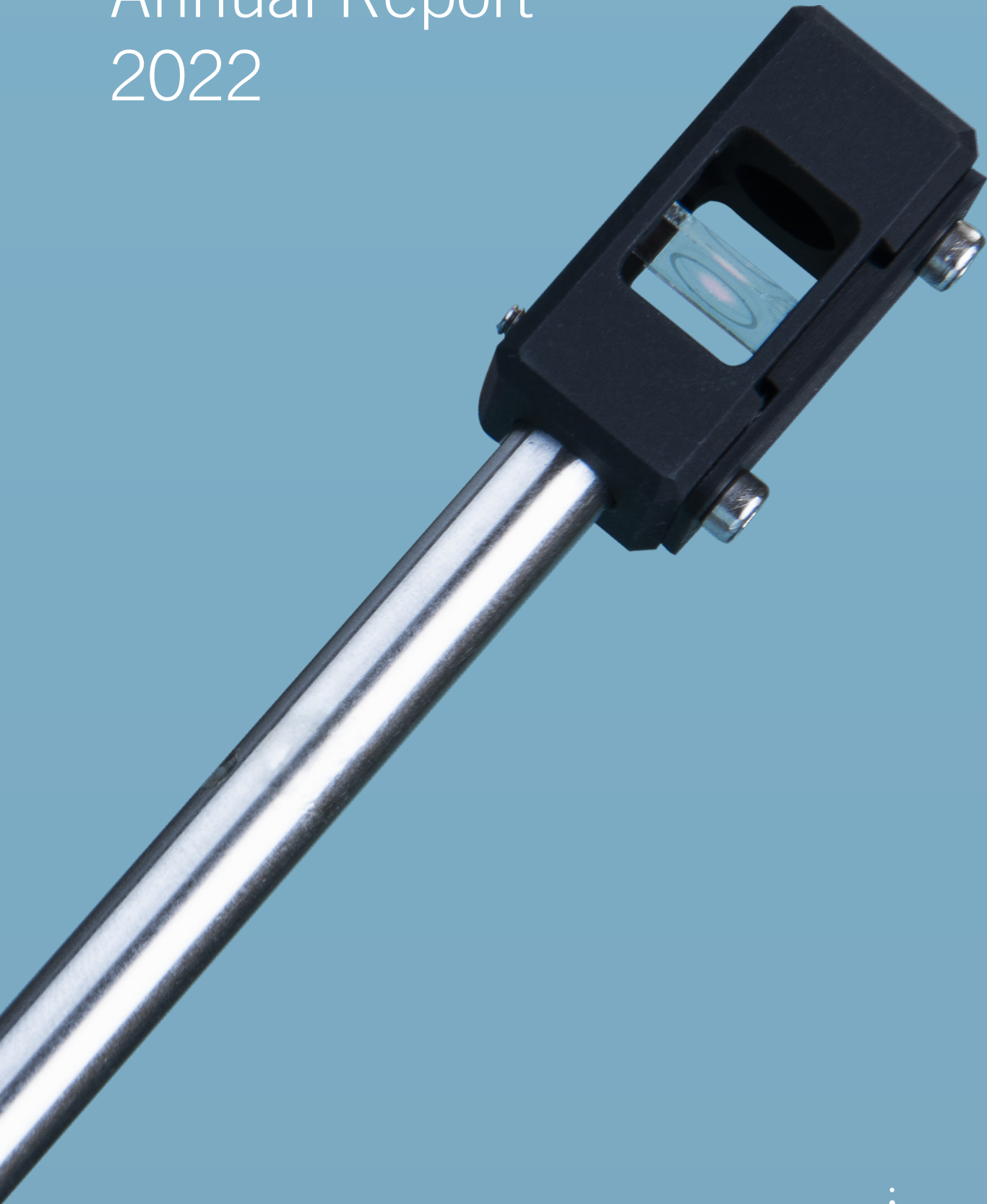


# Annual Report 2022



Insplorion

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The formal annual accounts, signed by the Board of Directors and reviewed by the auditors, comprise pages 14–35.

## Insplorion in brief

Insplorion is an environmental technology company that with its unique *NanoPlasmonic Sensing* (NPS) platform develops sensors with focus on Hydrogen. The company also make and sell Research Instruments based on its technology. The sensors are fast, selective for hydrogen, do not require oxygen to work and can be adapted for different measurement environments.

With more than 500 billion USD invested in the Hydrogen value chain by 2030, according to Hydrogen Council (McKinsey), the demand for sensors to ensure safety and efficiency will be there at every step; from production, through storage and transport, to end user applications. The transition to a greener society with hydrogen as energy carrier is paramount, and Insplorion has the opportunity to be a key contributor.

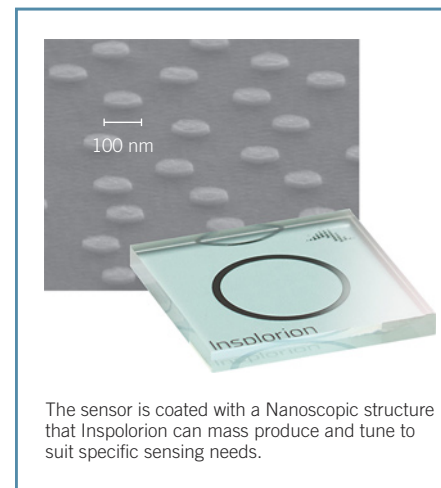
The research instruments provide researchers access to real-time nanoscale data in catalysis, materials science, and life science. Its underlying technology was developed during more than a decade of research at the Department of Chemical Physics at Chalmers University of Technology and there are now more than 125 published research articles using the Insplorion technology.

Insplorion was founded in 2010, is based in Gothenburg and is listed on Nasdaq First North.

*NPS is an optical, surface sensitive technology which generates real-time data.*

*Our sensor chips are metal nanostructures on a surface that act as optical "antennas".*

*The sensor signal tracks changes at the surface by measuring differences in optical response.*



## 2022 in brief

- The hydrogen centre TechForH2 where Insplorion is partner, was financed by the Swedish Energy Agency, with 168 mSEK.
- Launch of an updated strategy, where Insplorion will focus on developing hydrogen sensors to be able to meet customer demands in the growing Hydrogen market.
- As one out of six companies, Insplorion was selected to the Explore H2 Program run by the French company Safran to identify cutting-edge technology for a safer and more sustainable aviation.
- Sales of research instruments to large universities, for research within battery technology and life science.
- Several new publications validating the Insplorion technology and research instruments. Number of publications reached more than 125.

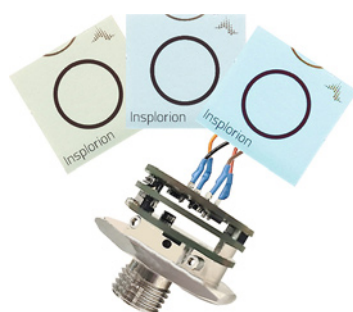
*Net sales 2,002 kSEK*

*Profit after financial items –21,253 kSEK*

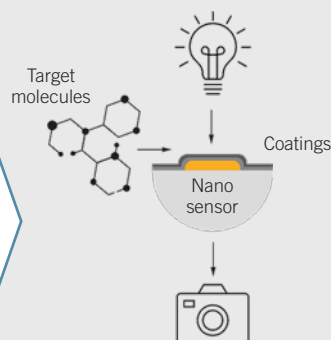
*Cash flow from operating and investing activities –22,257 kSEK*

*Solidity 84 percent*

*Quick ratio 401 percent*



The colour changes upon detection of the target molecule, and is quantified by Insplorion's miniaturizable optical sensor technology.



Coatings and nano sensor of different palladium-alloys used to create the right sensor abilities for each application.





# A word from the CEO

Another year has come to an end, another year of numerous unforeseen challenges on macro level. A tragic war in Europe and geopolitical uncertainty, racing inflation rates and energy crisis affect us all one way or another.

In all this, we are glad to be able to meet with customers, partners and key industrial players now that Covid-19 restrictions have eased. Insplorion actively monitors the development of events to minimize effects on our business and employees.

## An updated strategy

The production and use of hydrogen will increase significantly over the course of the years and decades to come. The ongoing energy crisis has certainly spotlighted the need for sustainable and independent solutions for production and storage of energy. The green transition is, luckily enough, ongoing at full pace and we see that hydrogen has a critical role to play in this sustainable shift. More than 500 billion USD predicted to be invested until 2030, according to Hydrogen Council (McKinsey), in the hydrogen value chain and the need for safety and efficiency will be there at every step, from production all the way to end use of hydrogen.

We are confident Insplorion's sensors can play a critical role. The hydrogen sensors currently available on the market have several shortcomings such as slow response time, not selective to hydrogen, calibration or life time issues, or not working in low oxygen environments.

On the basis of this, Insplorion launched its new strategy during 2022. Our full focus is directed towards commercializing our Hydrogen sensors, together with customers and development partners. I want to emphasize that we, when narrowing the focus, continuously use the same fundamental technology, allowing us to be confident in the technology itself. We are continuously moving forward in this area, and plan to accelerate this journey through evaluation of alternative ways such as acquisitions, mergers and partnerships.

## Our new collaborations

Our new hydrogen sensor focused strategy is again and again confirmed by how well the ecosystem has received this move. The year of 2022 started with the Swedish Energy Agency awarding a grant for the TechForH2 centre of excellence led by Chalmers University of Technology where Insplorion is a collaboration partner together with great players such as PowerCell Sweden, Siemens Energy, Volvo GTT, Scania, RISE etc. In the first phase running

until 2026, the grant will allow the partners to fund five projects with a budget of 168 MSEK.

Later during 2022, we could announce that we were selected for the Explore H2 Program run by the large French company Safran as part of their commitment to developing hydrogen solutions.

## Instrument sales

The successful launch of the new M8 instrument in late 2021 resulted in initial sales during the year and we experience good interest in dialogues with our customers and our ambition is to continuously grow the instrument business. That said, a large part of our customers are dependent on grant funding for purchases, which we as a supplier has limited ability to influence. It is however gratifying to see how our already delivered instruments continue to support research in important areas such as hydrogen sensing, battery research, materials development and Life Science.

I have now been the CEO of Insplorion for more than a year, and I am proud to see the progress the team and the company has made during this year. To be able to fully deliver on our path to commercialize the Insplorion Hydrogen Sensor in 2024 and beyond, we will also need to raise additional capital by the end of this year.

I feel confident that we, with the new strategy in place, will be able to accelerate our journey to establish Insplorion as a vital player in the hydrogen value chain. I am truly looking forward to a 2023 of continuously reaching new milestones together with the team, customers, and partners.

Gothenburg, April 2023

Johan Rask, CEO



## Business and market overview

*Insplorion markets and sells a proprietary and cutting-edge sensor platform, which enables versatile, specific, and fast nano scale measurement. Insplorion sensors are an enabler for the green transition.*

### Company overview

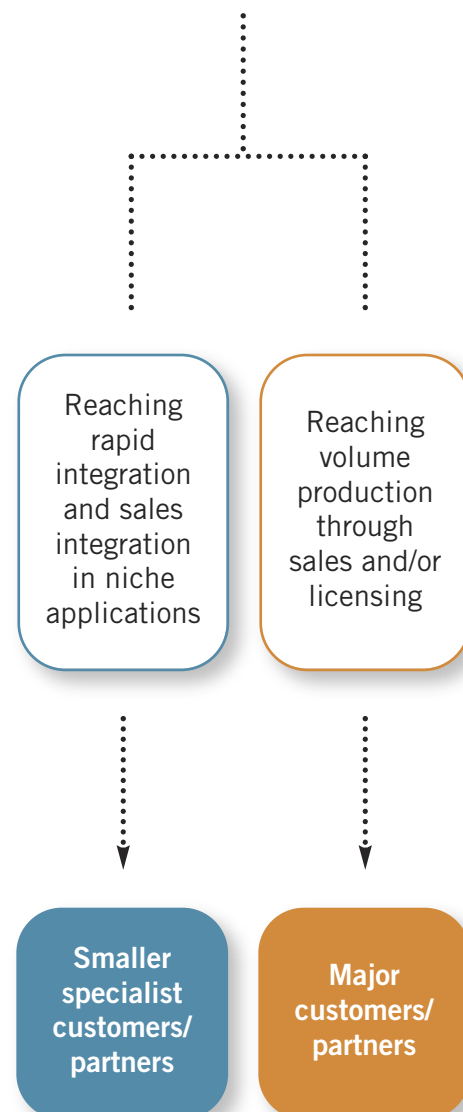
The Insplorion sensor platform enables versatile, specific and real time nano scale measurement. The main focus is development of Hydrogen Sensors, but the technology has been commercialized since 2011 in the business area Research instruments, where Insplorion is selling measuring instruments for research in mainly life science, materials development and henceforth also battery research. The business operates simultaneously as a way to validate the technology and to identify new potential application fields. Insplorion's sensor technology is a so-called platform technology, which means that it can be used in a range of different fields of application.

The strategy is to commercialize the technology through collaborations with players able to quickly integrate Insplorion's sensors in their products. In this way, Insplorion will receive not only early revenue, but also "proof of concept", market evidence and references, which will be of great importance for both additional businesses and larger volumes.

### Vision

Insplorion is at the cutting-edge of technology and will, by developing and utilizing a new Hydrogen sensor technology, accelerate the transition to fossil free energy and enhance research in health and environment.

### Commercialization strategy – parallel tracks



## History and milestones

*The journey leading up to where and what Insplorion is today dates way back. We are proud of the vast knowledge, experience and customer value we have generated during those ~25 years, and we regard our history as a strong backbone for the business in the future to come.*

### The late 1990s

#### *The journey begins*

Bengt Kasemo and Igor Zoric start to work with nanoplasmonic particles for sensing purposes at Chalmers in the late 1990s.

### 2010

#### *A company is born*

Insplorion as a company is formed, all IP is transferred, and early funding is received from business angles.

### 2015

#### *Public at Aktietorget (Spotlight)*

Insplorion AB goes public and raises capital for the air quality and battery applications.

### 2019

*Battery and air sensors in international contexts*  
Eurostars project InBAT to make sensor-controlled battery pack and Horizon 2020 project 3beLiEve with focus to develop next generation of battery cells for electrified vehicles are both funded.

The air sensor is taking the first international step with UK and Sheffield as new ground.

### 2020

#### *Hydrogen application area initiated*

Hydrogen becomes a focus area as a project to develop the world's fastest hydrogen sensor is initiated with Chalmers and PowerCell.

### 2021

#### *NPS enters automotive industry*

A leading German automotive OEM purchases Insplorion's M8 Instrument to optimize batteries for various applications.

### 2004–2008

#### *A business starts to form*

In 2004 Christoph Langhammer and Elin Larsson (later Langhammer and our current CTO) start their PhDs on NanoPlasmonic Sensing, and in 2008 the NPS project enters Chalmers School of Entrepreneurship.

### 2011

#### *First sales*

First sales of an X1 system to University of Eindhoven.

### 2017

#### *Patents approved*

Insplorion's main patent is approved for the European Markets and the patent portfolio is gaining ground.

### 2019

#### *Hydrogen article from Chalmers*

A research article produced by Chalmers was published on the theme of using nanomaterials for plasmonic ultrafast hydrogen detection, emphasizing that hydrogen sensors are of paramount importance for avoiding accidents caused by hydrogen.

### 2021

#### *Move to Nasdaq*

Insplorion is listed on Nasdaq First North Growth Market as international and institutional investors join.

### 2022

#### *Full focus on hydrogen*

Over the past year, Insplorion's technology for hydrogen measurements has attracted increasing interest. The reason is our proven ability to measure hydrogen specifically and with short response time.

## Technology overview

Insplorion's technology is called NanoPlasmonic Sensing (NPS) and is based on a long known optical phenomenon called Localized Surface Plasmon Resonance (LSPR). Somewhat simplified, the phenomenon means that small particles of metal naturally capture a certain wavelength of light when illuminated, and that this wavelength depends on the size of the particle and on what exists in its immediate vicinity.

In Insplorion's products metal discs and nano structures of various materials are attached on a certain type of surface, which is illuminated with light through an optical fibre. The differences in intensity at various wavelengths are captured by an analysis device.

When different substances get near the particles, a change occurs in the wavelength where the particles have their LSPR-phenomenon, which is measured in real-time. By studying the way the wavelength is changing, measurements can be made on different materials.

## Intellectual property rights

The technology of Insplorion is protected by know-how and patents filed in the USA, EU, and Asia. The important know-how has been built up over the decade of research that has been carried out at Insplorion as well as in research collaborations, including the work done at Prof. Christoph Langhammer's group at Chalmers.

New knowledge is constantly evolving, such as how different materials, surfaces or data analysis may be used to optimize measurements. We constantly evaluate if knowledge should be patented or kept as company secrets and know-how.

## The hydrogen market

Hydrogen is a highly reactive gas generally produced either by reformation of fossil fuels (grey hydrogen, or blue hydrogen if the CO<sub>2</sub> created in the process is removed using carbon capture) or by electrolysis that splits water into hydrogen and oxygen. If renewable energy sources are used in the electrolyzer process this is what is called green hydrogen. The main investments going forward are envisioned to be made using green and blue hydrogen.

Hydrogen has been relevant as a carrier of energy (energy production and heating) since way back, but it is not until recently the technology and the need for exploring this opportunity has caught up. As is well known hydrogen is highly reactive, has no smell and difficult to contain due to its permeability.

The current combined crises of climate and energy certainly creates a need and window for rapid development of this market. The Hydrogen Council among others, estimates that approximately USD 500 billion will be invested globally in the hydrogen economy until 2030, concerning areas such as process industry, production, transport, storage and use. According to the Royal Swedish Academy of Engineering Sciences, it is estimated that 40 TWh of electricity will be used for hydrogen production in 2030 in Sweden alone. That would represent about 30% of Sweden's current yearly total electricity consumption. This growth is fueled and supported by the fact that massive initiatives are launched from both EU and US.

What is highly significant from a Insplorion perspective is that hydrogen sensors are needed anywhere hydrogen is produced, stored, transported or used.

## Hydrogen sensor need

The rapidly growing use of hydrogen requires robust systems for process control and for safety throughout the value chain, where supervision by the help of sensors is part of the solution. Accidents would mean risk for physical damage to property, human lives and financial damage, as well as setbacks in public perception.

Downtime in operations would have direct effect on yield and profitability. Thus, sensor controlled operations are a must to realize the great potentials of the hydrogen market. In line with the strong development of new hydrogen segments, the requirements are also increasing for new sensor properties, such as fast and selective sensors that can work in different application environments.

## Insplorion product concept and its benefits

Insplorion's hydrogen sensors can be used for

- 1) Leak detection (identifying the presence of hydrogen in places where the concentration should be zero or very low),
- 2) Process monitoring (in-line sensors to ensure safe and efficient processes), and
- 3) Remote read-outs via fiber optics.



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

The sensors are highly specific to hydrogen, meaning that they can detect hydrogen in the presence of other gases.

Optical readouts make it possible to avoid any electronics in the process measured, enabling a higher safety standard, as well as the capability of detection in difficult to access environments.

The Insplorion sensors will benefit both the current market segments by improved performance of H<sub>2</sub> detection by faster and specific sensors, as well as

by enabling emerging market segments by unique measurement capabilities ensuring safe and efficient operations.

As an example, one way to increase safety is to keep hydrogen away from oxygen, e.g., in inert environments. To maintain a safe application, any hydrogen present in the inert gas must be detected as quickly as possible.

Current commercially available hydrogen detection technologies suffer in such environments; the electrochemical and catalytic sensors are dependent on oxygen for operation, and the thermal conductivity sensors are lacking sensitivity in an inert gas background. These blind spots on the sensor market hinder safe and efficient hydrogen applications to take off.



**Fast response**  
Enables quick action



**Highly specific to H<sub>2</sub>**  
Detects H<sub>2</sub> in presence of other gases.



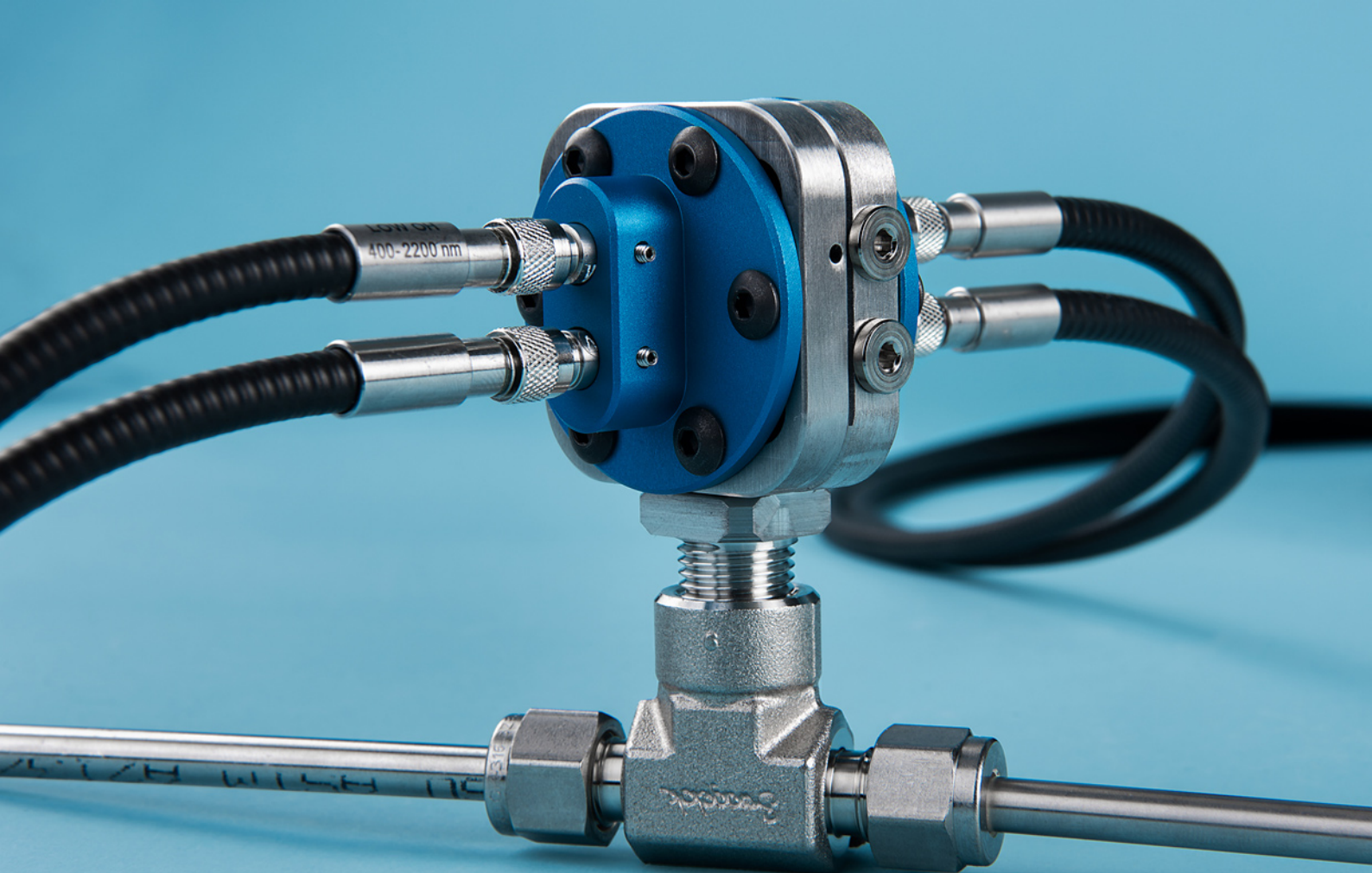
**Optical readout**  
Sensor can be separated from electronics.



**O<sub>2</sub> independent**  
Operates without oxygen, e.g. in inert environments



**Flexible**  
Can be adapted to different sensor needs and environments.







## Application areas

The visualization above illustrates the potential usage of Insplorion sensors in the hydrogen value chain. The application areas for hydrogen sensors are broad, and Insplorion sensors can be adapted to suit various needs and environments. Based on that the general hydrogen market is early in its development Insplorion carefully evaluates different application areas, and our main strategy is to develop the sensor specific applications together with

customers and partners to provide a fast but controlled route to the market. In a broader sense we focus on two major paths:

- 1) leak and safety sensors – these are applicable across the whole value chain
- 2) process monitoring sensors – currently process monitoring is mostly relevant in upstream applications (closer to production than the end-user case).

## Investment rationales

- Hydrogen is a large and rapidly growing field, with major investments and development expected.
- Sensors will be needed where hydrogen is produced, stored, transported or used.
- Unique and flexible technology with potential to fit many sensor applications in the hydrogen value chain.
- Know-how built up in the company since 2010, and with an experienced and dedicated team in place.
- Two customer pilots in place, positive Voice-of-Customer feedback, and ongoing Instrument sales.

## The share

Insplorion is a Swedish public limited company, registered at the Swedish Companies Registration Office in 2010.

The company's registered office is in Gothenburg, Västra Götalands län (county), where the Annual General Meeting also takes place.

Insplorion conducts its business in accordance with the Companies Act and the object of the company's operation is to develop and commercialise sensor technology through sales of instruments and sensors for various applications and to conduct other activities compatible therewith.

Insplorion is affiliated to Euroclear Sweden AB. All of the company's securities are denominated in SEK. All shares are of the same class of shares, with one vote each, and are equally entitled to a share of the company's assets and profits without special restrictions.

### Trading place

The share is traded on Nasdaq First North Growth Market since January 29<sup>th</sup> 2021. The shares are traded under the short name INSP, with ISIN code SE0006994943. The Insplorion share was traded on Spotlight Stock Market from 2015 until January 2021.

### Share capital

As of December 31<sup>st</sup> 2022, the share capital of Insplorion amounted to SEK 1,963,535 divided in total 13,090,234 shares with a quota value of SEK 0.15.

### Shareholders

As of December 31<sup>st</sup> 2022, Insplorion had more than 4,000 shareholders. The table on page 11 shows the ten largest shareholders.

### Price development 2022

During the year, Insplorion's share price decreased 72,15 percent and was SEK 3,96 as of December 31<sup>st</sup> 2022. Average shares traded per trading day during 2022 were 17,150 shares. Market capitalisation amounted to MSEK 51,8 as of December 31<sup>st</sup> 2022. The diagram on page 11 shows the price development for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2022.

## Largest shareholders

Name	Share of votes and capital (%)
Avanza Pension	8.1
Kenneth Svensson	4.2
Mikael Hägg	3.8
AP Ventures	3.4
Hans-Olov Olsson	3.1
Chalmers Ventures	2.2
Lena Kasemo	1.9
Gunvald Berger	1.9
Nordnet Pension	1.7
Svesten AB	1.6
Other shareholders	68.1
<b>Total</b>	<b>100.00</b>

## Share capital development

Since the company's start in 2010 until December 31<sup>st</sup>, 2022, the share capital has developed as follows:

Year	Transaction	Total share capital	Total number of shares	Nominal value per share
2010	Company formation	100,000	100,000	1.00
2010	New issue	117,333	117,333	1.00
2011	New issues	126,666	126,666	1.00
2012	New issues	159,333	159,333	1.00
2014	New issues	181,539	181,539	1.00
2015	New issues and share split	753,838	5,025,585	0.15
2016	New issues	942,297	6,281,981	0.15
2017	New issues	982,272	6,548,481	0.15
2018	New issues	1,059,613	7,064,083	0.15
2019	New issues	1,467,181	9,781,205	0.15
2020	New issues	1,920,212	12,801,409	0.15
2021	New issues	1,962,982	13,085,944	0.15
2022	New issues	1,963,535	13,090,234	0.15

## Share price 2022





## Executive management

*Johan Rask*  
CEO since 2022



Johan has a master's degree in Industrial Economics from Chalmers University of Technology. He has worked in several different areas, which means that he has a broad commercial profile, including in Venture Capital, M&A Manager at Mölnlycke Healthcare, Business Area Manager at Abigo (now Essity) and as Strategy Manager at Timik Group AB.

**Other ongoing assignments** Gomero Group AB (Chairman), Pressise AB (Chairman), Timik Group AB (Member), Lumina Adhesives AB (member).

**Holding** 24,350 shares, of which 24,315 via Currere AB.

*Per Giljam*  
CFO since 2021



Per has a master's degree in Economics from the School of Business, Economics and Law at the University of Gothenburg. Per has previously worked as a Business Controller at Vitrolife and in auditing at PwC. Per is responsible for financial management, reporting to the market and supporting the company's Business Units. Per is independent in relation to the company's major owners.

**Other ongoing assignments** –

**Holding** 4,000 shares.

**Holding of related party** 1,000 shares (spouse).

*Elin Langhammer*  
Founder and CTO since 2010



Elin holds a Ph.D. in materials science from Chalmers University of Technology, with the NPS technology as her main research area. Elin is one of the founders of Insplorion and is currently responsible for the development of the sensor elements (sensor chips) and IP protection.

**Other ongoing assignments** Board member of MPS & Affärssystem AB.

**Holding** 141,330 shares.

**Holding of related party** 143,384 shares (spouse).

*Olof Andersson*  
CPO, and responsible for production and development since 2018



Olof holds a Ph.D. in Sensor Science from Linköping University and is responsible for the development and production of Insplorion's scientific instruments, sensor hardware, and electronics. Olof has prior experience from the development of research tools and analytical techniques. Olof is independent in relation to the company's major owners.

**Other ongoing assignments** –

**Holding** 5,572 shares.



## Board of Directors

*Our five Board members provide a valuable complementary set of experiences and competencies. Apart from operational and strategic understanding for the technology and research, their business acumen is a guiding star for the Insplorion team.*

### Jonas Ehinger

Chairman of the Board since 2020

Jonas Ehinger holds an M.Sc. with focus on biochemistry/chemistry from the University of Gothenburg. Since 2022, he has been CEO of Gapwaves AB, a tech company developing radar antennas. He has over 20 years of experience as CEO and has previously also been CEO of Osstell, Cellectric and Mentice. Jonas has solid experience in developing sales strategies, distribution and sourcing in innovative technology-based and international companies. During his time at Osstell, he also lived in the United States to establish and develop the Group's operations. Jonas is independent in relation to the company and its management, he is also independent in relation to the company's major owners.

**Other ongoing assignments** CEO of Gapwaves AB. Chairman of the board of Unfold West AB and board member of Metasum AB and Leading Light AB.

**Holding** 5,000 shares via Walsh Holding AB.



moved from a component supplier to an innovative system company. Anders has extensive experience of industrialization to global customers in demanding environments. It includes in-depth knowledge of products, markets and customers in an international business environment, where sales and negotiations are both complex and time-consuming. Before Holmbergs Safety, Anders worked as marketing and product manager within Electrolux and Husqvarna with investments in Asia and Japan. Anders is independent in relation to the company and its management, independent in relation to the company's major owners.

**Other ongoing assignments** CEO and Chairman of the Board of Holmbergs Safety System Holding AB. Chairman of the Board of Holmbergs Digital Safety AB, Holmbergs Safety Ltd and Fasching Salzburg GmbH.

**Holding** 5,000 shares.

### Jan Burenus

Board member since 2016

Jan has a master's degree in engineering from Chalmers University of Technology and a degree in economics from the University of Gothenburg. Jan has 50 years of international experience in various management positions within Volvo, Gränges and Nobel. In 1989, Jan founded the consulting company Nimba, which with its network of leading expertise has supported customers such as ABB, AstraZeneca, Ericsson, ESAB, ITT, KONE, Larsen & Toubro, Nokia, Volvo, Xylem and others around the world by focusing on customer value, innovation, product development and entrepreneurship. Jan has also written several books together with Per Lindstedt, including "The Value Model – How to Master Product Development and Create Unrivaled Customer Value" which has been included as course literature at technical universities on customer value and innovation. Jan is independent in relation to the company and its management, independent in relation to the company's major owners.

**Other ongoing assignments** CEO and board member of Nimba AB. Chairman of the Board of ATIUM AB and OpenHack C4H (svb). Vice chairman of Engineers without Borders Sweden and deputy board member of Burneus & Partners AB.

**Holding** 19,878 shares via Nimba AB.



### Ulla-Britt Fräjdin Hellqvist

Board member since 2018

Ulla-Britt has a master's degree in technical physics from Chalmers University of Technology and has been a member of the Royal Swedish Academy of Engineering Sciences (IVA) since 2004. She has 30 years of experience from working in listed, private and state-owned companies, including as chairman of the board of Kongsberg Automotive ASA, SinterCast AB, Ruter Dam, Tällberg Foundation Service AB, the Foundation for Strategic Research and Vindora Holding AB. Ulla-Britt has extensive experience from industry, ICT, the environment, research and business policy as well as societal development. She was 22 years at Volvo Cars, including head of Quality, Volvo Monitoring and Concept Center CA USA, Competence Center Environment and Business & Strategy Engine. Ulla-Britt has worked for more than five years at the Confederation of Swedish Enterprise with responsibility for business policy in areas such as sustainability, IT, research, the labor market, entrepreneurship and the work environment. Since 2006, she has worked as a business advisor and independent board member. She has lived and worked in the United States and Iraq. Ulla-Britt is independent in relation to the company and its management, independent in relation to the company's major owners.

**Other ongoing assignments** CEO and board member of Fräjdin & Hellqvist AB. Chairman of the board of HRM Affärsutveckling i Stockholm AB and Invencon AB and board member of Forest Friends AB, Holmbergs Safety AB and King Bunter AB.

**Holding** 12,850 shares.



### Magnus Jonsson

Board member since 2021

Magnus has a master's degree in mechanical engineering from Chalmers University of Technology in Gothenburg. Magnus has extensive experience from SAAB and Volvo with a focus on product development, design and technology. Magnus has been Senior Vice President responsible for product development at Volvo Cars. Magnus has broad operational and strategic experience of working in complex and global business models with a large technology content. He is independent in relation to the company's management and major shareholders.

**Other ongoing assignments** Chairman of the Board of PowerCell, AstaZero, Gapwaves and Mobility Sweden Association. Magnus is also a board member of Smart Eye AB.

**Holding** –



### Anders Sandell

Board member since 2020

Anders has an engineering degree from Halmstad University. Since 2008, he has been the CEO of Holmbergs Safety Systems Holding AB, which is active in child safety. Holmbergs Safety has organically and through acquisitions tripled its sales and market presence over the past five years and



# Management report

The Board of Directors, together with the CEO, hereby submit the annual report and consolidated accounts for the financial year 2022-01-01 – 2022-12-31.

The annual report is drawn up in thousands of Swedish crowns, kSEK, unless otherwise specified.

## Information about the business

Insplorion is an environmental technology company that with its unique sensor platform *NanoPlasmonic Sensing* (NPS) develops sensors with focus on Hydrogen Sensors. The company also make and sell Research Instruments based on its versatile technology. The sensors are fast, selective for hydrogen, does not require oxygen to work and can be adapted for different measurement environments.

The underlying technology was developed during more than a decade of research at the Department of Chemical Physics at Chalmers University of Technology and there are now more than 125 published research articles using the Insplorion technology. Insplorion was founded in 2010, is based in Gothenburg and is listed on Nasdaq First North.

The company's registered office is in Gothenburg.

This is the annual report for the company's 13<sup>th</sup> year of operation.

## Significant events of the financial year

### First quarter

- *January 4<sup>th</sup>* – Hydrogen centre financed by the Swedish Energy Agency
- *January 24<sup>th</sup>* – Fourth subscription period of T01 resulted in 4,290 new shares

### Second quarter

- *April 20<sup>th</sup>* – Annual General Meeting was held in April. The AGM resolved on all points in accordance with the Board's and the Nomination Committee's proposals
- *May 30<sup>th</sup>* – A large university in the United Kingdom has purchased an Insplorion M8 instrument to expand on their cutting-edge battery research work. The instrument was delivered in July

### Third quarter

- *August 22<sup>nd</sup>* – Insplorion sells two research instruments
- *September 28<sup>th</sup>* – Insplorion presents the updated strategy: Insplorion focus fully on hydrogen

### Fourth quarter

- *December 30<sup>th</sup>* – Insplorion's Nomination Committee for the 2023 Annual General Meeting has been appointed

## Expected future development as well as risks and uncertainties

The ambition for hydrogen is to realize more customer financed projects, to eventually be able to commercialize volume applications.

In research instruments, we see strong interest from our latest instruments M8 and S2, and aim to utilize the momentum built up during previous year.

## Results and position

Net revenue for the full year is slightly below last year and derives mainly from sales from instruments and sensors. Earnings performance remain negative, due to increased development costs. Investments in product development of hydrogen sensors is the main reason for the higher costs during the year.

Cash and cash equivalents amounted to kSEK 26,415 (49,456) as of December 31<sup>st</sup>. Although we are not cash flow positive, we are confident current cash will last throughout 2023. During the year we will need to raise additional capital to be able to fully commercialize the hydrogen sensor in the coming years. The company's interest-bearing liabilities totaled kSEK 1,584 (2,401).

Cash flow for the period (January 1<sup>st</sup>–December 31<sup>st</sup>) amounted to kSEK –23,041(–17,102), of which cash flow from operating activities amounted to kSEK –20,330 (–14,677).

## Corporate risks

Although Insplorion's technology is proven on the market with an increasing number of paying customers within research instruments, the establishment of the technology within Hydrogen is in an early stage and several risks exist. Below is a description of the major risks.

### Market related risks

NanoPlasmonic Sensing (NPS) is an emerging technology where Insplorion's products today are used by researchers in academia and industry. Insplorion's main objective is to provide its technology in sensors for hydrogen and research instruments.



Insplorion's assessment of future market developments is among other things associated with uncertainty regarding factors the company cannot control. There is a risk that the market for hydrogen sensors and research instruments will develop in unfavourable directions for Insplorion, due to changed behaviour of end customers and other players, rapid technological development, environmental aspects, or other external factors.

Insplorion operates in a competitive market. Some of the competitors may have greater resources and there is therefore a risk that these competitors may be able to react faster than Insplorion to new and specific customer demands. Competitors may develop products and methods that are more effective, affordable, or practical, obtain patent protection, commercialize their products earlier than the company, or have better entries and resources than the company to process the market. There is thus a risk that the company might become outperformed by other companies with similar products and methods.

The company has not detected any attempts to commercialize technologies equivalent to the company's NPS technology, that offer the same possibilities of nano scale measuring in harsh environments. It cannot be excluded that new technology will be introduced to the market, or that existing technologies will be significantly improved, which may have a negative impact on the company's sales.

The sensor technology of Insplorion is often used in the framework of collaborations intended to develop, and commercialize the company's technology in existing application fields. Collaborations have been concluded with both academic institutions, such as Chalmers University of Technology, and with players within the industry. Insplorion is in varying degrees dependent on both initiating collaborations and the planned development of these collaborations. There is a risk that one, or several collaborators, choose to end their relationship with the company, or that a collaboration does not develop in a favorable way for Insplorion. If a collaborator choose to end a partnership, there is a risk that the company may not be able to on its own drive forward a project linked to such a partner, or that a new collaboration must be initiated with a different partner, in order to be able to further develop the project.

#### **Organisational risks**

Insplorion is a small organization and rely on certain key employees such as its Chief Technology Officer and Chief Product Officer, as well as on its capability to recruit and keep qualified personnel. If any of the company's key employees should leave the company, or if the company fails to recruit new personnel as needed, the company's future development and commercialization might be delayed.

To ensure that the company will be able to successfully implement its strategy, it is further of great importance that the company's resources regarding management, administration, and equity, are disposed of in an optimal manner for the company. There is a risk that the company's resources would be insufficient, which would have a negative impact on Insplorion's operations, financial position, and results.

#### **Technically related risks, quality, and production responsibilities**

Insplorion's success depends on the development of high quality products. Hence, quality control plays a significant role in the determination of requirements and satisfaction of customer requirements, defect prevention, improvements to products and services, and the securing of product safety and efficiency. Insplorion is subject to product liability and other liability-related risks linked to products developed or produced by the company and may be forced to defend itself in legal proceedings. Such proceedings may be costly for the company and may result in reduced sales, extensive liabilities and take up time, attention, and resources of the management in a way that has a negative impact on the company's ongoing operations.

#### **Legal risks**

Risks related to the company's intellectual property. Patents and other intellectual properties such as know-how are key assets of the company's operation and possible future assets and are therefore largely dependent on the possibilities of maintaining existing patent protection and of obtaining additional patent protection for current and future commercialization.

There is also a risk that issued patents will be circumvented or be declared invalid, that pending patent applications will not lead to issued patents or that third-party intellectual properties will prevent the marketing of Insplorion's products. Insplorion may furthermore become subject to claims that involve challenges of the company's patents and other rights, as well as indictments on infringements of rights that have already been assured to third parties, which may give rise to intellectual property litigation. Such proceedings may be time consuming and very costly, regardless of the outcome.

In the event of a negative outcome, the company may be required to pay indemnity, be prohibited to perform activities classified as infringement or be forced to acquire a license for continued production and marketing of potential products, which in turn may have a negative effect on the company's financial position. Besides patents, Insplorion also has valuable know-how, protected by the company. Should this know-how be exposed externally, it would cause negative effects for the company.

### Financial risks

It cannot be excluded that it will take longer time than estimated for the company to achieve positive cash flow. Neither can it be excluded that the company in the future will have larger capital requirements than what today is deemed necessary. There are no guarantees that this can be procured on terms that will be favorable for the shareholders. Failing to generate profits on a sufficient scale may have an impact on the company's market value

### Research and development

Main activities within the hydrogen sensor segment are run as pure development projects.

### Use of financial instruments

Financial instruments are reported in accordance with the regulations in K3 chapter 11, which means that valuation is based on acquisition value.

### Potential for continued operation

The Board of Directors consider that the company has adequate funding for planned activities during 2023 but is well aware that Insplorion will need to raise additional capital by the end of the year to be able to fully commercialize the hydrogen sensor in 2024 and beyond.

### Ownership

The company is affiliated to Euroclear Sweden AB, which means that Euroclear handles the company's register of shareholders. Insplorion's share is traded on Nasdaq First North Growth Market as of January 29<sup>th</sup>, 2021. The share was until then traded on Spotlight Stock Market from June 25<sup>th</sup>, 2015.

The share name is Insplorion, the trading name (short name) is INSP, and the ISIN code is SE0006994943.

At the end of 2022, the company had in total 13,090,234 shares with a quota value of SEK 0.15. There has been no change up until signing of the annual report, number of shares remain unchanged at 13,090,234 with a quota value of SEK 0.15.

As of December 31<sup>st</sup> 2022, Insplorion had more than 4,000 shareholders. The table on page 17 shows the ten largest shareholders.

## Multiple-year comparison

<b>The Group</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net sales	2,002	2,335	1,177	2,464	2,502
Profit after financial items	-21,253	-11,620	-12,795	-8,584	-7,576
Balance sheet total	47,093	72,083	87,600	37,512	17,936
Solidity (%)	83.6 %	84.1 %	80.6 %	73.9 %	48.2 %

<b>The Parent Company</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net sales	3,007	3,881	2,898	4,144	3,530
Profit after financial items	-21,300	-13,150	-13,664	-9,324	-7,583
Balance sheet total	44,443	69,940	85,729	37,055	17,866
Solidity (%)	83.0 %	86.6 %	82.4 %	74.8 %	48.4 %

For definitions of indicators, see additional disclosures.



## Changes in equity

The Group (kSEK)	Share capital	Not registered share capital	Other added capital	Balanced result	The result of the period	Total equity
<b>Opening balance 2022-01-01</b>	<b>1,963</b>	<b>0</b>	<b>122,426</b>	<b>-52,169</b>	<b>-11,620</b>	<b>60,600</b>
Loss brought forward				-11,620	11,620	
Redeemed warrants	1		49			49
Costs for redeemed warrants			-16			-16
Net loss for the year					-21,253	-21,253
<b>Equity on 2022-01-01</b>	<b>1,964</b>	<b>0</b>	<b>122,458</b>	<b>-63,789</b>	<b>-21,253</b>	<b>39,379</b>
<b>Equity on 2022-01-01</b>	<b>1,920</b>	<b>29</b>	<b>121,419</b>	<b>-39,972</b>	<b>-12,795</b>	<b>70,601</b>
Outline of previous year's results				-12,795	12,795	
Registration new issue	29	-29				
New issue (decided 2020-11-06)	14		1,066			1,081
Issue costs (decided 2020-11-06)	1		-60			-60
Option program				597		597
The result of the period					-11,620	-11,620
<b>At year end 2022-12-31</b>	<b>1,963</b>	<b>0</b>	<b>122,426</b>	<b>-52,169</b>	<b>-11,620</b>	<b>60,600</b>

Parent company (kSEK)	Share capital	Restricted equity		Unrestricted equity			Total equity
		Not registered share capital	Fund for development fees	Other added capital	Balanced result	The result of the period	
<b>Year start 2021-01-01</b>	<b>1,963</b>		<b>1,541</b>	<b>122,426</b>	<b>-53,710</b>	<b>-11,620</b>	<b>60,600</b>
Outline of previous year's results					-11,620	11,620	
Development Expenditure reserve			63		-63		
Redeemed warrants	1			49			49
Costs for redeemed warrants				-16			-16
Year total						-23 753	-23,753
<b>Year end 2022-12-31</b>	<b>1,964</b>	<b>0</b>	<b>1,605</b>	<b>122,458</b>	<b>-65,394</b>	<b>-23,753</b>	<b>36,879</b>
<b>Year start 2021-01-01</b>	<b>1,920</b>	<b>29</b>	<b>922</b>	<b>121,419</b>	<b>-40,894</b>	<b>-12,795</b>	<b>70,602</b>
Outline of previous year's results					-12,795	-12,795	
Change development fund			619		-619		
New issue options	29	-29					
New issue (directed / preferential)	14			1,066			1,081
Issue costs (directed / preferential)	1			-60			-60
Option program					597		597
Year total						-11,620	-11,620
<b>Year end 2022-12-31</b>	<b>1,963</b>	<b>0</b>	<b>1,541</b>	<b>122,426</b>	<b>-53,710</b>	<b>-11,620</b>	<b>60,600</b>

### Outline of results (amount stated in SEK)

The following funds are available to the Annual General Meeting:

Share premium fund	122,458,023
Balanced profit including profit for the year	-89,147,239
<b>Total</b>	<b>33,310,785</b>

The Board of Directors propose that the non-restricted equity, SEK 33,310,785, is brought forward.

Further information regarding the company's profit and financial position information can be found in the following income statement, balance sheet, cash flow statement and pertaining notes.

# The Parent Company's income statement

All amounts in thousands of SEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Operating income</b>	1		
Net sales	3	2,002	2,335
Own work capitalized		1,721	3,032
Other operating income	2	3,091	4,171
<b>Total operating income</b>		<b>6,814</b>	<b>9,538</b>
<b>Operating expenses</b>			
Raw materials and consumables		-499	-488
Other external charges	4, 5	-10,069	-8,972
Personnel costs	6	-13,381	-10,948
Write-offs	-704	-590	
Depreciation of intangible and tangible fixed assets		-3,327	-590
<b>Total operating expenses</b>		<b>-2,981</b>	<b>-20,998</b>
<b>Operating result</b>		<b>-21,166</b>	<b>-11,460</b>
<b>Profit from financial items</b>			
Interest income and similar financial income	8	16	0
Interest expenses and similar financial expenses	8	-103	-160
<b>Result from financial items</b>		<b>-87</b>	<b>-160</b>
<b>Results before tax</b>		<b>-21,253</b>	<b>-11,620</b>
Tax on result for the year	9	0	0
<b>Results for the year</b>		<b>-21,253</b>	<b>-11,620</b>

Earnings per share before and after dilution -1.63 (-0.89) kSEK.

# Consolidated balance sheet

All amounts in thousands of SEK	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized expenses for development work	10	15,135	16,876
Concessions, patents, licenses, trademarks	11	2,148	2,407
<b>Total intangible assets</b>		<b>17,283</b>	<b>19,283</b>
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	12	440	543
<b>Total tangible fixed assets</b>		<b>440</b>	<b>543</b>
<b>Total fixed assets</b>		<b>17,723</b>	<b>19,826</b>
<b>Current assets</b>			
<i>Inventory</i>			
Work in progress		1,925	2,124
<b>Total inventory</b>		<b>1,925</b>	<b>2,124</b>
<i>Receivables</i>			
Accounts receivable		280	222
Other receivables		312	138
Prepayments and accrued income	14	438	318
<b>Total current receivables</b>		<b>1,030</b>	<b>678</b>
<i>Cash and cash equivalents</i>	15	26,415	49,456
<b>Total current assets</b>		<b>29,370</b>	<b>52,257</b>
<b>TOTAL ASSETS</b>		<b>47,093</b>	<b>72,083</b>

All amounts in thousands of SEK	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	1,964	1,963
Other contributed capital		122,458	122,426
Balanced result		-63,790	-52,169
Profit/loss for the period		-21,253	-11,620
<b>Total equity</b>		<b>39,379</b>	<b>60,599</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to credit institutions	17	869	1,686
<b>Total long-term liabilities</b>		<b>869</b>	<b>1,686</b>
<i>Short-term liabilities</i>			
Liabilities to credit institutions		715	715
Accounts payable		1,389	712
Current tax liabilities		121	54
Other short-term liabilities		388	219
Accruals and deferred income	18	4,233	8,099
<b>Total short-term liabilities</b>		<b>6,845</b>	<b>9,798</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,093</b>	<b>72,083</b>



# Consolidated cash flow statement

All amounts in thousands of SEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Operating activities</b>			
Operating profit		-21,166	-11,460
Adjustment for non-cash items: depreciation/amortization according to plan	22		
Depreciation according to plan		704	590
Impairments of tangible and intangible fixed assets		3,327	
Loss on sale of tangible and intangible fixed assets			26
Interest income and similar financial income		16	
Interest expenses and similar income items		-103	-160
<b>Cash flow from operating activities before change in working capital</b>		<b>-17,223</b>	<b>-11,004</b>
<b>Change in working capital</b>			
Increase (-)/decrease (+) in inventories		199	-1,039
Increase (-)/decrease (+) in operating receivables		-352	790
Increase (+)/decrease (-) in operating liabilities		-2,953	-3,424
<b>Cash flow from change in working capital</b>		<b>-3,107</b>	<b>-3,673</b>
<b>Cash flow from operating activities</b>		<b>-20,330</b>	<b>-14,677</b>
<b>Investing activities</b>			
Acquisition of capitalized expenses for research and more	10	-1,722	-3,032
Acquisition of machinery and other technical facilities	12	-206	-259
Sales of machinery and other technical facilities	12		
<b>Cash flow from investing activities</b>		<b>-1,928</b>	<b>-3 291</b>
<b>Financing activities</b>			
Amortization of loans	17	-817	-2,090
New issues			2,359
Option program		33	597
<b>Cash flow from financing activities</b>		<b>-784</b>	<b>866</b>
<b>Increase/decrease of cash and cash equivalents</b>		<b>-23,041</b>	<b>-17,103</b>
<b>Cash/cash equivalents at the beginning of the year</b>		<b>49,455</b>	<b>66,558</b>
<b>Cash/cash equivalents at the end of the period</b>	15	<b>26,414</b>	<b>49,455</b>

# The Parent Company's income statement

All amounts in thousands of SEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Operating income</b>	1		
Net sales	3	3,007	3,881
Own work capitalized		63	445
Other operating income	2	2,076	2,467
		<b>5,147</b>	<b>6,793</b>
<b>Operating costs</b>			
Raw materials and consumables		-499	-488
Other external charges	4, 5	-9,378	-7,915
Personnel costs	6	-13,381	-10,948
Depreciation/amortization		-601	-432
		<b>-23,860</b>	<b>-19,783</b>
<b>Operating profit</b>		<b>-18,713</b>	<b>-12,990</b>
Result from financial items	8	16	0
Interest costs and similar items	8	-103	-160
Impairments of shares in subsidiaries	8	-2,500	0
		<b>-2,587</b>	<b>-160</b>
<b>Profit after financial items</b>		<b>-21,300</b>	<b>-13,150</b>
Year-end appropriations		-2,454	1,530
Tax on profit for the year	9	0	0
<b>Profit/loss for the period</b>		<b>-23,753</b>	<b>-11,620</b>

# The Parent Company's balance sheet

All amounts in thousands of SEK	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized expenses for development work	10	2,267	2,339
Concessions, patents, licenses, trademarks, etc.	11	1,222	1,378
<b>Total intangible fixed assets</b>		<b>3,489</b>	<b>3,717</b>
<i>Tangible fixed assets</i>			
Machinery and other technical facilities	12	440	543
		<b>440</b>	<b>543</b>
<i>Financial assets</i>			
Shares in group companies	13	50	50
<b>Total financial fixed assets</b>		<b>50</b>	<b>50</b>
<b>Total fixed assets</b>		<b>3,979</b>	<b>4,310</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Work in progress		1,925	2,124
<b>Total inventory, etc.</b>		<b>1,925</b>	<b>2,124</b>
<i>Receivables</i>			
Accounts receivable		280	222
Receivables from group companies		13,130	15,369
Other receivables		313	149
Prepayments and accrued income	14	438	318
<b>Total current receivables</b>		<b>14,161</b>	<b>16,058</b>
<i>Cash and bank balances</i>	15	<b>24,378</b>	<b>47,448</b>
<b>Total current assets</b>		<b>40,465</b>	<b>65,630</b>
<b>TOTAL ASSETS</b>		<b>44,443</b>	<b>69,940</b>

All amounts in thousands of SEK	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	16	1,964	1,963
Fund for development costs		1,605	1,541
<b>Total restricted equity</b>		<b>3,568</b>	<b>3,504</b>
<i>Non-restricted equity</i>			
Premium reserve		122,458	122,426
Retained loss		-65,394	-53,710
Profit/loss for the period		-23,753	-11,620
<b>Total unrestricted equity</b>		<b>33,311</b>	<b>57,096</b>
<b>Total equity</b>		<b>36,879</b>	<b>60,599</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to credit institutions	17	869	1,686
<b>Total long-term liabilities</b>		<b>869</b>	<b>1,686</b>
<i>Short-term liabilities</i>			
Liabilities to credit institutions		715	715
Accounts payable		1,389	712
Current tax liabilities		127	60
Other short-term liabilities		388	219
Accruals and deferred income	18	4,077	5,949
<b>Total short-term liabilities</b>		<b>6,695</b>	<b>7,654</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,443</b>	<b>69,940</b>



# Notes common to the Group and the Parent Company

## General additional disclosures

### Note 1 Accounting and valuation policies – the Group and the Parent Company

The annual accounts and consolidated accounts are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

The accounting policies are the same as the previous year.

#### Definitions of indicators

##### *Solidity*

Adjusted equity in relation to the balance sheet total.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company reports the income at nominal value (invoice amount) if the payment is received in cash and cash equivalents directly upon delivery. Deductions are made for discounts provided.

##### *Sales of goods*

Sales of goods are reported when the Company has transferred the significant risks and benefits associated with ownership to the buyer, normally when the customer has the goods in their possession.

#### Tangible fixed assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation and any impairments.

The assets are depreciated on a linear basis over the assets' estimated useful life. The following useful lives apply:

	Number of years
Machinery and other technical equipment	5
Fixtures, tools and fittings	5

##### *Removal from the balance sheet*

Tangible fixed assets or components are removed from the balance sheet or disposed of when no future economic benefits are expected from the use, disposal or sale of the asset or component.

When tangible fixed assets are sold, the capital gain is determined as the difference between the sales price and the asset's reported value and is reported in the income statement in one of the items 'Other operating income' or 'Other operating expenses'.

#### Intangible fixed assets

Intangible fixed assets consist of development costs and patents, respectively, and are reported at acquisition value less accumulated depreciation and any impairments.

Research expenditure is recognized immediately, while expenditure for development projects is capitalized as intangible assets to the extent that these meet the criteria for capitalization in the balance sheet. Expenditure that does not meet such criteria is recognized as incurred. The amount capitalized during the year is transferred between unrestricted and restricted capital, and is referred to as a fund for development expenditure. The criteria to be met are as follows:

- It is technically possible to complete the asset so that it can be used or sold.
- The company intends to complete the asset and to use or sell it.
- The company has the prerequisites to use or sell the asset.
- It is likely that the asset will generate future economic benefits.
- There are sufficient resources to complete the asset and to use or sell it.
- Development expenditure can be measured reliably.

Depreciation is made on a linear basis over the estimated useful life. The depreciation period for internally generated intangible fixed assets is 5 years, but for intangible assets that are of strategic importance to the group, such as patents and development costs for measuring instruments, the parent company and the Group use a depreciation period of up to 10 years.

	Number of years
Capitalized expenses for development work	5
Concessions, patents, licenses, trademarks, etc.	10

##### *Removal from the balance sheet:*

Intangible fixed assets are removed from the balance sheet upon disposal or sale of the asset. When intangible fixed assets are sold, the capital gain is determined as the difference between the sales price and/or when future benefits are not expected from the use of the asset, or disposal or sale of the asset at the reported value, and is reported in the

income statement. Impairment testing of intangible and tangible fixed assets at each balance sheet date is assessed to see if there is any indication that an asset's value is lower than its reported value. If there is such an indication, the asset's recoverable value is calculated. If the recoverable value is less than the reported value, an impairment is made which is recognized. An internally generated intangible fixed asset that is not yet ready to be used or sold as of the balance sheet date is always tested for impairment. The recoverable value of an asset or a cash-generating unit is the higher of fair value less sales costs and the value in use.

### **Government grants**

Government grants are reported at fair value when there is reasonable assurance that the grant will be received and that the company will meet all the associated conditions. A government grant relating to expected costs is reported as prepaid income. The grant is recognized as income in the period when the costs arise which the government grant is intended to compensate. Government grants for the investment of tangible or intangible fixed assets reduce the reported value of the asset.

### **Financial instruments**

Financial instruments are reported in accordance with the rules in K3, Chapter 11, which means that valuation is based on acquisition value.

Financial instruments reported in the balance sheet include accounts receivable and other receivables, accounts payable and loan liabilities. The instruments are recognized on the balance sheet when the parent company or the group, respectively, becomes a party to the contractual provisions of the instrument.

Financial assets are removed from the balance sheet when the right to receive contractual cash flows of the financial instrument has expired or been transferred, and substantially all risks and rewards of ownership of the asset have been transferred.

Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise terminated.

#### *Accounts receivable and other receivables*

Receivables are recognized as current assets with the exception of items with due date later than 12 months after the balance sheet date, which are recognized as fixed assets. Receivables are recognized to the amount expected to be paid less individually assessed bad debt.

#### *Loans and accounts payable*

Loans payable are recognized at amortized cost in accordance with the effective interest method. If

the recognized amount differs from the amount to be repaid at maturity, the difference is recognized as interest expense over the term of the loan using the instrument's effective interest rate. Hence, at the date of maturity, the recognized amount will agree with the amount to be repaid.

Short-term accounts payable are recognized at cost.

#### *Set-off of financial assets and liabilities*

Financial assets and liabilities are set off and recognized at a net amount in the balance sheet only when there is a legal right to set off the recognized amounts and there is an intention to settle them with a net amount or to simultaneously realize the asset and settle the debt.

### **Lease agreements**

Most of the Group's lease agreements are operating leases and are expensed on a straight-line basis over the lease period. The finance leases are not considered to represent substantial value and are thus expensed in line with the operating leases.

### **Inventories**

Inventories are recognized at cost or net realizable value, whichever is lowest. The risk of inventory obsolescence has been taken into account. The cost is determined using the first-in, first-out (FIFO) method. In addition to acquisition costs, the cost includes costs incurred in bringing the inventories to their present location and condition.

In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Measurement has taken normal capacity utilization into account.

### **Cash flow statement**

The cash flow statement is drawn up using an indirect method. The reported cash flow covers only operations resulting in cash transactions. Frozen funds are not classified as cash and cash equivalents.

### **Remuneration of employees**

#### *Short-term remunerations:*

Short-term remunerations to employees in the form of salaries, bonuses and paid holidays are remunerations to employees that fall due within 12 months from the balance sheet date in the year in which the employee earned the remuneration.

Short-term remuneration is valued at the undiscounted amount that the Company is expected to pay as a result of the unused entitlement.

**Defined contribution pension plans:**

The Company pays fixed fees to other legal entities with regard to several government plans and insurance policies for individual employees. The Company has no legal obligations to pay additional fees in addition to payments of the fixed fee which is reported as an expense in the period in which the relevant service is performed.

**Compensation in the event of termination:**

Compensation in the event of termination is paid when a company within the Group decides to terminate an employee's employment prior to the normal retirement date or when an employee accepts an offer of voluntary resignation in exchange for such compensation. Compensation that do not provide the Company any future economic benefits are recognized as expenses and liabilities when there is legal or constructive obligation to pay such compensation. Benefits are measured at the best estimate of the amount that would be required to settle the liability on the balance sheet date.

**Provisions**

A provision is recognized when the Company has an obligation (formal or informal) a result of an event that has occurred, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably.

**Contingent liabilities**

A contingent liability is:

- A possible obligation that, as a result of events that have occurred and whose occurrence will only be affirmed by one or more uncertain future events not entirely within the control of the company, occurs or does not, or
- An existing obligation, resulting from past events, which is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required to settle the obligation or because the size of the liability cannot be measured reliably.

Contingent liabilities are a summary term for such guarantees, financial obligations and any liabilities that are not included on the balance sheet.

**Public grants**

Public grants that are not contingent on future performance are recognized as revenue when the conditions for the award of the grant are satisfied. Public grants that are contingent on future performance are recognized as revenue when the performance is delivered. Received contributions where all conditions have not yet been met are recognized in the item Other liabilities. Contributions received for

the purchase of a fixed asset reduce the acquisition cost of the asset.

**Receivables and liabilities in foreign currency**

Monetary items in foreign currency are translated at the rate on the balance sheet date. Arising exchange rate differences are recognized in the income statement. Foreign exchange gains and losses in conjunction with operating receivables and liabilities in foreign currency are reported in the items 'Other operating income' or 'Other operating expenses'. Other foreign exchange gains and losses are reported in Result from financial items.

Non-monetary items are not translated at the balance sheet date and are measured at the acquisition value (translated at the rate on the transaction date).

**Borrowing costs**

No borrowing costs are capitalized when fixed assets are manufactured/developed.

**Income taxes**

Current taxes are calculated using the tax rates and tax rules that are in effect as at the balance sheet date. Deferred taxes are calculated using the tax rates and tax rules that have been decided before the balance sheet date.

Since the Board does not assess it to be likely that it would be possible to use deferred tax assets arising from unused tax losses during the coming year, no such assets are recognized. See Note 10.

Current tax and changes in deferred tax are reported in the income statement, unless the tax is attributable to an event or transaction that is reported directly in equity. In such events, related tax effects are also recognized in equity.

**Related parties**

Transactions that take place by means other than market terms with related parties, in accordance with the Swedish Annual Accounts Act, Chapter 1. Section 8 or 9, shall have information on this submitted. In addition to what is stated in Note 8, Salaries, remunerations of the Board and the CEO, no transactions with related natural persons have taken place. For information on internal transactions between the group companies, please see Note 3.

**Accounting policies of the parent company****Group contributions**

Group contributions made from parent companies to subsidiaries and group contributions received by parent companies from subsidiaries are reported as appropriations.

## Estimates and assessments

When preparing financial statements, the Board of Directors and the CEO must, in accordance with applied accounting and valuation principles, make certain estimates, assessments and assumptions that affect the accounting and valuation of assets, provisions, liabilities, revenue and expenditure. The areas where such estimates and assessments can be of great importance to the parent company and the Group, and which can thereby affect the income statements and balance sheets in the future, are described below.

### *Significant assessments*

The following are significant assessments that have been made in applying the company's accounting principles that have the most significant effect on the financial statements.

### *Capitalization of intangible assets*

The distribution between the research and development phases in new development projects and determining whether the requirements for capitalization of development expenditure are met require assessments. After capitalization, the issue of whether the accounting requirements for development expenditure continue to be met and whether there are indications that the capitalized expenditure may be subject to a decline in value is monitored. This is done through an annual impairment test.

### *Impairment*

To assess the need for impairment, the recoverable value for each asset or cash-generating unit is calculated based on expected future cash flow, and using an applicable interest rate to be able to discount cash flow. Uncertainties lie in assumptions about future cash flows and determining an appropriate discount rate.

### *Uncertainty in the estimate*

Below is information on estimates and assumptions that have the most significant effect on reporting and valuation of assets, liabilities, income and expenses. The outcome from these may deviate significantly.

### *Useful lives of depreciable assets*

At each balance sheet date, a review is made of current assessments of useful lives for depreciable assets. Information on the assessments made can be found in Note 1, the section on Intangible investments.

## Group structure

### *Shares and participations in subsidiaries*

Shares and participations in subsidiaries are recognized at cost less impairment. The cost includes the purchase consideration paid for the shares as well as acquisition costs. Any capital injections and intra-group transfers are added to the cost as they occur. Dividends from subsidiaries are recognized as income.

### *Consolidated financial statements*

The consolidated financial statements include subsidiaries in which the parent company directly or indirectly has a controlling influence. In assessing whether a controlling influence exists, consideration is given to holdings of financial instruments that are potentially vote eligible, and which can be exercised or converted to vote eligible shares (e.g. options and convertible debentures) without delay. A controlling influence normally exists when the parent company directly or indirectly holds more than 50 percent of the votes.

The consolidated financial statements are prepared in accordance with the acquisition method, which means that the subsidiaries' taxed and untaxed equity is included in the Group's equity only to the extent that it is earned after the acquisition.

### *Transactions eliminated during consolidation*

All intra-group transactions, balances and unrealized internal gains in the group have been eliminated in their entirety.

### *Fund for development costs*

The corresponding capitalized development expenditure is set aside in a fund for development costs. The fund reduces the company's unrestricted funds in equity and increases correspondingly in restricted equity. However, this only affects the legal entity and as such is adjusted in a group context.



**Note 2 Other operating income**

	The Group		The Parent Company	
	2022	2021	2022	2021
Public grants	3,091	4,171	2,076	2,467
<b>Total other operating income</b>	<b>3,091</b>	<b>4,171</b>	<b>2,076</b>	<b>2,467</b>

The grants are contingent upon the Company fulfilling the contributor's general conditions for use of the payments.

**Note 3 Intra-group purchases and sales**

	The Group		The Parent Company	
	2022	2021	2022	2021
Percentage				
Sales relating to group companies	0	0	33	40
Purchases relating to group companies	0	0	0	0

**Note 4 Leases***Operational leasing*

The group's leasing expenses primarily consist of leased premises. The lease extends to 2024-06-30 with nine months' notice.

The Group	2022-12-31	2021-12-31
Within one year	933	276
Later than one year but within five years	0	0
Later than five years	0	0
<b>Group, total</b>	<b>933</b>	<b>276</b>

The Group's operational lease costs for the year amounted to kSEK 906 (kSEK 608).

The Parent Company	2022-12-31	2021-12-31
Within one year	933	276
Later than one year but within five years	0	0
Later than five years	0	0
<b>Parent Company, total</b>	<b>933</b>	<b>276</b>

The Parent Company's operational lease costs for the year amounted to kSEK 906 kSEK (kSEK 608 kSEK).

**Note 5 Remuneration of the auditors**

	The Group		The Parent Company	
	2022	2021	2022	2021
KPMG	261	126	227	114
Audit work in addition to statutory audit	0	70	0	70
<b>Total remuneration of auditors</b>	<b>261</b>	<b>196</b>	<b>227</b>	<b>184</b>

Audit engagements refer to the examination of the Company's Annual Report and accounts and the administration of the Company's affairs by the Board of Directors and the Managing Director, other tasks which are for the Company's auditor to perform, and consultation and other assistance in response to observations made during the aforementioned performance of examinations and other tasks. Everything else is classified as "Other engagements".

**Note 6 Personnel**

	The Group		The Parent Company	
	2022	2021	2022	2021
<i>Average number of employees</i>				
The average number of employees is based on the number of hours worked paid by the Company in relation to the normal working time.				
Average number of employees	13	15	13	15
of whom women	5	5	5	5
of whom men	8	10	8	10
<i>Salaries, remunerations of personnel</i>				
Salaries, remunerations, social security contributions and pension costs have been paid in the following amounts:				
Salaries and remunerations	9,508	7,769	9,508	7,769
Pension costs	857	546	857	546
Social security contributions	2,542	2,072	2,542	2,072
	<b>12,907</b>	<b>10,388</b>	<b>12,907</b>	<b>10,388</b>
<i>Board of Directors and senior executives</i>				
Number of Board members				
on the balance sheet date	5	5	5	5
of whom women	1	1	1	1
of whom men	4	4	4	4
CEO and senior executives				
of whom women	0	0	0	0
of whom men	1	1	1	1
<i>Salaries, remunerations of the Board and the CEO</i>				
Salaries, remunerations, social security contributions and pension costs have been paid in the following amounts:				
Salaries and remunerations	1,980	1,373	1,980	1,373
Pension costs	394	82	394	82
Social security contributions	718	451	718	451
	<b>3,092</b>	<b>1,906</b>	<b>3,092</b>	<b>1,906</b>

The CEO is entitled to severance pay in accordance with the employment contract.

**Note 7 Share-based compensation**

Warrants and employee options programme 2021/2024, where 24,700 Incentive Warrants and 46,800 employee stock options have been issued. This means a maximum dilution of approximately 0.7 percent of shares and votes in the Company. Warrants and employee stock options entitles the holder for each option to acquire one share in Insplorion at price of SEK 41.10 per share.

Warrants to the Board series 2021/2024, where 85,000 Incentive Warrants have 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 price of SEK 41.10 per share.

**Note 8 Interest costs and similar items**

	The Group		The Parent Company	
	2022	2021	2022	2021
Interest income	16	0	16	0
Interest costs, other	-103	160	-103	160
Depreciation of shares in subsidiaries	0	0	-2,500	0
	<b>-87</b>	<b>160</b>	<b>-2,587</b>	<b>160</b>

**Note 9 Deferred tax**

The Company has accumulated tax loss carryforwards of kSEK 98,159 (74,275). The underlying value of the deferred tax attributable to these losses amounts to kSEK 20,221 (15,301). In the 2019–2022 financial statements, the Company has, as a precautionary measure, chosen not to recognize the value of these deferred tax assets arising from tax losses on the balance sheet, as it does not expect to be able to utilize them in the near future.

**Note 10 Capitalized expenditure for development work and similar assets**

	The Group		The Parent Company	
	2022- 12-31	2021- 12-31	2022- 12-31	2021- 12-31
Cost, opening balance	18,106	15,074	3,412	2,967
Capitalization for the year	1,721	3,032	64	445
<b>Accumulated cost, closing balance</b>	<b>19,827</b>	<b>18,106</b>	<b>3,475</b>	<b>3,412</b>
Accumulated amortization, opening balance	-1,231	-937	-1,073	-937
Impairments for the year	-3,327	0	0	0
Amortization for the year	-135	-294	-136	-136
<b>Accumulated amortization, closing balance</b>	<b>-4,693</b>	<b>-1,231</b>	<b>-1,209</b>	<b>-1,073</b>
<b>Carrying amount</b>	<b>15,134</b>	<b>16,875</b>	<b>2,267</b>	<b>2,339</b>

**Note 11 Concessions, patents, licenses, trade marks and similar rights**

	The Group		The Parent Company	
	2022- 12-31	2021- 12-31	2022- 12-31	2021- 12-31
Cost, opening balance	2,434	2,434	1,404	1,404
Accumulated cost, closing balance	2,434	2,434	1,404	1,404
Accumulated depreciation, opening balance	-26	0	-26	0
This year's depreciations	-259	-26	-156	-26
Accumulated amortization, closing balance	-285	-26	-182	-26
<b>Carrying amount</b>	<b>2,148</b>	<b>2,408</b>	<b>1,222</b>	<b>1,378</b>

**Note 12 Machinery and other technical equipment**

	The Group		The Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Cost, opening balance	1,335	1,106	1,335	1,106
Investments for the year	206	259	206	259
Sales and disposals	0	-30	0	-30
<b>Accumulated cost, closing balance</b>	<b>1,541</b>	<b>1,335</b>	<b>1,541</b>	<b>1,335</b>
Accumulated depreciation, opening balance	-791	-526	-791	-526
Sales and disposals	0	5	0	5
Depreciation for the year	-310	-270	-310	-270
<b>Accumulated depreciation, closing balance</b>	<b>-1,101</b>	<b>-791</b>	<b>-1,101</b>	<b>-791</b>
<b>Carrying amount</b>	<b>440</b>	<b>544</b>	<b>440</b>	<b>544</b>

**Note 13 Participations in Group companies**

	The Parent Company	
	2022	2021
Cost, opening balance	50	50
<b>Carrying amount</b>	<b>50</b>	<b>50</b>

<b>Subsidiary, corporate registration number, registered office</b>	<b>Number of shares</b>	<b>in %</b>	<b>Carrying amount</b>
<i>Inspilorion Sensor System AB, 556969-5140, Gothenburg</i>	50,000	100	50

*Specification of parent company's holdings of shares and participations in subsidiaries*

This refers to the ownership of capital, which corresponds to the share of votes for the total number of shares.

**Note 14 Prepayments and accrued income**

	The Group		The Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Prepaid rent	334	61	334	61
Prepaid insurance	101	191	101	191
Other	3	66	3	66
	<b>438</b>	<b>318</b>	<b>438</b>	<b>318</b>

**Note 15 Cash and cash equivalents**

	The Group		The Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Bank balances	26,415	49,456	24,378	47,448
<b>Total cash and cash equivalents</b>	<b>26,415</b>	<b>49,456</b>	<b>24,378</b>	<b>47,448</b>

Other receivables include blocked funds of kSEK 50 (50).



**Note 16 Information about share capital**

	Number of shares	Quota value per share
Number/value at beginning of the year	13,085,944	0.15
New issue	4,290	0
Number/value at year-end	13,090,234	0.15

**Note 17 Long-term liabilities**

	The Group		The Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Due within 2 to 5 years	869	1,686	869	1,686
Due later than 5 years	0	0	0	0
	<b>869</b>	<b>1,686</b>	<b>869</b>	<b>1,686</b>

*Growth loan from the Swedish Energy Agency*

The original borrowed amount amounts to SEK 4.1 million. The maturity of the loan is 10 years. The interest rate is 6% and is paid every three months in arrears. Amortization takes place every three months, starting three months after the end of the fifth year from the disbursement of the loan with 5% of the principal amount per instalment.

*Conditional loan from the Swedish Agency for Economic and Regional Growth*

The original borrowed amount amounts to SEK 0.47 million. The interest rate is 2 % and must be paid on May 31<sup>st</sup> and November 30<sup>th</sup> every year. Amortization amounts to 5 % of the net amount invoiced to the customer, which must be paid in two equal instalments, one on May 30<sup>th</sup> and on November 30<sup>th</sup>.

**Note 18 Accruals and deferred income**

	The Group		The Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accrued salaries and remunerations	264	290	264	290
Accrued holiday pay incl. social	1,334	1,420	1,334	1,420
Accrued social security contributions	255	150	255	150
Prepaid grants	1,801	5,871	1,660	3,736
Accrued interest costs	55	55	55	55
Other external charges	524	312	509	297
<b>Total accrued expenses</b>	<b>4,233</b>	<b>8,098</b>	<b>4,077</b>	<b>5,948</b>

**Note 19 Pledged assets**

	The Group		The Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Business mortgages	500	500	500	500
Pledges and other collateral	50	50	50	50

**Note 20 Contingent liabilities**

	The Group		The Parent Company	
	2022- 12-31	2021- 12-31	2022- 12-31	2021- 12-31
Contingent liabilities	None	None	None	None

**Note 21 Non-cash items**

	The Group	
	2022- 12-31	2021 12-31
Depreciation	704	590
Impairments	3,327	0
<b>Total non-cash items</b>	<b>4,031</b>	<b>590</b>

**Note 22 Significant events after the balance sheet date**

No essential events have occurred after the end of the balance sheet date.

Gothenburg, April 19<sup>th</sup>, 2023

*Jonas Ehinger*  
Chairman of the Board

*Johan Rask*  
CEO

*Anders Sandell*  
Director

*Ulla-Britt Fräjdin Hellqvist*  
Director

*Jan Burenius*  
Director

*Magnus Jonsson*  
Director

Our auditor's report was submitted on April 19<sup>th</sup>, 2023.

KPMG AB

*Daniel Haglund*  
Chartered Accountant

# Auditor's report To the general meeting of the shareholders of Insplorion AB (Publ), corp. id 556798-8760

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Insplorion AB for the year 2022.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for

the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Insplorion AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's ac-

counting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Gothenburg, April 19<sup>th</sup>, 2023

KPMG AB

*Daniel Haglund*  
Chartered Accountant

## Financial Information

Insplorion will publish financial statements for the financial year 2023 on the following occasions:

**April 27<sup>th</sup>**

Interim report for the first quarter 2023.

**August 17<sup>th</sup>**

Half-yearly report 2023.

**October 26<sup>th</sup>**

Interim report for the third quarter 2023.

**February 9<sup>th</sup>, 2024**

Year-end report for the financial year 2023.

All financial information relating to Insplorion and concerning you as a shareholder can be found on Insplorion's website, in the Investors section.

### Annual General Meeting

Insplorion's Annual General Meeting will be held at 3:00 p.m. on May 10<sup>th</sup>, at Biotech Center, Arvid Wallgrens backe 20 (7<sup>th</sup> floor), in Gothenburg. Registration begins at 2:30 p.m.

Shareholders who wish to attend the Annual General Meeting must both be entered in the share register kept by Euroclear Sweden AB by May 2<sup>nd</sup>, 2023 and notify the Company of their attendance no later than 12:00 p.m. on May 5<sup>th</sup>, 2023. Notification shall be sent by email to [bolagsstamma@insplorion.com](mailto:bolagsstamma@insplorion.com) or in writing to the Company's postal address: Insplorion AB, Arvid Wallgrens Backe 20, SE-413 46 Göteborg, Sweden.



Insplorion

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