

Iconovo guides regarding value of generic Seebri® and Ultibro® for ICOcap® formulations

Iconovo announced July 8th that a regional licensing agreement had been signed with BNC Korea regarding the development of two inhalation capsule formulations for generic Ultibro® and Seebri® for ICOcap®. The agreement gives BNC Korea exclusive rights in a territory consisting of Korea, Japan, China, Taiwan, Russia, the CIS Countries and the Southeast Asian Countries (including Turkey). The deal has a milestones value of EUR 550.000 whereof EUR 150.000 is to be paid as an access fee. Iconovo estimates that most of the value will be in future royalty payments and not milestones payments.

Ultibro® and Seebri® are approved for the treatment of COPD. Ultibro® Breezhaler® generated sales of USD 427 million and Seebri® Breezhaler® generated sales of USD 121 million according to the 2019 annual report of Novartis. In the announcement from July 8th the share of global sales 2019 was estimated to 25%. Iconovo's new changed estimate is that approx. 15 % of global sales 2019 comes from the territory that is licensed to BNC Korea (territorial sales 2019 of approx. USD 82 million for both products instead of earlier communicated EUR 140 million).

Taking a dynamic view on the business opportunity Iconovo estimates that Asia and the BNC territory gradually and substantially will increase the value of the business over the 20-year royalty term. High population growth in Asia is a strong driver as it is corresponding to approx. 40-50% of the total global population increase for the next 10 years (*UN, World Population Prospects 2019*). Additionally, this part of the world is seeing strong economic growth with increased health expenditure per capita enabling more people to prioritize healthcare.

The remaining territory, still available for licensing, represents approx. 85% of the Ultibro® and Seebri® world market. In 2019 this market corresponded to a value of approx. USD 466 million, whereof Europe is the largest opportunity.

Iconovo is in an advanced stage of the development of the capsule formulations, thus believes that its future partners can launch in the first wave of generic products, later to be followed by late comers to the market. Iconovo believes that a feasible market share for its licensed capsule products is 13 – 20% based on normal order-of-entry models in the pharmaceutical industry considering the higher replaceability between generically approved products[1]. The market uptake speed is slower for generic inhalation products than for generic tablets. Iconovo expects that 80 % of the peak market share can be reached after 2 years on a country-by-country level[2], although the launches may happen over a number of years thereby lowering the consolidated regional uptake speed.

Iconovo is entitled to royalties on net sales of BNC Korea and their net sales will be affected by the number and sub-licensing terms agreed with their distributors. Royalties from future sales will be a mid-single digit percentage of sales, depending on country and distribution setup.

In addition, Iconovo will be entitled to royalties from Stevanato based on the separate sales of the ICOcap capsule inhalers, but it will be a lower value as the cost of the each ICOcap inhaler is a small share of the overall market price.

About ICOcap®

ICOcap is a robust capsule-based dry powder inhaler with a unique grip-friendly one-piece hinge design that ensures ease of use. It is currently designed with a low flow resistance but can be customized to a flow resistance of choice. ICOcap™ is available from Stevanato.

About COPD

COPD is a combination of inflammation in the airways and destruction of the lung tissue. The disease progresses slowly over many years and the main cause is tobacco smoking. Patients with COPD have difficulty breathing, and experience fatigue and a lack of energy. There is no cure for COPD, and the treatment goal is to try to stop further deterioration and destruction of the pulmonary alveoli. According to WHO, COPD was the third most common cause of death in the world with 3 million deaths. The number of people living with COPD worldwide was estimated to be 251 million.

About BNC Korea

BNC Korea Co., Ltd was founded in 2007 and is enlisted on KOSDAQ market in Korea. The company has been developing biologicals and pharmaceuticals which have differentiating characteristics meeting unmet medical needs in the disease treatment market. Also, the company has been operating business in the field of medical device like HA Filler, tissue restoration material and wound healing agents and biopharmaceuticals like botulinum toxin strain type A for aesthetic purpose. Currently, the company has been establishing manufacturing facility for pharmaceutical of oral dosage form and injectables.

More information about the company can be found at <https://www.bnckorea.co.kr>

BNC Korea Co.,Ltd is based in Daegu and Seoul in Korea. Manufacturing site is located at Daegu and Sejong city of Korea.

[1] Kalyanaram 2008, InPharmation, IQVIA, Kremer 2008

[2] InPharmation

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About Iconovo

Iconovo was founded in 2013 by people with long experience in inhalation development. The company develops inhalers and associated drug preparations that are used to treat asthma and COPD. However, Iconovo also has the competence to develop products for new types of inhaled drugs such as vaccines.

By working with Iconovo, pharmaceutical companies and generic companies can access a complete pharmaceutical product, thereby eliminating the complex and costly early stages of the development phase. Iconovo licenses its patented products to customers and offers a faster way to the inhalation market with lower risk and at a lower cost.

More information about the company can be found at www.iconovo.se.

Iconovo is based in Lund and its share (ticker ICO) is listed on Nasdaq First North Growth Market, Stockholm since April 6, 2018. The Company's Certified Adviser is Erik Penser Bank AB, Box 7405, SE-103 91 Stockholm, phone +46 8 463 80 00, email: certifiedadviser@penser.se.

This information is information that Iconovo is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2020-08-12 15:54 CEST.

Attachments

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