

YEAR-END REPORT

JANUARY-DECEMBER 2022

Abbreviated version of the original Swedish report

Global interest in Iconovo's proprietary inhaler platform ICOpre® - ready to address the world's largest products for Asthma and COPD

Significant events during October 1 – December 31

- Iconovo has started negotiations with a fast-growing generics company regarding Iconovo's inhaler ICOpre®. The company is part of a global corporate group focused on complex generic products and has an expected turnover of approximately USD 500 - 1,000 million in 2022. The purpose of the negotiations is to enter a license agreement for developing and marketing one or more pharmaceutical products based on Iconovo's proprietary pre-filled inhaler ICOpre®.
- A second ICOone patent has been approved in Europe. It is an important protection of the solution that allows it to be manufactured as a single component.
- Iconovo has successfully completed a study to map how easy it is to use its inhaler ICOone Nasal. The aim is to make ICOone Nasal so easy to use that anyone can handle it properly without detailed instructions.
- Iconovo has delivered an interim report halfway into the Bill & Melinda Gates project. Good results show that even early in the project, it can be established that a large part of the dose, which is inhaled via the nose, also reaches the lungs.

Significant events during January 1 – September 30

- Iconovo announced the completion of a clinical pharmacokinetic pilot study conducted by Amneal Pharmaceuticals. The study has provided valuable information that continues to support the development of ICOres budesonide/formoterol as a potential replacement product for Symbicort. The patent for Symbicort has expired and a stable global market of USD 3.3 billion has been established. The market in Europe has a turnover of approximately USD 1.0 billion.
- Iconovo received an acquisition order from the immunotherapy company Immune System Regulation AB (ISR), which takes the development of an inhalable vaccine against covid-19 closer to a first clinical study. The order meant that the contractual value of the

collaboration increased by close to SEK 13.6 million. Iconovo is also entitled to low single-digit royalties on sales of the finished product. ISR has received permission to start a phase I/II clinical study in Bangladesh.

- Iconovo began a strategic collaboration with Galenica AB. The collaboration primarily aims to facilitate the production of clinical trial material for companies developing new medicines using Iconovo's innovative disposable inhaler ICOone.
- Iconovo updated its long-term financial goals, seeing strong revenue growth with a high margin. In 2027, Iconovo expects to achieve sales of SEK 250 million. The target for the operating profit for the same year is SEK 125 million, corresponding to an operating margin of 50 percent. About a third of the turnover is estimated to come from Iconovo's own pharmaceutical sales in the Nordics through the subsidiary Iconovo Pharma.
- The Japanese patent authority issued a notice of allowance regarding Iconovo's patent application for the inhaler platform ICOone. Iconovo already has a well-established patent portfolio for ICOone in Sweden, Europe (EPO), China, and India.
- The European Patent Office issued a prior approval (Notice of Allowance) regarding Iconovo's patent application for the inhaler platform ICOres. ICOres is used in several of Iconovo's customer projects and additional patents extend the period of patent protection to benefit the customers who will launch in the future.
 - Iconovo received a grant of SEK 9 million from the Bill & Melinda Gates Foundation to develop inhaled therapies based on ICOone Nasal ahead of the next pandemic. The grant is used to develop a low-cost product that enables the administration of medicinal substances to both the upper and lower respiratory tract. The project will be implemented during the period from August 2022 to June 2023. The aim is to establish a fast track for inhalation treatments that can improve global healthcare, especially in low- and

middle-income countries, in the event of a new virus pandemic.

Significant events after the end of the fourth quarter

- No significant event occurred after the end of the quarter.

Consolidated key figures in TSEK unless otherwise indicated	Oct-Dec 2022	Oct-Dec 2021*	Jan-Dec 2022	Jan-Dec 2021*
Net turnover	34	3 600	17 116	15 409
Operating profit/loss	-16 588	-8 706	-48 359	-26 513
Cash flow for the period	-28 698	-11 960	-81 591	33 348
Earnings per share (SEK) before and after full dilution	-1,88	-0,98	-5,44	-3,15
Cash and cash equivalents	13 446	95 037	13 446	95 037
Equity	89 294	137 034	89 294	137 034
Number of shares at period end	8 847 500	8 847 500	8 847 500	8 847 500
Number of royalty agreements**	6	6	6	6
Number of feasibility agreements**	1	1	1	2

* Equal to parent company figures as no subsidiaries existed at the time.

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

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Strong interest from global pharmaceutical companies in Iconovo's inhaler platforms

We are experiencing strong interest in our inhalation platforms and development expertise from pharmaceutical companies around the world. We have already established collaborations with several companies and shortly after the end of the fourth quarter, we were able to announce that intensive discussions are now underway with a fast-growing generics company, with the aim of signing a licensing agreement for ICOpre in the first half of 2023. ICOpre offers the same features as GSK's well-known Ellipta inhaler but is based on our own proprietary technology. Our intention is to develop generic versions of all five products in GSK's Ellipta portfolio (Relvar/Breo, Anoro, Trelegy, Incruse and Arnuity) which together generated sales of USD 4.2 billion during 2021. In 2025, the first patent for Breo will expire in the US and Iconovo is well-positioned to take advantage of this business opportunity through ICOpre.

Continued progress in Gates-funded project

The COVID-19 pandemic has demonstrated the importance of making medicines and vaccines against respiratory infections available quickly and globally. With strong support from the Bill & Melinda Gates Foundation, we are therefore developing a low-cost product based on the ICOone Nasal to enable the administration of medical substances to both the upper and lower respiratory tract. The project has now reached the halfway point and during this time we have built a test station to measure the deposition of drugs in the nose and lungs. The test station includes a 3D cast of the nasal cavity among other things. The results and knowledge from these studies are used to develop our own powder formulation, optimized for simultaneous delivery to the nose and lung, in ICOone Nasal. We can already see that ICOone provides a good distribution of drugs to the nasal cavity, respiratory tract, and lungs. Approximately 50% of the received dose passes down to the lung, which can be considered a very positive result. We can now further optimize the inhaler for different powders to reach the highest possible proportion to the lung. The results so far indicate good prospects for further development towards the goal and establishing a manufacturing process that meets international quality requirements (GMP).

New study confirms ease of use of ICOone Nasal

One of the most important features of a good inhaler is its ease of use. If the inhaler is complicated to use, there is a risk of poor adherence to treatment and poor absorption of the drug substance into the body, resulting in reduced efficacy.

In October, we were able to present positive results from a user study of ICOone Nasal, showing that our inhaler is appreciated, easy to use, and has an appealing design. The

study results confirm the functionality of the ICOone Nasal inhaler and therefore represent an important step forward in the development of the product. Iconovo can now offer its customers additional documentation on the ICOone Nasal inhaler and the received feedback will be valuable for future commercialization. In December we could announce that the USPTO has approved another patent for the ICOone Nasal inhaler, and at the time of writing another patent has been approved in the EU, underlining the innovative nature of the product, and strengthening the protection of exclusivity for future launches.

Recruitment process of new CFO successfully completed

We are delighted that Henrik Damkjær Simonsen has accepted the role as our new CFO. He comes from a position as Finance Director at SAGA Diagnostics AB and has previously worked as CFO at Nuevolution AB and as Head of Life Science, Corporate Finance at SEB. His extensive experience in the life science industry and capital markets is an excellent fit as we work to establish Iconovo as a global leader in inhalation. Henrik will take up his new position on April 1, succeeding Peter Åkerlund, who has been acting CFO since November 16 of last year.

From high expenditures to a normal situation in 2023

The development of the ICOpre inhaler has resulted in high development costs, especially in the last half of 2022. The items *raw materials and supplies* and *other external costs* have been high, driven by project-related purchases and consultancy costs. As the work on ICOpre has reached the stage where the project is ready to be contracted, our costs will normalize.

Solid foundation for continued value creation in 2023

With our unique inhaler platforms, a growing number of commercial partnerships, and a strong team with extensive experience in product development, commercialization, and company building, we are well-positioned to continue creating shareholder value in 2023. There is no doubt that our customer offering is becoming increasingly attractive to pharmaceutical companies worldwide. With Iconovo's help, they can take advantage of the opportunities offered by modern, patent-protected inhalers, both in the development of new original medicines and in the patent expiries of today's best-selling inhalation treatments.

Johan Wäborg
CEO

