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Current assets			
Cash and cash equivalents	76,963	93,294	84,333
Accounts receivable	139	48	13
Other current receivables	672	380	476
Inventories	216	167	137
Current financial assets	48,685	-	48,403
Total current assets	126,675	93,889	133,362
Non-current assets			
Property, plant and equipment	233	99	233
Right-of-use assets	1,367	166	91
Intangible assets (Note 4)	30,436	18,218	28,467
Deferred tax assets	980	1,358	978
Total non-current assets	33,016	19,841	29,769
Total assets	159,691	113,730	163,131
LIABILITIES AND EQUITY			
Current liabilities			
Financial liabilities	377	111	92
Financial liabilities due to ultimate main shareholder	189	-	273
Other current liabilities	2,426	1,557	2,849
Total current liabilities	2,992	1,668	3,214
Non-current liabilities			
Financial liabilities	994	57	-
Pension liability	259	106	229
Total non-current liabilities	1,253	163	229
Total liabilities	4,245	1,831	3,443
Equity			
Share capital (Note 6)	129,137	120,187	129,137
Capital reserves (Note 6)	370,548	206,503	370,548
Translation differences (Note 6)	5,750	(1,533)	5,160
Retained earnings	(348,946)	(213,258)	(344,226)
Total equity attributable to owners of Implantica AG	156,489	111,899	160,619
Non-controlling interests	(1,043)	-	(931)
Total equity	155,446	111,899	159,688
Total liabilities and equity	159,691	113,730	163,131

Condensed consolidated statement of cash flows

in thousands of EUR	Jan to Mar 2022	Jan to Mar 2021	Jan to Dec 2021
Loss for the period	(4,888)	(1,966)	(15,472)
Adjustments for			
Depreciation, amortisation and impairment	425	356	1,412
Financial income	(370)	(282)	(684)
Financial expenses	861	359	2,993
Income taxes	(14)	(390)	22
Share-based compensation	81	56	228
Other financial result	(8)	(4)	(20)
Change in pension liabilities	(1)	6	(2)
Other non-cash items	(48)	(2)	(137)
Changes in net working capital			
Decrease / (increase) accounts receivable	(126)	(25)	10
Decrease / (increase) other current receivables	(196)	(73)	(81)
Decrease / (increase) inventories	(79)	15	45
(Decrease) / increase trade accounts payable	-	(4)	(4)
(Decrease) / increase other current liabilities	(92)	135	218
Net cash outflow from operating activities	(4,455)	(1,819)	(11,472)
Cash flows from investing activities			
Purchase of property, plant and equipment	(14)	(19)	(164)
Investment in intangible assets (Note 4)	(2,611)	(1,198)	(5,277)
Investment in fixed term deposits	-	-	(46,168)
Net cash outflow from investing activities	(2,625)	(1,217)	(51,609)
Cash flows from financing activities			
Gross proceeds from capital increase	-	-	59,075
Costs of proceeds from capital increase	-	-	(2,899)
Contribution of MedicalTree Swiss AG Group	-	-	22
Merger with Implantica MediSwiss AG	-	-	38
Payment of lease liabilities	(104)	(28)	(113)
Interest paid	(133)	(149)	(631)
Proceeds from financial liabilities	-	-	-
Repayment of financial liabilities	-	-	(7,441)
Net cash inflow from financing activities	(237)	(177)	48,051
Net increase in cash and cash equivalents	(7,317)	(3,213)	(15,030)
Effect of exchange rate fluctuations on cash held	(53)	(1,004)	1,852
Cash and cash equivalents at 1 January	84,333	97,511	97,511
Cash and cash equivalents at end of period	76,963	93,294	84,333

Condensed consolidated statement of changes in equity

	Jan to Mar 2022						
in thousands of EUR	Share capital	Capital reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2021	129,137	370,548	5,160	(344,226)	160,619	(931)	159,688
Loss for the period attributable to owners of the Company	-	-	-	(4,776)	(4,776)	(112)	(4,888)
Other comprehensive income (net)	-	-	590	(25)	565	-	565
Total comprehensive income (net)	-	-	590	(4,801)	(4,211)	(112)	(4,323)
Share-based compensation	-	-	-	81	81	-	81
Total transactions with shareholders	-	-	-	81	81	-	81
Balance at 31 March 2022	129,137	370,548	5,750	(348,946)	156,489	(1,043)	155,446

	Jan to Mar 2021				
in thousands of EUR	Share capital	Capital reserves	Translation differences	Retained earnings	Total equity
Balance at 31 December 2020	120,187	206,503	(451)	(211,353)	114,886
Loss for the period attributable to owners of the Company	-	-	-	(1,966)	(1,966)
Other comprehensive income (net)	-	-	(1,082)	5	(1,077)
Total comprehensive income (net)	-	-	(1,082)	(1,961)	(3,043)
Share based compensation	-	-	-	56	56
Total transactions with shareholders	-	-	-	56	56
Balance at 31 March 2021	120,187	206,503	(1,533)	(213,258)	111,899

Notes

NOTE 1 General information

Implantica AG (the 'Company') is domiciled at Aeulestrasse 45, 9490 Vaduz, Liechtenstein. These condensed consolidated interim financial statements ('interim financial statements') as at and for the three months ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the research and distribution of medical implants. Implantica AG was admitted to trading on the Nasdaq First North Premier Growth Market in Stockholm in September 2020. Implantica AG is ultimately controlled by the Implantica Founder, Dr. Peter Forsell.

In the past the Group operated through Implantica MediSwiss AG, Liechtenstein but the issuer of shares for the listing on the Nasdaq First North Premier Growth Market in Stockholm was the newly incorporated Implantica AG domiciled in Liechtenstein. As part of the reorganisation Implantica MediSwiss AG founded Implantica AG on 7 February 2020 by contributing all subsidiaries (refer to annual report 2020). On 17 September 2021 Implantica AG and Implantica MediSwiss AG merged.

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2022. As of this date, no material events after the reporting date have occurred.

NOTE 2 Summary of significant accounting policies

Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2021 ('last financial statements'). These interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last financial statements.

For the preparation of these financial statements the historical cost basis except for all those assets and liabilities measured at fair value has been applied. All amounts are presented in EUR, and are rounded to the nearest thousand of EUR with the consequence that the rounded amounts may not add to the rounded total in all cases. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Critical accounting estimates and judgements

The preparation of these interim financial statements requires management to make assumptions and estimates that affect the reported amounts of expenses, assets and liabilities at the date of the financial statements. If in the future such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the year in which the circumstances change. The valuation of the following material positions is based on the critical accounting estimates and judgements.

Intangible assets – capitalised costs

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use (i.e., when market launch has occurred). It is amortised over the expected useful life. During the development phase, the intangible asset is tested for impairment annually.

There can be no guarantee that such products will complete the development phase or will be commercialised or that market conditions will not change in the future. Hence a revision of management's assessment of future cash flows related to those products may be required. Specifically, management is required to make estimates and judgements in the area of developing and financing the intangible assets not yet in use. As such, the Group faces development risks in terms of finalising the development and launch of its products. Development risk includes the risk that the product does not obtain regulatory approval and therefore technical feasibility is not given.

NOTE 3 General accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

There were no new standards or amendments to existing standards that have a material effect on the Group's interim financial statements.

NOTE 4 Intangible assets

	Jan to Mar	
in thousands of EUR	2022	2021
Net carrying amount at 1 January	28,467	17,341
Additions Jan to Mar	2,280	1,198
Amortization Jan to Mar	(311)	(320)
Translation differences	-	(1)
Net carrying amount at 31 March	30,436	18,218

For the first quarter Research and development costs in the amount of EUR 1,442 thousand were recognised in profit or loss since the conditions for capitalisation as intangible assets for these costs are not met.

NOTE 5 Earnings per share

	Jan to Mar		Jan to Dec
in thousands of EUR	2022	2021	2021
Loss for the period attributable to owners of Implantica AG	(4,776)	(1,966)	(15,361)
Weighted average % of Class A share capital in total share capital	83.8%	82.5%	83.4%
Weighted average % of Class B share capital in total share capital	16.2%	17.5%	16.6%
Class A shares			
Loss for the period attributable to Class A shareholders	(4,001)	(1,623)	(12,809)
Weighted average number of outstanding Class A shares	58,111,537	53,211,537	56,549,999
Basic and diluted (loss) per share Class A (in EUR)	(0.07)	(0.03)	(0.23)
Class B shares			
Loss for the period attributable to Class B shareholders	(775)	(343)	(2,552)
Weighted average number of Class B shares	1,125,000,000	1,125,000,000	1,125,000,000
Basic and diluted (loss) per share Class B (in EUR)	(0.00)	(0.00)	(0.00)

Earnings per category of shares

Earnings per class of shares (Note 6) are calculated on the basis of the net loss attributable to the shareholders of Implantica AG based on their portion of the share capital and the average number of outstanding shares.

Anti-dilutive effect of potential outstanding shares

The impact of share-based compensation arrangements was not considered in the diluted earnings per share calculation for Class A shares for the three months ended 31 March 2022 and 2021 because due to the net loss for these periods their effect would have been anti-dilutive. Class B shares are not affected since based on the employee share option plan shares shall be made available and issued only through Class A shares.

Effect of share split

On 17 September 2021 the extraordinary general meeting of the Company resolved to perform a Class B share split at the ratio of 20 to 1. Accordingly, the weighted average number of Class B shares outstanding in all periods presented are adjusted (multiplied by 20) in order to reflect the equity structure of the Company as if the share split had occurred at the beginning of the earliest period presented.

NOTE 6 Share capital

The fully paid in share capital of the Group amounts to CHF 138,723 thousand (EUR 129,137 thousand) and is divided into 58,111,537 registered shares with a nominal value of CHF 2.00 each (Class A) and 1,125,000,000 with a nominal value of CHF 0.02 each (Class B).

During the period the number of shares remained unchanged.

Translation differences

During the three months ended 31 March 2022 the EUR/CHF exchange rate increased from 0.968 to 0.974. As a result, the group recognised a total profit of EUR 590 thousand in other comprehensive income related to the translation of financial statements of foreign operations and net investments in foreign operations.

NOTE 7 Leases

The Group commenced two leases, one in Switzerland and one in Liechtenstein, for office space with lease terms ranging from two to five years. Extension options were not included in the lease term as it is not reasonably certain the group will extend the leases. As a result of these leases the right-of-use assets and lease liabilities included in financial liabilities increased by EUR 1,367 thousand.

NOTE 8 Share based payment

The Group granted a total number of 63,811 restricted shares to one employee subject to one-to-five-year vesting conditions related to ongoing employment whereby 12,762 shares vest annually. The fair value of each share at grant date was EUR 6.34.

NOTE 9 Subsequent events

There are no subsequent events.

Other

Telephone conference

Implantica will hold a teleconference on 11 May 2022 at 15:00 (CEST) with Peter Forsell (CEO), Andreas Öhrnberg (CFO) and Nicole Pehrsson (VP Operations & IR). Please see dial-in details below to join the conference:

Webcast

https://tv.streamfabriken.com/implantica-q1-2022

Dial-in number

SE: +46 8 505 583 66
UK: +44 3333 009265
US: +1-646-722-4904

Financial calendar

23 August 2022	Interim Report Q2 2022
15 November 2022	Interim Report Q3 2022
17 February 2023	Interim Report Q4 2022

Listing

Implantica is listed on Nasdaq First North Premier Growth Market in Stockholm. The company is traded under the ticker symbol IMP A SDB and ISIN code SE0014855029.

Disclaimer statement

Some statements herein are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors, for example: the impact of undesired side effects related to existing or future products, failures in handling of the quality system, obstacles in obtaining CE and FDA approvals and re-certifications, products may fail to become subject to insurance and reimbursement policies and risk not gaining widespread acceptance, clinical trials may prove to be unsuccessful and the impact of competing products.

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