



Offering Prospectus 2024 InnoMedica Holding AG

Capital increase by a maximum of 872,553 registered shares with a nominal value of CHF 0.10 each with subscription rights for existing shareholders until December 13, 2024

The original German version of this prospectus dated November 14, 2024 was approved by SIX Exchange Regulation AG, Zurich, in its function as review body pursuant article 52 FinSA on November 15, 2024

1. Summary

Preliminary note This summary is an introduction to the offering prospectus. Investment decisions should be made based on the information in the entire prospectus. Liability for the summary exists only in the event that it is misleading, inaccurate or contradictory when read together with the other parts of the prospectus.

Information about the Issuer

Company	InnoMedica Holding AG ("Company", "InnoMedica")
Headquarters	Baarerstrasse 34, CH-6300 Zug
Legal form	Stock corporation under Swiss law
Equity securities	The share capital of InnoMedica amounts to CHF 1,570,595.50 and is divided into 15,705,955 fully paid-in registered shares with a nominal value of CHF 0.10 each ("Existing Registered Shares"). The transferability of the Existing Registered Shares is not restricted according to the Articles of Association of the Company.
Security number	55.897.390
ISIN	CH0558973902

Main information on the public offer

Capital increase with subscription right	<p>The Board of Directors of the Company ("Board of Directors") decided on November 12, 2024 based on the capital spread, to increase the share capital of the Company by a maximum amount of CHF 87,255.30 to a maximum of 16,578,508 shares with a nominal value of CHF 1,657,850.80, by issuing a maximum of 872,553 fully paid-in new registered shares ("New Registered Shares") in a capital increase with a subscription offer to the existing shareholders of the Company. The offer consists of:</p> <ol style="list-style-type: none">a capital increase based on the capital spread, with a subscription offer to the existing shareholders of the Company, according to which the share capital of the Company will increase by a maximum amount of CHF 87,255.30 by issuing a maximum of 872,553 fully paid-in New Registered Shares against cash contribution ("Subscription Offer") anda free placement of the subscription rights that were not and/or not validly exercised in the Subscription Offer. After expiry of the Subscription Period, the Board of Directors shall decide on the allocation of these remaining subscription rights in the interest of the Company and at its own discretion ("Free Placement"). <p>Subscription rights that are not exercised or not validly exercised within the Subscription Period in the context of the Subscription Offer and that are not allocated in the context of the Free Placement shall expire worthless, without compensation and irrevocably.</p>
Subscription price and placement price	<p>By resolution of the Board of Directors dated November 12, 2024, the subscription price for the New Registered Shares was fixed at CHF 7.00 net per New Registered Share ("Subscription Price"). The Subscription Price of the Subscription Offer corresponds to the placement price of the Free Placement ("Placement Price").</p>

Type of contribution	By cash contribution for a maximum of 872,553 New Registered Shares, at the Subscription Price and the Placement Price, respectively.
Subscription period	The subscription period for New Registered Shares in the context of the Subscription Offer and the Free Placement begins on November 18, 2024, and ends on December 13, 2024, at 24:00 CET ("Subscription Period").
Subscription ratio	One (1) subscription right shall be allocated to one (1) existing registered share. 18 subscription rights entitle the holder to subscribe for one (1) New Registered Share at the Subscription Price. The exercise of the subscription rights is irrevocable.
Subscription rights trading	Existing shareholders may freely dispose of their subscription rights until the end of the Subscription Period. They may exercise them partially or fully on their own account or sell them to third parties.
Deposit	The amount for the subscription must be paid into the corresponding account of the Company by the end of the Subscription Period according to the subscription form.
Listing	The registered shares of the Company are not listed on any stock exchange.
Book-entry delivery	The book-entry delivery of the New Registered Shares from the offer will take place after their payment into the share deposit account of the purchaser.
Issuing of share certificates	The registered shares are, in principle, uncertificated securities (within the meaning of the Swiss Code of Obligations Art. 973c) and intermediated securities (within the meaning of the Intermediated Securities Act). The main register is kept by Nimbus AG, Ziegelbrücke. With the crediting of the securities in the securities account, the Federal Intermediated Securities Act applies to the custody and transfer. There is no right to delivery of physical share certificates. However, shareholders registered in the share register may at any time request confirmation from the share register of the number of registered shares in their name.
Dividend-authorization	The New Registered Shares are entitled to dividends for the entire fiscal year 2024. They are equal in all respects to each other and to the existing shares.
Issue tax	The issue tax is borne by the Company.
Risks	The purchase of New Registered Shares or subscription rights or the exercise of subscription rights in the context of the Subscription Offer and the Free Placement involve certain risks, which an investor must take into account before deciding to exercise subscription rights or to purchase registered shares or subscription rights. For a description of certain risks, see section 2.1 Risks.
Sale restrictions	This prospectus is for the purpose of a public offering of the New Registered Shares to existing shareholders and other investors in Switzerland. Except for Switzerland, the Company and the Board of Directors have not made in any other jurisdiction any arrangements necessary for a public offering or for the possession or distribution of this prospectus or other materials relating to the offering.

**Transferability,
tradability**

The registered shares are freely transferable and freely tradable. The Board of Directors may reject the application for entry in the share register on the basis of Art. 685b para. 3 of the Swiss Code of Obligations, unless the acquirer explicitly declares that he/she has acquired the registered shares in his/her own name and for his/her own account.

Paying agent

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**Applicable law and
place of jurisdiction**

Swiss law at the registered office of the Company

The original German version of this prospectus, dated November 14, 2024, was approved by SIX Exchange Regulation AG on November 15, 2024.

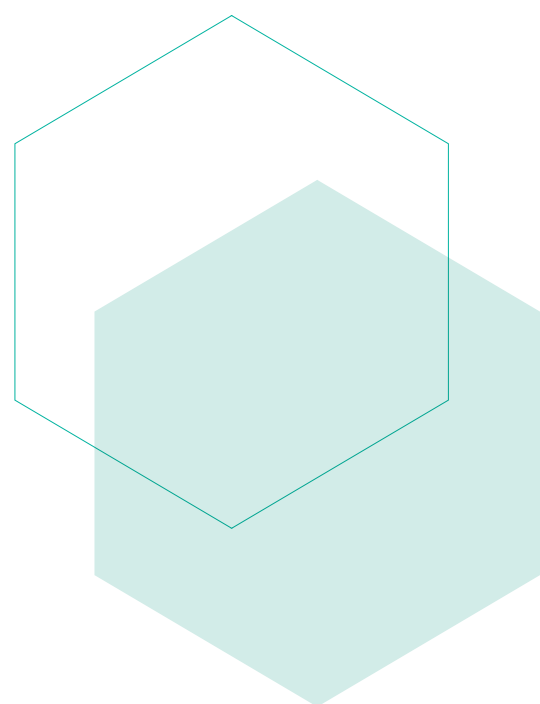


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Important notice

The Company and the Board of Directors accept responsibility for the contents of this prospectus and declare that, to their knowledge, the information contained in this prospectus is accurate and that no material circumstances have been omitted. When considering a purchase of New Registered Shares, subscription rights and/or the exercise of subscription rights, investors should rely solely on the information contained in this prospectus. An investment decision may only be made on the basis of the entire prospectus and, in particular, the risk factors.

This prospectus contains statements concerning future financial and operating developments and results, as well as other forecasts, all of which are forward-looking or contain subjective assessments. The same applies to statements containing words such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “potential”, “scheduled”, “forecast”, “outlook”, “budget” or the negative of those terms and the like. All such statements are made on the basis of estimates, assumptions and presumptions that the Company and the Board of Directors believe to be reasonable at the date of this prospectus. However, such statements may nevertheless prove to be erroneous or inaccurate in retrospect, which may result in the Company's business performance or profitability developing differently than might have been assumed on the basis of these statements. Neither the Company nor the Board of Directors is under any obligation to update or revise any such statements or the estimates, assumptions, conjectures and forecasts on which they are based.

No person has been authorized to make any representation or statement other than those contained in this prospectus. If any such statements or representations are made, investors should not place undue reliance on them, and it should be assumed that they have not been approved by the Company or its governing bodies. The delivery of this prospectus does not constitute a representation that the information contained in this prospectus is still accurate or complete at any time after the date of this prospectus or that there has been no change in the business of the Company since the date of this prospectus.

The distribution of this prospectus and the offer and sale of the New Registered Shares are restricted by law in certain jurisdictions. The Company, the Board of Directors, and the Management require any persons who come into possession of this prospectus to

inform themselves about any such restrictions and to observe them. Failure to comply with such restrictions may constitute a violation of the securities laws of such countries. The Company assumes no responsibility for any violation of these restrictions by any third party, whether or not such third party is a prospective purchaser.

This prospectus constitutes a public offer of the New Registered Shares exclusively in Switzerland and under Swiss law; it does not constitute an offer or invitation to purchase or to make an offer to purchase New Registered Shares in any jurisdiction in which such offer or invitation would be unlawful. Except for Switzerland, the Company and the Board of Directors have not made any arrangements in any other jurisdiction necessary for a public offering or the possession or distribution of this prospectus or any other material relating to the offering.

This Prospectus, the Subscription Offer and the subscription form can be obtained free of charge from the Company. The current Articles of Association, dated November 11, 2024, and the annual reports of the last three years as well as the current half-year financial statements can be ordered via Company's website www.innomedica.com/ir, via info@innomedica.com or by phone (+41 (0)44 383 88 22).

2. Information about the issuer

2.1 Risks

Potential and existing investors should consider the following risk factors in addition to the other information contained in this prospectus before purchasing any New Registered Shares offered. The occurrence of any of the following risks, or additional risks not yet known to the Company or not currently considered to be relevant by the Company, may, alone or in combination with other known or unknown risks, have a material adverse effect on the Company's business and financial condition. In any such case, the value of the shares may decline, and investors may lose part or all of their investment.

The risks listed below are not to be understood as an exhaustive list of possible risks. Moreover, their order does not indicate their significance, probability of occurrence, or relevance.

Medical and regulatory risks

The required approval by the responsible authorities for the marketing of InnoMedica's products is dependent on clinical proof of a beneficial efficacy/side-effect profile. InnoMedica is therefore exposed to the risk of possibly insufficient proof of the efficacy of its drugs. Similarly, there is the possibility of side effects occurring during the course of clinical trials or at a later date. Both risks may lead to delays in approval, lower sales, and in the worst case to the discontinuation of current projects. The clinical studies are conducted and qualitatively assured in accordance with the requirements of Good Clinical Practice (GCP). Ensuring GCP at all times is a prerequisite for the continuation of the respective studies and thus for their completion as well as for the usability of the resulting data for regulatory purposes.

Market risks

The marketability of InnoMedica's products depends on the potential availability of alternative products. Acceptance of InnoMedica's products as a preferred therapy and reimbursements for patients will depend on comparisons with potential alternative treatments. There is a risk for InnoMedica that competitors may be able to demonstrate a better efficacy/side-effect profile or price/performance ratio for their therapies. This may lead to difficulties in marketing InnoMedica's products and may result in financial losses.

Risks relating to intellectual property

InnoMedica holds or has registered various patents and rights to brand names for its products. Potentially ineffective protection or infringements of the protection of proprietary medical knowledge and/or knowledge for the manufacture of the products could lead to substantial financial losses for InnoMedica. In particular, an insufficient effect of the measures to protect intellectual property could lead to market entry by competitors with imitation products and impair the marketing of InnoMedica's products.

Operational risks

InnoMedica relies on functioning and error-free processes in the production, quality assurance and quality control of its drugs to ensure that the clinical trials can be carried out. Upon market launch, these processes are a prerequisite for marketing the drugs. InnoMedica produces its drugs according to Good Manufacturing Practice (GMP) standards and thus ensures a pharmaceutical quality of the drugs. Nevertheless, the occurrence of process and quality deficiencies could lead to impairments and delays in the approval for market launch or to an impairment in the marketing after market launch and therefore possibly result in major financial losses.

Risks in supply chain

Functioning supply chains are vital for InnoMedica's business. Interruptions, delays or strong price fluctuations in the supply chains could potentially disrupt business operations and result in significant financial losses.

Risks in information technology (IT)

The maintenance of InnoMedica's business depends on the operation of various IT systems, networks and software, which is why InnoMedica has taken extensive precautions to protect its IT. Disruptions in InnoMedica's IT could lead to disruptions in its business operations. InnoMedica is also dependent on data security in its IT systems to ensure effective protection of proprietary knowledge. In particular, there is a risk that criminal acts could lead to the loss of data or impairment of its use. This could potentially disrupt business operations and cause financial damage.

Financing risks

Until a possible market launch of its products and the generation of sales, InnoMedica is dependent on external financing by investors. InnoMedica is dependent on the financing provided for its investment projects and its operating activities. The willingness of inves-

tors to subscribe for shares in InnoMedica depends not only on the success of its operating activities, but also on the overall appeal of the subscription offer and the general situation of the capital markets. Insufficient external financing possibilities can lead to impairments of the operating activities, in particular to delays in the market approval of InnoMedica's products. This may result in financial losses and risks with regard to the continuation of business activities. Even if fully subscribed, the scope of this offer will not be sufficient to reach the point of self-financing through sales. Shareholders therefore face the risk of insufficient follow-up financing.

Dependence on key people

InnoMedica's economic success depends to a large extent on the knowledge and competence of its employees, particularly middle and senior management. In principle, it cannot be ruled out that key personnel will leave the company, resulting in a loss of knowledge for InnoMedica that could impair its operating activities. As there is also a high demand for qualified managers, it cannot be guaranteed that InnoMedica will always be in a position to find suitably qualified managers.

Personnel risks

A breach or failure of InnoMedica's internal security or control systems, as well as the failure to detect fraud, theft, or corruption, may adversely affect InnoMedica. Likewise, illegal conduct or conduct in breach of contract by an institution, employee, business partner, or other persons acting on behalf of InnoMedica may harm the Company.

Trade risks

The registered shares of InnoMedica are not listed on any stock exchange and there is no guarantee that they will be listed on any stock exchange or other trading venue in the future. There is therefore no guarantee that a shareholder will find a buyer who is willing to purchase his/her registered shares or to pay the purchase price he/she desires. A possible sale value may also be subject to strong fluctuations and, in particular, downward movements due to low liquidity, sales by other shareholders, negative news regarding InnoMedica's business activities, legal disputes, changes in the economic environment, the entry into force or announcement of new regulatory framework conditions or other internal and external factors.

Corporate governance and organizational structure

Corporate governance and organizational risks exist when the independence of the Board of Directors is limited and accountability structures are inadequate. This can restrict the company's ability to make decisions that are in the long-term interests of shareholders, delay decision-making processes and lead to inefficiencies that impair the company's ability to act.

Placement of shares

Capital increases are generally only carried out to the extent that New Registered Shares are subscribed by existing shareholders and/or other investors. Accordingly, there is no certainty that the offered shares will be subscribed in the planned maximum amount and that the corresponding capital increase will take place up to the targeted amount. Therefore, it cannot be excluded that the Company will receive less equity than planned.

Rescission of the capital increase

In principle, it cannot be ruled out that the capital increase to be implemented with this offer will be challenged, which may in particular entail the possibility of a blocking of the register at the Commercial Register of the Canton of Zug. This may delay or permanently prevent the offer.

Exchange rate risks

Foreign shareholders of the Company bear the risk of exchange rate fluctuations. If the Swiss franc falls against the foreign currency of the shareholder concerned, this results in a currency loss.

2.2 General information on the issuer

Company name, legal form, registered office, location of head office, and duration of the company

InnoMedica Holding AG is a stock corporation under Swiss law (Art. 620 et seq. CO) with its registered office at Baarerstrasse 34, CH-6300 Zug. The head office location is Gesellschaftsstrasse 16, CH-3012 Bern. InnoMedica was founded on July 5, 2000, and entered in the Commercial Register of the Canton of Zug (CHE-101.271.542). The duration of the company is unlimited.

Purpose

The purpose of the Corporation is to hold, buy, sell and manage investments in (listed and unlisted) companies in the biotechnology and medical sectors, as well as related sectors or industries that are in any way connected to these sectors. The purpose of the Corporation includes, but is not limited to the establishment, financing and holding of new businesses areas in this field as a subsidiary. It may acquire, hold, charge and sell intellectual property rights such as patents. The Corporation also provides management and consulting services to companies in the biotechnology and medical sectors.

The company is authorized to open branches in Switzerland and abroad and to acquire interests in companies in the same and related industries in Switzerland and abroad. It is authorized to conduct all business transactions that may arise within the framework of its activities. It may purchase and sell real estate.

Date of the effective Articles of Association

The current Articles of Association of InnoMedica Holding AG are dated November 11, 2024.

Financial year

Pursuant to Art. 17 of the Articles of Association, the Company's financial year shall commence on January 1 of each year and end on December 31.

Auditors

PricewaterhouseCoopers AG, Bahnhofplatz 10, P.O. Box, 3001 Bern, is the statutory auditor of InnoMedica (consolidated financial statements and annual financial statements according to the Swiss Code of Obligations). PricewaterhouseCoopers AG was re-elected as the statutory auditor at the Annual General Meeting of February 27, 2024, until the conclusion of the next Annual General Meeting of InnoMedica (see also 2.3 Section Auditors).

Operational group structure

InnoMedica Holding AG is the parent company of the Group, with its 100% directly owned subsidiaries InnoMedica Schweiz AG (domiciled in Bern BE), YAMAZAKI-DDS Co., Ltd. (domiciled in Ibaraki, Japan) and InnoMedica Deutschland GmbH (domiciled in Freiburg im Breisgau, Germany). InnoMedica Schweiz AG bundles the operational business. The purpose of YAMAZAKI-DDS Co., Ltd. is to hold patents in the field of liposomal drug delivery systems. The purpose of InnoMedica Deutschland GmbH is to trade, produce and distribute medical products in German-speaking countries and other European countries.

2.3 Information on the issuer's Board of Directors, Executive Board, auditors, and other governing bodies

Board of Directors

The duties of the board of directors of a Swiss corporation are governed by the Swiss Code of Obligations, the articles of incorporation, and the organizational and business regulations. The Board of Directors is responsible for the strategic management of the company. Within the framework of strategic management, the Board of Directors determines the strategic, organizational, and financial planning principles, as well as the accounting standards to be followed by the Company.

Apart from its non-transferable and inalienable duties, the Board of Directors may delegate the management of the company in whole or in part to individual members of the Board of Directors or to third parties. The Board of Directors has made use of this authority and has delegated the management of the Company to the Executive Board of InnoMedica. This delegation of the

management is based on the company's organizational regulations of February 14, 2018.

Pursuant to Art. 12 of the Articles of Association, the Board of Directors consists of one or more members who must be shareholders and who are each elected by the General Meeting of Shareholders for a one-year term of office. Likewise, the Chairman of the Board of Directors is elected by the General Meeting of Shareholders for a one-year term of office. The re-election of both the members of the Board of Directors and the Chairman of the Board of Directors is permitted. With the exception of the election of the Chairman by the General Meeting, the Board of Directors constitutes itself.

The Board of Directors passes its resolutions by a majority of its members present. Resolutions by circulation require the approval of the majority of all members.

At the Extraordinary General Assembly on November 11, 2024, Dr. Peter Halbherr resigned from his previous offices as member of the Board of Directors, Chairman of the Board of Directors, Delegate of the Board of Directors and General Manager resigned. Until the election of the Chairman at the next Annual General Meeting, Dr. Urs Wälchli will take over as Chairman. As of the date of this prospectus, the Board of Directors consists of the following members:

Dr. rer. oec. Urs Wälchli

Born 1977, Swiss, resident in Muri bei Bern

- *InnoMedica (function and activity):* Chairman of the Board of Directors.
- *Business address:* InnoMedica Holding AG, Gesellschaftsstrasse 16, 3012 Bern.
- *Main activities outside the company:* Adjunct Professor at the Université de Neuchâtel, Visiting Assistant Professor / Lecturer at the Simon Business School of the University of Rochester (NY, USA) and the London Business School (LBS); Chairman of the Board of Directors of Inno Digital Services AG, Kehrsatz (pro AV) and WSB Holding AG, Muri (consulting) as well as member of the Board of Directors of Gloor Pumpenbau Holding AG, Rubigen (industry).

Dr. med. Denis Bron

Born 1971, Swiss, resident in Bözberg

- *InnoMedica (function and activity):* Vice Chairman of the Board of Directors.
- *Other functions within the Company:* Member of the Board of Directors of InnoMedica Schweiz AG, Bern.
- *Business address:* InnoMedica Holding AG, Gesellschaftsstrasse 16, 3012 Bern.
- *Main activities outside the company:* Chief of Aviation Medicine of the Swiss Air Force, Dübendorf, Managing Partner of Alphastrat GmbH, Brugg (biotechnology).

Dr. rer. nat. Noboru Yamazaki

Born 1946, Japanese, resident in Ibaraki (JP)

- *InnoMedica (function and activity):* Member of the Board of Directors, Chief Technology Officer.
- *Other functions within the Company:* General Manager of YAMAZAKI-DDS Co., Ltd. (Japan).
- *Business address:* InnoMedica Holding AG, Gesellschaftsstrasse 16, 3012 Bern.

Executive Board**Management delegation**

The Board of Directors has delegated the management of the company to the Executive Board as of February 14, 2018, in accordance with organizational regulations. The Executive Board is responsible for the operational management of the day-to-day business of the company. Subject to the organizational regulations, certain transactions require a corresponding decision by the Board of Directors.

Organization and composition

The Executive Board is responsible for the management of the company as a committee. After the resignation of Dr. Peter Halbherr, Dr. Stéfan Halbherr heads the Executive Board as General Manager. In this function, he is responsible for coordinating the management of the Company. The General Manager may delegate parts of the management to individual members of the Executive Board and to other employees and, within this framework, also regulate his deputization, without being released from his overall responsibility. He also prepares the corresponding job descriptions.

The Executive Board is composed as follows:

Dr. sc. nat. Stéfan Halbherr

Born 1985, Swiss, lives in Bern

- *InnoMedica (function and activity):* General Manager.
- *Other functions within the Company:* Chairman of the Board of Directors and Country Manager Switzerland of InnoMedica Schweiz AG, Bern; Managing Director of InnoMedica Deutschland GmbH, Freiburg im Breisgau, Germany.
- *Business address:* InnoMedica Holding AG, Gesellschaftsstrasse 16, 3012 Bern.

Dr. rer. oec. Jonas Zeller

Born 1982, Swiss, lives in Bern

- *InnoMedica (function and activity):* Member of the Executive Board, Chief Financial Officer.
- *Other functions within the Company:* Member of the Board of Directors and member of the Executive Board of InnoMedica Schweiz AG, Bern; Managing Director of InnoMedica Deutschland GmbH, Freiburg im Breisgau, Germany.
- *Business address:* InnoMedica Holding AG, Gesellschaftsstrasse 16, 3012 Bern.

Proceedings and guilty verdicts

There are no guilty verdicts against the above-mentioned members of the Board of Directors and the Executive Board in relation to crimes or misdemeanors in the economic sector or ongoing proceedings or proceedings concluded with a sanction on the part of statutory authorities or regulatory authorities (including designated professional associations).

Securities and option rights as of November 4, 2024

The aforementioned members of the Board of Directors and the Executive Management hold a total of 1,376,323 registered shares with 8.8% of the voting rights of InnoMedica. Peter Halbherr, Denis Bron, the Yamazaki family, and Pascal Halbherr are members of a shareholder pool in which they contractually undertake to communicate to each other any intention to sell shares and to grant other members of the shareholder pool pre-emptive rights and, in the event of any sale, co-sale rights to the shares. The pool also operates a program under which the pool members offer InnoMedica shares for sale to employees at favorable conditions. The effective date for these disclosures is November 4, 2024 and there have been no material changes to these disclosures since that date.

Auditors

The legally authorized auditing body of InnoMedica is PricewaterhouseCoopers AG, Bahnhofplatz 10, P.O. Box, 3001 Bern. The auditing supervisory authority responsible for the auditing body PricewaterhouseCoopers AG is the Swiss Federal Audit Supervisory Authority (Bern). The auditors audit the annual financial statements in accordance with the Swiss Code of Obligations. The auditors are elected annually by the Annual General Meeting. PricewaterhouseCoopers AG was re-elected as auditors at the Annual General Meeting on February 27, 2024 until the conclusion of the next Annual General Meeting of the Company. With regard to the rotation cycle of the lead auditor, the Board of Directors generally follows the provisions of the Swiss Code of Obligations. Mr. Oliver Kuntze, Swiss Certified Public Accountant, has served as lead auditor since the 2023 reporting year. The auditors are independent of the other governing bodies and the shareholders pursuant to Art. 728 of the Swiss Code of Obligations.

2.4 Business activity and outlook**Main activity**

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 initiated the Targeted Liposomal Doxorubicin (TLD-1) project. This first application in oncology is

expected to enable significantly more effective treatment of cancer while reducing side effects for patients. A second project (TLN-1) aims to use liposomes for the treatment of neurodegenerative diseases such as Parkinson's. 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. The applications mentioned are currently in the development phase. The Phase I clinical trial with TLD-1 and its extensions (comparative study with approved liposomal doxorubicin; Caelyx/Doxil) have been completed. A marketing authorization application has been submitted to Swissmedic in 2021. A rejection of the marketing authorization application was announced by Swissmedic in spring 2023, whereupon InnoMedica initiated proceedings with formal and substantive objections before the Federal Administrative Court. In fall 2024, InnoMedica submitted an application for temporary approval with TLD-1 to Swissmedic. A preliminary decision to reject the request was issued on October 29, 2024. InnoMedica can now submit written objections to this preliminary decision. As of the date of this prospectus, InnoMedica is evaluating with Swissmedic the next steps. TLN-1 has been used in a clinical trial in Parkinson's disease patients since December 2021. For the indication amyotrophic lateral sclerosis (ALS), TLN-1 received orphan drug designation from the FDA, EMA and Swissmedic in 2021. InnoMedica's drugs are not currently sold commercially.

Net sales

InnoMedica has not generated any revenues in the last three financial years.

Location and land ownership

InnoMedica and its subsidiaries do not hold any real estate.

Locations of InnoMedica

- Registered office: Baarerstrasse 34, 6300 Zug
- Location of the head office:
Gesellschaftsstrasse 16, CH-3012 Bern

Subsidiary InnoMedica Schweiz AG:

- Registered office and location of the head office:
Gesellschaftsstrasse 16, CH-3012 Bern
- Branch offices:
Route de l'Ancienne Papeterie, 1723 Marly;
Zollikerstrasse 144, 8008 Zurich

Subsidiary InnoMedica Deutschland GmbH:

- Location: Freiburg im Breisgau, Germany

Subsidiary YAMAZAKI-DDS Co, Ltd.:

- Location: Ushiku-shi, Ibaraki, Japan

Patents and licenses

InnoMedica pursues a patent strategy that spans from technology over product features to applications. The

following patent portfolio has been developed for this purpose:

- Blood brain barrier crossing liposomes against neurodegenerative disease: Liposomes comprising sphingomyelin, 2017, Dr. Stefan Halbherr.
- TLD-1: Liposomal Doxorubicin Formulation, 2019, Pascal Halbherr et al.
- TLN-1: Liposomal composition for use in a method of treating Parkinson's disease, 2023, Dr. Stéfan Halbherr und Dr. Camille Peitsch.
- TaliCoVax19: Immunogenic composition comprising an antigenic moiety and a liposomal formulation, method of producing the composition for use as a medicament, in particular for use as a vaccine, 2020, Dr. Stefan Halbherr, Dr. Camille Peitsch und Dr. Diego von Werdt.

On October 16, 2024, InnoMedica entered into an agreement to acquire a patent to expand its patent portfolio in oncology:

- Liposomes Co-Encapsulating A Bisphosphonate And An Amphipathic Agent, 2018, Alberto Gabizon und Yechezkel Barenholz.

Research and development

InnoMedica is developing applications of the liposomal delivery system for medical indications in oncology (TLD-1 with the active substance doxorubicin) and neurology (TLN-1 with the active substance GM1 against damage to the nervous system in neurodegenerative diseases such as Parkinson's, ALS, and Huntington's). Further treatment options, for example in bacteriology or diagnostics, are being explored.

Judicial, arbitration and administrative proceedings

There are no pending or threatened legal, arbitration or administrative proceedings against InnoMedica, its governing bodies or any of its subsidiaries. However, InnoMedica is conducting an ongoing appeal before the Federal Administrative Court against a decision by Swissmedic.

Headcount

As of the reporting dates of the historical financial statements included in the prospectus, InnoMedica and its subsidiaries had the following total headcount:

- December 31, 2021: 51 employees
- December 31, 2022: 50 employees
- December 31, 2023: 54 employees

Extraordinary events

No extraordinary events have to be recorded for the years 2021 to 2023.

Business Outlook

On Friday, October 25, 2024, a Scientific Advice Meeting was held with Swissmedic concerning the indication

soft tissue sarcoma for TLD-1. InnoMedica's proposals were positively received by Swissmedic. The next step is to further refine the study plan and to discuss with Swissmedic its final form. However, rapid market access for the breast cancer indication as part of a temporary approval, as requested by a group of renowned Swiss oncologists, is not possible due to Swissmedic's negative preliminary decision. For oncology, this results in direct access to the international market (EU, USA) via the planned study in the indication soft tissue sarcoma over a period of approx. 5 years.

For TLN-1, InnoMedica plans to submit a marketing authorization application to Swissmedic in line with the progress of clinical trials in the indication Parkinson's disease. A marketing authorization gives InnoMedica the opportunity to sell and distribute the developed drugs. At the present time, there is still uncertainty about the exact timing of the submission of the applications for approval, the duration of the review, and the probability and timing of any approvals. In the event of approval, there is also uncertainty regarding the pricing of the drugs and the general market environment.

2.5 Investments

Past investments

In 2014, InnoMedica invested CHF 269,782 in the construction and equipment of a first clean room at its production site in Marly (Fribourg). Since January 1, 2019, InnoMedica Schweiz AG has made the following investments for the years 2019 to 2023 as part of its mandate for operational research and development activities within InnoMedica. In 2019, InnoMedica invested a total of CHF 616,510 in the construction of a second, larger clean room and in storage facilities. In financial year 2020 CHF 798,873 and in financial year 2021 CHF 546,966 were invested in equipment for the clean rooms and the laboratories for process engineering, quality control and research and development. CHF 164,738 was invested in further equipment in 2022 and CHF 528,600 in 2023. In addition, InnoMedica has continuously invested in equipment and materials for production, process engineering, quality control and administration. These investments were directly expensed in the accounts unless they had a major financial impact or related to internal personnel expenses. According to the overview below, InnoMedica has invested in various preclinical studies as well

as clinical studies and their extensions or expansions for TLD-1 (oncology) and TLN-1 (neurology). The Phase I clinical trial with TLD-1 for the treatment of cancer was completed in 2023. In addition to the safety trial and its extension, Phase I with TLD-1 also included a comparison with the approved liposomal doxorubicin formulation Caelyx/Doxil. These investments in pre-clinical and clinical studies were directly expensed in the accounts.

In addition to the investments in the preclinic and clinic as shown in the table "Past Investments (CHF)", CHF 9,705 was invested in the preclinic and CHF 735,543 in clinical trials ("Clinic") in the first half of 2024. This results from the NEON study and its amendments, which are described in the following section "Current investments".

Current investments

InnoMedica invests continuously in clinical research and in the production facility in Marly, Fribourg. Likewise, as the company grows, investments in movable assets (e.g. office equipment, vehicles) are made on an ongoing basis. In November 2021, InnoMedica has started a clinical trial with TLN-1 for the treatment of Parkinson's disease. After completion of the first phase of this study with a budget of CHF 788,267, an extension of the study with a budget of CHF 261,699 was agreed upon in 2022. Two additional extensions of the study to continue the treatment of existing patients over time and to include additional patients were approved with a total budget of CHF 803,005 and were launched in 2023. In spring 2024, the treatment of some of the patients in this study will be extended by additional 12 months. The budget for this extension is CHF 715,253.

Planned investments

InnoMedica plans to invest in all areas of activity, with expenditures budgeted beyond current investments, but no financial commitments made. In oncology, InnoMedica is planning a clinical trial in the indication soft tissue sarcoma, whereas the budget depends on decisions regarding the study design and duration. In neurology, InnoMedica plans to start a Phase II clinical trial with TLN-1 in Parkinson's disease in the near future and is currently budgeting approximately CHF 1.55 million external costs. In addition, further pre-clinical studies with pipeline product candidates are planned but not yet budgeted.

Past Investments (CHF)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Preclinical	56,445	60,795	111,967	311,845	359,063	451,804	295,044	233,273	141,084	125,087
Clinic	-	-	-	116,209	139,748	168,307	655,449	905,240	901,942	1,232,401

2.6 Capital and voting rights

Capital structure

After the closing of the capital increase 2024 by May 31, 2024, InnoMedica's share capital amounts to CHF 1'570'595.50 divided into 15,705,955 registered shares with a nominal value of CHF 0.10 each. All shares are fully paid-in, freely transferable, and equal in all respects. The shares are fully entitled to dividends. The company has a capital spread, the upper limit of which is CHF 2,041,774.10 and which authorizes the Board of Directors to issue up to 4,711,786 registered shares with a nominal value of CHF 0.10 to be fully paid up, all in accordance with Art. 4a of the Articles of Association dated November 11, 2024. The shares are currently not admitted to trading on any trading venue.

Voting rights

All shares of InnoMedica Holding AG carry full voting rights. Pursuant to Article 9 of the Company's Articles of Association, each share entitles the holder to one vote at the Annual General Meeting. The Articles of Association do not provide for any restrictions on voting rights. Each shareholder may also be represented at the shareholders' meeting by a third party, who does not need to be a shareholder, by means of a written power of attorney. Legal representatives do not require a written power of attorney; personal legitimation is sufficient.

Opportunities to change the existing capital

The Board of Directors is authorized within the framework of the capital spread in accordance with Art. 4a of the Articles of Association of November 11, 2024, to increase the share capital at any time until October 21, 2029, once or several times in any amount by issuing up to 4,711,786 fully paid registered shares with a nominal value of CHF 0.10 each.

On November 12, 2024, the Board of Directors decided, based on the capital spread, to carry out a capital increase by issuing a maximum of 872,553 registered shares with a nominal value of CHF 0.10 each.

Increases in partial amounts are permitted. The Board of Directors is authorized to enable, restrict or exclude trading in subscription rights. The Board of Directors may allow subscription rights that are not exercised to expire or place these or the registered shares for which subscription rights have been granted but not exercised at market conditions or use them otherwise in the interests of the company. The respective issue amount, the timing of dividend entitlements, the conditions for exercising subscription rights and the allocation of subscription rights that have not been exercised or withdrawn, and the type of contribution and the type of contribution are determined by the Board of Directors. The Board of Directors is autho-

ized to restrict or exclude the subscription rights of shareholders and to allocate them to third parties, the company or its Group companies if such new shares are used as follows:

- a) for the purpose of expanding the shareholder base in certain investor markets or in connection with the listing, admission to trading or registration of the registered shares on domestic or foreign stock exchanges;
- b) for the participation of employees, members of the Board of Directors and consultants of the Corporation or of group companies in accordance with one or more regulations issued or resolutions adopted by the Board of Directors;
- c) for the acquisition of companies, parts of companies or shareholdings, the acquisition of products, intellectual property rights, licenses or new investment plans, or in the case of a private or public share placement for the financing and/or refinancing of such transactions;
- d) for the rapid and flexible raising of equity, which without the withdrawal of the subscription right would be difficult or possible only at less favourable conditions; or
- e) for the acquisition of a shareholding in the Corporation by a strategic partner (including in the event of a public takeover bid).

The capital spread expires on October 21, 2029 or earlier, by decision of the general assembly. By resolution of the Board of Directors of November 12, 2024, the share capital of the Company is to be increased by a maximum amount of CHF 87,255.30 to a maximum of CHF 1,657,850.80 through the issuance of a maximum of 872,553 registered shares with a nominal value of CHF 0.10 from the previous CHF 1,570,595.50 within the scope of the present capital increase. The subscription rights of existing shareholders will be respected.

Share and profit participation certificates

InnoMedica has no share and profit participation certificates that do not represent capital.

Outstanding conversion and option rights, bonds, loans and contingent liabilities

As of the date of this prospectus, there are no outstanding conversion and option rights, bonds, loans or contingent liabilities. Outstanding conversion and option rights, bonds, loans and contingent liabilities

As of the date of this prospectus, there are no outstanding conversion and option rights, bonds, loans or contingent liabilities.

Capitalization and debt

At the end of the financial year 2023, InnoMedica's equity amounts to CHF 8,766,468 and the debt at the end of

the financial year 2023 amounts to CHF 3,584,737 consisting of unsecured operating liabilities. Based on the unaudited half-year financial statements 2024, equity as of June 30, 2024 amounts to CHF 9,869,205 and liabilities to CHF 3,283,625. InnoMedica has no contingent liabilities. As of the date of the prospectus, there are no events that have led to a material change in capitalization and debt since the end of fiscal year 2023.

Provisions of the Articles of Association that deviate from the law

Provisions of the Articles of Association that deviate from the law. As of the date of this prospectus, InnoMedica has no provisions in its Articles of Association that deviate from the statutory provisions regarding changes in capital and the rights associated with the individual classes of securities.

Agenda

The shareholders of InnoMedica Holding AG are entitled to the rights to add items to the agenda pursuant to Art. 699b of the Swiss Code of Obligations.

Treasury shares

As of the half-year financial statement on June 30, 2024, 16,217 registered shares of the company are held in treasury.

Significant shareholders

As of the half-year financial statement on June 30, 2024, the following significant shareholders of the Company hold more than 3 percent of the voting rights:

- Dr. Peter Halbherr: 2,626,858 registered shares (16.7 percent of 15,705,955 registered shares)
- Pascal Halbherr: 498,362 registered shares (3.2 percent)
- Dr. Noboru Yamazaki: 496,500 registered shares (3.2 percent)

Cross holding

There is no cross shareholding.

Public purchase offers

As a non-listed company, InnoMedica's Articles of Association do not provide for any relief or exemption from the obligation to make a public tender offer pursuant to Article 135 FinfraG ("opting out" and "opting up" clauses).

Dividend entitlement

The existing shares are fully entitled to dividends. The New Registered Shares are entitled to dividends from financial year 2024. InnoMedica has not paid any dividends in the past.

Employee participation

InnoMedica does not operate any option or share participation programs for employees, members of the Board of Directors, and members of the Executive Board.

2.7 Information policy

InnoMedica publishes its financial reporting once a year in the form of annual financial statements. These are prepared in accordance with the accounting regulations of the Swiss Code of Obligations. Comprehensive information about the company can be found on the website www.innomedica.com. Irregular newsletters for investors and interested parties are published by e-mail and on the Company's website (www.innomedica.com). The Company can be contacted electronically at info@innomedica.com. The content of the website is not part of this Offering Prospectus.

Contact person and details for investors and media:

Investors Relations
InnoMedica Holding AG
Gesellschaftsstrasse 16
CH-3012 Bern
+41 (0)44 383 88 22
info@innomedica.com

2.8 Financial statements

InnoMedica prepares its annual financial statements in accordance with the Swiss Code of Obligations at the end of each financial year as of December 31. For the financial years 2021, 2022 and 2023, consolidated financial statements have also been prepared with consolidation of the wholly owned subsidiaries InnoMedica Schweiz AG, YAMAZAKI-DDS Co., Ltd. (domiciled in Ibaraki, Japan) and InnoMedica Deutschland GmbH (domiciled in Freiburg in Breisgau, Germany).

The audited annual financial statements in accordance with the Swiss Code of Obligations for the financial years 2021, 2022 and 2023, and the audited consolidated financial statements in accordance with the Swiss Code of Obligations for the financial years 2021, 2022 and 2023 as well as the unaudited half-year financial statements 2024 are set out below for the purposes of this offering (public capital increase) and extracts therefrom are also published in the appendix to this offering prospectus:

- Consolidated half-year financial statements in accordance with the Swiss Code of Obligations as of June 30, 2024, unaudited (see P 22-24)

- Half-year financial statements in accordance with the Swiss Code of Obligations as of June 30, 2024, unaudited (see P 25-27)
- Consolidated financial statements in accordance with the Swiss Code of Obligations as of December 31, 2023 (see P 28-34)
- Financial statements in accordance with the Swiss Code of Obligations as of December 31, 2023 (see P 35-41)
- Consolidated financial statements in accordance with the Swiss Code of Obligations as of December 31, 2022 (see P 42-48)
- Financial statements in accordance with the Swiss Code of Obligations as of December 31, 2022 (see P 49-54)
- Consolidated financial statements in accordance with the Swiss Code of Obligations as of December 31, 2021 (see P 55-60)
- Financial statements in accordance with the Swiss Code of Obligations as of December 31, 2021 (see P 61-65)

The annual reports 2021, 2022 and 2023 as well as the half-year financial statements 2024 are incorporated by reference into this prospectus and can be obtained free of charge from the Company (phone: +41 (0)44 383 88 22, e-mail: info@innomedica.com or www.innomedica.com/ir).

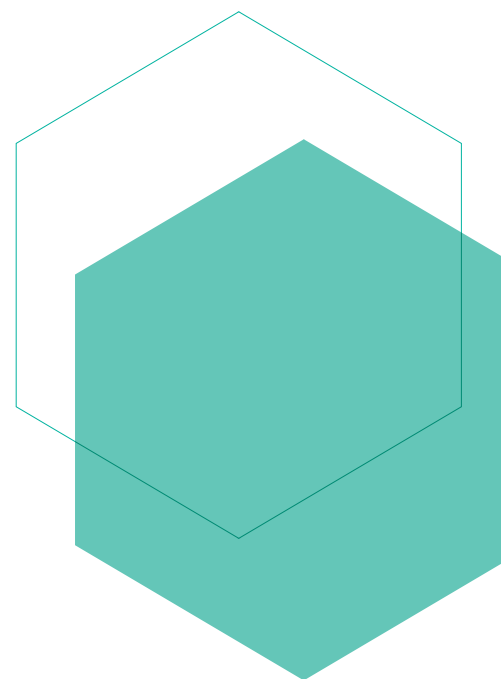
Significant changes since the last annual or interim financial statements

There have been no significant changes in the issuer's net assets, results of operations and financial position since the half-year financial statements.

2.9 Dividend and earnings

InnoMedica has not paid dividends in the past and plans to pay dividends only in the event of sustained positive net income, in accordance with the legal framework under the Swiss Code of Obligations.

The 872,553 New Registered Shares offered with this prospectus from the capital increase are entitled to dividends for the entire financial year 2024 as of the date of their entry in the Commercial Register of the Canton of Zug.



3. Information on the securities (securities description)

3.1 Issue price and issue volume

The issue price was set by the Board of Directors on November 12, 2024, at CHF 7.00 per New Registered Share with a nominal value of CHF 0.10 each. A maximum of 872,553 New Registered Shares can be issued at this price. The actual issue volume results from the effectively issued number of New Registered Shares, multiplied by the issue price. It depends on the willingness of investors to subscribe for New Registered Shares of the Company. The maximum issue volume amounts to CHF 6,107,871.00.

3.2 Risks

The shares offered represent an investment in InnoMedica's business model and are therefore exposed to the risks described in section 2.1. The acquisition and the information provided do not give rise to any claims on the part of shareholders with regard to the subsequent performance of the shares.

3.3 Legal basis

The offer follows the resolution of the General Meeting of Shareholders of November 11, 2024, to create a capital spread, and the resolution of the Board of Directors of November 12, 2024 on the capital increase based on the capital spread pursuant to this prospectus.

3.4 Right

The issued share capital of InnoMedica as of the date of this prospectus amounts to CHF 1,570,595.50 and is divided into 15,705,955 registered shares with a nominal value of CHF 0.10 each. The registered shares are fully paid-in and validly issued.

The registered shares have equal rights among themselves and in relation to all other registered shares.

According to Article 9 of the Articles of Association, each share carries one vote at the General Meeting. Members' rights at the General Meeting of Shareholders may only be exercised by persons identified by entry in the share register. All shares are equally

entitled to dividends. The maximum of 872,553 New Registered Shares offered with this prospectus from the capital increase are entitled to dividends for the entire financial year 2024 as of the date of their entry in the Commercial Register of the Canton of Zug. According to its Articles of Association, the duration of the Company is unlimited. However, the Company may be dissolved by a publicly certified resolution of the General Meeting. The assets of the dissolved company will be distributed to the shareholders after repayment of its debts in proportion to the paid-in nominal value of its shares.

In addition, registered shares carry the rights granted to them under the Company's Articles of Association and the Swiss Code of Obligations. The Board of Directors may reject the application for entry in the share register on the basis of Art. 685b para. 3 of the Swiss Code of Obligations, unless the acquirer explicitly declares that he/she has acquired the registered shares in his/her own name and for his/her own account.

3.5 Restrictions

There are no restrictions on transferability or tradability (transfer restrictions). According to Article 4 of the Articles of Association, all shares of the Company are freely transferable and tradable.

3.6 Publication

The Company's publication medium for public notices to shareholders is the "Schweizerisches Handelsamtsblatt" (www.shab.ch).

3.7 Security number, ISIN and trading currency

Security number: 55.897.390
SIX SIS ISIN: CH0558973902
Trading currency: CHF

3.8 Information on the offer

Type of issue

Based on the capital spread, the Board of Directors of the Company decided on November 12, 2024 to increase the share capital of the Company by a maximum amount of CHF 87,255.30 to a maximum of 16,578,508 shares with a nominal value of CHF 1,657,850.80 by issuing a maximum of 872,553 fully paid-in new registered shares in a capital increase with a subscription offer to the existing shareholders of the Company. The offer consists of:

- i. a capital increase based on the capital spread with a subscription offer to the existing shareholders of the Company, according to which the share capital of the Company will increase by a maximum amount of CHF 87,255.30 by issuing a maximum of 872,553 fully paid-in New Registered Shares against cash contribution ("Subscription Offer") and
- ii. a free placement of the subscription rights that were not and/or not validly exercised in the Subscription Offer. After expiry of the Subscription Period, the Board of Directors shall decide on the allocation of these remaining subscription rights in the interest of the Company and at its own discretion ("Free Placement").

Subscription rights that are not exercised or not validly exercised within the Subscription Period under the Subscription Offer shall expire worthless, without compensation and irrevocably.

Number, class and nominal value of securities

The offer comprises a maximum of 872,553 New Registered Shares of the Company with a nominal value of CHF 0.10 per New Registered Share, to be fully paid in. Existing shareholders may subscribe for offered New Registered Shares from the capital increase in order to materially preserve their fractional ownership in the company. The New Registered Shares have equal rights among themselves and in relation to all other registered shares.

Design of the securities

The registered shares are fully paid-in and validly issued. Based on the resolution of the Ordinary General Meeting of Shareholders of June 28, 2022, the registered shares of the Company are in principle structured as uncertificated securities (within the meaning of the Swiss Code of Obligations) and intermediated securities (within the meaning of the Intermediated Securities Act). The main register is kept at Nimbus AG, Ziegelbrücke. With the crediting of the securities in the securities account, the Federal Intermediated Securities Act applies to the custody and transfer. There is no right to delivery of physical share certificates. However, shareholders entered in the share register may at any time request confirmation from the share register of the number of registered shares entered in their name.

Subscription and Placement Price

The Subscription and Placement Price is CHF 7.00 per New Registered Share.

Subscription Period

The period for exercising subscription rights under the Subscription Offer and for subscribing for New Registered Shares under the Free Placement begins on November 18, 2024 and ends on December 13, 2024 at 24:00 (CET).

Subscription ratio

One (1) subscription right shall be allocated to one (1) existing registered share. 18 subscription rights entitle the holder to subscribe for one (1) New Registered Share at the Subscription Price. The exercise of the subscription rights is irrevocable.

Allocation of subscription rights

Current shareholders will be allocated their subscription rights if they are entered in the share register or submit confirmation from their bank of the shares held in their securities account as of December 13, 2024 with the subscription form.

Rights trading

The existing shareholders may freely dispose of their subscription rights until the end of the Subscription Period, exercise them partially or fully on their own account, or sell them to third parties.

Sale to third parties during the public offering

Existing shareholders may sell their unexercised subscription rights to third parties at any time until the end of the Subscription Period, either for a consideration or free of charge. The purchaser of these subscription rights shall notify InnoMedica in writing by December 13, 2024, by means of an assignment agreement of the number of subscription rights acquired and the name and address of the seller of the subscription rights. The assignment agreement shall name the seller, the buyer and the number of subscription rights assigned. A template for the assignment agreement is available for download at www.innomedica.com/ir.

The assignment agreement shall become valid if it is received by InnoMedica by December 13, 2024, is signed by the acquirer and the seller of the subscription rights, and the seller is entered in the share register or submits a confirmation from his bank regarding the share held in his/her securities account as of December 13, 2024. InnoMedica shall not assume any liability for any damages arising in connection with the private trading of subscription rights with third parties. In particular, it is the responsibility of the purchaser of the subscription rights to ensure that the seller of the subscription rights is actually a shareholder of InnoMedica and can freely dispose of the subscription rights to be purchased.

Subscription rights can be acquired exclusively for the purpose of subscribing for shares in the context of the Subscription Offer.

Delivery and payment

The New Registered Shares from the capital increase will be delivered in book-entry form in accordance with the Swiss Federal Act on Book-Entry Securities. The book-entry delivery of the New Registered Shares from the capital increase will be made against payment of the Subscription or Placement Price for each New Registered Share, i.e., against payment of CHF 7.00 net per registered share, no later than December 13, 2024, to the capital increase account of the Company (IBAN: CH22 0023 0230 8867 10D7 L).

Paying agent

UBS Switzerland AG, PWJ8-NT4, P.O. Box, 3001 Bern
Phone: +41 (0)31 336 47 70
E-mail: norbert.mullis@ubs.com

Listing

The shares of the Company are not listed on any stock exchange.

Share capital and capital increase

Upon completion of the Offer, the share capital will be increased by a maximum amount of CHF 87,255.30 to a maximum of CHF 1,657,850.80, divided into a maximum of 16,578,508 registered shares with a nominal value of CHF 0.10 each.

Net proceeds

The maximum net proceeds of the issue according to the information under 3.1 are expected to amount to CHF 6,047,397.03 taking into account the issue tax.

The proceeds of the issue will primarily be used to finance the operating activities, in particular personnel costs and costs of research, development and production of InnoMedica's products.

Issue tax

The issue tax on the Subscription or Placement Price is borne by the Company.

Applicable law and place of jurisdiction

Swiss law is applicable. The place of jurisdiction is the registered office of the Company.

Sale restrictions

The distribution of this prospectus and the offer and sale of the New Registered Shares, the trading of subscription rights, and/or the exercise of the subscription rights are restricted by law in certain jurisdictions. The

Company, the Board of Directors, and the Management require any persons into whose possession of this prospectus comes are required by the Company, the Board of Directors and the Management to inform themselves about any such restrictions and to observe them any such restrictions. Failure to comply with such restrictions may constitute a violation of the securities laws of such countries. The Company assumes no responsibility for any violation of these restrictions by any third party, whether or not such third party is a prospective purchaser.

This prospectus constitutes a public offer of the New Registered Shares and/or subscription rights to New Registered Shares exclusively in Switzerland and under Swiss law; it does not constitute an offer or invitation to purchase or to make an offer to purchase New Registered Shares and/or subscription rights to New Registered Shares in any jurisdiction in which such offer or invitation would be unlawful. Except for Switzerland, the Company and the Board of Directors have not made in any other jurisdiction any arrangements necessary for a public offering or the possession or distribution of this prospectus or any other material relating to the Offering.

4. Responsibility for the prospectus

The following representatives of the Company accept responsibility for the contents of this prospectus in its original German version and declare that, to the best of their knowledge, the information contained in this prospectus, including the financial information in the financial reporting section, is correct and that no material circumstances have been omitted.

Zug, November 14, 2024

InnoMedica Holding AG

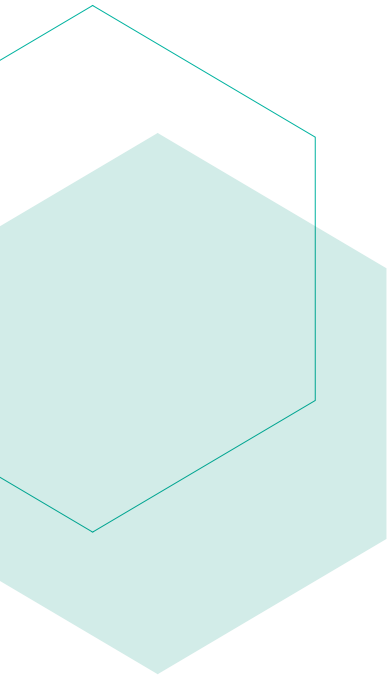


Prof. Dr. Urs Wälchli
Chairman of the
Board of Directors



Dr. Denis Bron
Vice President of the
Board of Directors





Appendix: Financial reporting

- P 22-24 Consolidated half-year financial statements (Swiss Code of Obligations, unaudited) as of June 30, 2024**
Consolidated balance sheet
Consolidated income statement
Consolidated cash flow statement
- P 25-27 Half-year financial statements (Swiss Code of Obligations, unaudited) as of June 30, 2024**
Balance sheet
Income statement
Cash flow statement
- P 28-34 Audited consolidated financial statements (Swiss Code of Obligations) as of December 31, 2023**
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- P 35-41 Audited financial statements (Swiss Code of Obligations) as of December 31, 2023**
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- P 42-48 Audited consolidated financial statements (Swiss Code of Obligations) as of December 31, 2022**
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- P 49-54 Audited financial statements (Swiss Code of Obligations) as of December 31, 2022**
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- P 55-60 Audited consolidated financial statements (Swiss Code of Obligations) as of December 31, 2021**
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Auditor's report
- P 61-65 Audited financial statements (Swiss Code of Obligations) as of December 31, 2021**
Balance sheet
Income statement
Cash flow statement
Notes to the financial statements
Auditor's report

Consolidated half-year financial statements InnoMedica Holding AG (unaudited)

Consolidated balance sheet

	December 31, 2023	June 30, 2024
Assets	CHF	CHF
Cash and cash equivalents	12,390,943	14,045,080
Securities	152,073	167,662
Current receivables	234,326	255,088
Prepaid expenses and accrued income	50,891	152,203
Total current assets	12,828,232	14,620,033
Property, plant and equipment	2,244,663	2,032,982
Total fixed assets	2,244,663	2,032,982
Total assets	15,072,895	16,653,015
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	306,859	384,788
Other current liabilities	174,056	146,131
Accrued expenses and deferred income	322,062	228,853
Total current liabilities	802,977	759,772
Total non-current liabilities	-	-
Share capital	1,444,772	1,570,596
Total legal reserves	71,179,162	78,099,476
Reserves from capital contributions	68,883,290	75,732,333
Other legal reserves	2,295,872	2,367,144
Loss carried forward	-48,405,274	-58,343,276
Currency translation differences in CHF	-6,685	-2,535
Annual loss	-9,938,001	-5,426,964
Treasury shares	-4,054	-4,054
Total shareholders' equity	14,269,918	15,893,243
Total liabilities and shareholders' equity	15,072,895	16,653,015

Consolidated income statement

	1st half-year 2023	1st half-year 2024
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-943,777	-1,441,966
Total cost of materials and services	-943,777	-1,441,966
Personnel expenses		
Wages and salaries	-2,035,329	-2,304,096
Social security expenses	-305,802	-321,250
Other personnel expenses	-257,371	-290,989
Total personnel expenses	-2,598,502	-2,916,334
Other operating expenses		
Infrastructure expenses	-262,054	-313,346
Vehicle and transport expenses	-12,232	-4,042
Property insurance and fees	-11,247	-12,570
Administrative expenses	-118,422	-140,723
Capital increase expenses	-401,159	-342,259
IT expenses	-19,288	-22,978
Advertising expenses	-39,263	-29,564
Total other operating expenses	-863,665	-865,482
EBITDA	-4,405,945	-5,223,783
Depreciation of property, plant and equipment	-240,232	-247,771
EBIT	-4,646,177	-5,471,553
Financial expenses	-2,380	-2,691
Financial income	3,768	29,203
Value adjustment on securities	-5,040	16,404
Currency differences	-23,725	10,524
EBT	-4,673,554	-5,418,113
Direct taxes	-11,543	-8,851
Net income	-4,685,098	-5,426,964

Consolidated cash flow statement in CHF

	1st half-year 2023	1st half-year 2024
Net income	-4,685,098	-5,426,964
Depreciation	240,232	247,771
Change in current assets	-27,377	-156,845
Change in current liabilities	20,665	50,004
Change in accrued expenses and deferred income	-279,956	-74,027
Currency translation differences in CHF	-1,274	4,150
Cash flow from operating activities	-4,732,807	-5,355,911
Investments in property, plant and equipment	-209,045	-36,090
Cash flow from investing activities	-209,045	-36,090
Equity contributions	5,278,501	7,046,138
Cash flow from financing activities	5,278,501	7,046,138
Change in cash and cash equivalents	336,649	1,654,137
Cash and cash equivalents as of Jan. 01	16,548,040	12,390,943
Cash and cash equivalents as of Jun. 30	16,884,689	14,045,080
Change in cash and cash equivalents	336,649	1,654,137

Half-year financial statements

InnoMedica Holding AG (unaudited)

Balance sheet

	December 31, 2023	June, 30 2024
Assets	CHF	CHF
Cash and cash equivalents	9,743,376	10,513,214
Securities	152,073	167,662
Current receivables	229,470	250,240
Prepaid expenses and accrued income	20,355	20,555
Total current assets	10,145,273	10,951,671
Subsidiaries	2,205,933	2,201,159
Total fixed assets	2,205,933	2,201,159
Total assets	12,351,205	13,152,830
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	17,981	3,109
Liabilities to Group companies	3,474,078	3,257,691
Accrued expenses and deferred income	92,679	22,825
Total current liabilities	3,584,737	3,283,625
Total non-current liabilities	-	-
Share capital	1,444,772	1,570,596
Total legal reserves	71,267,835	78,188,150
Reserves from capital contributions	68,971,963	75,821,006
Other legal reserves	2,295,872	2,367,144
Loss carried forward	-52,814,224	-63,942,084
Annual loss	-11,127,860	-5,943,401
Treasury shares	-4,054	-4,054
Total shareholders' equity	8,766,468	9,869,205
Total liabilities and shareholders' equity	12,351,205	13,152,830

Income statement

	1st half-year 2023	1st half-year 2024
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-4,270,378	-5,122,008
Total cost of materials and services	-4,270,378	-5,122,008
Personnel expenses		
Wages and salaries	-357'200	-364,840
Social security expenses	-43'399	-43,900
Other personnel expenses	-25'526	-15,379
Total personnel expenses	-426,125	-424,120
Other operating expenses		
Administrative expenses	-93,987	-90,343
Capital increase expenses	-401,159	-342,259
Advertising expenses	-27,375	-500
Total other operating expenses	-522,520	-433,102
EBITDA	-5,219,023	-5,979,230
Amortization of intangible assets	-35,038	-4,773
EBIT	-5,254,060	-5,984,003
Financial expenses	-1,105	-1,186
Financial income	40,481	21,712
Value adjustment on securities	-5,040	16,404
Currency differences	-6,873	4,310
EBT	-5,226,598	-5,942,762
Capital taxes	-2,393	-639
Net income	-5,228,991	-5,943,401

Cash flow statement in CHF

	1st half-year 2023	1st half-year 2024
Net income	-5,228,991	-5,943,401
Amortization	35,038	4,773
Change in current assets	51,369	-36,559
Change in current liabilities	-876,254	-231,258
Change in accrued expenses and deferred income	-39,917	-69,854
Cash flow from operating activities	-6,058,755	-6,276,300
Cash flow from investing activities	-	-
Repayment of debt	4,000,000	-
Equity contributions	5,278,501	7,046,138
Cash flow from financing activities	9,278,501	7,046,138
Change in cash and cash equivalents	3,219,746	769,839
Cash and cash equivalents as of Jan. 01.	11,256,082	9,743,376
Cash and cash equivalents as of Jun. 30.	14,475,828	10,513,214
Change in cash and cash equivalents	3,219,746	769,839

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	December 31, 2022	December 31, 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

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 sql-Finance 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.



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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.



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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

Consolidated Financial Statements InnoMedica Holding AG

Balance Sheet

Year	December 31, 2021	December 31, 2022
Assets	CHF	CHF
Cash and cash equivalents	20,281,234	16,548,040
Securities	138,775	143,540
Other current receivables	242,581	236,124
Prepaid expenses and accrued income	88,105	332,582
Total current assets	20,750,695	17,260,285
Property, plant and equipment	2,515,070	2,205,145
Intangible assets	200,000	200,000
Total fixed assets	2,715,070	2,405,145
Total assets	23,465,765	19,665,431
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	60,452	68,295
Other current liabilities	179,248	159,267
Accrued expenses and deferred income	648,781	500,291
Total current liabilities	888,481	727,852
Total long-term liabilities	-	-
Share capital	1,417,099	1,433,955
Total legal reserves	59,067,820	65,911,478
Reserves from capital contributions	57,049,784	63,669,174
Other legal reserves	2,018,035	2,242,304
Loss carried forward	-27,531,689	-37,903,580
Currency translation differences in CHF	-	1,475
Annual loss	-10,371,890	-10,501,695
Treasury shares	-4,054	-4,054
Total shareholders' equity	22,577,285	18,937,579
Total liabilities and shareholders' equity	23,465,765	19,665,431

Income Statement

Year	2021	2022
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-2,214,766	-2,490,223
Total cost of materials and services	-2,214,766	-2,490,223
Personnel expenses		
Wages and salaries	-4,860,641	-4,872,813
Social security expenses	-699,207	-681,588
Other personnel expenses	-738,323	-578,350
Total personnel expenses	-6,298,170	-6,132,751
Other operating expenses		
Infrastructure expenses	-436,560	-549,584
Vehicle and transport expenses	-18,596	-17,763
Property insurance and fees	-11,086	-11,161
Administrative expenses	-386,923	-307,878
Capital increase expenses	-506,938	-334,700
IT expenses	-108,966	-69,972
Advertising expenses	-25,531	-29,016
Total other operating expenses	-1,494,599	-1,320,075
EBITDA	-10,007,535	-9,943,049
Depreciation	-292,663	-502,204
EBIT	-10,300,198	-10,445,252
Financial expenses	-45,422	-18,972
Financial income	913	1,040
Value adjustment on securities	-7,046	4,352
Currency differences	-1,039	-15,738
EBT	-10,352,792	-10,474,571
Direct taxes	-19,098	-27,124
Net income	-10,371,890	-10,501,695

Cash Flow Statement in CHF

Year	2021	2022
Net income	-10,371,890	-10,501,695
Depreciation	292,663	502,204
Change in current assets	-120,798	-242,784
Change in current liabilities	-66,512	-12,139
Change in accrued expenses and deferred income	-71,112	-148,490
Currency translation differences in CHF	-	1,475
Cash flow from operating activities	-10,337,649	-10,401,429
Investments in property, plant and equipment	-538,071	-192,279
Cash flow from investing activities	-538,071	-192,279
Repayments of debt	-240,000	-
Equity contributions	15,394,499	6,860,514
Cash flow from financing activities	15,154,499	6,860,514
Change in cash and cash equivalents	4,278,778	-3,733,194
Cash and cash equivalents as of Jan. 01	16,002,456	20,281,234
Cash and cash equivalents as of Dec. 31	20,281,234	16,548,040
Change in cash and cash equivalents	4,278,778	-3,733,194

Notes to the Consolidated Financial Statements InnoMedica Holding AG 2022

The 2022 consolidated financial statements include the companies of the InnoMedica Group. The scope of consolidation includes the individual companies InnoMedica Holding AG (domiciled in Zug), InnoMedica Schweiz AG (domiciled in Bern), InnoMedica Deutschland GmbH (domiciled in Freiburg i. Br., Germany) and YAMAZAKI-DDS Co., Ltd. (domiciled 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 via 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 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 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.

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 the short term and denominated in various currencies. The positions 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. In previous financial years, property, plant and equipment were depreciated using the declining balance method at a rate of 20% based on the value of the respective previous

year. The change in the depreciation method resulted in a one-time cumulative effect from the book value adjustment on expenses of CHF 205,144 at the beginning of the financial year 2021. The depreciation of the financial year 2021 when applying linear depreciation without taking this effect into account amounted to CHF 497,807. The depreciation of the financial year 2022 amounts to CHF 502,204. The property, plant and equipment consists of machines and equipment from laboratory, production and analytical departments, as well as three vehicles and various office equipment.

Classifications and Explanations

Accruals and deferrals: Accruals and deferrals include prepayments for investments in cleanroom equipment and filling automation on the assets side. On the liabilities side, costs already incurred and accruals for services received but not yet invoiced are recorded.

OTC stock brokerage: InnoMedica brings together interested parties for the purchase and sale of InnoMedica shares. InnoMedica makes itself available as administrator of the assets until the transaction is completed. In return, it charges an expense allowance for personnel expenses in the form of a transaction fee.

Reserves from capital contributions: The reserves from capital contributions as of December 31, 2020 (in the amount of CHF 41,789,370.85 according to the individual financial statements of InnoMedica Holding AG) have been recognized by the Swiss Federal Tax Administration (FTA) in this amount. Additional reserves from capital contributions 2021 and 2022 will be declared after the audit of the financial statements 2022.

Treasury shares: At the balance sheet date of 2022, 14'339'550 shares were placed compared to 14'170'987 shares in the previous year. There are unchanged 16'217 shares in the possession of InnoMedica. The treasury shares are valued at the effectively paid purchase price of CHF 0.25 as of 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 financial years 2021 and 2022 include bank inte-

rest and charges. Costs for the capital increase are reported separately. Financial income includes dividends.

Capital increase expenses: The position is shown including issue tax of CHF 152,401 for 2021 and CHF 67,912 for 2022.

Additional Information

Annual average of job percent: InnoMedica employed an annual average of 51.5 people in 2022. The work volume amounted to an annual average of 4,739 job percent (comparison 2021: 48 employees with an annual average of 4,373 job percent). With the exception of four members of the management of InnoMedica Holding AG (395 job percent) and one employee of InnoMedica Deutschland GmbH (22 job percent), the employees are employed by InnoMedica Schweiz AG.

Trust shares: In addition to treasury shares, InnoMedica holds 3,607,850 shares of InnoMedica Holding AG in trust as of the end of 2022. In the previous year, there were 3,595,979 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 2022/2023, 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 balance sheet date of 2022, Dr. Peter Halbherr held 2,652,335 shares (18.5 percent of 14,339,550 shares). No other shareholder held more than 5 percent of the shares on December 31, 2022. In the previous financial year, Dr. Peter Halbherr held 2,652,335 shares (18.7 percent of 14,170,987 shares) and Dr. Herbert Früh 706,842 shares (5.0 percent). No other shareholder held more than 5 percent of the shares on December 31, 2021.

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 sql-Finance 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, 2022. 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, 2021, the rental obligation of a maximum of 27 monthly rents amounted to CHF 18,368 each (total CHF 495,945).

Social security obligations: Social security obligations amount to CHF 45,678 at year-end 2022 compared to CHF 107,325 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 2022, and the consolidated income statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (page 12, 13, 16, 17 and 18) 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 the 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.



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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 judgment 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 paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG



Hanspeter Gerber
Licensed audit expert
Auditor in charge



Andreas Scheibli
Licensed audit expert

Zürich, 31 January 2023

Annual Financial Statements InnoMedica Holding AG

Balance Sheet

Year	December 31, 2021	December 31, 2022
Assets	CHF	CHF
Cash and cash equivalents	14,339,769	11,256,082
Securities	138,775	143,540
Other current receivables	237,795	231,338
Total current assets	14,716,339	11,630,960
Loans to Group companies	4,000,000	4,000,000
Subsidiaries ³	2,269,768	2,467,308
Total fixed assets	6,269,768	6,467,308
Total assets	20,986,108	18,098,268
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	17,720	4,935
Liabilities to Group companies	1,391,734	3,385,701
Accrued expenses and deferred income	96,100	91,804
Total current liabilities	1,505,554	3,482,440
Total non-current liabilities	-	-
Share capital	1,417,099	1,433,955
Total legal reserves	59,156,493	66,000,151
Reserves from capital contributions	57,138,458	63,757,847
Other legal reserves	2,018,035	2,242,304
Loss carried forward	-29,049,029	-41,088,984
Annual loss	-12,039,956	-11,725,239
Treasury shares	-4,054	-4,054
Total shareholders' equity	19,480,553	14,615,828
Total liabilities and shareholders' equity	20,986,108	18,098,268

³ See notes in Appendix P 24.

Income Statement

Year	2021	2022
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-10,385,083	-10,350,248
Total cost of materials and services	-10,385,083	-10,350,248
Personnel expenses		
Wages and salaries	-807,925	-744,905
Social security expenses	-96,589	-90,601
Other personnel expenses	-57,984	-41,777
Total personnel expenses	-962,498	-877,283
Other operating expenses		
Administrative expenses	-223,396	-219,773
Capital increase expenses	-506,938	-334,700
Advertising expenses	-10,656	-17,188
Total other operating expenses	-740,989	-571,661
EBITDA / EBIT	-12,088,571	-11,799,192
Financial expenses	-43,906	-13,401
Financial income	100,913	101,040
Value adjustment on securities	-7,046	4,352
Currency differences	3,040	-1,707
EBT	-12,035,571	-11,708,909
Capital taxes	-4,385	-16,331
Net income	-12,039,956	-11,725,239

Cash Flow Statement in CHF

Year	2021	2022
Net income	-12,039,956	-11,725,239
Change in current assets	-40,175	1,692
Change in current liabilities	-312,865	1,981,182
Change in accrued expenses and deferred income	34,096	-4,296
Cash flow from operating activities	-12,358,900	-9,746,662
Investments in subsidiaries	-	-197,539
Cash flow from investing activities	-	-197,539
Repayments of debt	-240,000	-
Equity contributions	15,394,499	6,860,514
Cash flow from financing activities	15,154,499	6,860,514
Change in cash and cash equivalents	2,795,599	-3,083,687
Cash and cash equivalents as of Jan. 01	11,544,171	14,339,769
Cash and cash equivalents as of Dec. 31	14,339,769	11,256,082
Change in cash and cash equivalents	2,795,599	-3,083,687

Notes to the Financial Statements InnoMedica Holding AG 2022

The 2022 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. Further notes to the financial statements of InnoMedica Holding AG (valuation principles, classifications and explanations as well as additional information) can be found in the notes to the consolidated financial statements of InnoMedica Holding AG (see P 17/P 18).

Classifications and Explanations

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. continues to be valued at CHF 200,000 and comprises intellectual property assets (patents) in the nanomedicine field. 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 valued at historical cost of CHF 97,920 (EUR 100,000) in share capital and CHF 99,619 (EUR 100,000) in additional paid-in capital.

Carrying Forward of Net Loss

The loss of CHF 11,725,239 is added to the loss carried forward of CHF 41,088,984 and the balance is transferred to the new account.

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 2022, and the income statement, the cash flow statement for the year then ended, and notes to the financial statements.

In our opinion, the financial statements (page 21 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 the 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.

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



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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 judgment 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 paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG



Hanspeter Gerber
Licensed audit expert
Auditor in charge



Andreas Scheibli
Licensed audit expert

Zürich, 31 January 2023

Consolidated financial statements InnoMedica Holding AG

Balance sheet

Year	December 31, 2020	December 31, 2021
Assets	CHF	CHF
Cash and cash equivalents	16,002,456	20,281,234
Securities	144,325	138,775
Other current receivables	194,876	242,581
Prepaid expenses and accrued income	9,463	88,105
Total current assets	16,351,120	20,750,695
Property, plant and equipment	2,269,662	2,515,070
Intangible assets	200,000	200,000
Total fixed assets	2,469,662	2,715,070
Total assets	18,820,782	23,465,765
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	178,278	60,452
Liabilities to shareholders	240,000	-
Other current liabilities	127,934	179,248
Accrued expenses and deferred income	719,893	648,781
Total current liabilities	1,266,105	888,481
Total long-term liabilities	-	-
Share capital	1,371,687	1,417,099
Total legal reserves	43,718,733	59,067,820
Reserves from capital contributions	41,700,697	57,049,784
Other legal reserves	2,018,035	2,018,035
Loss carried forward	-19,331,133	-27,531,689
Annual loss	-8,200,556	-10,371,890
Treasury shares	-4,054	-4,054
Total shareholders' equity	17,554,676	22,577,285
Total liabilities and shareholders' equity	18,820,782	23,465,765

Income statement

Year	2020	2021
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-2,554,390	-2,214,766
Total cost of materials and services	-2,554,390	-2,214,766
Personnel expenses		
Wages and salaries	-3,354,871	-4,860,641
Social security expenses	-465,964	-699,207
Other personnel expenses	-331,127	-738,323
Total personnel expenses	-4,151,962	-6,298,170
Other operating expenses		
Infrastructure expenses	-516,363	-436,560
Vehicle and transport expenses	-20,720	-18,596
Property insurance and fees	-12,312	-11,086
Administrative expenses	-239,843	-386,923
Capital increase expenses	-211,513	-506,938
IT expenses	-113,953	-108,966
Advertising expenses	-11,431	-25,531
Total other operating expenses	-1,126,135	-1,494,599
EBITDA	-7,832,487	-10,007,535
Depreciation	-452,741	-292,663
EBIT	-8,285,228	-10,300,198
Financial expenses	-17,836	-45,422
Financial income	841	913
Value adjustment on securities	16,396	-7,046
Currency differences	-29,663	-1,039
Non-operating result	122,516	-
EBT	-8,192,974	-10,352,792
Direct taxes	-7,582	-19,098
Net income	-8,200,556	-10,371,890

Cash flow statement in CHF

Year	2020	2021
Net income	-8,200,556	-10,371,890
Depreciation	452,741	292,663
Non-cash expenses	3	-
Change in current assets	39,389	-120,798
Change in current liabilities	115,988	-66,512
Change in accrued expenses and deferred income		-71,112
Cash flow from operating activities	-7,221,932	-10,337,649
Investments in property, plant and equipment	-866,233	-538,071
Cash flow from investing activities	-866,233	-538,071
Issuance and repayments of debt	240,000	-240,000
Equity contributions	10,056,926	15,394,499
Cash flow from financing activities	10,296,926	15,154,499
Change in cash and cash equivalents	2,208,762	4,278,778
Cash and cash equivalents as of Jan. 01	13,793,694	16,002,456
Cash and cash equivalents as of Dec. 31	16,002,456	20,281,234
Change in cash and cash equivalents	2,208,762	4,278,778

Notes to the consolidated financial statements InnoMedica Holding AG 2021

The 2021 consolidated financial statements include the companies of the InnoMedica Group. The scope of consolidation includes the individual companies InnoMedica Holding AG (domiciled in Zug), InnoMedica Schweiz AG (domiciled in Bern) and YAMAZAKI-DDS Co., Ltd. (domiciled in Ibaraki, Japan). InnoMedica Schweiz AG 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 via 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 system. The share capital of YAMAZAKI-DDS Co., Ltd. is 10,000,000 Japanese yen.

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.

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 the short term and denominated in various currencies. The positions 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. For the first time, property, plant and equipment are valued in the annual financial statements using linear depreciation based on the useful life of the individual assets. In previous financial years, property, plant and equipment were depreciated using the declining balance method at a rate of 20% based on the value of the respective previous year. The change in the depreciation method results in a one-time cumulative effect from the book value adjustment on expenses of CHF 205,144 at the beginning of the financial year 2021. The depreciation of the

financial year 2021 when applying linear depreciation without taking this effect into account amounts to CHF 497,807. The property, plant and equipment are machines and equipment from laboratory, production and analytical departments, as well as three vehicles and various office equipment.

Classifications and explanations

Accruals and deferrals: Accruals and deferrals for fiscal years 2020 and 2021 include operating credits on the assets side. On the liabilities side, costs already incurred and accruals for services received but not yet invoiced are recorded.

OTC stock brokerage: InnoMedica brings together interested parties for the purchase and sale of InnoMedica shares. InnoMedica makes itself available as administrator of the assets until the transaction is completed. In return, it charges an expense allowance for personnel expenses in the form of a transaction fee.

Reserves from capital contributions: The reserves from capital contributions as of December 31, 2019 (in the amount of CHF 31,870,570 according to the individual financial statements of InnoMedica Holding AG) have been recognized by the Swiss Federal Tax Administration (FTA) in this amount. Additional reserves from capital contributions 2020 have been declared for recognition in the amount of CHF 9,918,801. The capital contributions 2021 can only be declared after the audit of the annual financial statements and are therefore of a provisional nature, as are the declared capital contributions 2020, until they are recognized by the FTA.

Treasury shares: At the balance sheet date of 2021, 14,170,987 shares were placed compared to 13,716,872 shares in the previous year. There are unchanged 16,217 shares in the possession of InnoMedica. The treasury shares are valued at the effectively paid purchase price of CHF 0.25 as of the balance sheet date. Gains from the sale of treasury shares are recognized as other legal reserves. The other legal reserves have not changed compared to the previous year.

Options on shares held by management and board members: Liabilities in the amount of CHF 240,000 were disclosed in the financial statements for fiscal year 2020. To pre-finance the project for the develop-

ment of a vaccine against Covid-19, four shareholders of InnoMedica have provided short-term financing of CHF 60,000 each (interest: 3% p.a.) as of March 30, 2020 (balance sheet item: liabilities to shareholders). Two of the shareholders, Dr. Peter Halbherr and Prof. Dr. Urs Wälchli, are members of the Board of Directors of InnoMedica. The shareholders were granted a call option in return for the provision of the loans. The call option entitled the shareholders to convert the loan amount into shares of InnoMedica Holding AG on December 31, 2020 at a price of CHF 27.10 per share. None of the shareholders exercised this option as of December 31, 2020. The loan was fully repaid by InnoMedica to the providing shareholders in the financial year 2021. Two of the lenders, including Dr. Peter Halbherr, directly reinvested the repayment from the loan into the company as part of the capital increase in 2021.

Financial expense and income: Financial expense for fiscal year 2020 and 2021 include bank interest and charges. Costs for the capital increase are reported separately. Financial income includes dividends and interest on bank balances.

Capital increase expenses: The position is shown including issue tax of CHF 99,559 for 2020 and CHF 152,401 for 2021.

Non-operating result: For the financial year 2020, this item included income from a support payment from the Covid-19 immediate action program of the Canton of Bern in the amount of CHF 116,400 and income from a management service in favor of a third party in the amount of CHF 7,089. There is no non-operating result in the financial year 2021.

Additional information

Annual average of job percent: On an annual average, 48 people were employed by InnoMedica in 2021. The work volume amounted to an annual average of 4,373 job percent (comparison 2020: 35 employees with an annual average of 3,118 job percent). With the exception of four members of the management of InnoMedica Holding AG, employees are employed by InnoMedica Schweiz AG.

Trust shares: In addition to treasury shares, InnoMedica holds 3,595,979 shares of InnoMedica Holding AG in trust as of the end of 2021. In the previous year, there were 4,174,241 shares.

Remuneration of board members: The remuneration of CHF 10,000 per year 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 2021/2022, 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 balance sheet date of 2021, Dr. Peter Halbherr held 2,652,335 shares (18.7% of 14,170,987 shares) and Dr. Herbert Früh held 706,842 shares (5.0% of 14,170,987 shares). No other shareholder held more than 5% of the shares on December 31, 2021. In the previous financial year, Dr. Peter Halbherr held 2,742,325 (20.0% of 13,716,872 shares) and Dr. Herbert Früh held 1,050,467 shares (7.7%). No other shareholder held more than 5% of the shares on December 31, 2020.

Business transactions with related parties: Business transactions with related parties are based on standard contractual forms and are concluded at market conditions.

Events after the balance sheet date: There are no events after the balance sheet date that require recognition and 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 maximum 27 monthly rents at CHF 18,368 each (total CHF 495,945). As of December 31, 2020, the rental obligation of maximum 27 monthly rents amounted to CHF 14,141 each (total CHF 381,807).

Auditor's fee: The auditor's fee amounts to CHF 60,000 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 20,000 plus VAT. (without IFRS financial statements).

Report of the statutory auditor

to the General Meeting of InnoMedica Holding AG, Zug

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of InnoMedica Holding AG, which comprise the balance sheet, income statement, cash flow statement and notes (pages 10, 11, 13 to 15), for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles described in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2021 comply with Swiss law as well as with the consolidation and valuation principles described in the notes.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG



Hanspeter Gerber
Audit expert
Auditor in charge



Andreas Scheibli
Audit expert

Zürich, 2 February 2022

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Annual financial statements InnoMedica Holding AG

Balance sheet

Year	December 31, 2020	December 31, 2021
Assets	CHF	CHF
Cash and cash equivalents	11,544,171	14,339,769
Securities	144,325	138,775
Other current receivables	190,090	237,795
Prepaid expenses and accrued income	1,980	-
Total current assets	11,880,565	14,716,339
Loans to Group companies	4,000,000	4,000,000
Subsidiaries ³	2,269,768	2,269,768
Total fixed assets	6,269,768	6,269,768
Total assets	18,150,334	20,986,108
Liabilities and shareholders' equity	CHF	CHF
Accounts payable	14,579	17,720
Liabilities to Group companies	1,707,741	1,391,734
Liabilities to shareholders	240,000	-
Accrued expenses and deferred income	62,004	96,100
Total current liabilities	2,024,323	1,505,554
Total non-current liabilities	-	-
Share capital	1,371,687	1,417,099
Total legal reserves	43,807,406	59,156,493
Reserves from capital contributions	41,789,371	57,138,458
Other legal reserves	2,018,035	2,018,035
Loss carried forward	-20,131,419	-29,049,029
Annual loss	-8,917,609	-12,039,956
Treasury shares	-4,054	-4,054
Total shareholders' equity	16,126,010	19,480,553
Total liabilities and shareholders' equity	18,150,334	20,986,108

³ See notes in Appendix P 21.

Income statement

Year	2020	2021
Net sales	CHF	CHF
Total net sales	-	-
Cost of materials and services		
Development expenses	-7,804,270	-10,385,083
Total cost of materials and services	-7,804,270	-10,385,083
Personnel expenses		
Wages and salaries	-719,458	-807,925
Social security expenses	-100,277	-96,589
Other personnel expenses	-24,189	-57,984
Total personnel expenses	-843,924	-962,498
Other operating expenses		
Administrative expenses	-76,939	-223,396
Capital increase expenses	-211,513	-506,938
Advertising expenses	-	-10,656
Total other operating expenses	-288,452	-740,989
EBITDA / EBIT	-8,936,646	-12,088,571
Financial expenses	-16,617	-43,906
Financial income	42,508	100,913
Value adjustment on securities	16,396	-7,046
Currency differences	-17,906	3,040
EBT	-8,912,266	-12,035,571
Capital taxes	-5,344	-4,385
Net income	-8,917,609	-12,039,956

Cash flow statement in CHF

Year	2020	2021
Net income	-8,917,609	-12,039,956
Non-cash expenses	3	-
Change in current assets	-78,502	-40,175
Change in current liabilities	601,477	-312,865
Change in accrued expenses and deferred income	17,398	34,096
Cash flow from operating activities	-8,377,234	-12,358,900
Cash flow from investing activities	-	-
Loan to Group company	-4,000,000	-
Issuance and repayments of debt	240,000	-240,000
Equity contributions	10,056,926	15,394,499
Cash flow from financing activities	6,296,926	15,154,499
Change in cash and cash equivalents	-2,080,308	2,795,599
Cash and cash equivalents as of Jan. 01	13,624,478	11,544,171
Cash and cash equivalents as of Dec. 31	11,544,171	14,339,769
Change in cash and cash equivalents	-2,080,308	2,795,599

Notes to the financial statements InnoMedica Holding AG 2021

The 2021 financial statements of InnoMedica Holding AG comprise the separate financial statements of InnoMedica's parent company. InnoMedica Holding AG is a 100% shareholder of InnoMedica Schweiz AG and YAMAZAKI-DDS Co., Ltd. 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.

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. Further notes to the financial statements of InnoMedica Holding AG (valuation principles, classifications and explanations as well as additional information) can be found in the notes to the consolidated financial statements of InnoMedica Holding AG (see P14/P15).

Classifications and explanations

Subsidiaries: The subsidiaries include YAMAZAKI-DDS Co., Ltd. (domiciled in Ibaraki, Japan) and InnoMedica Schweiz AG (domiciled in Bern). The investment in YAMAZAKI-DDS Co., Ltd. continues to be valued at CHF 200,000 and comprises intellectual property assets (patents) in the nanomedicine field. 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. With an asset transfer agreement, InnoMedica Holding AG transferred property, plant and equipment in the amount of CHF 877,603, cash and cash equivalents in the amount of CHF 1,000,000 and prepaid expenses in the amount of CHF 3,492 to InnoMedica Schweiz AG as of January 1, 2019.

Carrying forward of net loss

The loss of CHF 12,039,956 is added to the loss carried forward of CHF 29,049,029 and the balance is transferred to the new account.

Report of the statutory auditor

to the General Meeting of InnoMedica Holding AG, Zug

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of InnoMedica Holding AG, which comprise the balance sheet, income statement, cash flow statement and notes (page 18 to 21), for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

Furthermore, we draw attention to the fact that half of the share capital and legal reserves is no longer covered (article 725 para. 1 CO).

PricewaterhouseCoopers AG



Hanspeter Gerber

Audit expert
Auditor in charge

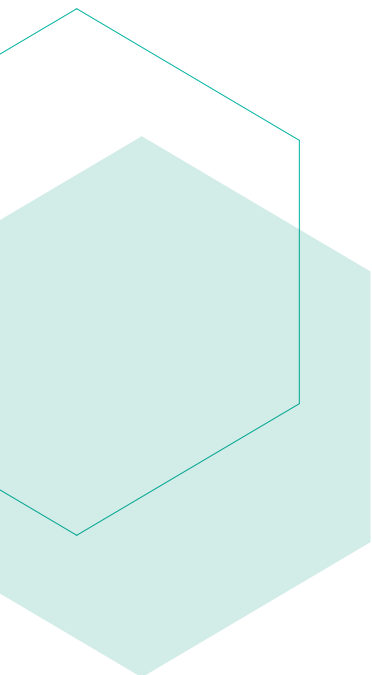


Andreas Scheibli

Audit expert

Zürich, 2 February 2022

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The English version of InnoMedica's Offering Prospectus 2024 was translated from the original German version which shall be binding in case of disparities.