

# Nanoform 1-12/2020 report and new company near-term target introduced

Company Announcement

**Nanoform Finland Plc**

February 26, 2021

08:10 a.m. Finnish time / 07:10 a.m. Swedish time

## Nanoform 1-12/2020 report and new company near-term target introduced

**First GMP manufacturing campaign and first dosing in humans successfully completed, positive interim results from first clinical study announced, all near-term business targets set out in IPO achieved, ten new Small Molecule PoC projects started, four more non-GMP lines commissioned, first Biologics PoC project commenced and a new near-term business target introduced: “At least 3 new non-GMP lines in 2021 and 2 new GMP lines in 2022”.**

### 10-12/2020 key financials:

- Revenue was EUR 186 thousand (EUR 49 thousand in 10-12/2019).
- The gross profit and margin came in at EUR 135 thousand and 73%, during 10-12/2019 the gross profit was negative.
- The operating loss was EUR -4.6 million (operating loss was EUR -2.6 million in 10-12/2019).
- The loss for the period was EUR -3.9 million (EUR -2.6 million in 10-12/2019).
- Basic EPS was EUR -0.06 (EUR -0.06).
- The number of employees grew to 74 at the end of 2020 (43 employees at the end of 2019).
- Cash position was EUR 61.0 million on December 31, 2020 (EUR 7.3 million on December 31, 2019).

### 1-12/2020 key financials:

- Revenue was EUR 687 thousand and stemmed from 12 different customer projects. In 1-12/2019 revenue was EUR 49 thousand and stemmed from two different customer projects.
- The gross profit and margin came in at EUR 497 thousand and 72%, respectively. In 1-12/2019 the gross profit was EUR -323 thousand.
- The operating loss and the loss for the period were both EUR -19.4 million, respectively. In 1-12/2019 the operating loss was EUR -7.3 million and loss for the period EUR -7.6 million, respectively.
- Basic EPS was EUR -0.35 (EUR -0.19).
- EUR 79.9 million (gross) was raised in the IPO.

### Significant events during 1-12/2020

- In January Nanoform USA Inc. (100% owned subsidiary in the US) was established.
- In March Nanoform signed two new agreements, one with a global major pharma company and one with Orion Corporation, a repeat customer.
- In March two new non-GMP lines were commissioned.
- On April 7, at the AGM, Miguel Calado was appointed chairman of the Board of Directors, after being vice chairman for a year.
- In April Nanoform was awarded Good Manufacturing Practice (GMP) certification by the Finnish Medicines Agency, FIMEA.
- In April the Company's form was changed to a public limited liability company and the share capital was increased to EUR 80 thousand.
- Early June, EUR 79.9 million (gross) was raised in a successful IPO on Nasdaq First North Premier Growth Markets in Finland and Sweden. The considerably oversubscribed offering attracted strong interest from Global, European, and Nordic investors. Trading started on June 4, 2020.
- In June a Proof of Concept contract was signed with a UK Respiratory Biotech company.
- In June Nanoform expanded its US commercial team by appointing Eric Peter and Sergie Letser to drive the business development in the US, starting September 1, 2020.
- During 4-6/2020 a new non-GMP line was commissioned, taking the capacity to seven non-GMP lines and one GMP line on the small molecules side.
- In June Nanoform appointed Peter Hänninen as General Counsel, starting September 1, 2020.

- In July Nanoform's near-term business target to acquire more new customers in 2020 than in 2019 was achieved, when Nanoform signed a contract with a West Coast US Biotech company.
- Cynthia Schwalm was appointed ordinary member of the Board of Directors at the EGM, September 1, 2020.
- In September, a new global major pharma customer was signed.
- In October, a major milestone and mid-term business target was achieved when Nanoform announced that it had initiated its first GMP manufacturing campaign for the first ever human trial of a drug candidate nanoformed using Nanoform's proprietary CESS® technology.
- In October Johanna Tuomisto was appointed HR Director, starting January 1, 2021.
- In November, a new non-GMP line (nr 8) was commissioned.
- In November, Nanoform launched a new proprietary nanotechnology that can form biological nanoparticles as small as 50 nm and announced a new near-term business target for 2021: "To deliver its first biologics Proof of Concept project for this new technology with a pharmaceutical or biotech partner".
- In December, Nanoform announced that twelve healthy volunteers had - at Quotient Sciences' facilities in Nottingham, UK - been successfully dosed in the first ever phase 1 human trial of a nanoformed drug candidate using Nanoform's proprietary CESS® technology.
- In December, Nanoform and Herantis Pharma Plc signed a letter of intent to collaborate to seek to enhance nasal drug delivery to the brain of Herantis' CDNF and xCDNF therapies (Parkinson's disease) using Nanoform's newly launched proprietary biological nanoparticle technology. Nanoform also announced that it had participated with EUR 1.6 million in Herantis' EUR 8.0 million directed share issue, after which Nanoform holds 4.4% of the shares in Herantis.

### **Significant events after 10-12/2020**

- Early January, a new near-term business target was announced: "At least 12 new non-GMP and at least one GMP customer project in 2021".
- In January, Nanoform announced positive interim results from its clinical study. The interim results obtained from the ongoing clinical trial, suggest that a nanoformed oral piroxicam tablet achieved significantly faster absorption when compared to the reference tablet from the originator Pfizer. The final results of the study are expected before the end of Q2/2021.
- In February, Nanoform and Herantis Pharma Plc signed a Biologics Proof of Concept Agreement aiming to enhance nasal drug delivery to the brain of Herantis' CDNF therapies for Parkinson's disease using Nanoform's proprietary biological nanoparticle technology. As a result, Nanoform has achieved its near-term business target of "First Biologics PoC project signed in 2021".
- In February, a PoC agreement was signed with an East Coast US Biotech Company.
- On February 26, a new near-term business target was announced: "At least 3 new non-GMP lines in 2021 and 2 new GMP lines in 2022".

### **CEO's review**

2020 - What a year!

When we late in 2019 kicked off the IPO project at the same time as we worked on building our first GMP manufacturing line, none of us foresaw the COVID-19 pandemic, that still today is strongly present in our lives. It's therefore with immense pride I look back at everything our group of Nanoformers achieved last year. The many things we accomplished in parallel work streams were astonishing.

In April we got GMP certification, followed by the first GMP manufacturing campaign in October, which was then followed by the successful first dosing of nanoformed drug material in humans in December. All three steps were achieved ahead of schedule, on the first attempt, and within budget, which shows the quality, spirit, and dedication of our R&D, Manufacturing, Business Operations, QC, and QA teams.

We more than doubled our line capacity on the small molecule side, from four non-GMP lines to eight non-GMP lines and one GMP line. On the Biologics side, we added our first two non-GMP lines, which are ready to be commissioned when the first client projects start. Here again we saw tremendous co-operation and execution from our R&D (Small molecules & Biologics teams), Manufacturing and Business Operations teams.

Our commercial team, which doubled in size, brought in five times more customer projects during the year, which kept everybody busy, including the Project Management team. This was done during a year when travel was very restricted, which made the achievement even more impressive. The team, together with our IT team, conceptualized and created a virtual tour where present and prospective clients and partners can effectively visit our facilities! This has been much appreciated as an environmentally friendly and time efficient way to visit our facilities, meet our personnel at their posts, and see our nanoforming lines in action, - of course spiced up with the ability to interactively ask questions and discuss in a live setting.

All this was achieved during a year when we became a publicly traded dual-listed company. Here the Finance team really showed their determination, flexibility and will to execute while building new operational processes.

I look with confidence and excitement forward to the coming years. We'll continue to work relentlessly towards our 2025 mid-term business targets, with our near-term business targets being "at least 12 new non-GMP customer projects and at least one new GMP customer project in 2021" and "at least 3 new non-GMP lines in 2021 and 2 new GMP lines in 2022". We already in February achieved our near-term business target "First commercial Biologics PoC project signed in 2021".

None of this can be done without our amazing employees and great partners! My sincere THANK YOU to you all for your continued dedication to Nanoform and for the inspiring and innovative work for which we are known. Our journey has begun, let's make the next five years as exciting and fast paced as the first five ones have been!

Best Regards,

Prof. Edward Hægström, CEO Nanoform

### **Company near-term business targets for 2021 and 2022**

- First Biologics PoC project in 2021 (achieved in February)
- At least 12 new non-GMP and at least one GMP customer projects in 2021
- At least 3 new non-GMP lines in 2021 and 2 new GMP lines in 2022 (new target)

#### **Company mid-term business targets 2025 (unchanged)**

- to nanoform at least 50 new Active Pharmaceutical Ingredients (API) annually
- to have in place 25 operating production lines of which 5 to 10 are expected to be GMP production lines
- over 90 percent gross margin
- approximately 200 employees
- to be cash flow positive

**Nanoform's complete 1-12/2020 report can also be found at:** <https://nanoform.com/en/financial-reports-and-presentations/>

**Nanoform 1-12/2020 report Conference Call and online presentation February 26, 2021 at 3:00 p.m. Helsinki time / 2:00 p.m. Stockholm time**

Nanoform will be represented by CEO Edward Hæggström, CFO Albert Hæggström and CCO Christian Jones. The presentation will be delivered in English.

*The presentation will be broadcast live as a webcast available at:* <https://financialhearings.com/event/13593>

*Teleconference dial-in numbers:*

Finland: +358 9 817 10520

Sweden: +46 8 566 42706

United Kingdom: +44 3333 009261

United States: +1 833 249 8403

In conjunction with the approval of the Report of the Board of Directors and Financial Statements for the Year Ended December 31, 2020, the Board of Directors has in its meeting also approved the Corporate Governance Statement for 2020 and the Remuneration Report for 2020. These can be found on the Company's webpage at [www.nanoform.com](http://www.nanoform.com).

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#### **About Nanoform**

Nanoform is an innovative nanoparticle medicine enabling company. Nanoform works together with pharma and biotech partners globally to provide hope for patients in developing new and improved medicines utilizing Nanoform's platform technologies. The company focuses on reducing clinical attrition and on enhancing drug molecules' performance through its nanoforming technologies and formulation services. Nanoform's capabilities include GMP manufacturing, and its services span the small to large molecule development space with a focus on solving key issues in drug solubility and bioavailability and on enabling novel drug delivery applications. Nanoform's shares are listed on the Premier-segment of Nasdaq First North Growth Market in Helsinki (ticker: NANOFH) and Stockholm (ticker: NANOFS). Certified Adviser: Danske Bank A/S, Finland Branch, +358 40 562 1806. For more information please visit <http://www.nanoform.com>

#### **Forward-Looking Statements**

This press release contains forward-looking statements, including, without limitation, statements regarding Nanoform's strategy, business plans and focus. The words may, "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," believe, "estimate," "predict," "project," "potential," "continue," "target" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this press release are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this press release, including, without limitation, any related to Nanoform's business, operations, clinical trials, supply chain, strategy, goals and anticipated timelines, competition from other companies, and other risks specified in Nanoform's prospectus published (on May 22, 2020) in connection with Nanoform's initial public offering (the "Prospectus") under "Risk Factors" and in our other filings or documents furnished to the Finnish Financial Supervisory Authority in connection with the Prospectus. Nanoform cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. Nanoform disclaims any obligation to publicly update or revise any such statements to reflect any change in expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Any forward-looking statements contained in this press release represent Nanoform's views only as of the date hereof and should not be relied upon as representing its views as of any subsequent date.