Q3 Implantica

Interim Report January – September 2024

FINANCIAL SUMMARY

Figures within parentheses refer to the preceding year.

Third quarter

- Net sales increased 41% to TEUR 344 (244).
- Adjusted gross margin amounted to 97% (94%).
- Operating loss (EBIT) decreased to TEUR 5,336 (5,752).
- Loss after tax amounted to TEUR 6,444 (5,699).
- Basic and diluted loss per Class A share amounted to EUR 0.09 (0.08).
- Cash as at the end of the period amounted to MEUR 69.3.

First nine months

- Net sales increased 66% to TEUR 1,494 (900).
- Adjusted gross margin amounted to 93% (94%).
- Operating loss (EBIT) increased to TEUR 18,292 (14,898).
- Loss after tax amounted to TEUR 16,347 (15,768).
- Basic and diluted loss per Class A share amounted to EUR 0.23 (0.22).

Significant Events

IN THE THIRD QUARTER OF 2024

- First national RefluxStop™ user meetings took place in Italy and Spain with over 40 leading surgeons attending – just 1.5 years after market entry in these countries
- Expansion in the UK NHS public hospital network continues with Chelsea & Westminster Hospital in London joining the RefluxStop™ centers
- 4-year results from our CE-mark study published in *Surgical Endoscopy* showcasing continued excellent results up until 4-year follow-up
- Two important investigator-initiated studies from leading RefluxStop surgeons published:
  - Prof. Schoppmann, AKH Vienna, on 40 ineffective esophageal motility (IEM) patients treated with RefluxStop™ published in *Scientific Reports*, a Nature journal
  - Dr. med. Zehetner (Prof. USC) on first 40 patients published in prestigious *Swiss Medical Weekly* (featuring IEM and large hernia patients)

AFTER THE END OF THE PERIOD

- Submitted extensive Clinical Module 2 of Premarket Approval (PMA) application to U.S. FDA. Most crucial module containing clinical portion including 5-years long-term follow-up of CE mark pivotal study
- RefluxStop™ RCT comparing against Nissen fundoplication achieved Ethics Committee approvals at AKH Vienna, Klinikum Friedrichshafen in Germany and for 2 centers in Bern, Switzerland
- Highly successful 3rd Global Annual RefluxStop™ meeting conducted in London, attended by 110+ anti-reflux surgeons and GIs – almost three times the amount that attended last year – from all over Europe, US and Canada
- RefluxStop™ featured in a powerful panel discussion attended by 100+ surgeons and GIs at the American Foregut Society (AFS) meeting in Denver, moderated by Dr. John Lipham, Chief of Upper GI & General Surgery at Keck School of Medicine of USC
- Incredible enthusiasm for RefluxStop™ among top surgeons at the recent annual American and European Foregut Society meetings, fueled by RefluxStop's excellent clinical outcomes, both in our pivotal 5-year study and supported by multiple centers around Europe presenting their equally excellent results.

RefluxStop™ achieves crucial FDA milestone and leaps forward with strong momentum in both the US and Europe

The very key Clinical Module 2 of our PMA submission has been submitted to U.S. FDA and the study outcome is objectively nothing less than fantastic. Implantica makes great strides in creating exceptional support from the US and broader international anti-reflux surgeons, GIs and patient advocacy groups. We are witnessing a new movement among the global anti-reflux expert community, thriving to improve patient outcomes and address the long overdue crucial gaps in GERD patient treatment management, all strongly believing in our revolutionary RefluxStop™ treatment, fueled by our extraordinary 5 year data.

FDA Premarket Approval (PMA) process

The RefluxStop™ premarket approval (PMA) journey has accelerated and progressed significantly with the recent extensive submission of Module 2 to the U.S. FDA (Food and Drug Administration) including all the clinical trial results. Module 2 is the most crucial milestone of the three modules included in the PMA filing since it contains the clinical portion, including the 5-year results of our pivotal CE-mark study. As previously announced, the FDA is willing to accept a PMA application based on RefluxStop™ long-term European data, which, if approved, would allow for U.S. market entry without a premarket U.S. clinical trial.

- 98% of patients no longer required regular daily PPI medication at 5 years as opposed to all patients requiring PPIs before surgery. This is an outcome unmatched in the literature.
- Contrast swallow x-rays at year 5 show the devices are all in place and well functioning with no device dislocations, no device migration, and no re-herniation.
- 24-hour pH monitoring provides excellent results with a 90% improvement, measuring the acidity in the lower esophagus over 24-hours, mean overall time pH<4 of 1.57% at 5 years compared to 16.35% at baseline.

The Module 2 clinical section also included the results of our human factors validation study performed by 16 U.S. anti-reflux surgeons in Chicago at Northwestern University Simulation Lab earlier this year. The purpose of the study was to demonstrate how surgeons at varying levels of surgical experience from academic, community, and private clinics in the US carry out the RefluxStop™ procedure, as requested by the FDA. In addition, we also provided responses to the FDA's findings on Module 1 together with this submission. For Module 3, test results are currently being finalized for the biocompatibility section, and we look forward to submitting the final module to complete the PMA submission.

Peter Forsell
CEO Implantica

RefluxStop™ Shines at the Key Scientific Congresses in the US and Japan

The interest in RefluxStop™ among U.S. anti-reflux surgeons and gastroenterologists was palpable at the 2024 American Foregut Society (AFS) meeting, which took place in Denver this fall. RefluxStop™ received remarkable pre-launch market feedback and an impressive level of support from many U.S. doctors interested in starting with RefluxStop™ after FDA approval and launch.

The powerful panel regarding RefluxStop™, attended by 100+ people, was moderated by Dr. John Lipham, Chief of the Division of Upper GI and General Surgery and Professor at the Keck School of Medicine of the University of Southern California and AFS Past President. Other panelists of leading U.S. surgeons and GIs included Dr. Felice Schnoll-Sussman, leading gastroenterologist of Weill Cornell Medicine and President of AFS, Dr. Reginald Bell, Past-President and Chair of AFS, among several others.

The growing strong interest from US surgeons and GIs continues to strengthen our belief that we will be successful in establishing substantial commercial footprints in the US market within the first year or two for broader long-term success.

We also took part in a successful Japan Foregut Society (JFS) Annual Meeting last month, attended by over 80 experts of which many are showing great interest in the RefluxStop™ procedure, pending Japan market approval in coming years and having started the approval process in Japan.

3rd Global Annual RefluxStop Meeting, London

The 3rd Global Annual RefluxStop meeting conducted in association with the 2024 European Foregut Society (EFS) meeting in London was attended by nearly three times as many surgeons as last year, 110+ anti-reflux surgeons, GIs, and other experts from more than a dozen countries around the world, including US, Canada, Germany, UK, Switzerland, Italy, Spain, Austria, Sweden, Norway, etc. Surgeons take an extra day off to join our RefluxStop user meeting, due to the vibrating interest in the RefluxStop procedure we see right now. This fueled by our fantastic 5-year clinical data and outstanding real-world experiences from many surgical hospitals in Europe confirming similar excellent results. Several leading RefluxStop™ surgeons inspired the attending international anti-reflux community to passionately engage, discuss, and explore the vast potential of RefluxStop™ procedure to address the tremendous unmet need in GERD management.

Advancing Surgical Training for RefluxStop™ Users to Achieve Excellent Outcomes

Over 40 leading surgeons were trained at the first national RefluxStop™ user meetings in Italy and Spain this fall, just 1.5 years after market entry in these countries. This shows the great and growing interest in the RefluxStop treatment option. Bringing together local anti-reflux experts for peer-to-peer learning and exchanging their experience on the standardized RefluxStop™ surgical technique, achieving excellent patient outcomes and ultimately driving product adoption.

Nearly 1,000 RefluxStop™ procedures have been performed to date. We are seeing phenomenal growth in interest from centers across Europe and U.S.

Publications and Real-World Evidence to Advance Reimbursement Process

New health-economics data showing RefluxStop™ to be a highly cost-effective long-term alternative for chronic GERD treatment for the Sweden Healthcare System was published last month in Expert Review of Pharmacoeconomics & Outcomes Research https://pubmed.ncbi.nlm.nih.gov/39428644/.

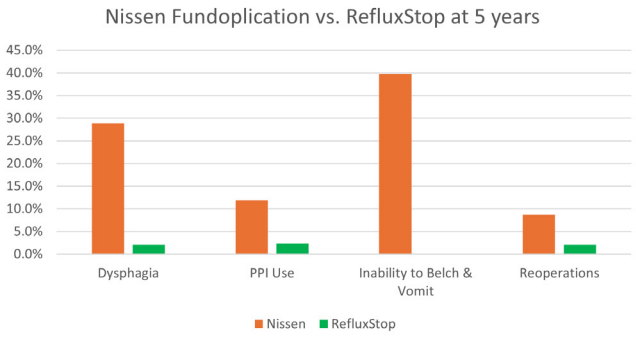
The publication entitled, "A cost-effectiveness analysis of RefluxStop against relevant therapeutic alternatives for chronic gastroesophageal reflux disease in Sweden", was completed with the partnership of the York Health Economics Consortium, UK, and the legendary figure in anti-reflux surgery, Professor Lars Lundell, Division of Surgery and Oncology at the renowned Karolinska Institutet in Stockholm, Sweden. This publication confirms the superior cost-effectiveness for RefluxStop published in multiple other countries.

An independent study of 158 RefluxStop patients from two centers in Germany that was presented at the AUGIS meeting in the UK shows over 90% improvement in GERD quality-of-life scores and 96.4% of patients discontinued regular PPI medication 2 years after the RefluxStop™ procedure. Excellent results like this support our 5 year data.

Finally, to put into perspective standard of care anti-reflux surgical results, a landmark study was recently published in the European Surgery Journal, "Looking back on a gold standard: a systematic literature review of laparoscopic Nissen fundoplication as an anti-reflux treatment option", which can provide an indirect comparison with RefluxStop™ results. This literature review of the standard of care Nissen Fundoplication, conducted at Karolinska Institutet (Sweden), is a first-of-its-kind comprehensive analysis ever done since the first Nissen procedure was performed in 1956. The complication rates 5 years post-procedure of Nissen fundoplication compared to the RefluxStop clinical data are truly rewarding and outlined below.

- Gas bloating in Standard of care is (52.7%) and in RefluxStop (4% worse and 5% equal)
- Inability to belch/vomit (39.8%) versus (0%) in RefluxStop
- Swallowing difficulties/dysphagia (28.9%) versus (2.3%) in RefluxStop
- Combining medical PPI usage and re-operations amounted to (20.6%) versus (4.5%) in RefluxStop

Thus, such an indirect comparison of the Nissen Fundoplication results above to the recently announced RefluxStop™ 5-year results in its CE-mark clinical investigation shows substantial differences.



Your Support is Our Inspiration

We couldn't be more inspired and encouraged by the tremendous progress we have already made in 2024. We have a fantastic product and a clear and focused strategy. As we accelerate our RefluxStop™ US launch planning, pending FDA approval, we have a lot of exciting work ahead of us and many more milestones to achieve in 2025. We thank all our shareholders, customers, and employees for your invaluable partnership and unwavering commitment to helping Implantica advance its world-changing mission.

Yours sincerely,
Dr. med. Peter Forsell, *Surgeon and Inventor*
CEO and Founder, Implantica

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 September 2024

Name	Capital (%)
Peter Forsell	46.7%
Handelsbanken Fonder	8.5%
EFG Bank	7.1%
UBP	2.7%
Avanza Pension	2.6%
SEB Life	2.5%
Credit Suisse	1.8%
UBS	1.7%
TIN Fonder	1.5%
SIX SIS AG	1.5%

Financial performance in brief

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

Net sales

During the third quarter, net sales amounted to EUR 344 thousand (244), corresponding to an increase of EUR 100 thousand or 41%. Implantica is currently exclusively marketing its lead product, RefluxStop™, to selected Key Opinion Leaders in Europe.

For the first nine months, sales amounted to EUR 1,494 thousand (900), corresponding to an increase of EUR 594 thousand or 66%.

Cost of sales and gross margin

Cost of sales during the third quarter amounted to EUR 318 thousand (321). The Cost of sales considers two types of expenses. First, indirect costs of straight-line amortisation of capitalised development costs relating to RefluxStop™. Second, Other cost of sales, which relates to direct costs for purchasing goods and services from the Group's outsourcing partners.

In the third quarter, adjusted gross margin, i.e., gross margin excluding amortization, amounted to 97% (94%).

The cost of sales over the first six nine of the year amounted to EUR 1,031 thousand (972). The adjusted gross margin[1], amounted to 93% (94%).

Operating expenses and EBIT

In the third quarter operating loss (EBIT) amounted to EUR 5,336 thousand (5,752), a decrease of EUR 416 thousand or 7%. Research and development costs made up EUR 2,504 thousand (2,144), corresponding to an increase of EUR 360 thousand or 17%. Overall investments into pipeline products have continued to decline over the quarter. At the same time R&D costs relating to RefluxStop™, as data collection, has risen in combination with ongoing patent management costs.

General and administrative costs decreasing to EUR 2,858 thousand (3,564), a decrease of EUR 706 thousand or 20%.

For the first nine months of the year, the operating loss (EBIT) amounted to EUR 18,292 thousand (14,898). Where Research and development cost made up EUR 9,843 thousand (5,139), corresponding to an increase of EUR 4,704 thousand or 92% compared to the first nine month of 2023. The increase of research and development costs is impacted by costs relating to the FDA submission including the usability study. General and administrative costs decreased to EUR 8,912 thousand (9,720), a decrease of EUR 808 thousand or 8%.

Financial income and expenses

Financial income amounted to EUR 305 thousand (611) during the third quarter. Financial expenses amounted to EUR 1,404 thousand (548) over the quarter driven by foreign exchange losses.

For the first nine months of the year, Financial income amounted to EUR 2,010 thousand (1,269) and Financial expenses totalled EUR 54 thousand (2,118).

Income taxes

The Group reported a tax expense of EUR 9 thousand (10) in the third quarter. The tax expense for the quarter is mainly explained by changes in deferred tax assets. For the first nine months of the year, the Group reported a tax expense of EUR 11 thousand (21).

Net earnings

The Group reported a net loss of EUR 6,444 thousand (5,699) for the third quarter, an increase of EUR 745 thousand driven by financial expenses.

For the first nine months of the year, the net loss amounted to EUR 16,347 thousand (15,768), an increase of EUR 579 thousand.

[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.

Equity and liabilities

As of 30 September 2024, the Group's equity amounted to EUR 106.8 million (130.3) with an equity ratio of 96.2%, unchanged compared to 30 September 2023.

As of 30 September 2024, the Group did not have any interest-bearing debt.

Cash flow and liquidity

During the third quarter net cash outflow from operating activities amounted to EUR 4,830 thousand (4,663).

Net cash outflow from operating activities over the first nine months of 2024 amounted to EUR 17,832 thousand (12,649).

As of 30 September 2024, Implantica held cash and cash equivalents of EUR 69.3 million.

Auditor's review

This report has been reviewed by the company's auditors.

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Independent Auditor's Report on the Review of Consolidated Interim Financial Information

to the Board of Directors of Implantica AG, Vaduz

Introduction

We have been engaged to review the accompanying condensed consolidated statement of financial position of Implantica AG as at 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended, and selected explanatory notes (the consolidated interim financial information) on pages 8 to 14. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 September 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

KPMG (Liechtenstein) AG

Lars Klossack
Chartered Accountant

Bruno Casutt
Chartered Accountant

Vaduz, 14 November 2024

Consolidated interim financial statements

Condensed consolidated statement of profit or loss

	Jul to Sep		Jan to Sep		Jan to Dec
in thousands of EUR	2024	2023	2024	2023	2023
Net Sales	344	244	1,494	900	1'408
Cost of sales					
Amortisation of capitalized development costs	(306)	(306)	(920)	(920)	(1'227)
Other cost of sales	(12)	(15)	(111)	(52)	(90)
Total cost of sales	(318)	(321)	(1,031)	(972)	(1'317)
Gross profit/(loss)	26	(77)	463	(72)	91
Other income	-	33	-	33	33
Research and development costs (Note 4)	(2,504)	(2,144)	(9,843)	(5,139)	(7'016)
General and administrative costs	(2,858)	(3,564)	(8,912)	(9,720)	(14'948)
Operating loss	(5,336)	(5,752)	(18,292)	(14,898)	(21'840)
Financial income (Note 5)	305	611	2,010	1,269	701
Financial expenses (Note 5)	(1,404)	(548)	(54)	(2,118)	(3'289)
Loss before income taxes	(6,435)	(5,689)	(16,336)	(15,747)	(24'428)
Income taxes	(9)	(10)	(11)	(21)	(74)
Loss for the period	(6,444)	(5,699)	(16,347)	(15,768)	(24'502)
Attributable to					
Owners of Implantica AG	(6,330)	(5,442)	(16,069)	(15,167)	(23'744)
Non-controlling interests	(114)	(257)	(278)	(601)	(758)
Loss for the period	(6,444)	(5,699)	(16,347)	(15,768)	(24'502)
Earnings per share (Note 6)					
Basic and diluted loss per share Class A (in EUR)	(0.09)	(0.08)	(0.23)	(0.22)	(0.34)
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

	Jul to Sep		Jan to Sep		Jan to Dec
in thousands of EUR	2024	2023	2024	2023	2023
Loss for the period	(6,444)	(5,699)	(16,347)	(15,768)	(24'502)
Other comprehensive income					
Remeasurement of net defined benefit liability	5	(44)	(64)	(70)	(296)
Related income taxes	-	5	-	8	36
Total items that will not be reclassified to profit or loss	*5*	*(39)*	*(64)*	*(62)*	*(260)*
Translation differences (Note 7)	1,460	1,239	(1,990)	1,824	5'593
Total items that may be reclassified subsequently to profit or loss	*1,460*	*1,239*	*(1,990)*	*1,824*	*5'593*
Other comprehensive income for the period, net of tax	1,465	1,200	(2,054)	1,762	5'333
Total comprehensive income for the period	(4,979)	(4,499)	(18,401)	(14,006)	(19'169)
Attributable to					
Owners of Implantica AG	(4,865)	(4,243)	(18,123)	(13,406)	(18'411)
Non-controlling interests	(114)	(256)	(278)	(600)	(758)
Total comprehensive income for the period	(4,979)	(4,499)	(18,401)	(14,006)	(19'169)

Condensed consolidated statement of financial position

in thousands of EUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Current assets			
Cash and cash equivalents	69,337	93,819	87'922
Accounts receivable	390	165	432
Other current receivables	1,909	914	989
Inventories	188	253	311
Total current assets	71,824	95,151	89'654
Non-current assets			
Property, plant and equipment	238	267	273
Right-of-use assets	641	915	874
Intangible assets (Note 4)	37,270	38,110	38'163
Deferred tax assets	986	987	987
Total non-current assets	39,135	40,279	40'297
Total assets	110,959	135,430	129'951
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payables	363	-	-
Financial liabilities	304	309	314
Financial liabilities due to ultimate main shareholder	1	30	1
Other current liabilities	2,532	3,722	3'431
Total current liabilities	3,200	4,061	3'746
Non-current liabilities			
Financial liabilities	361	628	584
Pension liability	615	418	575
Total non-current liabilities	976	1,046	1'159
Total liabilities	4,176	5,107	4'905
Equity			
Share capital (Note 7)	129,137	129,137	129'137
Capital reserves	370,548	370,548	370'548
Treasury share reserve (Note 7)	(2)	(59)	(2)
Translation differences (Note 7)	13,657	11,877	15'647
Retained earnings	(404,054)	(379,113)	(388'059)
Total equity attributable to owners of Implantica AG	109,286	132,390	127'271
Non-controlling interests	(2,503)	(2,067)	(2'225)
Total equity	106,783	130,323	125'046
Total liabilities and equity	110,959	135,430	129'951

Condensed consolidated statement of cash flows

in thousands of EUR	Jul to Sep 2024	Jul to Sep 2023	Jan to Sep 2024	Jan to Sep 2023	Jan to Dec 2023
Loss for the period	(6,444)	(5,699)	(16,347)	(15,768)	(24'502)
Adjustments for					
Depreciation, amortisation and impairment	408	407	1,223	1,211	1'624
Financial income	(305)	(611)	(2,010)	(1,269)	(701)
Financial expenses	1,404	548	54	2,118	3'289
Income taxes	9	10	11	21	74
Share-based compensation	57	101	138	301	187
Other financial result	(5)	(5)	(15)	(15)	(45)
Change in pension liabilities	(5)	26	(16)	75	(18)
Other non-cash items	126	(38)	(17)	(41)	(84)
Changes in net working capital					
Decrease / (increase) accounts receivable	161	46	42	(77)	(344)
Decrease / (increase) other current receivables	(163)	(187)	(920)	(48)	(123)
Decrease / (increase) inventories	(7)	6	123	(87)	(145)
(Decrease) / increase trade payables	112	-	363	-	-
(Decrease) / increase other current liabilities	(178)	733	(461)	930	880
Net cash outflow from operating activities	(4,830)	(4,663)	(17,832)	(12,649)	(19'908)
Cash flows from investing activities					
Purchase of property, plant and equipment	(24)	(30)	(24)	(70)	(87)
Investment in intangible assets (Note 4)	(5)	(935)	(501)	(3,135)	(3'742)
Interest received	116	2	523	199	675
Net cash inflow/(outflow) from investing activities	87	(963)	(2)	(3,006)	(3'154)
Cash flows from financing activities					
Treasury shares acquired	-	-	-	(59)	(59)
Payment of lease liabilities	(71)	(78)	(218)	(227)	(305)
Interest paid	(3)	(6)	(18)	(21)	(27)
Repayment of financial liabilities	-	3	-	(11)	(40)
Net cash outflow from financing activities	(74)	(81)	(236)	(318)	(431)
Net increase/(decrease) in cash and cash equivalents	(4,817)	(5,707)	(18,070)	(15,973)	(23'493)
Effect of exchange rate fluctuations on cash held	125	1,344	(515)	841	2'464
Cash and cash equivalents at beginning of period	74,029	98,182	87,922	108,951	108'951
Cash and cash equivalents at end of period	69,337	93,819	69,337	93,819	87'922

Condensed consolidated statement of changes in equity

in thousands of EUR	Jan to Sep 2024							
	Share capital	Capital reserves	Treasury share reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2023	129,137	370,548	(2)	15,647	(388,059)	127,271	(2,225)	125,046
Loss for the period attributable to owners of the Company	-	-	-	-	(16,069)	(16,069)	(278)	(16,347)
Other comprehensive income (net)	-	-	-	(1,990)	(64)	(2,054)	-	(2,054)
Total comprehensive income (net)	-	-	-	(1,990)	(16,133)	(18,123)	(278)	(18,401)
Share-based compensation	-	-	-	-	138	138	-	138
Total transactions with shareholders	-	-	-	-	138	138	-	138
Balance at 30 September 2024	129,137	370,548	(2)	13,657	(404,054)	109,286	(2,503)	106,783

in thousands of EUR	Jan to Sep 2023							
	Share capital	Capital reserves	Treasury share reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2022	129,137	370,548	-	10,054	(364,185)	145,554	(1,467)	144,087
Loss for the period attributable to owners of the Company	-	-	-	-	(15,167)	(15,167)	(601)	(15,768)
Other comprehensive income (net)	-	-	-	1,823	(62)	1,761	1	1,762
Total comprehensive income (net)	-	-	-	1,823	(15,229)	(13,406)	(600)	(14,006)
Treasury shares acquired	-	-	(59)	-	-	(59)	-	(59)
Share-based compensation	-	-	-	-	301	301	-	301
Total transactions with shareholders	-	-	(59)	-	301	242	-	242
Balance at 30 September 2023	129,137	370,548	(59)	11,877	(379,113)	132,390	(2,067)	130,323

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 nine months ended 30 September 2024 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.

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2024. 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 2023 ('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 Accounting Standards. 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

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

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 2023.

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

Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

NOTE 4 Intangible assets

	Jan to Sep	
in thousands of EUR	2024	2023
Net carrying amount at 1 January	38,163	35,977
Additions Jan to Jun	58	2,342
Additions Jul to Sep	5	718
Amortization Jan to Jun	(636)	(618)
Amortization Jul to Sep	(317)	(309)
Translation differences	(3)	-
Net carrying amount at 30 September	37,270	38,110

For the third quarter Research and development costs in the amount of EUR 2,504 thousand were recognised in profit or loss since the conditions for capitalisation as intangible assets for these costs are not met (YTD: EUR 9,843 thousand).

NOTE 5 Financial result

Foreign exchange gains and losses arising from transactions in the same currency within each subsidiary are netted for both the YTD and current quarter results. Consequently, the sum of the quarterly financial income and financial expenses on a gross basis may not align with the gross foreign exchange result YTD, whereas on a net basis, the aggregated quarterly results reconcile to the YTD net result.

NOTE 6 Earnings per share

	Jul to Sep		Jan to Sep		Jan to Dec
in thousands of EUR	2024	2023	2024	2023	2023
Loss for the period attributable to owners of Implantica AG	(6,330)	(5,442)	(16,069)	(15,167)	(23'744)
Weighted average % of Class A share capital in total share capital	83.8%	83.8%	83.8%	83.8%	83.8%
Weighted average % of Class B share capital in total share capital	16.2%	16.2%	16.2%	16.2%	16.2%
Class A shares					
Loss for the period attributable to Class A shareholders	(5,303)	(4,559)	(13,463)	(12,706)	(19'892)
Weighted average number of outstanding Class A shares	58,110,245	58,082,361	58,110,245	58,091,951	58'090'580
Basic and diluted (loss) per share Class A (in EUR)	(0.09)	(0.08)	(0.23)	(0.22)	(0.34)
Class B shares					
Loss for the period attributable to Class B shareholders	(1,027)	(883)	(2,606)	(2,461)	(3'852)
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 7) 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 (i.e. excluding treasury 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 nine months ended 30 September 2024 and 2023 because due to the net loss for these periods their effect would have been anti-dilutive.

NOTE 7 Equity

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 third quarter the EUR/CHF exchange rate increased from 1.038 to 1.059. As a result, the group recognised a total profit of EUR 1,460 thousand in other comprehensive income related to the translation of financial statements of foreign operations and net investments in foreign operations (YTD: loss of EUR 1,990 thousand).

Other

Telephone conference

Implantica will hold a teleconference on 15 November 2024 at 15:00 (CET) with Peter Forsell (CEO), Andreas Öhrnberg (CFO), and Nicole Pehrsson (Chief Corporate Affairs Officer). Please see the dial-in details below to join the conference:

Webcast

If you wish to participate via webcast, please use the following link:

https://ir.financialhearings.com/implantica-q3-report-2024

Dial-in

If you wish to participate via teleconference, please register on the link below. After registration, you will be provided the phone number and a conference ID to access the conference.

https://conference.financialhearings.com/teleconference/?id=50049903

Financial calendar

14 February 2025	Interim Report Q4 2024

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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