

Quarterly Report Q2 2024

April – June



Insplorion

Outcome April – June

- Net sales amounted to 160 (141) kSEK
- Profit after net financial items amounted to –5 376 (–7 113) kSEK
- Basic and diluted earnings per share: –0,23 (–0,54) SEK
- Cash flow from operating activities and investing activities: –4 132 (–7 820) kSEK

Events April - June

- Insplorion announces a Vinnova project of approx. 3.7 MSEK together with Saab

Events after the end of the period

- Insplorion hydrogen sensor in new proof-of-concept project
- Insplorion takes first order in Japan
- Per Giljam leaves as CFO

Indicators Insplorion Group

	2024-04-01 -2024-06-30 3 months	2023-04-01 -2023-06-30 3 months	2024-01-01 -2024-06-30 6 months	2023-01-01 -2023-06-30 6 months	2023-01-01 -2023-12-31 12 months
All amounts in thousands of SEK if other not specified					
Net sales	160	141	1 111	200	1 948
Operating income	1 363	1 558	2 993	2 865	7 501
Profit after financial items	-5 376	-7 113	-9 535	-12 827	-24 266
Earnings per share (SEK)	-0,23	-0,54	-0,43	-0,98	1,69
Diluted earnings per share (SEK)	-0,23	-0,54	-0,43	-0,98	1,69
Cash flow from operating and investing activities	-4 132	-7 820	-9 635	-14 692	-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 a pleasure to note how interest in Insplorion's sensor technology is gradually facing increasing interest from the part of the world that has a firm belief in hydrogen as perhaps the most crucial energy carrier of the future. This provides a strong tailwind that gives us confidence in the cooperation and discussions with reputable customers and partners in the market.

The work within Insplorion during the second quarter has largely been characterized by completing our first ATEX-certified sensor product (NPS-P2) via prototypes, which, according to plan, is expected to be ready in the first quarter of 2025. Thus, it is now high time to negotiate terms and working methods with new partners and distributors for the important work of marketing and selling our products in the market.

After the end of the quarter, it was announced that we had initiated two interesting business projects involving deliveries for testing our NPS-P1 hydrogen detector to both an internationally well-known packaging company and a Japanese company in the automotive industry.

If we look a little further ahead, we can see exciting potential beyond the upcoming NPS-P2 sensor product, such as our collaboration with Saab. This is a Vinnova project with a total of around MSEK 3.7 in grants, and the main focus is on adapting our sensor to Saab's system to eventually enable safe flights using hydrogen as a fuel source. This is an entirely separate project from the NPS-P2 product, but it is a prime example of how optical technology has generated interest, as it allows remote reading using fiber optics. In the project, we intend to demonstrate the benefit together with Saab's already existing so-called interrogator, a device that collects signals via fiber optics on board aircrafts. In the future, we see the field of readout with fiber optics as very exciting, also beyond aviation.

Our near-term focus, however, is on what the NPS-P2 sensor can achieve in a much broader sense.

The current work on the ATEX certification of NPS-P2 clearly marks Insplorion's transition from a

development company to a product company. To optimally allocate our resources for future projects and further increase the potential of our technology, we have recently contracted GAEU Consulting, experts in EU funding. With their help, we intend to apply for funding from the EIC Accelerator in spring 2025 of up to MEUR 2.5. Add to this the upcoming important choices of partners and distributors, and I look forward to an exciting fall for Insplorion.

Gothenburg, Sweden

August 2024

Johan Rask, CEO



Financial comments

Business development

The company develops and commercializes the technology platform 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.

The company's sales of finished products, currently within the research instruments business area, are characterized by the sale of few measuring instruments at higher amounts. As a result, sales fluctuate significantly between quarters, why comparison between quarters becomes difficult. The company has the ambition to continuously grow the instrument business, but sales are usually dependent on the outcome of customers' grant funding.

The profit continues to be negative as a result of increased development costs. Investments in sales and customer adaptation and product development are the main reasons for the planned higher costs.



Financial position and liquidity

Cash and cash equivalents amounted to kSEK 6,105 (11,448) as of June 30th. At the end of the period, the Group's interest-bearing liabilities totalled kSEK 355 (1,309).

Cash flow for the period (April 1st–June 30th) amounted to kSEK 502 (-7,920), of which cash flow from operating activities amounted to kSEK -3,597 (-6,603). This is mostly attributable to the

negative operating result in the amount of kSEK -5,349, in combination with changes in working capital with a positive impact on cash flow of kSEK 1,458. During the period, the Group has invested kSEK 535 (1,218), mostly attributable to the capitalized development. Financing activities were positive as the TO2 was registered during the quarter, and brought 5,4 MSEK in cash. During the quarter, approx. 700 kSEK of the external loans were converted to grants. Further, amortization of loan was made of kSEK -85 (-175).

Future development

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

Within research instruments, we intend to continue with the momentum experienced 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 (April 1st–June 30th) amounted to kSEK 695 (1,206), and the profit after net financial items amounted to kSEK -5,266 (-5,722). The parent company's equity totalled MSEK 18,4 MSEK, of which MSEK 4,6 restricted.

The share

As of June 30th, 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.

Currently, there are no active warrant and option programmes.

The ten largest shareholders as of June 30th

Shareholders	Shares	% of share capital and voting rights
Kenneth Svensson	2 382 150	10,0%
Avanza Pension	1 691 656	7,1%
Mikael Hägg	1 248 230	5,2%
Hans-Olov Olsson	658 483	2,8%
Viola Vitalis AB	607 968	2,6%
Svesten AB	512 530	2,2%
AP Ventures	450 000	1,9%
Nordnet Pensionsförsäkring	334 463	1,4%
Daniel Johansson	252 500	1,1%
Lena Kasemo	247 529	1,0%
Others	15 403 689	64,8%
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 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

- 2024-11-22 Interim report Q3 2024
- 2025-02-20 Year-end report 2024

Presentation of the interim report, Gothenburg, August 30th, 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, electrolysers 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

	2024-04-01 -2024-06-30 3 months	2023-04-01 -2023-06-30 3 months	2024-01-01 -2024-06-30 6 months	2023-01-01 -2023-06-30 6 months	2023-01-01 -2023-12-31 12 months
All amounts in thousands of SEK					
Net sales	160	141	1 111	200	1 948
Own work capitalized	535	1 218	1 213	2 265	5 153
Other operating income	668	200	668	400	400
Operating income	1 363	1 558	2 993	2 865	7 501
Raw materials and consumables	-39	-45	-393	-45	-493
Other external charges	-3 186	-3 059	-5 298	-6 291	-10 801
Personnel costs	-3 165	-3 720	-6 189	-6 929	-13 199
Depreciation/amortization	-323	-645	-648	-1 292	-2 567
Impairment of intangible fixed assets	0	-1 172	0	-1 172	-4 782
Operating costs	-6 712	-8 641	-12 527	-15 729	-31 841
Operating profit	-5 349	-7 083	-9 535	-12 864	-24 340
Interest income and similar items	0	0	50	94	178
Interest costs and similar items	-27	-30	-51	-57	-105
Result from financial items	-27	-30	-1	37	73
Profit after financial items	-5 376	-7 113	-9 535	-12 827	-24 266
Profit/loss for the period	-5 376	-7 113	-9 535	-12 827	-24 266
Earnings per share					
Earnings per share (SEK)	-0,23	-0,54	-0,43	-0,98	1,69
Diluted earnings per share (SEK)	-0,23	-0,54	-0,43	-0,98	1,69

Balance sheet Insplorion Group

All amounts in thousands of SEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
<i>Capitalized expenditure for development</i>	14 677	16 544	13 794
Concessions, patents, licenses, trade marks, etc.	1 264	651	1 498
	15 940	17 195	15 291
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	247	329	236
	247	329	236
Total fixed assets	16 187	17 524	15 527
Current assets			
Work in progress	1 652	2 018	1 669
	1 652	2 018	1 669
Accounts receivable	210	60	529
Current tax assets	97	0	0
Other receivables	222	272	220
Prepayments and accrued income	537	518	460
	1 066	850	1 208
Cash and bank balances	6 105	11 448	11 204
Total current assets	8 822	14 316	14 082
TOTAL ASSETS	25 009	31 840	29 609

Balance sheet Insplorion Group

All amounts in thousands of SEK	2024-06-30	2023-06-30	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	-9 535	-12 827	-24 266
	17 045	24 588	21 616
Total equity	20 613	26 551	24 759
Long-term liabilities			
Liabilities to credit institutions	0	594	494
	0	594	494
Short-term liabilities			
Liabilities to credit institutions	355	715	715
Accounts payable	1 513	1 044	1 016
Current tax liabilities	0	50	83
Other short-term liabilities	175	280	230
Accruals and deferred income	2 352	2 605	2 312
	4 396	4 694	4 356
TOTAL EQUITY AND LIABILITIES	25 009	31 840	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 warrants	425	4 963			5 389
Profit/loss for the period				-9 535	-9 535
Equity as of 2024-06-30	3 568	135 888	-109 309	-9 535	20 613
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				-12 827	-12 827
Equity as of 2023-06-30	1 964	122 458	-85 043	-12 827	26 551

Cash Flow Statement Insplorion Group

	2024-04-01 -2024-06-30 3 months	2023-04-01 -2023-06-30 3 months	2024-01-01 -2024-06-30 6 months	2023-01-01 -2023-06-30 6 months	2023-01-01 -2023-12-31 12 months
All amounts in thousands of SEK					
Operating activities					
Operating profit	-5 349	-7 083	-9 535	-12 864	-24 340
Adjustment for non-cash items:					
Depreciation/amortization according to plan	323	645	648	1 292	2 567
Impairment of intangible fixed assets	0	1 172	0	1 172	4 782
Interest received	-1	94	50	94	178
Interest paid	-27	-30	-51	-57	-105
Cash flow from operating activities before change in working capital	-5 054	-5 202	-8 887	-10 363	-16 918
Change in working capital					
Increase (-)/Decrease (+) in inventories	24	49	18	-93	256
Increase (-)/Decrease (+) in operating receivables	1 267	21	240	180	-178
Increase (+)/Decrease (-) in operating liabilities	167	-1 471	303	-2 151	-2 440
Cash flow from operating activities	-3 597	-6 603	-8 327	-12 426	-19 280
Investing activities					
Cash flow from investing activities	-535	-1 218	-1 307	-2 265	-5 153
Financing activities					
Change in long-term liabilities	-754	-100	-854	-275	-425
Rights issue	0	0	0	0	9 647
Redeemed warrants	5 389	0	5 389	0	0
Cash flow from financing activities	4 634	-100	4 534	-275	9 222
Increase/Decrease of cash and cash equivalents	502	-7 920	-5 100	-14 967	-15 211
Cash/cash equivalents at the beginning of the year	5 603	19 368	11 204	26 414	26 414
Cash/cash equivalents at the end of the period	6 105	11 447	6 104	11 447	11 204

Indicators Insplorion Group

	2024-04-01 -2024-06-30 3 months	2023-04-01 -2023-06-30 3 months	2024-01-01 -2024-06-30 6 months	2023-01-01 -2023-06-30 6 months	2023-01-01 -2023-12-31 12 months
All amounts in thousands of SEK if other not specified					
Net sales	160	141	1 111	200	1 948
Operating income	1 363	1 558	2 993	2 865	7 501
Profit after financial items	-5 376	-7 113	-9 535	-12 827	-24 266
Earnings per share (SEK)	-0,23	-0,54	-0,43	-0,98	1,69
Diluted earnings per share (SEK)	-0,23	-0,54	-0,43	-0,98	1,69
Cash flow from operating and investing activities	-4 132	-7 820	-9 635	-14 692	-24 433
Solidity (%)	82%	87%	82%	87%	84%
Quick ratio (%)	163%	262%	163%	262%	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	22 370 970	13 089 757	14 400 652
Average number of shares after dilution	24 031 109	13 332 145	22 612 881	13 332 145	14 642 563
Average number of employees	11	14	12	14	13

The Parent Company's income statement

	2024-04-01 -2024-06-30 3 months	2023-04-01 -2023-06-30 3 months	2024-01-01 -2024-06-30 6 months	2023-01-01 -2023-06-30 6 months	2023-01-01 -2023-12-31 12 months
All amounts in thousands of SEK					
Net sales	695	1 206	2 195	2 203	6 601
Own work capitalized	0	0	83	58	78
Other operating income	668	200	668	400	400
Operating income	1 363	1 406	2 946	2 661	7 079
Raw materials and consumables	-39	-45	-393	-45	-493
Other external charges	-3 186	-2 907	-5 230	-6 066	-10 356
Personnel costs	-3 165	-3 720	-6 189	-6 929	-13 199
Depreciation/amortization	-211	-285	-425	-571	-1 124
Impairment of intangible fixed assets	0	-236	0	-236	-236
Operating costs	-6 601	-7 192	-12 236	-13 846	-25 407
Operating profit	-5 237	-5 786	-9 290	-11 185	-18 329
Interest income and similar items	-1	94	50	95	179
Interest costs and similar items	-27	-30	-51	-57	-105
Result from financial items	-28	64	0	37	74
Profit after financial items	-5 266	-5 722	-9 290	-11 148	-18 255
Year-end appropriations	0	0	0	0	-6 010
Profit/loss for the period	-5 266	-5 722	-9 290	-11 148	-24 265
Earnings per share					
Earnings per share (SEK)	-0,22	-0,42	-0,42	-0,86	-1,70
Diluted earnings per share (SEK)	-0,22	-0,42	-0,42	-0,86	-1,70

The Parent Company's balance sheet

All amounts in thousands of SEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development	1 515	2 074	1 608
Concessions, patents, licenses, trade marks, etc.	638	777	803
	2 152	2 851	2 411
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	247	329	236
	247	329	236
<i>Financial fixed assets</i>			
Participations in Group companies	50	50	50
	50	50	50
Total fixed assets	2 449	3 230	2 697
Current assets			
Work in progress	1 652	2 018	1 669
	1 652	2 018	1 669
Accounts receivable	210	60	529
Intra-group receivables	11 792	15 634	11 438
Current tax assets	88	68	0
Other receivables	138	77	12
Prepayments and accrued income	537	518	460
	12 765	16 356	12 439
Cash and bank balances	5 805	9 191	10 152
Total current assets	20 222	27 565	24 260
TOTAL ASSETS	22 671	30 795	26 957

The Parent Company's balance sheet

All amounts in thousands of SEK	2024-06-30	2023-06-30	2023-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	3 568	1 964	3 143
Fund for development costs	1 068	1 318	1 161
	4 636	3 281	4 304
<i>Non-restricted equity</i>			
Premium reserve	135 888	122 458	130 925
Retained loss	-112 876	-88 860	-88 704
Profit/loss for the period	-9 290	-11 148	-24 265
	13 722	22 450	17 956
Total equity	18 358	25 731	22 260
Long-term liabilities			
Liabilities to credit institutions	0	594	494
	0	594	494
Short-term liabilities			
Liabilities to credit institutions	355	715	715
Accounts payable	1 513	899	1 013
Current tax liabilities	0	127	89
Other short-term liabilities	175	280	230
Accruals and deferred income	2 268	2 449	2 156
	4 312	4 470	4 203
TOTAL EQUITY AND LIABILITIES	22 671	30 795	26 957
Pledged assets and contingent liabilities			
Pledged assets	500	500	500
Contingent liabilities	None	None	None

Changes in Equity	Share capital	Fund for developm. 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	-88 703	-24 265	22 261
Appropriation of previous year's profit				-24 265	24 265	0
Change in fund for development costs		-93		93		0
Redeemed warrants	425		4 963			5 389
Profit/loss for the period					-9 290	-9 290
Equity as of 2024-06-30	3 568	1 068	135 888	-112 875	-9 290	18 359
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		-287		287		0
Profit/loss for the period					-11 148	-11 148
Equity as of 2023-06-30	1 964	1 318	122 458	-88 860	-11 148	25 731

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.