

Quarterly Report Q3 2024

July - September



Outcome July – September

- Net sales amounted to TSEK 490 (1 491)
- Profit after net financial items amounted to TSEK -3 459 (-2 745)
- Basic and diluted earnings per share: SEK -0.15 (-0.21) SEK
- Cash flow from operating activities and investing activities: TSEK -4 884 (-5 296)

Significant events July - September

- Insplorion hydrogen sensor part of new proof-of-concept project with a large international customer operating in the packaging industry.
- Insplorion takes its first order in Japan, through a distributor within the automotive industry.
- Per Giljam steps down as CFO at Insplorion.
- Insplorion resolves on a partially guaranteed rights issue.

Significant events after the end of the period

- Insplorion signs Letter of Intent with Saab for new collaborative project in the aviation industry.
- Insplorion publishes prospectus regarding rights issue of units.
- Insplorion receives three new orders with a total order value of 180 KSEK.
- Insplorion announces outcome of rights issue.
- Insplorion announces last day of trading with BTU and first day of trading in warrants of series TO3.

Indicators - Group

	2024-07-01 -2024-09-30 3 months	2023-07-01 -2023-09-30 3 months	2024-01-01 -2024-09-30 9 months	2023-01-01 -2023-09-30 9 months	2023-01-01 -2023-12-31 12 months
All amounts in TSEK, unless otherwise stated					
Net sales	490	1 491	1 601	1 690	1 948
Operating income	1 103	3 039	4 096	5 904	7 501
Profit after financial items	-3 459	-2 745	-12 994	-15 572	-24 266
Earnings per share (SEK)	-0,15	-0,21	-0,57	-1,19	-1,69
Earnings per share, after dilution (SEK)	-0,15	-0,21	-0,57	-1,19	-1,69
Cash flow from operating and investing activities	-4 884	-5 296	-14 518	-19 988	-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 gives me great pleasure to state that Insplorion's sensor technology continues to generate significant interest in the market. During Q3, and moving into the final quarter of the year, we have seen a steady rise in inquiries, as well as an increasing number of new interests from potential customers which have led to new business deals.

For example, during Q3 we announced Insplorion's first order of the NPS-P1 product to a Japanese customer, a company active in testing operations aimed at the automotive sector. Another interesting deal was concluded with a large European company within the packaging sector, with the purpose of being able to measure the presence of hydrogen in one of their processes.

During the current quarter, the marketing and sales work has provided exciting new opportunity openings to both collaborations and business. Among other things, we have entered an LOI (Letter of Intent) with Saab Group, where, together, we intend to respond to a large project request relating to hydrogen safety in the aviation sector. Our ability to read sensors remotely using fibre optics has proven to be a crucial factor here.

We were also able to communicate in October that we had received three different smaller orders for the next generation hydrogen gas sensor (NPS-P2), despite it not having been officially launched or ATEX certified yet. The NPS-P2 product is intended to be launched early in 2025, and, following ATEX certification, it can be sold in significantly larger volumes. ATEX certification means that the product is safe to assemble in a potentially explosive environment, which is an obvious requirement from customers as it needs to detect leaks, something that is very important in an explosive environment.

When it comes to orders, it can also be noted that we have included another important order for an NPS-P2 from a company whose application requires being able to detect hydrogen mixed with natural gas, among other things. This is a requirement that suits Insplorion extremely well. Another new interesting collaboration we recently began is a project with the company Hydraspecma, who are specialists in hydraulics and couplings for large customers in the Industry and Automotive sectors. In the long term, the idea is to be able to offer Insplorion's sensors to Hydraspecma's customer base together with their products for coupling to various systems, where the purpose is to measure hydrogen gas.

As a whole, the positive events within our marketing and sales work described above demonstrate that Insplorion's products and technology have significant commercial value. We look forward to being able to increase the pace of work in order to create value for our customers, partners and shareholders - not least with the help of the rights issue, totalling approximately MSEK 20.6, that we carried out in October.

Gothenburg, Sweden

November 2024

Johan Rask, CEO



Financial comments

Business development

The Company develops and commercialises hydrogen sensors with NPS (NanoPlasmonic Sensing). This is carried out in part together with customers in order to commercialise volume applications in the long term, but also through the sale of research instruments in battery research and catalysis, materials and life sciences.

Revenue is generated both from prototypes for hydrogen detection and from research instruments, which are characterised by the sale of a small number of measuring instruments but at high prices per unit. Sales can therefore fluctuate from one quarter to the next, making it difficult to compare quarterly results. The Company's aim is to grow the instrument business on a continuous basis, however sales are usually dependent on the availability of funding with our customers.

Performance remains negative due to the fact development costs have increased. Investments in marketing and product development are the main reasons for the higher costs, which are in line with the overall plan.

Financial position and liquidity

Cash and cash equivalents amounted to TSEK 1 221 (6 102) as of 30 September. As of the end of the period, the Group's interest-bearing liabilities totalled to TSEK 355 (715).

Cash flow for the quarter (1 July - 30 September) amounted to TSEK -4 884 (-5 346), of which cash flow from operating activities amounted to TSEK -4 293 (-3 748). This is mostly attributable to the negative operating result which amounted to TSEK -3 484, in combination with changes in working capital with a negative impact on cash flow of TSEK -1 155. During the quarter, the Group invested TSEK -591 (-1 548), mostly attributable to the capitalised development of Hydrogen Sensors. Financing activities had no cash flow movements during the quarter (TSEK -50).

Future development

Within hydrogen, the ambition is to realise more customer-financed projects in order to be able to commercialise volume applications in the long term.

Within research instruments, we intend to continue to 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 quarter (1 July - 30 September) amounted to TSEK 1 173 (2 916), and the profit after net financial items amounted to TSEK -3 204 (-2 384).

The Parent Company's equity totalled MSEK 15.2, of which MSEK 4.6 was restricted.

The share

As of 30 September 2024, the share capital of Insplorion amounted to SEK 3 568 381 divided in total 23 789 198 shares with a quota value of SEK 0.15.

The Company currently has no existing subscription warrant programmes.

The ten largest shareholders as of 30 September

Shareholders	Shares	% of share capital and voting rights
Kenneth Svensson	2 306 657	9.7%
Avanza Pension	1 604 492	6.7%
Mikael Hägg	1 248 230	5.2%
Hans-Olov Olsson	658 483	2.8%
Viola Vitalis AB	552 964	2.3%
Svesten AB	512 530	2.2%
AP Ventures	450 000	1.9%
Nordnet Pensionsförsäkring AB	321 584	1.4%
Daniel Johansson	252 500	1,1%
Lena Kasemo	247 529	1,0%
Others	15 634 229	65,7%
Total	23 789 198	100,0%

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 report and consolidated accounts (K3). For this report, Chapter 9 of the Swedish 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

- 20 February 2025, Year-end report 2024

Presentation of the interim report, Gothenburg, 22 October 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 in volume production. Our hydrogen sensors show a sub-second response time, making them the fastest in the world, and which will promote the growth of hydrogen infrastructure. Our instruments provide scientists around the world with real time data within battery research, as well as surface processes in fields like catalysis, material- and life science. Naventus Corporate Finance AB is Insplorion's Certified Adviser on Nasdaq First North.



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 significant importance, for example, 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 is contributing 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, such as with fuel cells, for increased understanding and optimisation of their function.



Research instruments

In the area of 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, and thin films and coatings for various applications, such as catalysis, polymer science, materials science, biosciences, and solar cells.



Each 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 their needs. A complete instrument system has a list price in the region of TEUR 40 to 90, depending on the options selected. Added to this are the recurrent revenues for sensors consumed during trials.

Income Statement - Group

	2024-07-01 -2024-09-30 3 months	2023-07-01 -2023-09-30 3 months	2024-01-01 -2024-09-30 9 months	2023-01-01 -2023-09-30 9 months	2023-01-01 -2023-12-31 12 months
All amounts in TSEK					
Net sales	490	1 491	1 601	1 690	1 948
Own capitalised work	591	1 548	1 804	3 814	5 153
Other operating income	22	0	690	400	400
Operating income	1 103	3 039	4 096	5 904	7 501
Raw materials and consumables	-27	-383	-420	-428	-493
Other external charges	-1 673	-1 985	-6 970	-8 277	-10 801
Personnel costs	-2 567	-2 783	-8 756	-9 711	-13 199
Depreciation/amortisation	-321	-637	-969	-1 929	-2 567
Impairment of intangible fixed assets	0	0	0	-1 172	-4 782
Operating costs	-4 587	-5 788	-17 114	-21 518	-31 841
Operating profit	-3 484	-2 749	-13 019	-15 614	-24 340
Interest income and similar items	30	32	80	126	178
Interest costs and similar items	-5	-27	-56	-85	-105
Result from financial items	25	5	25	42	73
Profit after financial items	-3 459	-2 745	-12 994	-15 572	-24 266
Profit/loss for the period	-3 459	-2 745	-12 994	-15 572	-24 266
Earnings per share					
Earnings per share (SEK)	-0.15	-0.21	-0.57	-1.19	-1.69
Earnings per share, after dilution (SEK)	-0.15	-0.21	-0.57	-1.19	-1.69

Balance sheet - Group

All amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
<i>Capitalised expenditure for development work</i>	15 102	17 665	13 794
Concessions, patents, licences, trademarks, etc.	1 147	488	1 498
	16 249	18 153	15 291
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	208	282	236
	208	282	236
Total fixed assets	16 457	18 435	15 527
Current assets			
Work in progress	1 652	2 011	1 669
	1 652	2 011	1 669
Accounts receivable	234	1 281	529
Current tax assets	240	0	0
Other receivables	502	53	220
Prepayments and accrued income	485	602	460
	1 460	1 936	1 208
Cash and bank balances	1 221	6 102	11 204
Total current assets	4 333	10 050	14 082
TOTAL ASSETS	20 790	28 485	29 609

Balance sheet - Group

All amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	3 568	1 964	3 143
	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	-12 994	-15 572	-24 266
	13 586	21 843	21 616
Total equity	17 155	23 807	24 759
Long-term liabilities			
Liabilities to credit institutions	0	544	494
	0	544	494
Short-term liabilities			
Liabilities to credit institutions	355	715	715
Accounts payable	1 201	712	1 016
Current tax liabilities	0	12	83
Other short-term liabilities	234	200	230
Accruals and deferred income	1 845	2 495	2 312
	3 635	4 135	4 356
TOTAL EQUITY AND LIABILITIES	20 790	28 485	29 609
Pledged assets and contingent liabilities			
Pledged assets	500	500	500
Contingent liabilities	None	None	None

Changes in equity	Share capital	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
Equity as of 2024-01-01	3 143	130 925	-85 043	-24 266	24 759
Appropriation of previous year's profit			-24 266	24 266	0
Redeemed subscription warrants	425	4 963			5 389
Profit/loss for the period				-12 994	-12 994
Equity as of 2024-09-30	3 568	135 888	-109 309	-12 944	17 155
Equity as of 2023-01-01	1 964	122 458	-63 790	-21 253	39 379
Appropriation of previous year's profit			-21 253	21 253	0
Profit/loss for the period				-15 572	-15 572
Equity as of 2023-09-30	1 964	122 458	-85 043	-15 572	23 807

Cash Flow Statement - Group

All amounts in TSEK	2024-07-01 -2024-09-30 3 months	2023-07-01 -2023-09-30 3 months	2024-01-01 -2024-09-30 9 months	2023-01-01 -2023-09-30 9 months	2023-01-01 -2023-12-31 12 months
Operating activities					
Operating profit	-3 484	-2 749	-13 019	-15 614	-24 340
Adjustment for non-cash items:					
Depreciation/amortisation according to plan	321	637	969	1 929	2 567
Impairment of intangible fixed assets	0	0	0	1 172	4 782
Interest received	30	32	80	126	178
Interest paid	-5	-27	-56	-85	-105
Cash flow from operating activities before change in working capital	-3 138	-2 108	-12 025	-12 471	-16 918
Change in working capital					
Increase (-)/Decrease (+) in inventories	0	7	18	-86	256
Increase (-)/Decrease (+) in operating receivables	-492	-1 087	-252	-907	-178
Increase (+)/Decrease (-) in operating liabilities	-664	-560	-360	-2 710	-2 440
Cash flow from operating activities	-4 293	-3 748	-12 619	-16 174	-19 280
Investing activities					
Cash flow from investing activities	-591	-1 548	-1 898	-3 814	-5 153
Financing activities					
Change in long-term liabilities	0	-50	-854	-325	-425
Share issue	0	0	0	0	9 647
Redeemed subscription warrants	0	0	5 389	0	0
Cash flow from financing activities	0	-50	4 534	-325	9 222
Increase/Decrease of cash and cash equivalents	-4 884	-5 346	-9 983	-20 313	-15 211
Cash & cash equivalents at the beginning of the year	6 105	11 447	11 204	26 414	26 414
Cash & cash equivalents at the end of the period	1 221	6 102	1 221	6 102	11 204

Indicators - Group

	2024-07-01 -2024-09-30 3 months	2023-07-01 -2023-09-30 3 months	2024-01-01 -2024-09-30 9 months	2023-01-01 -2023-09-30 9 months	2023-01-01 -2023-12-31 12 months
All amounts in TSEK unless otherwise stated					
Net sales	490	1 491	1 601	1 690	1 948
Operating income	1 103	3 039	4 096	5 904	7 501
Profit after financial items	-3 459	-2 745	-12 994	-15 572	-24 266
Earnings per share (SEK)	-0.15	-0.21	-0.57	-1.19	-1.69
Earnings per share, after dilution (SEK)	-0.15	-0.21	-0.57	-1.19	-1.69
Cash flow from operating and investing activities	-4 884	-5 296	-14 518	-19 988	-24 433
Solidity (%)	82%	84%	82%	84%	84%
Quick ratio (%)	74%	194%	74%	194%	285%
The share's quota value (SEK)	0.15	0.15	0.15	0.15	0.15
Number of shares	23 789 198	13 090 234	23 789 198	13 090 234	20 952 742
Average number of shares	23 789 198	13 090 234	22 843 713	13 090 234	14 400 652
Average number of shares, after dilution	23 789 198	13 332 145	22 951 229	13 332 145	14 642 563
Average number of employees	11	14	12	14	13

Income Statement - Parent Company

	2024-07-01 -2024-09-30 3 months	2023-07-01 -2023-09-30 3 months	2024-01-01 -2024-09-30 9 months	2023-01-01 -2023-09-30 9 months	2023-01-01 -2023-12-31 12 months
All amounts in TSEK					
Net sales	1 173	2 916	3 368	5 118	6 601
Own capitalised work	18	0	101	58	78
Other operating income	22	0	690	400	400
Operating income	1 213	2 916	4 159	5 576	7 079
Raw materials and consumables	-27	-383	-420	-428	-493
Other external charges	-1 639	-1 862	-6 869	-7 928	-10 356
Personnel costs	-2 567	-2 783	-8 756	-9 711	-13 199
Depreciation/amortisation	-209	-276	-634	-847	-1 124
Impairment of intangible fixed assets	0	0	0	-236	-236
Operating costs	-4 442	-5 304	-16 678	-19 150	-25 407
Operating profit	-3 229	-2 389	-12 519	-13 574	-18 329
Interest income and similar items	30	32	80	127	179
Interest costs and similar items	-5	-27	-56	-85	-105
Result from financial items	25	5	25	42	74
Profit after financial items	-3 204	-2 384	-12 494	-13 532	-18 255
Year-end appropriations	0	0	0	0	-6 010
Profit/loss for the period	-3 204	-2 384	-12 494	-13 532	-24 265
Earnings per share					
Earnings per share (SEK)	-0.13	-0.18	-0.55	-1.03	-1.69
Earnings per share, after dilution (SEK)	-0.13	-0.18	-0.55	-1.03	-1.69

Balance sheet - Parent Company

All amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised expenditure for development work	1 445	1 949	1 608
Concessions, patents, licences, trademarks, etc.	555	672	803
	2 000	2 621	2 411
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	208	282	236
	208	282	236
<i>Financial fixed assets</i>			
Participations in Group companies	50	50	50
	50	50	50
Total fixed assets	2 258	2 954	2 697
Current assets			
Work in progress	1 652	2 011	1 669
	1 652	2 011	1 669
Accounts receivable	234	1 281	529
Intra-group receivables	12 256	17 417	11 438
Current tax assets	229	0	0
Other receivables	373	0	12
Prepayments and accrued income	485	602	460
	13 576	19 301	12 439
Cash and bank balances	1 179	3 816	10 152
Total current assets	16 407	25 128	24 260
TOTAL ASSETS	18 664	28 082	26 957

Balance sheet - Parent Company

All amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	3 568	1 964	3 143
Fund for development costs	998	1 230	1 161
	4 566	3 193	4 304
<i>Non-restricted equity</i>			
Premium reserve	135 888	122 458	130 925
Retained loss	-112 806	-88 772	-88 704
Profit/loss for the period	-12 494	-13 532	-24 265
	10 588	20 154	17 956
Total equity	15 155	23 347	22 260
Long-term liabilities			
Liabilities to credit institutions	0	544	494
	0	544	494
Short-term liabilities			
Liabilities to credit institutions	355	715	715
Accounts payable	1 160	710	1 013
Current tax liabilities	0	23	89
Other short-term liabilities	234	404	230
Accruals and deferred income	1 761	2 339	2 156
	3 510	4 191	4 203
TOTAL EQUITY AND LIABILITIES	18 664	28 082	26 957
Pledged assets and contingent liabilities			
Pledged assets	500	500	500
Contingent liabilities	None	None	None

Changes in Equity	Share capital	Fund for dev. costs	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
Equity as of 2024-01-01	3 143	1 161	130 925	-88 704	-24 265	22 260
Appropriation of previous year's profit				-24 265	24 265	0
Change in fund for development costs		-163		163		0
Redeemed subscription warrants	425		4 963			5 389
Profit/loss for the period					-12 494	-12 494
Equity as of 2024-09-30	3 568	998	135 888	-112 806	-12 494	15 155
Equity as of 2023-01-01	1 964	1 605	122 458	-65 394	-23 753	36 879
Appropriation of previous year's profit				-23 753	23 753	0
Change in fund for development costs		-375		375		0
Profit/loss for the period					-13 532	-13 532
Equity as of 2023-09-30	1 964	1 230	122 458	-88 772	-13 532	23 347

Definitions of indicators

Earnings per share (SEK)

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

Earnings per share, after dilution (SEK)

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

Solidity (%)

Adjusted equity as a percentage of 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 subscription warrant programmes, divided by the period.

Average number of employees

Number of employees per month divided by the period.