



PRESS RELEASE

Published: 29-08-2023

Inhalation Sciences AB (publ) releases Q2 Report 2023

(Stockholm, Sweden, 29 August, 2023) **Inhalation Sciences AB announces that its Q2 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

During the second quarter, we have continued to deliver on our strategic goals with a focus on commercial activities, where revenue has increased by 36% compared to the same period last year. Sales in the form of new signed orders have also continued in the right direction with an increase of over 500% compared to the same period last year. In addition to returning customers on the IRS (Inhalation Research Services) side, we are also very pleased that our international distributors have now started sales in several markets too. We continue in line with our strategy of increasing focus on IRS, and this is reflected in our pipeline where the majority of requests are related to our inhalation services. The strategy of increasing our commercial focus on services has been successful and in the first half of 2023, 54% of total sales have been generated by our service segment, IRS.

Another important strategic goal for us is to become cash flow positive by the end of 2023. Through a great commercial and operational effort by the entire ISAB team, we were basically able to reach this goal already by the end of the second quarter, where the result has improved significantly by 97% compared to the same period last year.

The ongoing research collaboration with the US FDA is proceeding according to plan and we continue to conduct the experimental part in parallel with our own IRS work.

Following the completed financing process, we have now secured liquidity to accelerate our growth journey and repay the existing loan facility.

We remain interested in strategic collaborations and are in continuous dialogue with inhalation research partners that can complement our services and expand our portfolio.

The first half of 2023 and in particular the second quarter, has shown very strong development, both in terms of sales, revenue and earnings where we are very close to cash flow positivity. However, the work continues and we will need to build on this momentum to deliver our expected results in the coming quarters and by the end of 2023.

Huddinge, 29 August 2023
Manoush Masarrat
CHIEF EXECUTIVE OFFICER

Summary of the interim report for Q2, 1 January – 30 June 2023

During the second quarter, we have continued to deliver on our strategic goals with a focus on commercial activities, with revenue increased by 36% compared to the same period last year. Sales in the form of new signed orders have also continued in the right direction with an increase of over 500% compared to the period last year. In addition to the new and returning customers for IRS services, we are also pleased that our international distributors have now started sales in several markets.

Another important strategic goal for us is to achieve positive cash flow by the end of 2023. Through a great commercial and operational effort by the entire ISAB team, we have basically delivered on this goal already in the second quarter, where the result has improved by 97% compared to the same period last year. We remain focused on this and are working towards sustainable profitability of the company, strong growth rate and continued improvement in profit.

April – June 2023

- Net Revenue 5,788 kSEK (4,241)
- Operating result -107 kSEK (-4,037)
- Earnings per share before dilution -0.02 SEK (-0.36)
- Earnings per share after dilution -0.02 SEK (-0.36)

Order intake during the period 4,689 kSEK (764)

Order backlog at the end of the period 9,348 kSEK (4,334)

January – June 2023

- Net Revenue 9,026 kSEK (6,301)
- Operating result -2,206 kSEK (-7,413)
- Earnings per share before dilution -0.19 SEK (-0.66)
- Earnings per share after dilution -0.17 SEK (-0.66)

Order intake during the period 7,218 kSEK (3,525)

Order backlog at the end of the period 9,348 kSEK (4,334)

Order intake is the value of products and services sold during the current period, i.e. sales and not to be confused with net sales.

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 second quarter (April-June 2023)

- On 6 April, the company announced the Board of Directors' decision on a new share issue of approximately SEK 17.1 million with preferential rights for the company's shareholders.
- 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. The rights issue provides the company with approximately SEK 13.7 million before deduction of issue costs.

- On 22 May, the company announced a new order of EUR 53,000 from a repeat customer who is a large global pharmaceutical company. The order is for new modules for the customer's existing PreciseInhale platform.
- On 25 May, the company informed about the large European collaboration project APRINHA, where ISAB will be awarded 125,000 EURO for its contribution over a 36-month period.
- On 21 June, the company announced a new IRS order of 98,000 EURO from a US repeat customer for its In-vitro module DissolvIt.
- On 27 June, the company informed about a new order for PreciseInhale instruments with associated modules of 125,800 EURO. This order was generated from an international distributor in Asia.
- On 28 June the company informed about an additional instrument order from a distributor in Asia of 94,000 USD.

Significant events during the reporting period January -June 2023

- On 16 January, the company lifted a part of its loan credit with a sum of SEK 1.8 million.
- On 31 January, the company announced an IRS (Inhalation Research Services) order from a new American pharmaceutical company with a value of 914 kSEK.
- 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.

Significant events after the reporting period

- On 6 July, the company announced that the rights issue that ended on 9 May 2023 has been finally registered.
- On 23 August, the company announced that the loan of SEK 1.8 million raised by ISAB on 16 January 2023 is planned to be repaid to the lenders at the end of August. The total cost including arrangement fee and interest is approximately SEK 2.6 million.

Selected financial data in summary

	2023 Apr-jun	2022 Apr-jun	2023 Jan-jun	2022 Jan-jun	2022 Jan-dec
Net revenues kSEK	5,788	4,241	9,026	6,301	12,194
Operating profit kSEK	-107	-4,037	-2,206	-7,413	-12,026
Profit after tax kSEK	-259	-4,063	-2,535	-7,465	-12,125
Balance sheet total kSEK	23,287	17,350	23,287	17,350	12,985
Cash flow for period kSEK	7,591	-5,007	9,361	-9,405	-12,556
Cash flow for period per share (SEK)	0.50	-0.44	0.1	-0.83	-1.1
Cash and cash equivalents kSEK	11,200	4,990	11,200	4,990	1,839
Earnings per share before dilution (SEK)	-0.02	-0.36	-0.19	-0.66	-1.07
Earnings per share after dilution (SEK)	-0.02	-0.36	-0.17	-0.66	-1.07
Equity kSEK	14,808	12,213	7,553	12,213	7,553
Equity per share (SEK)	0.98	1.07	0.98	1.07	0.66
Equity ratio %	63.59	70.39	58.17	70.39	58.17
R&D costs / operating costs %	38.99	41.29	38.69	21.93	40.80
Number of shares	15 167 637	11 375 734	15 167 637	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 items	-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 number of employees	9	9	8	7	6

To read the 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 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.