Q4 Implantica

Year-end Report January – December 2024

FINANCIAL SUMMARY

Figures within parentheses refer to the preceding year.

Fourth quarter

- Net sales decreased 13% to TEUR 442 (508) (due to trial devices, see full year).
- Adjusted gross margin amounted to 90% (92%).
- Impairment expense relating to capitalized R&D and patents of TEUR 1,669 (0) impacting EBIT.
- Operating loss (EBIT) increased to TEUR 7,174 (6,942).
- Loss after tax amounted to TEUR 7,339 (8,734).
- Basic and diluted loss per Class A share amounted to EUR 0.10 (0.12).
- Cash at the end of the period amounted to MEUR 64.6.

Full financial year

- Net sales increased 38% to TEUR 1,936 (1,408).
- Adjusted gross margin amounted to 92% (94%).
- Operating loss (EBIT) increased to TEUR 25,466 (21,840).
- Loss after tax amounted to TEUR 23,686 (24,502).
- Basic and diluted loss per Class A share amounted to EUR 0.34 (0.34).

Significant Events

IN THE FOURTH QUARTER OF 2024

- Submitted extensive clinical Module 2 of the 3 module-process in the Premarket Approval (PMA) application to U.S. FDA. Most crucial module containing clinical portion including 5-year long-term follow-up of CE mark pivotal study
- Reached a milestone of the first 1,000 RefluxStop™ procedures performed. Over 40 leading anti-reflux hospitals across Europe actively perform the RefluxStop™ procedure today
- Expansion in the UK NHS public hospital network continued with Chelsea & Westminster Hospital in London joining the RefluxStop™ centers
- Highly successful 3rd Global Annual RefluxStop™ meeting conducted in London, attended by 110+ anti-reflux surgeons and GI doctors – almost three times the amount that attended last year – from all over Europe, US and Canada
- Health economic study from Sweden performed in partnership with Prof. Lars Lundell from Karolinska Institute was published and shows RefluxStop™ is a highly cost effective long-term alternative for the Sweden Healthcare System

AFTER THE END OF THE PERIOD

- Module 1 was accepted and closed by U.S. FDA in our RefluxStop™ Premarket Approval (PMA) application
- **FDA completed its review of the PMA Clinical Module 2 and provided its written feedback, which the company considers to be very positive and will continue to work with FDA to bring RefluxStop to the U.S. market as soon as possible**
- Results from the largest real-world RefluxStop™ study published, involving 79 patients for up to 17 months follow-up in Germany showing median improvement in quality of life questionnaire, GERD-HRQL of 100%
- World-leading and largest hospital in Spain, La Paz University Hospital in Madrid, performed their first RefluxStop™ surgeries, representing the 12th center of excellence in Spain to be onboarded
- Abstract showing the cost-effectiveness analysis for RefluxStop™ in Italy won the prestigious Top 5% Award at the leading payer health-economics congress, ISPOR

RefluxStop™ FDA Milestone

U.S. FDA has now accepted and closed Module 1 and has provided very positive feedback on Module 2, the by far most important module including the 5-year clinical study results. A response strategy has been identified for the questions raised, and the company sees no impediment to the overall PMA approval process in U.S. based on FDA's Module 2 feedback. A response will be submitted in conjunction with the near completed final and last Module 3 in the near term.

FDA approval journey: huge milestone for US launch, Module 1 closed and favorable feedback on Module 2

We are thankful to the US FDA for agreeing to a modular submission process in three modules for the RefluxStop™. This Premarket Approval (PMA) application is performed to achieve U.S. approval. This process allows for ongoing review and feedback from the FDA as each module is submitted, enabling us to expedite the preparation of extensive submissions.

Module 1 has now been accepted and closed by FDA after review of our response from November 2024 (FDA will also inspect the production sites). FDA has now also completed its review of the company's Module 2 submission of its PMA, which contained the 5-year Clinical Study Data, Usability Testing, and Labeling information supporting RefluxStop™.

FDA has provided Implantica with its written feedback on the content submitted, all of which the company considers to be minor and very favorable. A response strategy has been identified for the questions raised, and the company sees no impediment to the overall PMA approval process based on FDA's Module 2 feedback. Responses to the Module 2 feedback will be submitted in conjunction with the final and last Module 3 submission in the near term, which is close to its completion.

The second module is a significant milestone in the FDA approval journey. It is by far the most extensive and crucial module of the three-module process in our opinion. The clinical results submitted to the FDA under Module 2 show exceptional outcomes, both in our pivotal 5-year study and supported by multiple European centers presenting their equally exceptional results.

Worldwide interest surges ahead of the next phase of globalization of RefluxStop™

During Q4 2024, Implantica successfully completed another crucial milestone of the first 1000 cases of RefluxStop™ across more than 40 leading anti-reflux surgical centers in Germany, Switzerland, UK, Italy, Spain, Austria, Sweden, Norway, and France.
In the 21st century, healthcare systems demand tremendous clinical and economic scrutiny before a new innovative and disruptive implantable medical product is routinely used and reimbursed in the public healthcare system. The rapid adoption of RefluxStop technology, increased utilization, and onboarding of some of the most prestigious experts and centers of excellence over the past few years have been milestones for Implantica and the broader GERD community.

None of this would be possible without the tremendous support of the world's leading surgeons, the central pillars in rigorously evaluating and testing the RefluxStop technology's safety and effectiveness in the real world. The exceptional patient outcomes and performance of the RefluxStop™ technology have convinced many leading reflux surgeons to provide their patients with RefluxStop™, an innovative, safe, and effective treatment to transform patients' quality of life while helping healthcare systems improve cost efficiency.

Expanding strategic account-base and product adoption – key to reimbursement

Implantica won 15 new key strategic accounts in 2024, peaking during Q4. The large growth in interest from new centers across Europe and the onboarding of select high-end accounts focused on reimbursement development strongly indicate the immense potential to expand the customer base in the near future.
Five new key accounts onboarded during the reporting period are:

- Universitätsklinik Magdeburg, Germany, an INEK cost-reporting hospital (crucial for the reimbursement process in Germany)
- Two major public University hospitals - Hospital Universitario Burgos in Castilla y León and Universitario Santa Lucia Hospital, resulting in 12 key centers in Spain
- Ospedale di Brunico, (Dolomite Mountain community), Italy, the 9th leading center in Italy
- Chelsea & Westminster Hospital NHS Foundation Trust, continuing strategic expansion of RefluxStop™ in the leading NHS trust hospitals

Growing crucial scientific support for RefluxStop™ – key to reimbursement

The 3rd Global Annual RefluxStop™ meeting was conducted in association with the 2024 European Foregut Society (EFS) meeting in London in November. A record turnout of over 110 anti-reflux surgeons, GI doctors and other experts from all over the world including the US, Canada, Germany, UK, Switzerland, Italy, Spain, Austria, Sweden, Norway, Japan, etc. attended this year's RefluxStop meeting, almost triple the number of participants that attended in 2023.

During Q4 period, we participated in several international congresses, including a successful Japan Foregut Society (JFS) Annual Meeting attended by over 80 experts of which many showed great interest in starting with the RefluxStop™ procedure once we receive market approval in Japan.

This speaks of both the interest in this disruptive technology and the impact and great outcomes these world-class surgeons and GI doctors are seeing after the RefluxStop procedure. Topics discussed included surgical technique, patient selection, upcoming clinical data development, and outcomes. Several leading RefluxStop™ surgeons inspired other international experts with their new powerful outcomes data presented at this meeting and shared their journey on exploring the vast potential of RefluxStop™ procedure to address the tremendous unmet needs of the patients.

Outstanding independent clinical and economic evidence – key to reimbursement

In the end, what counts is how RefluxStop or any technology passes the performance test in the real-world setting where leading surgeons from all walks of life perform this procedure in the hope of advancing care for their GERD patients with life-changing improvements.

We are proud to report that the current patient results are simply outstanding, in line with 5-year clinical data from the CE-mark pivotal study. With more than 1,000 patients treated and the potential to help millions of patients around the world, we are gearing up to launch several new markets, including the first and foremost, the US, where pre-launch market preparations are making rapid progress in parallel with FDA Module 3 preparations.

While we reported on several landmark scientific peer-reviewed articles and congress presentations in the previous reports, we reached new heights during Q4 2024 with five major clinical articles on RefluxStop procedure experience from European experts and seven new abstracts summarizing data accepted in major global scientific congresses, including SAGES and DDW in the US. While all articles reported excellent results, one real-world study from Germany stands out, given that it is the most extensive clinical study done on RefluxStop™ in a real-world setting.

The results from this study from Germany are as follows:
The largest real-world study on RefluxStop™ involving 79 patients for up to 17 months follow-up from a leading reflux center in Germany was published in the journal *Surgery Open Science,* affiliated with the prestigious journal *Surgery,* "A retrospective study assessing RefluxStop surgery for gastroesophageal reflux disease: Clinical outcomes in 79 patients from Germany".

The study concluded that medical treatment with PPI medication was reduced from 94.9 % (before surgery) to 2.5 % (after surgery) at follow-up. The study shows outstanding safety and effectiveness results demonstrating significant improvements both in PPI use and in quality of life, with median improvements in GERD-HRQL (Gastro-Esophageal Reflux Disease – Health-Related Quality-of-Life) score of 100 % and mean improvements of 92.4 %. These outstanding outcomes are especially encouraging as half of the study participants had either a large hiatal hernia, >3 cm, or reoperation for previously failed anti-reflux surgery; both groups typically experience much higher complication rates.
Other examples are health-economic studies from Sweden and Italy

- The health-economics results from this study show RefluxStop™ is a highly cost-effective long-term alternative for chronic GERD treatment for the Sweden Healthcare System. "A cost-effectiveness analysis of RefluxStop against relevant therapeutic alternatives for chronic gastroesophageal reflux disease in Sweden". This study was completed with the partnership of the York Health Economics Consortium, UK and the legendary figure in anti-reflux surgery, Professor Lars Lundell, in the Division of Surgery and Oncology at the renowned Karolinska Institutet in Stockholm, Sweden.
- Three scientific abstracts were presented at the leading Payer Health-Economics congress, ISPOR 2024. ISPOR is globally recognized as the leading scientific and educational organization for health economics and outcomes research and its use in the healthcare decision-making process by Health Technology Assessment (HTA), Payers, and reimbursement experts and influencers. One of the three RefluxStop abstracts focused on "The cost-effectiveness analysis from the Italian healthcare system's perspective," which earned ISPOR recognition with the prestigious *Top 5% Award.*

Teamwork wins

We believe we have the best team and strategy to bring RefluxStop™ to its well-deserved success. We are deeply grateful for: the overwhelming support from the scientific experts who believe in RefluxStop™ and help us unleash RefluxStop's immense potential to transform the field of GERD; our patients who trust their medical experts and Implantica to provide the best treatment to help them improve their lives; our shareholders who keep their faith in our ability to turn this once-in-a-lifetime opportunity into a highly successful business outcome, and last but not least, our employees who are passionately working every day to deliver exceptional patient-focused business results.

We are excited about the advancement of the FDA approval process and fully focused on preparing the best possible launch path for RefluxStop™ to become successful in the US and the rest of the World.

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 31 December 2024

Name	Capital (%)
Peter Forsell	46.6%
Handelsbanken Fonder	8.7%
EFG Bank	7.0%
UBS	3.5%
UBP	2.7%
Avanza Pension	2.6%
SEB Life	2.4%
SIX SIS AG	1.7%
Nordea Liv	1.3%
TIN Fonder	1.3%

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, net sales amounted to EUR 442 thousand (508), corresponding to a decrease of EUR 66 thousand or -13%. Implantica is currently exclusively marketing its lead product, RefluxStop™, to selected Key Opinion Leaders in Europe.

For the first twelve months, sales amounted to EUR 1,936 thousand (1,408), corresponding to an increase of EUR 528 thousand or 38%.

Cost of sales and gross margin

Cost of sales during the fourth quarter amounted to EUR 352 thousand (345). 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 fourth quarter, adjusted gross margin, i.e., gross margin excluding amortization, amounted to 90% (92%).

The cost of sales over the year amounted to EUR 1,383 thousand (1,317). The adjusted gross margin[1], amounted to 92% (94%).

Operating expenses and EBIT

In the fourth quarter operating loss (EBIT) amounted to EUR 7,174 thousand (6,942), an increase of EUR 232 thousand or 3%. The impairment of EUR 1,669 of development costs, was a key cost driver triggered by a realignment of the product pipeline priorities. Research and development costs made up EUR 2,345 thousand (1'877), corresponding to an increase of EUR 468 thousand or 25%. Key R&D cost drivers include RefluxStop™ data collection, FDA submission and patent management. Costs relating to pipeline product development decreased year-on-year.

General and administrative costs amounted to EUR 3,250 thousand (5,228), a decrease of EUR 1,978 thousand or 38% following year-on-year cost reductions for quality management and corporate overhead.

For the financial year 2024, the operating loss (EBIT) amounted to EUR 25,466 thousand (21,840). Where Research and development cost made up EUR 12,188 thousand (7,016), corresponding to an increase of EUR 5,172 thousand or 74% compared to 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 12,162 thousand (14,948), a decrease of EUR 2,786 thousand or 19%.

Financial income and expenses

Financial income amounted to EUR 2,409 thousand (485) during the fourth quarter driven by foreign exchange profits and interest income Financial expenses amounted to EUR 2,536 thousand (2,224) over the quarter driven by foreign exchange losses.

For the financial year 2024, Financial income amounted to EUR 1,927 thousand (701) and Financial expenses totalled EUR 98 thousand (3,289).

Income taxes

The Group reported a tax expense of EUR 38 thousand (53) in the fourth quarter. The tax expense for the quarter is mainly explained by changes in deferred tax assets. For the financial year 2024, the Group reported a tax expense of EUR 49 thousand (74).

Net earnings

The Group reported a net loss of EUR 7,339 thousand (8,734) for the fourth quarter, a decrease of EUR 1,395 thousand driven by financial expenses.

For the financial year 2024, the net loss amounted to EUR 23,686 thousand (24,502), a decrease of EUR 816 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 31 December 2024, the Group's equity amounted to EUR 100.2 million (125.0) with an equity ratio of 96%, unchanged compared to 31 December 2023.

As of 31 December 2024, the Group did not have any interest-bearing debt.

Cash flow and liquidity

During the fourth quarter net cash outflow from operating activities amounted to EUR 4,923 thousand (7,259).

Net cash outflow from operating activities over the financial year of 2024 amounted to EUR 22,755 thousand (19,908).

As of 31 December 2024, Implantica held cash and cash equivalents of EUR 64.5 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

	Oct to Dec		Jan to Dec	
in thousands of EUR	2024	2023	2024	2023
Net Sales	442	508	1,936	1,408
Cost of sales				
Amortisation of capitalized development costs	(307)	(307)	(1,227)	(1,227)
Other cost of sales	(45)	(38)	(156)	(90)
Total cost of sales	(352)	(345)	(1,383)	(1,317)
Gross profit	90	163	553	91
Other income	-	-	-	33
Impairment of development costs (Note 4)	(1,669)	-	(1,669)	-
Research and development costs (Note 4)	(2,345)	(1,877)	(12,188)	(7,016)
General and administrative costs	(3,250)	(5,228)	(12,162)	(14,948)
Operating loss	(7,174)	(6,942)	(25,466)	(21,840)
Financial income (Note 5)	2,409	485	1,927	701
Financial expenses (Note 5)	(2,536)	(2,224)	(98)	(3,289)
Loss before income taxes	(7,301)	(8,681)	(23,637)	(24,428)
Income taxes	(38)	(53)	(49)	(74)
Loss for the period	(7,339)	(8,734)	(23,686)	(24,502)
Attributable to				
Owners of Implantica AG	(7,264)	(8,577)	(23,333)	(23,744)
Non-controlling interests	(75)	(157)	(353)	(758)
Loss for the period	(7,339)	(8,734)	(23,686)	(24,502)
Earnings per share (Note 6)				
Basic and diluted loss per share Class A (in EUR)	(0.10)	(0.12)	(0.34)	(0.34)
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

in thousands of EUR	Oct to Dec 2024	Oct to Dec 2023	Jan to Dec 2024	Jan to Dec 2023
Loss for the period	(7,339)	(8,734)	(23,686)	(24,502)
Other comprehensive income				
Remeasurement of net defined benefit liability	110	(226)	46	(296)
Related income taxes	-	28	-	36
Total items that will not be reclassified to profit or loss	*110*	*(198)*	*46*	*(260)*
Translation differences (Note 7)	521	3,769	(1,469)	5,593
Total items that may be reclassified subsequently to profit or loss	*521*	*3,769*	*(1,469)*	*5,593*
Other comprehensive income for the period, net of tax	631	3,571	(1,423)	5,333
Total comprehensive income for the period	(6,708)	(5,163)	(25,109)	(19,169)
Attributable to				
Owners of Implantica AG	(6,633)	(5,005)	(24,756)	(18,411)
Non-controlling interests	(75)	(158)	(353)	(758)
Total comprehensive income for the period	(6,708)	(5,163)	(25,109)	(19,169)

Condensed consolidated statement of financial position

in thousands of EUR	31 Dec 2024	31 Dec 2023
ASSETS		
Current assets		
Cash and cash equivalents	64,552	87,922
Accounts receivable	589	432
Other current receivables	1,649	989
Inventories	226	311
Total current assets	67,016	89,654
Non-current assets		
Property, plant and equipment	234	273
Right-of-use assets	571	874
Intangible assets (Note 4)	35,292	38,163
Deferred tax assets	966	987
Total non-current assets	37,063	40,297
Total assets	104,079	129,951
LIABILITIES AND EQUITY		
Current liabilities		
Trade payable	297	-
Financial liabilities	305	314
Financial liabilities due to ultimate main shareholder	1	1
Other current liabilities	2,694	3,431
Total current liabilities	3,297	3,746
Non-current liabilities		
Financial liabilities	290	584
Pension liability	334	575
Total non-current liabilities	624	1,159
Total liabilities	3,921	4,905
Equity		
Share capital (Note 7)	129,351	129,137
Capital reserves	370,548	370,548
Treasury share reserve (Note 7)	(71)	(2)
Translation differences (Note 7)	14,178	15,647
Retained earnings	(411,270)	(388,059)
Total equity attributable to owners of Implantica AG	102,736	127,271
Non-controlling interests	(2,578)	(2,225)
Total equity	100,158	125,046
Total liabilities and equity	104,079	129,951

Condensed consolidated statement of cash flows

in thousands of EUR	Oct to Dec 2024	Oct to Dec 2023	Jan to Dec 2024	Jan to Dec 2023
Loss for the period	(7,339)	(8,734)	(23,686)	(24,502)
Adjustments for				
Depreciation, amortisation and impairment	2,077	413	3,300	1,624
Financial income	(2,409)	(485)	(1,927)	(701)
Financial expenses	2,536	2,224	98	3,289
Income taxes	38	53	49	74
Share-based compensation	83	(114)	221	187
Other financial result	(4)	(30)	(19)	(45)
Change in pension liabilities	88	(93)	72	(18)
Other non-cash items	(9)	(43)	(26)	(84)
Changes in net working capital				
Decrease / (increase) accounts receivable	(199)	(267)	(157)	(344)
Decrease / (increase) other current receivables	260	(75)	(660)	(123)
Decrease / (increase) inventories	(38)	(58)	85	(145)
(Decrease) / increase trade payable	(66)	-	297	-
(Decrease) / increase other current liabilities	59	(50)	(402)	880
Net cash outflow from operating activities	(4,923)	(7,259)	(22,755)	(19,908)
Cash flows from investing activities				
Purchase of property, plant and equipment	(12)	(17)	(36)	(87)
Investment in intangible assets (Note 4)	(8)	(607)	(406)	(3,742)
Interest received	264	476	787	675
Net cash inflow/(outflow) from investing activities	244	(148)	345	(3,154)
Cash flows from financing activities				
Treasury shares acquired	-	-	-	(59)
Payment of lease liabilities	(39)	(78)	(257)	(305)
Interest paid	(30)	(6)	(48)	(27)
Repayment of financial liabilities	-	(29)	-	(40)
Net cash outflow from financing activities	(69)	(113)	(305)	(431)
Net increase/(decrease) in cash and cash equivalents	(4,748)	(7,520)	(22,715)	(23,493)
Effect of exchange rate fluctuations on cash held	(37)	1,623	(655)	2,464
Cash and cash equivalents at beginning of period	69,337	93,819	87,922	108,951
Cash and cash equivalents at end of period	64,552	87,922	64,552	87,922

Condensed consolidated statement of changes in equity

in thousands of EUR	Jan to Dec 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	-	-	-	-	(23,333)	(23,333)	(353)	(23,686)
Other comprehensive income (net)	-	-	-	(1,469)	46	(1,423)	-	(1,423)
Total comprehensive income (net)	-	-	-	(1,469)	(23,287)	(24,756)	(353)	(25,109)
Capital increase (Note 7)	214	-	(214)	-	-	-	-	-
Share-based compensation	-	-	145	-	76	221	-	221
Total transactions with shareholders	214	-	(69)	-	76	221	-	221
Balance at 31 December 2024	129,351	370,548	(71)	14,178	(411,270)	102,736	(2,578)	100,158

in thousands of EUR	Jan to Dec 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	-	-	-	-	(23,744)	(23,744)	(758)	(24,502)
Other comprehensive income (net)	-	-	-	5,593	(260)	5,333	-	5,333
Total comprehensive income (net)	-	-	-	5,593	(24,004)	(18,411)	(758)	(19,169)
Treasury shares acquired	-	-	(59)	-	-	(59)	-	(59)
Share-based compensation	-	-	57	-	130	187	-	187
Total transactions with shareholders	-	-	(2)	-	130	128	-	128
Balance at 31 December 2023	129,137	370,548	(2)	15,647	(388,059)	127,271	(2,225)	125,046

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 year ended 31 December 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 13 February 2025. 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 Dec	
in thousands of EUR	2024	2023
Net carrying amount at 1 January	38,163	35,977
Additions Jan to Sep	63	3,060
Additions Oct to Dec	8	366
Amortization Jan to Sep	(953)	(928)
Amortization Oct to Dec	(318)	(316)
Impairment of development costs	(1,669)	-
Translation differences	(2)	4
Net carrying amount at 31 December	35,292	38,163

For the fourth quarter Research and development costs in the amount of EUR 2,345 thousand were recognised in profit or loss since the conditions for capitalisation as intangible assets for these costs are not met (YTD: EUR 12,188 thousand). As part of the Group's annual impairment test, management assessed the recoverable amounts of its cash-generating units (CGUs) considering the Group's strategic realignment of product development. As a result, one CGU was partially and two CGUs were fully impaired, leading to an impairment charge of EUR 1,669 thousand recognised in the current period. These CGUs were relatively small and previously not considered core to the Group's operations. The impairment was driven by revised cash flow projections following the Group's decision to temporarily discontinue the development of products pertaining to these CGUs.

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

	Oct to Dec		Jan to Dec	
in thousands of EUR	2024	2023	2024	2023
Loss for the period attributable to owners of Implantica AG	(7,264)	(8,577)	(23,333)	(23,744)
Weighted average % of Class A share capital in total share capital	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%
Class A shares				
Loss for the period attributable to Class A shareholders	(6,086)	(7,185)	(19,549)	(19,892)
Weighted average number of outstanding Class A shares	58,116,235	58,086,585	58,111,738	58,090,580
Basic and diluted (loss) per share Class A (in EUR)	(0.10)	(0.12)	(0.34)	(0.34)
Class B shares				
Loss for the period attributable to Class B shareholders	(1,178)	(1,392)	(3,784)	(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
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 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 year ended 31 December 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 138,923 thousand (EUR 129,351 thousand) and is divided into 58,211,537 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). As of 31 December 2024 a total number of 33,159 Class A shares are held by the Group (2023: 1,305).

During the period the Group increased the share capital through its authorised capital by issuing 100,000 Class A shares of which 68,146 shares were delivered to employees as part of existing share-based payment commitments.

Translation differences

During the fourth quarter the EUR/CHF exchange rate increased from 1.059 to 1.062. As a result, the group recognised a total profit of EUR 521 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 1,469 thousand).

NOTE 8 Share-based payment

During the three months ended 31 December 2024 the Group granted additional restricted stock unit plans to employees with a total value of EUR 109 thousand of which EUR 63 thousand vested immediately and the remaining amounts vests over 1 to 5 years.

Other

Telephone conference

Implantica will hold a teleconference on 14 February 2025 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://implantica.events.inderes.com/q4-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.inderes.com/teleconference/?id=5001390

Financial calendar

15 April 2025	Annual report 2024
9 May 2025	Interim Report Q1 2025
14 August 2025	Interim Report Q2 2025
31 October 2025	Interim Report Q3 2025

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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