

# Year-end report Q4 2022

## October – December



### Outcome October - December

- Net sales amounted to 185 (680) kSEK
- Profit after net financial items amounted to –5 297 (–3 041) kSEK.
- Basic and diluted earnings per share: –0,40 (–0,23) SEK.
- Cash flow from operating activities and investing activities: –6 075 (–1 360) kSEK

### Outcome January – December

- Net sales amounted to 2 002 (2 335) kSEK.
- Profit after net financial items amounted to –21 253 (–11 620) kSEK.
- Basic and diluted earnings per share: –1,63 (–0,89) SEK.
- Cash flow from operating activities and investing activities: –22 257 (–17 968) kSEK.

### Significant events October – December

- Insplorion's Nomination Committee for the 2023 Annual General Meeting has been appointed

### Significant events after the end of the period

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

### Indicators Insplorion Group

	2022-10-01 -2022-12-31 3 months	2021-10-01 -2021-12-31 3 months	2022-01-01 -2022-12-31 12 months	2021-01-01 -2021-12-31 12 months
Alla amounts in thousands of SEK if other not specified				
Net sales	185	680	2 002	2 335
Operating income	1 505	2 700	6 814	9 538
Profit after financial items	-5 297	-3 041	-21 253	-11 620
Earnings per share (SEK)	-0.40	-0.23	-1.63	-0.89
Diluted earnings per share (SEK)	-0.40	-0.23	-1.63	-0.89
Cash flow from operating and investing activities	-6 075	-1 360	-22 257	-17 968

For the complete table, please refer to page 10. For definitions of indicators, please refer to page 15.

# A word from the CEO

The fourth quarter of 2022 was characterized by the continued work to put our new strategy into practice. In the field of hydrogen sensors, the aim is mainly to demonstrate, together with existing customers, the benefits of the technology in their applications. In addition to the two pilots previously communicated, we conduct ongoing dialogues with several potential customers and partners. Furthermore, development and testing continue internally to optimally meet the requirements of the applications we see as the most promising.

There is great interest in discussing our technology. It is not uncommon for potential partners/stakeholders to come to us after examining the sensors currently available in the market and realizing that they cannot meet their needs. Insplorion's priority is, of course, to convert these dialogues into various types of tests at the customer's premises and, hopefully, further into collaborations.

International investments in hydrogen continue. President Biden launched the "Inflation Reduction Act" during the fall of 2022, earmarking some USD 370 billion for investments in clean energy technology. Discussions in the EU have since included how to create corresponding conditions for European companies and investments in the hydrogen field. On February 1 this year, the European Commission communicated, among other things, "A Green Deal Industrial Plan for the Net-Zero Age", with the aim of accelerating the pace and investments in the field. Investments in hydrogen for the transition to a sustainable world are extensive, and from Insplorion's perspective, it is very exciting. Whether hydrogen is produced in an electrolyzer, stored, transported, or used in various applications or processes, sensors will be needed for safety and increased efficiency.

In the Instrument business area, a new sensor surface was launched in Q4 that makes it easier for customers to bind the biomolecules whose surface they are interested in studying, which is particularly interesting in, for example, biochemistry. During the quarter, Insplorion's team also attended the MRS Fall Meeting in Boston, which is the world's largest materials research conference, and the NordBatt 2022 conference at Chalmers University.

In short, Insplorion's operations are going well, and we look forward with confidence to an eventful 2023.

Gothenburg February 23, 2023

Johan Rask, CEO



# Financial comments

## Business development

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 26,415 (49,456) as of December 31st. At the end of the period, the Group's interest-bearing liabilities totalled kSEK 1,584 (2,401).

Cash flow for the period (October 1st–December 31st) amounted to kSEK –6,308 (-1,507), of which cash flow from operating activities amounted to kSEK -5,236 (-552). This is mostly attributable to the negative operating result in the amount of kSEK -5,378, in combination with changes in working capital with a negative impact on cash flow of kSEK -1,230. During the period, the Group has invested kSEK 839 (808), mostly attributable to the capitalized development. Financing activities were negative by kSEK –233 (-175) due to loan repayments.

## 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 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.

Within research instruments, we intend to continue with the momentum experienced in the market for both M8 and S2.

## Risks and uncertainties

The Group is considered to still be subject to the same risks and uncertainties that are detailed in the 2021 annual report.

## Parent Company

The net sales of the parent company for the period (October 1st–December 31st) amounted to kSEK 585 (866), and the profit after net financial items amounted to kSEK -5,252 (-4,139). The parent company's equity totalled MSEK 36.9 MSEK, of which MSEK 3.6 restricted.

## The share

As of December 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:

- Subscription warrants programme TO1 2018/2023: As part of the funding agreement established in 2018, has been ongoing for five years. The subscription price was above current share price, why no warrants were exercised in the fifth and last period, and the program is now closed.
- Warrants and employee stock options series 2021/2024, where 24,700 incentive warrants and 46,800 employee stock options will be issued. This means a maximum dilution of approximately 0.7 percent of the shares and votes in the Company.

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

- Warrants to the Board of Directors series 2021/2024, where 85,000 Incentive Warrants has

been issued. This means a maximum dilution of approximately 0.6 percent of the shares and votes in the Company.

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

## The ten largest shareholders as of December 31st

Shareholders	Shares	% of share capital and voting rights
Avanza Pension	1 064 490	8,1 %
Kenneth Svensson	550 001	4,2 %
Mikael Hägg	499 292	3,8 %
AP Ventures	450 000	3,4 %
Hans-Olov Olsson	408 483	3,1 %
Chalmers Ventures	286 499	2,2 %
Lena Kasemo	247 529	1,9 %
Gunvald Berger	246 757	1,9 %
Nordnet Pension	217 227	1,7 %
Svesten AB	210 612	1,6 %
Other shareholders	8 909 344	68,1 %
<b>Total</b>	<b>13 090 234</b>	<b>100,0 %</b>

Source: Euroclear and information to the Company

## Policies for the preparation of the interim report

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

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

## Auditors' review

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

## Upcoming financial reports

- 2023-04-27 Interim report Q1 2023
- 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, February 23rd, 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 information with nanoscale sensitivity about processes on surfaces and in boundary layers. The instruments enable a deeper understanding of nanomaterials, nanoparticles, porous materials, thin films and coatings for various applications such as catalysis, polymer science, materials science, biosciences, and solar cells.



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

# Income Statement Insplorion Group

	2022-10-01 -2022-12-31 3 months	2021-10-01 -2021-12-31 3 months	2022-01-01 -2022-12-31 12 months	2021-01-01 -2021-12-31 12 months
All amounts in thousands of SEK				
Net sales	185	680	2 002	2 335
Own work capitalized	800	664	1 721	3 032
Other operating income	519	1 355	3 091	4 171
<i>Operating income</i>	<i>1 505</i>	<i>2 700</i>	<i>6 814</i>	<i>9 538</i>
Raw materials and consumables	0	-230	-499	-488
Other external charges	-3 378	-2 213	-10 069	-8 972
Personnel costs	-3 244	-2 976	-13 381	-10 948
Depreciation/amortization	-174	-289	-704	-590
Impairment of intangible fixed assets	0	0	-3 327	0
<i>Operating costs</i>	<i>-6 796</i>	<i>-5 708</i>	<i>-27 981</i>	<i>-20 998</i>
<b>Operating profit</b>	<b>-5 291</b>	<b>-3 009</b>	<b>-21 166</b>	<b>-11 460</b>
Interest income and similar items	16	0	16	0
Interest costs and similar items	-23	-32	-103	-160
<i>Result from financial items</i>	<i>-6</i>	<i>-32</i>	<i>-87</i>	<i>-160</i>
<b>Profit after financial items</b>	<b>-5 297</b>	<b>-3 041</b>	<b>-21 253</b>	<b>-11 620</b>
<b>Profit/loss for the period</b>	<b>-5 297</b>	<b>-3 041</b>	<b>-21 253</b>	<b>-11 620</b>
<b>Earnings per share</b>				
Earnings per share (SEK)	-0.40	-0.23	-1.63	-0.89
Diluted earnings per share (SEK)	-0.40	-0.23	-1.63	-0.89

# Balance sheet Insplorion Group

All amounts in thousands of SEK	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Capitalized expenditure for development	15 135	16 875
Concessions, patents, licenses, trade marks, etc.	2 148	2 408
	17 283	19 283
<i>Tangible fixed assets</i>		
Machinery and other technical equipment	440	543
	440	543
<b>Total fixed assets</b>	<b>17 723</b>	<b>19 826</b>
<b>Current assets</b>		
Work in progress	1 925	2 124
	1 925	2 124
Accounts receivable	280	222
Other receivables	312	138
Prepayments and accrued income	438	318
	1 030	678
Cash and bank balances	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>

# Balance sheet Insplorion Group

All amounts in thousands of SEK	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	1 964	1 963
	1 964	1 963
<i>Non-restricted equity</i>		
Premium reserve	122 458	122 426
Retained loss	-63 790	-52 169
Profit/loss for the period	-21 253	-11 620
	37 415	58 636
<b>Total equity</b>	<b>39 379</b>	<b>60 599</b>
<b>Long-term liabilities</b>		
Liabilities to credit institutions	869	1 686
	869	1 686
<b>Short-term liabilities</b>		
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	4 233	8 099
	6 845	9 798
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47 093</b>	<b>72 083</b>
<b>Pledged assets and contingent liabilities</b>		
Pledged assets	500	500
Contingent liabilities	None	None

Changes in equity	Share capital	Non-reg. issue	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
<b>Equity as of 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>
Appropriation of previous year's profit				-11 620	11 620	0
Warrant programme	1	0	49			49
Cost of redeemed warrants			-16			-16
Profit/loss for the period					-21 253	-21 253
<b>Equity as of 2022-12-31</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 as of 2021-01-01</b>	<b>1 920</b>	<b>29</b>	<b>121 419</b>	<b>-39 972</b>	<b>-12 795</b>	<b>70 601</b>
Appropriation of previous year's profit				-12 795	12 795	0
Registration of share issue	29	-29				0
New share issue (decided on 2020-11-06)	14		1 066			1 081
Issuance costs (decided on 2020-11-06)			-60			-60
Warrant programme				597		597
Profit/loss for the period					-11 620	-11 620
<b>Equity as of 2021-12-31</b>	<b>1 963</b>	<b>0</b>	<b>122 426</b>	<b>-52 169</b>	<b>-11 620</b>	<b>60 600</b>



# Cash Flow Statement Insplorion Group

All amounts in thousands of SEK	2022-10-01 -2022-12-31 3 months	2021-10-01 -2021-12-31 3 months	2022-01-01 -2022-12-31 12 months	2021-01-01 -2021-12-31 12 months
<b>Operating activities</b>				
Operating profit	-5 291	-3 009	-21 166	-11 460
Adjustment for non-cash items:				
Depreciation/amortization according to plan	174	289	704	590
Impairment of intangible fixed assets	0	0	3 327	0
Loss on sale of tangible and intangible fixed assets	0	26	0	26
Interest received	16	0	16	0
Interest paid	-23	-32	-103	-160
<b>Cash flow from operating activities before change in working capital</b>	<b>-5 123</b>	<b>-2 725</b>	<b>-17 223</b>	<b>-11 004</b>
<b>Change in working capital</b>				
Increase (-)/Decrease (+) in inventories	113	-72	199	-1 039
Increase (-)/Decrease (+) in operating receivables	-189	312	-352	790
Increase (+)/Decrease (-) in operating liabilities	36	1 934	-2 953	-3 423
<b>Cash flow from operating activities</b>	<b>-5 236</b>	<b>-552</b>	<b>-20 330</b>	<b>-14 677</b>
<b>Investing activities</b>				
Cash flow from investing activities	-839	-808	-1 928	-3 291
<b>Financing activities</b>				
Change in long-term liabilities	-233	-175	-817	-2 090
New share issue	0	0	0	2 359
Warrant programme	0	27	33	597
Cash flow from financing activities	-233	-148	-784	866
<b>Increase/Decrease of cash and cash equivalents</b>	<b>-6 308</b>	<b>-1 507</b>	<b>-23 041</b>	<b>-17 102</b>
<b>Cash/cash equivalents at the beginning of the year</b>	<b>32 722</b>	<b>50 963</b>	<b>49 455</b>	<b>66 557</b>
<b>Cash/cash equivalents at the end of the period</b>	<b>26 414</b>	<b>49 455</b>	<b>26 414</b>	<b>49 455</b>

# Indicators Insplorion Group

	2022-10-01 -2022-12-31 3 months	2021-10-01 -2021-12-31 3 months	2022-01-01 -2022-12-31 12 months	2021-01-01 -2021-12-31 12 months
All amounts in thousands of SEK if other not specified				
Net sales	185	680	2 002	2 335
Operating income	1 505	2 700	6 814	9 538
Profit after financial items	-5 297	-3 041	-21 253	-11 620
Earnings per share (SEK)	-0.40	-0.23	-1.63	-0.89
Diluted earnings per share (SEK)	-0.40	-0.23	-1.63	-0.89
Cash flow from operating and investing activities	-6 075	-1 360	-22 257	-17 968
Solidity (%)	84%	84%	84%	84%
Quick ratio (%)	401%	512%	401%	512%
The share's quota value (SEK)	0.15	0.15	0.15	0.15
Number of shares	13 090 234	13 085 944	13 090 234	13 085 944
Average number of shares	13 090 234	13 085 944	13 078 120	13 078 120
Average number of shares after dilution	13 332 145	13 323 906	13 323 906	13 323 906
Average number of employees	13	16	14	15

# The Parent Company's income statement

	2022-10-01 -2022-12-31 3 months	2021-10-01 -2021-12-31 3 months	2022-01-01 -2022-12-31 12 months	2021-01-01 -2021-12-31 12 months
All amounts in thousands of SEK				
Net sales	585	866	3 007	3 881
Own work capitalized	8	110	63	445
Other operating income	519	98	2 076	2 467
<i>Operating income</i>	<i>1 113</i>	<i>1 073</i>	<i>5 147</i>	<i>6 793</i>
Raw materials and consumables	0	-230	-499	-488
Other external charges	-2 966	-1 844	-9 378	-7 915
Personnel costs	-3 244	-2 976	-13 381	-10 948
Depreciation/amortization	-148	-131	-601	-432
<i>Operating costs</i>	<i>-6 358</i>	<i>-5 180</i>	<i>-23 860</i>	<i>-19 783</i>
<b>Operating profit</b>	<b>-5 246</b>	<b>-4 107</b>	<b>-18 713</b>	<b>-12 990</b>
Interest income and similar items	16	0	16	0
Interest costs and similar items	-22	-32	-103	-160
Impairment of shares in subsidiary	0	0	-2 500	0
<i>Result from financial items</i>	<i>-6</i>	<i>-32</i>	<i>-2 587</i>	<i>-160</i>
<b>Profit after financial items</b>	<b>-5 252</b>	<b>-4 139</b>	<b>-21 300</b>	<b>-13 150</b>
Year-end appropriations	-2 454	1 530	-2 454	1 530
<b>Profit/loss for the period</b>	<b>-7 705</b>	<b>-2 609</b>	<b>-23 753</b>	<b>-11 620</b>
<b>Earnings per share</b>				
Earnings per share (SEK)	-0.59	-0.20	-1.82	-0.89
Diluted earnings per share (SEK)	-0.59	-0.20	-1.82	-0.89

# The Parent Company's balance sheet

All amounts in thousands of SEK	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Capitalized expenditure for development	2 267	2 339
Concessions, patents, licenses, trade marks, etc.	1 222	1 378
	<b>3 489</b>	<b>3 717</b>
<i>Tangible fixed assets</i>		
Machinery and other technical equipment	440	543
	<b>440</b>	<b>543</b>
<i>Financial fixed assets</i>		
Participations in Group companies	50	50
	<b>50</b>	<b>50</b>
<b>Total fixed assets</b>	<b>3 979</b>	<b>4 310</b>
<b>Current assets</b>		
Work in progress	1 925	2 124
	<b>1 925</b>	<b>2 124</b>
Accounts receivable	280	222
Intra-group receivables	13 130	15 369
Other receivables	313	149
Prepayments and accrued income	438	318
	<b>14 161</b>	<b>16 058</b>
Cash and bank balances	24 378	47 448
<b>Total current assets</b>	<b>40 465</b>	<b>65 630</b>
<b>TOTAL ASSETS</b>	<b>44 444</b>	<b>69 940</b>

# The Parent Company's balance sheet

All amounts in thousands of SEK	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	1 964	1 963
Fund for development costs	1 605	1 541
	3 568	3 504
<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
	33 311	57 095
<b>Total equity</b>	<b>36 879</b>	<b>60 599</b>
<b>Long-term liabilities</b>		
Liabilities to credit institutions	869	1 686
	869	1 686
<b>Short-term liabilities</b>		
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	4 077	5 949
	6 695	7 654
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44 444</b>	<b>69 940</b>
<b>Pledged assets and contingent liabilities</b>		
Pledged assets	500	500
Contingent liabilities	None	None

Changes in Equity	Share capital	Non-reg. issue	Fund for developm. costs	Share premium reserve	Profit/loss carried forward	Profit/loss for the period	Total equity
<b>Equity as of 2022-01-01</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>
Appropriation of previous year's profit					-11 620	11 620	0
Change in fund for development costs			63		-63		0
Warrant programme	1			49			49
Cost of redeemed warrants				-16			-16
Profit/loss for the period						-23 753	-23 753
<b>Equity as of 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>Equity as of 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>
Appropriation of previous year's profit					-12 795	12 795	0
Change in fund for development costs			619		-619		0
Registration of share issue	29	-29					0
New share issue (decided on 2020-11-06)	14			1 066			1 080
Issuance costs (decided on 2020-11-06)				-60			-60
Warrant programme					597		597
Profit/loss for the period						-11 620	-11 620
<b>Equity as of 2021-12-31</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>

# Definitions of indicators

**Earnings per share (SEK)**

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

**Diluted earnings per share (SEK)**

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

**Solidity (%)**

Adjusted equity in relation to the balance sheet total.

**Quick ratio (%)**

Current assets less inventories, divided by current liabilities.

**Average number of shares**

Number of shares per month divided by the period.

**Average number of shares after dilution**

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

**Average number of employees**

Number of employees per month divided by the period.