



PRESS RELEASE

Published: 2021-08-26

Inhalation Sciences Sweden AB (publ) releases Q2 Report 2021

(Stockholm, Sweden, 26, August, 2021) **Inhalation Sciences AB announces that the company's Q2 Report for 2021 (in Swedish) is now available on the company's website.**

For more information please visit: <http://inhalation.se/investors/finansiella-rapporter/>

Summary of the interim report

ISAB submitted an application for the clinical validation of PreciseInhale in early April and received approval from the Swedish Medical Products Agency to begin the study at the end of May 2021. All 12 patients are now recruited, and the study is scheduled to be finalised before the end of the year.

The company signed exclusive distribution agreements with key markets such as India and Japan during April, these agreements apply for the rest of 2021 and 2022 for the purchase of instruments and services from ISAB valued at a minimum of SEK 11,000,000 throughout the period. During the second quarter of 2021, ISAB received two new orders for contract research (IRS) totalling approximately SEK 1,200,000.

With the support of an authorization from the Annual General Meeting on May 12, 2020, ISAB carried out a new share issue that provided the company with SEK 27,500,000 for issue costs, which is planned to finance the company's continued commercialization of PreciseInhale.

CEO statement

Q2 2021 was a very eventful quarter for ISAB. I am very proud of what we have accomplished so far this year, which also lays the foundation for our continued work in the coming months.

- Thanks to solid and extensive preparatory work, we received approval from the Medical Products Agency for our planned clinical study in mid-May. This work will continue for the rest of the year and we look forward to results in the form of data that will open up the clinical market for the company's technology.

- The first meeting with ISAB's new "advisory board" took place during the second quarter. We received very good input and confirmation of how unique our platform is. As one of our advisory experts put it: "You are the only company that knows how much is dosed in the lung and how much stays there, because you measure it!"
- We are highly involved in vaccine research against COVID-19 and in June, we signed a new contract research with ISR Immune System Regulation AB for a value of about 900 KSEK.
- We also signed new distribution agreements in key markets such as Japan and India. We look forward to collaborations with these reputable distributors that will lead to additional sales of at least SEK 10 million over the next 18 months to ISAB.
- Through our partners in the USA we have processed several potential customers in the market and after a few weeks we already received a new contract research assignment with a new customer worth over SEK 1 million.
- Last but not least, we ensured a good financial position for the company through a directed issue that provided ISAB with approximately SEK 27.5 million before issue costs. This money is set aside for our expansion plans and continued commercialization of PreciseInhale technology with associated modules.

On the profit side for the first half of 2021, we have had increased costs of approximately SEK 2.8 million compared with the same period last year. These are planned costs for the ongoing clinical study (SEK 1.5 million) and an increase in our commercial activities in the form of personnel and marketing activities (SEK 1.3 million).

Even though sales in Q2 and so far this year have not been in line with our expectations, we have with us approximately SEK 2 million in the order backlog that we expect to be able to realize during the third quarter of 2021. This, together with our ongoing discussions with various customers, makes us confident and we are working intensively to be able to finalize these dialogues in the form of final orders shortly.

An exciting autumn with a series of activities awaits us. We are well prepared to take on the opportunities and deliver added value for our owners, partners and customers.

Huddinge August 26, 2021

Manoush Masarrat

CEO

For more information about Inhalation Sciences, please contact:

Manoush Masarrat, CEO

E-mail: Manoush.masarrat@inhalation.se

Mobile: +46 (0)73 628 9153

About Inhalations Sciences Sweden AB (publ)

Inhalation Sciences Sweden AB (publ) develops and commercializes world-leading instruments and services for research into inhalation. The company's patented lab instruments PreciseInhale® and DissolvIt® enable researchers in the pharma industry to make drug pipeline decisions at an early stage, saving time and resources for R&D departments, and enables researchers in academic institutions to define how aerosols and small particles impact our lungs, and so our health, when being inhaled.

The information was provided, through the company's CEO, for publication on August 26 2021.