



PRESS RELEASE

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Inhalation Sciences AB (publ) releases Q4 / YE Report 2023

(Stockholm, Sweden, 28 March, 2024) **Inhalation Sciences AB announces that its Q4 / Year End 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

2023 was another year when we continued to capture new market shares and successfully deliver on our strategic goals. Over the past three years, revenue has increased steadily by 29% from 2021 to 2022 and now by 49% from 2022 to 2023. At the same time, we have also significantly improved our operating profit at a similar rate during the same period. With this positive development, we are very close to reaching a strategic milestone in the company's history, with the aim of becoming cash flow positive in the near term.

Our increased focus on inhalation services (IRS) continues to develop as planned and in 2023 generated 66% of our revenue. We are in continuous dialogue with various partners in order to prepare our services and we are very positive about the deepened strategic collaboration with Actarmo GmbH in Germany. Actarmo has an established customer base and expertise in developing formulations, full GMP (Good Manufacturing Practice) analytical testing, and consultancy services for all aspects of inhaler delivery devices. With this cooperation, ISAB's potential Total Addressable Market (TAM) has expanded by 30% to a total sum of approx. 630 MEUR.

Distributor markets also came into play during 2023, allowing expansion of our unique platform technology into completely new markets and contributing approx. 2.5 MSEK to the year's revenue.

The FDA study with our *In vitro* module, DissolvIt, continues according to the plan and resulted in approximately SEK 2 million in revenue in 2023 from the FDA. We expect to finish this study at the end of 2024 and look forward to the final results which means an important validation of the DissolvIt module.

We expect data from our clinical Phase-I study to be published within the next few months. This in turn will open up new collaboration opportunities with partners and a market that is four times larger than our current market.

Through our completed rights issue, we managed to repay the bridging loan the company took out at the beginning of the year as well as ensuring a stable cash flow that remained intact throughout the year.

Personally, I feel very proud of the solid work that the ISAB organization delivered throughout 2023. Our cooperation with the Board, our partners and our customers has continued to develop confidently and is positive in every respect.

In 2024, we will continue the path taken from previous years with a major focus on our strategy, as well as increased growth and profitability. Expansion of our inhalation services, the completion of the ongoing FDA study as well as the publication of our clinical data are all some of the milestones that should create opportunities for continued growth in 2024. The Board and Management are looking forward to a very exciting 2024 for ISAB.

Huddinge, 28 February 2024
Manoush Masarrat
CEO

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 sales increased by 36% compared to the same period last year. Sales in the form of new 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.

Year-end report 1 January - 31 December 2023

Summary of the interim report

- Net revenue increased for the fourth quarter by 33% and for the full year by as much as 49% compared to the same period the year before.
- Operating result for the fourth quarter continued the positive trend towards break-even and landed at SEK -0.74 M compared to SEK -1.1 M for the same period in the previous year.
- The operating result for the full year 2023 also showed a clear improvement of 69% and landed at -3.7 MSEK compared to -12.1 MSEK for 2022.
- Through the completed rights issue, we managed to repay the bridging loan the company had taken out at the beginning of the year and ensure a stable cash flow that remained intact throughout the year.
- Order intake remained strong but decreased slightly for the full year 2023 compared to the previous year. This was largely related to the FDA study, with our *in vitro* module, DissolvIt, which at the end of 2022 was contracted for a value of approx. 4.3 MSEK.
- The company had an order backlog of approximately 9 MSEK and outstanding offers of 32 MSEK in December 2023.

Oct – Dec 2023

- Net revenue 5,484 kSEK (4,110)
- Operating result -749 kSEK (-1,127)
- Earnings per share before and after dilution -0.07 SEK (-0.36)

Order intake during the period 7,995 kSEK (8,982)

Order backlog at the end of the period 8,966 kSEK (9,122)

Jan – Dec 2023

- Net revenue 18,146 kSEK (12,194)
- Operating result -3,756 kSEK (-12,026)
- Earnings per share before and after dilution -0.36 SEK (-1.076)

Order intake during the period 15,543 kSEK (17,328)

Order backlog at the end of the period 8,966 kSEK (9,122)

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 fourth quarter (Oct-Dec 2023)

- On October 16, the company announced a new IRS order worth 188,900 EUR. This order was from a repeat customer who is top 5 in the world in generics and it concerned the company's *in vitro* module DissolvIt.
- On October 18, the company announced that it had strengthened its IP portfolio regarding its main product PreciseInhale, through a new patent granted in the USA. The patent extends to 2034.
- On November 8, the company announced a new order worth 54,700 EUR, which was the result of a collaboration with a partner specialized in regulatory testing.
- On November 13, the company announced a new instrument order of 276,450 EUR, from a repeat customer, a large European pharmaceutical company with a 'substantial' pipeline of inhaled therapies.
- On November 21, the company announced that it had received a new IRS order worth 100,000 EURO from a returning customer, a multinational European pharmaceutical company.
- On December 29, the company announced a new order for product service worth EUR 47,000.

Significant events during the reporting period Jan - Dec 2023

- On January 16, the company lifted a part of its loan credit with a sum of SEK 1.8 million.
- On January 31, the company announced an IRS (Inhalation Research Services) order from a new American pharmaceutical company with a value of 914 kSEK.
- On March 7, the company informed that it had received confirmation of an IRS order worth EUR 118,480.
- On April 6 the company announced the Board's decision on a new share issue of approximately 17.1 MSEK with preferential rights for the company's shareholders.

- On May 12 the company announced the outcome of the preferential issue of shares that the company had announced on April 6. The rights issue was subscribed to approximately 23.0% percent and approximately 57.0% was subscribed by underwriters. Through the rights issue, approximately 13.7 MSEK was added to the company before deductions for issue costs.
- On June 21 the company announced a new IRS order of 98,000 EUR from a returning US customer for its *In-vitro* module DissolvIt.
- On June 27 the company announced a new order for a PreciseInhale instrument plus associated modules for 125,800 EUR.
- On June 28 the company announced an additional instrument order from a distributor in Asia for 94,000 USD.
- On August 23 the company announced that the 1.8 MSEK loan that it took out on January 16, 2023, was planned to be repaid to lenders at the end of August. The total cost including setup fee and interest was approximately 2.6 MSEK.

Significant events after the reporting period

- On January 22, the company announced that it has entered into a strategically important partnership with the German company Actarmo Medical GmbH. This is in line with the company's stated strategy to expand its portfolio within inhalation research services. Actarmo has an established customer base and expertise in formulation development, full Good Manufacturing Practice (GMP) analytical testing and consulting services for all aspects of inhaler delivery devices. With this collaboration ISAB's potential Total Addressable Market (TAM) has been expanded by 30% to a total sum of approx. 630 MEUR.

Selected financial data in summary

	2023 okt-dec	2022 okt-dec	2023 jan-dec	2022 jan-dec
Net revenue, kSEK	5,484	4,110	18,146	12,194
Operating profit, kSEK	-749	-1,127	-3,756	-12,026
Profit after tax, kSEK	-903	-1,150	-4,744	-12,125
Balance sheet total, kSEK	18,168	12,985	18,168	12,985
Cash flow for period, kSEK	-1,864	-1,575	5,986	-12,556
Cash flow per period per share (SEK)	-0.12	-0.14	0.45	-1.10
Cash and cash equivalents, kSEK	7,825	1,839	7,825	1,839
Earnings per share before and after dilution (SEK)	-0.07	-0.1	-0.36	-1.07
Equity, kSEK	12,954	7,553	12,954	7,553
Equity per share (SEK)	0.85	0.66	0.85	0.66
Equity ratio, %	71.30%	58.17%	71.30%	58.17%
R&D costs/operating costs, %	31.44%	40.19%	38.75%	40.80%
Number of shares	15,167,637	11,375,734	15,167,637	11,375,734

Multi-year overview

kSEK	2023	2022	2021	2020	2019
Net revenue	18,146	12,194	9,422	10,137	8,949
Profit after net financial items	-4,744	-12,125	-16,609	9,875	-4,345
Balance sheet total	18,168	12,985	26,112	18,488	23,198
Equity ratio, %	71	58	75	57	22

Average number of employees	8	9	9	8	7
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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 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.