Implantica

2024

Annual Report

Disclaimer

This Report may contain certain forward-looking statements and forecasts based on our current expectations and beliefs regarding future events and are subject to significant uncertainties and risks since they relate to events and depend on circumstances that will occur in the future. Some of these forward-looking statements, by their nature, could have an impact on Implantica's business, financial condition and results of operations [or that of its parent, affiliate, or subsidiary companies]. Terms such as "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statements. There are a number of factors that could cause actual results and developments to differ materially from those projected, whether expressly or impliedly, in a forward-looking statement or affect the extent to which a particular projection is realized. Such factors may include, but are not limited to changes in implementation of Implantica's strategy and its ability to further grow; risks and uncertainties associated with the development and/or approval of Implantica's product candidates; ongoing clinical trials and expected trial results; the ability to commercialize RefluxStop™ or the product candidates if approved; changes in legal or regulatory frameworks, requirements, or standards; technology changes and new products in Implantica's potential market and industry; the ability to develop new products and enhance existing products; the impact of competition, changes in general economy and industry conditions and legislative, regulatory and political factors.

The factors set forth above are not exhaustive and additional factors could adversely affect our business and financial performance. We operate in a very competitive and rapidly changing environment, and it is not possible to predict all factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

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Risks, uncertainties and assumptions could materially adversely affect the outcome proposed herein. Any forward looking statement may differ from those set forth as a result of various factors (including, but not limited to, future global economic conditions, changes in market conditions, intense competition in the markets in which the Group operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting the Group's markets, ability to achieve regulatory clearance or approval for Group products in several jurisdictions, ability to conduct pre-clinical and clinical trials, the ability to deliver market access, the market success of Group's products, timely regulatory approval and granting of reimbursement, ability to launch products according to time plan, market growth according to market assumptions, and other factors beyond the control of the Group,

RefluxStop™ has all the attributes to become the new standard of care in anti-reflux surgery, supported by the excellent clinical trial results.

Implantica's achievements & CEO reflections

Implantica's first cornerstone implant, RefluxStop™, is a breakthrough product designed to become the new standard of care in acid reflux treatment, a field of 1 billion sufferers worldwide. RefluxStop™ restores and maintains the body's natural anatomy and physiology to treat acid reflux. As supported by excellent patient outcomes and 5-year clinical trial results, RefluxStop™ has shown significant reduction in Gastroesophageal Reflux Disease (GERD) activity in terms of pH normalization, lack of swallowing difficulties, elimination or reduction of PPI use and improvement in patient's quality of life.

Implantica's second cornerstone is the eHealth platform and rich pipeline of smart medical implants.

IMPLANTICA'S FOUNDATION:

RefuxStop™ – our first commercial product

- New unique revolutionary treatment for acid reflux, a field with >1 billion sufferers
- Surgical community convinced Reflux-Stop is the upcoming standard of care
- 5-years superior and outstanding results filed to FDA for PMA in US
- More cost-effective treatment (University of York in Journal of Health Economics
- Multibillion dollar business opportunity

Our eHealth platform

- Unique wireless powering and communication system
- Designed to create a leap in advancing Healthcare
- New and better treatment by more advanced smart medical implants
- Designed for treatment control of implants from distance
- Save costs for Society
- Possibility for licensing worldwide

Extensive IP and Pipeline portfolio

- Approximately 25'000 pages of patent filing for the eHealth platform
- >300 inventions of which >40 product pipeline candidates have been selected after market and product analysis
- >1000 patent cases worldwide
- >350 granted U.S. patents so far

REFLUXSTOP™ CURRENT STATUS:

Clinical Evidence

- Over 1'200 patients operated in 45 hospitals
- Excellent 5-year results from CE study, used for PMA filing for FDA
- 17 published RefluxStop articles during 2024
- Excellent Real-world evidence validating the clinical trial

Superior Health-Economics

- Superior cost-effectiveness compared to standard of care: fundoplication and PPI medical therapy as well as Magnetic sphincter augmentation
- Article published in Journal of Medical Economics 2023

U.S. Launch of RefluxStop™

- FDA accepted a PMA filing in 3 modules for RefluxStop™ based on our European CE mark study
- First module approved and second module very favorable feedback from FDA. Third module in process of filing near-term
- US cadaver study with successful training of 20 US surgeons for FDA PMA application – very useful also as prelaunch activities
- 100+ US surgeons convinced and waiting to get started with RefluxStop including Prof. John Lipham, University of Southern California
- Tremendous interest and participation at the main U.S. congresses SAGES, AFS, and DDW from global GI Surgeons presenting their data and discussing benefits of RefluxStop therapy.
- Targeting launch in 50 U.S. centers

Sales focused on centers of excellence with 45 active centers in Europe

- In Italy and Spain with more decentralised system approvals, 3 centers have achieved the ability to purchase a defined number of RefluxStop™ to full list price. In total 22 centers have started to operate with RefluxStop™ in Italy and Spain only 2 years after launch.
- Another 10+ centers lined up in each of Italy and Spain, however:
- Sales focussed only on centers of excellence due to the reimbursement process

Reimbursement process in Europe

- Reimbursement approval process is highly decentralized across European markets. Our reimbursement development efforts are advancing in each key market
- We have 2 additional NHS hospitals operating with RefluxStop during 2024 and are currently going through the NICE evaluation process for the broader national clinical guidance for NHS hospitals
- In Germany, RefluxStop™ has already obtained its own reimbursement DRG code, and we continue to make progress with strategic INEK reporting hospitals to increase product adoption to the necessary levels for reimbursement development
- We are gearing up for a first-of-its-kind Randomized Clinical Trial (RCT) of RefluxStop™ versus Standard of Care Nissen fundoplication
- A pan-European registry study, Restore, is ongoing

CEO
Peter Forsell

Going forward

- Continuing the reimbursement process in EU.
- Intensified U.S. prelaunch activities:
  - Publishing Cost/ Benefit analysis in U.S.
  - Prepare U.S. payer dossier
  - Selecting 50 first launch centers
- Not only RefluxStop™, but also our eHealth platform and pipeline products are designed to revolutionise healthcare, which is targeted to go through a fantastic transformation going forward.

Many thanks to all our shareholders, customers, and partners for following us.

Yours sincerely,

Peter Forsell
CEO and Founder, Implantica
Surgeon and Inventor

RefluxStop™ Redefining GERD Treatment

2024 was a year of great transformation and momentum-building for a grand U.S. launch

One billion people suffer from GERD, and hundreds of millions of them are forced to live without adequate treatment options. This is simply unacceptable and there is no time to waste for Implantica to bring RefluxStop™, the world's first-of-its-kind revolutionary treatment for severe GERD, to these hundreds of millions of people worldwide. Implantica is gaining significant ground in executing our ambitious global strategic plan to redefine the GERD treatment landscape.

2024 was a year of major accomplishments for Implantica with highlighted key wins from our flagship product RefluxStop™:

- U.S. FDA approval major progress
- U.S. pre-launch preparations tracking ahead of schedule
- Significant clinical and economic evidence development for the reimbursement process
- Groundbreaking new real-world data publications
- Gearing up for the most ambitious RCT (RefluxStop™ vs. Standard of Care)
- Very productive Payer engagements and progress in gaining acceptance by public healthcare funding in NHS UK, Germany, Spain, Italy, and other markets
- Ultimately, continued onboarding of top-tier European KOLs and leading reflux centers, using a sales-cautious approach to prioritize high-quality centers until reimbursement is achieved

U.S. Market Entry: *FDA Approval & Launch-Readiness Preparations*

We successfully completed PMA Module 1 (of 3 Modules) at the beginning of 2025, marking a significant milestone in the FDA approval process. As a next step, FDA will perform inspections of the manufacturing sites prior to formal approval of RefluxStop™. Concurrently with the completion of Module 1, the FDA provided feedback on Module 2, which included the 5-year clinical study data, usability testing, and labeling information.

The second module is by far the most extensive and crucial of the three-module process since it includes the clinical trial outcome. We consider FDA's Module 2 feedback to be minor and very favorable. We have a clear and robust strategy to address all aspects of the feedback and see no impediment to the overall PMA approval process based on FDA's Module 2 feedback.

We intend to submit Module 2 feedback in conjunction with the final and last Module 3 submission estimated in the near term, if everything goes as planned. Based on a satisfactory review also of Module 3, FDA's final decision can be expected during this year, although it is hard to predict these timelines given several external factors for Implantica as well as FDA. Implantica will continue to work with FDA to bring RefluxStop™ to the US market as soon as possible.

As part of our FDA Module 2 requirements, we successfully conducted and completed a US Human Factors Validation Study. During this study, we trained 20 leading U.S. foregut surgeons on the RefluxStop™ procedure. It also turned out to be a very successful U.S. pre-launch activity, bringing strong interest among those top surgeons in starting RefluxStop™ after its launch in the US.

In parallel, over the past two years, RefluxStop™ with its excellent clinical data has been continuously showcased at several premier U.S. medical congresses, including SAGES, AFS, DDW, and others. As a result, hundreds of surgeons and GIs at these meetings have shown great interest in the RefluxStop™ procedure and highlighted tremendous patient unmet needs, especially given RefluxStop's unique mechanism of action that potentially can transform lives of millions of GERD sufferers in the U.S.

As part of our pre-market preparations, we have built an initial team of accomplished commercialization experts who are developing a highly strategic and execution-focused plan for a rapid market takeoff, pending FDA approval.

Our pre-launch preparation includes identifying the key 40 KOLs and U.S. hospitals that will start after FDA approval as well as collaborating with U.S. surgical experts on a health-economic manuscript with U.S.-relevant data to show that RefluxStop™ is more cost-effective than competitive anti-reflux treatments, as we have done in Europe. Our experienced U.S. medtech Payer Advocacy team is preparing an extensive RefluxStop™ payer dossier to present to at least the top 20 payers as soon as regulatory approval is achieved.

All this progress and preparation brings us one step closer to entering the U.S. market. We expect to see more linear sales growth in the U.S. than in Europe since there is the possibility for surgeons to be reimbursed for a new technology by switching treatments, and we overall see the US market as very powerful. In short, we are gearing up for a grand and well-planned U.S. launch, pending FDA approval decision!

Conquering GERD with 100+ World-leading Experts – Successful Journey from Skepticism to Praise

Today, we are proud to report that RefluxStop™ has achieved a crucial milestone in transforming the lives of now more than 1200 patients treated by 45 world-leading European Anti-Reflux Surgeons at top reflux centers from Germany, Switzerland, UK, Italy, Spain, Austria, Norway, and Sweden, and an additional very interested 100+ surgeons from many markets including the U.S. eagerly waiting to join forces once the product becomes available.

This growing trust in RefluxStop™ was further displayed at the 3rd Annual RefluxStop™ Meeting, held in conjunction with the European Foregut Society (EFS) meeting in London, which attracted over 110 leading anti-reflux specialists – a nearly threefold increase from the prior year.

Unmatched Excellent Outcomes – Advancing Payer Reimbursement & Product Adoption

The long-term 5-year results from our CE-mark European study were available in late 2024, which were also supplied to FDA.

At 5-year follow-up:

- Completely objective: 90% improvement in 24-hour pH monitoring results
- Supremely safe: no device dislocations, no device migration, and no re-herniation, verified by 5-year contrast swallow x-ray
- Highly effective: 98% of patients no longer required regular daily PPI medication as opposed to all patients requiring PPIs before surgery

These extraordinary results were further validated and reproduced by several independent real-world studies from esteemed surgeons. The collection and publication of superior clinical data and health economics analyses are fundamental to obtain adequate reimbursement for RefluxStop™. Great strides were made on this front with numerous independent articles in top scientific journals published during the year, a summary of which can be found later in this report under Clinical Evidence & Publications.

It is also necessary to explain that a new technology provides acceptable value for money in order to obtain reimbursement. Extensions of the initial health economic analysis developed for the UK by University of York's Health Economic Consortium were made in 2024 for Switzerland, Italy and Sweden. Three manuscripts were published in prestigious, high impact journals this year showing the superior cost effectiveness of RefluxStop™ compared to competitive therapies including standard of care PPI medication, Nissen fundoplication and Magnetic Sphincter Augmentation.

Our continued payer engagement with national, regional, and Hospital level stakeholders during the past year has resulted in great promising outcomes with several public healthcare funding or public tenders won for RefluxStop™ in Italy and Spain. With the addition of 2 more prestigious NHS hospitals, we have successfully expanded our presence in the public system while going through the NICE evaluation process for the broader national clinical guidance for NHS hospitals.

In Germany, we have already obtained our own reimbursement DRG code. However, extra reimburse-ment for the device has not yet been received, but we continue to make progress with strategic INEK Hospitals and focus on increasing product adoption to the necessary levels for the reimbursement development process.

Beyond RefluxStop™: A Vision for the Future of Smart MedTech

At Implantica, we are also pioneering the next generation of smart medical implants through our revolutionary eHealth Wireless Intelligent Energizing Platform – e-InVivo™.

This cutting-edge system enables wireless monitoring, control, and energy transfer to medical implants through intact skin, a breakthrough that could redefine the treatment of chronic conditions. Featuring advanced security and real-time feedback, e-InVivo™ has the potential to usher in a new era of proactive healthcare. So far, we have filed more than 25'000 pages of patents. This health platform has the potential to be licensed worldwide.

The Road Ahead: A multi-billion-dollar opportunity

With the rising global interest in the RefluxStop™ procedure, it is clear to us that we have really struck a chord within the GERD scientific community and broader key healthcare stakeholders. We strongly believe we have a once-in-a-lifetime opportunity to address a significant and long-standing unmet need that has the potential to greatly improve the lives of hundreds of millions of GERD patients while creating a multi-billion-dollar business opportunity.

We are confident that 2025 will be a year of many more key achievements, including, hopefully, the sizable and most anticipated U.S. launch pending FDA approval. We look forward to your continued commitment to build this revolution and make history together!

Thank you all for being part of this incredible journey,

Peter Forsell
CEO and Founder
Surgeon and Inventor

Implantica 2024 in brief

Q1

- Submitted Module 1 of PMA application to FDA, containing quality systems and manufacturing information
- Completed Human Factors Validation Study as part of the clinical module for PMA application with 20 U.S. surgeons trained on the RefluxStop™ procedure
- Two first-ever purchase agreement wins for RefluxStop™ in Italy, one in Turin and one in Bari

Q2

- Module 1 review of PMA application completed by FDA
- First public tender win in Spain for RefluxStop™ at University Hospital Getafe
- Two peer-reviewed manuscripts by Dr. Zehetner (Prof. USC) published on his real-world RefluxStop™ results on large hiatal hernia and ineffective esophageal motility patients
- NHS Trust University Hospital Southampton started performing the RefluxStop™ procedure

Q3

- 4-year results from the RefluxStop™ CE-mark study published in *Surgical Endoscopy* showcasing continued excellent results
- Investigator-initiated study by Prof. Schoppmann, AKH Vienna, published in *Scientific Reports*, a *Nature* journal, on 40 ineffective esophageal motility patients treated with RefluxStop™
- Independent study by Dr. Zehetner (Prof. USC) on first 40 patients published in prestigious *Swiss Medical Weekly*
- NHS Chelsea & Westminster Hospital started performing RefluxStop™ procedures

Q4

- Submitted Module 2 of PMA application to FDA, containing clinical information including 5-year long-term follow-up of CE-mark study
- Reached milestone of the first 1’000 RefluxStop™ procedures performed over 40 leading anti-reflux hospitals across Europe
- 3rd Global Annual RefuxStop™ meeting conducted, attended by 110+ anti-reflux surgeons and GI doctors – almost 3x more than in 2023

After the end of the financial year

- Module 1 was accepted and closed by FDA in the RefluxStop™ PMA application
- FDA completed its review of Module 2 and provided its written feedback, which Implantica considers to be very positive
- Results from the largest real-world RefluxStop™ study by Dr. Lehmann published in *Surgery Open Science* involving 79 patients for up to 17 months showing 100% improvement in quality of life questionnaire scores

Vision

To become the world leader in smart medical implants

Mission

To provide needed medical implant solutions to millions of patients & at the same time save costs for society

Purpose

To improve quality of life for millions of patients around the world

Bringing advanced technology into the body

Strategy

1. Maximize commercial success through dedicated market access strategy
2. Go global with RefluxStop™ within our geographic focus
3. Gather robust clinical evidence to support RefluxStop™
4. Ensure all core technology is protected by solid patents
5. Develop and launch eHealth platform and prioritized products

eHealth Platform

Implantica's eHealth platform – the future of eHealth

While most development regarding eHealth is focused on gathering information from outside the patient's body, Implantica's eHealth-system is designed to monitor and transmit data as well as treat illnesses and adjust treatment from inside the body. This is expected to result in a reduced cost of care and better patient outcomes.

The Implantica eHealth platform is a digital health system designed to be used as a stand-alone implant or integrated to support our pipeline of smart medical implants intended for a safe and secure control and monitoring over the internet. The eHealth platform is designed to enable healthcare professionals to reduce unneeded or inefficient in-person visits by allowing the remote monitoring of long-term or chronic illness.

Health information to be generated from the active implanted device integrated with data collected from the patient's mobile health device, such as smart phone, watch and digital scale, can be used by the healthcare professional to observe the state of the device and make treatment modifications on distance.

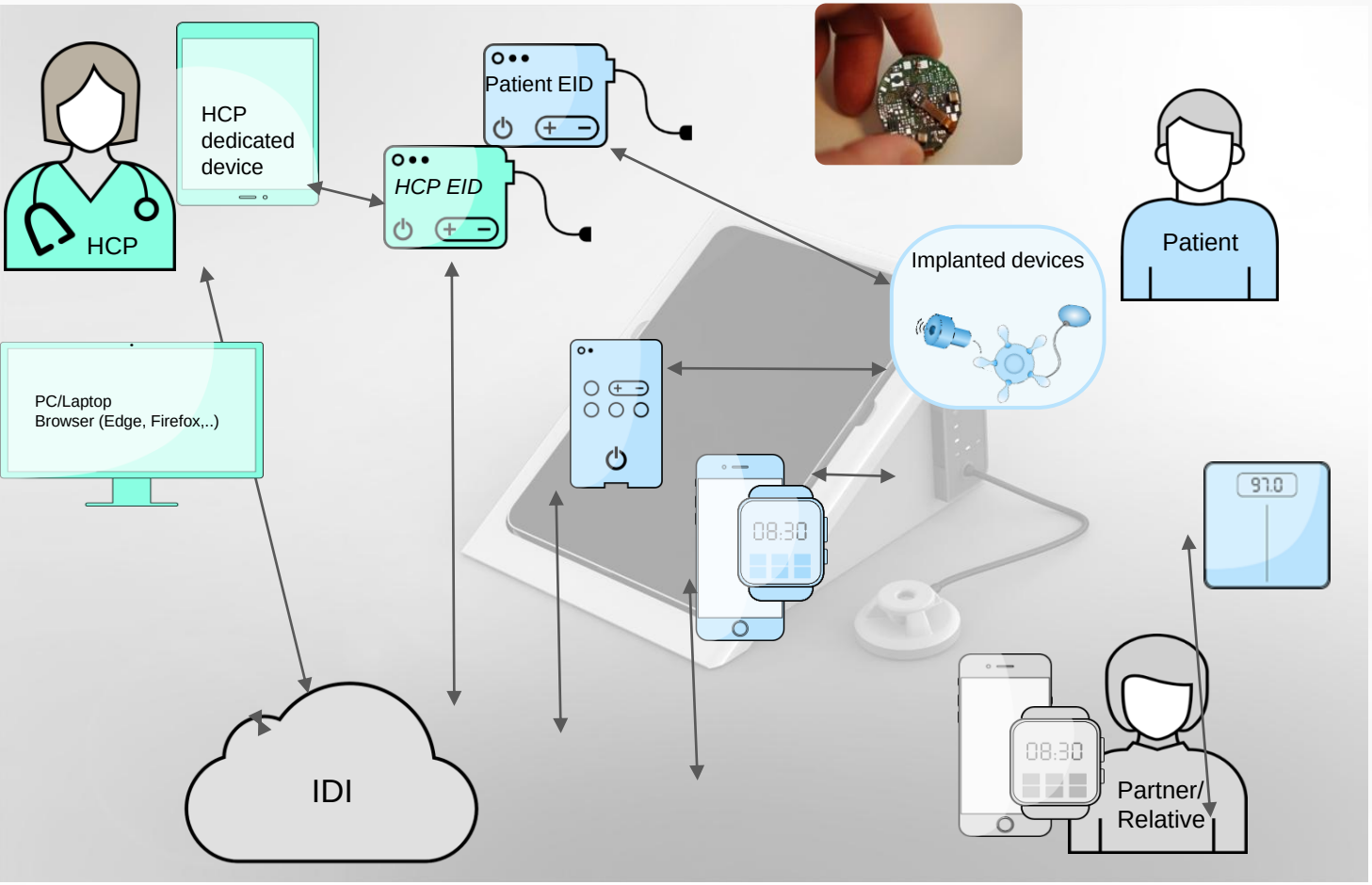
An uncompromised commitment to the cybersecurity of the devices and system is at the center of this technology. The e-InVivo Smart Implant is designed to ensure the end-to-end integrity of all health data transmitted over the internet.

Treat on distance and save costs for society – revolutionizing Healthcare

Monitor and Change Treatment Remotely

- ✓ Gather information to personalize the therapy
- ✓ Simplified and effective surveillance
- ✓ Adapt and change your treatment on distance depending on outcome

Implantica's eHealth & Wireless Energizing Platforms



eHealth Platform designed to:

- Control bodily functions
- Communicate with caregiver and patient
- Adjust treatment on distance

➢ **Changing treatment on distance is expected to reduce the need for hospital stay & doctor visits**

Wireless Energizing Platform

- Remote controlled miniaturized system
- Wireless energy supply
- Power active medical implants through intact skin

➢ **Bringing advanced technology into the body requires sufficient energy for a device to function long-term**

Implantica's wireless energizing platform – advanced technology requires wireless power

Opening new and more advanced treatment possibilities

Implantica's wireless energizing platform is a proprietary energy transmission and control system designed to safely power implants directly and recharge them wirelessly through intact skin.
This technology allows for the wireless control and exchange of data, enabling postoperative adjustments, continuous data feeds and greater quality and reliability of data reporting directly to both the patient and caregiver.

Wireless Powering at the Patient's Home

Wireless Power Transmission and Storage

- ✓ Therapies with high power needs are now possible through intact skin
- ✓ Battery replacement surgeries are replaced with recharging by the patient at home

Implantica's novel implant communication technology

Implantica has developed a unique communication system, which is designed to be superior to existing techniques. This communication system will interact with our eHealth platform for a complete system designed to control treatment, exchange information, change treatment, monitor bodily health parameters and allow the treatment doctor to have full control of patient's treatment and change treatment on distance, potentially taking a lead position in the eHealth revolution of healthcare. Implantica has its own chip under development, and this technology could potentially be licensed worldwide.

Comprehensive IP Foundation of >1000 patent cases

A robust & multi-layered approach to patent protection preserves the value of Implantica's medical technology and is a key element of the business strategy. Patents filed for:

- Design of device
- Device methods of action
- Technologies used by sub-components & tools associated with device

Market / product analysis and prototyping on 40 selected inventions / pipeline products selected from >300 inventions

RefluxStop™

RefluxStop™ is a unique new treatment for acid reflux

RefluxStop™ is Implantica's lead product and addresses the serious, debilitating problem of gastro esophageal reflux disease (GERD), a treatment field with 1 billion sufferers globally.

RefluxStop™ is a specially-designed silicon device that is surgically inserted and fastened to the upper part of the stomach through laproscopic surgery. The device is designed to treat acid reflux without affecting the food passageway and restores and maintains normal anatomy of the stomach region, a novel method that will possibly create a paradigm shift in acid reflux treatment.

The device was granted CE-mark approval in 2018 on the strength of a multi-center clinical investigation in which the safety and effectiveness of the device in patients was demonstrated. RefluxStop™ not only treats the symptoms of acid reflux but, unlike drug therapy, it also eliminates or reduces the regurgitation of stomach fluid. The clinical investigation and literature review supports that complication rates are reduced with RefluxStop™ compared to standard of care treatment Nissen fundoplication.

Acid reflux has one billion sufferers & enormous unmet need

1 billion

The amount of people suffering from GERD worldwide[1]

only < 1%

of indicated patients get anti-reflux surgery in most countries due to too severe side effects

Gastro-esophageal reflux disease (GERD) occurs when stomach acid regurgitates back up into the esophagus. The acid reflux irritates and damages the tissue in the esophagus and leads to heartburn, trouble swallowing and general chest pain. Acid reflux is also associated with cancer due to acid repeatedly damaging esophageal tissue.

GERD is among the top two most widespread chronic diseases in the world, impacting 17% of the EU and up to 25% of the U.S. population[3] with over 1 billion suffering. The high prevalence of GERD presents a significant financial burden for the world's healthcare system and employers.

USD 15-20 billion

USD 15-20 billion[2] – annual direct and indirect costs of GERD in the US

17% EU
25% US

percent of population affected weekly by acid reflux[3]

48,000

Approximately 48,000 deaths[4] occur annually in the EU and US alone due to adenocarcinoma in the lower esophagus

almost 40 %

of patients with persistent GERD symptoms continue to have measurable 24-hour pH reflux episodes despite daily PPI use[5]

Source: (1) Global Prevalence and Risk Factors of Gastro-oesophageal Reflux Disease, Singh Nirwan et al. Nature Scientific Reports volume 10, (2020)
(2) American College of Gastroenterology; (3) Ayazi et al 2020; Eusebi et al 2017; (4) Yousef F 2008; WHO 2020; Zhang Y 2013; (5) Becker et al. 2007

PPI medication – the most common way to treat GERD

Almost 40% of sufferers continue to have objectively measured acid reflux despite daily PPI therapy[1]

Proton Pump Inhibitors (PPI) are the most common treatment for GERD with 1 billion people taking PPI each year, even though PPIs only treat the symptoms of acid reflux and not the cause.

Since PPIs only reduce the amount of acidity in stomach fluid but do not prevent acid reflux as such, exposure to the development of esophagitis is not prevented, and it is probably the reason why it has not been possible to show that the cancer risk with Barrett's esophagus and esophageal adenocarcinoma are not reduced by medication therapy.

One reason may be that 59% of PPI users continue to experience intermittent heartburn while on PPI drug therapy [2] and almost 40% do not respond adequately to drug therapy at all [1].

In recent years several observational studies pointed out the association between chronic PPI use and the development of various serious adverse conditions, such as: chronic and/or acute kidney disease, cardiovascular disease, stomach cancer, intestinal infections, small bowel injury, etc. [3]

It is estimated that prescribed medications for GERD account for over 50 percent of prescriptions for all digestive diseases.

1 billion people take PPIs annually

- ✓ 157'000 US veterans taking PPI were followed for 10 years [4]
- ✓ 7000 extra deaths due to PPI use [4] (1/20 died due to PPI use)
- ✓ Serious complications that cost society lots of money

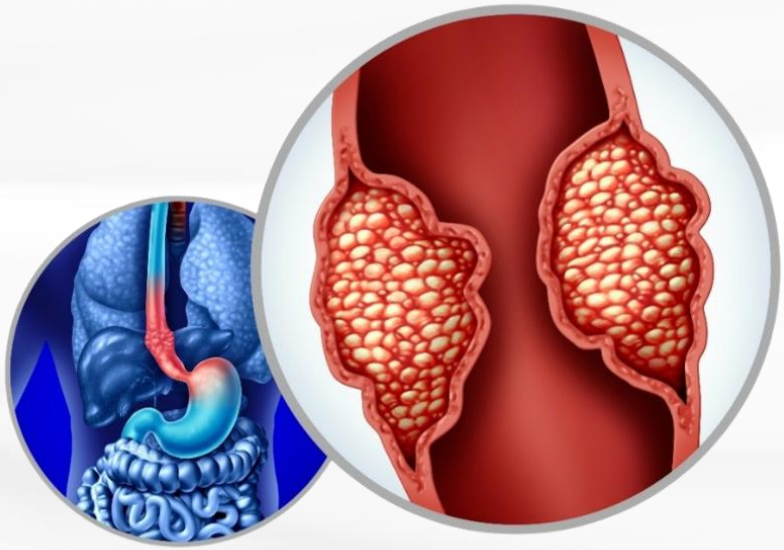
PPI drugs have serious side effects and do not protect from cancer and death[3]

- Cardiovascular disease [4]
- Chronic kidney disease [4, 5]
- Esophagus cancer [4, 6]
- Stomach cancer [4, 7]
- Infectious and parasitic diseases [4]
- Small bowel injury [8]
- Dementia [9]

Source: (1) Becker et al. 2007 (2) Raghunath et al 2009 (3) Hu et al. 2017, Brusselears et al. 2018 (4) Yan Xie et al. 2019 (5) M.E. Grams et al. 2016 (6) Rosch P 2010; Brusselaers et al. 2018 (7) Cheung K. et al. 2017 (8) Washio et al. 2016 (9) W. Gomm 2016

Acid reflux causes cancer – treatment eliminating acid needed

10-20% of acid reflux sufferers develop precancerous changes, so-called Barrett's esophagus[1]



48'000 deaths annually by esophageal adenocarcinoma in the EU + US alone[2]

ESOPHAGEAL ADENO-CARCINOMA IN MEN INCREASED TENFOLD OVER 40 YEARS DESPITE INTRODUCTION OF PPI [3]

It is well researched in the literature that acid reflux causes cancer. Fifteen percent of daily sufferers develop precancerous changes [1], so-called Barrett's esophagus, and of these up to 0.6% develop esophageal adenocarcinoma annually [2].

This cancer form has increased 10-fold in the Western world over the last 40 years [3], despite the introduction of PPI therapy, and today approximately 48,000 people die annually from this disease in the US and Europe alone [2]. This indicates that PPIs do not protect from the cancer risk but only treat the acid reflux symptoms [4].

Strong indication that most of the 48'000 deaths in esophageal adenocarcinoma are caused by acid reflux

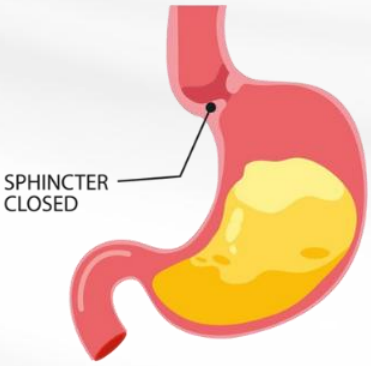
Source: (1) Modiano et al 2007, Schlottmann et al 2018 (2) Yousef 2008, WHO 2020, Zhang 2013 (3) Brown 2015 (4) Yan Xie et al. 2019

Existing surgical treatments encircle the food passageway to hinder acid regurgitation

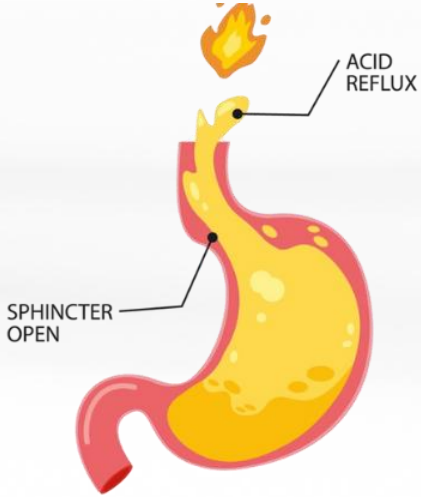
Surgical treatment of GERD has existed since the 1950's with Laparoscopic Nissen Fundoplication (LNF) considered the current gold standard. Traditional surgical acid reflux treatment often causes swallowing difficulties, which has led to a declining surgical market, that is associated with too many complications [1].

Consequently, there is a significant unmet need for acid reflux sufferers consisting not only of those choosing to forego surgery to avoid often debilitating side effects but also those insufficiently treated by medical therapy.

Healthy Stomach

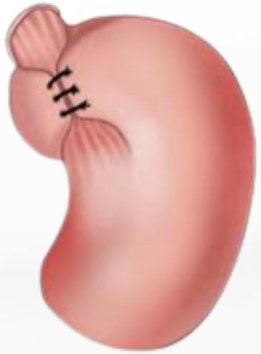


GERD Stomach



Standard of care
Fundoplication

LNF involves wrapping the top part of the stomach around the esophagus to support the closing of the lower esophageal sphincter, often resulting in swallowing difficulties.

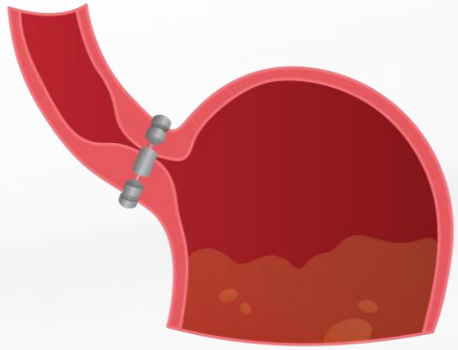


Side effects fundoplication[1]:

- Swallowing problems
- Inability to belch & vomit
- Gas bloating

Magnetic Sphincter Augmentation

Our main device competitor, Magnetic Sphincter Augmentation, is a band that encircles the food passageway to support its closing.

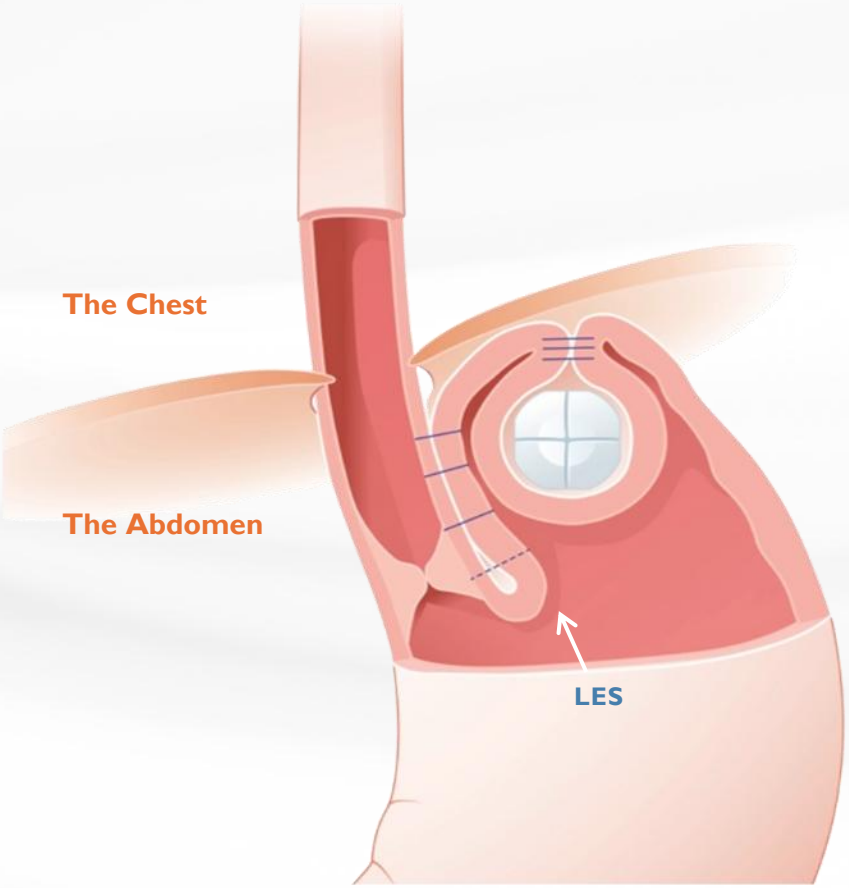


Size of band a balancing act between swallowing difficulties and lack of treatment effect[2]

Source: (1) Zehetner et al. 2024 (2) Froiio et al. 2023; Ayazi et al. 2020

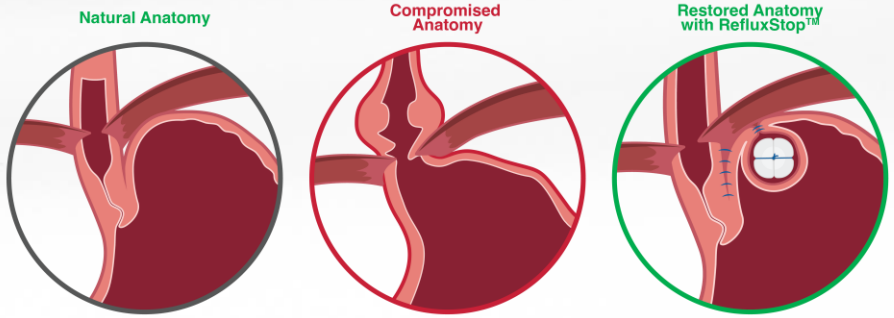
RefluxStop™ treats the cause of acid reflux

Restoring all three aspects of the Anti-Reflux Barrier (ARB)



RefluxStop™ is designed to treat acid reflux without affecting the food passageway and restore and maintain the normal anatomy of the gastroesophageal junction – a unique method designed to create a paradigm shift in acid reflux treatment. All three components of the anti-reflux barrier are restored, creating a normal physiological situation in the body, thereby treating the cause of acid reflux.

- RefluxStop™ does not encircle and put pressure on the food passageway
- Restores and maintains natural physiological anatomy of the gastroesophageal junction
- Patient's body treats itself



“People don’t understand the damage that having heartburn every day, after every meal, can do to your body”

In April 2024, **Danielle Harding**, 31, became the first person in the south of England to have an innovative Implant called RefluxStop on the NHS to treat her chronic and severe heartburn. Here she explains how her condition affected her daily life and how she feels now.

“I used to have severe, chronic acid reflux, which affected my daily life very badly. I could feel the acid going up my oesophagus, and as soon as I started to feel the burning sensation it caused, my nose started to run, and it would get to a point where I had to throw up.”

Mostly it happened after eating. Any type of food could set me off and most of the time I would have to throw my dinner up. It was quite tough.

I started to notice in December 2022 that I had a cough that was bad, and not getting any better, and I was also vomiting three times a week.

I was really anxious about going out for dinner, knowing that I had a vigorous cough and that food would cause me to vomit, so I always ended up eating at home.

It was tough for my family. I have two young boys. Once when my 7-year-old had a stomach bug, he broke down in tears. He started to say: “I don’t like this! I don’t want to be like Mummy”. I had to reassure him that he would get better, and he would stop being sick. Thankfully, the next day he stopped throwing up, but it did make me realise that I had to be a little bit more open with my children about what my health issues were and to explain to them what was happening to me and that I would need treatment to get better.

Thankfully, my employer was really understanding and if I had to leave a meeting to be sick, they were understanding. But being unwell, at work, in a public place, is really embarrassing.

It did affect my sleep. At bedtime, I would prop myself up with more pillows, so my head was above my body, to stop my throat burning.

“Even then I would wake up in the middle of the night with a massive burning sensation in my throat. I would sit up and wait up for it to pass.

People get standard heartburn now and then, but they don’t understand the difference between severe and normal amounts of heartburn and the damage that having it every day, after every meal, can cause to your body.

In March I decided to go to the doctor, and I was put on Omeprazole medication to make the fluid in my stomach less acidic. I completed a month’s course. As soon as I stopped taking it, the symptoms came back straight away.

Then the doctor referred me for an endoscopy, which is a tiny camera in a tube to go down your throat to see what is going on inside your oesophagus and stomach. I had that in August 2023. The endoscopy showed that I had developed a condition called oesophagitis, which meant that the acid coming up my throat from my stomach had damaged my oesophagus. The doctor doubled the dose of the Omeprazole, and it was at that point that I started to get IBS symptoms from the medication itself.

I had a second endoscopy in October 2023 which showed that my oesophagus had healed well. But I was recommended to have a meeting to discuss which common surgeries the NHS offers, and it was then that the medical team started to talk about a new option called RefluxStop. I met with my surgeon, Fergus Noble, who works at University Hospital Southampton Foundation NHS Trust.

“I had a camera down into my stomach in March 2024, which basically showed my swallowing was okay, so I was eligible for all surgical options.

RefluxStop was the one I wanted to go with because it is less invasive than the other options. RefluxStop is a small implant which is sewn into the top of the stomach, parallel to the oesophagus. The RefluxStop implant restores the natural function of a valve which opens and closes the stomach. The implant allows the valve to work as it should and not let acid up into the oesophagus. It’s a lifelong implant, so basically, once it’s in place, you carry on as if it never happened. I was really looking forward to not having to take medication anymore!

I had the keyhole operation to implant RefluxStop on April 29, 2024, at University Hospital Southampton.

Now, two months later, I have no reflux at all, and I am off medication. I was on a soft food diet for 8 weeks, and I think that restricted diet meant my IBS was back straight after the operation. But I am now back to normal, and eating anything I want, and the IBS is getting better.

We went out for a meal to a seafood bar last week when we went on holiday on the south coast, and it was lovely. It’s been a very long time since we went out for dinner, and I am so grateful to Mr. Noble and University Hospital Southampton for my very quick referral and treatment on the NHS.”

> **Two months later, I have no reflux at all, and I am off medication.**

“I thought I was choking to death every time I ate any food. It was the most frightening experience of my life.”

Phillip Perkins, 53, former chef at top London restaurant, The Belvedere, started the New Year with an NHS implant that has transformed his energy levels, sleep, mood, and ability to enjoy food again after years of pain, choking and panic attacks after eating.

Phillip is one of the 20% of adults in the UK who have a condition which causes severe, chronic heartburn, or reflux, which is called Gastrooesophageal reflux disease.

”I’ve just had my first Christmas without any heartburn,”” Phillip says, smiling. “I can now eat what I want.”

His first heartburn-free Christmas dinner? “I was in Marseille, France, as my wife Farida is French. My mother-in-law is a great cook, and we ate duck, all the vegetables, all the trimmings followed by a magnificent Galette Des Rois.”

His eyes light up: “The pastry is very flaky, buttery – it is a short pastry. It’s similar to our Christmas pudding in that there’s a small model of a king hidden inside. If you get the king, that’s lucky and guess what? I got the king this year!”

As you’d expect, Phillip is a foodie. “I think it’s important to broaden your horizons with food,” he says. “But I really do appreciate great food now that I can eat normally again. I was on a soft, bland, diet of mashed potatoes, vegetables and soups for a long time. “I lost so much weight that I drank lots of Yazoo milkshakes to keep myself from shrinking.”

Phillip’s digestive problems began two years ago, when he felt pain in his chest, which at first, he thought was a heart problem. “It was a horrendous pain. I was frightened. I went to my GP and was referred for tests.

“I was referred for a test called a barium swallow at Chelsea and Westminster Hospital, which allows doctors to look at your throat and oesophagus. I had to go back to hospital to get the results 24 hours later. The doctor said there were issues with my swallowing.

“All around that time, my swallowing was getting worse. I was having a horrendous time. I felt that I was unable to swallow, and food was getting lodged in my oesophagus.

“I was confused about what was going on - I thought I was choking to death. It became really distressing. I carried water with me, everywhere I went, to wash it down.

“I was quite scared, some of the attacks were vicious, so I started panicking. I was getting heartburn; my tummy was very noisy and uncomfortable. I also had insomnia, I was not able to sleep – the pain kept me awake. I had a poor state of mind altogether. I felt low, really fed up.

“I was living on soup and mashed potato – a soft diet. It was like being an OAP with no teeth! I felt isolated, I couldn’t eat with the family. I couldn’t sit at the table and eat with them because it was too difficult to watch them eating nice food when I couldn’t. I felt hungry a lot.”

Luckily, Phillip’s surgeon Mr. Fakih Gomez is one of the first doctors on the NHS to perform a RefluxStop procedure.

RefluxStop is a small implant which is inserted into the top of the stomach with a laparoscopic (minimally invasive) operation performed under a general anaesthetic.

RefluxStop uses a different principle than traditional anti-reflux surgical options by restoring and maintaining the natural anatomy of the oesophagus and stomach thereby treating acid reflux without affecting the food passageway and, unlike traditional procedures, is suitable for people like Phillip who can’t swallow properly.

Phillip’s operation took place in September 2024 at Chelsea and Westminster Hospital.

“I am now absolutely recovered from the operation; I have no heartburn whatsoever, and I am sleeping very well. I am so happy I’ve had this treatment. I did a lot of research about it.

“It was amazing how different I felt afterwards. I have never had an operation before, so I felt a bit nervous to be honest. I was in overnight and afterwards I felt groggy, but the nursing team were brilliant.

“My heartburn felt like it was better, but I felt a bit uncomfortable from the op straightaway, and I was on a liquid diet for a day. The day after the operation, while I was still in hospital, I had a main meal. It was still difficult to swallow food. But, when I was home, Dr. Gomez phoned me. He asked me, how’s it going? Are you able to eat? He advised me to just stick to mash well cooked meat. After about a week, I started to swallow better, and slowly, the swallowing problems and noisy tummy, the insomnia, the low mood and the panic, all disappeared.

“For my first proper meal, I thought I will treat myself. It was about two weeks after the op. I know of a brilliant catering college. The students are the chefs in a restaurant which is open to the public. I went in their brasserie and ate a nice big steak, with bearnaise sauce, I ate these delicious baby potatoes. All things I couldn’t have eaten before.

“If you have heartburn and it’s persistent, do go to your doctor,” says Phillip. “If RefluxStop is a treatment option, do it! Trust in it. It’s a life changer.”

Unlocking commercial success with 3-pillar strategy for reimbursement

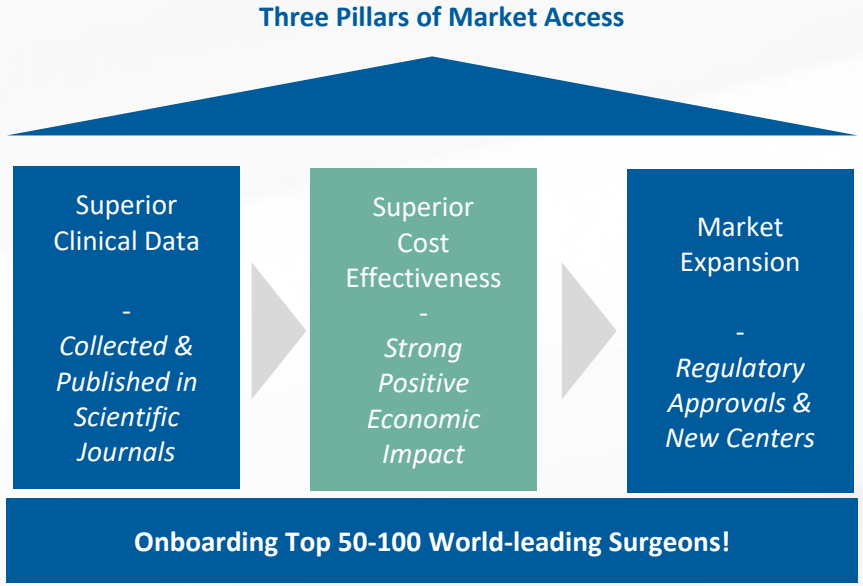
Health insurance / government coverage is a necessity and key to unlock the multibillion $ opportunity

With robust clinical outcomes, RefluxStop™ has the potential to fill the significant gap in acid reflux treatment that exists today, potentially becoming a standard of care in the long run, resulting in a remarkable commercial business opportunity. Any significant commercial growth can only be achieved with an established market access pathway – reimbursement approval by insurance companies and public healthcare systems.

Reimbursement agencies and health insurers have raised their standards for reimbursement and coverage approval over the years and today require a significantly higher level of clinical and economic evidence than regulatory agencies. Reimbursement systems vary significantly in healthcare system design, funding, and decision-making approach by country, wherein Europe is generally more difficult than the U.S. Therefore, establishing adequate market access pathways is usually a very time consuming and resource demanding process. To enable the desired business growth, our biggest priority for RefluxStop™ is to ensure that patients are getting access to the device and the cost of the device is adequately covered by the respective healthcare system.

Market access starts with partnering with highly skilled surgeons / Key Opinion Leaders (KOLs) and reputed centers of excellence (COEs) that are fully committed to study, utilize and advance clinical evidence development for a new treatment. These KOLs help educate the broader medical professional community and professional societies to build the necessary consensus on the key clinical value of introducing a new treatment option. At the same time, expansion of regulatory approval is necessary to be able to sell RefluxStop™ in other countries, including the U.S.

Successful broad-scale adoption of a new technology among reimbursement agencies requires proof of patient outcomes. As a result, it is important to carefully design evidence collection clinical trials to demonstrate RefluxStop's substantial long-term clinical benefit in both a controlled environment and in a real-world setting.



Most developed countries require additional economic data to demonstrate the 'value for money' of the cost spent on a new technology with cost effectiveness and budgetary impact analyses needed. Most payers require data to be published in peer-reviewed scientific journals to be considered in the reimbursement decision process.

The RefluxStop™ publication strategy is a primary component for obtaining market access, and with a growing number of KOLs and COEs joining the RefluxStop™ community, we have seen a significant growth in the published evidence base for RefluxStop™ that should pave the way for accelerating market access approvals in years to come.

Great strides have been made in the RefluxStop™ FDA approval journey

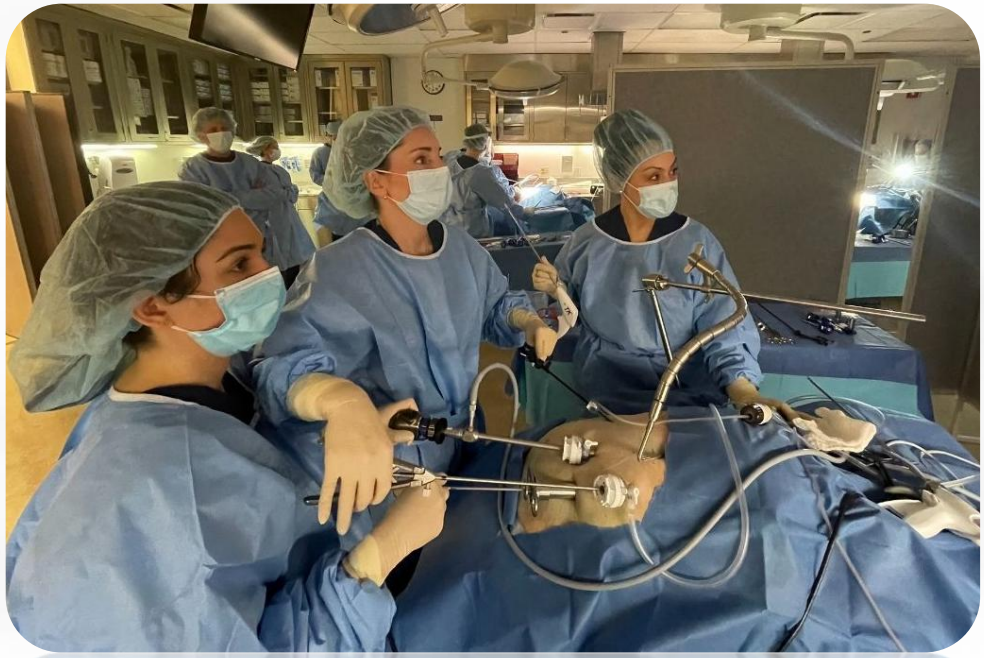
Much progress was made in 2024 in the company's U.S. FDA (Food & Drug Administration) PMA (Pre-Market Approval) application, which if approved, will provide regulatory approval to market RefluxStop™ in the United States.

During 2024, Implantica submitted to FDA the first two of a total of three modules of the PMA application covering quality systems and manufacturing information in Module 1 and the very important clinical study data in module 2.

At the beginning of 2025, the company received approval from FDA of Module 1 and received very favorable feedback from FDA on completion of their review of Module 2, which is by far the most important module in the company's perspective.

This is a huge milestone for the RefluxStop™ U.S. launch. Responses to the Module 2 feedback will be submitted in conjunction with the final and last Module 3 submission in the near term, and the company sees no impediment to the overall PMA approval process based on FDA's Module 2 feedback. We continue to work with FDA to bring RefluxStop™ to the U.S. market as soon as possible

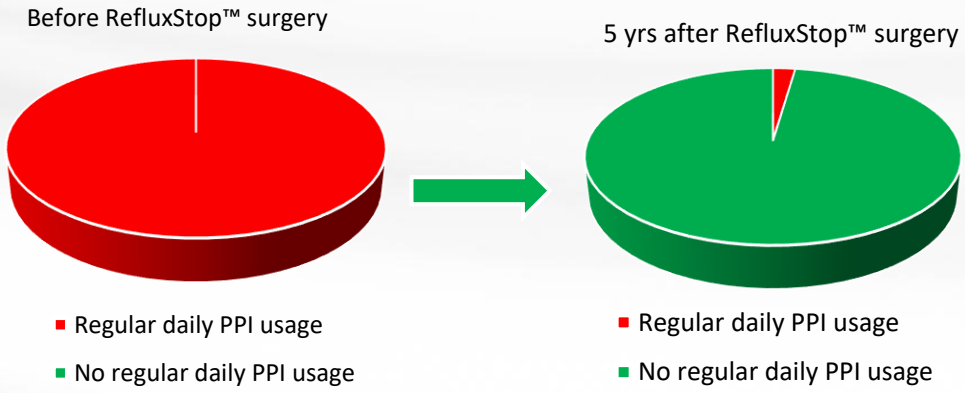
Results from U.S. usability study included in Module 2



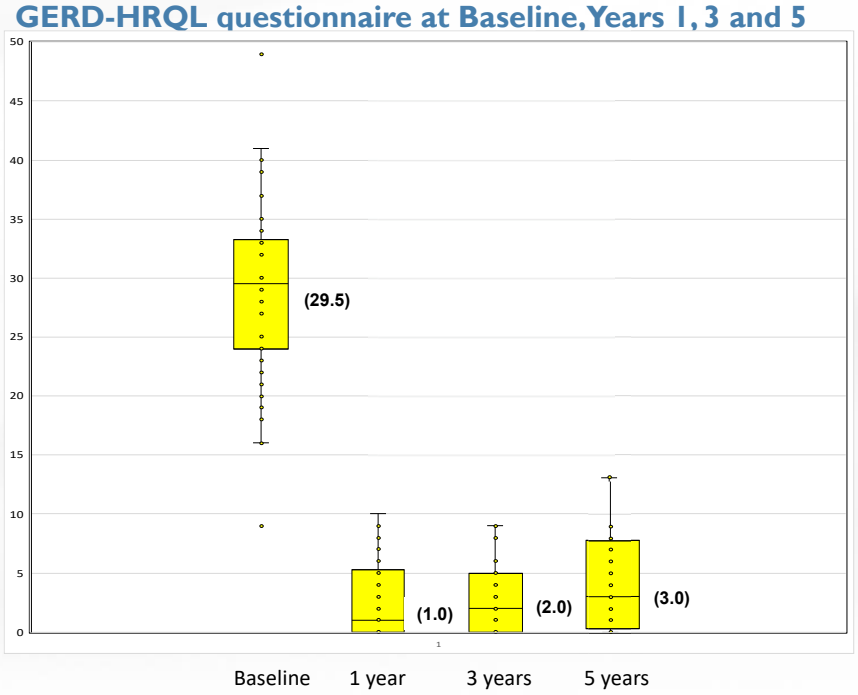
Clinical evidence: supporting a paradigm shift in anti-reflux treatment

Implantica continues to gather clinical data to validate the safety and effectiveness of RefluxStop™. The company's most important study to date is our European CE-mark study, the 5-year results of which were submitted to the U.S. FDA in the clinical module of our PMA application during 2024. Exceptional long-term 5-year results were demonstrated in both patient-reported and objectively validated safety and effectiveness outcomes of the RefluxStop™ procedure. Importantly, the 5-year long-term outcomes were robustly maintained from previously published 1- to 4-year data, providing strong evidence that the RefluxStop™ procedure offers sustained safe and effective treatment of GERD.

One indication of treatment success is whether patients continue to rely on PPI usage to alleviate GERD symptoms. At 5-years post-surgery, 97.7% were not taking daily PPI medication, whereas all subjects were on PPIs before surgery, a substantial improvement.



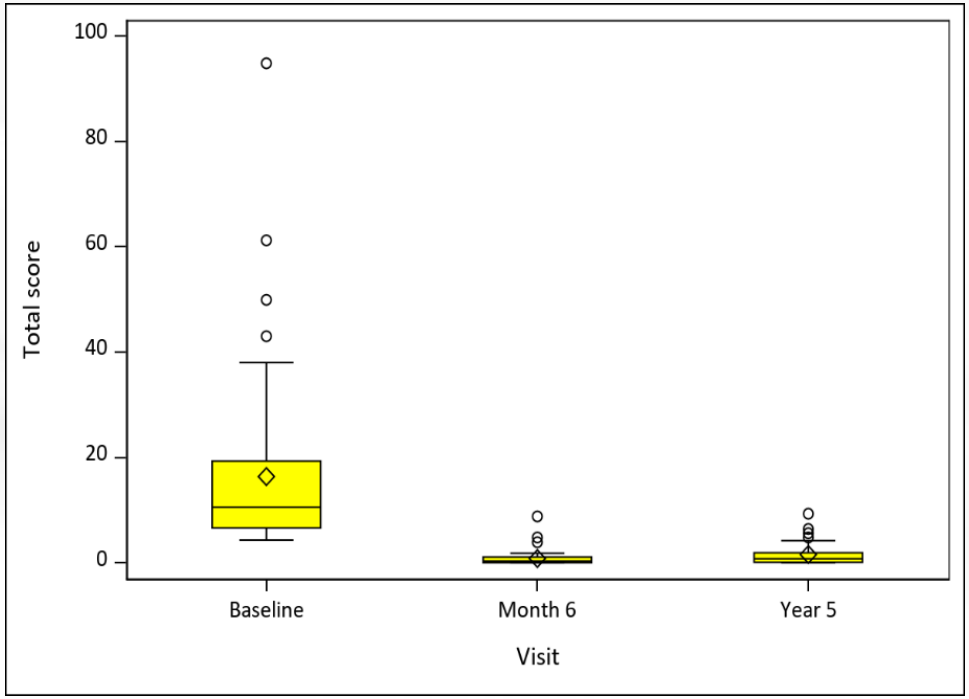
Patient quality of life measured by the GERD-HRQL questionnaire has shown a median 90% improvement over the 5-year period compared to the total score at baseline.



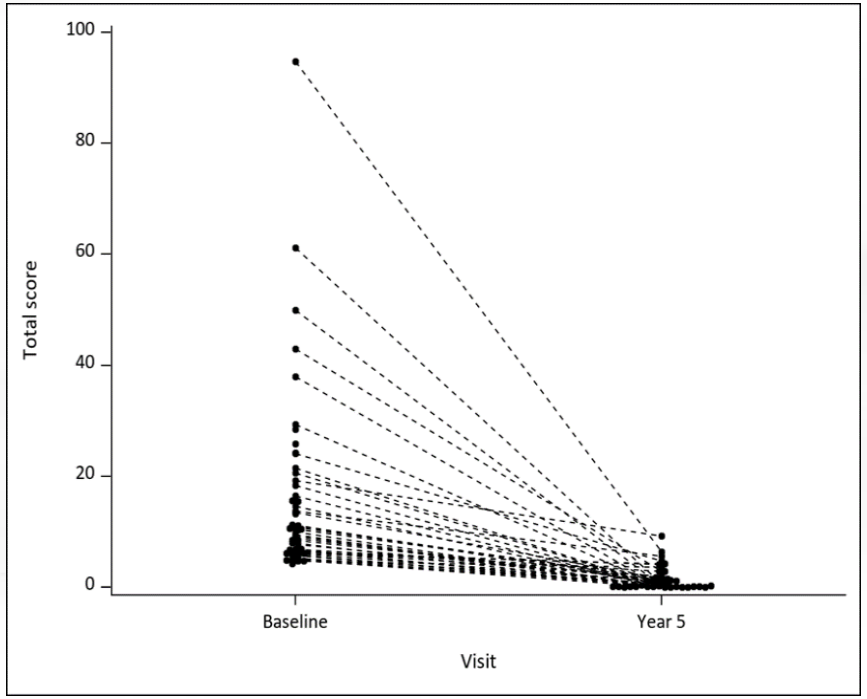
Clinical objective evidence: supporting a paradigm shift in anti-reflux treatment

The 5-year patient-reported outcomes were validated by objective 24-hour pH testing results, which improved by over 90%. This is the most optimal method to determine successful treatment outcome and when also considering contrast swallow x-ray imaging, which showed stable device position with no dislocation, migration or re-herniation at 5 years.

Objective 24-hr pH monitoring at baseline, 6 months & 5 yrs

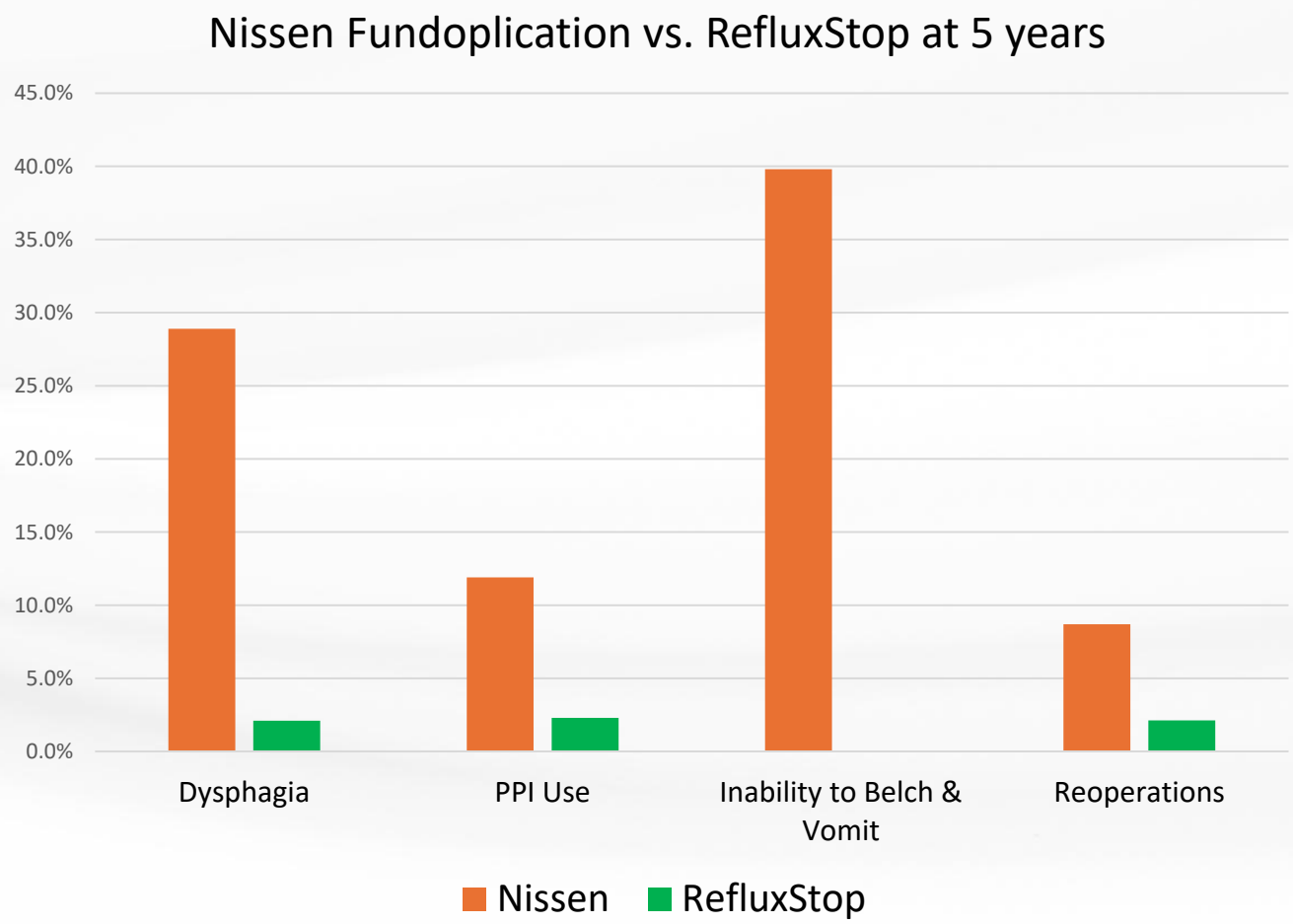


24-hr pH monitoring individual outcomes at baseline & 5 yrs



Objective evaluation is often missing when evaluating acid reflux sufferers. These objective results show a substantial improvement from before surgery to 6 months follow-up and the results are stable for 5-years!

RefluxStop™ comparison with Standard-of-care at 5 years



When compared to a first-of-its-kind literature review on the standard of care, Nissen fundoplication, the RefluxStop™ procedure presents superior results through indirect comparison.

In a recently published and extensive literature review on Nissen fundoplication, based on relevant RCTs and observational studies (i.e. 63 publications in total), the clinical outcomes at 5 years after operation were reported across nine studies, the results of which were used to compare against the RefluxStop™ CE-mark study.

J Zehetner, et al. Looking back on a gold standard: a systematic literature review of laparoscopic Nissen fundoplication as an anti-reflux treatment option European Surgery Journal

Powered by superior scientific evidence – Ongoing and upcoming clinical studies

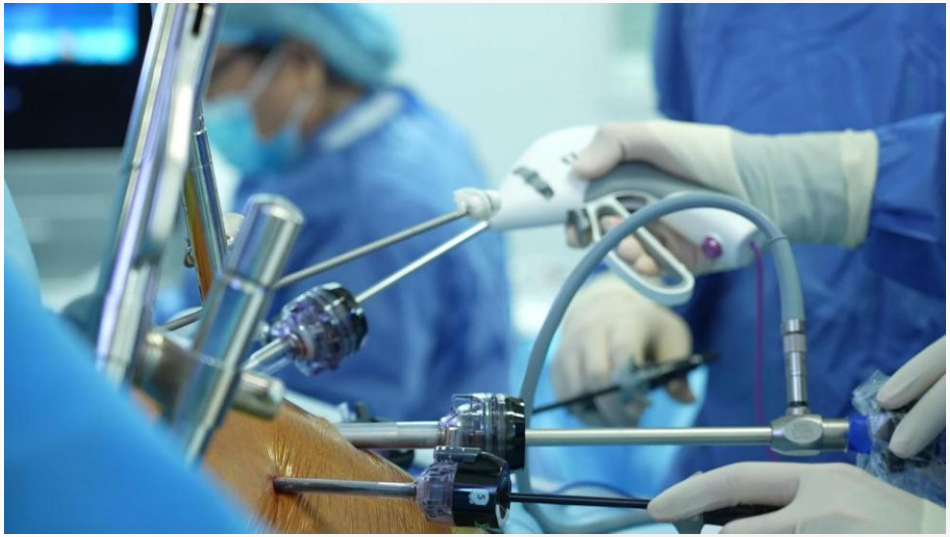
High-quality clinical evidence is being generated and disseminated, solidifying RefluxStop's superior clinical efficacy and safety over other existing treatment options, which needs to be established to enable the broader payer approval success. Data is being generated from registry studies and open-label investigator initiated clinical trials and controlled studies are underway.

RENEW

A multi-center prospective randomized trial is commencing, the first-ever RCT of its kind comparing RefluxStop™ to the gold standard surgical treatment for GERD, Nissen fundoplication. Prof. Schoppmann from AKH Vienna is the Principal Investigator and Ethics Committee (EC) approval has been achieved in 8 centers at AKH Vienna, 2 hospitals in Germany, 2 hospitals in Switzerland, 2 hospitals in Italy and 1 hospital in Spain.

RESTORE

The RefluxStop™ Registry Study is ongoing with safety and effectiveness data from patients all over Europe being collected.



RENAISSANCE

A second RCT is planned to launch later this year comparing RefluxStop™ to PPI medication in patients suffering from ineffective esophageal motility, a patient group with no optimal treatment option available today.

Looking to the Future of GERD Management

MEDICAL UNIVERSITY OF VIENNA

We are honored that you are serving as the Lead Investigator of the RENEW Randomized Controlled Trial (RCT), RefluxStop™ vs. Nissen Fundoplication. What do you think about this study?

Until now, we've seen very promising outcomes from RefluxStop, as evidenced by the long-term 5-year CE mark study and real-world experience involving over 1,000 patients across Europe, including more than 50 of my patients. We know the procedure is safe and effective, with a low complication rate, so that's already achieved and established in the real world. Now, I think it's time we take the RefluxStop procedure to the next level of evaluation to further assess its durability in the most challenging head-to-head randomized study compared with the current standard of care - Nissen fundoplication, the traditional anti-reflux surgery that hasn't changed much since the 1950's when it was introduced. Such a study, with its rigorous standards and inclusion criteria, has never been conducted before with independent leadership from the surgical community. Therefore, this is a significant milestone not only for RefluxStop but also for the entire GERD surgical management community, and it will play a crucial role in shaping how we treat GERD in the future.

Although Nissen is widely considered the gold standard, it can still have lingering side effects such as the continued need for PPIs, dysphagia and the inability to belch or vomit. I'm eager to finally be able to measure the impact of RefluxStop vs. Nissen in a real-world setting.

I believe this study is absolutely necessary for establishing a new standard of care that will help chart the course for the surgical treatment of GERD for years to come. This is a multi-center study taking place in six countries at ten sites across Europe, incorporating a broad range of patients. The Medical University of Vienna where I work is globally renowned as a top-level research facility, consistently ranked in the world's top 50 medical universities. I'm confident we have the resources to analyze these results and develop reliable insights.

What are you specifically looking to learn from this study in terms of outcomes?

We've shown in single-arm studies that RefluxStop can drastically reduce dysphagia and PPIs in an unprecedented way, which is a phenomenal achievement by any therapy. However, we need to see how it does in a true comparative trial against the standard of care treatment and how big the difference in outcomes is. Getting a precise and statistically relevant understanding of the difference in outcomes is what we need to evaluate with this crucial study. This will help us understand and hopefully establish a clear impact of the RefluxStop procedure in comparison to Nissen fundoplication.

Also, the study is designed to capture detailed differences in outcomes. We will collect a comprehensive set of measures, allowing for nuanced analysis. I'm also pleased that this study places great value on patient reported outcomes and major side-effects issues as patient satisfaction is critical to the success of any new treatment. Of course, we will also measure all traditional outcomes as well, including detailed safety and overall effectiveness outcomes.

Prof. Dr. med. Sebastian Schoppmann
Department of General Surgery
at the Medical University of Vienna
President of the Austrian Society for Minimally Invasive Surgery
Chair of the Board of the European Foregut Society.
Principal Investigator, RENEW:
A blinded randomized clinical investigation of RefluxStop™ compared with Nissen fundoplication in the treatment of GERD

Looking into the Future of GERD Management Cont.

MEDICAL UNIVERSITY OF VIENNA

What do your patients say about RefluxStop™?

Patients choose RefluxStop because it's simply restoring their anatomy so their body can work again in the way it was meant to. It's different from other GERD surgical treatments that aim to create an artificial lower esophageal sphincter. I keep it simple and explain the way RefluxStop works to patients as the four Rs –

- Reposition the lower esophageal sphincter (LES) to its natural position below the diaphragm.
- Reconstruct the natural angle (angle of His) between the stomach and esophagus.
- Repair the tear or weakness in the diaphragm (hiatal hernia).
- Restore and maintain the body's natural anatomy and physiology that prevents reflux.

Where do you believe RefluxStop™ fits in the landscape of surgical treatments for GERD?

I believe RefluxStop has shown to be an important tool for surgeons to treat some of the most difficult-to-treat GERD patients, who we would not have treated previously due to a lack of relevant solutions. Of course, we must continue to test it in new subpopulations and under more rigorous conditions, such as in an RCT as we are planning now. Based on current progress, it has the potential to lead the way for the next generation of surgical treatment for GERD. I'm seeing in my own patient population that an increasing number of patients are highly interested in RefluxStop.

The paradigm is shifting fast. RefluxStop is on its way to potentially becoming part of the standard of care for chronic gastroesophageal reflux disease (GERD), and I'm proud to play a part in this process as the Lead Investigator on this study.

Can you sum up your thoughts on RefluxStop™ into one sentence?

RefluxStop can transform patients' quality of life by offering a new and unique surgical treatment for GERD that restores the natural anatomy of the body in a way never done before.

RENEW Study of RefluxStop™ vs. Nissen Fundoplication Design

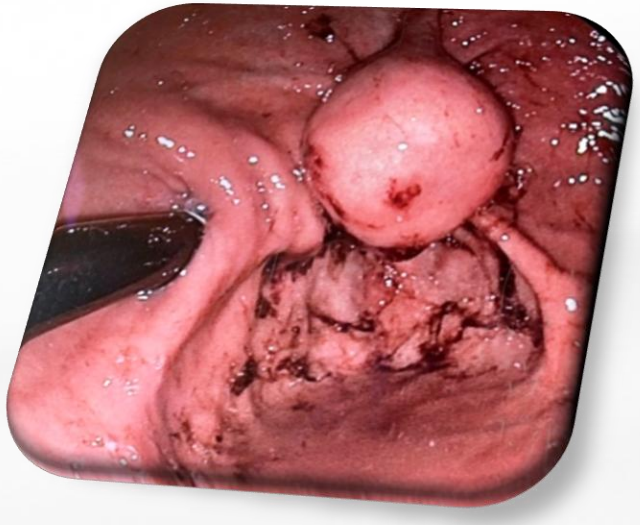
Prospective, blinded, multi-center, randomized and controlled including 200 patients to assess safety and clinical outcomes.

Measurement

- Before surgery we measure baseline characteristics.
- At 6 months we'll collect patient reported outcomes (PROS) - side effects such as dysphagia, inability to belch or vomit and gas bloating along with the reduction in GERD measured by 24-h pH and GERD-HRQL and an operative failure score.
- At 24 months we'll collect PROS, 24-h pH, GERD-HRQL and operative failure scores again.

Timeline

Enroll patients starting in Q2 2025



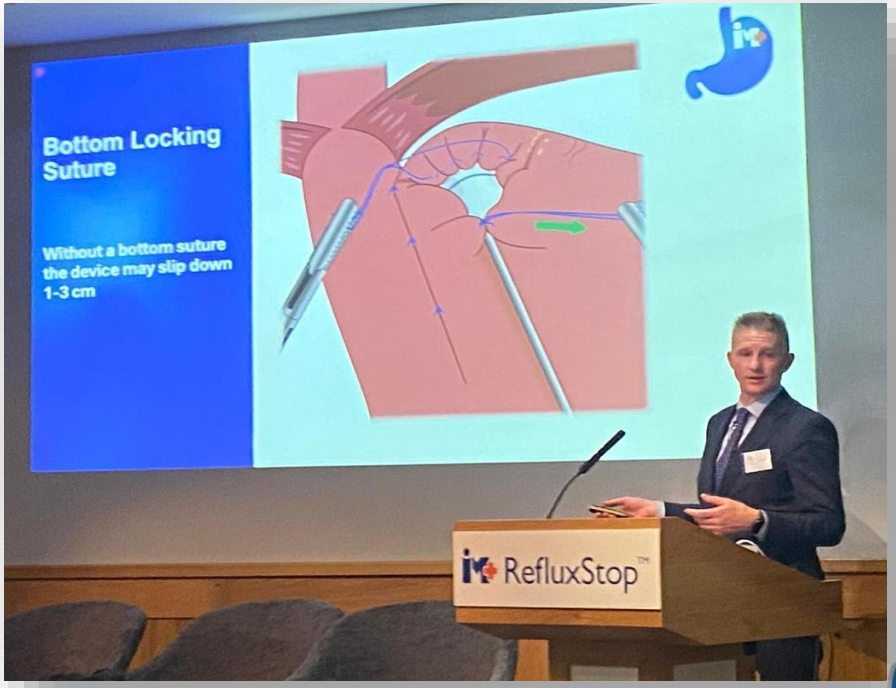
Prof. Schoppmann Surgery RefluxStop™ visualized from inside the stomach

User meetings inform and inspire the surgical community

User meetings are a fantastic way to bring anti-reflux surgeons and gastrointestinal doctors together to learn about and discuss other surgeons' experience with RefluxStop™. It is an event that fosters communication and collaboration among all levels of RefluxStop™ users. KOLs who regularly implant RefluxStop share their outcomes and adverse events with other users, who have a chance to ask questions and interact with those more experienced with the procedure.

User meetings also provide an excellent opportunity to educate the GERD surgical community on the standardized surgical technique and to discuss and build consensus on the key clinical benefits of our unique acid reflux treatment.

The 3rd Global Annual RefluxStop™ User Meeting was conducted in association with the 2024 European Foregut Society Meeting in London and attended by nearly three times as many surgeons that attended the User Meeting held in 2023. Over 110 anti-reflux surgeons, GI doctors and other experts from more than a dozen countries around the world, including the US, Canada, Germany, UK, Switzerland, Italy, Spain, Austria, Sweden, Norway, etc. Several leading RefluxStop™ surgeons inspired the attending international anti-reflux community to passionately engage, discuss and explore the vast potential of the RefluxStop™ procedure to address the tremendous unmet need in GERD management.



National user meetings advance surgical training locally

Over 40 leading surgeons were trained at the first national RefluxStop™ user meetings in Italy and Spain in Q3 last year, just one and half 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 is incredibly important to achieving excellent patient outcomes and ultimately driving product adoption.

Surgeons meeting Italy Sept 2024

Surgeons meeting Spain Oct 2024

Gastroenterologist RefluxStop™ Educational Meeting, London

In a first ever UK event, Chelsea and Westminster hospital in central London organised an educational meeting in January 2025 for a group of Gastroenterologists to discuss the impact of the newly implemented RefluxStop™ procedure on patients and patient care. The gastroenterology department spent the evening debating topics such as patient selection, RefluxStop's mode of action, their local surgeon's experience, and the current clinical data available.

Chelsea & Westminster Consultant surgeon Mr. Naim Gomez has completed five RefluxStop™ procedures and presented comprehensive case studies of how those patients were selected, the reasons they chose RefluxStop™ and their outcomes. Another main topic of discussion was poor esophageal motility (difficulty swallowing), a common problem affecting 20 – 30% of patients with chronic gastro-esophageal reflux disease (GERD). RefluxStop™ is an ideal surgical procedure for these patients as it does not wrap or encircle the food passageway and is thus unlikely to exacerbate problems swallowing. Patients also experience less of the uncomfortable symptoms typically associated with anti-reflux surgery and require less post-operative interventions which has a positive impact on post-operative quality of life.
Out of Mr. Gomez's five patients, three had poor esophageal motility, and since RefluxStop™ does not encircle the oesophagus, it was clearly the best option for them. Interestingly, the other two patients had no comorbidities restricting their choice of surgical procedure and they also selected RefluxStop™ after reviewing data and information on all other options. Mr. Gomez reported that all these patients are doing well so far, with very good reflux control, no symptoms.

Dr. med. Ioannis Linas, a GI expert from Hirslanden Klinik Beau-Site Bern, Switzerland who has been involved in the pre and post operative assessment of a 100+ patients treated with RefluxStop™ attended the meeting virtually and presented a comprehensive look at the clinical data and his real-world findings. He presented on the selection criteria for RefluxStop™, its impact on quality of life, objective measurements of treatment success and possible side effects. He concluded that RefluxStop™ was a safe and effective procedure and highlighted that RefluxStop™ could potentially benefit patients with poor esophageal motility. Dr. Linas' presentation also included some extremely interesting imaging that showed the impact on patients' ability to swallow normally post-operatively, and the endoscopic view of the RefluxStop™ implant. In reviewing his personal experience of the 100+ patients who have been treated with RefluxStop™ in the hospital in Switzerland where he works, he confirmed that his personal experience data very closely matches the published data. This is a key observation because clinical trials are very tightly controlled. It is often described as an incubator environment and data collected are often seen as not reflective of the real world. To show that his personal clinical data and experience closely reflect published data will give gastroenterologists great confidence when referring their patient for RefluxStop™.

Lively discussion ensued and all the participants engaged with conversation centered around the experience of Mr. Gomez and Dr. Linas. Additional topic of discussion included suitability of specific patients for treatment with RefluxStop™ and how to manage patients post-operatively. Feedback from the meeting was incredibly positive and overall, a great success.

Participant comments of note:

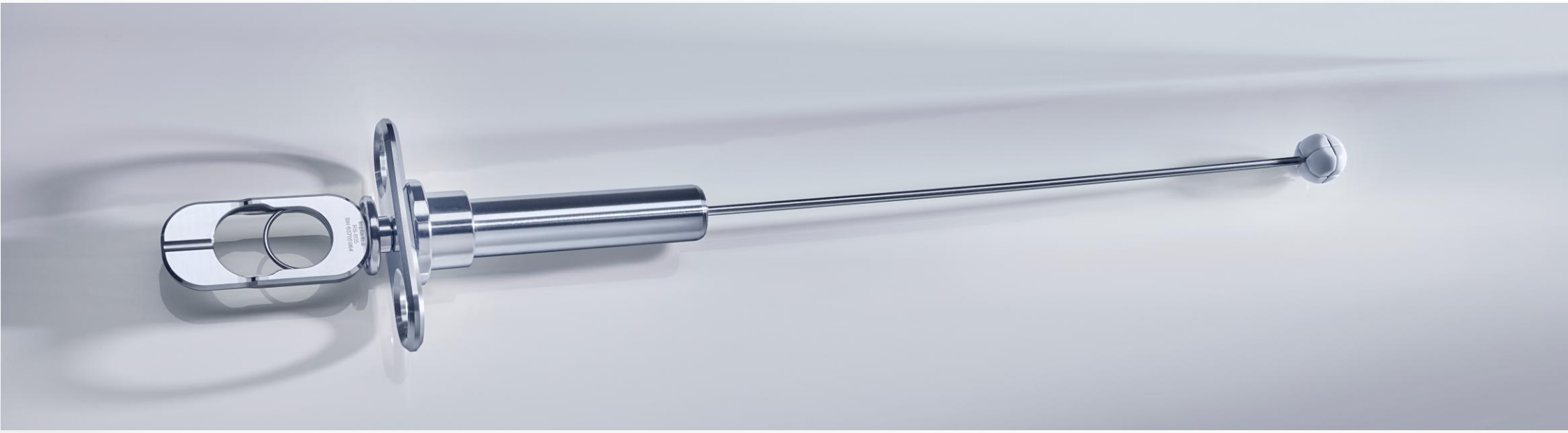
"Ability to discuss this with patients as an option with greater authority on the subject. Encouragement to patients that the device is efficacious and safe."

"I didn't know about this procedure in any great detail. Now I will feel comfortable referring my patients for it."

''Understand the options for reflux and also recognise the endoscopic appearance of a patient who has under-gone RefluxStop™ surgery.''

Due to the great success of the meeting, a follow-up event is planned for later this year and as the whole group gets more experienced with RefluxStop™, individual patient case reviews will be added to the agenda.

The RefluxStop™ Deployment/insertion tool with device



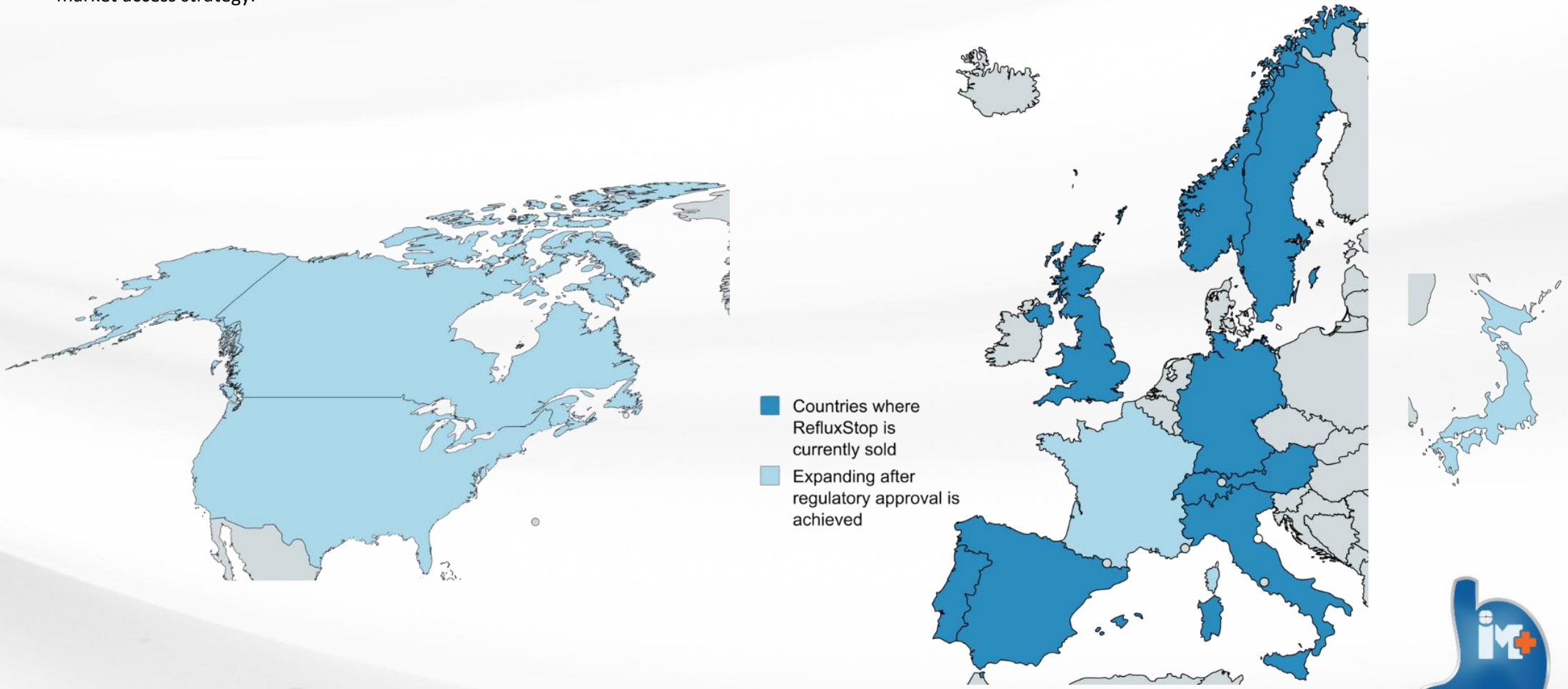
>1200 Surgeries performed in EU to date

>45 Hospitals in EU using RefluxStop™

Focused geographic presence facilitating market access

With its direct sales strategy, Implantica remains focused on commercializing RefluxStop™ in the following European countries: Germany, Switzerland, Austria, UK, Italy, Spain, Norway and Sweden. Maintaining focus on these core countries allows us to develop strong KOL relationships within those countries, ensure the clinical outcomes are in line with our expectations, and the clinical data is delivered and reported on in a thorough and timely manner, thereby, facilitating our market access strategy.

The next key market that we are focusing on is the U.S., our largest potential market, once regulatory approval is achieved. Before achieving U.S. FDA approval all complications of a new procedure must be reported to FDA making it even more essential to only use centers of excellence to ensure good patient outcomes. Also markets far away or other markets more difficult to follow where outcomes could not be closely monitored have been put on hold.

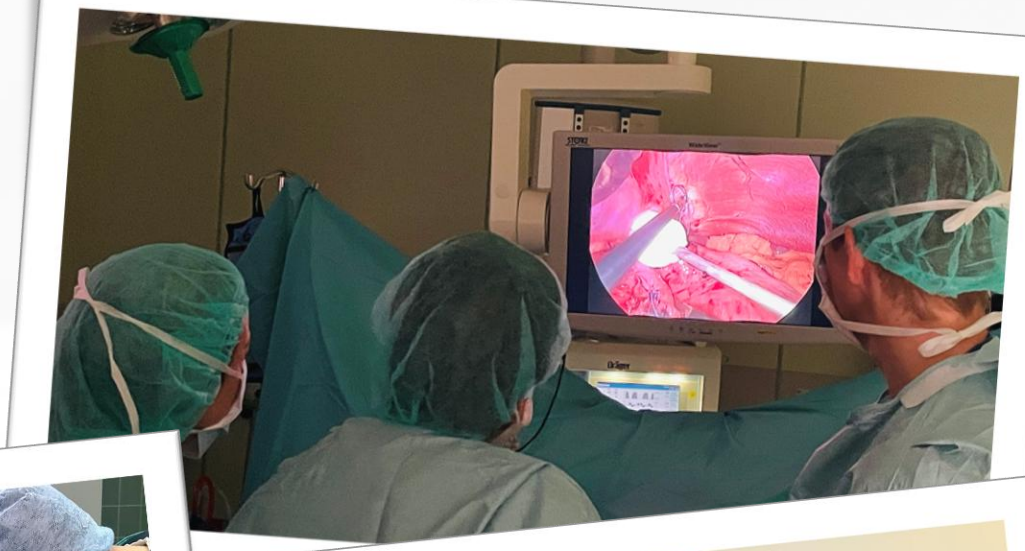


Expanding strategic account base and product adoption

Implantica won 15 new key strategic accounts in 2024. We saw large growth in interest from new centers across Europe and the onboarding of select high-end accounts to support reimbursement development.

Selected new centers during 2024 included:

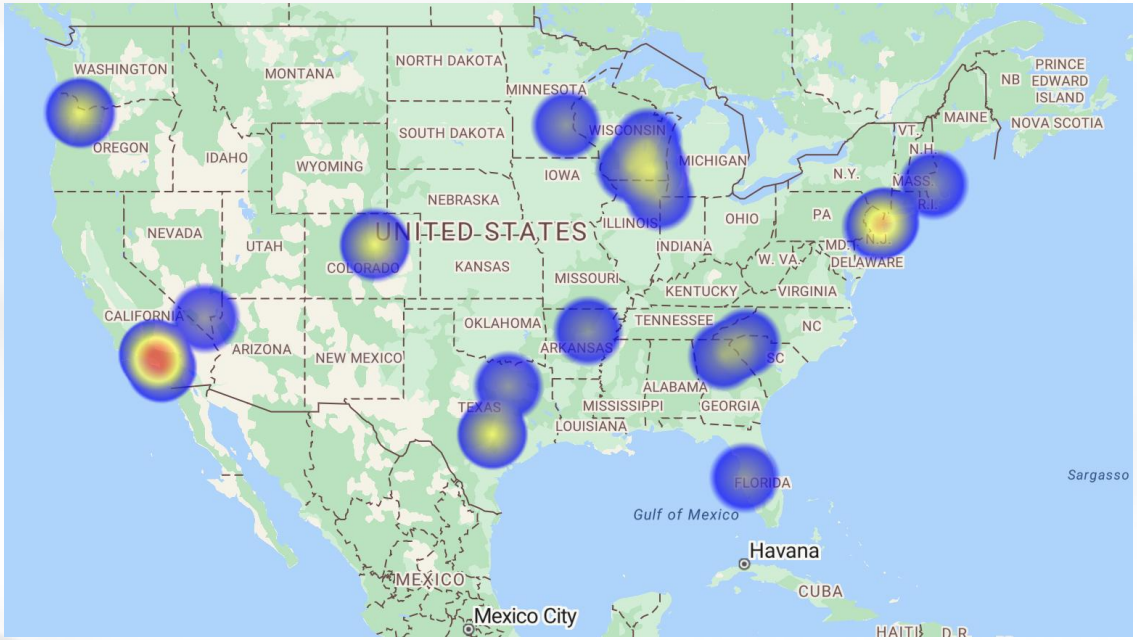
- Two NHS hospitals in UK
- Two INEK-reporting hospitals in Germany
- Six university hospitals in Spain



Building the foundation of RefluxStop® commercial success in U.S.

As we prepare the path to market in the U.S., several initiatives are in focus, each of which is critical to a successful and scalable U.S. commercial launch once FDA approval is secured for RefluxStop®. These initiatives include not only the identification of key U.S. centers and surgeons to begin once regulatory approval is achieved, but also the development of cost-effectiveness analysis, reimbursement coding, payment rate and coverage strategies.

Geographic overview of major reflux centers



For illustration purposes only (early prediction).

Earlier in 2024 we had the extraordinary opportunity to build trust with top U.S. anti-reflux surgeons and train them on the RefluxStop® surgical technique through the Human Factors Validation Study that Implantica performed for the PMA submission to FDA. Overall 20 U.S. surgeons were trained with 16 participating in the Usability study on cadavers. This together with our continued strong presence at leading U.S. congresses has provided invaluable access to key surgeons who we hope will pioneer the introduction of RefluxStop® to the U.S. market.

Surgeons from 30-40 leading reflux centers in the US have been identified and have expressed a wish to join the first phase of U.S. launch (pending FDA approval).

The U.S. team is actively shortlisting additional leading high-volume follow-on centers crucial for future rapid growth.

U.S. Payer Strategy Development – Full speed ahead!

Implantica is preparing for RefluxStop® market launch once regulatory approval is achieved by undertaking several key activities while simultaneously managing the extensive FDA PMA submission process.

Cost-Benefit analysis in U.S.

A very well-designed robust cost-effectiveness analysis must be completed, similarly to what was prepared by the University of York Health Economic Consortium for the UK and further adapted for various European markets. Such an analysis is in an advanced stage with U.S.-relevant data. In addition, a full manuscript on this analysis is currently under development with U.S. senior surgical experts consulted and who will be authors of the manuscript.

Review of key Payers' requirements

U.S. payer policy review is critical to strategize payer evidence generation in the U.S.

A systematic review is underway to understand the expected evidence in the U.S. from a payer perspective with a total of twenty key payers included in this review. A RefluxStop® payer dossier is in preparation as well. As in all U.S. preparation activities, active consultation with top U.S. experts is relied upon.

Selection of Hospitals

A very important activity is the identification and review of potential U.S. centers who will be the leaders in introducing RefluxStop® to the U.S. market.

During the company's usability cadaver study, we were fortunate to have identified and begun training 20 surgeons already.

US Launch Preparations – Building Key Frontiers!

Strategic initiatives are being carried out to prepare for an optimal launch in the U.S.

- ✓ Business Development (Top 30-40 Accounts)
- ✓ Reimbursement & Payer Policy
- ✓ Clinical Outcomes & Payer Evidence
- ✓ Medical Society Support
- ✓ Product Marketing & Scientific Promotion
- ✓ Patient Advocacy
- ✓ Customer Satisfaction
- ✓ Customer Service

Population ~335M

American Foregut Society (AFS) meeting panel discussion on RefluxStop® in Denver, CO

Attending key medical society meetings to share latest scientific data and gain familiarity with U.S. surgeons remains a focus. At the 2024 American Foregut Society (AFS) meeting in Denver, RefluxStop® was the subject of a powerful panel discussion for 6 distinguished panelists with 100+ participants.

AFS is a leading US medical society for upper GI surgeons and gastroenterologists mainly focused on acid reflux.

Building robust evidence for payer reimbursement

Scientific publications and sharing of clinical data at professional conferences globally are the two critical avenues to ensure awareness among patients, the clinical community, regulators, and payer authorities.

Our commitment to advancing clinical and payer evidence for RefluxStop™ has yielded a rapidly expanding portfolio of high-impact publications in several well-respected peer-reviewed journals. These studies consistently demonstrate the superior safety, efficacy, and economic value of RefluxStop™ in the treatment of gastroesophageal reflux disease (GERD) across diverse and challenging patient cohorts, including those with ineffective esophageal motility and large hiatal hernias.

As of now, 22 publications are available in the public domain, and seven are under submission. Furthermore, more than 10 articles are under development to build a robust foundation of RefluxStop's clinical evidence, most of which are driven by independent surgeons in collaboration with the Implantica Clinical Affairs and Payer Evidence Team. In 2025, our goal is to develop a body of evidence that validates the excellent effectiveness and safety of RefluxStop™ using larger sample sizes and relatively longer follow-up duration.

RefluxStop™ publications featured real-world clinical and economic evidence from Germany, Austria, Switzerland, Spain, Italy, and the United Kingdom, where patients experienced significant improvements in symptoms, achieved superior quality-of-life enhancements and had very low rates of adverse events.

Every country's healthcare system requires economic justification for introducing and reimbursing novel technologies in standard clinical practice. As an extension of the initial cost effectiveness analysis comparing various treatments for acid reflux performed by the University of York's Health Economic Consortium in the UK (Harper et al. 2023), in 2024 three RefluxStop™ studies were published in highly prestigious medical/health economics journals to present the economic impact of the RefluxStop™ procedure in Switzerland, Italy, and Sweden. Across several studies, RefluxStop's very low rates of adverse events and lower recurrence rate prevent a significant number of readmissions, reoperations, and recurrent use of anti-reflux medications, such as proton pump inhibitors (PPIs). These benefits ultimately provide a clear cost-saving benefit for the healthcare system, patients, and caregivers in the long run.

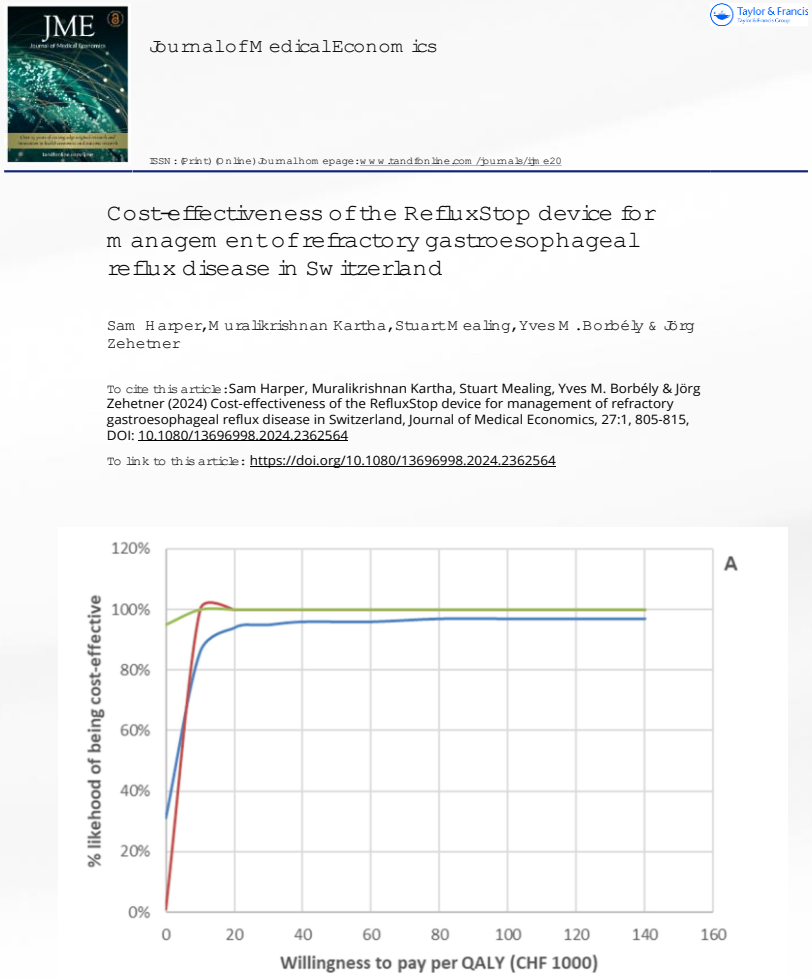


Figure 1. Cost-effectiveness acceptability curve for RefluxStop™ where probability of being cost-effective against MM, LNF and MSA were 100%, 97% and 100%

Building robust evidence for payer reimbursement cont.

- A cost-effectiveness study examining the healthcare system in Switzerland found that RefluxStop™ was highly likely to be cost-effective compared to PPI therapy, Nissen fundoplication, and the Magnetic Sphincter Augmentation (MSA) with probabilities of 100%, 97%, and 100%, respectively. This analysis was published in the *Journal of Medical Economics*.
- In a similar analysis from a Swedish healthcare perspective performed in partnership with Prof. Lars Lundell from Karolinska Institute, RefluxStop™ was found to be a cost-effective treatment alternative for GERD compared to PPI therapy and Nissen fundoplication. The base case ICER estimates were all significantly below the Swedish cost-effectiveness threshold of SEK 500,000 per QALY gained, as specified by the Swedish authorities. Again here, the cost-effectiveness of RefluxStop™ was driven by its superior clinical benefits and very low rates of adverse events and recurrence.
- Budget impact analysis is a specific evaluation required by payer authorities in various countries, where a new technology must demonstrate that it will not cause an unreasonable increase in the healthcare budget for a given cohort of patients. A recently published budget impact analysis of RefluxStop™ in Italy in the highly esteemed *Pharmacoeconomics* demonstrated that the introduction of RefluxStop™ provides substantial clinical benefits at the expense of a marginal budget impact over a 5-year time horizon.

As a consequence of this rapidly developing high-quality evidence base, we have made significant progress in reimbursement and payer communications in key European countries during 2024.

The evaluation process by the National Institute for Health and Care Excellence (NICE) Interventional Procedures Advisory Committee (IPAC) has been progressing very well. The RefluxStop™ Payer Evidence team is actively collaborating with NICE IPAC to provide all our high-quality evidence, facilitating the review process, which is expected to be released by the end of this year.

We continue to work with several more hospitals to advance a business case dossier and discussions within the United Kingdom's National Health Service (NHS) Hospitals. Additional efforts are underway, such as in Germany, where a procedure code is already in place. We are working with InEK hospitals to build a case for increasing the reimbursement amount. Meanwhile, we are excited about the growing number of public funding approvals for RefluxStop™ across leading hospitals in Italy and Spain, where decision-making is at the regional level.

In 2024, the health economics team also participated in conferences and presented four health economic analyses at the Health Technology Assessment International (HTAi) Annual Meeting in Spain and at The Professional Society for Health Economics and Outcomes Research (ISPOR) 2024 Conference, held at Barcelona, Spain.

In summary, we will continue to collaborate closely with our RefluxStop™ surgeons in Europe to build strong momentum for the high-quality evidence required for extensive Payer reimbursement approval processes in the European and US markets.

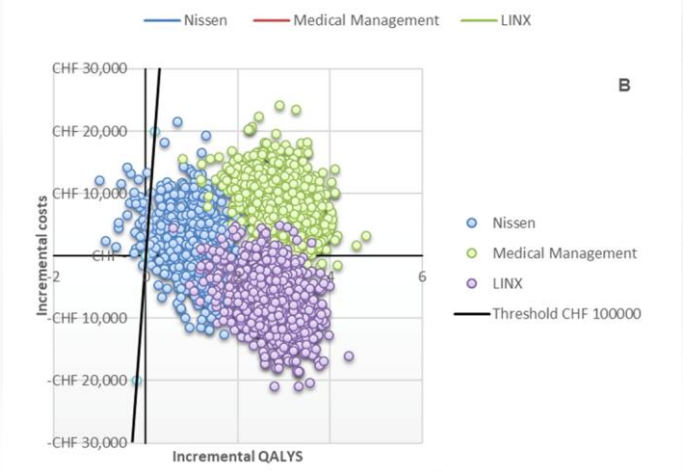
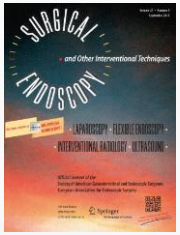


Figure 2. The black line indicates the Swiss cost-effectiveness threshold of CHF 100'000 per quality-adjusted life year (QALY). The points to the right of the line indicate interations in which RefluxStop™ was cost-effective vs. the assessed comparator.

Powerful, plentiful published clinical evidence important to payers

Collecting and publishing superior clinical evidence is a cornerstone of our three-pillar strategy to securing reimbursement approval from healthcare systems while driving a paradigm shift in the way GERD is managed today. Our extraordinary CE-mark European clinical study results have been further validated and reproduced by many independent real-world studies, providing the necessary data for the reimbursement process. Twenty-two manuscripts are currently published, another seven under submission and more than ten articles are under development, building a strong foundation of RefluxStop™ clinical evidence. Here are a few key examples of important manuscripts published since the beginning of 2024.



Treating acid reflux without compressing the food passageway: 4-year safety and clinical outcomes with the RefluxStop device in a prospective multicenter study

László Harsányi, Zsolt Kincses, Joerg Zehetner, Áron Altorjay

- ✓ 4-year outcomes with the RefluxStop device mirror the excellent 1-year outcomes previously published
- ✓ 5-year data supplied to FDA in our PMA submission

Multicentric short term and safety study of ineffective esophageal motility (IEM) patients treated with RefluxStop device

J. Feka, M. Saad, N. Boyle, M. Paireder, I. Kristo, E. Rieder, R. Asari & S. F. Schoppmann

- ✓ Excellent results in this group of patients with IEM who have no optimal treatment available until now
- ✓ Approx. 1/3 of GERD sufferers have IEM

Exploring the feasibility and safety of laparoscopic anti-reflux surgery with the new RefluxStop device: a retrospective cohort study of 40 patients

Yannick Fringeli, Ioannis Linas, Ulf Kessler, Joerg Zehetner

"Based on 150 RefluxStop cases I've performed over the past 4 years, it's clear it has the potential to reform how we treat severe GERD patients, especially with IEM where RefluxStop is turning out to be the best available treatment option," said Dr. Zehetner

A retrospective study assessing RefluxStop surgery for gastroesophageal reflux disease: Clinical outcomes in 79 patients from Germany

Thorsten Lehmann MD, Mantas Šimkus MD, Christoph Oehler MD

- ✓ PPI use reduced from 94.9% of patients before surgery to 2.5% after surgery
- ✓ GERD-HRQL quality of life median score improvement of 100% and mean improvement of 92.4% after surgery

RefluxStop™ is in spotlight in ALL Major Strategic Congresses

2024

36 Conference abstracts submitted in leading conferences

28 Oral and poster presentations in leading conferences & educational panels

Clinical Data

22 Published manuscripts; 7 more under submission*

10 Additional articles under development*

2025 (Q1)

13 Conference abstracts submitted in leading conferences **so far**

7 Oral & poster presentations in leading conferences & educational panels;
6 abstracts pending decision

* As of April 1, 2025

Interview with Maggie Robinson, OPA Cancer Charity, Operations Manager

History of the OPA Cancer Charity?

The OPA Cancer Charity was founded in 1985 by David Kirby (OBE), a former oesophageal cancer patient who recognised the urgent need for support and information for others facing the same diagnosis. What started as a small patient-led initiative has grown into a national charity, offering guidance to thousands of people across the UK. Over the years, we have expanded our services, developed a network of patient support groups, and worked alongside our partnered organisation Reflux UK, healthcare professionals globally and the UK, a growing network of private clinics, Maggie's Centres, and Macmillan to improve awareness and treatment options.

How can awareness of GORD and oesophageal cancer risks be increased?

Education is key. Many people are unaware that persistent acid reflux (GORD/GERD) can increase the risk of oesophageal cancer, so it's crucial to communicate this message through public health campaigns, GP engagement, and digital outreach. Encouraging people to seek medical advice for persistent symptoms and promoting lifestyle changes that can reduce risk factors are also important steps in increasing awareness.

Why do you think we need innovative treatments for GORD?

Chronic acid reflux (GORD) can have a significant impact on quality of life and, if left untreated, can lead to severe complications, including oesophageal cancer. Traditional treatments, such as medication or surgery, do not work for everyone. Innovative treatments offer patients more effective, long-term solutions, reducing the need for lifelong medication and invasive procedures.

How does the OPA Cancer Charity benefit patients?

The OPA Cancer Charity provides patients with access to trusted information, peer support, and practical resources at every stage of their journey. We help patients and their families understand their diagnosis, make informed decisions about treatment, and manage life after surgery or ongoing care. Through our support groups, helpline, and online resources, we offer reassurance and guidance from those who have experienced similar challenges. Additionally, we campaign for earlier diagnosis, improved treatment pathways, and greater public awareness of oesophageal and gastric cancers.

Are UK patients asking you about RefluxStop™?

We are starting to see interest from patients looking for alternative treatments to traditional reflux management. Many individuals who struggle with long-term medication use or unsuccessful surgical outcomes are eager to explore new options. However, more awareness and education are needed to ensure that patients and healthcare providers fully understand the potential of RefluxStop.

Vision for the future of the OPA Cancer Charity?

Long-term, we hope to contribute to earlier diagnoses, improved patient outcomes, and increased awareness of the risks associated with oesophageal and gastric conditions.

What do you think of RefluxStop™ specifically?

RefluxStop is an exciting innovation in the treatment of GORD. Unlike traditional surgical options, it aims to restore normal anatomy and function without requiring ongoing medication or lifestyle restrictions. The potential benefits for patients, particularly those who have struggled with conventional treatments are significant. Its differentiator to other surgical treatments is that it does not encircle the food passageway. So not only standard GERD patients, but also, patients with swallowing issues (Esophageal dysmotility) who may not have previously been considered for surgery now have options with RefluxStop.

What are your plans to educate patients about new treatments like RefluxStop™?

As part of our commitment to patient education, we aim to provide up-to-date information on innovative treatments through our website, printed materials, and patient support groups. We also plan to collaborate with healthcare professionals to ensure that patients receive accurate and reliable information about their treatment options. Additionally, we will continue to use social media and digital campaigns and webinars to raise awareness of new developments in oesophageal and gastric healthcare.

Finally, I would like to say it was an absolute pleasure for me to meet Dr. Peter Forsell CEO/ founder of Implantica AG and his team at the EFS Conference in November 2024.

The Power of Marketing: By the numbers

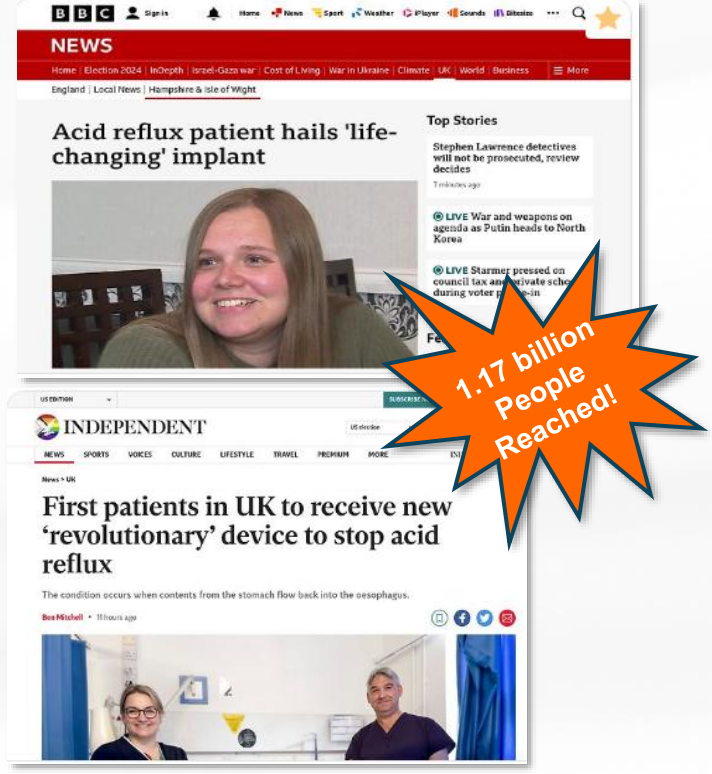
Italy

TV, Radio, News Paper, & Social Media Impact

- Viewership est. at > 9 million
- Hospital sets up new call center to handle inquiry volume!

UK

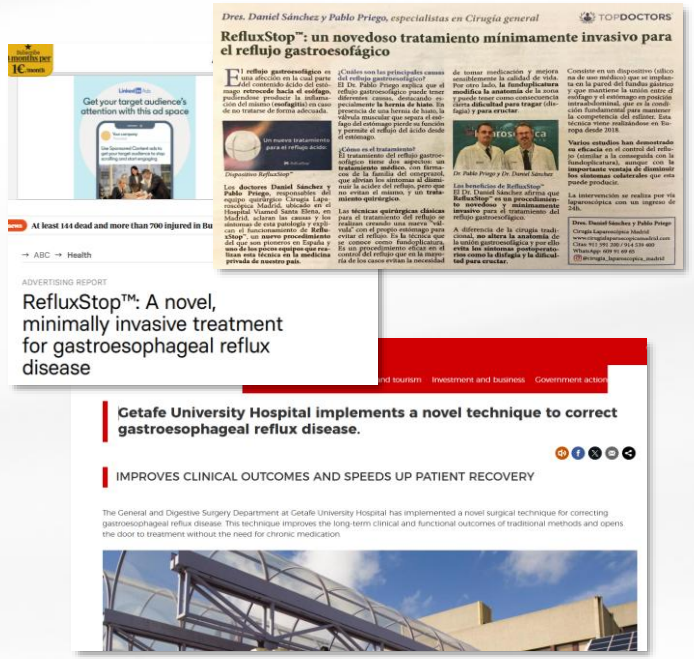
TV, News Paper, & Social Media Impact



- 1.17 Billion People Reached
- 2.06K+ Engagements
- 600K BBC South Today viewers

Spain

News Paper, Public Announcement & Social Media Impact



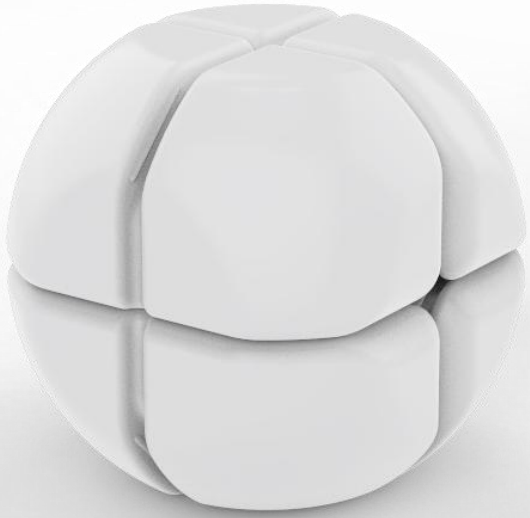
- Madrid Regions Official Health Site announces 1st RefluxStop™ procedure
  Reach: 7M people
- ABC Health's Reach:
  20M digital & 80K print

RefluxStop™ BY Implantica

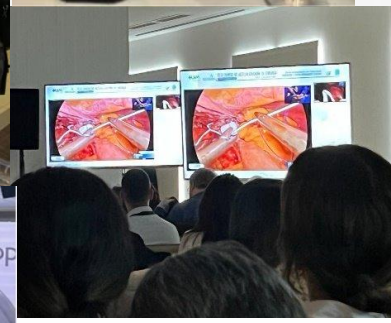
RefluxStop™ has all the attributes to become the new standard-of-care procedure for acid reflux treatment as supported by clinical trial results and surgeon feedback

Supported by clinical trial results, designed to achieve:

- ✓ **Significant reduction in the disease activity**
  in terms of symptom, pH normalization, swallowing difficulties/dysphagia and reduced PPI use etc.
- ✓ **Significant improvement in patient's quality of life**
- ✓ **Significant reduction in healthcare resource utilization**
  in terms of reduction in general practitioner – consultant visit, emergency visit, length of stay, and re-hospitalization
- ✓ **Leading to a reduction in the risk of esophageal adenocarcinoma**
  when acid reflux is eliminated and pH in lower esophagus is normalized (connection between acid reflux and precancerous changes is supported in the literature)



RefluxStop™ is Unstoppable!!



Selected Pipeline Products

eHealth Market – Bringing advanced technology into the body

Implantica's eHealth platform

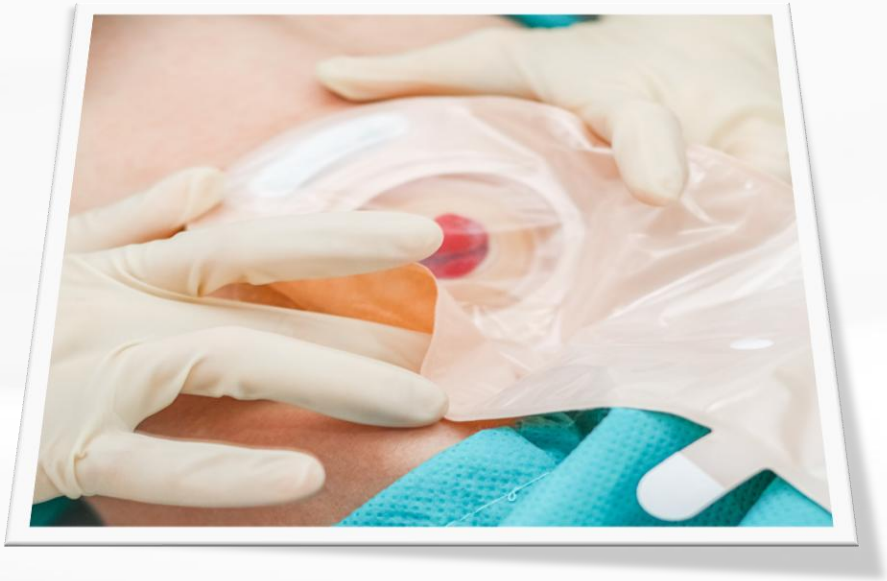
is designed to be able to monitor and change advanced treatment on distance, aiming to take the lead in the eHealth revolution. It is targeted to provide simplified and effective surveillance, saving costs for society.

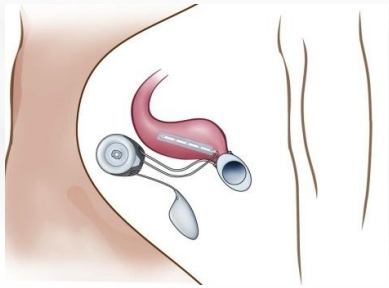
USD 347 billion

Global eHealth market size in 2023[1]

Source: (1) GlobeNewswire

StomaRestore® – making plastic stoma bags obsolete





StomaRestore® is designed to free ostomy patients from needing to use stoma bags, a USD 3 billion market in 2022[1]. Ostomies are performed as part of the treatment for a wide variety of conditions including inflammatory bowel diseases, such as ulcerative colitis, Crohn's disease, and colorectal cancer. Many patients suffering such illnesses need to remove part of their intestine and therefore receive a stoma, which is when the end of the intestine protrudes through the abdominal wall. These patients use a plastic bag attached to their abdomen to collect their fecal matter outside the abdominal wall. Approximately 874'000 ostomy surgeries are performed globally per year[2]. These operations typically have a severe effect on patient quality of life and self-image.

StomaRestore® is expected to offer a completely new solution to ostomy patients and is expected to permanently free patients from using stoma bags.

StomaRestore® is designed to provide:

- active storage of fecal matter inside a special reservoir in the body
- emptying the reservoir on command by electrical stimulation
- connecting intestine to anus, in most cases
- smart unique sphincter function
- training of intestine with peristaltic muscle conrractions created by electrical stimulation to preserve muscular intestinal wall

Designed to permanently free patients from using stoma bags with fecal matter attached to the skin

➢ ***StomaRestore® is not yet on the market requires further development and approval process***

Source: (1) MarketsandMarkets 2017; (2) ISS 2020.

UriRestore® – restoration of urinary function for spinal cord injury and multiple sclerosis patients

100 million people worldwide suffer from urinary retention, that is they are not able to urinate[1]. Most sufferers are paraplegic. 1.7% of the US population suffer from paralysis of which 27.3% is caused by spinal cord injury, resulting in an annual cost of approximately $40.5 billion in the US alone[2]. The leading causes of paralysis are stroke, spinal cord injury and multiple sclerosis.

Catheterization is the only option for urinary retention sufferers, and approximately 5x/day they have to insert a catheter into the urethra each time to urinate, which has a high infection risk.

UriRestore® is designed to enable urination on command using a remote-controlled device for those who suffer from urinary retention.

UriRestore® is designed to avoid the frequent use of catheters, which limits the infection risk of constant catheter placement. Designed to be controlled via remote, the patient would initiate urination by pressing a button which would then mechanically act on the bladder to empty it. UriRestore® is expected to profoundly improve patients' quality of life, making an impact on humanity.

- *UriRestore® is not yet on the market requires further development and approval process*

Notes: (1) US figure extrapolated to estimate global sufferers (2) Christopher & Dana Reeve Foundation, Stats about paralysis, www.christopherreeve.org,

AppetiteControl™– imitating how fullness is achieved naturally

Today, obesity drugs are very popular and the most commonly used method to lose weight. They are also quite effective in reducing weight by approximately 10%, as shown recently in randomized clinical studies. They are injected in the abdominal wall or thigh, and side effects can include hair loss, gallstones, nausea, diarrhea, extreme constipation among others.

While obesity drugs are effective in reducing weight in overweight people, the more obese people need surgery. According to WHO, 890 million people are obese worldwide[1]. Current surgical treatment, which has not declined significantly despite the popularity of obesity injections, usually causes irreparable damage to the stomach, involving high risk and severe complications both during and after surgery.

AppetiteControl™ is designed to treat obesity using a completely new treatment approach – by controlling food intake by stretching the stomach, imitating how fullness is achieved in real life. It is designed to be less invasive than gastric sleeve and gastric bypass, avoiding opening the food passageway and making any permanent anatomical changes.

AppetiteControl ™ is based on Implantica's eHealth platform and unique smart food control sensor, designed to monitor the patient's eating behavior and adjust treatment on

distance. It is designed for inducing satiety, imitating the body's own natural functions by stretching the upper part of the stomach in the same way as when the stomach becomes full of food.

A smart food sensor has been designed and tested on students. When food is swallowed, it triggers the implatned sensor, which is designed to keep track of eating and when enough pre-programmed food has been swallowed, it is designed to send an electronic signal to a control unit that starts the stretching movement.

The weight of the patient and important implant parameters are sent to the cargiver and the device is designed to be reprogrammed remotely to achieve the desired weight.

890 million people are obese globally [1]

- *AppetiteControl™ is not yet on the market requires further development and approval process*

Source: (1) World Health Organization 2018

Sustainability at the core of our mission

At Implantica, sustainability is deeply embedded in all we do. Our commitment to developing advanced medical implant solutions for patients with significant healthcare needs directly supports the United Nations Sustainable Development Goal 3: Good Health and Well-being.

Through our pioneering wireless technology platform and innovative product portfolio, we aim to help modernize healthcare and make it more accessible and effective. This not only contributes to societal progress but also promotes the basic human right to health and well-being.

We believe that good health is a foundational requirement for individuals to achieve their potential and positively impact society. Since health is shaped by economic, social, and environmental conditions, we view our contributions through a holistic sustainability lens.

UN Goal 3 is to ensure healthy lives and promote well-being for everyone at all ages. Over recent decades, the world has seen notable advances in public health, and Implantica is proud to be part of the ongoing journey by developing next-generation implants that enhance quality of life and support a more sustainable healthcare ecosystem.

Our technology not only addresses existing needs but also creates long-term value by encouraging physicians to conduct follow-up studies – ensuring continuous data collection that drives better outcomes for patients over time.

By creating innovative, sustainable healthcare solutions, Implantica empowers preventive care, improves accessibility, and reduces treatment costs – particularly for patients who may currently lack access to adequate options.

Innovation That Improves Lives

All of Implantica's products aim to improve health outcomes and quality of life, and two innovations stand out for their transformative potential:

UriRestore®: This wireless, remote-controlled implant is designed to help patients who cannot urinate — such as those with spinal cord injuries or multiple sclerosis — to regain control. By replacing the need for manual catheterization, UriRestore® reduces the risk of infection and enhances independence and comfort.

StomaRestore®: Designed for patients who require ostomy surgery, this product offers a revolutionary alternative to traditional ostomy bags. By eliminating the need for external plastic pouches, StomaRestore® significantly improves the patient's dignity and quality of life. It also benefits the environment by reducing plastic waste and has the potential to eliminate an estimated USD 3 billion in annual ostomy care costs.

Sustainability at the core of our mission

Our People Drive Sustainable Impact

Our most significant contribution to the UN Sustainable Development Goals is enabling safe, effective, and accessible treatments. But none of it would be possible without our people.

At Implantica, we foster a flat organizational structure with open and direct communication, ensuring every team member can contribute ideas and make an impact. We are proud to have an international and gender-balanced workforce, with 55% men and 45% women, including consultants.

We support employee growth by providing paid training programs and development opportunities where needed, investing in the skills that drive both innovation and sustainability. Through our employee stock program, we also encourage long-term engagement and shared ownership in our mission.

We strive to be a credible and reliable supplier, a long-term partner to customers and clinicians, a responsible employer, and a solid investment for our shareholders – because sustainability starts from within.

Environmental Commitment

Environmental responsibility is a fundamental part of our operations. We work continuously to reduce our environmental footprint – both direct and indirect – by implementing responsible practices and integrating eco-friendly technologies throughout our value chain.

Implantica's subsidiary in Spain became the first entity in the group to achieve ISO 14001 certification, setting a benchmark in environmental management. This milestone is a testament to our environmental commitment and enables us to meet essential standards required for participation in public tenders in Spain and Portugal. Beyond the initial certification, the subsidiary is also subject to annual audits to ensure continued environmental compliance and improvement. This ongoing review process strengthens our internal capabilities and contributes to broader environmental advancements across Implantica.

Our Core Sustainability Initiatives

We deliver on our sustainability promise through three core initiatives – areas where we have both a responsibility and the opportunity to drive change:

Expanding access to treatment. We are committed to ensuring patients have access to effective care by actively supporting the medical community and working toward improved pricing models, reimbursement pathways, regulatory approvals, and broader market access.

Safe treatments for patients and the planet. We prioritize safety – not only for patients but for the environment. This includes meeting the highest medical standards, maintaining strict quality and compliance protocols, promoting responsible sourcing, and continually monitoring our products' safety profiles.

Responsible and ethical conduct. We operate with integrity across research, business practices, and policy implementation, working to build a sustainable organization that contributes to societal progress and long-term value.

Our commitment to sustainability goes beyond products and patients – it also shapes how we care for the planet and foster a responsible business culture.

We focus our efforts across two main areas:

Production and Product Development

- We aim for safe, efficient, and environmentally conscious product development and manufacturing.
- We optimize our use of natural resources and prioritize the use of green electricity whenever possible.
- We seek to reduce energy use and greenhouse gas emissions at every stage – from design to component production.
- We apply environmental criteria when choosing suppliers.
- We actively pursue recycling of product components and packaging wherever feasible.

Travel and Transport

- We follow environmental criteria when selecting suppliers.
- We encourage digital collaboration, remote working and environmentally friendly travel alternatives.
- We promote the use of electric transportation whenever it is available and practical.

Board of Directors

Liselott Kilaas
Chair of the board

Born: 1959

Education: Master of Business Administration from IMD Business School in Lausanne, Switzerland; Master's Degree, Mathematics and Statistics from the University of Oslo, Norway. Background: Liselott Kilaas has around twenty years of international management experience and a background in strategic and operational performance development across a broad spectrum of businesses. She has further extensive non-executive board and audit committee experience from the Central Bank of Norway and sectors such as Telecommunication, Media and Shipping and was awarded the Norwegian 2019 Women's Board Award.

Current positions: Board member in Orkla ASA (publ), Peab AB (publ), Avonova AB, Folketrygd-fondet and Recover Nordic ASA. CEO Evidia GmbH.

Holdings in Implantica (including related parties):

Liselott Kilaas holds no SDRs or warrants in the company, however, she has a 5-year share program of 28,135 SDRs

Johan Bojs
Vice-chair of the board

Born: 1964

Education: LL. M. University of Stockholm; Bachelor of Business University of Gothenburg; Professional Board Member Course, Michaël Berglund Institute in Stockholm.

Background: Johan Bojs is an experienced attorney specializing in tax and commercial law.

Current positions: Senior Advisor, board member in Cornerstone Group AB, Olero Invest AB and Olero Lodge AB.

Holdings in Implantica (including related parties):

Johan Bojs owns 132,362 SDRs in Implantica AG through his insurance policy.

Tomas Puusepp
Board member

Born: 1955

Education: Electrical Engineer, studies in Physics at the Royal Institute of Technology in Stockholm and at the University of Stockholm and Management (IEP) at IMD in Lausanne.

Background: Tomas Puusepp has held various positions at the Research Institute for Nuclear Physics, Scanditronix and Ericsson before being employed by Elekta in 1988.

Since then, he has held various management positions, including head of Elekta's neurosurgery operations, President of Elekta's subsidiary in North America, global head of Elekta's sales, marketing and service operations, and President and CEO of Elekta during fiscal years 2005/06 to 2013/14, and during 2015/16.

Current positions: Board member of Permobil Holding AB, Sectra AB (publ), Instoria Sweden AB, Instoria Invest AB, Elekta Foundation and board member and CEO of Investest AB.

Holdings in Implantica (including related parties):

Tomas Puusepp owns 20,000 SDRs in Implantica AG.

Stephan Siegenthaler
Board member & Chief Strategy Off.

Born: 1957

Education: Studies at the Conservatory for Music, Bern (CH), Music Teacher Diploma. Studies at the Conservatory for Music in Geneva, Virtuosité, Soloist Diploma; Postgraduate Studies, Nordwestdeutsche Musikhochschule, Detmold, Germany.

Background: Stephan Siegenthaler co-developed a gastric band (SAGB) business into a multinational company, eventually commanding approximately 28 percent of the obesity surgery market outside of the US over a six-year period which was sold to Johnson & Johnson for a significant amount. He focused primarily on building the sales organization, created an extensive and critical surgical and hospital network, recruited high-performing salespeople, and established an in-house sales force in 32 countries.

Current positions: Stephan Siegenthaler has no other ongoing assignments.

Holdings in Implantica (including related parties):

Stephan Siegenthaler owns 900,000 SDRs in Implantica AG.

Management

Dr. med. Peter Forsell

*Founder and CEO since inception**

Education and experience: Peter Forsell is a medical doctor educated at Karolinska Institute and specialist surgeon at Karolinska Hospital. He has additional finance and legal education. Dr. Peter Forsell was the Co-founder and Executive Chairman of the Board of Obtech Medical AG. He developed the Swedish Gastric Band (SAGB) and turned it into an international business, capturing 28 percent of the obesity surgery market outside of the US. In 2002, before US FDA approval, the business was sold to Johnson & Johnson for CHF 175m. After the sale, the total gastric band market peaked at 40 percent of the world market. From the corporate journey with Obtech, Peter gained valuable experience in medical device product development, regulatory approval, and building a multinational corporation, including a sales organisation in 32 countries.

Peter is a serial inventor, he invented RefluxStop™ and created most of Implantica's IP with many new breakthrough medical implants. His inventions are covered by an extensive patent portfolio of over 1'000 patent cases including Implantica's wireless energising and eHealth platforms.

Dr. Peter Forsell funded the R&D activities of Implantica with the proceeds from the sale of Obtech Medical and has invested more than EUR 100 million in Implantica.

Holdings in Implantica (including related parties): Peter Forsell owns 21,116,770 SDRs and 1,125,000,000 class B shares in Implantica AG.

Andreas Öhrnberg

*Chief Financial Officer since 2020**

Education and experience: Andreas Öhrnberg holds two master's degrees, a M.Sc. in Computer and Systems Sciences from Stockholm University and a M.Sc. in Business from Stockholm School of Economics, and is a Chartered Financial Analyst.

Andreas has over 15 years of experience in senior finance and general management positions. Before joining Implantica in 2020, he served as Group CFO at Talkpool, a publicly listed technology group headquartered in Switzerland.

Previously, Andreas was a Vice President at Swiss Re, a global Fortune 500 company.

Holdings in Implantica (including related parties): Andreas Öhrnberg owns 23,869 SDRs in Implantica AG. He has been granted an option program equalling 87,169 SDRs in total, vesting over five years.

Nicole Pehrsson

*Chief Corp Affairs Officer since 2016**

Education and experience: Bachelor of Arts (B.A.) in Economics, University of California, Los Angeles (summa cum laude).

Nicole's previous experience is in corporate finance and equity research. In Switzerland, Nicole worked as an equity research analyst at EFG Bank, Zurich, and before that as a business developer in the Corporate Finance team of JP Morgan in Zurich. In the US, she worked as an analyst in the Corporate Finance Group of Kidder, Peabody & Co. Inc. in Los Angeles and Boston. Nicole was appointed to the Investment Advisory Board for the City of Huntington Beach, California, and the Boston Women's Fund in Massachusetts.

Holdings in Implantica (including related parties): Nicole Pehrsson owns 524,201 SDRs in Implantica AG and has a share program for 42,400 shares vesting over a five-year period.

Stephan Siegenthaler

*Chief Strategy Officer & board member since inception**

Education and experience: Studies at the Conservatory for Music, Bern (CH), Music Teacher Diploma. Studies at the Conserva- tory for Music in Geneva, Virtuosité, Soloist Diploma; Postgraduate Studies, Nord- westdeutsche Musikhochschule, Detmold, Germany.

Stephan Siegenthaler co-developed a gastric band (SAGB) business into a multi-national company, eventually commanding approximately 28 percent of the obesity surgery market outside of the US over a six-year period and was sold to Johnson & Johnson for a significant amount. He focused primarily on building the sales organisation, created an extensive critical surgical and hospital network, recruited high-performing salespeople and established an in-house sales force in 32 countries.

Holdings in Implantica (including related parties): Stephan Siegenthaler owns 900,000 SDRs in Implantica AG.

Management

Amit Kukreja

Chief Market Access & Strategy Officer since 2021

Education and experience: MBA with a focus in Strategy and Marketing from WHU, Germany, and Bachelor's degree in Mechanical Engineering from the Manipal Institute of Technology, India. Amit has over 18 years of extensive experience in the global MedTech industry. He has served in several global and corporate leadership and advisory roles, leading and driving commercial development, market access, sales and marketing strategies. Amit created unique market entry and reimbursement pathways for high-cost , disruptive technologies, facilitating global market expansion and broad payer approvals across multiple continents (e.g., US, CAN, UK, EU, APAC).

Before joining Implantica, Amit served as Vice President of Corporate Market Access (Worldwide) at Masimo Corporation, a global leader in innovative non-invasive patient monitoring technologies. Prior to that, he served as Vice President of Global Marketing and Reimbursement and other roles at Second Sight, a global leader in neuromodulation devices for blindness. Early on, Amit served as a Strategic Consultant (Associate Director of Global Market Access at Synergus, Sweden and Pricing Consultant at Simon-Kucher & Partners, Germany), supporting the market development and reimbursement of numerous devices at both large and small MedTech companies.

Sarowar Golam

VP Clinical Affairs & Payer Evidence since 2022

Education and experience: Master of Health Economics from Karolinska Institute, Master of Public Healthcare Financing from Univ. of Sheffield, UK, MBA from Univ. of Gothenburg, Bachelor of Medicine and Surgery (MBBS) from Univ. of Chittagong, Bangladesh.

Sarowar Golam is a medical doctor by training with subsequent expansion in health economics and healthcare financial management under a European Union funded program.

As a medical doctor, Sarowar spent a brief period of time in clinical practice with clinical focus in metabolic (i.e., diabetes) and cardiologic disease areas. Since, he played an integral role as a research fellow at Karolinska Institute (Sweden) and the University of York (UK), with predominant focus on health economic modelling, cost-effectiveness and budget impact analysis, exceedingly important in guidance of reimbursement policies, clinical practice decision-making, and market access overall. Before joining Implantica, Sarowar spent almost 11 years at AstraZeneca's global R&D department where his responsibility was to develop health economics and market access strategies globally for products in gastroenterology, respiratory, and immunology disease areas. Sarowar possesses extensive experience in successful global launches of several products by ensuring market access at a desired price.

Juanita Eberhart

VP Marketing & Advocacy, since 2022

Education and experience: Bachelor of Arts (B.A.) in leadership and organizational studies from Saint Mary's College in California.

Juanita Eberhart is a versatile, solution-oriented executive with a proven track record of achievement, efficacy, and innovation. She has over 20 years of progressive experience in market access, leading international and national marketing, communications, and launch strategies. She has been instrumental in securing reimbursement for several innovative products, while responsible for launch strategies, business development, customer relationships, and experience management.

Before joining Implantica, Juanita served as Senior Director of Market Access and Reimbursement at Masimo, a global leader in innovative non-invasive patient monitoring technologies. Before that she served as Senior Director of Marketing and Market Access at BrainScope, a medical neurotechnology company that developed breakthrough EEG technology. Juanita has vast experience in securing market access for innovative medical devices in both small and large organizations and supported the successful adoption and ultimate acquisition of multiple innovative devices.

Melanie Houselog

Senior Director & Head of Global QA RA, since 2023

Education and experience: Master of Science (M.S.) in Medical Device & Diagnostic Engineering & Bachelor of Science (B.S.) in Biomedical Engineering from the University of Southern California (USC) in Los Angeles.

Melanie Houselog is a highly accomplished Quality & Regulatory Affairs Leader with 11 years of experience in the medical device industry across start-up, mid-size, and large corporations. She is an expert in authoring and leading FDA Submissions, Health Canada submissions, and CE-Mark Applications (EU MDR) for high-risk devices as well as leading audit activities for FDA Inspections and MDSAP certification.

Before joining Implantica, Melanie served as a QARA leader at Endologix Inc., a California-based global medical device company. During her time at Endologix, she was responsible for RA / QA Compliance across the entire business, which encompassed 3 separate manufacturing sites/business units. Melanie worked on multiple novel device platforms at all stages: from initial IDE (U.S.) Clinical Study design to leading the FDA Pre-Approval Inspection with no observations. Prior to Endologix, Melanie worked at Zimmer Biomet and was responsible for driving Corporate-wide initiatives as well as a large-scale integration effort for one of Zimmer Biomet's business units.

Corporate governance report

1 Introduction

Implantica AG is a company limited by shares in the sense of article 261ff of the Liechtenstein Persons' and Companies' Act (Personen- und Gesellschaftsrecht) (the "PGR"), incorporated in Liechtenstein and registered with the Liechtenstein Commercial Register on 7 February 2020 under the registration number FL-0002.629.889-3.

Corporate governance in the Company is governed by Liechtenstein laws and regulations and the Articles of Association of Implantica AG also taking into consideration the Swedish Corporate Governance Code. The Articles of Association of Implantica AG can be accessed on the governance section of the company's website. External regulations that shape the Company's corporate governance framework include the Liechtenstein PGR, the Swedish Corporate Governance Code (the "Code") and the Nasdaq First North Growth Market's Rulebook (the "Rulebook"). Internal instructions and policies of importance for corporate governance purposes include the Articles of Association, the Organizational Regulations, the Information Policy and the Insider Policy. The corporate governance of the Company is exercised by the following corporate bodies:

- General Meeting of Shareholders
- Board of Directors and Board Committees
- Chairman of the Board
- CEO and Executive Management
- Statutory Auditor

2 Corporate bodies

2.1 General Meetings of Shareholders

Shareholder influence in the company is exercised at the General Meeting of Shareholders which, in accordance with the Liechtenstein PGR, is the company's highest decision-making body.

A shareholders' meeting can take decisions about all matters in the company that do not constitute another company body's exclusive area of competence.

Shareholders' meetings may be convened by the Board of Directors or, if necessary, by the Company's statutory Auditors. The Board of Directors is further required to convene an extraordinary general meeting if, so resolved by a shareholders' meeting or, if so requested by holders of shares holding in aggregate at least ten percent of the nominal share capital of the Company.

According to the Articles of Association, the General Meeting of Shareholders shall be convened by the Board of Directors of the Company at the latest twenty days before the date of the meeting. The meeting shall be convened by way of a notice appearing on the Company's website www.implantica.com.

Shareholders of the Company can be represented by proxy at shareholders' meetings by another person which does not need to be a shareholder but a representative by law or specially designated independent proxy. The General Meeting of Shareholders shall elect the independent proxy for a term of office lasting until completion of the next annual General Meeting of Shareholders. Re-election is possible.

2.2 Board of Directors

The Board of Directors is responsible for the conduct of the Company's affairs and the representation of the Company. The members of the Board of Directors are elected by the General Meeting of Shareholders.

According to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of nine members. The Implantica Board of Directors sadly lost a valued long-serving member, Prof. Dr. Klaus Neftel, passed away during 2024. With the passing of Professor Dr. Klaus Neftel, the board consists of four directors, two independent and two non-independent directors.

Pursuant to the Articles of Association, the Board of Directors delegates, within the limits of the law and the Articles of Association, the management of the Company in whole or in part to the Executive Management.

Over 2024, the Board of Directors has combined physical meetings in Lichtenstein with video conference meetings.

Board of Directors

Name	Position	Board member of the Company since[1]	Independent to the Company and its management	Independent to major shareholders	Present at meetings of the Board
Liselott Kilaas	Chairman of the Board	2020	Yes	Yes	(5/6)
Johan Bojs[2]	Vice-Chairman of the Board	2020	No	Yes	(6/6)
Prof. Dr. Klaus Neftel[3]	Board member	2020	Yes	Yes	(4/6)
Tomas Puusepp	Board member	2020	Yes	Yes	(6/6)
Stephan Siegenthaler[4]	Board member	2020	No	Yes	(6/6)

[1] Implantica AG was established in 2020.
[2] Johan Bojs is a lawyer and has provided the Company with legal advice for which the Company has paid marketable compensation.
[3] Prof. Dr. Klaus Neftel passed away over 2024.
[4] Stephan Siegenthaler is employed by Implantica AG as Chief Strategy Officer.

2.3 Chairman of the Board of Directors

The tasks of the Chairman include:

a. The coordination of the work of the Board of Directors, issue invitations to Board of Directors meetings, and draw up the agenda together with the Board of Directors Secretary;
b. Ensuring that the Board of Directors receives the Board-level information and documentation that is necessary for decision-making;
c. Leading General Meetings of Shareholders and Board of Directors meetings;
d. Coordinating the work of the committees along with the Committee Chairman and participate in committee meetings;
e. Monitoring the implementation of resolutions of the Board of Directors and the General Meeting of Shareholders;
f. On behalf of the Board of Directors, the Chairman or the Vice-Chairman shall exercise the direct supervision and control over the Executive Management.

2.4 Nomination and Remuneration Committee

The Company has established a combined Nomination and Remuneration Committee. The committee is setup as a board subcommittee, as common in continental Europe. This deviates to the Code, which foresees the Nomination and Remuneration Committee making proposals directly to the shareholder meeting.

According to the Articles of Association, the Company shall have a Nomination and Remuneration Committee that consists of a minimum of two and a maximum of three members of the Board of Directors.

The General Meeting of Shareholders in 2024 reelected Johan Bojs (Chairman) and Prof. Dr. Klaus Neftel to the Nomination and Remuneration Committee. The members of the Nomination and Remuneration Committee are elected individually by the General Meeting of Shareholders for a term of office lasting until the completion of the next annual General Meeting of Shareholders. Since Prof. Dr. Klaus Neftel passed away, there have not been a re-election. This is foreseen to take place at the Annual General Meeting.

In accordance with the Articles of Association, the Nomination and Remuneration Committee has inter-alia the following powers:

a. develop a remuneration strategy and submit it for approval to the Board of Directors which will receive final approval by the General Meeting of Shareholders in line with the principles described in the Articles of Association;
b. support the Board of Directors in preparing the proposals to the General Meeting of Shareholders regarding the remuneration of the members of the Board of Directors and the Executive Management;
c. assume other responsibilities assigned to it by law, the Articles of Association or by the Board of Directors.

2.5 Risk and Audit Committee

The Board of Directors has established a Risk and Audit committee which is equivalent to the Audit Committee according to the Swedish Corporate Governance Code. It is inter alia responsible for oversight of the Company's financial reporting process, selection of the independent auditor and receipt of audit results.

The committee comprises two members: Liselott Kilaas (Chairman) and Johan Bojs.

The essential tasks of the Risk and Audit Committee include:

a. Examination of and the presentation of proposals to the Board of Directors concerning the organization of the accounting, financial control, and financial planning systems;
b. Critical analysis of the Company and its financial statements. Discussion of these financial statements with the CFO and the External Auditors. The presentation of proposals to the Board of Directors concerning these financial statements;
c. Assessment of the efficacy and performance of the External Auditors and their fee, as well as their independence.
d. The assessment of the reports of the External Auditors (including the audit report pursuant to Article 196 PGR) and the discussion of these reports with the External Auditors;
e. Assessment of the functional capability of the internal control system, under the inclusion of Risk Management and Compliance.

2.6 CEO and Executive Management

The CEO bears overall responsibility for the operational leadership of the Company and in this task is supported by the Executive Management. The CEO is responsible for the implementation of the overall Company strategy. The responsibility also includes the development and monitoring of good corporate governance and compliance. In consultation with the Chairman, the CEO represents the Company vis-à-vis important investors, the media, and other stakeholders, as well as with the public at large. Instead of an annual formal valuation of the CEO, as stipulated by the code, the board is evaluating the work of the CEO continuously.

In line with the PGR, the Board of Directors delegates, within the limits of the law and the Articles of Association, the management of the Company in whole or in part to the Executive Management. The Executive Management is the key management body of the Company. It shall support the Board of Directors in the strategy's development and is responsible for its implementation, results and supports the cooperation within the Company. The Executive Management is also responsible for the Company management and ensuring compliance with corporate governance standards.

3 Remuneration

3.1 Remuneration strategy

Implantica is committed to a Remuneration framework that is balanced and performance-oriented aligning the interests of employees and shareholders. The framework is designed to promote long-term sustainable performance for the Group and its shareholders through a mix of fixed and variable compensation components.

The Annual General Meeting determines aggregate amounts of remuneration to the Board of Directors and the Executive Management. Whereas the Remuneration Committee develops the remuneration strategy and supports the Board of Directors in preparing the proposals for the General Meeting.

3.2 Long-Term Incentive Plan

The Annual General Meeting in May 2022 authorized the Board of Directors to execute the Long-Term Incentive Plan, "LTIP". It was determined that the plan cannot exceed 5% of the outstanding Class A shares of Implantica AG. The LTIP remains valid until May 2027.

In 2024, equity grants have been made to senior managers under the LTIP. No LTIP grants have been made to members of the Board of Directors and the Executive Management. Note 19 on Share-based Compensation, in the consolidated financial statements, provides more details.

3.3 Remuneration of Directors and the Executive Management

The members of the Board of Directors are entitled to cash compensation. Selected members of the Board of Directors are also eligible for the long-term share-based incentive plan. In addition, one Director, is entitled to pension contributions.

Remuneration to the Executive Management consists of a fixed salary and statutory pension. Besides the cash remuneration, selected members of the Executive Management are eligible for the long-term share-based incentive plan.

The last grants under the long-term share-based incentive plan, to members of the Board of Directors and Executive Management, were made in 2020.

3.4 Cash and Pension Remuneration

The table below outlines Board of Directors and Executive Management cash and pension remuneration over 2024.

3.5 Long term share-based incentive plan

The call options granted under the long-term share-based incentive plan to Board of Directors and Executive Management are as follows:

Name	Call Options granted (31 Dec 2024)	Call Options exercised (31 Dec 2024)	Effective date of grant
Nicole Pehrsson	42,400	-	February 1, 2019
Andreas Öhrnberg	87,169	23,869[1]	February 1, 2020
Liselott Kilaas	28,135	-	April 1, 2020
Total	**157,704**	**23,869**	

[1] *During 2023 a total of 23,869 call options were exercised by Mr. Öhrnberg.*

Board of Directors and Executive Management cash and pension remuneration over 2024

In EUR	Fixed	Variable	Pension	Social Security	Total
Board of directors					
Liselott Kilaas	37,187	-	-	-	37,187
Johan Bojs	10,701	-	-	-	10,701
Tomas Puusepp	-	-	48,088	-	48,088
Prof. Dr. Klaus Neftel	-	-	-	-	-
Stephan Siegenthaler	-	-	-	-	-
Board of directors in total	**47,888**	**-**	**48,088**	**-**	**95,976**
Executive Management					
Dr. Peter Forsell (CEO)	207,831	-	-	523	208,354
Other senior executives	496,905	-	43,442	51,098	591,445
Total senior executives	**704,736**	**-**	**43,442**	**51,621**	**799,799**

The option grants vest annually over a five-year period. The long-term share-based incentive plan form an integral part of plan participants' total remuneration package with the option strike price being zero. Note 19 on Share-based Compensation, in the consolidated financial statements, provides more details on the share-based incentive plan.

4 Securities and ownership

4.1 Securities

Implantica AG has two classes of shares, class A and class B. The class A shares are listed on the Nasdaq First North Premier Growth Market, through Swedish Depository Receipts ("SDRs"). One SDR represents one class A share in Implantica AG. The class B shares are not listed.

The class A and class B shares are governed by the laws of Liechtenstein and are issued in CHF. All of the underlying shares and the SDRs are freely transferable.

Each class A and class B share provides entitlement to one vote. Through a resolution passed by an absolute majority of votes present at a shareholders' meeting, class B shares may be converted into class A shares and class A shares may be converted into class B shares.

The SDRs are registered in a central securities depositary register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear, Box 191, 101 23 Stockholm, Sweden. The ISIN code for the Company's SDRs is SE0001234568.

4.2 Ownership

Per 31 December 2024, one shareholder held more than 10% ownership interest. Dr. Peter Forsell held 46.6 % of the capital and 96.7 % of the votes on 31 December 2024.

5 Audit and Controls

The Board of Directors is responsible for the overall supervision and control of the Group and its management. The Board of Directors in particular monitors compliance with applicable law and regulations.

5.1 Statutory auditor

The statutory external auditors are elected by the General Meeting of Shareholders on an annual basis and have the powers and duties vested in them by law. The present statutory auditor is KPMG (Liechtenstein) AG. Lars Klossack is the responsible auditor. Mr. Klossack is an authorized public accountant and a member of the Liechtenstein Association of Chartered Accountants.

If the auditors discover violations of the law or the articles of association during their audit, they must report this in writing to the Board of Directors and, in important cases, to the General Meeting of Shareholders. The auditors are subject to the duty of confidentiality except in respect of the members of the board of directors and the other auditors.

The auditors meet with the Board of Directors without senior management, and the Audit Committee, on at least a yearly basis. In addition to a full audit of the financial year, the auditor performs a review of the first nine months (Q3).

5.2 Risk Assessment and Control

The company has established processes for risk assessment, in order to ensure that the risks the company is exposed to are handled within the risk management framework established by the Board of Directors.

Implantica has an internal control system in place to ensure that the financial resources of the organization are properly used, protected and recorded. The system determines, with reasonable assurance, that the financial reporting is reliable and prepared in accordance with generally accepted accounting practices, in compliance with applicable laws and regulations. The Board of Directors is ultimately responsible for internal control.

The Board of Directors has considered the need for an internal audit function but has taken the view that it is not currently warranted for Implantica. This due to the scope of the operations and because the Board of Directors' monitoring of the internal control is deemed sufficient to ensure that internal controls are effective. The Board of Directors is reviewing the need in the event of changes that may give rise to reevaluation and at least once annually.

Share information and shareholders

Implantica AG is a public company listed on Nasdaq First North Premier Growth Market through Swedish Depositary Receipts (SDRs) since 21 September 2020. One SDR represents one underlying Class A share in the company. The company has two share classes, Class A and Class B shares. Where Class B shares are not admitted for trading.

The SDR is included in the following indices: First North All-Share, First North Sweden 25, First North Health Care, and First North Sweden.

Share capital

The fully paid in share capital of the Group amounts to CHF 138,823 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).

Nasdaq First North and Certified Adviser

The Nasdaq First North Growth Market is an alternative market for Nordic growth companies designed primarily for small and medium-sized enterprises. Implantica's stock is traded in the segment Premier where requirements are higher. Among other things the company must undertake to follow the Swedish Code of Corporate Governance. First North Growth Market does not have the same legal status as a regulated market and its regulatory framework is less extensive than those applicable in the exchange's bigger markets.
Every company whose stock is traded on First North Growth Market Stockholm has a Certified Adviser who monitors the company's compliance with First North's regulations for the provision of information to the market and investors.
Implantica's appointed Certified Adviser FNCA Sweden AB, +46 (0)8 528 00 399, info@fnca.se.

Ticker information

Ticker: IMP A SDB
ISIN code: SE0014855029

Analyst coverage

Chien-Hsun Lee
Pareto Securities

The 10 largest shareholders as of December 31, 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 %

Source: Euroclear Sweden

Consolidated financial statements

Consolidated statement of profit or loss

in thousands of EUR	Notes	Jan to Dec 2024	Jan to Dec 2023
Net Sales		1,936	1,408
Cost of sales			
Amortisation of capitalised development costs	14	(1,227)	(1,227)
Other cost of sales	5	(156)	(90)
Total cost of sales		**(1,383)**	**(1,317)**
Gross profit		**553**	**91**
Other income		-	33
Impairment of development costs	14	(1,669)	-
Research and development costs	5	(12,188)	(7,016)
General and administrative costs	5	(12,162)	(14,948)
Operating loss		**(25,466)**	**(21,840)**
Financial income	7	1,927	701
Financial expenses	7	(98)	(3,289)
Loss before income taxes		**(23,637)**	**(24,428)**
Income taxes	8	(49)	(74)
Loss for the period		**(23,686)**	**(24,502)**
Attributable to			
Owners of Implantica AG		(23,333)	(23,744)
Non-controlling interests	22	(353)	(758)
Loss for the period		**(23,686)**	**(24,502)**
Earnings per share			
Basic and diluted loss per share Class A (in EUR)	18	(0.34)	(0.34)
Basic and diluted loss per share Class B (in EUR)	18	(0.00)	(0.00)

The notes on pages 68 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

in thousands of EUR	Notes	Jan to Dec 2024	Jan to Dec 2023
Loss for the period		**(23,686)**	**(24,502)**
Other comprehensive income			
Remeasurement of net defined benefit liability	20.3	46	(296)
Related income taxes		-	36
Total items that will not be reclassified to profit or loss		*46*	*(260)*
Translation differences	17.3	(1,469)	5,593
Total items that may be reclassified subsequently to profit or loss		*(1,469)*	*5,593*
Other comprehensive income for the period, net of tax		**(1,423)**	**5,333**
Total comprehensive income for the period		**(25,109)**	**(19,169)**
Attributable to			
Owners of Implantica AG		(24,756)	(18,411)
Non-controlling interests	22	(353)	(758)
Total comprehensive income for the period		**(25,109)**	**(19,169)**

The notes on pages 68 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

in thousands of EUR	Notes	31 Dec 2024	31 Dec 2023
ASSETS			
Current assets			
Cash and cash equivalents	9	64,552	87,922
Accounts receivable		589	432
Other current receivables	10	1,649	989
Inventories	11	226	311
Total current assets		**67,016**	**89,654**
Non-current assets			
Property, plant and equipment	12	234	273
Right-of-use assets	13.1	571	874
Intangible assets	14	35,292	38,163
Deferred tax assets	8.3	966	987
Total non-current assets		**37,063**	**40,297**
Total assets		**104,079**	**129,951**

in thousands of EUR	Notes	31 Dec 2024	31 Dec 2023
LIABILITIES AND EQUITY			
Current liabilities			
Trade payable		297	-
Financial liabilities	15	305	314
Financial liabilities due to ultimate main shareholder	15	1	1
Other current liabilities	16	2,694	3,431
Total current liabilities		**3,297**	**3,746**
Non-current liabilities			
Financial liabilities	15	290	584
Pension liability	20.1	334	575
Total non-current liabilities		**624**	**1,159**
Total liabilities		**3,921**	**4,905**
Equity			
Share capital	17.1	129,351	129,137
Capital reserves		370,548	370,548
Treasury share reserve	17.2	(71)	(2)
Translation differences	17.3	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	22	(2,578)	(2,225)
Total equity		**100,158**	**125,046**
Total liabilities and equity		**104,079**	**129,951**

The notes on pages 68 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

in thousands of EUR	*Notes*	Jan to Dec 2024	Jan to Dec 2023
Loss for the period		**(23,686)**	**(24,502)**
Adjustments for			
Depreciation, amortisation and impairment	12-14	3,300	1,624
Financial income	7	(1,927)	(701)
Financial expenses	7	98	3,289
Income taxes	8.1	49	74
Share-based compensation	19	221	187
Other financial result		(19)	(45)
Change in pension liabilities		72	(18)
Other non-cash items		(26)	(84)
Changes in net working capital			
Decrease / (increase) accounts receivable		(157)	(344)
Decrease / (increase) other current receivables		(660)	(123)
Decrease / (increase) inventories		85	(145)
(Decrease) / increase trade payable		297	-
(Decrease) / increase other current liabilities		(402)	880
Net cash outflow from operating activities		**(22,755)**	**(19,908)**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(36)	(87)
Investment in intangible assets	14	(406)	(3,742)
Interest received	7	787	675
Net cash inflow/(outflow) from investing activities		**345**	**(3,154)**

in thousands of EUR	*Notes*	Jan to Dec 2024	Jan to Dec 2023
Cash flows from financing activities			
Treasury shares acquired	17.2	-	(59)
Payment of lease liabilities	13.2	(257)	(305)
Interest paid	7	(48)	(27)
Repayment of financial liabilities	15	-	(40)
Net cash outflow from financing activities		**(305)**	**(431)**
Net increase/(decrease) in cash and cash equivalents		**(22,715)**	**(23,493)**
Effect of exchange rate fluctuations on cash held		(655)	2,464
Cash and cash equivalents at 1 January	9	87,922	108,951
Cash and cash equivalents at 31 December	**9**	**64,552**	**87,922**

The notes on pages 68 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

in thousands of EUR	*Notes*	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	17.2	214	-	(214)	-	-	-	-	-
Share-based compensation	19	-	-	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	*Notes*	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	17.2	-	-	(59)	-	-	(59)	-	(59)
Share-based compensation	19	-	-	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**

The notes on pages 68 to 89 are an integral part of these consolidated financial statements.

Notes

NOTE 1 General information

Implantica AG (the 'Company') is domiciled at Aeulestrasse 45, 9490 Vaduz, Liechtenstein. These consolidated financial statements ('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 financial statements were authorised for issue by the Company's Board of Directors on 14 April 2025. As of this date, no material events after the reporting date have occurred. The consolidated financial statements will be submitted for approval to the Annual General Meeting of Shareholders of Implantica AG, to be held on 15 May 2025.

NOTE 2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) as at 31 December 2024 and Liechtenstein Law.

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.

2.2 Going concern

These financial statements have been prepared on the going concern basis which assumes that the Group will continue in existence in the foreseeable future.

2.3 Basis of consolidation

Subsidiaries (Note 21) are all companies over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Intercompany balances, transactions and resulting unrealised income are eliminated in full except for foreign currency transaction gains or losses.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.4 Critical accounting estimates and judgements

The preparation of these 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.

2.5 Changes in accounting policies

The accounting policies applied in these 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 (i.e. previous financial year) except the changes of the following amended standards, that the Group applies as of 1 January 2024. However, the application of these amendments did not have a material impact on the Group's consolidated financial statements:

- Amendments to IAS 1 – Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IFRS 16 – Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

NOTE 3 Published financial reporting standards not yet applied

Several new accounting standards and interpretations have been published that are not mandatory for reporting periods ending 31 December 2024 and have not been early adopted by the Group. With the exception of the new standard IFRS 18 Presentation and Disclosure in Financial Statements these standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The group is currently assessing the impact of IFRS 18.

NOTE 4 Material accounting policies

4.1 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are converted to the functional currency of each reporting unit using the foreign exchange rate applicable at the transaction date. Assets and liabilities in foreign currencies are remeasured at each reporting date using the foreign exchange rate applicable at that date. Any foreign exchange rate differences are recognised in the consolidated statement of profit or loss.

Functional and presentation currency

The functional currency of a reporting unit is the currency of the primary economic environment in which the reporting unit operates. The functional currency of Implantica AG is Swiss franc (CHF). The consolidated financial statements are presented in EUR.
The financial information of reporting units that have a functional currency different from the presentation currency (foreign operations) are translated to EUR as follows:

- assets and liabilities using the rate applicable at each balance sheet date (closing rate); and
- income and expenses using the average rate of the period (average rate).

Foreign exchange gains or losses resulting from the translation of financial statements of foreign operations are recognised in other comprehensive income and presented separately in equity as "Translation differences".

Exchange rates applied to key foreign currencies:

		31 Dec		Jan to Dec	
Currency	Unit	2024	2023	2024	2023
		Closing rates	*Closing rates*	*Average rates*	*Average rates*
CHF	1	1.062	1.080	1.050	1.029
USD	1	0.963	0.905	0.924	0.925
SEK	100	8.727	9.012	8.749	8.722

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances at financial institutions and cash on hand.

4.3 Accounts receivable

Accounts receivable without a significant financing component are initially measured at the transaction price, and subsequently measured at amortised cost using the effective interest method less expected credit losses. The Group analyses the expected credit losses incurred in the past and estimates anticipated credit losses based on forward looking indicators.

4.4 Inventories

Inventories are measured at the lower of costs and net realisable value and consist of RefluxStop™ and deployment tools. Costs comprise costs of purchase plus any directly attributable costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after the deduction of rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary for the sale. Inventories are written-down to the net realisable value in the period in which the write-down occurs (e.g. due to low turnover).

4.5 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation expenses utilise the straight-line method over the estimated useful life of the assets. Assets are depreciated to their residual value. The following table summarises the respective useful lives used by the Group:

Asset category	Number of years
Furniture	8
Vehicles/Tools	5
IT/Hardware	5

The residual values and useful lives are reviewed at the end of each reporting period and adjusted if necessary. An asset's carrying amount is impaired to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit or loss.

4.6 Right-of-use assets and lease liability

The Group recognises a right-of-use asset (i.e. leased buildings) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use assets are periodically reduced by impairment losses, if any. The lease liabilities are initially measured at the present value of the future lease payments (incl. extension options reasonably certain to be exercised, if any), discounted using the incremental borrowing rate as the discount rate unless the rate implicit in the lease is readily determinable.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement

date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.7 Intangible assets

Development costs

Development activities involve a plan or design for the production of new or substantially improved products and processes. The development expenditure is capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the assets. Development expenditure capitalised includes the cost of materials, external services, personnel and temporary employees. Furthermore, patent costs are capitalised and include legal fees in filing of new applications and prosecuting applications. Renewable patent fees are capitalised until finalisation of the development process. Other development expenditure is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software

Expenditure on the implementation of software, including licenses and external consulting fees, which are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets. Costs associated with maintaining software programmes are recognised as an expense as incurred.

Amortisation and impairments

Amortisation is applied using the straight-line method over the estimated useful life of the intangible asset. Amortisation begins when the asset is available for use and for each period the amortisation is recognised in profit or loss.

The following table summarises the respective useful lives used by the Group:

Asset category	Number of years
Software	3
Development costs	10

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if necessary. Intangible assets not yet available for use (i.e. development costs) are tested for impairment at least annually and upon the occurrence of an indication of impairment.

Impairment charges of development costs not yet available for use are recognised within "Research and development costs" while amortisation charges of intangible assets available for use are recognised within "Cost of sales" in the consolidated statement of profit or loss.

4.8 Research costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

4.9 Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or to equity, in which case it is recognised in these positions, as appropriate. Current income tax is based on the taxable result for the period and any adjustment to tax payable in respect of previous periods. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the financial period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that at the time of the transactions affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off its current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.10 Provisions

The Group recognises a provision if it has a present legal or constructive obligation to transfer economic benefits as a result of past events and if a reasonable estimate of the obligation can be made and an outflow of resources is probable.

4.11 Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services. The Group mainly focuses on the sale of RefluxStop™, a medical device treating acid reflux. The products are sold to hospitals. Revenue is recognised at a point in time once the customer obtains control over the product (according to the different terms of delivery). Invoices are usually payable within 90 days.

4.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of the recognition. Trade and other payables are presented as current liabilities unless payment is not due with 12 months after the reporting period. They are recorded initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.13 Employee benefits – retirement and long-service leave benefit plans (IAS 19)

The Implantica Group joined a collective pension plan operated by an insurance company which covers the employees of Implantica Management AG, Zug, Switzerland, of Implantica Trading AG, Zug, Switzerland, as well as of Implantica AG, Vaduz, Liechtenstein. Both the Company and the participants provide monthly contributions to the pension plan which are based on the covered salary. The respective saving parts of premium are credited to employees' accounts. In addition, interest is credited to employees' accounts at the rate provided in the plan. The pension plan provides for retirement benefits as well as benefits on long-term disability and death. The pension plan qualifies as a defined benefit plan in accordance with IFRS. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

Actuarial Valuation Method: To determine the present value of the defined benefit obligation and the related current service cost and, where applicable, past service cost, the Projected Unit Credit Method has been used. This method is based on the amount of working years at the date of the actuarial valuation and considers the future by including:

- a discount rate
- the salary development and leaving probability up to the beginning of the benefit payment
- inflation adjustments for the years after the first payment for recurring benefits

The liability recognised in the balance sheet in regard to defined benefit retirement benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets for funded plans. The defined benefit obligation (DBO) is calculated annually by independent actuaries using the Projected Unit Credit Method, considering possible risk sharing rules stated in IAS 19. When the calculation results in a benefit to the Implantica Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. The components of defined benefit costs are as follows:

- Service costs, which are recognised in the consolidated statement of profit or loss within operating result
- Interest expense or income on net liability or asset, which is recognised in the consolidated statement of profit or loss within financial result
- Remeasurements, which are recognised in the consolidated statement of other comprehensive income statement of other comprehensive income

Service costs include current service costs, past service costs and gains or losses on plan curtailments and settlements. When the benefits of a plan are changed, or when a plan is curtailed or settled, the portion of the changed benefits related to employee service in prior periods (past service costs), or the gains or losses on curtailments and settlements, are recognised immediately in profit or loss when the plan amendments or curtailments and settlements occur. Interest expense or income is calculated by applying the discount rate to the net defined benefit liability or asset, considering any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments.

4.14 Share-based payment arrangements

The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The amount recognised as an expense is therefore adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met.

"Grant date" is the date at which the entity and the employee agree to a share-based payment arrangement, and requires that the entity and the employee have a shared understanding of the terms and conditions of the arrangement.

4.15 Segment Reporting

The Group focuses on the discovery, development and prospective commercialization of medical products and implants that are intended for use in different treatment fields like in the area of gastrointestinal surgery and urology. However, there is only one segment reported in a manner consistent with management reporting to the CEO, which is the chief operating decision-maker. All revenues recorded by the Group during the years ended 31 December 2024 and 2023 have been generated with RefluxStop™ in Switzerland.

NOTE 5 Operating expenses by nature

in thousands of EUR	*Notes*	Jan to Dec 2024	2023
Personnel expenses	6	7,859	7,273
Consulting expenses		13,179	11,412
Audit and accounting services[1]		523	540
Communication & IT		917	884
Marketing		1,021	939
Depreciation and amortisation		1,631	1,624
Impairment of development costs	14	1,669	-
Insurance, charges & capital taxes		150	145
Other operating expenses		453	464
Total operating expenses		**27,402**	**23,281**

NOTE 6 Personnel expenses

in thousands of EUR	*Notes*	Jan to Dec 2024	2023
Salaries and wages		5,534	5,066
Social security contributions		614	540
Pension defined benefit plans	20	207	140
Share-based compensation	19	221	187
Other personnel expenses		1,283	1,340
Total personnel expenses		**7,859**	**7,273**
Average number of employees		50	49
Average number of contract staff with employee like terms		24	29

[1] Group auditor fees related to the audit of the consolidated financial statements for the year ended 31 December 2024 amounted to approximately CHF 160 thousand (2023: CHF 160 thousand). In addition, the group auditor performed other audit-related services during the financial year 2024 amounting to approximately CHF 42 thousand (2023: CHF 42 thousand).

NOTE 7 Financial income and expenses

in thousands of EUR	*Notes*	Jan to Dec 2024	Jan to Dec 2023
Interest income		787	675
Foreign exchange gains		1,140	26
Total financial income		**1,927**	**701**
Interest expense		28	-
Bank charges		19	45
Interest expense on lease liabilities	13	20	27
Foreign exchange losses		31	3,217
Total financial expenses		**98**	**3,289**

NOTE 8 Income taxes

8.1 Income taxes in statement of profit or loss

in thousands of EUR	Jan to Dec 2024	Jan to Dec 2023
Current income tax expense/(income)	29	24
Deferred income tax expense/(income) from changes of temporary differences	20	50
Total income tax expense/(income)	**49**	**74**

8.2 Reconciliation of effective tax rate

in thousands of EUR	Jan to Dec 2024	Jan to Dec 2023
Loss before taxes	(23,637)	(24,428)
Group's weighted average tax rate	29.3%	28.1%
Income taxes at group's weighted average tax rate	**(6,930)**	**(6,856)**
Tax losses not capitalized	7,199	6,856
Utilisation of previously unrecognised tax losses	(240)	-
Derecognition of previously recognised deferred tax assets	20	50
Other	-	24
Income taxes reported	**49**	**74**
Effective tax rate	-0.2%	-0.3%

The tax rate of the Group is the weighted average tax rate obtained by applying the currently expected rate for each individual jurisdiction to its respective profit or loss before taxes. As a result of changes in the country mix of the profit before taxes, the Group's weighted average tax rate changed from 28.1% for the year ended 31 December 2023 to 29.3% for the year ended 31 December 2024.

8.3 Deferred income taxes

Deferred tax assets and liabilities are attributable to the following items:

	Jan to Dec 2024					
in thousands of EUR	Balance at 1 January	Recognised in P&L	Recognised in OCI	Recognised in Equity	Translation differences	Balance at 31 December
Intangible assets	987	(20)	-	-	(1)	966
Total deferred tax assets	**987**	**(20)**	**-**	**-**	**(1)**	**966**

	Jan to Dec 2023					
in thousands of EUR	Balance at 1 January	Recognised in P&L	Recognised in OCI	Recognised in Equity	Translation differences	Balance at 31 December
Intangible assets	988	(1)	-	-	-	987
Share-based compensation	-	(10)	-	-	10	-
Pension defined benefit plans	-	(39)	36	-	3	-
Total deferred tax assets	**988**	**(50)**	**36**	**-**	**13**	**987**

8.4 Tax loss carry-forward

	31 Dec			
	2024	2023	2024	2023
in thousands of EUR	Gross value		Potential tax benefits	
Tax loss carry-forward capitalised	**-**	**-**	**-**	**-**
Expiring in:				
1st to 3rd year	3,564	3,807	428	457
4th to 5th year	3,357	1,798	403	216
6th to 7th year	14,630	11,757	1,756	1,411
Unlimited	55,269	46,817	4,031	3,775
Tax loss carry-forward not capitalised	**76,820**	**64,179**	**6,618**	**5'859**
Total tax loss carry-forward	**76,820**	**64,179**	**6,618**	**5'859**

The tax loss carry-forward not capitalised refers to the losses in the Liechtenstein and the Malta entities as well as to the losses within the Swiss Companies. Losses carry forward in Liechtenstein and Malta could – according to local carry forward rules - be utilized for an unlimited time. Losses carry forward in Switzerland can be utilized up to seven years following the realization of the respective tax loss for corporate income tax purposes.

NOTE 9 Cash and cash equivalents and current financial assets

	31 Dec	
in thousands of EUR	2024	2023
Cash on hand	14	13
Cash at bank	64,538	87,909
Total cash and cash equivalents	**64,552**	**87,922**

NOTE 10 Other current receivables

	31 Dec	
in thousands of EUR	2024	2023
Current account due to shareholder	31	26
VAT and other tax receivables	577	320
Prepaid expenses and accrued income	1,041	643
Total other current receivables	**1,649**	**989**

NOTE 11 Inventories

	31 Dec	
in thousands of EUR	2024	2023
Semi-finished goods	130	111
Finished goods	96	200
Total inventories	**226**	**311**

NOTE 12 Property, plant and equipment

in thousands of EUR	Jan to Dec 2024 Furniture	IT Hardware	Vehicles & Tools	Total
At cost				
Balance at 31 December 2023	**199**	**362**	**33**	**594**
Additions	25	11	-	36
Translation differences	(1)	-	(1)	(2)
Balance at 31 December 2024	**223**	**373**	**32**	**628**
Accumulated depreciation				
Balance at 31 December 2023	**(90)**	**(200)**	**(31)**	**(321)**
Depreciation charge for the period	(24)	(49)	(1)	(74)
Translation differences	-	-	1	1
Balance at 31 December 2024	**(114)**	**(249)**	**(31)**	**(394)**
Net carrying amount				
Balance at 31 December 2023	**109**	**162**	**2**	**273**
Balance at 31 December 2024	**109**	**124**	**1**	**234**

in thousands of EUR	Jan to Dec 2023 Furniture	IT Hardware	Vehicles & Tools	Total
At cost				
Balance at 31 December 2022	**177**	**278**	**30**	**485**
Additions	12	72	3	87
Translation differences	10	12	-	22
Balance at 31 December 2023	**199**	**362**	**33**	**594**
Accumulated depreciation				
Balance at 31 December 2022	**(63)**	**(150)**	**(30)**	**(243)**
Depreciation charge for the period	(23)	(44)	(1)	(68)
Translation differences	(4)	(6)	-	(10)
Balance at 31 December 2023	**(90)**	**(200)**	**(31)**	**(321)**
Net carrying amount				
Balance at 31 December 2022	**114**	**128**	**-**	**242**
Balance at 31 December 2023	**109**	**162**	**2**	**273**

NOTE 13 Leases

13.1 Right-of-use assets

The Company leases three office buildings in Liechtenstein, Switzerland and Malta of which the ones in Liechtenstein and Malta are considered to be short-term leases.

	Jan to Dec	
in thousands of EUR	2024	2023
At cost		
Balance at 1 January	**1,524**	**1,687**
Derecognitions	-	(253)
Translation differences	(23)	90
Balance at 31 December	**1,501**	**1,524**
Accumulated depreciation		
Balance at 1 January	**(650)**	**(558)**
Depreciation charge for the period	(286)	(312)
Derecognitions	-	253
Translation differences	6	(33)
Balance at 31 December	**(930)**	**(650)**
Net carrying amount		
Balance at 1 January	**874**	**1,129**
Balance at 31 December	**571**	**874**

13.2 Lease liabilities

		Jan to Dec	
in thousands of EUR	*Notes*	2024	2023
Balance at 1 January		**898**	**1,145**
Lease payments (including accrued interest)		(305)	(332)
Accrued interest		20	27
Translation differences		(18)	58
Balance at 31 December		**595**	**898**
thereof included in current financial liabilities	*15*	305	314
thereof included in non-current financial liabilities	*15*	290	584

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at the inception of the lease. The weighted average incremental borrowing rate applied as at 31 December 2024 is 2.76% (2023: 2.76%).

13.3 Amounts recognised in profit or loss and total cash outflows

	Jan to Dec	
in thousands of EUR	2024	2023
Depreciation of right-of-use assets	286	312
Interest on lease liabilities	20	27
Expense relating to short-term leases	136	99
Total amount recognised in profit or loss	**442**	**438**

The Group had total cash outflows for leases of EUR 441 thousand during the year ended 31 December 2024 (2023: EUR 431 thousand).

NOTE 14 Intangible assets

The intangible assets consist of two categories including software and development cost for medical devices. Software is amortised over its useful life. RefluxStop™ became available for use in 2019 when the amortisation over its useful life started. All other products are not yet available for use and therefore not amortised but tested for impairment annually.

	Jan to Dec 2024		
in thousands of EUR	Development cost	Software	Total
At cost			
Balance at 31 December 2023	**44,206**	**331**	**44,537**
Additions	49	22	71
Translation differences	-	(3)	(3)
Balance at 31 December 2024	**44,255**	**350**	**44,605**
Accumulated depreciation			
Balance at 31 December 2023	(6,135)	(239)	(6,374)
Amortisation charge for the period	(1,227)	(44)	(1,271)
Impairments	(1,669)	-	(1,669)
Translation differences	-	1	1
Balance at 31 December 2024	**(9,031)**	**(282)**	**(9,313)**
Net carrying amount			
Balance at 31 December 2023	**38,071**	**92**	**38,163**
Balance at 31 December 2024	**35,224**	**68**	**35,292**

	Jan to Dec 2023		
in thousands of EUR	Development cost	Software	Total
At cost			
Balance at 31 December 2022	**40,871**	**223**	**41,094**
Additions	3,335	91	3,426
Translation differences	-	17	17
Balance at 31 December 2023	**44,206**	**331**	**44,537**
Accumulated depreciation			
Balance at 31 December 2022	**(4,908)**	**(209)**	**(5,117)**
Amortisation charge for the period	(1,227)	(17)	(1,244)
Translation differences	-	(13)	(13)
Balance at 31 December 2023	**(6,135)**	**(239)**	**(6,374)**
Net carrying amount			
Balance at 31 December 2022	**35,963**	**14**	**35,977**
Balance at 31 December 2023	**38,071**	**92**	**38,163**

Allocation of development cost to specific cash-generating units (CGU):

	31 Dec	
in thousands of EUR	2024	2023
RefluxStop™	4,908	6,135
Total development costs available for use	**4,908**	**6,135**
Active Implants	29,057	29,899
Hip Orthopaedics	1,259	1,259
Knee Orthopaedics	-	129
Endosurgical	-	649
Total development costs not yet available for use	**30,316**	**31,936**
Total development costs	**35,224**	**38,071**

The annual impairment test is performed by comparing the carrying value of each cash-generating unit (CGU) containing development cost of products not yet available for use with their recoverable amount. An impairment test for the other CGUs is performed if there is a triggering event, such as a significant decline in market conditions, adverse changes in technology, or evidence of obsolescence that suggests the carrying value may not be recoverable anymore. If the recoverable amount falls below the carrying value, an impairment loss is recognised. Implantica determines the recoverable amount by applying a value in use calculation on the basis of projected future free cash flows from cash-generation using the discounted cash flow (DCF) method. The values assigned to the key assumptions outlined further below represent management's assessment of the core product's commercialisation potential as well as future trends in the relevant industry and have been based on historical data from both external and internal sources.

Following the Group's decision to temporarily discontinue the development of specific products as part of its strategic realignment, an impairment charge of EUR 1,669 thousand was recognised in the current period across CGUs Active Implants, Knee Orthopaedics and Endosurgical. For CGU Active Implants, a partial impairment was recognised, which included a full impairment of development costs associated with the specific temporarily discontinued products. This impairment resulted from the strategic realignment and postponement of certain development activities rather than the annual impairment test, as the recoverable amount of CGU Active Implants remains above its carrying amount. The CGUs Knee Orthopaedics and Endosurgical were fully impaired as a direct outcome of the same strategic realignment and the associated temporary discontinuation of the development of all products within these CGUs. The CGUs Knee Orthopaedics and Endosurgical are relatively small and not considered core to the Group's operations.

For the 2024 impairment test, the company applied a risk-adjusted hurdle rate of 35% for the CGU Active Implants and 40% for the CGU Hip Orthopaedics as the discount rates to discount non-risk-adjusted future cash flows. This approach replaces the previous year's methodology, which used a weighted average cost of capital (WACC) of 12.34% for all CGUs in conjunction with risk-adjusted cash flows. The projected cash flows are derived from the business plan of Implantica considering the development status of each product and launch dates ranging from 2028 to 2029 within the CGU Active Implants and 2029 within the CGU Hip Orthopaedics. A two to three-year delay in these launch dates, with all other factors unchanged, may result in impairments. The terminal growth rate applied for all CGUs is 1.1%.

NOTE 15 Financial liabilities

		31 Dec	
in thousands of EUR	*Notes*	2024	2023
Lease liabilities	13.2	305	314
Total current financial liabilities		**305**	**314**
Current account due to founder (ultimate main shareholder)		1	1
Total current financial liabilities due to ultimate main shareholder		**1**	**1**
Lease liabilities	13.2	290	584
Total non-current financial liabilities		**290**	**584**

NOTE 16 Other current liabilities

	31 Dec	
in thousands of EUR	2024	2023
Liabilities due to related parties	10	11
Accounts payable	1,393	2,110
VAT and other tax payables	155	59
Accrued expenses and employee related accruals	1,012	1,183
Other current liabilities	124	68
Total other current liabilities	**2,694**	**3,431**

NOTE 17 Equity

17.1 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) (2023: 58,111,537) and 1,125,000,000 with a nominal value of CHF 0.02 each (Class B) (2023: 1,125,000,000). During the year ended 31 December 2024 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. The number of Class B shares remained unchanged during the period.

Authorized capital

The Board of Directors is authorised to increase the share capital at any time before 16 April 2026 by a maximum amount of CHF 15,785 thousand by issuing a maximum number of 7,892,307 fully paid in Class A shares with a nominal value of CHF 2.00 each. Increases of the share capital in partial amounts is permitted.

Conditional capital for financing purposes

The share capital may be increased by a maximum amount of CHF 13,500 thousand by issuing a maximum number of 6,750,000 fully paid in Class A shares with a nominal value of CHF 2.00 each upon exercise conversion rights or options in relation with convertible debt instruments, loans and similar forms of financing the Group. The conditions for granting the option and conversion rights shall be determined by the Board of Directors.

Conditional capital for employee share option plans

The share capital may be increased by a maximum amount of CHF 2,700,000 by issuing a maximum number of 1,350,000 fully paid in Class A shares with a nominal value of CHF 2.00 each upon exercise of employee share options issued to employees (Note 19).

17.2 Treasury shares

The reserve for the Group's treasury shares comprises the cost of the Company's shares held by the Group. At 31 December 2024, the Group held 33,159 (31 December 2023: 1,305). The treasury shares reserve is measured applying the "first in first out" (FIFO) method.

		Jan to Dec			
		2024	2023	2024	2023
in number of shares / thousands of EUR	*Notes*	Number of Class A shares		Treasure shares reserve	
Held by the Group at 1 January		**1,305**	**-**	**2**	**-**
Capital increase		100,000	-	214	-
Acquisition of own shares		-	30,000	-	59
Settlement of vested share based payment plans	19	(68,146)	(28,708)	(145)	(57)
Other		-	13	-	-
Held by the Group at 31 December		**33,159**	**1,305**	**71**	**2**

17.3 Translation difference

During the year ended 31 December 2024 the EUR/CHF exchange rate decreased from 1.080 to 1.062 (2023: from 1.015 to 1.080). As a result, the group recognised a total loss of EUR 1,469 thousand in other comprehensive income related to the translation of financial statements of foreign operations and net investments in foreign operations (Note 4.1) (2023: profit of 5,593 thousand).

NOTE 18 Earnings per share

	Jan to Dec	
in thousands of EUR	2024	2023
Loss for the period attributable to owners of Implantica AG	**(23,333)**	**(23,744)**
Weighted average % of Class A share capital in total share capital	83.8%	83.8%
Weighted average % of Class B share capital in total share capital	16.2%	16.2%
Class A shares		
Loss for the period attributable to Class A shareholders	(19,549)	(19,892)
Weighted average number of outstanding Class A shares	58,111,738	58,090,580
Basic and diluted (loss) per share Class A (in EUR)	**(0.34)**	**(0.34)**
Class B shares		
Loss for the period attributable to Class B shareholders	(3,784)	(3,852)
Weighted average number of Class B shares	1,125,000,000	1,125,000,000
Basic and diluted (loss) per share Class B (in EUR)	**(0.00)**	**(0.00)**

Earnings per category of shares

Earnings per class of shares (Note 17) 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 held by the Group).

Anti-dilutive effect of potential outstanding shares

The impact of share-based payments arrangements (Note 19) was not considered in the diluted earnings per share calculation for Class A shares 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.

NOTE 19 Share-based compensation

The Group has committed to equity settled share-based compensation plans to members of the Board of Directors and employees who distinguished themselves by a particular strong commitment to the Group. The total share-based payment expense recognised by the Group is EUR 221 thousand for the year ended 31 December 2024 (2023: EUR 187 thousand).

Share options plans

Grant date	Number of share options	Vesting conditions	Contractual life of options	Fair value at grant date
Members of the BoD				
1 Apr 2020	28,135	5 years' service from grant date (annual vesting of 7,235 share options)	Expire on 1 Apr 2026[1)]	CHF 6.30
1 Apr 2020	8,040	5 years' service from grant date (annual vesting of 7,235 share options)	Expire on 1 Apr 2025	CHF 6.30
Executive management				
1 Jan 2019	29,000	5 years' service from grant date (annual vesting of 5,800 share options)	Expire on 1 Apr 2026[1)]	CHF 5.00
1 Feb 2020	75,000	5 years' service from grant date (annual vesting of 15,000 share options)	Expire on 1 Apr 2026[1)]	CHF 6.30
31 Jul 2020	13,375	0 to 4 years' service from grant date (annual vesting of 2,771 share options)	Expire on 1 Apr 2026[1)]	CHF 6.30
Total share options	**153,550**			
thereof exercised	*15,825*			
thereof outstanding	*137,725*			

[1)] *During the financial year the expiration date was extended to 1 April 2026. Due to the exercise price of CHF 0 no additional fair value was granted.*

The key terms and conditions related to these grants are as follows:

- all options are settled by delivery of fully paid in Class A Implantica AG shares
- the shares are delivered free of charge (i.e. exercise price CHF 0)

137,725 of the above Class A share options are outstanding as at 31 December 2024 (2023: all), of which 135,916 are exercisable (2023: 97,971).

Other share based payment plans

Grant date	Description	Vesting conditions	Granted number of shares[1]	Granted amounts in thousands[1]
Other employees				
2022	Fixed number of shares with a fair value of EUR 6.34 each vesting over a period of time.	5 years' service from grant date with annually vesting one fifth of the granted number of shares	63,811 (25,530)	CHF 418 (CHF 167)
2022	Number of share options issued annually calculated by USD 100 thousand divided by the average share closing price over a 15-day period immediately prior to the annual vesting date, which is also the strike price of the options. The options have a lifetime of 6 to 10 years after vesting date.	5 years' service from grant date with annually vesting shares with a fair value of USD 100 thousand	N/A	USD 131
2022	Number of shares to be issued annually are calculated by dividing one fifth of the granted amount by the average share closing price over a 15-day period immediately prior to the annual vesting date.	5 years' service from grant date with annually vesting one fifth of the granted amount	N/A	EUR 75 CHF 105[3] (CHF 30)
2023	Number of shares to be issued annually are calculated by dividing one fifth of the granted amount by the average share closing price over a 15-day period immediately prior to the annual vesting date.	5 years' service from grant date with annually vesting one fifth of the granted amount	N/A	EUR 50 USD 160 (USD 10)
2024	Number of shares to be issued annually are calculated by dividing one fifth of the granted amount by the average share closing price over a 15-day period immediately prior to the annual vesting date.	0 to 5 years' service from grant date with annually vesting one fifth of the granted amount[4]	N/A	EUR 5 CHF 30 USD 75 (USD 30)

[1] Granted number of shares less issued shares in brackets
[2] Granted amount less amount for which shares were already issued in brackets
[3] During the financial year a total amount of CHF 45k was forfeited for which EUR 34k of previously recognised costs were reversed
[4] A total amount of EUR 63 thousand immediately vested as at the grant date

As at 31 December 2024 a total number of 78,990 Class A shares vested, of which 44,277 were issued during the financial year (2023:NIL).

Measurement of fair values

All equity-settled transactions are measured at fair value at grant date and recognised as expense over the vesting period.
For the estimated fair value calculation at grant date for all options listed above an expected dividend, a risk-free interest rate and an exercise price of zero was used.

NOTE 20 Retirement benefit assets and liabilities

Pension plans and their benefits are governed in Switzerland by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. Pension plans are regulated by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

The employer has to arrange for an affiliation contract with a pension fund to comply with legal requirements.

Although, the insurance plan is contribution-based, the plan contains a cash balance benefit formula. Under Swiss law, the collective foundation guarantees the vested benefit amount as confirmed annually to members. Interest may be added to member balances at the discretion of the collective foundation. At the retirement date, members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the balance converted to a fixed annuity at the rates defined in the rules of the collective foundation.

As the pension plan qualifies as a defined benefit plan under IAS 19, the Group engaged an independent actuary to prepare the actuarial measurements required for financial reporting purposes. The actuarial measurement method calculates the liabilities based on the projected unit credit method whereas the plan assets are measured at fair value.

20.1 Amounts recognised in statement of financial position

	31 Dec	
in thousands of EUR	2024	2023
Defined benefit obligation	1,763	2,779
Fair value of plan (assets)	(1,429)	(2,204)
Net defined benefit obligation	**334**	**575**

The expected employer contributions to the defined benefit plan within the next 12 months is EUR 99 thousand (2023: EUR 173 thousand). The weighted average duration of the defined benefit plan obligation as of 31 December 2024 is 17.4 years (2023: 16.3 years).

20.2 Amounts recognised in profit or loss

	Jan to Dec	
in thousands of EUR	2024	2023
Current service cost	199	154
Past service cost	(2)	(21)
Interest expense on defined benefit obligation	33	46
Interest (income) on plan assets	(24)	(40)
Administration cost excl. cost for managing plan assets	1	1
Total expense of defined benefit plans recognised in profit or loss	**207**	**140**
thereof service cost and administration cost	199	134
thereof net interest on the net defined benefit liability (asset)	8	6

20.3 Amounts recognised in other comprehensive income

	Jan to Dec	
in thousands of EUR	2024	2023
Actuarial (gain)/loss from:		
Changes in financial assumptions	138	190
Changes in demographic assumptions	-	(2)
Experience adjustments to denied benefit obligation	(270)	129
Total actuarial (gain)/loss	**(132)**	**317**
Return on plan assets (excluding amount recognised in profit or loss)	(35)	-
Others	121	(21)
Total expense/(income) of defined benefit plans recognised in other comprehensive income	**(46)**	**296**

20.4 Changes in the present value of the defined benefit obligations

	Jan to Dec	
in thousands of EUR	2024	2023
Defined benefit obligation at 1 January	**2,779**	**1,722**
Interest expense on defined benefit obligation	33	46
Current service cost	199	154
Past service cost	(2)	(21)
Contributions by plan participants	137	158
Benefits (paid) / deposited	(1,075)	247
Administration cost (excl. cost for managing plan assets)	1	1
Actuarial (gain) / loss	(132)	317
Others	(121)	-
Translation differences	(56)	155
Defined benefit obligation at 31 December	**1,763**	**2,779**

20.5 Changes in the fair value of plan assets

	Jan to Dec	
in thousands of EUR	2024	2023
Fair value of plan assets at 1 January	**2,204**	**1,455**
Interest income on plan assets	24	40
Contributions by the employer	137	158
Contributions by plan participants	137	158
Benefits (paid) / deposited	(1,075)	247
Return on plan assets excl. interest income	35	21
Translation differences	(33)	125
Fair value of plan assets at 31 December	**1,429**	**2,204**

The insurance company bearing the investment risk is also making these investments on behalf of the foundation. As a result, the assets of the Swiss plan consist of a receivable from the insurance policy.

20.6 Key actuarial assumptions

	31 Dec	
in thousands of EUR	2024	2023
Discount rate	1.00%	1.40%
Interest rate on retirement savings capital	1.25%	1.40%
Expected rate of salary increases	3.00%	2.00%
Mortality tables used	BVG2020 GT	BVG2020 GT

20.7 Sensitivity analysis

Changes of significant assumptions would have the following impact on the defined benefit obligation:

	31 Dec	
in thousands of EUR	2024	2023
Discount rate decrease by 25 bps	79	115
Discount rate increase by 25 bps	(73)	(108)
Expected rate of salary increase decreases by 25 bps	(13)	(21)
Expected rate of salary increase increases by 25 bps	14	21
Life expectancy increase by 1 year	25	32
Life expectancy decrease by 1 year	(25)	(33)

NOTE 21 List of consolidated subsidiaries

				31 Dec	
Registered name	Country of incorporation	Principal activities[1]	Share capital in thousand	2024	2023
Implantica Group Holding Ltd.	Malta	Holding	EUR 790,000	100%	100%
Implantica CE Reflux Ltd.	Malta	R&D	EUR 1.2	100%	100%
Implantica CE UriControl Ltd.	Malta	R&D	EUR 1.2	100%	100%
Implantica Marketing Ltd.	Malta	D&M	EUR 1.2	100%	100%
Implantica Patent Ltd.	Malta	Patent	EUR 1.2	100%	100%
Implantica Management AG	Switzerland	Management	CHF 100	100%	100%
Implantica Trading AG	Switzerland	D&M	CHF 100	100%	100%
Implantica Inc.	USA	D&M	USD 1	100%	100%
MedicalTree Swiss AG	Liechtenstein	Holding	CHF 79,500	51%	51%
MedicalTree Group Holding Ltd.	Malta	Holding	EUR 265,001.2	51%	51%
MedicalTree Patents Ltd.	Malta	Patent	EUR 1.2	51%	51%
MedicalTree CE & Production Ltd.	Malta	R&D	EUR 1.2	51%	51%
MedicalTree Distribution Ltd.	Malta	D&M	EUR 1.2	51%	51%
MedicalTree Marketing Ltd.	Malta	D&M	EUR 1.2	51%	51%
Implantica Iberia SLU [2]	Spain	D&M	EUR 3.1	100%	100%

[1] R&D = Research and development; D&M = Distribution and marketing

[2] The Group incorporated in April 2023 the new distribution and marketing subsidiary Implantica Iberia SLU in Spain

NOTE 22 Non-controlling interests

The Group's non-controlling interests relate to 49% of the capital and voting rights of the MedicalTree Swiss AG Group (refer to list of companies in Note 21). The following table summarises the financial information of the MedicalTree Swiss AG Group:

	31 Dec	
in thousands of EUR	2024	2023
Net assets attributable to non-controlling interests		
Current assets	92	96
Non-current assets	7,119	7,123
Current liabilities	(754)	(210)
Non-current liabilities	(11,718)	(11,550)
Net assets	**(5,261)**	**(4,541)**
Net assets attributable to non-controlling interests	*(2,578)*	*(2,225)*
Total comprehensive income allocated to non-controlling interests		
Operating result	(545)	(1,103)
Financial result	(173)	(441)
Loss for the year and total comprehensive income	**(718)**	**(1,544)**
Loss for the year and total comprehensive income allocated to non-controlling interests	*(353)*	*(758)*
Cash flows allocated to non-controlling interests		
Cash flows from operating activities	(739)	(531)
Cash flows from investing activities	0	(1)
Cash flows from financing activities	741	(40)
Net increase (decrease) in cash and cash equivalents	**2**	**(572)**

NOTE 23 Related parties

23.1 Transactions and balances

	31 Dec	
in thousands of EUR	2024	2023
Other current receivables due to founder (ultimate main shareholder)	31	26
Current financial liabilities due to founder (ultimate main shareholder)	(1)	(1)
Other current liabilities due to companies controlled by members of the BoD	-	(8)
Other current liabilities due to members of the BoD	(10)	(3)
Total net receivables due from/ (liabilities) due to related parties	**20**	**14**

Other current liabilities due to companies controlled by members of the Board of Directors (BoD) relate to legal counselling as well as to administrative work in relation to the development activities of the Group. The services purchased from related parties amounted to EUR 57 thousand for the year ended 31 December 2024 (2023: EUR 68 thousand).

23.2 Key management compensation

	Jan to Dec	
in thousands of EUR	2024	2023
Short-term benefits	96	138
Share-based compensation	10	25
Total compensation to members of the Board of Directors (BoD)	**106**	**163**
Short-term benefits	800	780
Share-based compensation	21	57
Total compensation to members of the Group Executive Board	**821**	**837**
Total compensation to members of the BoD and the Group Executive Board	**927**	**1,000**

NOTE 24 Financial risk management

24.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash at bank and fixed term deposits.

The Group mitigates the credit risk by assessing the credit risk of counter parties for material transactions.

The carrying amounts of cash at bank and other financial assets (excluding prepaid expenses and tax balances) exposed to credit risk:

	31 Dec	
in thousands of EUR	2024	2023
Cash at bank	64,538	87,909
Accounts receivable	589	432
Other current receivables	31	26
Total carrying amount of financial assets	**65,158**	**88,367**

The Standard & Poor's credit rating of the counterparties is as follows:

	31 Dec	
in thousands of EUR	2024	2023
A- to A+	64,264	87,699
Without rating	894	668
Total carrying amount of financial assets	**65,158**	**88,367**

24.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation. The expected cash outflows of the Group's financial liabilities is outlined in the following tables.

	As at 31 December 2024			
	Maturities			
in thousands of EUR	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Carrying amount
Trade payable	297	-	-	297
Other current liabilities	2,361	-	-	2,361
Current account due to founder	1	-	-	1
Lease liabilities	305	305	-	595
Total financial liabilities	**2,964**	**305**	**-**	**3,254**

	As at 31 December 2023			
	Maturities			
in thousands of EUR	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Carrying amount
Other current liabilities	3,177	-	-	3,177
Current account due to founder	1	-	-	1
Lease liabilities	314	310	310	898
Total financial liabilities	**3,492**	**310**	**310**	**4,076**

24.3 Market risk

Foreign exchange risk

The following exposure to foreign currency risks existed as of 31 December 2024 and 2023 in relation to financial instruments:

	31 December 2024				
in thousands of EUR	EUR	CHF	SEK	Other	Total
Financial assets					
Cash at bank	48,196	22	8,783	8	57,009
Accounts receivable	-	43	-	104	147
Total financial assets	**48,196**	**65**	**8,783**	**112**	**57,156**
Financial liabilities					
Trade payable	-	-	228	-	228
Other current liabilities	38	396	260	133	827
Total financial liabilities	**38**	**396**	**488**	**133**	**1,055**

	31 December 2023				
in thousands of EUR	EUR	CHF	SEK	Other	Total
Financial assets					
Cash at bank	63,802	23	14,602	70	78,497
Accounts receivables	-	52	-	118	170
Total financial assets	**63,802**	**75**	**14,602**	**188**	**78,667**
Financial liabilities					
Other current liabilities	6	525	595	185	1,311
Total financial liabilities	**6**	**525**	**595**	**185**	**1,311**

The following sensitivity analysis presents the profit or loss impact of a reasonably possible change of foreign exchange rates used for the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, particularly the interest rate level, remain constant.

	Jan to Dec	
in thousands of EUR	2024	2023
CHF (strengthening by 5%)	(2,424)	(3,212)
CHF (weakening by 5%)	2,424	3,212
SEK (strengthening by 5%)	415	700
SEK (weakening by 5%)	(415)	(700)

Interest rate risk

The Group is as of 31 December 2024 not exposed to negative interest rates charged on cash at bank and does not have any interest-bearing liabilities outstanding. A reasonable possible change of 50 basis points in interest rates at the reporting date would have increased/(decreased) loss by EUR 323 thousand (2023: EUR 440 thousand).

24.4 Capital management

The directors aim to maintain a strong capital base to sustain future development of the business. The directors monitor the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. There were no changes in the Group's approach to capital management during the period. The Group is not subject to externally imposed capital requirements. The equity ratio as of 31 December 2024 is 96.2% (2023: 96.2%).

NOTE 25 Financial assets and financial liabilities

The following table shows the classification and carrying amounts of financial instruments held:

	31 Dec	
in thousands of EUR	2024	2023
Financial assets measured at amortised cost		
Cash at bank	64,538	87,909
Accounts receivable	589	432
Other current receivables	31	26
Total financial assets	**65,158**	**88,367**
Financial liabilities measured at amortised cost		
Trade payable	297	-
Financial liabilities	596	899
Other current liabilities	2,361	3,177
Total financial liabilities	**3,254**	**4,076**

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. At 31 December 2024 and 31 December 2023, the carrying amounts of financial assets and liabilities equal its fair values based on their nature and maturity or due date.

The Group has no financial assets or liabilities valued at fair value other than those quoted or with prices in active markets. Therefore, no other techniques have been applied by the Group. The company has no financial assets or liabilities that are measured at fair value through profit or loss or at fair value through other comprehensive income.

Auditors report

KPMG

Independent Auditor's Report

To the Board of Directors on the Consolidated Financial Statements of Implantica AG, Vaduz

Opinion

We have audited the consolidated financial statements of Implantica AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statements (pages 64 to 89) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and the provisions of Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF CAPITALIZED DEVELOPMENT COSTS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG (Liechtenstein) AG
Vaduz, 14 April 2025

KPMG

VALUATION OF CAPITALIZED DEVELOPMENT COSTS

Key Audit Matter	Our response
Capitalized development costs amounted to EUR 35.2 million (prior year: EUR 38.1 million) as of 31 December 2024, and include costs of both on-going and completed product developments. An impairment assessment is carried out for all development costs when there is any indication of possible impairment, with capitalized costs related to on-going product developments being tested for impairment at least annually. The impairment assessment requires management to make key assumptions such as forecasts of cash flows, growth rates and discount rates.	Our audit procedures included, among others, challenging the reasonableness of key assumptions made by management, including forecasts of cash flows, growth rates and discount rates. We compared management's assumptions with external data where it was available and performed retrospective reviews to assess the accuracy of previous projections. We also interviewed senior management in order to understand and challenge the key assumptions. We used our valuation specialists to assist us in evaluating certain assumptions including discount rates and in testing the arithmetic accuracy of the valuation model. They also supported us in performing sensitivity analysis to assess the level of sensitivity to certain key assumptions, so that we could particularly focus on those areas and assess management's allowance for risk.

For further information on the valuation of capitalized development costs refer to the following:

- Note 2.4 Critical accounting estimates and judgements
- Note 4.7 Material accounting policies
- Note 14 Intangible assets

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and the provisions of Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or the Risk & Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or the Risk & Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or the Risk & Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG (Liechtenstein) AG

Lars Klossack
Chartered Accountant

Bruno Casutt
Chartered Accountant

Vaduz, 14 April 2025

KPMG (Liechtenstein) AG, Aeulestrasse 2, LI-9490 Vaduz

Financial statements

Balance sheet

in CHF	Notes	31 December 2024	31 December 2023
ASSETS			
A. Non-current assets			
I. Tangible assets		2,814	4,301
II. Financial assets	3		
1. Shares in affiliated companies		56,911,094	56,911,094
2. Loans to affiliated companies		1	1
Total financial assets		56,911,095	56,911,095
Total non-current assets		**56,913,909**	**56,915,396**
B. Current assets			
I. Receivables			
1. Receivables from affiliated companies		989,867	1,578,657
2. Other receivables		418,048	156,138
Total receivables		*1,407,915*	*1,734,795*
II. Securities			
1. Treasury shares	4	*2,432*	*2,432*
III. Cash at bank		*59,927,892*	*79,806,726*
Total current assets		**61,338,239**	**81,543,953**
C. Prepaid expenses and accrued income		**39,354**	**52,931**
Total assets		**118,291,502**	**138,512,280**

in CHF	Notes	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
A. Equity			
I. Share capital	5.1	*138,923,074*	*138,723,074*
II. Capital reserves		*407,505,509*	*407,505,509*
III. Loss carried forward		*-407,883,737*	*-302,048,981*
IV. Loss for the period		*-20,394,813*	*-105,834.756*
Total equity		**118,150,033**	**138,344,846**
B. Provisions			
1. Tax provisions		1,800	1,800
Total provisions		**1,800**	**1,800**
C. Payables			
1. Trade accounts payable		111,682	118,426
2. Payables to affiliated companies		0	789
3. Other payables		8,190	8,219
Total payables		**119,872**	**127,434**
(of which with a remaining term < 1 year)		*119,872*	*127,434*
D. Accrued expenses		**19,797**	**38,200**
Total equity and liabilities		**118,291,502**	**138,512,280**

Financial statements

Income statement

in CHF	*Notes*	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
1. Other operating income	6	10,048,652	2,218,292
2. Personnel expenses			
a) Wages and salaries		-492,426	-482,629
b) Social security and pension expenses		-66,301	-54,202
(thereof pension expenses)		*(-13,888)*	*(-13,207)*
3. Other operating expenses	7	-9,648,539	-6,134,276
4. Interest income from affiliated companies		1,992,646	1,740,835
5. Impairment losses on financial assets and securities	3	-22,227,045	-103,120,976
6. Loss before taxes		**-20,393,013**	**-105,832,956**
7. Income taxes		-1,800	-1,800
8. Loss for the period		**-20,394,813**	**-105,834,756**

Notes to the financial statements

NOTE 1 General information

Implantica AG (the "Company") is domiciled at Aeulestrasse 45, 9490 Vaduz.

NOTE 2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Liechtenstein Persons and Companies Act ("PGR").

2.2 Foreign currency

Monetary current assets and liabilities denominated in foreign currencies are translated into CHF at the exchange rate at the balance sheet date. Monetary non-current assets in foreign currencies are measured at the exchange rate at the date of the transaction or at the exchange rate at the balance sheet date if lower.

2.3 Financial assets

In accordance with the principle of individual valuation, shares in affiliated companies and loans to affiliated companies are carried at cost. In case of an impairment, the impairment loss based on the estimated fair value is recognized. If the reason for the impairment no longer exists in subsequent years, the impairment is reversed up to an amount that may not exceed the acquisition cost.

2.4 Receivables and cash at bank

These are generally carried at a nominal value. For general credit risks, appropriate valuation allowances are recognized.

NOTE 3 Loans to and shares in affiliated companies

The Company directly holds the following investments:

Company	Country	Share in capital and voting rights	Carrying amount at 31 December 2024	Carrying amount at 31 December 2023
Implantica Group Holding Limited	Malta	100%	227,411,274	227,411,274
Implantica Management AG	Switzerland	100%	69,000	69,000
MedicalTree Swiss AG	Liechtenstein	51%	127,651,470	127,651,470
Subtotal			**355,131,744**	**355,131,744**
Accumulated Impairment			-298,220,650	-298,220,650
			56,911,094	**56,911,094**

Impairment of loans to and shares in affiliated companies.

In 2024, Implantica AG recognized an impairment of its loans to affiliated companies of CHF 22,227,045.

Notes to the financial statements

NOTE 4 Treasury Shares

	Number of treasury shares	Transaction price in CHF	Par value in CHF	Share in capital
Balance as of 1 January 2024	1,305	-	2.00	0.00%
Balance as of 31 December 2024	1,305	-	2.00	0.00%

NOTE 5 Equity

5.1 Share capital

The share capital of the company was increased by CHF 200'000 from CHF 138'723'074 to CHF 138'923'074 through the issuance of 100'000 Class-A shares to be fully paid up with a nominal value of CHF 2.00 each.

At 31 December 2024 the share capital amounts to CHF 138,923,074 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).

Authorized capital

The Board of Directors is authorized to increase the share capital at any time before 16 April 2026 by a maximum amount of CHF 15,784,614 by issuing a maximum number of 7,892,307 fully paid in Class A shares with a nominal value of CHF 2.00 each. Increases of the share capital in partial amounts is permitted.

Conditional capital for financing purposes

The share capital may be increased by a maximum amount of CHF 13,500,000 by issuing a maximum number of 6,750,000 fully paid in Class A shares with a nominal value of CHF 2.00 each upon exercise conversion rights or options in relation with convertible debt instruments, loans and similar forms of financing the Company. The conditions for granting the option and conversion rights shall be determined by the Board of Directors.

Conditional capital for employee share option plans

The share capital may be increased by a maximum amount of CHF 2,700,000 by issuing a maximum number of 1,350,000 fully paid in Class A shares with a nominal value of CHF 2.00 each upon exercise of employee share options issued to employees.

5.2 Proposed appropriation of available earnings

The Board of Directors proposes to carry forward the loss for the period to the next financial year.

NOTE 6 Other operating income

Other operating income comprises mainly foreign exchange differences on cash at bank.

NOTE 7 Other operating expenses

in CHF	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Consulting costs	-50,551	-45,806
Management fees	-567,963	-641,463
Foreign exchanges losses	-8,247,413	-4,581,239
Miscellaneous	-782,611	-865,768
Total other operating expenses	**-9,648,539**	**-6,134,276**

NOTE 8 Average number of employees

In 2024 Implantica AG employed 2.26 FTEs in average compared 3.68 FTEs in 2023.

Auditors report

Statutory Auditor's Report

to the General Meeting of **Implantica AG, Vaduz**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Implantica AG (Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 92 to 96) give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF LOANS TO AND SHARES IN AFFILIATED COMPANIES

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG (Liechtenstein) AG
Vaduz, 14 April 2025

VALUATION OF LOANS TO AND SHARES IN AFFILIATED COMPANIES

Key Audit Matter

As of 31 December 2024 the Company had shares in affiliated companies in the carrying amount of CHF 56.9 million (prior year: CHF 56.9 million). These investments are stated at cost less necessary impairment losses. Loans to affiliated companies were fully impaired as of 31 December 2024.

During 2024 the market capitalization of the Company significantly increased. The management performed an impairment test which primarily bases on the Company's market capitalization. Given the results of this impairment test and considering the underlying development of the business an impairment assessment has been performed. Due to the inherent uncertainty in this assessment and the size of these financial assets, this is a key area of our audit.

Our response

Our audit procedures included, among other, assessing the reasonability of the impairment test model used by management and its arithmetic accuracy. We did that with the support of our valuation specialists. We further assessed the reasonability of the implied enterprise value used in the impairment calculation considering the Company's market capitalization as of 31 December 2024 and management's impairment assessment performed thereon.

For further information on the valuation of loans to and shares in affiliated companies refer to:

Note 2.3 Financial assets

Note 3 Loans to and shares in affiliated companies

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or the Risk & Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or the Risk & Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied .

From the matters communicated with the Board of Directors or the Risk & Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with Liechtenstein law and the articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG (Liechtenstein) AG

Lars Klossack
Chartered Accountant
Auditor in Charge

Bruno Casutt
Chartered Accountant

Vaduz, 14 April 2025

KPMG (Liechtenstein) AG, Aeulestrasse 2, LI-9490 Vaduz

Risk Factors 1/3

Risks relating to the Company's operations and its industry

The Company is an early-stage commercial company that has incurred losses since its inception and expects to continue incurring losses and negative cash flows and may not be able to achieve or maintain profitability. The only product approved to be sold is RefluxStop™ where commercialization began with a pre-launch phase in June 2018. Over the near to medium term, the Company expects that any revenue generated will be derived entirely from sales of RefluxStop™. Therefore, the Company will depend heavily on the success of RefluxStop™ to generate revenue and enable financing of operations and further growth.

Many of Implantica's products use novel concepts and treatment methods. If the products or treatment methods turn out to be ineffective in the long term or cause serious side effects, the Company's reputation could suffer, and revenue and profitability could decline. Furthermore, the Company could incur significant civil liabilities, and in many jurisdictions, claims for bodily harm that the users of the products may suffer are not subject to a statute of limitations. Shortcomings and adverse events may also cause a less favorable re-assessment of risks and benefits of the Company's products by the regulatory authorities. Product replacements leading even to removal of an implant by explantation are inherently costly in the case of implants. The Company may also be required to withdraw a product altogether from the market.

Once a CE mark or other relevant regulatory approvals or clearances have been obtained, the Company needs to adhere to specific regulations on quality systems, notably to ISO standards regarding quality systems applicable for example in the EEA and Switzerland and or the Quality System Regulation ("QSR") and Current Good Manufacturing Practices for Medical Devices (CGMP) applicable in the United States. These regulations are comprehensive and complex and apply to the design, testing, production, control, quality assurance, labeling, packaging, storage and shipping of the Company's products. Failures in handling of the Company's quality system may lead to delays in production, significant expenses and/or cause the relevant regulatory authorities to withdraw the CE mark and other clearances and approvals. Serious incidents could lead to product recalls or may force the Company to replace or withdraw products.

The Company may encounter significant obstacles in the process of obtaining CE marks, product approvals and recertifications for its development devices and designs, in particular in relation to the relevant EU notified body. Compliance with certain regulatory requirements is a prerequisite to be able to affix the CE mark to a product, without which a product cannot be marketed or sold in the EEA. The numerous obstacles in the CE marking and approval process may result in denial or delay on the part of the notified body to accept evidence or test results presented to underpin the safety and performance of the Company's development devices, and the relevant notified body can cancel or refuse to renew certifications.

The Company may not be able to obtain FDA or Institutional Review Board (IRB) clearance/approval to undertake clinical trials for any new devices the Company intends to market in the United States. Such trials are typically significantly more extensive and costly than trials for CE marking. In addition, if the clinical study involves a "significant risk" (as defined by the FDA) to human health, the sponsor of the investigation must also submit and obtain FDA approval/clearance of an Investigational Device Exemption, or IDE, application. The Company's development devices are likely to be considered a significant risk device requiring IDE approval prior to investigational use. Failure to obtain such relevant approvals or to comply with regulations could have a material adverse effect on the Company's business, financial condition and results of operations. It is uncertain whether clinical trials will meet desired endpoints, produce meaningful or useful data and be free of unexpected adverse effects, or that the FDA will accept the validity of foreign clinical study data, and such uncertainty could preclude or delay market clearance or authorizations resulting in significant financial costs and reduced revenue.

The Company is commercializing RefluxStop™ and, if the Company receives the respective regulatory approvals, other development devices in different jurisdictions. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country. Regulatory requirements can vary widely from jurisdiction to jurisdiction and could delay or prevent the introduction of development devices in those countries.

The Company's ability to commercialize RefluxStop™ and the Company's development devices depends heavily on the extent of insurance coverage and reimbursement provided by third-party payers such as public healthcare systems and private insurers. Hospitals and other healthcare providers that purchase medical devices such as the ones Implantica produce or are developing generally rely on third-party payers to pay for all or part of the costs and fees associated with the procedures performed with these devices. If Implantica's products are not granted adequate insurance coverage and/or fail to become subject to reimbursement policies, it may have a material adverse effect on the demand for, or the price of, any of the Company's products and development devices. It is uncertain if at all, when, and with what eventual outcome any of the heavily regulated procedures and processes leading to reimbursements of any of the Company's development devices will be completed. In particular regarding novel technologies, reimbursements may take many years to accomplish, or may even never be achieved.

The Company's business success depends on its ability to maintain a strong reputation among and relationships with healthcare professionals. Surgeons play a significant role in determining the course of treatment and, ultimately, the type of product that will be used to treat a patient, so the Company relies on effective communication to them. An important part of the sales process includes the education of surgeons, key opinion leaders and their respective support staff responsible for implanting the Company's products, on the safe and effective use of its products. Acceptance of the Company's innovative products depends on educating surgeons and key opinion leaders as to the distinctive characteristics, perceived benefits, safety and cost-effectiveness of the products as compared to competitors' products. If Implantica fails in convincing surgeons of the merits of its products or educating them on the use of its products, they may not use such products and the Company may be unable to establish and sustain growth or profitability.

The Company relies heavily on patents and other intellectual property rights as well as trade secret protection and confidentiality agreements to protect its products and development devices and designs. The patent applications that the Company owns may fail to result in issued patents. Even if patents are successfully issued, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. If the Company's intellectual property relating to its products is not adequate, it may not be able to compete effectively. Furthermore, the Company may be unable to protect its intellectual property and contractual rights from infringement by others. The Company may also be subject to claims that former owners or leased employees, collaborators or other third parties have an interest in the Company's owned patent rights, trade secrets, or other intellectual property as an owner, inventor or co-inventor.

Risk Factors 2/3

The Company's products are designed to be used in surgery and to be implanted into and remain in the human body. Component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or product-related information or non-compliance with the required surgical procedures could result in unsafe conditions or injuries to, or the death of, patients and trigger product liability lawsuits, recalls and claims. The Company may fail to successfully defend itself against any alleged claims that the development devices or products cause injuries.

The Company has in the past outsourced clinical trials and research activities to several third-party clinical research organizations (CROs) and intends to continue to do so. As a result, the Company relies on CROs and clinical study sites to ensure that its clinical studies are conducted properly and on time. The Company and the CROs are required to comply with the relevant regulatory body's requirements and applicable standards for conducting, recording and reporting the results of pre-trial studies and clinical trial studies. Accordingly, if the CROs fail to comply with these regulations or fail to recruit a sufficient number of patients, the Company may be required to repeat such clinical studies, which would delay the regulatory approval process. Accordingly, the Company is also dependent on third parties in bringing development devices and in starting and completing the regulatory approval process for its development devices. If third-party suppliers and service providers do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data the CROs obtain is compromised due to the failure to adhere to the Company's clinical protocols or regulatory requirements, or for any other reasons, the Company's product development and clinical studies may be extended, delayed or terminated, and Implantica may not be able to obtain regulatory approval for, or successfully commercialize its development devices.

The Company has no own manufacturing facilities or manufacturing experience. The Company has therefore outsourced the manufacture of working prototype of its development devices and the manufacture of its first product RefluxStop™ and intends to continue to do so. The Company is currently cooperating with the Freudenberg Group for the manufacture of RefluxStop™ and its prototypes. If Freudenberg becomes unable or unwilling to continue to manufacture RefluxStop™ at the current conditions or at all, the Company may not be able to enter into an agreement with an alternate supplier at similar conditions, which means that the Company may encounter significant delays, production shortages and additional costs. If there is a shortage of silicone in general, or if Freudenberg is unable or unwilling to manufacture the required quality and/or quantity of silicone at the current conditions, the Company's production could experience significant delays. In some of the Company's target markets, products will be sold through independent distributors and/or agents. In these countries, the loss of indirect distributors or agents could seriously harm the Company's business and operating results if a new distributor could not be found on a timely basis in the relevant geographic market. To the extent that the Company relies on sales through independent distributors or agents, any revenues received will depend primarily on the efforts of these parties.

The medical technology industry is intensely competitive, subject to rapid change and highly sensitive to the introduction of new products or other market activities of industry participants. The Company's only currently marketed product RefluxStop™ is, and any future commercialized development devices may be, subject to intense competition. Many of the Company's current and potential competitors are major medical technology companies that have substantially greater financial, technical and marketing resources than the Company has, and they may succeed in developing products that could render the Company's products obsolete or non-competitive. The Company's ability to compete successfully will depend on its ability to develop proprietary products that reach the market in a timely manner, receive adequate coverage and reimbursement from third party payers, and are safer, less invasive and more effective than alternatives available for similar purposes. Because of the size of the potential market, the Company anticipates that companies will dedicate significant resources to developing competing products. If alternative treatments are, or are perceived to be, superior to the Company's implants market products, or if competing products can be offered at a lower price, sales of the Company's products could be negatively affected and the results of operations could suffer.

The medical device industry is characterized by intellectual property litigation. The Company may be unaware of one or more issued patents that would be infringed by the manufacture, sale or use of the Company's products. The Company may become subject to claims alleging infringement of third parties' patents or proprietary rights and/or claims seeking to invalidate its patents, which would be costly, time-consuming and, if successfully asserted, delay or prevent the development and commercialization of its products. As a result of patent infringement claims, or in order to avoid potential claims, the Company may choose to seek, or be required to seek, a license from the third party and would most likely be required to pay license fees or royalties or both. These licenses may not be available on acceptable terms, or at all. Even if the Company was able to obtain a license, the rights may be nonexclusive, which would give competitors access to the same intellectual property.

Risk Factors 3/3

As part of Implantica's ordinary business, the Company collects, stores and processes personal data relating to employees and customers and patients, the latter mainly consisting of health-related information and is thus in itself of sensitive nature. In addition to data processed and stored in the ordinary course of business, the Company plans to compile a large database of patient data through the use of the Company's e-InVivo™ eHealth Platform, which is intended to be used for commercialization purposes in various ways. The Company's precautions to protect employee, customer and patient data in accordance with the privacy requirements provided under applicable laws may be ineffective, and such data may be leaked as a result of human error or technological failure or otherwise be used inappropriately. Since the Company works with third-party suppliers, manufacturers, distributors and service providers, the risk of human error, technological failure or otherwise undue disclosure is also extended to such parties' processing of the personal data and thus outside the Company's control. Non-compliance with GDPR (including the implementing rules of the EU member states) or other applicable data protection laws in other jurisdictions may in lead to fines, reputational harm and customer losses.

The Company relies on well-functioning and available IT systems. In relation to its IT systems, Implantica is exposed and vulnerable to risk relating to break-ins, piracy and similar disruptive actions. The IT systems may be interrupted by technical faults, malfunctions, network overload, maintenance work, the malicious blocking of electronic access by third parties and illegal interventions such as cyber-attacks attempting to gain unauthorized access to the Company's products, systems or confidential information (including, but not limited to, intellectual property and personal information). Some of the IT systems used by the Company are provided by external software providers and such providers could cease to provide updates or support for software programs relevant for the Company. These and other disruptions may jeopardize the security of information stored in and transmitted through the computer systems.

Until start of the pre-launch phase of the Company's first product RefluxStop™ in June 2018, the Company has had no significant operational activities except for product development. Accordingly, the Company is exposed to risks and difficulties frequently encountered by relatively young companies in new and rapidly evolving markets, particularly companies engaged in the development and sales of medical devices. These risks include, without limitation, the Company's potential inability to manage rapidly changing and expanding operations; establish and increase awareness of brands and strengthen the loyalty of key opinion leaders and customers; grow the Company's direct salesforce and increase the number of independent distributors to expand sales Europe and in targeted international markets; continue to develop and enhance the products, development devices and designs; obtain regulatory clearance or approval to commercialize new products and enhance existing product; and perform clinical research and trials on current and future development devices.

The Company relies on the continued availability to key personnel and their competence and experience. The Company is especially dependent on its board and management members, especially the CEO Dr. Peter Forsell. There is a risk that the Company in the future may seek capital to finance its operations. Such fundraising initiatives may be carried out either through new issues of shares or other financial instruments in the Company or by way of taking bank or other loans. The availability of new capital could be affected by disruptions of the capital and credit markets and borrowings will negatively affect the Company's indebtedness level. The need for additional capital will increase if earnings from the sale of RefluxStop™ are lower than expected. The ability to raise additional funds depends on financial, economic and other factors, many of which are beyond the Company's control.

The Group consists of companies domiciled in various jurisdictions. The legal structure of the Group requires Implantica to assess and evaluate possible tax consequences in relation to operating in, entering into an effectively function as a Group, in various jurisdictions, including assessments on transfer pricing issues and the fact that the Company historically has reported losses. The Company cannot be certain that its assessments and the assessment of its tax advisers regarding various tax matters are identical to the assessment of the relevant authorities. Therefore, the final assessment of tax authorities could be materially different from what the Company expect and have expected.

Legal uncertainty resulting from political instability and protectionist tendencies could adversely affect the Company in various ways and expose the Company to a number of risks. These risks include, but are not limited to rapid changes to laws and regulations; increased trade restrictions such as anti-dumping/anti-subsidy tariffs, export restrictions, embargos, import taxes, special monitoring measures, and economic sanctions against certain countries, persons, businesses and organizations, as well as other protectionist or politically motivated restraints. These and other effects of political instability and protectionism could have material adverse effects on the demand for the Company's products, on supply chain, business operations and ability to market and distribute the Company's products in relevant customer markets.

Risks related to the shares and the corporate structure

The Company's largest shareholder Dr. Peter Forsell owns approx. 47% of the Company, and the following top ten shareholders own approx. 32% of the capital rights of the Company. The share capital of the Company consists of class A shares on the one hand and class B shares on the other hand. While each share carries one vote, regardless of whether it is a class A share or a class B share, with 1 Class A share having a nominal value of CHF 2 and 1 Class B share having a nominal value of CHF 0.02.

All class B shares are currently held by the principal shareholder. Other shareholders in the Company will thus not be able to exert significant influence over matters that are decided by the Company's shareholders.

Implantica

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