Q4

Implantica

INTERIM REPORT OCT – DEC 2021

FINANCIAL SUMMARY

Figures within parentheses refer to the preceding year.

Fourth quarter

- Net sales increased 312 % to TEUR 107 (26).
- Adjusted gross margin amounted to 91 % (92 %).
- Operating loss (EBIT) increased to TEUR 3,990 (3,350).
- Loss after tax amounted to TEUR 6,365 (3,150).
- Basic and diluted loss per Class A share amounted to EUR 0.09. (0.05).
- Cash and short-term investments as at the end of the period amounted to MEUR 132.7.

Full year

- Net sales increased 155 % to TEUR 387 (152).
- Adjusted gross margin amounted to 93 % (97 %).
- Operating loss (EBIT) increased to TEUR 13,141 (10,641).
- Loss after tax amounted to TEUR 15,472 (10,277).
- Basic and diluted loss per Class A share amounted to EUR 0.23 (0.20).

SIGNIFICANT EVENTS

In the fourth quarter of 2021

- The US approval has taken a giant leap forward since the FDA has agreed to receive a PMA marketing application for RefluxStop™ based solely on existing European clinical data. If approved, this would allow for U.S. market entry without a premarket U.S. clinical trial. As agreed with FDA, Implantica will provide the FDA with additional current longer-term safety and efficacy data from its ongoing European clinical investigation.
- The fourth wave of COVID-19 has affected RefluxStop™ surgeries with hospitals terminating elective surgeries during Q4 2021, however, Implantations have started to resume during Q1 2022.
- Before the latest close down, surgeons from several hospitals in UK and Germany received training on the RefluxStop™ procedure.
- Implantica appointed new highly experienced Chief Market Access & Strategy Officer having spent over 15 years in market access, reimbursement, health economics and payer relations.

After the end of the period

- Implantica appoints former Medtronic executive as Chief Operating Officer, who brings nearly 20 years of diverse experience, most recently having led several Operating Units as Vice President Europe with additional responsibility for EMEA, LATAM and Canada.
- Implantica progresses on eHealth development and conducts 3-day eHealth workshop with 20 experts from all over Europe to advance the usability of our unique eHealth platform technology. When launched, the unique ability to change treatment on distance is designed to bring Implantica to the forefront of the eHealth revolution.

CEO Comments

GREAT PROGRESS IN U.S. APPROVAL

"Implantica's new eHealth platform is designed to be able to change advanced treatment on distance bringing a total landmark in the development of new smart implanted eHealth-based medical treatments and saving costs for society. Its design to change treatment on distance has all the attributes, when launched, to bring Implantica to the forefront of the eHealth revolution"

RefluxStop™

During the fourth quarter, Implantica achieved a major step forward in U.S. regulatory approval for RefluxStop™ during our supplemental pre-submission meeting with the Food and Drug Administration (FDA). The FDA agreed to accept a Premarket Approval (PMA) submission based solely on the existing long-term European data for RefluxStop™, which if approved, would allow for U.S. market entry without a premarket U.S. clinical trial.

This is a significant achievement for the Company, and we are very pleased and appreciate the FDA's willingness to consider our existing European clinical data for regulatory PMA approval in the U.S. We view this as an endorsement of RefluxStop™ most likely due to our excellent clinical trial results of our new treatment solution.

Implantica is in the process of writing the PMA marketing application and obtaining additional current safety and efficacy data from its CE mark study as requested by the FDA. We will provide the regulatory body with the latest 5-year data from our ongoing European clinical investigation. We are also preparing the necessary documentation for the rigorous PMA application itself including biocompatibility, usability and manufacturing validation and have engaged US-based experts to support us in this process.

Our QA team is fully engaged with the MDR update of our Technical Documentation, which we plan to submit to our notified body during Q2.

The fourth wave of COVID-19 has affected RefluxStop™ surgeries with hospitals in Germany and UK having terminated elective surgeries during Q4 2021. Implantations have started to resume during Q1 2022 in certain hospitals in Switzerland and Germany. The first UK surgeries are expected to take place also during Q1 2022. Additional centres in Germany and Austria are also scheduled to start performing RefluxStop™ implantations during Q1 and Q2.

Before the latest elective surgery close-down, surgical trainings continued in Switzerland. Dr. Borbély at Inselspital Bern and Prof. Zehetner at Hirslanden Bern are two centers that regularly train surgeons and perform RefluxStop™ surgery in Switzerland.

Recruiting the most talented key employees

Also, during the fourth quarter and the beginning of 2022, we welcomed many talented new members to the Implantica team. Focus has continued on finding the best key personnel to drive Implantica going forward. We have been able to attract and employ very talented people with extensive experience relevant for the Implantica expansion journey.

This includes but is not limited to strengthening of the executive management, market access, commercial, R&D, regulatory affairs and clinical affairs teams.

Two examples of recently hired key personnel are: Our new Chief Operating Officer is a former top executive at Medtronic, who brings nearly 20 years of diverse experience having most recently led several Operating Units as Vice President Europe, with additional responsibility in EMEA, LATAM and Canada. As a member of EMEA and global senior leadership teams, he drove operational excellence and strategic performance in multi-billion USD businesses with thousands of customers. He has the skills, knowledge and mindset to guide Implantica to the next stage of our clinical and commercial development. We believe this is the kind of appointment that will contribute to the growth and structure of Implantica.

Implantica has also appointed a Chief Market Access & Strategy Officer, who has over 15 years of experience in market access, reimbursement, health economics, payer relations and government affairs experience. Most recently, he served as the Vice President of Corporate Market Access at Masimo Corporation, a global leader in innovative non-invasive patient monitoring technologies, where he was responsible for developing and executing the company's market access strategies. Before that, he was the Vice President of Global Marketing, Reimbursement & Patient Access at Second Sight Medical Products, a global leader in neuromodulation implant devices for blindness.

This market access role is important for the growth of the company, and we are very pleased to have such a highly qualified market access professional having joined the management team.

Product Development

At our September 17th extraordinary general meeting, all voting shareholders unanimously approved to accept the contribution of 51% of MedicalTree and the stock split in the class B shares. Neither of these transactions affected the capital of the shareholders. MedicalTree consists of product development and a large patent portfolio comprising 15 product candidates in 4 treatment areas. Bringing the MedicalTree inventions into the Implantica group makes a lot of sense due to the synergies to be achieved in product development. I would like to reiterate that any decision regarding the remaining 49% of MedicalTree will be made solely by the Implantica shareholders, without my participation, as in the previous transactions.

Product Development

Further advances in development of the pipeline products were achieved during a visit to a cadaver lab in Germany. A new version of RefluxStop™ has been tested, which is designed to treat acid reflux in those patients undergoing obesity surgery, especially the gastric sleeve procedure, representing approximately 600,000 procedures annually, whereof >30% get acid reflux as a result of the procedure.

Further strides in development were achieved in our eHealth platform culminating in a 3-day innovative eHealth workshop focussing on usability, which was attended by twenty experts from all over Europe. The seminar provided a more comprehensive understanding of the use cases of our eHealth platform throughout the life cycle of stages of the implant from manufacture to the different treatment stages until end-of-treatment.

Implantica's new platform is designed to change advanced treatment on distance, designed to bring a total landmark in the development of new smart implanted eHealth-based medical treatments and thereby expected to save substantial costs for society.

Dr. Peter Forsell
CEO and Founder of Implantica AG

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 December 2021

Name	Capital (%)
Peter Forsell	47.4%
Handelsbanken	9.2%
EFG Bank	7.4%
Swedbank Robur	6.2%
TIN NY Teknik	3.6%
SIX SIS AG	2.2%
BNP Luxembourg	2.2%
UBS	1.4%
Credit Suisse	1.4%
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 fourth quarter, sales amounted to EUR 107 thousand (26), corresponding to an increase of EUR 81 thousand or 312%. Implantica is currently exclusively marketing its lead product, RefluxStop™. After a brief window in the beginning of the quarter, as the Covid-19 situation intensified over the quarter, elective surgeries including reflux surgery once again came to a halt.

In 2021 net sales amounted to EUR 387 thousand (152), corresponding to an increase of EUR 235 thousand or 155%.

Cost of sales and gross margin

Cost of sales during the fourth quarter amounted to EUR 317 thousand (309). 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 fourth quarter, adjusted gross margin[1], i.e., gross margin excluding amortization, amounted to 91% (92%).

The cost of sales over the year 2021, amounted to EUR 1,254 thousand (1,232). The adjusted gross margin[1], amounted to 93% (97%).

Operating expenses and EBIT

In the fourth quarter operating loss (EBIT) amounted to EUR 3,990 thousand (3,350), an increase of EUR 640 thousand or 19%. Where Research and development costs made up EUR 1,806 thousand (1,520), corresponding to an increase of EUR 286 thousand or 19%. 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 1,974 thousand (1,547) driven by hiring and consulting costs, an increase of EUR 427 thousand or 28%.

For the twelve months of the year, the operating loss (EBIT) amounted to EUR 13,141 thousand (10,641). Where Research and development cost made up EUR 6,343 thousand (2,386), corresponding to an increase of EUR 3,957 thousand or 166% compared to the year 2020. General and administrative costs decreased to EUR 5,931 thousand (7,224), a decrease of EUR 1,293 thousand or 18%. The year-on-year decrease is explained by IPO transactions costs of EUR 3,785 thousand in 2020.

Financial income and expenses

Financial income amounted to EUR 122 thousand (802) during the fourth quarter thanks to foreign exchange gains. Financial expenses amounted to EUR 1,573 thousand (187) over the quarter driven by foreign exchange losses and negative interest charges on cash balance.

In 2021 Financial income amounted to EUR 684 thousand (1,219) and financial expenses totalled EUR 2,993 thousand (898).

Income taxes

The Group reported a tax expense of EUR 924 thousand (415) in the fourth quarter. The tax income for the quarter is explained by changes in deferred tax assets. For the year, the Group reported a tax loss of EUR 22 thousand (+43).

Net earnings

The Group reported a net loss of EUR 6,365 thousand (3,150) for the fourth quarter, a decrease of EUR 3,215 thousand.

In 2021 the net loss amounted to EUR 15,472 thousand (10,277), an increase of EUR 5,195 thousand.

Equity and liabilities

As of 31 December 2021, the Group's equity amounted to EUR 159.7 million and the equity ratio was 97.9%, same as per 30 September 2021.

As of 31 December 2021, the Group did not have any interest-bearing debt.

Cash flow and liquidity

Net cash outflow from operating activities over twelve months amounted to EUR 11,472 thousand (10,364).

As of 31 December 2021, Implantica held cash and short-term investments of EUR 132.7 million.

Auditor's review

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

[1] 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 development costs.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of profit or loss

	Oct to Dec		Jan to Dec	
in thousands of EUR	2021	2020	2021	2020
Net Sales	107	26	387	152
Cost of sales				
Amortisation of capitalized development costs	(307)	(307)	(1,227)	(1,227)
Other cost of sales	(10)	(2)	(27)	(5)
Total cost of sales	(317)	(309)	(1,254)	(1,232)
Gross loss	(210)	(283)	(867)	(1,080)
Research and development costs (Note 4)	(1,806)	(1,520)	(6,343)	(2,386)
General and administrative costs	(1,974)	(1,547)	(5,931)	(7,224)
Other income	-	-	-	49
Operating loss	(3,990)	(3,350)	(13,141)	(10,641)
Financial income	122	802	684	1,219
Financial expenses	(1,573)	(187)	(2,993)	(898)
Loss before income taxes	(5,441)	(2,735)	(15,450)	(10,320)
Income taxes	(924)	(415)	(22)	43
Loss for the period	(6,365)	(3,150)	(15,472)	(10,277)
Attributable to				
Owners of Implantica AG	(6,254)	(3,150)	(15,361)	(10,277)
Non-controlling interests	(111)	-	(111)	-
Loss for the period	(6,365)	(3,150)	(15,472)	(10,277)
Earnings per share (Note 5)				
Basic and diluted loss per share Class A (in EUR)	(0.09)	(0.05)	(0.23)	(0.20)
Basic and diluted loss per share Class B (in EUR)	(0.00)	(0.00)	(0.00)	(0.00)

Condensed consolidated statement of profit or loss and other comprehensive income

	Oct to Dec		Jan to Dec	
in thousands of EUR	2021	2020	2021	2020
Loss for the period	(6,365)	(3,150)	(15,472)	(10,277)
Other comprehensive income				
Remeasurement of net defined benefit liability	(148)	4	(112)	106
Related income taxes	18	(1)	14	(13)
Total items that will not be reclassified to profit or loss	*(130)*	*3*	*(98)*	*93*
Translation differences (Note 6)	4,746	(142)	5,611	(485)
Total items that may be reclassified subsequently to profit or loss	*4,746*	*(142)*	*5,611*	*(485)*
Other comprehensive income for the period, net of tax	4,616	(139)	5,513	(392)
Total comprehensive income for the period	(1,749)	(3,289)	(9,959)	(10,669)
Attributable to				
Owners of Implantica AG	(1,638)	(3,289)	(9,848)	(10,669)
Non-controlling interests	(111)	-	(111)	-
Total comprehensive income for the period	(1,749)	(3,289)	(9,959)	(10,669)

Condensed consolidated statement of financial position

in thousands of EUR	31 Dec 2021	31 Dec 2020
ASSETS		
Current assets		
Cash and cash equivalents	84,333	97,511
Accounts receivable	13	23
Other current receivables	476	307
Inventories	137	182
Current financial assets	48,403	-
Total current assets	133,362	98,023
Non-current assets		
Property, plant and equipment	233	90
Right-of-use assets	91	197
Intangible assets (Note 4)	28,467	17,341
Deferred tax assets	978	968
Total non-current assets	29,769	18,596
Total assets	163,131	116,619
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	-	4
Financial liabilities	92	113
Financial liabilities due to ultimate main shareholder	273	-
Other current liabilities	2,849	1,422
Total current liabilities	3,214	1,539
Non-current liabilities		
Financial liabilities	-	86
Pension liability	229	108
Total non-current liabilities	229	194
Total liabilities	3,443	1,733
Equity		
Share capital (Note 6)	129,137	120,187
Capital reserves (Note 6)	370,548	206,503
Translation differences (Note 6)	5,160	(451)
Retained earnings	(344,226)	(211,353)
Total equity attributable to owners of Implantica AG	160,619	114,886
Non-controlling interests	(931)	-
Total equity	159,688	114,886
Total liabilities and equity	163,131	116,619

Condensed consolidated statement of cash flows

in thousands of EUR	Jan to Dec 2021	Jan to Dec 2020
Loss for the period	(15,472)	(10,277)
Adjustments for		
Depreciation, amortisation and impairment	1,412	1,444
Financial income	(684)	(1,219)
Financial expenses	2,993	898
Income taxes	22	(43)
Share-based compensation	228	149
Other financial result	(20)	(15)
Change in pension liabilities	(2)	48
Other non-cash items	(137)	(79)
Changes in net working capital		
Decrease / (increase) accounts receivable	10	24
Decrease / (increase) other current receivables	(81)	(605)
Decrease / (increase) inventories	45	76
(Decrease) / increase trade accounts payable	(4)	2
(Decrease) / increase other current liabilities	218	(767)
Net cash outflow from operating activities	(11,472)	(10,364)
Cash flows from investing activities		
Purchase of property, plant and equipment	(164)	(31)
Investment in intangible assets (Note 4)	(5,277)	(1,718)
Investment in fixed term deposits	(46,168)	-
Net cash outflow from investing activities	(51,609)	(1,749)
Cash flows from financing activities		
Gross proceeds from capital increase (Note 6)	59,075	119,325
Costs of proceeds from capital increase (Note 6)	(2,899)	(3,392)
Contribution of MedicalTree Swiss AG Group	22	-
Merger with Implantica MediSwiss AG	38	-
Payment of lease liabilities	(113)	(114)
Interest paid	(631)	(110)
Proceeds from financial liabilities	-	5,710
Repayment of financial liabilities	(7,441)	(12,434)
Net cash inflow from financing activities	48,051	108,985
Net increase in cash and cash equivalents	(15,030)	96,872
Effect of exchange rate fluctuations on cash held	1,852	605
Cash and cash equivalents at 1 January	97,511	34
Cash and cash equivalents at end of period	84,333	97,511

Condensed consolidated statement of changes in equity

in thousands of EUR	Jan to Dec 2021						
	Share capital	Capital reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2020	120,187	206,503	(451)	(211,353)	114,886	-	114,886
Loss for the period attributable to owners of the Company	-	-	-	(15,361)	(15,361)	(111)	(15,472)
Other comprehensive income (net)	-	-	5,611	(98)	5,513	-	5,513
Total comprehensive income (net)	-	-	5,611	(15,459)	(9,848)	(111)	(9,959)
Gross proceeds from capital increase (Note 6)	8,950	50,125	-	-	59,075	-	59,075
Costs of proceeds from capital increase (Note 6)	-	(2,899)	-	-	(2,899)	-	(2,899)
Contribution of MedicalTree Swiss AG Group	-	116,790	-	(117,642)	(852)	(820)	(1,672)
Merger with Implantica MediSwiss AG	-	29	-	-	29	-	29
Share-based compensation	-	-	-	228	228	-	228
Total transactions with shareholders	8,950	164,045	-	(117,414)	55,581	(820)	54,761
Balance at 31 December 2021	129,137	370,548	5,160	(344,226)	160,619	(931)	159,688

in thousands of EUR	Jan to Dec 2020				
	Share capital[1)]	Capital reserves	Translation differences	Retained earnings	Total equity
Balance at 31 December 2019	84,073	128,740	34	(201,318)	11,529
Loss for the period attributable to owners of the Company	-	-	-	(10,277)	(10,277)
Other comprehensive income (net)	-	-	(485)	93	(392)
Total comprehensive income (net)	-	-	(485)	(10,184)	(10,669)
Gross proceeds from initial public offering	36,114	83,211	-	-	119,325
Costs of proceeds from initial public offering	-	(3,392)	-	-	(3,392)
Equity portion of other non-current financial liability due to shareholder	-	(2,056)	-	-	(2,056)
Share based compensation	-	-	-	149	149
Total transactions with shareholders	36,114	77,763	-	149	114,026
Balance at 31 December 2020	120,187	206,503	(451)	(211,353)	114,886

1) Implantica AG was incorporated on 7 February 2020 (refer to annual report 2020).

NOTES

NOTE 1 General information

Implantica AG (the 'Company') is domiciled at Landstrasse 1, 9490 Vaduz, Liechtenstein. These condensed consolidated interim financial statements ('interim financial statements') as at and for year ended 31 December 2021 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 17 February 2022.

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 2020 ('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 2020.

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 Dec	
in thousands of EUR	2021	2020
Net carrying amount at 1 January	17,341	16,911
Additions Jan to Sep	3,635	1,427
Additions Oct to Dec	2,426	291
Amortization Jan to Sep	(949)	(967)
Amortization Oct to Dec	(312)	(321)
Contribution of MedicalTree (Note 8)	6,325	-
Translation differences	1	-
Net carrying amount at 31 December	28,467	17,341

For the fourth quarter Research and development costs in the amount of EUR 1,806 thousand (YTD: EUR 6,343 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

	Oct to Dec		Jan to Dec	
in thousands of EUR	2021	2020	2021	2020
Loss for the period attributable to owners of Implantica AG	(6,254)	(3,150)	(15,361)	(10,277)
Weighted average % of Class A share capital in total share capital	83.7%	82.1%	83.4%	76.9%
Weighted average % of Class B share capital in total share capital	16.3%	17.9%	16.6%	23.1%
Class A shares				
Loss for the period attributable to Class A shareholders	(5,232)	(2,586)	(12,809)	(7,905)
Weighted average number of outstanding Class A shares	57,646,573	51,649,407	56,549,999	38,583,509
Basic and diluted (loss) per share Class A (in EUR)	(0.09)	(0.05)	(0.23)	(0.20)
Class B shares				
Loss for the period attributable to Class B shareholders	(1,022)	(564)	(2,552)	(2,372)
Weighted average number of Class B shares	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)

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 year ended 31 December 2021 and 2020 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.

On 30 March 2020, the general meeting of the Company voted in favour of a share split at the ratio of 2.5 to 1. Accordingly, the weighted average number of shares outstanding in all periods presented are adjusted (multiplied by 2.5) 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.

Effect of capital re-organisation

Although, the Company was incorporated on 7 February 2020, the earnings per share is calculated as if the Company was incorporated at the beginning of the earliest period presented consistent with the overall accounting policy for capital re-organisations (refer to annual report 2020).

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 changed as follows:

	Jan to Dec			
	Class A shares		Class B shares	
in number of shares	2021	2020	2021	2020
In issue at 1 January	53,211,537	-	56,250,000	-
Issued for contribution in kind	-	13,500,000	-	22,500,000
Share split	-	20,250,000	1,068,750,000	33,750,000
Listing excluding overallotment option	-	16,923,076	-	-
Overallotment option	-	2,538,461	-	-
Capital increase	4,900,000	-	-	-
In issue at 31 December	58,111,537	53,211,537	1,125,000,000	56,250,000

On 27 April 2021 Implantica AG increased the share capital through a private placement from EUR 120,187 thousand to EUR 129,137 thousand by issuing 4,900,000 Class A shares with a nominal value of CHF 2.00 each. The difference of EUR 47,226 thousand between the gross proceeds of EUR 59,075 thousand less transaction costs of EUR 2,899 thousand and the nominal amount of EUR 8,950 thousand (CHF 9,800 thousand) is recognised in capital reserves.

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.

Translation differences

During the three months ended 31 December 2021 the EUR/CHF exchange rate increased from 0.923 to 0.968. As a result, the group recognised a total profit of EUR 4,746 thousand (YTD: EUR 5,160 thousand) in other comprehensive income related to the translation of financial statements of foreign operations and net investments in foreign operations.

NOTE 7 Subsequent events

There are no subsequent events.

OTHER

Telephone conference

Implantica will hold a teleconference on 18 February 2022 at 15:00 (CET) 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-q4-2021

Dial-in number

SE: +46 8 505 583 75
UK: +44 3 333 009 270
US: +1 646 722 49 57

Financial calendar

6 April 2022	Annual Report 2022
10 May 2022	Annual General Meeting
11 May 2022	Interim Report Q1 2022
23 August 2022	Interim Report Q2 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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