

YEAR-END REPORT

JANUARY-DECEMBER 2021

Abbreviated version of the original Swedish report

Significant progress in Iconovo's three strategic business areas

Significant events 1 October – 31 December

- Iconovo signed an agreement with TOA Pharmaceutical Co, Ltd for the evaluation of an Iconovo inhaler for generic product development. The agreement has a value of SEK 2 million, with potential further development.
- Iconovo registered its subsidiary Iconovo Pharma AB with the Swedish Companies Registration Office. This is part of the communicated strategy to establish a proprietary pharmaceutical sales infrastructure in the Nordic market. Iconovo's target is to reach sales revenues totalling SEK 200 million by 2026, of which approximately one-third is expected to be generated from Iconovo Pharma.
- The China National Intellectual Property Administration intends to approve (Notice of Allowance) a patent for the ICOone inhalation platform. Iconovo already has approved patents for ICOone in Sweden, Europe (EPO), the USA and India. The patent describes the single-dose inhaler used in Iconovo's two innovative customers products with Oxytocin and a COVID-19 vaccine.

Significant events 1 January – 30 September

- In July, Iconovo carried out a directed share issue and raised SEK 75 million before issue expenses. The issue was 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.
- The agreement with Amneal for a generic equivalent of Symbicort has been expanded during the year to include the key US and Chinese markets and the Nordic sales rights, more than doubling the potential for future annual royalty income.
- In May, Iconovo communicated its 5-year business targets at its first Capital Market Day. By 2026, the Company expects to achieve sales of SEK 200 million, with an operating margin of 50%. The Company also

announced its long-term strategy, with three strategic areas with the original core operation of generic inhalation product development now supplemented with the new areas of innovative inhalation product development and pharmaceutical sales in the Nordics.

- In March, Iconovo signed an agreement with ISR (Immune System Regulation AB) for the development of an inhaled COVID-19 vaccine.
- In July, Iconovo entered into an agreement with ISR 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.
- In May, Iconovo entered into an agreement with Respiratorius for the development of an inhalation product for the treatment of COPD. The agreement includes a tiered fee for project work, with a total value of up to SEK 3 million.
- The Board was strengthened at the AGM with the election of Ann Gidner. Gunnar Gårdemyr took over the chairmanship from Mats Johansson, who continues to serve on the Board as a member.
- The quality system has been upgraded to meet the requirements for medical devices in the USA under the Quality System Regulation. The upgrade is a critical step in gaining access to the US market for Iconovo's products together with pharmaceuticals.
- During the year, the Company received notification that the United States Patent and Trademark Office intends to approve (Notice of Allowance) a patent for the ICOres inhalation platform. The Japan Patent Office also intends to approve (Intention to Grant) a patent for the 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. The

Company also received notification that the United States Patent and Trademark Office intends to approve (Notice of Allowance) a patent for the ICOone inhalation platform. Iconovo already has approved patents for ICOone in Sweden, Europe (EPO) and India.

Significant events after the end of the fourth quarter

- Subsequent to the end of the quarter, Iconovo announced the completion of a pilot clinical pharmacokinetic study conducted by Amneal Pharmaceuticals. The study has provided valuable information that supports the continued development of ICORES budesonide/formoterol as a potential replacement product for Symbicort.

Key figures in TSEK unless otherwise indicated	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net turnover	3,600	7,681	15,409	17,792
Operating profit/loss	-8,706	-3,610	-26,513	-16,717
Cash flow for the period	-12,060	-10,398	33,248	-27,467
Earnings per share (SEK) before and after full dilution	-0.98	-0.58	-3.15	-2.20
Cash and cash equivalents	94,937	61,689	94,937	61,689
Equity	137,034	92,729	137,034	92,729
Number of shares at period-end	8,847,500	7,776,000	8,847,500	7,776,000
Number of royalty agreements**	6	5	6	5

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



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Our long-term strategy is already yielding good results

Last May, we launched a new long-term strategy for Iconovo based on three business areas – generic inhalation products, innovative inhalation products and Nordic pharmaceutical sales. This strategy is already starting to bear fruit, which is extremely gratifying. Among other things, we have achieved our goals for the development of the ICOPre® inhalation platform, which is based on entirely proprietary technology that does not infringe on the patent protection of GSK's bestseller Ellipta®, but at the same time provides a user experience that is very similar to Ellipta®. By using ICOPre®, generic companies can start manufacturing, marketing and selling Ellipta-based drugs as soon as patent protection is lost for several of the compounds in best-selling Ellipta-based asthma and COPD products. ICOPre is now ready for the market and we will focus on increasing customer acquisition in this large segment going forward.

Four partner agreements last year

Another key element of our strategy is the goal of signing two to three partner agreements each year. During the year, we were able to sign four. In May, we signed an additional agreement with the generics company Amneal Pharmaceuticals, giving them the right to sell our ICORES-based generic version of Symbicort® also in the US and China, more than doubling the potential for our future annual royalty income to between SEK 110 and 220 million.

In the same month, we signed an agreement with biotech company Respiratorius to develop a dry powder formulation and an inhalation product based on Iconovo's ICOone® inhaler for use in Phase I clinical trials for Respiratorius' drug candidate RES030-085. The agreement also involves jointly investigating which of Iconovo's inhalation platforms is best suited for the commercialisation of Respiratorius' drug substance. The first part of the agreement is worth approximately SEK 3 million.

Together with the immunotherapy company Immune System Regulation (ISR), we contracted for the development of an inhaled COVID-19 vaccine in Iconovo's ICOone inhaler and also a nasal version of ICOone. The agreement has a value of SEK 14 million, excluding royalties.

The fourth agreement was signed in November with TOA Pharmaceuticals of Japan for the development of an inhaler for a generic version of a drug with significant sales in the Japanese market.

Proof that our business model works

This is strong proof that our business model and strategy are working, and that our three different areas of activity complement and support each other in a logical and positive way. Based on our proprietary inhalation platforms, we are able to develop inhalation products with international pharmaceutical companies for both generic and innovative drugs that are then sold globally by our partners, but for which we have the option of retaining the rights for the Nordic market. The collaboration with Amneal Pharmaceuticals is an excellent example of this. As we have the rights to sell generic Symbicort in our ICORES® inhaler in the Nordic region, we have the opportunity to work a market with the potential to generate between SEK 80 to 100 million in annual turnover. Additional proof is that during the year we completed a successful share issue that raised SEK 75 million before issue costs, which at the end of the year gave us a strong cash position with SEK 95 million in cash and cash equivalents, compared to SEK 62 million at the end of 2020.

Now we are growing in numbers and strengthening our skills

There is a lot happening in the Company as we continue to deliver on our strategy and attract more and more customers. That is why we are strengthening our skills by recruiting new employees and establishing collaborations with external expertise for e.g. our commercial department, which brings together marketing, communication, business development and the development of established partnerships – all to take on more projects and become a more sales-oriented organisation.

I am also pleased to announce that we will be moving to new premises this spring. For some time now, we have been in a cramped space and even in different buildings. The move, about 500 metres to Ideon Science Park, will take place in March. It will be an incredible boost for us to gather the Company under one roof in facilities and labs that meet the standard we need for the development of inhalation products according to our long-term strategy.

All of this means that we can feel both proud and satisfied with the year that has passed, and approach 2022 with great confidence.



Johan Wäborg, CEO