



PRESS RELEASE

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Inhalation Sciences AB (publ) releases Q1 Report 2023

(Stockholm, Sweden, 31 May 2023) **Inhalation Sciences AB announces that its Q1 Report for 2023 is now available on the company's website. To read the whole report (in Swedish), visit: <http://inhalation.se/investors/finansiella-rapporter/>**

CEO statement

We started the year with a strong order backlog that was the result of a successful closing of sales in 2022. Operationally, our focus has been on meeting the increased order intake and delivering projects to our customers of the highest quality.

Revenues in the first quarter increased by 57% compared to the same period last year and operating profit improved by 37% over the same period.

After shifting our focus towards our IRS (Inhalation Research Services) services, we see a continued influx of requests and are continuously working to realise these into formal assignments.

During April, we announced an upcoming financing round and this process was completed in early May. The company will receive about SEK 14 million before issue costs and the liquidity is intended to (1) finance the expansion of our existing services, (2) maintain our R&D activities and (3) repay our existing loan credit.

The ongoing study collaboration with the US FDA has moved to the next important phase where we have started the experimental part. This also means that we can start invoicing the project according to the agreed payment plan with the FDA.

Our primary goal during this year is to continue our growth journey and at the same time further improve the result to be able to show a positive cash flow towards the end of 2023.

Huddinge, 31 May 2023
Manoush Masarrat
CEO

Summary of the interim report

Strong growth rate and continued improvement in profit.

Revenues in the first quarter increased by 57% compared to the same period last year and operating profit improved by 37% over the same period.

First quarter (Jan-Mar) 2023

- Net revenues 3,238 tkr (2,059)
- Operating result -2,099 tkr (-3,376)
- Earnings per share before and after dilution -0.20 SEK (-0.30)

Order backlog** at the end of the period TSEK 11,194 (8,350)

** Order backlog is signed customer contracts for both products and services that have not yet been invoiced to customers, where work is still ongoing and delivery has not yet been made to the customer.

Significant events during the first quarter (Jan-Mar) 2023

- On 16 January, the company lifted part of the credit facility with a sum of 1,800,000.
- On 31 January, the company announced an IRS (Inhalation Research Services) order from a new US pharmaceutical company with a value of SEK 914,000.
- On 7 February, the company announced a pre-booking order of EUR 50,000 for an upcoming IRS project later in the spring.
- On 7 March, the company informed that it had received confirmation of an IRS order worth EUR 118,480, of which EUR 50,000 has already been paid.
- On 21 March, the company announced a new IRS order worth EUR 35,000 from a global generic manufacturer.

Significant events after the reporting period

- On 6 April, the company announced the Board's decision on a new share issue of approximately SEK 17.1 million with preferential rights for the company's shareholders.
- On 6 April, the company published a notice of the upcoming Annual General Meeting on 12 May, where the company's Board of Directors were proposed for re-election.
- On 5 May, the company informed that it had received the green light from the US Food and Drug Administration (FDA) to begin the experimental project phase of the ongoing DissolvIt study. It is expected to complete the study as planned by the end of 2024.
- On 12 May, the company announced the outcome of the rights issue of shares that the company had announced on 6 April. The rights issue was subscribed to approximately 23.0 per cent and approximately 57.0 per cent was subscribed by underwriters. Through the rights issue, the company receives approximately SEK 13.7 million before deduction of issue costs.

Selected financial data in summary

	2023 Jan-March	2022 Jan-March	2022 Jan-Dec	2021 Jan-Dec
Net revenues kSEK	3,238	2,059	12,194	9,422
Operating profit kSEK	-2,098	-3,376	-12,026	-16,571
Profit after tax kSEK	-2,276	-3,402	-12,125	-16,609
Balance sheet total kSEK	14,556	22,334	12,985	26,111
Cash flow for period, kSEK	1,770	-4,398	-12,556	6,348
Cash flow for period per share (SEK)	-0.16	-0.39	-1.10	0.63
Cash and cash equivalents kSEK	3,609	9,997	1,839	14,395

Earnings per share before dilution kSEK	-0.20	-0.30	-1.07	-1.46
Earnings per share after dilution kSEK	-0.20	-0.30	-1.07	-1.46
Equity, kSEK	5,162	16,276	7,553	19,678
Equity per share (SEK)	0.45	1.43	0.66	1.73
Equity ratio, %	35.46%	72.88%	58.17%	75.36%
R&D costs/operating costs	36.38%	42.68%	40.80%	45.59%
Number of shares	11,375,734	11,375,734	11,375,734	11,375,734

Multi-year overview

kSEK	2022	2021	2020	2019	2018
Net revenues	12 194	9 422	10 137	8 949	5 441
Profit after net financial terms	-12 125	-16 609	9 875	-4 345	-11 883
Balance sheet total	12 985	26 112	18 488	23 198	19 653
Equity ratio, %	58	75	57	22	55
Average no. of employees	9	9	8	7	6

To read full report (in Swedish) go [HERE](#).

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About Inhalation 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 DissolveIt® 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.