PRESS RELEASE

August 30, 2023, Lund, Sweden

Immunovia Publishes Interim Report for January-June 2023

April-June 2023

- Net sales amounted to kSEK 412 (103) divided by sales of tests kSEK 351 (45) and royalties kSEK 61 (58).
- Net earnings were MSEK -170 (-34) and earnings per share before and after dilution were SEK -4.00 (-1.49).
- Earnings during the second quarter has been charged with SEK 141 million, which mainly consist of non-cash flow one-off costs such as depreciation and write-downs of intangible assets as a result of the decision to cease commercialization of the IMMray™ PanCan-d test in the US, but also termination and severance pay which will have a cash impact.
- Cash Flow from operating activities amounted to MSEK -43 (-41).
- Cash and equivalents at the end of the period amounted to MSEK 144 (197).
- On April 12, the Company announced the outcome of the rights issue. The Rights Issue was subscribed to 75.1 percent and Immunovia thereby received approximately MSEK 151.8 before issue costs.
- On April 25, the Company gave notice for the Annual General Meeting on Friday 26th May 2023.
- On April 26, the Company announced a discussion on adoption of IMMray™ PanCan-d with key opinion leaders held on May 3.
- On April 29, the Company announced the appointment of Jeff Borcherding as global CEO replacing Philipp Matthieu.
- On May 6, the Company announced that the board member Philipp von Hugo resigned from Immunovia's board at his own request.
- On May 22, the Company informed on changes to the Nomi- nation Committee's proposal to the Annual General Meeting 2023 and in addition to the previously proposed re-election of Peter Høngaard Andersen, the Nominating Committee proposed re-election of Hans Johansson and Martin Møller and new election of Michael Löfman.
- On May 26, the Company published the summary of the resolutions made at the Annual General Meeting 2023.
- On May 31, the Company informed that, as a result of new shares being issued in the rights issue the number of outstanding shares and votes have increased by 22,655,917, from 22,631,581 to 45,287,498.
- On June 9, the Company informed that Jeff Borcherding, CEO of Immunovia, purchased 350 000 shares for approximately kSEK 670.

Significant events after the period

- On July 11, the Company announced that it will cease commercialization of IMMray™ PanCan-d test in the United States to focus resources on development of the next generation pancreatic cancer detection test.

Key indicators

SEK thousand unless otherwise stated	2023 April-June	2022 April-June	2023 Jan-June	2022 Jan-June	2022 Full year
Net sales	412	103	931	285	1,145
Operating earnings/loss	-185,075	-50,787	-234,164	-98,154	-191,150
Earnings before tax	-170,205	-33,726	-221,863	-77,838	-168,092
Net earnings	-170,205	-33,726	-221,863	-77,838	-168,092
Earnings per share before dilution (SEK)	-4.00	-1.49	-6.81	-3.44	-7.43
Earnings per share after dilution (SEK)	-4.00	-1.49	-6.81	-3.44	-7.43
Equity ratio (%)	69	84	69	84	81
Number of shares at the end of the period	45,287,498	22,631,581	45,287,498	22,631,581	22,631,581

CEO's comments

As announced in July, we are significantly restructuring Immunovia to focus on our novel next-generation test for detection of pancreatic cancer. These changes are difficult but necessary to improve the company's runway and strengthen our product offering. We continue to move quickly to streamline our operations, develop our next-generation test, and optimize our cost structure. Development of the next-generation is progressing well, and we expect to conduct clinical studies during 2024.

We are rapidly creating a new Immunovia grounded in our existing strengths. We are true to our vision, we have unique assets, we are cost efficient, and we are focused on our clinical mission: to save lives through early detection of pancreatic cancer.

External and internal challenges required significant action

Our strategic reset was triggered primarily by three key external challenges. First, private insurers and government payers in the U.S. require extensive clinical evidence supporting the accuracy and clinical utility of diagnostic tests before they are willing to pay for those tests. Second, proving clinical utility in pancreatic cancer detection is difficult, often requiring large studies conducted over many years. To demonstrate clinical utility in a prospective study at a reasonable cost, we must participate in large studies conducted by a consortium of sites. These trials will likely study more than one test, including other commercial assays and CA19-9 alone. We must be confident that our test will succeed in this comparison. Third, overall access to capital has declined significantly, especially for pre-profit companies like Immunovia.

These external dynamics amplified internal product and financial challenges at Immunovia. Our product, the IMMray™ PanCan-d test, was limited by its reliance on CA19-9, one of the biomarkers in the test. CA19-9 is also not produced by about 10% of the general population, preventing the use of the test in these patients. Worse, the inability to produce CA19-9 disproportionately impacts certain people, including those of African ancestry and Hispanic ethnicity. These populations also show a higher prevalence of pancreatic cancer. As a result, we have both a moral and clinical obligation to serve these individuals equally and eliminate healthcare disparities. We could not do so with our first-generation IMMray™ PanCan-d test.

Financially, our prior efforts to reduce operating costs were not sufficient. Commercializing the IMMray™ PanCan-d test required a significant investment in selling and marketing in the U.S. Producing testing supplies for the proprietary IMMray platform also resulted in substantial labor and materials costs in Lund.

These dynamics led the Board and management to conclude that the best and most viable path forward was to discontinue selling the current IMMray test, significantly reduce expenses, and focus resources on developing and testing our next-generation product.

Our next-generation test provides reason for optimism

Despite these tough decisions, I am excited about the promise of our next-generation test for the early detection of pancreatic cancer. The test will incorporate new biomarkers identified through a discovery study evaluating thousands of proteins circulating in the blood. The new test is being designed to work across racial and ethnic groups without compromising accuracy. It will be conducted on a commercially available lab testing platform, achieving scale, reducing fixed costs, and lowering future cost of goods sold.

We have strong assets moving forward: Development expertise, an extensive sample bank and strong relationships

The experience, assets, and relationships Immunovia has built over the years will enable us to accelerate development of the next generation test. For example, our research and development partnership with Proteomedix is highly productive and gives us access to leading experts in proteomics test development. We have accumulated thousands of blood samples which we will use to develop and test our new product. Relationships with investigators, key opinion leaders and advocacy associations in the U.S. and Europe will enable us to test the assay in clinical studies that these investigators are leading. In summary, Immunovia maintains unique strengths to solve the clinical challenge of early detection of pancreas cancer.

We are dramatically improving our cost structure

In parallel with increasing our focus on the next-generation product, we are optimizing our cost structure in a significant way by reducing staffing and operating expenses. We forecast that our burn rate will be in the range of 25-30 MSEK per quarter beginning in Q1 2024, down 15-20 MSEK vs. Q1/Q2 2023. After accounting for transition costs of approx. 20 MSEK, we expect to have sufficient cash to support operations well into 2024.

Earnings during the second quarter has been charged with SEK 141 million, which mainly consist of non-cash flow one-off costs such as depreciation and write-downs of intangible assets, but also termination and severance pay which will have a cash impact.

Going forward, we will benefit from lower fixed costs and reduce our cost of goods sold by transitioning from the proprietary IMMray platform, which required in-house production of arrays and other supplies, to a commercially available platform.

We have a clear vision for achieving our mission

Our mission has not changed: We will save lives through early detection of pancreatic cancer. What has changed is how we achieve our mission. Going forward, Immunovia will be leaner and more capital efficient.

Critically, we will partner at nearly every stage of the product life cycle to leverage the expertise of our collaborators and reduce costs. For product development, we will continue to partner with Proteomedix. For clinical research, we will partner with investigators and research consortia who are conducting early detection trials. For production, we will transition from the high-cost, proprietary IMMray testing platform to a widely used approach called ELISA. Finally, we will explore a variety of options to commercialize the new test in order to drive awareness and adoption in a less capital-intensive way.

We are creating a very different Immunovia—one that is leaner, more agile, more cost-conscious, and more connected to our customers and patients. I realize the journey to this point has been very difficult for our investors, stakeholders, and employees. Please know that we are working hard to create the company that will reward you for your investment in Immunovia.

August 30, 2023
Jeff Borcherding, CEO and President
Immunovia AB

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The information in this report is information that Immunovia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 am CET on August 30, 2023.

Conference call
Immunovia will hold a webcast tele conference at 15:00 CET on August 30 with President and CEO Jeff Borcherding and CFO Karin Almqwist Liwendahl.

To take part of the presentation, please dial one of the numbers or watch via the web link below.

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United Kingdom: +44 207 107 06 13
United States: +1 631 570 56 13

Link to the webcast:
https://link.edgepilot.com/s/55898572/0v6JeODzJ0OaR5rjK1wJ1g?u=https://creo-live.creomediamanager.com/0916b506-5ec6-4678-b83a-ab16e40022e3

Immunovia in brief
Immunovia AB is a diagnostic company whose mission is to increase survival rates for patients with pancreatic cancer through early detection. Immunovia is focused on the development and commercialization of simple blood-based testing to detect proteins and antibodies that indicate a high-risk individual has developed pancreatic cancer.

Immunovia collaborates and engages with healthcare providers, leading experts and patient advocacy groups to make its test available to individuals at increased risk for pancreatic cancer.

USA is the world's largest market for detection of pancreatic cancer. The company estimates that in the USA, 1.8 million individuals are at high-risk for pancreatic cancer and could benefit from annual surveillance testing.

Immunovia's shares (IMMNOV) are listed on Nasdaq Stockholm. For more information, please visit www.immunovia.com

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