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Inhalation Sciences announces outcome of the rights issue

Inhalation Sciences Sweden AB (publ) ("ISAB" or the "Company") today announces the outcome of the rights issue of shares that the Company announced on April 6, 2023 (the "Rights Issue"). The Rights Issue has been subscribed for a total of approximately 23.0 percent, of which approximately 14.2 percent was subscribed for with the support of subscription rights and approximately 8.8 percent was subscribed for without the support of subscription rights. Approximately 57.0 percent was subscribed by underwriters. Through the Rights Issue, the Company receives approximately MSEK 13.7 before deduction for issuing costs. The proceeds from the Rights Issue will primarily be used for expansion of existing services and relevant organization.

The subscription period in the Rights Issue ended on May 9, 2023. The Rights issue was subscribed to approximately 14.2 percent with subscription rights and to the remaining part, corresponding to approximately 8.8 percent, without subscription rights. In addition, the underwriters are allocated approximately 57.0 percent of the total volume of the Rights Issue. Through the Rights Issue, the Company receives approximately MSEK 13.7 before deduction of issuing costs, which, if all underwriters choose payment in full in cash, amount to MSEK 3.5. In the event that all underwriters choose payment in full in cash, the guarantee compensation amounts to approximately MSEK 1.8, corresponding to 15 percent of the guaranteed amount of approximately MSEK 11.9. The subscription price in the Rights Issue was SEK 3.60 per share.

– I would like to thank all existing shareholders who have participated in the rights issue for your continued support and warmly welcome new shareholders. We are in a dynamic period in the company's development, where the now provided financial means support the implementation of our investment in inhalation research services and the goal of becoming cash flow positive by the end of 2023, says Manoush Masarrat, CEO of ISAB.

Allotment

Allocation for those who have subscribed for shares without subscription rights will be made in accordance with the principles set out in the information memorandum prepared in connection with the Rights Issue and published on April 21, 2023. Notice of such allotment will be communicated separately through a contract note. Nominee-registered shareholders will receive notification of allotment in accordance with instructions from the respective nominee.

Guarantee commitments

Compensation for the guarantee commitments amounts to fifteen (15) percent of the guaranteed amount in cash or eighteen (18) percent of the guaranteed amount in the form of newly issued shares in the Company. Each person who has given a guarantee commitment has the right to choose whether the compensation shall be paid in cash or through an issue of new shares. Underwriters who wish to receive guarantee compensation in the form of shares must report this to Stockholm Corporate Finance AB no later than May 15, 2023. However, compensation through an issue of new shares is conditional upon the Annual General Meeting of the Company authorizing the Board of Directors to resolve on issues of shares with deviation from the shareholders' pre-

emption rights. The subscription price for any shares issued as guarantee compensation has, after negotiations with those who have given guarantee commitments, been set at SEK 3.60 per share, which corresponds to the subscription price in the Rights Issue. In total, no more than 593,469 new shares may be issued as guarantee compensation to the underwriters.

Share capital and number of shares

Through the Rights Issue, the number of shares in ISAB increases by 3,791,903 shares, from 11,375,734 shares to 15,167,637 shares, each with a quota value of SEK 0.40. The share capital increases by SEK 1,516,761.20, from SEK 4,550,293.60 to approximately SEK 6,067,054.80, corresponding to a dilution effect of approximately 25.0 percent.

BTA

Trading with BTA will take place on Spotlight Stock Market until the Swedish Companies Registration Office has registered the Rights Issue and BTA has been converted to shares, which is expected to take place around week 22, 2023.

Advisors

ISAB has appointed Stockholm Corporate Finance AB as financial advisor and Fredersen Advokatbyrå AB as legal advisor. Hagberg & Aneborn Fondkommission AB is the issuing agent in connection with the Rights Issue.

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This disclosure contains information that Inhalation Sciences Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person on May 12, 2023, at 18.30 CEST.

About Inhalation Sciences Sweden AB (publ)

Inhalation Sciences Sweden AB (publ) develops and commercializes world-leading instruments for inhalation research. The Company's patented laboratory instrument, PreciseInhale®, offers researchers the opportunity to characterize, with very high precision, how aerosols and small particles affect our lungs and thus our health when inhaled.

About Stockholm Corporate Finance AB

Stockholm Corporate Finance is an independent privately owned financial advisor offering services within qualified advice on capital raising, ownership changes, mergers and acquisitions (M&A) to listed and private companies and their owners. Stockholm Corporate Finance is a securities company under the supervision of the Swedish Financial Supervisory Authority and is a member of the industry organization SwedSec Licensiering AB. For more information see: www.stockholmcorp.se

Important information

This press release does not constitute an offer to subscribe for, acquire or otherwise trade in shares, warrants, subscription rights, BTAs or other securities in Inhalation Sciences Sweden AB (publ) and investors should not subscribe for or acquire any securities other than on the basis of the information contained in the information memorandum published prior to the commencement of the subscription period in the Rights Issue on April 21, 2023. No action has been taken and no action will be taken to permit an offer to the public in any jurisdiction other than Sweden.

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or other measures than under Swedish law. The Information Memorandum, the application form and other documents related to the Rights Issue may not be distributed in or to any country where such distribution or the Rights Issue requires measures as stated in the previous sentence or where they would be contrary to the rules of such country. Actions contrary to this instruction may constitute a violation of applicable securities laws.

None of the shares, warrants, subscription rights, BTAs or other securities have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or current expectations and goals regarding the Company's future operations, financial condition, liquidity, results of operations, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and can be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might" or, in each case, their negative, or similar, expressions. The forward-looking statements in this press release are based on various assumptions, many of which are in turn based on additional assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or performance could differ materially from those reflected in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from error and does not accept any responsibility for the future accuracy of the views expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as of the date hereof and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.