

Interim report

JANUARY-SEPTEMBER 2021

Abbreviated version of the original Swedish report

New nasal inhaler has great potential in treatment of COVID-19

Key figures in TSEK unless otherwise indicated	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Net turnover	6,169	5,754	11,809	10,111	17,792
Operating profit/loss	-3,895	-2,304	-17,807	-13,104	-16,717
Cash flow for the period	60,741	-3,640	45,308	-17,069	-27,467
Earnings per share (SEK) before and after full dilution	-0.43	-0.25	-2.15	-1.62	-2.20
Cash and cash equivalents	106,997	72,087	106,997	72,087	61,689
Equity	145,667	97,245	145,667	97,245	92,729
Number of shares at period-end	8,847,500	7,776,000	8,847,500	7,776,000	7,776,000
Number of royalty agreements**	6	4	6	4	5

**Number of agreements at the end of the period.

Significant events 1 July – 30 September

- In July, Iconovo carried out a directed share issue and raised SEK 75 million before issue expenses. The issue has been subscribed by a number of Swedish and international institutional investors, including Alcur Fonder, FE Fonder and Humle Fonder, as well as a number of existing shareholders, including Andra AP-fonden, Fjärde AP-fonden, Handelsbanken Fonder and Länsförsäkringar Fonder. The proceeds of the issue will primarily be used for acceleration and value creation activities and investments linked to the Company's long-term strategy.
- In July, Iconovo entered into an agreement with ISR (Immune System Regulation AB) for additional work on the ongoing inhaled COVID-19 vaccine project for the development of a nasal version of Iconovo's ICOone inhaler.

The additional work could provide up to SEK 4.9 million on top of the previous agreement. In addition, there is the possibility of future royalties.

- The Japan Patent Office issued an Intention to Grant notification regarding a patent for the ICOres inhalation platform. Iconovo already has approved patents for ICOres in Japan, Sweden, Europe (EPO) and the USA. The patent describes the technology used in Iconovo's many customer projects, including generic Symbicort.
- Iconovo's Quality Management System (QMS) has been upgraded to comply with the US Quality System Regulation for medical devices. The upgrade is a critical step in gaining access to the US market for Iconovo's pharmaceutical products.

Significant events after the end of the third quarter

No significant events have occurred since the end of the quarter.



A word from the CEO – More innovative deals through increased focus on business development

New nasal development for ICOone

Iconovo's inhalation expertise and vast experience in the development of inhalation products for the lungs has been used to develop a new version of ICOone for nasal use. With this product, the Company entered into a further agreement with ISR in July on the use of a new version of **ICOone** adapted for nasal delivery of powder. Starting with this agreement, a parallel track will be opened up in the development of a powder vaccine against COVID-19. Nasal delivery enables faster progression through the study programme, which is one of the key components of the project. There will be an enormous need for vaccination for a long time to come, especially in developing countries, where liquid-based vaccines requiring cold storage are **not** a sustainable solution. It is very gratifying to see our partner ISR moving forward and making the plans concrete. In recent months, they have inter alia released a press release to announce that they have entered into an agreement with Northway Biotech for large-scale production of the spike protein to be used. An agreement has also been entered into with a clinical investigator in Bangladesh to start a phase 1 study.

The ISR agreement for **ICOone Nasal** has enabled us to kick-start our nasal version of ICOone. ICOone Nasal will be a unique inhaler based on the same innovative concept as ICOone. We can now offer the world's first inhalation-driven, single-use inhaler for nasal powder with high performance, with a production cost that is very difficult to beat. ICOone Nasal is developed according to the same technical principles as its sibling ICOone. The technical solution is patent protected.

There is a very high demand for nasal powder delivery among several companies, all of which are looking for a smart, cost-effective solution.

In Q4, we will initiate a major marketing initiative to find suitable innovative customer projects for ICOone Nasal.

ICOpre progressing as planned

The goal for 2021 is to be able to present an **ICOpre** inhaler with all parts in injection-moulded plastic. Proprietary generic formulations of Relvar®, Anoro®, Trelegy®, Incruse® and Arnuity® will be tested. Once the goal is reached, we will intensify dialogues with potential customers.

Increasing our commercial efforts

A strong cash position enables additional efforts and drive behind each of our three strategies. The capital raising of SEK 75 million completed in July now enables us, among other things, to invest more heavily in business development. We aim to build a strong and well differentiated portfolio of both *Generic* and *Innovative inhalation drugs*, and have the ambition to enter into one to three new deals per year.

We are building for success by now starting recruitment and strengthening the organisation with two additional key positions, a **Director Business Development** and a **Communications & Marketing Manager**.

We recently launched a major continuous marketing effort that will target our identified customer groups using modern technology in various campaigns.

It will be an exciting and intense end to the year, with continued focus on delivering success for existing projects and securing new agreements.

Johan Wåborg, CEO

