



Press release 2018-01-23

Insplorion acquires financing of SEK 10 million by issuing notes and warrants

Insplorion AB (publ) acquires financing of 10 MSEK within the agreement signed with European Select Growth Opportunities Fund (ESGO). The capital injection shall be used for accelerated commercialization of the company's battery sensor. Free warrants are given to existing shareholders to counteract dilution.

On the evening of 22 January 2018, Insplorion's board of directors approved the first transaction with ESGO and granted the issue of a first tranche of notes and warrants not applying the shareholders' pre-emption following the extraordinary shareholders' meeting 17 January 2018 where a new authorization for the board of directors to issue notes and warrants was granted. The issue relates to the agreement entered between Insplorion and ESGO, announced on 19 December 2017. The 10 million SEK tranche is the first tranche under the agreement.

The capital injection will be used for accelerated commercialization of the company's battery sensor. The agreement provides a flexible scaling ability and strengthens the company's position as the company now can provide larger resources and thereby become a stronger player in future partnerships. Post-issuance of this tranche, Insplorion's cash and cash equivalents amount to 16.9 MSEK.

In connection with the issue of the first tranche of 100 notes and 158,730 warrants to ESGO, Insplorion has also issued 233,874 free warrants to transfer to its shareholders to protect them against dilution. One (1) warrant will be granted for 28 existing shares held by the shareholder. The record date for the right for the shareholders to receive the warrants will be announced after the issue is registered with the Swedish Companies Registration Office. Each warrant entitles the holder to subscribe for a (1) new share in Insplorion at a fixed strike price of 31.50 SEK. The warrants have a maturity of five years from the date of the registration of the issue with the Swedish Companies Registration Office, and will be admitted to trading on AktieTorget.

The conversion price for the notes will be set at 9% discount to the lowest daily volume weighted average price ("VWAP") over the 15 trading days preceding the conversion date. The strike price of the warrants corresponds to a 30 % premium to the lowest daily VWAP over the 15 trading days preceding the date of issuance of the first Tranche (i.e. 22 January 2018). Insplorion and ESGO have mutually agreed that the reference price for the first tranche shall be 24.2749 SEK (VWAP of 10 January 2018) instead of 21.9766 SEK (VWAP of 2 January 2018).

This information is insider information that Insplorion AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through AktieTorget, on January 23, 2018.

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Based on this VWAP of 24.2749 SEK, the potential increase in shares resulting from the conversion of all the notes and the exercise of all the warrants of the first tranche will be the following. Please note that the conversion price will change depending on the date of the request to convert, as stated above.

- Tranche amount: SEK 10,000,000
- Tranche issuance reference price: SEK 24.2749
- Strike price of warrants: $\text{SEK } 24.2749 * 130\% \approx \text{SEK } 31.50$ (rounded down to the nearest SEK 0.10)
- Number of notes: $10,000,000 / 100,000 = 100$ Notes
- Number of warrant to ESGO: $10,000,000 * 50\% / 31.50 = 158,730$
- Number of warrants to the shareholders: 233,874

Full exercise of the warrants:

- Investment from ESGO's warrants at exercise: $\text{SEK } 31.50 * 158,730 \approx \text{SEK } 5,000,000$
- Investment from shareholders' warrants at exercise: $\text{SEK } 31.50 * 233,874 \approx \text{SEK } 7,400,000$
- Total additional investment from the warrants: SEK 12,400,000
- Total number of shares from the warrants: 392,604

Example based on today's reference price:

- Conversion Price: $\text{SEK } 24.2749 * 91\% \approx \text{SEK } 22.00$ (rounded down to the nearest SEK 0.10)
- Number of shares: $\text{SEK } 10,000,000 / \text{SEK } 22.00 = 454,545$ shares

- Dilution of shareholders per current number of shares from notes and at full exercise of all of warrants: ~8.3%

The terms and conditions for the notes and the warrants will be published on Insplorion's website.

Questions are answered by:

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