



## Financial summary

*Figures within parentheses refer to the preceding year.*

### Second quarter

- Net sales increased 80% to TEUR 207 (115).
- Adjusted gross margin amounted to 97% (94%).
- Operating loss (EBIT) increased to TEUR 4,347 (2,968).
- Loss after tax amounted to TEUR 5,858 (2,875).
- Basic and diluted loss per Class A share amounted to EUR 0.08. (0.04).
- Cash and short-term investments as at the end of the period amounted to MEUR 121.5.

### First six months

- Net sales increased 106% to TEUR 405 (197).
- Adjusted gross margin amounted to 96% (93%).
- Operating loss (EBIT) increased to TEUR 8,758 (5,247).
- Loss after tax amounted to TEUR 10,746 (4,841).
- Basic and diluted loss per Class A share amounted to EUR 0.15 (0.07).

## Significant events

### In the second quarter of 2022

- Implantica has completed the first AppetiteControl™ food sensor clinical trial on 20 human volunteers. The results are currently being evaluated.
- Implantica successfully conducted its first User Meeting with 11 highly experienced anti-reflux Key Opinion Leaders (KOLs) participating, from several European countries. The purpose of the meeting was to standardize the surgical technique for the RefluxStop™ procedure. A consensus paper has been written and will be published.
- Implantica was named the winner of the Frost & Sullivan 2022 European Technology Innovation Leadership Award for its novel RefluxStop™ technology treating gastroesophageal reflux disease (GERD). Frost & Sullivan's Industry Analyst, Neeraj Nitin Jadhav, concludes that Implantica's development of its groundbreaking technology, RefluxStop™ treats gastroesophageal reflux disease without affecting the food passageway and provides maximum safety, superiorly treating a pathological low pH in lower esophagus (causing heartburn and cancer) and thereby lowers the economic burden on both patients and society.
- Significant progress has been made in generating real-world evidence on RefluxStop procedural feasibility, safety, and efficacy. Multiple patient case series articles utilizing RefluxStop patient data are under development and expected to be submitted to scientific journals by the end of this year.

### After the end of the period

- University of York's Health Economics Consortium in UK has made an in-depth and robust health economic analysis of RefluxStop™ versus Standard of Care and other alternative treatment options. The analysis clearly showed the superior cost-effectiveness of RefluxStop against other anti-reflux interventions. The outcome of this assessment highlights RefluxStop™, as superior compared to all other therapies in quality-of-life outcomes. This is excellent news for RefluxStop's™ commercial development as it will be considered by governmental bodies and insurance companies.
- Implantica initiated a therapy awareness project to enhance the patient, physician and caregiver's awareness about gastroesophageal reflux disease (GERD) and anti-reflux surgery.
  - A dedicated patient awareness website on GERD is under development and expected to be ready for launch before the end of this year.
  - Implantica attended several key scientific congresses and patient meetings in Germany, Sweden, Spain, Italy, Austria, and Switzerland to raise awareness and medical education about RefluxStop therapy among the Anti-Reflux experts, patients, and the GERD community at large.



# Executing on RefluxStop™ Commercialisation Strategy

**“We are continuing to build the platform for releasing RefluxStop’s multi-billion-dollar business opportunity, well supported by KOLs and clinical data.”**

## Commercialisation of RefluxStop™

We continue to build the platform for reimbursement in prioritized markets. When the healthcare systems and/or insurance companies decide to pay for RefluxStop™, a catch-up effect with a substantial sales expansion is anticipated. Currently, we are taking all the necessary steps to achieve this goal. A world market of over 1 billion people suffering weekly implies a rather exceptional potential.

Based on our commercial experience so far, it is clear that market access is our biggest enabler to capture the broader RefluxStop™ commercial opportunity. The Healthcare world is becoming increasingly complex and demanding when it comes to covering and paying for new medical technologies. We have invested significant energy and resources in developing a solid Implantica market access strategy and commercial development team for successful execution.

Our mid-term vision is to establish RefluxStop™ as a new evidence-based standard of care for acid reflux treatment and unlock the multi-billion potential for our business case. Reflux-Stop™ has all the attributes to become a first-line therapy and commercial success.

**The first pillar in our strategy** relates to the cost-benefit of RefluxStop™. University of York’s Health Economics Consortium has successfully conducted an in-depth and robust health economic analysis of RefluxStop. Two separate abstracts have been submitted to one of the largest payer-focused conferences. This analysis clearly showed the superior cost-effectiveness of RefluxStop™ against other anti-reflux medical and surgical treatment interventions (including Standard of Care fundoplication, Magnetic augmentation device and PPI medical treatment).

The outcome of this assessment highlights RefluxStop™ as superior compared to all other therapies in quality-of-life outcomes. This is excellent news for RefluxStop’s commercial development as it will be considered by governmental bodies and insurance companies. Economic efficiency is an increasingly important decision-making factor in several major European countries as well as Canada and the USA.



CEO Peter Forsell

**The second pillar in our strategy** relates to the high demand for clinical data by both government bodies and insurance carriers. Decision-making processes by healthcare providers and payor authorities are increasingly evidence-based. Therefore, improving the clinical data support for RefluxStop™ is an important step in convincing the governmental bodies and insurance companies.

We are diligently working on and providing validated clinical data for RefluxStop™. Independently several surgeons are now in the process of writing articles about their early and late-stage patient outcome results with RefluxStop™. This is clearly advantageous for RefluxStop™, which addresses the reflux problem completely differently than other existing medical and surgical interventions and thereby presents fewer complications than the alternative interventions, as it does not encircle the esophagus nor put pressure on the food passageway. Reflux-Stop™ is also designed to treat acid reflux better since it treats the cause of acid reflux by both restoring and maintaining the normal anatomy. It is very important to treat this disease since acid reflux can cause cancer.

As part of this work, Implantica launched a national registry. Already 6 centers of excellence from 3 countries have committed to submit data to the registry. Simultaneously, we are working on a multinational Randomized Controlled Study for which we will be closely working with multiple payer authorities to get feedback and alignment on study design and outcomes to meet key reimbursement requirements. We have many centers that have shown great interest in participating in this study. A solid evidence generation will support market access and allow us to scale commercialisation globally.

**The third pillar in our strategy** relates to market expansion.



Gaining regulatory approval in additional important markets is key. We are preparing our PMA application for being allowed to sell in the U.S. This extensive application is being diligently prepared by our regulatory and clinical teams, including compiling additional clinical data for FDA. Our subsidiary, Implantica Inc. continues to expand our footprint in the U.S. by promoting early market awareness and education. U.S. market entry will be a substantial landmark in our commercialisation process.

In Europe we have expanded our presence to Italy and have been well received by many leading Key Opinion Leaders. This is symbolized by one of the world's most renowned anti-reflux surgeons from Italy attending our first KOL consensus meeting.

We are proud to announce that Implantica successfully conducted its first User Meeting with 11 Key Opinion Leaders (KOLs) participating, all experienced anti-reflux surgeons from several European countries. The purpose of this meeting was to exchange experience and results as well as to standardize the surgical technique for the RefluxStop™ procedure. A consensus paper has been written and will be published in the near-term, which will likely make an impact in the market.

During the second quarter, Implantica was named the winner of the Frost & Sullivan 2022 European Technology Innovation Leadership Award for its novel RefluxStop™ technology treating gastroesophageal reflux disease (GERD).

Each year Frost & Sullivan presents this award to the company that has developed a product with innovative features and functionality that is gaining rapid acceptance in the market. Industry analysts compared market participants and measured performance through in-depth interviews, analyses and extensive secondary research to identify best practices in the industry. The award recognizes the quality of the solution and the customer value enhancements it enables. In our case the statement reads:

“Frost & Sullivan commends Implantica’s development of its groundbreaking technology, RefluxStop™, a medical implant that restores the natural anatomy of the esophageal sphincter and successfully treats gastroesophageal reflux disease without affecting the food passageway. RefluxStop’s unique design and use of solid medical grade silicone offers optimal flexibility and durability, providing maximum safety, superiorly treating a pathological low pH in lower esophagus (causing heartburn and cancer) and lowering the economic burden on both patients and society,” said Neeraj Nitin Jadhav, the Frost & Sullivan Industry Analyst.

## Unparalleled eHealth pipeline

We have successfully finalised a clinical study of our food sensor with 20 volunteers participating, the results of which are currently being evaluated. AppetiteControl™, automatically controlling appetite, is supported by our unique food control sensor, which is designed to monitor the patient’s eating behaviour. The food sensor uses a ground-breaking new technology and is an important part of the AppetiteControl™ system.

AppetiteControl™ is designed to be programable to allow a certain amount of food intake before the device induces a feeling of fullness. This allows a totally unique treatment approach, with the potential to become a lifestyle product for the 1.9 billion overweight people worldwide.

The eHealth platform adaptation to a multitude of products is underway, to improve treatment and even treat diseases in a way that was previously seen as untreatable. By managing patient care remotely, the eHealth platform, when launched, will save costs, reduce hospital stay and the number of visits to the hospital. The patient will be more engaged, and our eHealth platform will bring treatment closer to the patient.

We are continuing to develop the products in our pipeline, which are all placed in large addressable markets. Every single one of these pipeline products under development has the potential to build a large company.

## Going forward

Implantica continues to build a solid international team of experienced professionals.

Building and scaling our top commercial priority RefluxStop™, while finalising development of the eHealth R&D pipeline is supported by a strong balance sheet.

RefluxStop™ has great potential to become the new standard of care for GERD surgical treatment and build substantial value for our Investors. I truly believe that Implantica has all the attributes to become an exceptional growth story.

I’m grateful to our employees, partners and shareholders for their continued support, commitment, and dedication in supporting or executing Implantica’s strategy to improve patients’ quality of life.

### **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 30 June 2022

Name	Capital (%)
Peter Forsell	47.4 %
Handelsbanken Fonder	8.8 %
EFG Bank	7.4 %
Swedbank Robur	5.8 %
TIN Fonder	3.6 %
SIX SIS AG	2.2 %
BNP Paribas Luxembourg	2.2 %
UBS	1.7 %
State Street Bank	1.4 %
Avanza Pension	1.4 %

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 second quarter, net sales amounted to EUR 207 thousand (115), corresponding to an increase of EUR 92 thousand or 80%. Implantica is currently exclusively marketing its lead product, RefluxStop™, to selected Key Opinion Leaders.

For the first six months, sales amounted to EUR 405 thousand (197), corresponding to an increase of EUR 208 thousand or 106%.

## Cost of sales and gross margin

Cost of sales during the second quarter amounted to EUR 313 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 second quarter, adjusted gross margin, i.e., gross margin excluding amortization, amounted to 97% (94%).

The cost of sales over the first six months of the year, amounted to EUR 629 thousand (628). The adjusted gross margin<sup>1</sup>, amounted to 96% (93%).

## Operating expenses and EBIT

In the second quarter operating loss (EBIT) amounted to EUR 4,347 thousand (2,968), an increase of EUR 1,379 thousand or 46%. Where Research and development costs made up EUR 1,270 thousand (1,498), corresponding to a decrease of EUR 228 thousand or 15%. Research and development activities mainly relate to the eHealth platform and pipeline product development.

General and administrative costs increasing to EUR 2,971 thousand (1,271), an increase of EUR 1,700 thousand or 134%. The increase was driven by hiring and consulting costs in the areas of commercial development as well as quality and regulatory.

For the first six months of the year, the operating loss (EBIT) amounted to EUR 8,758 thousand (5,247). Where Research and development cost made up EUR 2,712 thousand (2,435), corresponding to an increase of EUR 277 thousand or 11% compared to the first six months of 2021. General and administrative costs increased to EUR 5,822 thousand (2,381), an increase of EUR 3,441 thousand or 145%.

## Financial income and expenses

Financial income amounted to EUR 56 thousand (90) during the second quarter thanks to foreign exchange gains. Financial expenses amounted to EUR 1537 thousand (254) over the quarter driven by foreign exchange losses and negative interest charges on cash balance.

For the first six months of the year, Financial income amounted to EUR 426 thousand (372) and Financial expenses totalled EUR 2,398 thousand (613). The lion's share of the foreign exchange losses driving the elevated Financial expenses, relate to a weakening of the Swedish krona which is being held to pay key Swedish suppliers over time.

## Income taxes

The Group reported an income tax of EUR 30 thousand (-257) in the second quarter. The tax for the quarter is explained by changes in deferred tax assets. For the first six months of the year, the Group reported a tax of EUR 16 thousand (-647).

## Net earnings

The Group reported a net loss of EUR 5,858 thousand (2,875) for the second quarter, an increase of EUR 2,983 thousand driven by an increase in operating costs.

For the first six months of the year, the net loss amounted to EUR 10,746 thousand (4,841), an increase of EUR 5,905 thousand.

## Equity and liabilities

As of 30 June 2022, the Group's equity amounted to EUR 152.8 million and the equity ratio was 97.0%, compared to 98.3% at 30 June 2021.

As of 30 June 2022, the Group did not have any interest-bearing debt.

<sup>1</sup> Adjusted gross profit as a percentage of Net sales. Where Adjusted gross profit is defined as Net sales minus cost of sales, plus amortization of



## Cash flow and liquidity

During the second quarter net cash outflow from operating activities amounted to EUR 3,697 thousand (1,450).

Net cash outflow from operating activities over the first six months of the year 2022 amounted to EUR 8,152 thousand (3,269). As of 30 June 2022, Implantica held cash and short-term investments of EUR 121.5 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

<i>in thousands of EUR</i>	Apr to Jun		Jan to Jun		Jan to Dec
	2022	2021	2022	2021	2021
Net Sales	207	115	405	197	387
<i>Cost of sales</i>					
Amortisation of capitalized development costs	(307)	(307)	(614)	(614)	(1,227)
Other cost of sales	(6)	(7)	(15)	(14)	(27)
<b>Total cost of sales</b>	<b>(313)</b>	<b>(314)</b>	<b>(629)</b>	<b>(628)</b>	<b>(1,254)</b>
<b>Gross loss</b>	<b>(106)</b>	<b>(199)</b>	<b>(224)</b>	<b>(431)</b>	<b>(867)</b>
Research and development costs (Note 4)	(1,270)	(1,498)	(2,712)	(2,435)	(6,343)
General and administrative costs	(2,971)	(1,271)	(5,822)	(2,381)	(5,931)
<b>Operating loss</b>	<b>(4,347)</b>	<b>(2,968)</b>	<b>(8,758)</b>	<b>(5,247)</b>	<b>(13,141)</b>
Financial income	56	90	426	372	684
Financial expenses	(1,537)	(254)	(2,398)	(613)	(2,993)
<b>Loss before income taxes</b>	<b>(5,828)</b>	<b>(3,132)</b>	<b>(10,730)</b>	<b>(5,488)</b>	<b>(15,450)</b>
Income taxes	(30)	257	(16)	647	(22)
<b>Loss for the period</b>	<b>(5,858)</b>	<b>(2,875)</b>	<b>(10,746)</b>	<b>(4,841)</b>	<b>(15,472)</b>
<i>Attributable to</i>					
Owners of Implantica AG	(5,762)	(2,875)	(10,538)	(4,841)	(15,361)
Non-controlling interests	(96)	-	(208)	-	(111)
<b>Loss for the period</b>	<b>(5,858)</b>	<b>(2,875)</b>	<b>(10,746)</b>	<b>(4,841)</b>	<b>(15,472)</b>
<i>Earnings per share (Note 5)</i>					
Basic and diluted loss per share Class A (in EUR)	(0.08)	(0.04)	(0.15)	(0.07)	(0.23)
Basic and diluted loss per share Class B (in EUR)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)



## Condensed consolidated statement of profit or loss and other comprehensive income

<i>in thousands of EUR</i>	Apr to Jun		Jan to Jun		Jan to Dec
	2022	2021	2022	2021	2021
Loss for the period	(5,858)	(2,875)	(10,746)	(4,841)	(15,472)
<i>Other comprehensive income</i>					
Remeasurement of net defined benefit liability	8	16	(21)	22	(112)
Related income taxes	(1)	(1)	3	(2)	14
<i>Total items that will not be reclassified to profit or loss</i>	7	15	(18)	20	(98)
Translation differences (Note 6)	3,106	581	3,696	(501)	5,611
<i>Total items that may be reclassified subsequently to profit or loss</i>	3,106	581	3,696	(501)	5,611
<b>Other comprehensive income for the period, net of tax</b>	<b>3,113</b>	<b>596</b>	<b>3,678</b>	<b>(481)</b>	<b>5,513</b>
<b>Total comprehensive income for the period</b>	<b>(2,745)</b>	<b>(2,279)</b>	<b>(7,068)</b>	<b>(5,322)</b>	<b>(9,959)</b>
<i>Attributable to</i>					
Owners of Implantica AG	(2,649)	(2,279)	(6,860)	(5,322)	(9,848)
Non-controlling interests	(96)	-	(208)	-	(111)
<b>Total comprehensive income for the period</b>	<b>(2,745)</b>	<b>(2,279)</b>	<b>(7,068)</b>	<b>(5,322)</b>	<b>(9,959)</b>





## Condensed consolidated statement of financial position

<i>in thousands of EUR</i>	30 Jun		31 Dec
	2022	2021	2021
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	71,331	147,289	84,333
Accounts receivable	118	76	13
Other current receivables	599	352	476
Inventories	122	135	137
Current financial assets	50,201	-	48,403
<b>Total current assets</b>	<b>122,371</b>	<b>147,852</b>	<b>133,362</b>
<i>Non-current assets</i>			
Property, plant and equipment	241	113	233
Right-of-use assets	1,304	140	91
Intangible assets (Note 4)	32,593	19,034	28,467
Deferred tax assets	980	1,617	978
<b>Total non-current assets</b>	<b>35,118</b>	<b>20,904</b>	<b>29,769</b>
<b>Total assets</b>	<b>157,489</b>	<b>168,756</b>	<b>163,131</b>
<b>LIABILITIES AND EQUITY</b>			
<i>Current liabilities</i>			
Financial liabilities	359	111	92
Financial liabilities due to ultimate main shareholder	162	-	273
Other current liabilities	2,974	2,664	2,849
<b>Total current liabilities</b>	<b>3,495</b>	<b>2,775</b>	<b>3,214</b>
<i>Non-current liabilities</i>			
Financial liabilities	953	31	-
Pension liability	258	97	229
<b>Total non-current liabilities</b>	<b>1,211</b>	<b>128</b>	<b>229</b>
<b>Total liabilities</b>	<b>4,706</b>	<b>2,903</b>	<b>3,443</b>
<i>Equity</i>			
Share capital (Note 6)	129,137	129,137	129,137
Capital reserves (Note 6)	370,548	253,729	370,548
Translation differences (Note 6)	8,856	(952)	5,160
Retained earnings	(354,619)	(216,061)	(344,226)
<b>Total equity attributable to owners of Implantica AG</b>	<b>153,922</b>	<b>165,853</b>	<b>160,619</b>
Non-controlling interests	(1,139)	-	(931)
<b>Total equity</b>	<b>152,783</b>	<b>165,853</b>	<b>159,688</b>
<b>Total liabilities and equity</b>	<b>157,489</b>	<b>168,756</b>	<b>163,131</b>



## Condensed consolidated statement of cash flows

<i>in thousands of EUR</i>	Apr to Jun		Jan to Jun		Jan to Dec
	2022	2021	2022	2021	2021
Loss for the period	(5,858)	(2,875)	(10,746)	(4,841)	(15,472)
<i>Adjustments for</i>					
Depreciation, amortisation and impairment	426	352	851	708	1,412
Financial income	(56)	(90)	(426)	(372)	(684)
Financial expenses	1,537	254	2,398	613	2,993
Income taxes	30	(257)	16	(647)	22
Share-based compensation	82	57	163	113	228
Other financial result	(7)	(4)	(15)	(8)	(20)
Change in pension liabilities	-	5	(1)	11	(2)
Other non-cash items	(23)	(31)	(71)	(33)	(137)
<i>Changes in net working capital</i>					
Decrease / (increase) accounts receivable	21	(28)	(105)	(53)	10
Decrease / (increase) other current receivables	73	28	(123)	(45)	(81)
Decrease / (increase) inventories	94	32	15	47	45
(Decrease) / increase trade accounts payable	-	-	-	(4)	(4)
(Decrease) / increase other current liabilities	(16)	1,107	(108)	1,242	218
<b>Net cash outflow from operating activities</b>	<b>(3,697)</b>	<b>(1,450)</b>	<b>(8,152)</b>	<b>(3,269)</b>	<b>(11,472)</b>
<i>Cash flows from investing activities</i>					
Purchase of property, plant and equipment	(17)	(22)	(31)	(41)	(164)
Investment in intangible assets (Note 4)	(1,903)	(1,131)	(4,514)	(2,329)	(5,277)
Investment in fixed term deposits	-	-	-	-	(46,168)
<b>Net cash outflow from investing activities</b>	<b>(1,920)</b>	<b>(1,153)</b>	<b>(4,545)</b>	<b>(2,370)</b>	<b>(51,609)</b>
<i>Cash flows from financing activities</i>					
Gross proceeds from capital increase	-	59,075	-	59,075	59,075
Costs of proceeds from capital increase	-	(2,899)	-	(2,899)	(2,899)
Contribution of MedicalTree Swiss AG Group	-	-	-	-	22
Merger with Implantica MediSwiss AG	-	-	-	-	38
Payment of lease liabilities	(108)	(28)	(212)	(56)	(113)
Interest paid	(123)	(163)	(256)	(312)	(631)
Proceeds from financial liabilities	-	-	-	-	-
Repayment of financial liabilities	-	-	-	-	(7,441)
<b>Net cash inflow from financing activities</b>	<b>(231)</b>	<b>55,985</b>	<b>(468)</b>	<b>55,808</b>	<b>48,051</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,848)</b>	<b>53,382</b>	<b>(13,165)</b>	<b>50,169</b>	<b>(15,030)</b>
Effect of exchange rate fluctuations on cash held	216	613	163	(391)	1,852
Cash and cash equivalents at beginning of period	76,963	93,294	84,333	97,511	97,511
<b>Cash and cash equivalents at end of period</b>	<b>71,331</b>	<b>147,289</b>	<b>71,331</b>	<b>147,289</b>	<b>84,333</b>



## Condensed consolidated statement of changes in equity

<i>in thousands of EUR</i>	Jan to Jun 2022						Non-controlling interests	Total equity
	Share capital	Capital reserves	Translation differences	Retained earnings	Total			
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	-	-	-	(10,538)	(10,538)	(208)	(10,746)	
Other comprehensive income (net)	-	-	3,696	(18)	3,678	-	3,678	
<b>Total comprehensive income (net)</b>	-	-	3,696	(10,556)	(6,860)	(208)	(7,068)	
Share-based compensation	-	-	-	163	163	-	163	
<b>Total transactions with shareholders</b>	-	-	-	163	163	-	163	
<b>Balance at 30 June 2022</b>	<b>129,137</b>	<b>370,548</b>	<b>8,856</b>	<b>(354,619)</b>	<b>153,922</b>	<b>(1,139)</b>	<b>152,783</b>	

<i>in thousands of EUR</i>	Jan to Jun 2021					Total equity
	Share capital	Capital reserves	Translation differences	Retained earnings		
Balance at 31 December 2020	120,187	206,503	(451)	(211,353)	114,886	
Loss for the period attributable to owners of the Company	-	-	-	(4,841)	(4,841)	
Other comprehensive income (net)	-	-	(501)	20	(481)	
<b>Total comprehensive income (net)</b>	-	-	(501)	(4,821)	(5,322)	
Gross proceeds from capital increase	8,950	50,125	-	-	59,075	
Costs of proceeds from capital increase	-	(2,899)	-	-	(2,899)	
Share based compensation	-	-	-	113	113	
<b>Total transactions with shareholders</b>	<b>8,950</b>	<b>47,226</b>	-	<b>113</b>	<b>56,289</b>	
<b>Balance at 30 June 2021</b>	<b>129,137</b>	<b>253,729</b>	<b>(952)</b>	<b>(216,061)</b>	<b>165,853</b>	



# 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 six months ended 30 June 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 22 August 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

<i>in thousands of EUR</i>	Jan to Jun	
	2022	2021
Net carrying amount at 1 January	28,467	17,341
Additions Jan to Mar	2,280	1,198
Additions Apr to Jun	2,467	1,131
Amortization Jan to Mar	(311)	(320)
Amortization Apr to Jun	(309)	(317)
Translation differences	(1)	1
Net carrying amount at 30 June	32,593	19,034

For the second quarter Research and development costs in the amount of EUR 1,270 (YTD: 2,712) 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

<i>in thousands of EUR</i>	Apr to Jun		Jan to Jun		Jan to Dec
	2022	2021	2022	2021	2021
Loss for the period attributable to owners of Implantica AG	(5,762)	(2,875)	(10,538)	(4,841)	(15,361)
Weighted average % of Class A share capital in total share capital	83.8%	83.4%	83.8%	83.0%	83.4%
Weighted average % of Class B share capital in total share capital	16.2%	16.6%	16.2%	17.0%	16.6%
<i>Class A shares</i>					
Loss for the period attributable to Class A shareholders	(4,827)	(2,398)	(8,829)	(4,017)	(12,809)
Weighted average number of outstanding Class A shares	58,111,537	56,695,981	58,111,537	54,953,759	56,549,999
Basic and diluted (loss) per share Class A (in EUR)	(0.08)	(0.04)	(0.15)	(0.07)	(0.23)
<i>Class B shares</i>					
Loss for the period attributable to Class B shareholders	(935)	(477)	(1,709)	(824)	(2,552)
Weighted average number of Class B shares	1,125,000,000	1,125,000,000	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)	(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 six months ended 30 June 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 30 June 2022 the EUR/CHF exchange rate increased from 0.974 to 1.004. As a result, the group recognised a total profit of EUR 3,106 thousand in other comprehensive income related to the translation of financial statements of foreign operations and net investments in foreign operations (YTD: EUR 3,696 thousand).

## NOTE 7 Leases

The Group commenced two leases 2022, 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 since 31 December 2021.

## NOTE 8 Share based payment

The Group granted during the first quarter of the financial year 2022 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.



# Other

## Telephone conference

Implantica will hold a teleconference on 23 August 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-q2-2022>

## Dial-in number

SE: +46 8 566 427 06

UK: +44 3333 009 030

US: +1 646 722 4904

## Financial calendar

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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