

# Quarterly Report Q1 2024

## January - March



### Outcome January – March

- Net sales amounted to 951 (59) kSEK
- Profit after net financial items amounted to -4 158 (-5 808) kSEK
- Basic and diluted earnings per share -0,20 (-0,44) SEK
- Cash flow from operating activities and investing activities -5 502 (-6 872) kSEK

### Significant events January – March

- Insplorion to launch an ATEX certified H2 leak detector in Q1 2025.
- Insplorion hydrogen sensor in new proof-of-concept project.
- Insplorion selected to participate in the Swedish Energy Agency's delegation to meet the US hydrogen ecosystem.
- Insplorion receives approximately SEK 5.9 million before issuing costs when 72 percent of the outstanding warrants of series TO2 were exercised for subscription of shares.

### Significant events after the end of the period

- None

### Indicators Insplorion Group

	2024-01-01 -2024-03-31 3 months	2023-03-01 -2023-03-31 3 months	2023-01-01 -2023-12-31 12 months
<i>All amounts in thousands of SEK if other not specified</i>			
Net sales	951	59	1 948
Operating income	1 629	1 307	7 501
Profit after financial items	-4 158	-5 808	-24 266
Earnings per share (SEK)	-0,20	-0,44	1,69
Diluted earnings per share (SEK)	-0,20	-0,44	1,69
Cash flow from operating and investing activities	-5 502	-6 872	-24 433

For the complete table, please refer to page 10. For definitions of indicators, please refer to page 14.

## A word from the CEO

It is becoming increasingly clear that hydrogen, as an energy carrier, is a powerful driving force for the transition to a sustainable world. The Hydrogen Council is a global initiative in which leading companies collaborate to ensure that hydrogen is developed to significantly replace fossil fuels. At the end of 2023, the Hydrogen Council presented an updated report showing that in just five months, the number of announced hydrogen projects worldwide increased from around 1,000 in May 2023 to around 1,400 in October. Expected investments in the value chain are estimated at around USD 570 billion by 2030, a 30 percent increase in the forecast from May 2023 alone.

This rapid development reinforces Insplorion's view that hydrogen as an energy carrier has a clear momentum and that the demand for new technologies and solutions throughout the value chain is strong.

Insplorion's efforts to strengthen our position as an important player in the hydrogen field continued during the first quarter of 2024, among other things, through further concentration on product and business development. We were, for example, able to announce that in Q1 2025, we are expected to launch an ATEX-certified sensor intended for leak detection, i.e., to quickly identify if there is hydrogen in an environment where it should not be present. The market is highly interested in safety issues and this is where Insplorion's fast sensors have an important role to play.

An ATEX certification means that Insplorion will be able to take larger business opportunities with significant volumes, as our sensor will be certified for installation in potentially explosive environments. The certification also means that our entire supply chain will be quality assured. During the quarter, we also announced a deal where we intend to sell our prototype to a

company in the chemical industry, where it will be tested in corrosive environments.

It was very gratifying that Insplorion was invited to participate in the Swedish Energy Agency and Business Sweden's Hydrogen Delegation trip in March to Houston, Texas, and Los Angeles, California. The trip provided good business contacts and insights, both from the interesting meetings and interactions with the accompanying Swedish companies.

With our sights set on the future, we continue to focus on:

- ATEX certification of our next generation NPS-P2 product
- Business with our NPS-P1 prototype sensor
- Partnerships to commercialize NPS-P2 in larger volumes

In parallel, we also explore development collaborations in new areas and/or applications where our technology offers distinct advantages.

Another positive aspect in the quarter was a clearly reduced loss, due to good cost control in combination with more sales.

Finally, I would like to mention that during Q1, we completed the subscription period for TO2, which was subscribed to 72 percent, and provided the company with MSEK 5.9 before issue costs. On a positive note, the subscription was carried out entirely without guarantors.

Gothenburg, Sweden

April 2024

Johan Rask, CEO



# Financial comments

## Business development

The company develops and commercializes hydrogen sensors with NPS (NanoPlasmonic Sensing). Partly together with customers to be able to commercialize volume applications in the long term, partly through the sale of research instruments in battery research and catalysis, materials and life sciences.

Revenue is partly generated from prototype for hydrogen detection, partly from research instruments characterized by few measuring instruments sold but at high prices per unit. The variation in sales can therefore be high from one quarter to the next, making it difficult to compare quarterly results. The Company's aim is to grow the instrument business continuously, but sales usually depend on our customers' availability of funding.

The profit is clearly improved in the quarter, due to good cost control in combination with more sales.

## Financial position and liquidity

Cash and cash equivalents amounted to kSEK 5,603 (19,369) as of March 31st. At the end of the period, the Group's interest-bearing liabilities totalled kSEK 1,109 (1,409).

Cash flow for the period (January 1st–March 31st) amounted to kSEK 5,602 (-7,047), of which cash flow from operating activities amounted to kSEK -4,730 (-5,824). This is mostly attributable to the negative operating result in the amount of kSEK -4,186, in combination with changes in working capital with a negative impact on cash flow of kSEK -897. During the period, the Group has invested kSEK 772 (1,048), mostly attributable to the capitalized development of Hydrogen Sensors. Financing activities were negative by kSEK -100 (-175) due to amortizations.

## Future development

Within hydrogen, the ambition is to realize more customer-financed projects with prototype NPS-P1 to be able to commercialize volume applications in the long term.

Within research instruments, we intend to continue process potential customers in the market for both M8 and S2.

## Risks and uncertainties

The Group is considered to still be subject to the same risks and uncertainties that are detailed in the 2023 annual report.

## Parent Company

The net sales of the parent company for the period (January 1st–March 31st) amounted to kSEK 1,500 (997), and the profit after net financial items amounted to kSEK -4,025 (-5,426). The parent company's equity totalled MSEK 23,6 MSEK, of which MSEK 4,7 restricted.

## The share

As of March 31st, 2024, the share capital of Insplorion amounted to SEK 3,142,912 divided in total 20,952,742 shares with a quota value of SEK 0.15. In regard to T02, classified as non-registered capital per March 31st, the share capital increase to a total of 3,568,380 divided in total 23,789,198 shares.

The current warrant and option programmes are:

- Warrants and employee stock options series 2021/2024, where 24,700 incentive warrants and 46,800 employee stock options will be issued. This means a maximum dilution of approximately 0.7 percent of the shares and votes in the Company.

Each warrant and employee option entitles the holder to acquire one share in Insplorion at an exercise price of SEK 41.10 per share.

- Warrants to the Board of Directors series 2021/2024, where 85,000 Incentive Warrants has been issued. This means a maximum dilution of approximately 0.6 percent of the shares and votes in the Company.

Each warrant entitles the holder to acquire one share in Insplorion at an exercise price of SEK 41.10 per share.

## The ten largest shareholders as of March 31st, 2024

Shareholders	Shares	% of share capital and voting rights
Kenneth Svensson	2 324 679	9,8%
Avanza Pension	1 601 613	6,7%
Mikael Hägg	1 248 230	5,2%
Viola Vitalis AB	795 759	3,3%
Hans-Olov Olsson	658 483	2,8%
Svesten AB	512 530	2,2%
AP Ventures	450 000	1,9%
Nordnet Pensionsforsakring AB	349 694	1,5%
Daniel Johansson	252 500	1,1%
Lena Kasemo	247 529	1,0%
Övriga	15 348 181	64,5%
<b>Total</b>	<b>23 789 198</b>	<b>100,0%</b>

Source: Euroclear and information to the Company

## Policies for the preparation of the interim report

Insplorion applies the Swedish Accounting Standards Board's BFNAR 2012:1 Annual accounts and consolidated (K3). For the report, Chapter 9 of the Annual Accounts Act, interim report, has also been applied.

Accounting principles and calculation bases are unchanged compared with the annual report.

## Auditors' review

This report has not been reviewed by the Company's auditors.

## Upcoming financial reports

2024-05-08 Annual General Meeting 2024

2024-07-17 Interim report Q2 2024

2024-10-24 Interim report Q3 2024

2025-02-20 Year-end-report 2024

Presentation of the interim report, Gothenburg, April 23rd, 2024.

Insplorion AB (publ)  
The Board

# Insplorion in brief

Insplorion AB, with its unique sensor platform NanoPlasmonic Sensing (NPS), operates within two fields: hydrogen sensors and research instruments. The sensors are fast, flexible, selective, and cost efficient at volume production. Our hydrogen sensors show a sub-second response time, making them the fastest in the world and will promote the growth of hydrogen infrastructure. Our instruments give scientists around the world real time data within battery research and surface processes in fields like catalysis, material- and life science.



## Hydrogen sensors

Insplorion is developing the world's fastest hydrogen sensor for the rapidly growing market of hydrogen-based vehicles, infrastructure, and fuel cells.

The sensor's rapid response time is of major importance e.g., for safety applications, or for process controls and optimisation of fuel cells, electrolyzers and other processes including hydrogen use.

The sensor is accurate, compact, and cost-effective and contributes to a faster transition to the use of hydrogen as an alternative to fossil energy. It can also be used for the development of new technology, as in fuel cells, for increased understanding and optimisation of their function.



## Research instruments

In research instruments, Insplorion sells measuring instruments to researchers in academia and industry. Insplorion's products make it possible to obtain real-time information

with nanoscale sensitivity about processes on surfaces and in boundary layers. The instruments enable a deeper understanding of nanomaterials, nanoparticles, porous materials, thin films and coatings for various applications such as catalysis, polymer science, materials science, biosciences, and solar cells.



Every instrument comprises a basic package of Insplorion's software and an optical hardware module. Depending on the field of research, the customer selects the instrument which best matches the needs. A complete instrument system has a list price of about kEUR 40 to 90, depending on the selection of options. Furthermore, annual revenues for sensors expended during experiments are purchased.

# Income Statement Insplorion Group

	2024-01-01 -2024-03-31 3 months	2023-03-01 -2023-03-31 3 months	2023-01-01 -2023-12-31 12 months
<i>All amounts in thousands of SEK</i>			
Net sales	951	59	1 948
Own work capitalized	678	1 048	5 153
Other operating income	0	200	400
<b>Operating income</b>	<b>1 629</b>	<b>1 307</b>	<b>7 501</b>
Raw materials and consumables	-353	0	-493
Other external charges	-2 112	-3 233	-10 801
Personnel costs	-3 024	-3 209	-13 199
Depreciation/amortization	-325	-647	-2 567
Impairment of intangible fixed assets	0	0	-4 782
<b>Operating costs</b>	<b>-5 815</b>	<b>-7 088</b>	<b>-31 841</b>
<b>Operating profit</b>	<b>-4 186</b>	<b>-5 781</b>	<b>-24 340</b>
Interest income and similar items	51	0	178
Interest costs and similar items	-23	-28	-105
<b>Result from financial items</b>	<b>28</b>	<b>-27</b>	<b>73</b>
<b>Profit after financial items</b>	<b>-4 158</b>	<b>-5 808</b>	<b>-24 266</b>
<b>Profit/loss for the period</b>	<b>-4 158</b>	<b>-5 808</b>	<b>-24 266</b>
<b>Earnings per share</b>			
Earnings per share (SEK)	-0,20	-0,44	1,69
Diluted earnings per share (SEK)	-0,20	-0,44	1,69

# Balance sheet Insplorion Group

<i>All amounts in thousands of SEK</i>	2024-03-31	2023-03-31	2023-12-31
<b>ASSETS</b>			
Subscribed capital unpaid	5 900	0	0
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development	14 306	15 755	13 794
Concessions, patents, licenses, trade marks, etc.	1 381	1 986	1 498
	15 687	17 740	15 291
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	287	384	236
	287	384	236
<b>Total fixed assets</b>	<b>15 974</b>	<b>18 124</b>	<b>15 527</b>
<b>Current assets</b>			
Work in progress	1 675	2 068	1 669
	1 675	2 068	1 669
Accounts receivable	906	113	529
Other receivables	296	241	220
Prepayments and accrued income	549	517	460
	1 751	870	1 208
Cash and bank balances	5 603	19 369	11 204
<b>Total current assets</b>	<b>9 029</b>	<b>22 306</b>	<b>14 082</b>
<b>TOTAL ASSETS</b>	<b>30 902</b>	<b>40 430</b>	<b>29 609</b>

# Balance sheet Insplorion Group

<i>All amounts in thousands of SEK</i>	2024-03-31	2023-03-31	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	3 143	1 964	3 143
Non-registered share capital	425	0	0
	3 568	1 964	3 143
<i>Non-restricted equity</i>			
Premium reserve	135 888	122 458	130 925
Retained loss	-109 308	-85 043	-85 043
Profit/loss for the period	-4 158	-5 808	-24 266
	22 422	31 607	21 616
<b>Total equity</b>	<b>25 991</b>	<b>33 570</b>	<b>24 759</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	394	694	494
	394	694	494
<b>Short-term liabilities</b>			
Liabilities to credit institutions	715	715	715
Accounts payable	1 420	2 567	1 016
Current tax liabilities	0	87	83
Other short-term liabilities	182	195	230
Accruals and deferred income	2 200	2 601	2 312
	4 518	6 165	4 356
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30 902</b>	<b>40 430</b>	<b>29 609</b>

<i>All amounts in thousands of SEK</i>	Share capital	Non-reg. Share capital	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
<b>Equity as of 2024-01-01</b>	<b>3 143</b>	<b>0</b>	<b>130 925</b>	<b>-85 043</b>	<b>-24 266</b>	<b>24 759</b>
Appropriation of previous year's profit				-24 266	24 266	0
Ongoing issue		425	5 474			5 900
Issuance costs			-511			-511
Profit/loss for the period					-4 158	-4 158
<b>Equity as of 2024-03-31</b>	<b>3 143</b>	<b>425</b>	<b>135 888</b>	<b>-109 309</b>	<b>-4 158</b>	<b>25 991</b>
<b>Equity as of 2023-01-01</b>	<b>1 964</b>	<b>0</b>	<b>122 458</b>	<b>-63 790</b>	<b>-21 253</b>	<b>39 379</b>
Appropriation of previous year's profit				-21 253	21 253	0
Profit/loss for the period					-5 808	-5 808
<b>Equity as of 2023-12-31</b>	<b>1 964</b>	<b>0</b>	<b>122 458</b>	<b>-85 043</b>	<b>-5 808</b>	<b>33 570</b>



# Cash Flow Statement Insplorion Group

<i>All amounts in thousands of SEK</i>	<b>2024-01-01 -2024-03-31 3 months</b>	<b>2023-03-01 -2023-03-31 3 months</b>	<b>2023-01-01 -2023-12-31 12 months</b>
<b>Operating activities</b>			
Operating profit	-4 186	-5 781	-24 340
Adjustment for non-cash items:			
Depreciation/amortization according to plan	325	647	2 567
Impairment of intangible fixed assets	0	0	4 782
Interest received	51	0	178
Interest paid	-23	-28	-105
<b>Cash flow from operating activities before change in working capital</b>	<b>-3 833</b>	<b>-5 161</b>	<b>-16 918</b>
<b>Change in working capital</b>			
Increase (-)/Decrease (+) in inventories	-6	-142	256
Increase (-)/Decrease (+) in operating receivables	-1 027	160	-178
Increase (+)/Decrease (-) in operating liabilities	136	-680	-2 440
<b>Cash flow from operating activities</b>	<b>-4 730</b>	<b>-5 824</b>	<b>-19 280</b>
<b>Investing activities</b>			
Cash flow from investing activities	-772	-1 048	-5 153
<b>Financing activities</b>			
Change in long-term liabilities	-100	-175	-425
Rights issue	0	0	9 647
<b>Cash flow from financing activities</b>	<b>-100</b>	<b>-175</b>	<b>9 222</b>
<b>Increase/Decrease of cash and cash equivalents</b>	<b>-5 602</b>	<b>-7 047</b>	<b>-15 211</b>
<b>Cash/cash equivalents at the beginning of the year</b>	<b>11 203</b>	<b>26 414</b>	<b>26 414</b>
<b>Cash/cash equivalents at the end of the period</b>	<b>5 603</b>	<b>19 368</b>	<b>11 204</b>

# Indicators Insplorion Group

	2024-01-01 -2024-03-31 3 months	2023-03-01 -2023-03-31 3 months	2023-01-01 -2023-12-31 12 months
<i>All amounts in thousands of SEK if other not specified</i>			
Net sales	951	59	1 948
Operating income	1 629	1 307	7 501
Profit after financial items	-4 158	-5 808	-24 266
Earnings per share (SEK)	-0,20	-0,44	1,69
Diluted earnings per share (SEK)	-0,20	-0,44	1,69
Cash flow from operating and investing activities	-5 502	-6 872	-24 433
Solidity (%)	84%	83%	84%
Quick ratio (%)	163%	328%	285%
The share's quota value (SEK)	0,17	0,15	0,15
Number of shares	23 789 198	13 090 234	20 952 742
Average number of shares	20 952 742	13 090 234	14 400 652
Average number of shares after dilution	21 194 653	13 332 145	14 642 563
Average number of employees	12	14	13

# The Parent Company's income statement

	2024-01-01 -2024-03-31 3 months	2023-03-01 -2023-03-31 3 months	2023-01-01 -2023-12-31 12 months
All amounts in thousands of SEK			
Net sales	1 500	997	6 601
Own work capitalized	83	58	78
Other operating income	0	200	400
<b>Operating income</b>	<b>1 582</b>	<b>1 255</b>	<b>7 079</b>
Raw materials and consumables	-353	0	-493
Other external charges	-2 044	-3 159	-10 356
Personnel costs	-3 024	-3 209	-13 199
Depreciation/amortization	-214	-286	-1 124
Impairment of intangible fixed assets	0	0	-236
<b>Operating costs</b>	<b>-5 635</b>	<b>-6 654</b>	<b>-25 407</b>
<b>Operating profit</b>	<b>-4 052</b>	<b>-5 399</b>	<b>-18 329</b>
Interest income and similar items	51	0	179
Interest costs and similar items	-23	2 472	-105
Impairment of shares in subsidiary	0	-2 500	
<b>Result from financial items</b>	<b>28</b>	<b>-27</b>	<b>74</b>
<b>Profit after financial items</b>	<b>-4 025</b>	<b>-5 426</b>	<b>-18 255</b>
Year-end appropriations	0	0	-6 010
<b>Profit/loss for the period</b>	<b>-4 025</b>	<b>-5 426</b>	<b>-24 265</b>
<b>Earnings per share</b>			
Earnings per share (SEK)	-0,19	-0,41	-1,69
Diluted earnings per share (SEK)	-0,19	-0,41	-1,69

# The Parent Company's balance sheet

All amounts in thousands of SEK	2024-03-31	2023-03-31	2023-12-31
<b>ASSETS</b>			
<b>Subscribed capital unpaid</b>	5 900	0	0
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development	1 603	1 899	1 608
Concessions, patents, licenses, trade marks, etc.	720	1 404	803
	2 323	3 303	2 411
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	287	384	236
	287	384	236
<i>Financial fixed assets</i>			
Participations in Group companies	50	50	50
	50	50	50
<b>Total fixed assets</b>	<b>2 660</b>	<b>3 750</b>	<b>2 697</b>
<b>Current assets</b>			
Work in progress	1 675	2 068	1 669
	1 675	2 068	1 669
Accounts receivable	906	113	529
Intra-group receivables	12 123	14 303	11 438
Current tax assets	19	32	0
Other receivables	165	100	12
Prepayments and accrued income	549	517	460
	13 761	15 063	12 439
Cash and bank balances	4 360	17 281	10 152
<b>Total current assets</b>	<b>19 796</b>	<b>34 412</b>	<b>24 260</b>
<b>TOTAL ASSETS</b>	<b>28 356</b>	<b>38 162</b>	<b>26 957</b>

# The Parent Company's balance sheet

All amounts in thousands of SEK	2024-03-31	2023-03-31	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	3 143	1 964	3 143
Non-registered share capital	425	0	0
Fund for development costs	1 156	1 575	1 161
	4 724	3 538	4 304
<i>Non-restricted equity</i>			
Premium reserve	135 888	122 458	130 925
Retained loss	-112 964	-89 117	-88 704
Profit/loss for the period	-4 025	-5 426	-24 265
	18 900	27 915	17 956
<b>Total equity</b>	<b>23 624</b>	<b>31 453</b>	<b>22 260</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	394	694	494
	394	694	494
<b>Short-term liabilities</b>			
Liabilities to credit institutions	715	715	715
Accounts payable	1 324	2 533	1 013
Current tax liabilities	0	127	89
Other short-term liabilities	182	195	230
Accruals and deferred income	2 117	2 445	2 156
	4 338	6 015	4 203
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28 356</b>	<b>38 162</b>	<b>26 957</b>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	500	500	500
Contingent liabilities	None	None	None

Changes in Equity	Share capital	Non-reg. Share capital	Fund for developm. costs	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
<b>Equity as of 2024-01-01</b>	<b>3 143</b>	<b>0</b>	<b>1 161</b>	<b>130 925</b>	<b>-88 703</b>	<b>-24 265</b>	<b>22 261</b>
Appropriation of previous year's profit					-24 265	24 265	0
Change in fund for development costs			-5		5		0
Ongoing issue		425		5 474			5 900
Issuance costs				-511			-511
Profit/loss for the period						-4 025	-4 025
<b>Equity as of 2024-03-31</b>	<b>3 143</b>	<b>425</b>	<b>1 156</b>	<b>135 888</b>	<b>-112 963</b>	<b>-4 025</b>	<b>23 624</b>
<b>Equity as of 2023-01-01</b>	<b>1 964</b>		<b>1 605</b>	<b>122 458</b>	<b>-65 394</b>	<b>-23 753</b>	<b>36 879</b>
Appropriation of previous year's profit					-23 753	23 753	0
Change in fund for development costs			-30		30		0
Profit/loss for the period						-5 426	-5 426
<b>Equity as of 2023-03-31</b>	<b>1 964</b>		<b>1 575</b>	<b>122 458</b>	<b>-89 117</b>	<b>-5 426</b>	<b>31 453</b>

# Definitions of indicators

**Earnings per share (SEK)**

Net profit for the year divided by the average number of shares.

**Diluted earnings per share (SEK)**

Net profit for the year divided by the average diluted number of shares.

**Solidity (%)**

Adjusted equity in relation to the balance sheet total.

**Quick ratio (%)**

Current assets less inventories, divided by current liabilities.

**Average number of shares**

Number of shares per month divided by the period.

**Average number of shares after dilution**

Number of shares per month, including warrant programmes, divided by the period.

**Average number of employees**

Number of employees per month divided by the period.