

# Quarterly Report Q1 2023

## January – March



### Outcome January – March

- Net sales amounted to 59 (149) kSEK
- Profit after net financial items amounted to –5 808 (–4 525) kSEK.
- Basic and diluted earnings per share: –0,44 (–0,35) SEK.
- Cash flow from operating activities and investing activities: –6 872 (–5 681) kSEK

### Significant events January – March

- Fifth subscription period of T01 started January 22 and no warrants were converted into new shares

### Significant events after the end of the period

- None

### Indicators Insplorion Group

	2023-01-01 -2023-03-31 3 months	2022-01-01 -2022-03-31 3 months	2022-01-01 -2022-12-31 12 months
Alla belopp i tusentals kronor om inget annat angivet			
Net sales	59	149	2 002
Operating income	1 307	1 453	6 814
Profit after financial items	-5 808	-4 525	-21 253
Earnings per share (SEK)	-0.44	-0.35	-0.89
Diluted earnings per share (SEK)	-0.44	-0.35	-0.89
Cash flow from operating and investing activities	-6 872	-5 681	-22 257

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

## A word from the CEO

In the recently published 2022 annual report, we pointed to significant events during the financial year. We have now, decisively, built on these events during the first quarter of 2023.

For example, the research collaboration in TechForH2, where we work alongside operators such as Chalmers, Volvo, PowerCell, Siemens Energy, Scania, and others, is now in progress. In addition, we are participating in Explore H2, where we were selected by the French company Safran to take part in their program to accelerate key technologies relating to H2—which aligns with our strategy to focus on hydrogen sensors.

We have previously communicated that we are engaged in ongoing discussions with prospective partners and customers. Normally we do not disclose the identities of these companies due to secrecy obligations. During the first quarter we could however announce our ongoing cooperation with the Gothenburg-based company Consilium Safety Group, which involves a joint exploration of applications in tandem with their customers. Consilium Safety Group is world leading in the field of fire and gas safety, especially in the marine sector. In this context, one of our strengths—that we can measure in inert environments (where there is low level of or no oxygen)—becomes particularly important. Of course, our geographical proximity further facilitates the cooperation.

During the quarter, we also attended the Naventus Renewables Summit in Stockholm and the Hello Tomorrow Global Summit in Paris, where we had the chance to present Insplorion and our unique hydrogen sensor as a product.

On the technological side, development of hydrogen sensors continues relentlessly, both internally and externally. We have demonstrated that we have very fast sensors and that they also have the capacity to operate in environments in which our competitors are struggling. Now, we are dedicated to take the final steps in development together with partners.

On the instrument side, the work with prospective customers has continued, and our team has participated in Material Research Society (MRS) in San Francisco and the International Battery Association (IBA) Conference in Texas. We did not however generate any instrument sales in Q1, something we are not content with of course.

I have now served as the CEO of Insplorion for over a year, and I am very proud of our choice of strategy and the progress we have made with the company during this time. Now we maintain our focus on the future as we push forward with full force; with the aim to achieve a successful commercialization of the Insplorion Hydrogen Sensor.

I am convinced that our new strategy will establish Insplorion as a key player in the hydrogen value chain. I really look forward to our continued development during 2023 and into 2024, with the Insplorion team consistently reaching new milestones together with partners and customers.

Gothenburg, April 2023

Johan Rask, CEO



# Financial comments

## Business development

Insplorion develop and commercialise the sensor platform NPS (NanoPlasmonic Sensing). Both through realising more customer financed projects, to eventually be able to commercialise volume applications and also by providing research instruments within catalysis, materials, and life science.

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

The performance is still negative as development costs have increased. Investments in marketing and customer adaptation, and product development are the most important reasons for the higher costs, which are in line with plan.

## Financial position and liquidity

Cash and cash equivalents amounted to kSEK 19,368 (43,632) as of March 31st. At the end of the period, the Group's interest-bearing liabilities totalled kSEK 1,409 (2,226).

Cash flow for the period (January 1st–March 31st) amounted to kSEK -7,047 (-5,823), of which cash flow from operating activities amounted to kSEK -5,824 (-5,427). This is mostly attributable to the negative operating result in the amount of kSEK -5,781, in combination with changes in working capital with a negative impact on cash flow of kSEK -662. During the period, the Group has invested kSEK 1,048 (254), mostly attributable to the capitalized development. Financing activities were negative by kSEK -175 (-142) due to loan repayments. As mentioned in the annual report we plan to raise additional capital by the end of this year to deliver on our path to commercialize the Hydrogen Sensors.

## Future development

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

2020 project 3beLiEve runs into mid 2023, and we will continue to deliver into the project. The outcome of the completed Eurostars Inbat creates a good foundation for processing potential customers for our battery research instrument M8. Apart from this, within research instruments, we intend to grow the business area with focus on M8 and S2.

## Risks and uncertainties

The Group is considered to still be subject to the same risks and uncertainties that are detailed in the 2022 annual report.

## Parent Company

The net sales of the parent company for the period (January 1st–March 31st) amounted to kSEK 997 (149), and the profit after net financial items amounted to kSEK -5,426 (-5,104). The parent company's equity totalled MSEK 31.5 MSEK, of which MSEK 3.5 restricted.

## The share

As of March 31st, 2022, the share capital of Insplorion amounted to SEK 1,963,536 divided in total 13,090,234 shares with a quota value of SEK 0.15.

The current warrant and option programmes are:

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

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

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

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

## The ten largest shareholders as of March 31st

Shareholders	Shares	% of share capital and voting rights
Avanza Pension	1 159 614	8,9%
Kenneth Svensson	600 000	4,6%
Mikael Hägg	499 292	3,8%
AP Ventures	450 000	3,4%
Hans-Olov Olsson	408 483	3,1%
Chalmers Ventures AB	286 499	2,2%
Lena Kasemo	247 529	1,9%
Gunvald Berger	246 757	1,9%
Nordnet Pensionsförsäkring	212 835	1,6%
Svesten AB	210 612	1,6%
Other shareholders	8 768 613	67%
<b>Total:</b>	<b>13 090 234</b>	<b>100%</b>

Source: Euroclear and information to the Company

## Policies for the preparation of the interim report

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

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

## Auditors' review

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

## Upcoming financial reports

- 2023-05-10 Annual General Meeting 2023
- 2023-08-17 Interim report Q2 2023
- 2023-10-26 Interim report Q3 2023
- 2024-02-09 Year-end report 2023

Presentation of the interim report, Gothenburg, April 27th, 2023

Insplorion AB (publ)  
The Board

# Insplorion in brief

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



## Hydrogen sensors

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

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

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



## Research instruments

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

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



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

Furthermore, annual revenues for sensors expended during experiments are purchased.

# Income Statement Insplorion Group

All amounts in thousands of SEK	2023-01-01 -2023-03-31 3 months	2022-01-01 -2022-03-31 3 months	2022-01-01 -2022-12-31 12 months
Net sales	59	149	2 002
Own work capitalized	1 048	176	1 721
Other operating income	200	1 128	3 091
<b>Operating income</b>	<b>1 307</b>	<b>1 453</b>	<b>6 814</b>
Raw materials and consumables	0	-37	-499
Other external charges	-3 233	-2 132	-10 069
Personnel costs	-3 209	-3 604	-13 381
Depreciation/amortization	-647	-176	-704
Impairment of intangible fixed assets	0	0	-3 327
<b>Operating costs</b>	<b>-7 088</b>	<b>-5 949</b>	<b>-27 981</b>
<b>Operating profit</b>	<b>-5 781</b>	<b>-4 496</b>	<b>-21 166</b>
Interest income and similar items	0	0	16
Interest costs and similar items	-28	-29	-103
<b>Result from financial items</b>	<b>-27</b>	<b>-29</b>	<b>-87</b>
<b>Profit after financial items</b>	<b>-5 808</b>	<b>-4 525</b>	<b>-21 253</b>
<b>Profit/loss for the period</b>	<b>-5 808</b>	<b>-4 525</b>	<b>-21 253</b>
<b>Earnings per share</b>			
Earnings per share (SEK)	-0.44	-0.35	-0.89
Diluted earnings per share (SEK)	-0.44	-0.35	-0.89

# Balance Sheet Insplorion Group

All amounts in thousands of SEK	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development	15 755	17 017	15 135
Concessions, patents, licenses, trade marks, etc.	1 986	2 343	2 148
	17 740	19 360	17 283
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	384	545	440
	384	545	440
<b>Total fixed assets</b>	<b>18 124</b>	<b>19 904</b>	<b>17 723</b>
<b>Current assets</b>			
Work in progress	2 068	2 149	1 925
	2 068	2 149	1 925
Accounts receivable	113	75	280
Other receivables	241	201	312
Prepayments and accrued income	517	400	438
	870	676	1 030
Cash and bank balances	19 369	43 633	26 415
<b>Total current assets</b>	<b>22 306</b>	<b>46 459</b>	<b>29 370</b>
<b>TOTAL ASSETS</b>	<b>40 430</b>	<b>66 363</b>	<b>47 093</b>

# Balance Sheet Insplorion Group

All amounts in thousands of SEK	2023-03-31	2022-03-31	2022-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	1 964	1 964	1 964
	1 964	1 964	1 964
<i>Non-restricted equity</i>			
Premium reserve	122 458	122 458	122 458
Retained loss	-85 043	-63 790	-63 790
Profit/loss for the period	-5 808	-4 525	-21 253
	31 607	54 143	37 415
<b>Total equity</b>	<b>33 570</b>	<b>56 107</b>	<b>39 379</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	694	1 511	869
	694	1 511	869
<b>Short-term liabilities</b>			
Liabilities to credit institutions	715	715	715
Accounts payable	2 567	735	1 389
Current tax liabilities	87	31	121
Other short-term liabilities	195	244	388
Accruals and deferred income	2 601	7 020	4 233
	6 165	8 745	6 845
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40 430</b>	<b>66 363</b>	<b>47 093</b>

Changes in equity	Share capital	Share pre- mium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
All amounts in thousands of SEK					
<b>Equity as of 2023-01-01</b>	<b>1 964</b>	<b>122 458</b>	<b>-63 790</b>	<b>-21 253</b>	<b>39 379</b>
Appropriation of previous year's profit			-21 253	21 253	0
Profit/loss for the period				-5 808	-5 808
<b>Equity as of 2023-03-31</b>	<b>1 964</b>	<b>122 458</b>	<b>-85 043</b>	<b>-5 808</b>	<b>33 570</b>
<b>Equity as of 2022-01-01</b>	<b>1 963</b>	<b>122 426</b>	<b>-52 169</b>	<b>-11 620</b>	<b>60 599</b>
Appropriation of previous year's profit			-11 620	11 620	0
New share issue (decided on 2020-11-06)	1	49			49
Issuance costs (decided on 2020-11-06)		-16			-16
Profit/loss for the period				-4 525	-4 525
<b>Equity as of 2022-03-31</b>	<b>1 964</b>	<b>122 458</b>	<b>-63 789</b>	<b>-4 525</b>	<b>56 107</b>



# Cash Flow Statement Insplorion Group

All amounts in thousands of SEK	2023-01-01 -2023-03-31 3 months	2022-01-01 -2022-03-31 3 months	2022-01-01 -2022-12-31 12 months
<b>Operating activities</b>			
Operating profit	-5 781	-4 496	-21 166
<i>Adjustment for non-cash items:</i>			
Depreciation/amortization according to plan	647	176	704
Impairment of intangible fixed assets	0	0	3 327
Interest received	0	0	16
Interest paid	-28	-29	-103
<b>Cash flow from operating activities before change in working capital</b>	<b>-5 161</b>	<b>-4 350</b>	<b>-17 223</b>
<b>Change in working capital</b>			
Increase (-)/Decrease (+) in inventories	-142	-26	199
Increase (-)/Decrease (+) in operating receivables	160	1	-352
Increase (+)/Decrease (-) in operating liabilities	-680	-1 053	-2 953
<b>Cash flow from operating activities</b>	<b>-5 824</b>	<b>-5 427</b>	<b>-20 330</b>
<b>Investing activities</b>			
Cash flow from investing activities	-1 048	-254	-1 928
<b>Financing activities</b>			
Change in long-term liabilities	-175	-175	-817
Warrant programme	0	33	33
Cash flow from financing activities	-175	-142	-784
<b>Increase/Decrease of cash and cash equivalents</b>	<b>-7 047</b>	<b>-5 823</b>	<b>-23 041</b>
<b>Cash/cash equivalents at the beginning of the year</b>	<b>26 414</b>	<b>49 455</b>	<b>49 455</b>
<b>Cash/cash equivalents at the end of the period</b>	<b>19 368</b>	<b>43 632</b>	<b>26 414</b>

# Indicators Insplorion Group

	2023-01-01 -2023-03-31 3 months	2022-01-01 -2022-03-31 3 months	2022-01-01 -2022-12-31 12 months
Alla amounts in thousands of SEK if other not specified			
Net sales	59	149	2 002
Operating income	1 307	1 453	6 814
Profit after financial items	-5 808	-4 525	-21 253
Earnings per share (SEK)	-0.44	-0.35	-0.89
Diluted earnings per share (SEK)	-0.44	-0.35	-0.89
Cash flow from operating and investing activities	-6 872	-5 681	-22 257
Solidity (%)	83%	85%	84%
Quick ratio (%)	328%	507%	512%
The share's quota value (SEK)	0.15	0.15	0.15
Number of shares	13 090 234	13 085 944	13 085 944
Average number of shares	13 090 234	13 085 944	13 078 120
Average number of shares after dilution	13 332 145	13 323 906	13 323 906
Average number of employees	14	16	15

# The Parent Company's Income Statement

All amounts in thousands of SEK	2023-01-01 -2023-03-31 3 months	2022-01-01 -2022-03-31 3 months	2022-01-01 -2022-12-31 12 months
Net sales	997	149	3 007
Own work capitalized	58	51	63
Other operating income	200	519	2 076
<i>Operating income</i>	<i>1 255</i>	<i>719</i>	<i>5 147</i>
Raw materials and consumables	0	-37	-499
Other external charges	-3 159	-2 003	-9 378
Personnel costs	-3 209	-3 604	-13 381
Depreciation/amortization	-286	-150	-601
<i>Operating costs</i>	<i>-6 654</i>	<i>-5 795</i>	<i>-23 860</i>
<b>Operating profit</b>	<b>-5 399</b>	<b>-5 076</b>	<b>-18 713</b>
Interest income and similar items	0	0	16
Interest costs and similar items	2 472	-29	-2 603
Impairment of shares in subsidiary	-2 500	0	0
Result from financial items	-27	-29	-2 587
<b>Profit after financial items</b>	<b>-5 426</b>	<b>-5 104</b>	<b>-21 300</b>
Year-end appropriations	0	0	-2 454
<b>Profit/loss for the period</b>	<b>-5 426</b>	<b>-5 104</b>	<b>-23 753</b>
<b>Earnings per share</b>			
Earnings per share (SEK)	-0.41	-0.39	-1.82
Diluted earnings per share (SEK)	-0.41	-0.39	-1.82

# The Parent Company's Balance Sheet

All amounts in thousands of SEK	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development	1 899	2 355	2 029
Concessions, patents, licenses, trade marks, etc.	1 404	1 339	1 404
	3 303	3 694	3 433
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	384	545	440
	384	545	440
<i>Financial fixed assets</i>			
Participations in Group companies	50	50	50
	50	50	50
<b>Total fixed assets</b>	<b>3 750</b>	<b>4 289</b>	<b>3 978</b>
<b>Current assets</b>			
Work in progress	2 068	2 149	1 925
	2 068	2 149	1 925
Accounts receivable	113	75	280
Intra-group receivables	14 303	15 369	13 130
Current tax assets	32	0	0
Other receivables	100	201	313
Prepayments and accrued income	517	400	438
	15 063	16 045	14 161
Cash and bank balances	17 281	41 766	24 378
<b>Total current assets</b>	<b>34 412</b>	<b>59 961</b>	<b>40 465</b>
<b>TOTAL ASSETS</b>	<b>38 162</b>	<b>64 250</b>	<b>44 444</b>

# The Parent Company's balance sheet

All amounts in thousands of SEK	2023-03-31	2022-03-31	2022-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	1 964	1 964	1 964
Fund for development costs	1 575	1 592	1 605
	3 538	3 556	3 568
<i>Non-restricted equity</i>			
Premium reserve	122 458	122 458	122 458
Retained loss	-89 117	-65 381	-65 394
Profit/loss for the period	-5 426	-5 104	-23 753
	27 915	51 972	33 311
<b>Total equity</b>	<b>31 453</b>	<b>55 528</b>	<b>36 879</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	694	1 511	869
	694	1 511	869
<b>Short-term liabilities</b>			
Liabilities to credit institutions	715	715	715
Accounts payable	2 533	734	1 389
Current tax liabilities	127	39	127
Other short-term liabilities	195	244	388
Accruals and deferred income	2 445	5 479	4 077
	6 015	7 211	6 695
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38 162</b>	<b>64 250</b>	<b>44 444</b>

Changes in Equity	Share capital	Fund for developm costs	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
<b>Equity as of 2023-01-01</b>	<b>1 964</b>	<b>1 605</b>	<b>122 458</b>	<b>-65 394</b>	<b>-23 753</b>	<b>36 879</b>
Appropriation of previous year's profit				-23 753	23 753	0
Change in fund for development costs		-30		30		0
Profit/loss for the period					-5 426	-5 426
<b>Equity as of 2023-03-31</b>	<b>1 964</b>	<b>1 575</b>	<b>122 458</b>	<b>-89 117</b>	<b>-5 426</b>	<b>31 453</b>
<b>Equity as of 2022-01-01</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>
Appropriation of previous year's profit				-11 620	11 620	0
Change in fund for development costs		51		-51		0
New share issue (decided on 2020-11-06)	1		49			49
Issuance costs (decided on 2020-11-06)			-16			-16
Profit/loss for the period					-5 104	-5 104
<b>Equity as of 2022-03-31</b>	<b>1 964</b>	<b>1 592</b>	<b>122 458</b>	<b>-65 381</b>	<b>-5 104</b>	<b>55 528</b>

# Definitions of indicators

## **Earnings per share (SEK)**

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

## **Diluted earnings per share (SEK)**

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

## **Solidity (%)**

Adjusted equity in relation to the balance sheet total.

## **Quick ratio (%)**

Current assets less inventories, divided by current liabilities.

## **Average number of shares**

Number of shares per month divided by the period.

## **Average number of shares after dilution**

Number of employees per month divided by the period.

## **Average number of employees**

Number of employees per month divided by the period