



PRESS RELEASE

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Inhalation Sciences AB (publ) releases Q3 Report 2023

(Stockholm, Sweden, 29 August, 2023) **Inhalation Sciences AB announces that its Q3 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

Q3 is the third quarter in a row where we have shown continued revenue growth compared to the same period last year. With this outcome, in Q3 we have already exceeded our revenue figures for the full year 2022. It is of course very gratifying, and clearly shows that our adopted strategy, targeted sales efforts and customers' increased awareness of the value of our services, are paying the dividends we expected. The work continues and our focus now is to work our way through existing orders and ongoing negotiations on new assignments to be able to end the full year 2023 in the best possible way. Sales in the third quarter were not in line with our expectations and solid work is underway to intensify sales in the coming months. These activities have so far resulted in new assignments of approximately SEK 7 million after the reporting period.

We continue to monitor liquidity closely and we have made a significant improvement compared to last year. A stable turnover, where we have invoiced customers continuously, combined with the fact that we have streamlined the organization, has led us to reduce losses by more than 7 MSEK during the first 3 quarters of 2023, compared to the same period last year. These measures, together with the latest share issue, mean that we have a strong cash position even after our repayment of the credit loan we took earlier in the year. We endeavor to take the business to a positive cash flow and aim to achieve this goal in the foreseeable future.

Our ongoing research collaboration with the US FDA is proceeding according to plan and so far this year, we have invoiced about SEK 1.2 million, which is fully in line with the targets set in our agreement with the FDA.

Our other major multinational collaboration with APRINHA is also proceeding according to schedule and we are very much looking forward to the results of this collaboration, in the form of publications, by the end of 2025.

In the coming months, we expect to publish data from our Phase I clinical trial that we successfully completed last year. This will potentially open new collaboration

opportunities with partners in a market that is four times larger than our current pre-clinical market.

The search for strategic partners to further broaden our service portfolio is ongoing and we are in continuous dialogue with potential companies to complement our offering. We are reviewing both organic and inorganic options to become a more complete service provider of inhalation services.

Historically, the last quarter is usually the most intense quarter for ISAB and 2023 is no exception. We are working purposefully to deliver on our strategic goals and reach positive cash flow as soon as possible.

Huddinge, 22 November 2023
Manoush Masarrat
CHIEF EXECUTIVE OFFICER

Summary of the interim report

Q3 is the third quarter in a row where we have shown continued sales growth compared to the same period last year. With this outcome, in Q3 we have already exceeded the sales figures for the full year 2022. It is of course very gratifying and clearly shows that our chosen strategy, targeted sales work and customers' increased awareness of the value of our services, are paying the dividends we have expected. The work continues and our focus now is to work our way through existing orders and ongoing negotiations on new assignments to be able to end the full year 2023 in the best possible way. Sales in the third quarter were not in line with our expectations and solid work is underway to intensify sales in the coming months. These activities have so far resulted in new assignments of about 7 MSEK after the reporting period.

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July – Sept 2023

- Net Revenue 3,361 kSEK (1,782)
- Operating result -984 kSEK (-3,486)
- Earnings per share before and after dilution -0.10 SEK (-0.31)

Order intake during the period 330 kSEK (4,778)
Order backlog at the end of the period 6,276 kSEK (6,862)

Jan – Sept 2023

- Net Revenue 12,662 kSEK (8,083)
- Operating result -3,007 kSEK (-10,900)
- Earnings per share before and after dilution -0.29 SEK (-0.96)

Order intake during the period 7,548 kSEK (8,347)
Order backlog at the end of the period 6,276 kSEK (6,862)

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 third quarter (July – Sept 2023)

- On 6 July, the company announced that the rights issue that ended on 9 May 2023 had finally been 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.
- On 29 September, the company announced a cooperation agreement with a large multinational company in India regarding the company's In Vitro module DissolvIt.

Significant events during the reporting period Jan - Sept 2023

- On 16 January, the company lifted a part of its loan credit with a sum of SEK 1.8 million.
- On 7 March, the company announced that it had received confirmation of an IRS order worth EUR 118,480.
- On 6 April, the company informed the market of the board's 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 25 May, the company announced its 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 returning US customer for its *in-vitro* module DissolvIt.
- On 27 June, the company announced a new order for Preciselnhale instruments with associated modules of 125,800 EURO.
- On 28 June, the company announced an additional instrument order from a distributor in Asia of 94 000 USD.

Significant events after the reporting period

- On 16 October, the company announced a new IRS order worth 188,900 EURO. This order was from a repeat customer who is top 5 in the world in generics and it concerns the company's *in-vitro* module DissolvIt.
- On 18 October, the company informed the market that it had strengthened its IP portfolio regarding its main product Preciselnhale, through a newly granted patent in the US. The patent extends to 2034.
- On 8 November, the company announced a new order worth EUR 54,700, resulting from a collaboration with a partner specializing in regulatory testing.
- On 13 November, the company announced a new instrument order of EUR 276,450 from a repeat customer, a large European pharmaceutical company with a substantial pipeline of inhaled therapies.

- On 21 November, the company announced a new IRS order worth EUR 100 000, from a repeat multinational European Pharmaceutical company.

Selected financial data in summary

	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022 Jan-Dec
Net revenues kSEK	3,361	1,782	12,662	8,083	12,194
Operating profit kSEK	-984	-3,486	-3,007	-10,900	-12,026
Profit after tax kSEK	-1,305	-3,509	-2,841	-10,975	-12,125
Balance sheet total kSEK	18,493	15,967	18,493	15,967	12,985
Cash flow for period kSEK	-1,511	-1,576	7,850	-10,981	-12,556
Cash flow for period per share (SEK)	-0.10	-0.14	0.59	-0.97	-1.1
Cash and cash equivalents kSEK	13,859	3,414	9,689	3,414	1,839
Earnings per share before and after dilution (SEK)	-0.10	-0.31	-0.29	-0.96	-1.07
Equity kSEK	13,859	8,703	13,859	8,703	7,553
Equity per share (SEK)	0.91	0.77	0.91	0.77	0.66
Equity ratio %	74.94%	54.51%	74.94%	54.51%	58.17%
R&D costs / operating costs %	33.32%	40.99%	38.15%	32.64%	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 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.