

Inhalation Sciences



PRESS RELEASE

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Inhalation Sciences Sweden AB (publ) releases Interim Report Q3 2019

Interim report in brief: Inhalation Sciences increased sales during the reporting period compared to the corresponding period last year by approx. 229 percent, contracted a CRO to conduct a clinical study of the Preciselnhale system, financed the clinical trial in its entirety through the sale of shares in the associated company Ziccum AB and, during the third quarter, recruited a new CEO: Mr. Manoush Masarrat.

Selected financial data

July-Sept 2019

Net sales 1,713 KSEK (715)

Operating profit -2,747 KSEK (-2,684)

Earnings per share before and after dilution SEK -0.36 (-0.31)

Jan-Sep 2019

Net sales 5,113 KSEK (1,553)

Operating profit -5,903 KSEK (-10,373)

Earnings per share before and after dilution SEK -0.22 (-1.21)

Significant events during the third quarter (July-Sept)

- On August 5, ISAB announced that a large European pharmaceutical company had placed an order for a CRO assignment. The order includes a feasibility study and was obtained through ISAB's unique ability of generating predictive, voluminous data from small amounts of challenging substance in both nebulized and dry powder aerosol. The study is expected to run until the fall of 2019 and the order value was approximately SEK 1.0 million.
- On September 16, 2019, Mr. Manoush Masarrat took over as new CEO.
- At the end of September 2019, the closing price of the Ziccum share amounted to SEK 15.45, which corresponds to an increase of 150% since the

turn of the year. The market value of ISAB's shareholding in Ziccum AB on September 30, 2019 amounted to approximately SEK 27.7 million.

Significant events during the reporting period (Jan-Sep) 2019

- An application for a project grant to develop a standardized *in vitro* toxicity screening instrument, together with Fraunhofer ITEM and InSCREENex, has been submitted to the EU's SME program Eurostars.
- A product engineer has been recruited to strengthen production, delivery and service.
- ISAB launched its Nebulizer module, adapted for the Preciselnhale system, during the first quarter of 2019. Four Nebulizer modules have been sold since launch.
- On May 7, ISAB received an order for a Preciselnhale system from an existing customer with an order value of approximately SEK 1.6 million. The order includes the platform's unique integrated inhaler actuator and was delivered during the second quarter of 2019.
- We are striving to bring Preciselnhale into the clinical arena. ISAB has found a unique niche in the market with precision dosing, aiming to become the world leader. An agreement was signed during the second quarter with Clinical Trial Consultants AB (CTC) in Uppsala for ISAB's validation work. CTC is an active partner in the validation project as CTC has chosen to invest in the project by investing part of the personnel costs. The clinical validation study has been financed in its entirety by ISAB divesting 400,000 shares in the associated company Ziccum AB (publ). Sales proceeds amounted to approximately SEK 5.2 million.

Significant events after the reporting period

- ISAB was a sponsor of and participated at the MVIS (Medical Valley Inhalation Symposium) on October 9 and 10, 2019 in Lund. At the event one of ISAB's big pharma customer companies presented detailed PK data from its inhalation research obtained with Preciselnhale, demonstrating the benefits of Preciselnhale in clinical research.
- On October 10-13 one of ISAB's major customers, Fraunhofer ITEM, presented data obtained from our aerosol generator in combination with their exposure module ExpoCube for cell exposures without animal testing
- On October 10-12, Per Gerde presented at the 3rd Aerosol Dosimetry Conference, *Inhaled Aerosol Dosimetry: Models, Applications and Impact*, in Irvine, California. The presentation described how Preciselnhale exposes multiple *in vitro* and *in vivo* modules to the same aerosol, generating significant amounts of comparative data, reducing translation discrepancies, and increasing IVIVC. Fraunhofer's ITEM presentations demonstrated the Preciselnhale system's *in vitro* and *ex vivo* capabilities, and described how

one-animal-per-dose systems generating data of high quality from extremely low volumes of test substance.

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About Inhalations Sciences Sweden AB (publ)

Inhalation Sciences Sweden AB (publ) develops and commercializes world-leading instruments for research into inhalation. The company's patented lab instrument, PreciseInhale®, enables researchers to characterize, with high precision, how aerosols and small particles impact our lungs, and so our health, when we inhale them.

The information above was provided by Inhalation Sciences Sweden AB (publ) through the above contact person, for publication on November 14, 08.00, 2019.