



Annual Report 2023



Physicians' initiative for TLD-1

The medical community is considering TLD-1 as a solution to the Caelyx/Doxil supply bottleneck and supports the temporary authorization.

Letter to Shareholders

InnoMedical's operational focus in 2023 was on further clinical development of the products in oncology and neurology, aiming to achieve financial independence as soon as possible with the market readiness of the two products. By generating additional significant data in the clinical trials, a solid basis for further progress towards marketing authorization of the two products in oncology and neurology was created.

Oncology Approval Process: InnoMedica submitted an initial application for the ordinary authorization of TLD-1 in November 2022. In dialog with Swissmedic, numerous questions regarding the manufacturing process, quality assurance and tolerability of TLD-1 were clarified. As TLD-1 uses the active substance doxorubicin, which has been used in the treatment of cancer patients for several decades, TLD-1 falls into the category of "existing active substance with innovation". In this category, only the innovative aspect needs to be clinically investigated, providing significant discretion regarding the type and scope of the clinical data documenting this innovative aspect. In addition to the already large margin of discretion, InnoMedica's liposome technology is extremely innovative, placing InnoMedica in regulatory uncharted territory in this field. The regulatory situation is further complicated by the shortage of medications in Switzerland. In the case of TLD-1, this specifically concerns the supply shortage of the comparator drug Caelyx/Doxil, which has been barely available in Switzerland for some time and cannot be used reliably either in therapy by oncologists or in clinical trials. Against this background, achieving a meaningful regulation of TLD-1 that ensures patient safety and considers the context poses a significant challenge.

Taking these circumstances into account, InnoMedica, together with a group of leading Swiss oncologists, has developed a concept for the safe and gradual market launch of TLD-1 and introduced the possibility of a temporary authorization in exchange with Swissmedic. In a letter sent to Swissmedic in December 2023, the group of doctors expressed their concern about the supply shortage of Caelyx/Doxil and emphasized the urgency of a solution. TLD-1 should be considered as part of the solution.

According to their assessment, the existing data confirm the safety and efficacy of TLD-1, although this assessment is not yet conclusive. However, the available data are sufficient for a medical treatment decision to use TLD-1 in a controlled setting in qualified treatment centers and when medically indicated. The concept submitted to Swissmedic therefore proposes a temporary authorization for two years under Article 9a of the Therapeutic Products Act and Article 18 of the Ordinance of the Agency Council on Temporary Authorization. During this two-year period, oncologists can gather additional experience with TLD-1 in everyday practice (real-world evidence). Compared to a larger clinical trial for a single indication, these registry data provide a more comprehensive and therefore more meaningful basis for a broad range of indications. The group of oncologists prefers this approach with the systematic collection of registry data as a more meaningful method than large-scale studies, because, based on the registry, a regular approval for a broader range of applications can be applied for after about two years.

In the fourth quarter of 2023, InnoMedica prepared the submission of a corresponding application to implement this proposed solution. Building on the already submitted market approval dossier and the clarification of many technical issues in the previous dialogue, InnoMedica is currently discussing with Swissmedic the optimal procedure for submitting a temporary authorization application. With a temporary authorization, not only could the supply shortage be addressed, but the costs of drug development could also be kept within the planned budget. Comparative studies with larger patient numbers are often associated with significant effort and a long implementation time, resulting in high costs that need to be amortized, significantly increasing the cost of the product. With an advanced legal framework, Switzerland can make an important contribution to affordable innovation is accessible to the majority of patients, as is particularly needed in chemotherapy. However, there is still little practical experience in this regard and InnoMedica finds itself in a pioneering position - not only with regard to innovative products, but also in their appropriate assessment by Swissmedic.

¹ In the following, InnoMedica refers to the InnoMedica Group, consisting of the companies InnoMedica Holding AG, InnoMedica Schweiz AG, InnoMedica Deutschland GmbH and YAMAZAKI-DDS Co., Ltd.

Oncology Trials: In 2023, InnoMedica completed the SMARTER trial with the treatment of the last breast cancer patient. In total, 43 patients have been treated with InnoMedica's TLD-1 in clinical trials conducted in collaboration with the Swiss Group for Clinical Cancer Research (SAKK). The goal of the SMARTER trial was to establish a direct comparison between TLD-1 and Caelyx/Doxil, a well-known drug in oncology, with two treatment groups of seven patients each in a crossover design. At that time, InnoMedica was not yet affected by the Caelyx/Doxil supply problems due to the relatively small number of patients. During this comparison of the products, data was collected on the distribution and metabolization of the active ingredient in the body, as well as on the safety and side effects of the product. InnoMedica will carry out the definitive evaluation of this data in 2024, providing further information on efficacy. Initial results on the pharmacology and effect of TLD-1 have been submitted to renowned scientific journals for publication. The statistically significantly longer circulation time of InnoMedica's liposomal doxorubicin in the bloodstream is particularly noteworthy. It is expected that this longer circulation time in the bloodstream will lead to a more uniform effect and a gentler treatment, not only in comparison with free doxorubicin, but also in comparison with Caelyx/Doxil.

Neurology Trials: In neurology, the NEON trial with TLN-1 started in December 2021 was extended by an additional four months, allowing the collection of long-term data over a total of 18 months. Due to the longer treatment period, initial statements can be made about a sustainable improvement in the clinical picture in Parkinson's disease.

In addition, InnoMedica has included ten more patients in the NEON trial with the aim of further optimizing the administration process and preventing the occurrence of infusion reactions. As a sponsor, InnoMedica now has sole overall responsibility for a clinical study within the framework of the NEON trial. In this context, InnoMedica was audited by Swissmedic in spring 2023 and was able to ensure the continuation of the trial by fulfilling the requirements. In a next step, InnoMedica will conduct a placebo-controlled double-blind clinical trial with Parkinson's patients. This trial will examine a possible placebo effect of TLN-1 by giving half of the patients a placebo. All participants are informed about the trial plan and have agreed to it, but do not know which treatment – InnoMedica's TLN-1 or placebo – they will receive during the treatment period. This aims to demonstrate that the positive change in neurological and motor symptoms is not caused by participation in the trial and the associated motivation effect, but by the actual biochemical effect of the drug in the nerve cells.

Further Expansion of Production Capacity: The choice of the Nanofactory location in the Marly Innovation Center near Fribourg continues to pay off, as expansion opportunities were utilized in 2023 and continue to be available. To meet the product demand not only for clinical trials but also for future market entry, the scaling of products in the two clean rooms was further advanced proactively. Production volumes were further increased, thereby increasing cost efficiency.

Starting with GMP production volumes in oncology and neurology in the range of 6 and 15-liter batches, the manufacturing team successfully carried out further scaling experiments this year. Following the successful inspection in autumn 2023, the production of 50-liter batches in neurology can now be implemented in 2024. In oncology, technical batches have demonstrated that the manufacturing process can be scaled up and that manufacturing volumes in the range of 19-liter batches are possible in 2024.

Additionally, the team has automated various steps in the production process to further improve efficiency. This includes filling process, which is particularly delicate due to the high sterility requirements, using an automated machine in the isolator, and its qualification for operational use is well advanced. In 2023, InnoMedica also put another warehouse into operation. This allows an increase in storage capacity and more flexibility in stock management.

Continuous Development of Product Formulations: In both oncology and neurology, InnoMedica sees additional potential for optimizing its innovative preparations. These optimizations enable a more distinct differentiation from competing products in the market, which can have a positive long-term impact on profitability. Particularly promising are ongoing projects to achieve longer shelf life. This is of great importance for both InnoMedica's logistics and the hospitals supplied. For TLD-1, practical tests have been conducted, demonstrating that shelf life can be extended for several years with this formulation change. Following this approach, the formulation of TLN-1 will also be adjusted, achieving both long shelf life and easier storage.

Product Pipeline: InnoMedica has various other liposomal formulations of known active ingredients in the pipeline, which are intended for use in both established indications in oncology – especially in the field of chemotherapy – as well as in new indications in neurology (e.g. amyotrophic lateral sclerosis, ALS). InnoMedica's nanotechnology can also be used for marking tumor tissue in surgery. Clinical trials are also still required for these development projects.

Given the currently available limited financial resources, it is important to focus on the authorization in oncology and the examination of the placebo effect in neurology.

Capital Increase and Personnel: In spring 2023, InnoMedica carried out another capital increase, raising CHF 5.3 million. Given the slowing economy and ongoing interest rate increases, InnoMedica considers this a remarkable achievement by the shareholders. It made a valuable contribution to ensuring continuity, which also made it possible to draw on existing financial reserves from previous years. In order to remain prepared for further uncertainties, InnoMedica proceeded cautiously and reduced costs, particularly in the planned trials, and avoided expensive and less beneficial projects. This reaction was received with understanding by the involved medical community, especially since meaningful results were already available from more than five years of clinical trials. Due to limited financial resources, InnoMedica also restrained itself in personnel recruitment. The workforce increased only slightly compared to the previous year and at the end of the year comprised 54 employees with practically unchanged full-time employments. It is gratifying to note that InnoMedica continues to have a stable and experienced management team at the executive and middle management level thanks to many long-standing employees.

Risk Assessment: InnoMedica's overall risk profile has improved with further progress in the manufacture and quality of the products and in clinical trials. However, there are still considerable risks, in connection with the market authorization of the two products in oncology and neurology. The initial marketing authorization for an innovative liposomal nanoformulation proves to be challenging from a regulatory perspective, particularly with regard to the required clinical data. InnoMedica has established the necessary production capacities for the clinical development of products in oncology and neurology and can ensure the supply of patients in clinical trials. The supply readiness for a temporary authorization in oncology can also be implemented upon receipt of the authorization. However, manufacturing larger quantities remains a challenge, considering the profitability to be achieved. Only then can the significant investments in development be amortized and further development projects in the pipeline be brought to market readiness.

InnoMedica invests in securing internal know-how and places great importance on strong patent protection for its products. The refinancing of the company continues to be influenced by political, regulatory and financial market factors. Uncertainty in the financial markets could affect the company's financing options in 2024 as well.

Outlook

In 2024, InnoMedica will continue the NEON trial with some of the Parkinson's patients to generate data over an extended treatment period. At the same time, InnoMedica will sponsor another placebo-controlled Parkinson's trial in Switzerland, examining any potential placebo effect of the drug. Based on the safety and efficacy data obtained in the NEON trial with only a few patients, meaningful data can also be expected in this small patient population. This placebo control is an important element for both regulatory authorization and reimbursement by health insurance companies, as well as for licensing negotiations with international distribution partners.

In the medical community, increasing acceptance is emerging for the registry trial being prepared by InnoMedica, which can be combined with the temporary authorization and documents a broad spectrum of applications on a case-by-case basis. So far, InnoMedica has largely followed the suggestions and reported needs of leading Swiss oncologists in steering activities. However, for risk mitigation, other, more internationally oriented authorization paths are also emerging. This particularly concerns the indication of soft tissue sarcoma (STS). Soft tissue sarcomas are a rare type of tumor. The worldwide standard treatment for this rare form of cancer is free doxorubicin, with no liposomal formulations have been approved to date, despite the efficacy and tolerability data available for Caelyx/Doxil. InnoMedica has submitted an application to the European Medicines Agency (EMA) for the recognition of TLD-1 as an orphan drug for the treatment of STS. Based on the recognition of this status (Orphan Drug Designation, ODD) in 2024, InnoMedica plans to evaluate the optimal procedure for marketing authorization in Europe in exchange with the EMA.

In addition to this European authorization pathway, InnoMedica will continue to prioritize the dialogue with Swissmedic in oncology by submitting an application for temporary authorization for TLD-1 and support the initiative submitted by the medical community. InnoMedica continues to believe that, in cooperation with the Swiss medical community and Swissmedic, it can make a valuable contribution for the benefit of the affected patients and is committed to a prompt but also safe solution in line with the request of the oncologists.

In 2023, InnoMedica, through the progress of the projects in oncology and neurology, increasingly established contacts with other companies to conduct license negotiations or discuss partnerships. Such collaborations are of increasing importance for the company, whereby various agreements are conceivable, such as development partnerships, financing

of clinical trials or the establishment of international distribution channels. Based on several years of experience with liposomal formulations, InnoMedica's core tasks lie in production, clinical trials and regulatory affairs, which will continue to remain within the company.

Further substantial costs will be incurred until the first marketing authorization in oncology is obtained and the planned clinical trials are completed. For financing, another capital increase is planned in the spring of 2024. With over 1,400 shareholders today, InnoMedica aims to continue growing as an independent company. The current economic situation and falling share prices in the biotech sector pose a particular challenge for the upcoming capital increase, requiring appropriate conditions for this situation. However, with the continuation of annual capital increases, short-term capital requirements remain limited. With regular participation, the investment can be maintained as a percentage stake. Furthermore, in economically difficult phases, opportunities always arise for shareholders to increase their own investment in anticipation of future successes. InnoMedica's operational progress forms a good foundation for this. The next financing round, will again require the joint efforts of numerous investors, both in the interest of a longer-term investment and in support of affected patients and their doctors, who not only

expect but also unequivocally demand early access to nanomedical products.

In 2024, the InnoMedica team is determined to further pursue its advanced projects in oncology and neurology. With its own Nanofactory in Marly, promising clinical data on the two products in neurology and oncology, a diverse pipeline and confidence in the team's expertise, the high level of commitment of its employees and the support of the medical community, the goal of market authorization and financial independence is getting closer.

The Board of Directors of InnoMedica Holding AG



Dr. Peter Halbherr
Chairman and Delegate
of the Board



Dr. Denis Bron
Vice-Chairman
of the Board



**Further
development of
product formulations**

An extended shelf life is crucial
for InnoMedica's logistics and
the hospitals supplied.

Financial Overview

InnoMedica concluded the fiscal year 2023 with a stable financial position. Cash and cash equivalents amounted to CHF 12,390,943 at the end of the year, which corresponds to more than 130 percent of the financial resources of CHF 9,435,598 required in 2023 (free cash flow). InnoMedica is thus in a position to continue its operating activities in 2024 without any restrictions on the going concern forecast. As part of the audit of the financial statements, it is confirmed that, based on the liquidity requirements of the previous year and the management's plans, there is no impediment to the continuation of regular business activities. Accordingly, InnoMedica's focus for 2024 remains on well-planned clinical trials and improving the data, as well as marketing authorization applications.

The economic and financial environment was challenging last year. In view of high and unexpectedly persistent inflation, rising nominal interest rates and energy prices as well as global geopolitical tensions, global economic growth has slowed down. Against this backdrop, InnoMedica successfully carried out a capital increase in spring 2023 and raised funds of CHF 5,278,501. This amount covered around 56 percent of the free cash flow in 2023 and enabled InnoMedica's continuous further development.

As the amount of capital raised was significantly below the expected financing needs until break-even, InnoMedica continued to strategically prioritize selected investments and control overall costs. This resulted in development expenses of CHF 2,174,956, down slightly from CHF 2,490,223 in 2022. This includes the costs for the production and formulation development of the drugs as well as the direct costs of clinical trials, including patient treatment and trial management. Restrained recruitment and a moderate salary structure led to a further decrease in personnel expenses, which amounted to CHF 5,553,552 in 2023 compared to CHF 6,132,751 in 2022.

In order to ensure the supply for clinical trials and to prepare for future market needs, InnoMedica advanced the expansion of production at the Marly site. Investments in property, plant and equipment amounted to CHF 528,600 in 2023 compared to CHF 192,279 in the previous year and mainly related to larger reactors and an automated filling line.

The various cost control measures led to a slight decrease in the net loss in 2023 to CHF 9,938,001 compared to CHF 10,501,695 in 2022.

Cash and cash equivalents at the end of 2023 in the amount of CHF 12,390,943 are 25 percent lower than in the previous year 2022 with CHF 16,548,040. The decrease results from necessary funds for operating expenses and investments (free cash flow) in the amount of CHF 9,435,598, which are partially offset by the additional funds from the capital increase in the amount of CHF 5,278,501. As a result of the capital increase, the nominal share capital of InnoMedica Holding AG was increased by CHF 10,817 and now amounts to CHF 1,444,772, divided into 14,447,716 shares with a nominal value of CHF 0.10 each. As in the previous year, in addition to the new shares, shares of the previous shareholders were sold at a reduced price of CHF 12.20 in the 2023 capital increase. The subscription for one new share at CHF 48.80 included the free option to subscribe for one existing share at the reduced price. Once again, the selling existing shareholders, who have accompanied InnoMedica for over 20 years but do not play an active role in the company today, made it possible to structure an attractive offer in an adverse investment environment by selling part of their shares at favorable conditions.

InnoMedica will use the available financial resources to achieve further milestones on the way to marketing authorization and commercialization of the products in oncology and neurology. For further financing, InnoMedica plans to carry out a capital increase in the first half of 2024, which should guarantee a liquidity buffer of at least 12 months at the end of 2024. This capital increase will take place in light of the ongoing difficult financing environment for biotech companies, which does not currently allow for an IPO. The Board of

Key Items of the Financial Statements in CHF

Position	2022	2023	Change
Cash and cash equivalents (as of Dec. 31)	16,548,040	12,390,943	-25%
Equity (as of Dec. 31)	18,937,579	14,269,918	-25%
Total assets (as of Dec. 31)	19,665,431	15,072,895	-23%
Annual loss	-10,501,695	-9,938,001	-5%
Operating cash flow	-10,401,429	-8,906,998	-14%
Free Cash Flow	-10,593,708	-9,435,598	-11%

Listing of Previous Financing Rounds

Financing round	Number of shares	Share price (CHF)	Total capital (CHF)	Total share capital (CHF)	Equity valuation (CHF million)
Capital increases 2013-2022 ²	4,343,365	1.15-40.70	65,535,944	1,433,955	576
Capital increase 2023	108,166	48.80	5,278,501	10,817	699

² Historical share prices are shown split-adjusted with adjustment to the current par value of CHF 0.10.

Directors will take these circumstances into account in order to secure sustainable financing for the company with an attractive capital increase offer. The development stage and maturity of the products also enables InnoMedica to intensify negotiations on collaborations or license agreements with potential partners from the pharmaceutical industry, exploring alternative avenues for project financing.

The financial statements of InnoMedica Holding AG and InnoMedica Schweiz AG as well as the consolidated financial statements are prepared in accordance with the Swiss Code of Obligations (OR). The presentations and methods used in the 2022 financial statements are maintained in 2023. Further information and explanations on the values of the consolidated financial statements can be found in the notes. This annual report includes the audited consolidated financial statements and the audited separate financial statements of InnoMedica Holding AG. The audited separate financial statements of InnoMedica Schweiz AG can be provided upon request.

Balance Sheet

Cash and cash equivalents as of December 31, 2023 amounted to CHF 12,390,943. The proceeds from the capital increase in 2023 in the amount of CHF 5,278,501 were below the operating and investment-related cash flows (free cash flow) of CHF 9,435,598, resulting in a year-on-year decrease in available cash. The **securities** portfolio remained unchanged at the end of 2023, with price gains and currency effects increasing the value of the securities portfolio from CHF 143,540 in 2022 to CHF 152,073 at the end of 2023.

Property, plant and equipment after depreciation amounted to CHF 2,244,663 at the end of 2023 and was therefore slightly higher than the previous year's value of CHF 2,205,145 after depreciation of CHF 489,082. Investments in property, plant and equipment amounting

to CHF 528,600 were mainly made in larger reactors and an automated filling system. Further investments in clean room facilities are planned depending on the availability of funds.

As in previous years, **development expenses** for clinical and preclinical activities and the necessary production volumes are capitalized in the financial year 2023, but are recognized in profit or loss. As part of these development activities, InnoMedica has made significant new progress and created intangible assets. However, applying prudent accounting criteria, these will only meet the requirements of assets eligible for recognition in the balance sheet once they are commercialized in the foreseeable future.

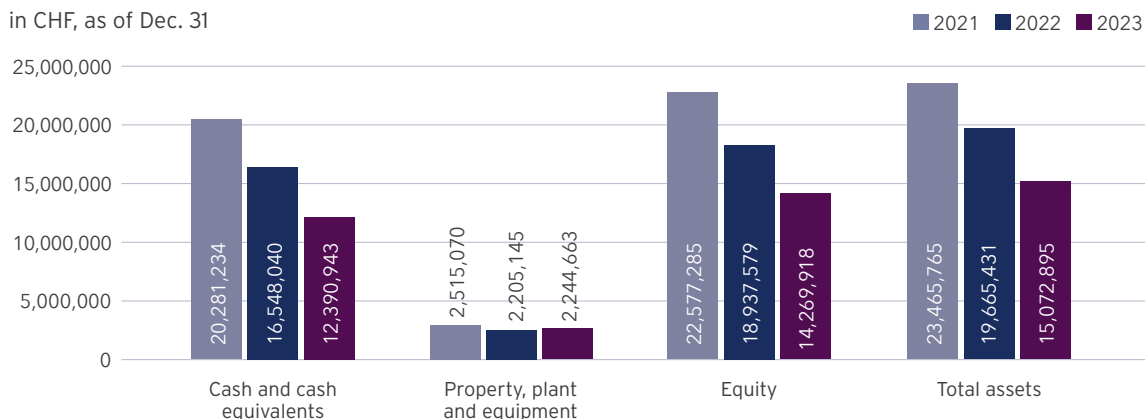
InnoMedica has no current **interest-bearing liabilities** and provisions as at the balance sheet date of 2023. The other **current receivables and liabilities** relate to the VAT receivables and liabilities of the InnoMedica Group companies for the fourth quarter of 2023. **Prepaid expenses and accrued income** mainly result from accrued interest income from fixed-term deposits and expected refund from social security authorities and insurance companies.

Accrued liabilities result from obligations to creditors that have been rendered but not yet invoiced at the end of the financial year, in particular obligations to clinical trial contractors, social insurance offices and energy providers. **Accounts payable** relate to invoice amounts that have already been invoiced to InnoMedica.

As part of the 2023 capital increase, 108,166 shares were issued. This increased the **nominal share capital** to CHF 1,444,772. The year-end balance of **treasury shares** remained unchanged at 16,217 shares at a book value of CHF 0.25. **Shareholders' equity** decreased by CHF 4,407,217 as past losses were carried forward and, as shown above, the annual loss was lower than the proceeds from the 2023 capital increase.

Balance Sheet Items

in CHF, as of Dec. 31



Income Statement

InnoMedica recorded an **annual loss** of CHF 9,938,001 for the financial year 2023, which is slightly below the previous year's loss of CHF 10,501,695.

Development costs fell to CHF 2,174,956 compared to CHF 2,490,223 in the previous year. This includes direct expenses for clinical trials and costs for the necessary production of drugs.

Depreciation of property, plant and equipment remained comparable at CHF 489,082 in 2023 compared to CHF 502,204 in the previous year. The **amortization of intangible assets** of CHF 200,000 related to the write-down of patents of the subsidiary YAMAZAKI-DDS Co., Ltd. that expired in 2023.

As a result of the restrained increase in personnel, **personnel costs** fell further to CHF 5,553,552 in 2023, compared to CHF 6,132,751 in the previous year. At the end of the year, InnoMedica employed 54 people compared to 50 at the end of the previous year. The headcount throughout the year amounted to a workforce of 4,225 percent, compared to 4,739 percent in the previous year.

Other operating expenses mainly comprised the costs of infrastructure, administration and capital in-

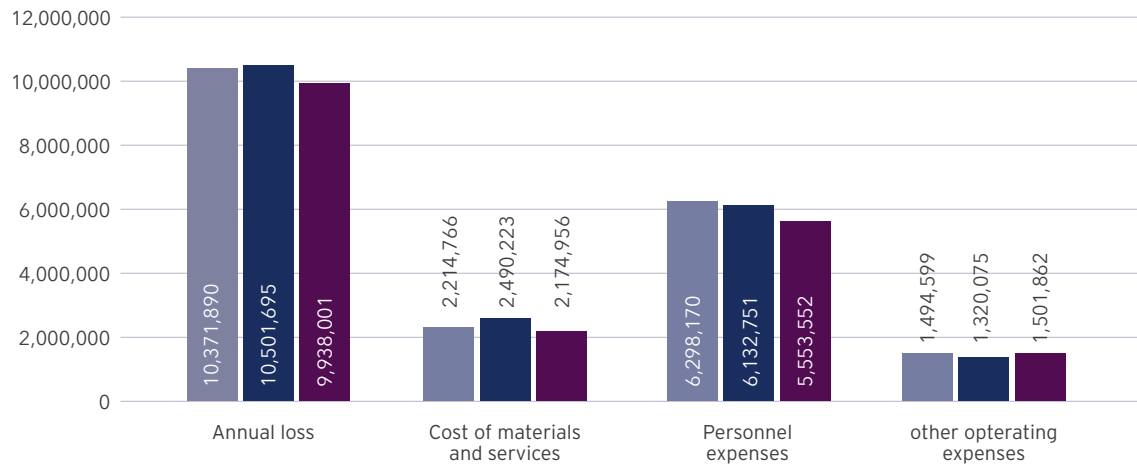
crease. These expenses increased slightly in 2023 to CHF 1,501,862 compared to CHF 1,320,075 in 2022. The lower issue tax due to the lower volume of the capital increase was offset by a slight increase in infrastructure expenses of CHF 607,735 in 2023 compared to CHF 549,584 in 2022.

Administrative expenses of CHF 284,624 include patent fees, auditing and consulting costs, accounting costs of the subsidiaries InnoMedica Deutschland GmbH, YAMAZAKI-DDS Co., Ltd. and costs of the Annual General Assembly in 2023. The **capital increase expenses** for 2023 of CHF 480,598 include all costs and fees for the capital increase and search for investors. The expenses are higher than the previous year's figure of CHF 334,700 due to the increased efforts to find new investors in Europe and the USA following the completion of the capital increase in the second half of the year. **IT expenses** decreased from CHF 69,972 in the financial year 2022 to CHF 45,714 in the reporting year. Furthermore, Dr. Peter Halbherr provided a license for the operational ERP software sqlFinance free of charge, thus ensuring cost-effective IT. **Advertising expenses** rose from CHF 29,016 in 2022 to CHF 53,138 in 2023 and included costs for the new website as well as costs for membership in biotech associations and participation in events.

Income Statement Items

in CHF

■ 2021 ■ 2022 ■ 2023



Statement of Shareholders' Equity in CHF

Year	2022	2023
Shareholders' equity as of Jan. 01	22,577,285	18,937,579
Capital increases (Share capital)	16,856	10,817
Change in legal reserves	6,843,658	5,267,684
Shareholders' equity as of Dec. 31 excluding net income	29,437,799	24,216,079
Net income	-10,501,695	-9,938,001
Currency translation differences in CHF	1,475	-8,160
Shareholders' equity as of Dec. 31	18,937,579	14,269,918

Consolidated Financial Statements InnoMedica Holding

Consolidated Balance Sheet

Year	December 31, 2022	December 31, 2023
Assets	CHF	CHF
Cash and cash equivalents	16,548,040	12,390,943
Securities	143,540	152,073
Current receivables	236,124	234,326
Prepaid expenses and accrued income	332,582	50,891
Total current assets	17,260,285	12,828,232
Property, plant and equipment	2,205,145	2,244,663
Intangible assets	200,000	-
Total fixed assets	2,405,145	2,244,663
Total assets	19,665,431	15,072,895
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	68,295	306,859
Other current liabilities	159,267	174,056
Accrued expenses and deferred income	500,291	322,062
Total current liabilities	727,852	802,977
Total long-term liabilities	-	-
Share capital	1,433,955	1,444,772
Total legal reserves	65,911,478	71,179,162
Reserves from capital contributions	63,669,174	68,883,290
Other legal reserves	2,242,304	2,295,872
Loss carried forward	-37,903,580	-48,405,274
Currency translation differences in CHF	1,475	-6,685
Annual loss	-10,501,695	-9,938,001
Treasury shares	-4,054	-4,054
Total shareholders' equity	18,937,579	14,269,918
Total liabilities and shareholders' equity	19,665,431	15,072,895

Consolidated Income Statement

Year	2022	2023
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-2,490,223	-2,174,956
Total cost of materials and services	-2,490,223	-2,174,956
Personnel expenses		
Wages and salaries	-4,872,813	-4,336,910
Social security expenses	-681,588	-617,709
Other personnel expenses	-578,350	-598,933
Total personnel expenses	-6,132,751	-5,553,552
Other operating expenses		
Infrastructure expenses	-549,584	-607,735
Vehicle and transport expenses	-17,763	-18,806
Property insurance and fees	-11,161	-11,247
Administrative expenses	-307,878	-284,624
Capital increase expenses	-334,700	-480,598
IT expenses	-69,972	-45,714
Advertising expenses	-29,016	-53,138
Total other operating expenses	-1,320,075	-1,501,862
EBITDA	-9,943,049	-9,230,370
Depreciation of property, plant and equipment	-502,204	-489,082
Amortisation of intangible assets	-	-200,000
EBIT	-10,445,252	-9,919,452
Financial expenses	-18,972	-3,746
Financial income	1,040	40,869
Value adjustment on securities	4,352	12,315
Currency differences	-15,738	-46,505
EBT	-10,474,571	-9,916,520
Direct taxes	-27,124	-21,482
Net income	-10,501,695	-9,938,001

Consolidated Cash Flow Statement in CHF

Year	2022	2023
Net income	-10,501,695	-9,938,001
Depreciation	502,204	689,082
Change in current assets	-242,784	274,956
Change in current liabilities	-12,139	253,353
Change in accrued expenses and deferred income	-148,490	-178,229
Currency translation differences in CHF	1,475	-8,160
Cash flow from operating activities	-10,401,429	-8,906,998
Investments in property, plant and equipment	-192,279	-528,600
Cash flow from investing activities	-192,279	-528,600
Equity contributions	6,860,514	5,278,501
Cash flow from financing activities	6,860,514	5,278,501
Change in cash and cash equivalents	-3,733,194	-4,157,097
Cash and cash equivalents as of Jan. 01	20,281,234	16,548,040
Cash and cash equivalents as of Dec. 31	16,548,040	12,390,943
Change in cash and cash equivalents	-3,733,194	-4,157,097



**Expansion of
production capacity**

To gain efficiency, scaling
was implemented and the
filling process was further
automated.

Notes to the Consolidated Financial Statements InnoMedica Holding AG 2023

The 2023 consolidated financial statements include the companies of the InnoMedica Group. The scope of consolidation includes the individual companies InnoMedica Holding AG (based in Zug), InnoMedica Schweiz AG (based in Bern), InnoMedica Deutschland GmbH (based in Freiburg i. Br., Germany) and YAMAZAKI-DDS Co., Ltd. (based in Ibaraki, Japan). InnoMedica Schweiz AG, InnoMedica Deutschland GmbH and YAMAZAKI-DDS Co., Ltd. are wholly owned directly by InnoMedica Holding AG. InnoMedica Schweiz AG bundles the operational business of the InnoMedica Group and is linked to InnoMedica Holding AG through a research and development contract. InnoMedica Holding AG is responsible for the strategic management and holds the intellectual property rights as well as the financial resources of the company. The purpose of YAMAZAKI-DDS Co., Ltd. is to hold patents in the field of liposomal drug delivery systems. The share capital of YAMAZAKI-DDS Co., Ltd. amounts to 10,000,000 Japanese yen. InnoMedica Deutschland GmbH was founded on 10.05.2022 with the purpose of trade, production and distribution of medical products in German-speaking countries and other European countries.

The consolidated financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (OR) on commercial accounting and financial reporting. The income statement has been prepared using the nature of expense method and the cash flow from operating activities has been prepared using the indirect method.

Liquidity Planning

The available liquidity is sufficient to cover operational needs for at least another year, based on the previous year's figures and the management's plans. It thus secures the company's going concern. To secure long-term liquidity, the Board of Directors has passed a resolution to carry out a capital increase in spring 2024.

Valuation Principles

Securities: Securities are valued at market value at the balance sheet date. Price gains or losses and currency differences are recognized as such in the income statement. These are shares and securities available for sale in various currencies. The items and valuation principles remained unchanged compared to the previous year.

Property, plant and equipment: Property, plant and equipment are recorded at acquisition cost minus depreciation. Since 2021, property, plant and equipment have been depreciated using linear depreciation based on the useful life of the individual assets. The property, plant and equipment consists of machines and equipment from laboratory, production and analytical departments, as well as two vehicles and various office equipment.

Intangible assets: In 2022, intangible assets amounted to CHF 200,000 and related to intellectual property (patents) held by YAMAZAKI-DDS Co., Ltd. These patents expired in 2023 and are fully amortized.

Classifications and Explanations

Cash and cash equivalents: Bank balances at the end of the year amounting to CHF 12,390,943 relate to current accounts, savings accounts and fixed-term deposits. Fixed-term deposits have a term of three months.

Accruals and deferrals: Accruals and deferred income include accrued interest income from fixed-term deposits as well as expected refund from social security authorities and insurance companies on the assets side. On the liabilities side, costs already incurred and accruals for services received but not yet invoiced are recorded.

Reserves from capital contributions: The reserves from capital contributions as at December 31, 2022 (in the amount of CHF 63,757,847 according to the individual financial statements of InnoMedica Holding AG) have been recognized by the Swiss Federal Tax Administration (FTA) in this amount. The 2023 capital contributions will be declared after the audit of the financial statements 2023.

Treasury shares: At the balance sheet date 2023, 14,447,716 shares were placed compared to 14,339,550 shares in the previous year. There are still 16,217 shares held by InnoMedica. The treasury shares are valued at the effective purchase price of CHF 0.25 as at the balance sheet date. Gains from the sale of treasury shares are recognized as other legal reserves.

Financial expenses and income: Financial expenses for the 2022 and 2023 financial years include bank interest, bank charges and dividends as well as interest

income from fixed-term deposits in 2023. Costs for the capital increase are reported separately.

Capital increase expenses: The position is shown including issue tax of CHF 52,249 for 2023 and CHF 67,912 for 2022.

Additional Information

Annual average of job percent: InnoMedica employed an annual average of 51 people in 2023. The work volume amounted to an annual average of 4,225 percent (comparison 2022: 51.5 employees with an annual average of 4,739 percent). With the exception of four members of the management of InnoMedica Holding AG (400 percent) and one employee of InnoMedica Deutschland GmbH (57 percent on an annual average), the employees are employed by InnoMedica Schweiz AG.

Trust shares: In addition to treasury shares, InnoMedica holds 3,480,782 shares of InnoMedica Holding AG on a fiduciary basis as at the end of 2023. In the previous year there were 3,607,850 shares.

Remuneration of board members: The remuneration of CHF 10,000 per year per person for members of the Board of Directors is paid by resolution of the Board of Directors for the period between the annual general meetings. For the period 2023/2024, an honorarium in the amount of CHF 5,000 per person and a total of CHF 20,000 was accrued in favor of the Board of Directors. This corresponds to the previous year's practice.

Significant shareholders: On the 2023 balance sheet date, Dr. Peter Halbherr held 2,606,876 shares (18% of 14,447,716). No other shareholder held more than 5% of the shares on December 31, 2023. In the previous financial year, Dr. Peter Halbherr held 2,652,335 shares (18.5 percent of 14,339,550). No other shareholder held more than 5 percent of the shares on December 31, 2022.

Business transactions with related parties: Business transactions with related parties are based on standard contractual forms and are concluded at market conditions. InnoMedica uses the ERP software sqlFinance to execute various operational processes. Dr. Peter Halbherr developed the software and privately holds all property rights. InnoMedica has entered into a license agreement for the software with Dr. Peter Halbherr. According to the license agreement, InnoMedica receives a free license for the use of the software until December 31, 2024. No other transactions with related parties took place in the reporting period.

Events after the balance sheet date: There are no events after the balance sheet date that require recognition and would have a material impact on the annual financial statements.

Obligations from long-term contracts: InnoMedica Holding AG has entered into a long-term lease agreement with the Marly Innovation Center (MIC). This can be terminated unilaterally by InnoMedica with a notice period of 2 years and at the end of a quarter. This results in a rental obligation of a maximum of 27 monthly rents of CHF 18,950 each (total CHF 511,650) as of December 31, 2022. As of December 31, 2023, the rental obligation of a maximum of 27 monthly rents amounted to CHF 20,085 each (total CHF 542,295). As of 31.12.2022, the rental obligation of a maximum of 27 monthly rents still amounted to CHF 18,950 each (total CHF 511,650).

Social security credits / obligations: As per the end of 2023, there were credit balances of CHF 44,132 related to social security authorities and insurance companies, compared to CHF 45,678 liabilities in the previous year.

Auditor's fee: The auditor's fee amounts to CHF 68,000 plus VAT for the audit of the annual reporting of the Group and the individual companies InnoMedica Holding AG and InnoMedica Schweiz AG according to the Swiss Code of Obligations (OR) and International Financial Reporting Standards (IFRS). In the previous year, the fee was CHF 65,000 plus VAT.

Report of the statutory auditor

to the General Meeting of InnoMedica Holding AG Zug

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of InnoMedica Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of valuation principles.

In our opinion, the consolidated financial statements (page 12 to 14, 16 to 17)) comply with Swiss law and the consolidation and valuation principles described in the notes.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). 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 Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements 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 of the consolidated financial statements, our responsibility is to read the other information and, in doing so, 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, based on the 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.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements in accordance with the provisions of Swiss 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.

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.



PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism 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.
- 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 its relevant 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.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Oliver Kuntze
Licensed audit expert
Auditor in charge



Andreas Scheibli
Licensed audit expert

Zürich, 2 February 2024

Annual Financial Statements

InnoMedica Holding AG

Balance Sheet

Year	December 31, 2022	December 31, 2023
Assets	CHF	CHF
Cash and cash equivalents	11,256,082	9,743,376
Securities	143,540	152,073
Other current receivables	231,338	229,470
Prepaid expenses and accrued income	-	20,355
Total current status	11,630,960	10,145,273
Loans to Group companies	4,000,000	-
Subsidiaries ³	2,467,308	2,205,933
Total fixed assets	6,467,308	2,205,933
Total assets	18,098,268	12,351,205
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	4,935	17,981
Liabilities to Group companies	3,385,701	3,474,078
Accrued expenses and deferred income	91,804	92,679
Total current liabilities	3,482,440	3,584,737
Total non-current liabilities	-	-
Share capital	1,433,955	1,444,772
Total legal reserves	66,000,151	71,267,835
Reserves from capital contributions	63,757,847	68,971,963
Other legal reserves	2,242,304	2,295,872
Loss carried forward	-41,088,984	-52,814,224
Annual loss	-11,725,239	-11,127,860
Treasury shares	-4,054	-4,054
Total shareholders' equity	14,615,828	8,766,468
Total liabilities and shareholders' equity	18,098,268	12,351,205

³ See explanations in Appendix P 23

Income Statement

Year	2022	2023
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-10,350,248	-9,287,322
Total cost of materials and services	-10,350,248	-9,287,322
Personnel expenses		
Wages and salaries	-744,905	-774,600
Social security expenses	-90,601	-92,884
Other personnel expenses	-41,777	-48,079
Total personnel expenses	-877,283	-915,563
Other operating expenses		
Administrative expenses	-219,773	-216,562
Capital increase expenses	-334,700	-480,598
Advertising expenses	-17,188	-33,261
Total other operating expenses	-571,661	-730,422
EBITDA	-11,799,192	-10,933,307
Depreciation of intangible Assets	-	-261,375
EBIT	-11,799,192	-11,194,682
Financial expenses	-13,401	-1,687
Financial income	101,040	74,119
Value adjustment on securities	4,352	12,315
Currency differences	-1,707	-16,573
EBT	-11,708,909	-11,126,507
Capital taxes	-16,331	-1,353
Net income	-11,725,239	-11,127,860

Cash Flow Statement in CHF

Year	2022	2023
Net income	-11,725,239	-11,127,860
Non-cash expenses	-	261,375
Change in current assets	1,692	-27,019
Change in current liabilities	1,981,182	101,422
Change in accrued expenses and deferred income	-4,296	875
Cash flow from operating activities	-9,746,662	-10,791,208
Investments in subsidiaries	-197,539	-
Cashflow from investing activities	-197,539	-
Repayments of dept	-	4,000,000
Equity contribution	6,860,514	5,278,501
Cash flow from financing activities	6,860,514	9,278,501
Change in cash and cash equivalents	-3,083,687	-1,512,707
Cash and cash equivalents as of Jan. 01	14,339,769	11,256,082
Cash and cash equivalents as of Dec. 31	11,256,082	9,743,376
Change in cash and cash equivalents	-3,083,687	-1,512,707



Notes to the Financial Statements of InnoMedica Holding AG 2023

The 2023 financial statements of InnoMedica Holding AG comprise the separate financial statements of InnoMedica's parent company. InnoMedica Holding AG is a 100 percent shareholder of InnoMedica Schweiz AG, YAMAZAKI-DDS Co., Ltd and InnoMedica Deutschland GmbH. InnoMedica Schweiz AG bundles the operating business of the InnoMedica Group and is linked to InnoMedica Holding AG via a research and development contract. The purpose of YAMAZAKI-DDS Co., Ltd. is to hold patents in the field of liposomal drug delivery system. The share capital of YAMAZAKI-DDS Co., Ltd. is 10,000,000 Japanese yen. InnoMedica Deutschland GmbH was founded on 10.05.2022 with the purpose of trade, production, and distribution of medical products in German-speaking and other European countries.

The financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (OR) on commercial accounting and financial reporting. The income statement is prepared using the nature of expense method and the cash flow from operating activities is prepared using the indirect method.

Liquidity Planning

The available liquidity is sufficient to cover operational needs for at least another year, based on the previous year's figures and the management's plans. It thus secures the company's going concern. To secure long-term liquidity, the Board of Directors has passed a resolution to carry out a capital increase in spring 2024.

Valuation Principles

Securities: Securities are valued at market value at the balance sheet date. Price gains or losses and currency differences are recognized as such in the income statement. These are shares and securities available for sale in various currencies. The items and valuation principles remained unchanged compared to the previous year.

Classifications and Explanations

Cash and cash equivalents: Bank balances at the end of the year totaling CHF 9,743,376 relate to current accounts, savings accounts, and fixed-term deposits. Fixed-term deposits have a term of three months.

Accruals and deferrals: Accruals and deferred income include accrued interest income from fixed-

term deposits on the assets side. On the liabilities side, costs already incurred and accruals for services received but not yet invoiced are recorded.

Subsidiaries: The subsidiaries include YAMAZAKI-DDS Co., Ltd. (domiciled in Ibaraki, Japan), InnoMedica Schweiz AG (domiciled in Bern) and InnoMedica Deutschland GmbH (domiciled in Freiburg i. Br., Germany). The investment in YAMAZAKI-DDS Co., Ltd. is recognized and consolidated at a value of CHF 0 at the end of the reporting year. The previous year's value of CHF 200,000 represented the intellectual property (patents) held by the company. The relevant patents expired in 2023 and are amortized. The subsequent patents in the nanomedicine sector, including those relating to Japan, are held directly by InnoMedica Holding AG. The investment in InnoMedica Schweiz AG is valued at the amortized cost of CHF 188,673 plus the value of the transferred assets of CHF 1,881,095. The investment in InnoMedica Deutschland GmbH is recognized at the value of equity. The current value of equity, which is essentially offset by the company's cash assets, is CHF 136,164 compared to the previous year's value with historical costs of CHF 97,920 (EUR 100,000) in the share capital and CHF 99,619 (EUR 100,000) in additional paid-in capital.

Reserves from capital contributions: The reserves from capital contributions as at December 31, 2022 (amounting to CHF 63,757,847) have been recognized accordingly by the Swiss Federal Tax Administration (FTA). The 2023 capital contributions will be declared after the 2023 annual financial statements have been audited.

Treasury shares: On the balance sheet date 2023, 14,447,716 shares were placed compared to 14,339,550 shares in the previous year. There are still 16,217 shares held by InnoMedica. The treasury shares are valued at the effective purchase price of CHF 0.25 as at the reporting date. Gains from the sale of treasury shares are recognized as other legal reserves.

Financial expenses and income: Financial expenses for the 2022 and 2023 financial years include bank interest, bank charges and dividends as well as interest income from fixed-term deposits in 2023. Costs for the capital increase are recognized separately.

Capital increase expenses: The position is shown including issue tax of CHF 52,249 for 2023 and CHF 67,912 for 2022.

Capital taxes: The exceptionally high amount of capital tax in 2022 essentially related to a definitive assessment for the 2019 period.

Additional Information

Annual average of job percent: Four members of the Executive Board are employed by InnoMedica Holding AG with 400 job percent.

Trust shares: In addition to treasury shares, InnoMedica holds 3,480,782 shares of InnoMedica Holding AG on a fiduciary basis as at the end of 2023. In the previous year there were 3,607,850 shares.

Remuneration of board members: The remuneration of CHF 10,000 per year per person for members of the Board of Directors is paid by resolution of the Board of Directors for the period between the annual general meetings. For the period 2023/2024, an honorarium in the amount of CHF 5,000 per person and a total of CHF 20,000 was accrued in favor of the Board of Directors. This corresponds to the previous year's practice.

Significant shareholders: On the 2023 balance sheet date, Dr. Peter Halbherr held 2,606,876 shares (18% of 14,447,716). No other shareholder held more than 5% of the shares on December 31, 2023. In the previ-

ous financial year, Dr. Peter Halbherr held 2,652,335 shares (18.5 percent of 14,339,550). No other shareholder held more than 5 percent of the shares on December 31, 2022.

Business transactions with related parties: Business transactions with related parties are based on standard contractual forms and are concluded at market conditions. InnoMedica uses the ERP software sqlFinance to execute various operational processes. Dr. Peter Halbherr developed the software and privately holds all property rights. InnoMedica has entered into a license agreement for the software with Dr. Peter Halbherr. According to the license agreement, InnoMedica receives a free license for the use of the software until December 31, 2024. No other transactions with related parties took place in the reporting period.

Events after the balance sheet date: There are no events after the balance sheet date that require recognition and would have a material impact on the annual financial statements.

Proposal to Carry Forward the Annual Loss

Year	2022	2023
Loss carried forward	-41,088,984	-52,814,224
Annual loss	-11,725,239	-11,127,860
Total loss at the disposal of the General Assembly	-52,814,224	-63,942,084
Allocation to the reserves	-	-
Dividend	-	-
Balance to be carried forward	-52,814,224	-63,942,084

Report of the statutory auditor

to the General Meeting of InnoMedica Holding AG

Zug

Report on the audit of the financial statements

Opinion

We have audited the financial statements of InnoMedica Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of valuation principles.

In our opinion, the financial statements (page 20 to 24) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). 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 Swiss law and the requirements of the Swiss audit profession, 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports 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 of the financial statements, our responsibility is to read the other information and, in doing so, 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, based on the 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.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, 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.



PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

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 Swiss law and SA-CH 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 Swiss law and SA-CH, 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.

We communicate with the Board of Directors or its relevant 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.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed carry forward of the annual loss complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Oliver Kuntze
Licensed audit expert
Auditor in charge



Andreas Scheibli
Licensed audit expert

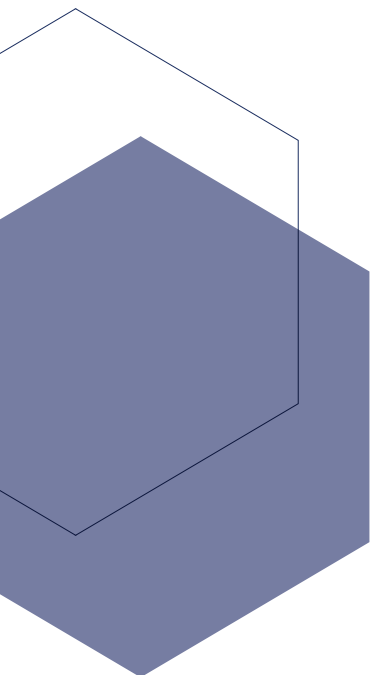
General Information

Business idea	InnoMedica is developing a new generation of drugs based on an innovative liposomal transport system that influences the distribution of active ingredients in the body and aims to improve the biodistribution of known active ingredients. In January 2013, InnoMedica Holding AG launched a first project in oncology, which is now in clinical trials. A second project in neurology aims to use liposomes to treat neurodegenerative diseases. In addition, the patented technology platform is also to be used in other indications, such as arteriosclerosis or in the treatment of bacterial toxins without the use of antibiotics, as well as in diagnostics and infectiology.
Corporation	InnoMedica comprises the companies InnoMedica Holding AG (parent company), InnoMedica Schweiz AG, InnoMedica Deutschland GmbH (domiciled in Freiburg i. Br., Germany) and YAMAZAKI-DDS Co., Ltd. (domiciled in Ibaraki, Japan).
Board of Directors	Dr. Peter Halbherr (Chairman), Dr. Denis Bron (Vice Chairman), Dr. Noboru Yamazaki, Prof. Dr. Urs Wälchli

More Information on InnoMedica Holding AG:

Legal structure	Public limited company
Founded	June 05, 2000
Shares outstanding	14,447,716 registered shares at CHF 0.10 par value
Listing/Trading	OTC via Investor Relations, Mrs. Andrea Zurkirchen
Security number	55.897.390
ISIN number	CH0558973902
Investor Relations	Mrs. Andrea Zurkirchen, phone +41 (0)44 383 88 22
Headquarter	InnoMedica Holding AG, Baarerstrasse 34, CH-6300 Zug
Website	www.innomedica.com
E-mail	info@innomedica.com

This annual report contains certain forward-looking statements. These may be identified by statements containing the words "should", "assume", "expect", "anticipate", "intend" or similar expressions and phrases. Actual future results could differ substantially from those contained in forward-looking statements due to various factors, including legal and regulatory developments, foreign exchange rate fluctuations, changes in market conditions and in the activities of competitors, failure to launch or delay in launching new products for various reasons, risks related to new product development, production hold-ups, loss of or inability to obtain intellectual property rights, legal disputes and proceedings, adverse publicity and media coverage.



InnoMedica Holding AG

Zug - Switzerland

InnoMedica Schweiz AG
Gesellschaftsstrasse 16
CH-3012 Bern

Contact
+41 (0)44 383 88 22
info@innomedica.com
www.innomedica.com

The English version of InnoMedica's Annual Report 2023 was translated from the original German version which shall be binding in case of disparities.