

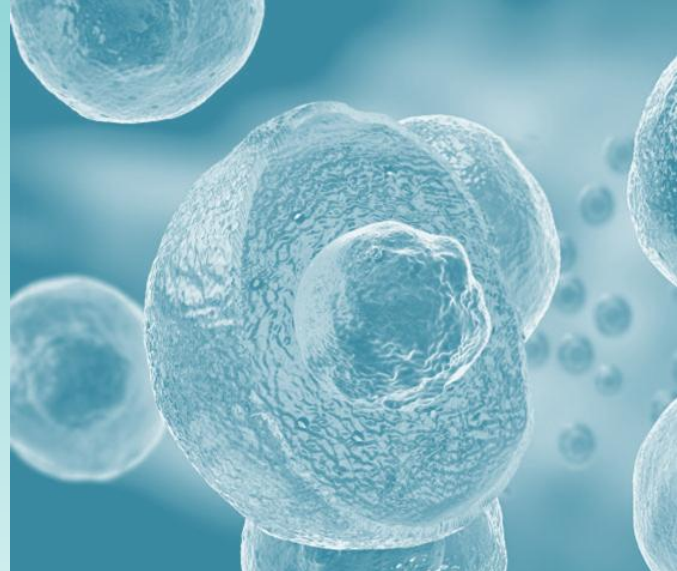
# innovacell

Innovacell Inc.

## Quarterly Update Q1 FY2026

Creating a way Forward, Together

May 20, 2026



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- Innovacell Inc. was listed on the TSE Growth Market with 11.7 billion JPY raised

Listing date	February 24, 2026
Listing venue	Tokyo Stock Exchange Growth Market
Cash raised	11.7 billion JPY (including overallotment)

## Consolidated Balance Sheet (as of March 31, 2026, Billion JPY)

Cash and deposits	11.6	Total liabilities	2.6
Other assets	1.2	Total net assets	10.1

Sufficient funds secured for group operation over next few years

Negative equity resolved

# Overview of Innovacell's Developmental Pipeline

- All of the products in pipeline target to acquire full approval in EU, Japan and U.S.

Product	Target indication	Cell type	Development stage				Approved
			Preclinical	Phase I	Phase II	Phase III	
ICEF15	Urge fecal incontinence	Autologous skeletal muscle-derived cells (aSMDC)	<ul style="list-style-type: none"> <li>Japan-Europe multi-regional Phase III clinical trial (ongoing) (EudraCT #: 2021-001376-42, clinicaltrials.gov #: NCT04976153)</li> </ul>				
ICES13	Stress urinary incontinence	Autologous skeletal muscle-derived cells (aSMDC)	<ul style="list-style-type: none"> <li>Phase II clinical trials completed</li> <li>Preparations underway for Phase III clinical trial</li> </ul>				
ICEF16	Passive fecal incontinence	Skeletal muscle-derived smooth muscle cells (skSMC)	<ul style="list-style-type: none"> <li>Large animal preclinical trials ongoing</li> </ul>				
TBD*1	Dysphagia	Autologous skeletal muscle-derived cells (aSMDC)	<ul style="list-style-type: none"> <li>Preparation for preclinical trials</li> </ul>				

\*1: Preparing for a joint research project with Saga University (having completed the alignment of concepts, currently in the stage of preparing for preliminary studies)

- More than 80% of the targeted patients was enrolled by now for the ongoing Phase III trial

## Design of ongoing clinical trial

- **Multi-regional Phase III** clinical trial (“Fidelia” trial)
  - 290 patients to be enrolled
  - Trial approval obtained in **11 European countries and Japan**
  - **IND submission to US FDA currently in preparation**
- Positioned as a **confirmatory trial for full approval**

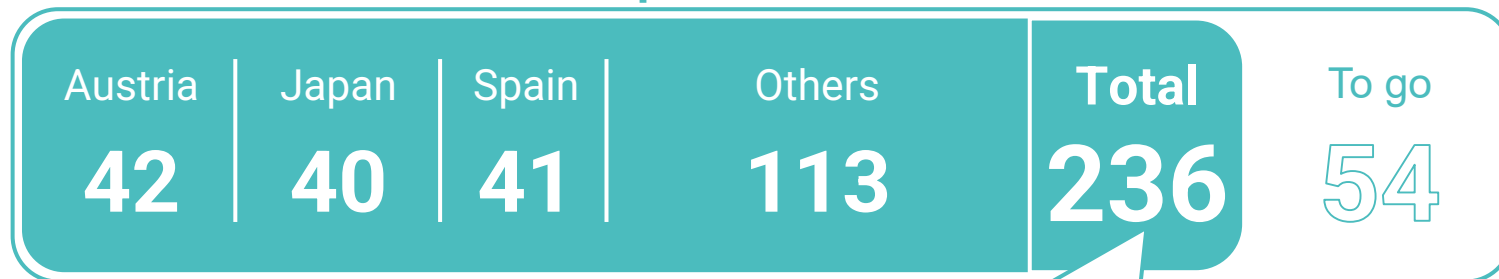
START

0

# of randomized patients (preliminary as of May 12, 2026)

GOAL

290



81.3% of the enrollment plan

## Progress of Other Developmental Products in Pipeline

- Clinical trials for ICEF16 and ICES13 are currently in preparation

### ICEF16

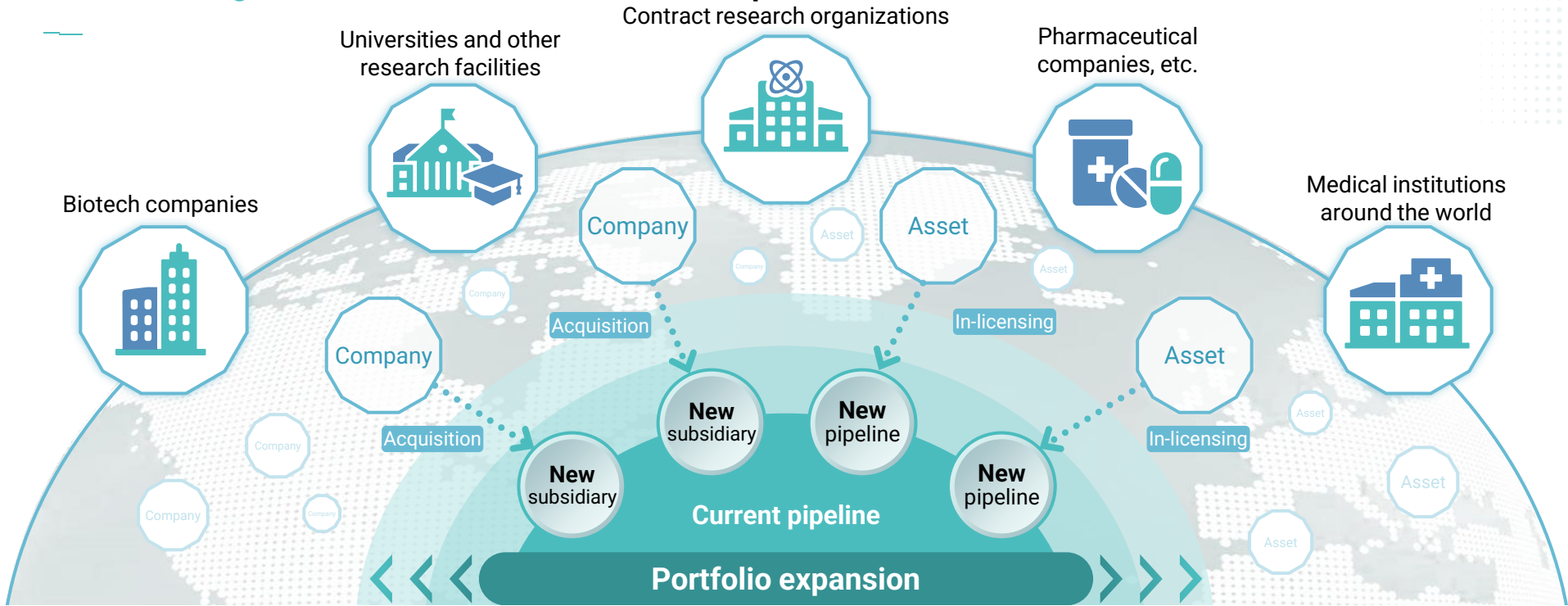
- Target indication: Passive fecal incontinence
- **First-in-human Phase I/II clinical trial currently in preparation**
- Large animal preclinical trials ongoing

### ICES13

- Target indication: Stress urinary incontinence
- Phase II clinical trials completed in Europe by now
- **Preparation for Phase III clinical trial kicked off**

# Innovacell's Global Aggregation Model

- Innovacell leverages our management resources to **source, develop and commercialize product candidates worldwide**
- **Several target assets have identified and listed up for initial examination in Q1 FY2026**



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\*A concept image of the Group's Global Aggregation Model illustrating its aim to expand its portfolio through procurement and commercializing of product candidates; the image does not represent or imply the Group's future projects/plans for acquisition or in-licensing

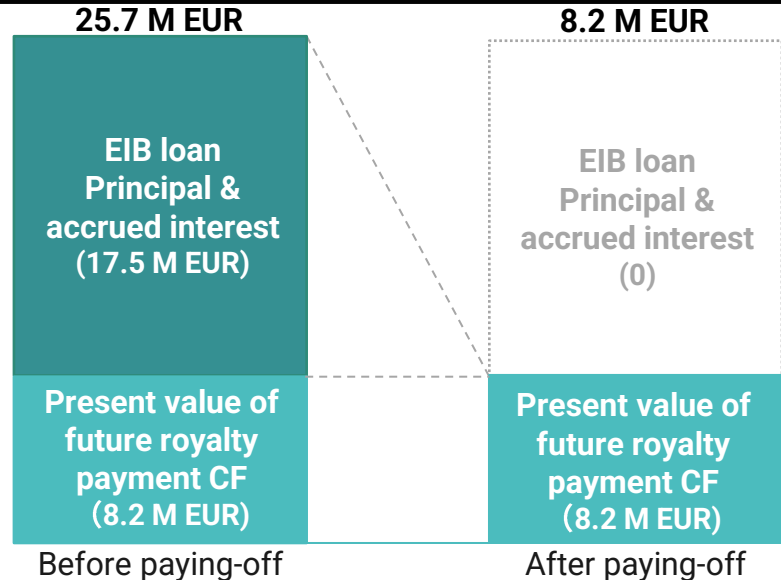
# Impact of Paying-off the EIB (European Investment Bank) loan

Debt owed to the EIB has decreased significantly, non-operating expenses will continue to be recorded on the P/L.

**Early paying-off of all EIB loan balance  
(March 31, 2026)**

- **Innovacell GmbH (ICAT) repaid all outstanding balance of the EIB loan (17.5 million EUR in total) with the Innovacell Inc. (ICJP)'s IPO proceeds**
  - Principal (15 million EUR)
  - Accrued interest (2.5 million EUR)
- While the loan-related liability to the EIB eliminated, the contingent liability under the royalty agreement (the obligation to pay royalties based on future revenue) continuing to exist

**Impact on liabilities in the consolidated B/S  
(as of the end of Q1FY2026 = March 31, 2026)**



**Impact on the consolidated P/L**

- Amortized cost of future royalty payment liability continuing to be recorded as a non-operating expense (see next page for details)
- Non-operating expenses to be reviewed each time the consolidated business plan is updated

# Accounting Treatment of the EIB Loan & Future Royalty Payment

In accordance with IFRS 9, loan repayment CF and contingent royalty payment CF are treated as a single item.

## Applicable GAAP

- ICAT as the EIB loan borrower and the payor the future royalty payment
- ICAT's standalone accounts treated based on the Austrian GAAP (AT-GAAP)
- ICAT's standalone financial figures incorporated into the consolidated financial figures (based on J-GAAP) after being converted from AT-GAAP based figures to IFRS based figures

FOR REFERENCE

## Accounting treatment of the EIB loan & future royalty payment

(Based on IFRS)

- IFRS 9 (Financial Instruments) applied to the accounting treatment
- **For consolidated accounting purposes, the loan agreement and the royalty agreement treated as two agreements that are inseparable in substance**
  - Future royalty payment CF estimated based on the latest consolidated business plan, taking into account factors such as the probability of success of development (future royalty payment CF to be reviewed each time the consolidated business plan is updated)
  - Loan repayment CF (on a contractual basis) and royalty payment CF treated as a single CF (hereinafter referred to as the "Aggregated CF")
  - "Effective Interest Rate" = the discount rate (16.25%) calculated at the time the loan was taken out
  - "Amortized Cost" defined as the present value of the Aggregated CF (as of the accounting treatment date) multiplied by the Effective Interest Rate (i.e. as a non-cash cost item)
- **Consolidated accounting treatment**
  - **B/S: The present value of the Aggregated CF recorded under the "Loans" account in liabilities (Note: The present value of the Aggregated CF different from the actual loan principal amount)**
  - **P/L: The Amortized Cost recorded under the "Interest expenses" account in non-operating expenses (Note: The non-cash Amortized Cost different from the actual interest payment amount)**

# Overview of the EIB Loan Agreement, Royalty Agreement & Guarantee Agreement

The Royalty agreement was entered into in connection with the Loan Agreement (Finance Contract), and the Guarantee Agreement covers the obligations under both agreements.

FOR REFERENCE

## Loan Agreement (Finance Contract)

- Lender : The European Investment Bank (EIB)
- Borrower : Innovacell GmbH (ICAT)
- Principal : 15 million EUR
- Term : 5 years from June 2022
- Interest rate : 5% per annum
  - 1% paid in cash annually
  - 4% capitalized once a year
- Repayment : Payment in full at maturity (including capitalized interest)

## Guarantee Agreement

- Guarantee : The EIB
- Guarantor : Innovacell Inc. (ICJP)
- Obligations covered : All ICAT's obligations based on the Finance Contract and the Royalty Agreement

## Royalty Agreement

- Royalty payer : Innovacell GmbH
- Royalty recipient : The EIB
- Products in pipeline covered: ICEF15, ICEF16, ICES13
- Revenues covered: All Innovacell group revenue from the products in pipeline covered
- Royalty rate against the revenues covered
  - On lump-sum revenue: 10% (capped at 500,000 EUR per payment)
  - On product sales revenue
    - ◆ Up to 100 million EUR : 2%
    - ◆ 100 – 200 million EUR : 1%
    - ◆ Over 200 million EUR : 0.5%
- Cumulative royalty cap : 37.5 million EUR
- Payment term : 12 years from the date that the revenues covered reach 500,000 EUR

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# Summary Consolidated P/L of Q1 FY2026

- The overall consolidated expenses were under control in the Q1 of FY2026

Items		(a) Q1 FY2026	(b) Forecast FY2026	(a)/(b)	Notes
<b>Operating Revenue</b>		<b>0</b>	1,000	0%	Upfront revenue of ICEF15 (Japan) Co-promotion partnering planned in Q4 FY2026
Operating Expenses	R&D	517			
	Others	206			
<b>Operating Profits</b>		<b>-723</b>	- 3,337	22%	
<b>Ordinary Profits</b>		<b>-952</b>	- 3,461	28%	IPO-related one-time expenses (c. 70 million JPY) recorded in non-operating expenses
<b>Net Income</b>		<b>-953</b>	- 3,463	28%	

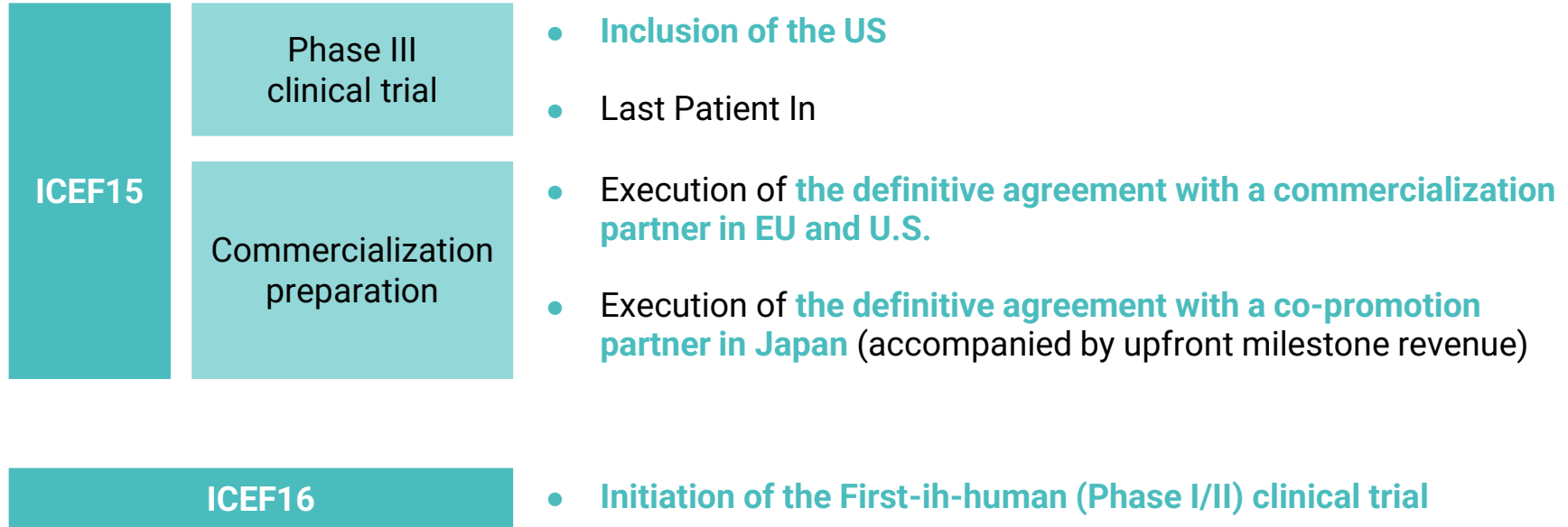
Unit: Million JPY

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# Key Progress Expected in FY2026

- ICEF16 will become Innovacell's third pipeline product in clinical development, while ICEF15 will reach the commercialization preparation stage



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**Thank You!**