

# Annual Report 2024



Insplorion

Insplorion Annual Report 2024

# Table of contents

- A word from the CEO 4
- Vision 5
- Business and market overview 6
  - Company overview 6
  - History and milestones 7
  - Technology overview 8
  - Intellectual property rights 8
  - The hydrogen market 8
  - Hydrogen sensor need 8
  - Product concept and benefits 9
  - Application areas 11
  - Insplorion's commercialization 12
- Investment rationales 13
- The share 13
- Executive management and Board of Directors 15
- Management report 17
- Consolidated income statement 23
- Consolidated balance sheet 24
- Consolidated cash flow statement 26
- The Parent Company's income statement 27
- The Parent Company's balance sheet 28
- Notes 30
- Auditor's report 40
- Financial information 43
- The formal annual accounts, signed by the Board of Directors and reviewed by the auditors, comprise pages 17–39.

## Insplorion in brief

Insplorion AB is an environmental technology company that, with its unique sensor platform, NanoPlasmonic Sensing (NPS), develops hydrogen sensors that are fast, flexible, selective, and cost-efficient at volume production.

The sensor elements show a sub-second response time, making them the fastest in the world and will promote and secure the use of hydrogen. The technology is also used in instruments that give scientists around the world real-time data within battery research and in fields like catalysis, and material and life science.

The underlying technology was developed during more than two decades of research at the Department of Physics at Chalmers University of Technology in Gothenburg and there are more than 125 published research articles focusing on the Insplorion technology.

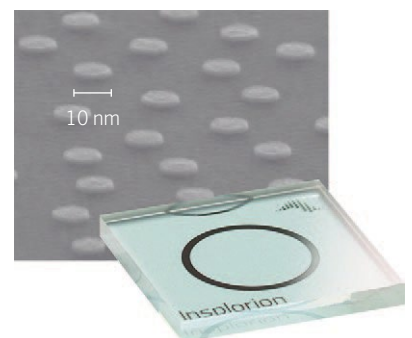
In the transition to a greener society with hydrogen as an energy carrier, Insplorion is well-positioned to act as an important enabler of the safe progress of the hydrogen market. Major investments in both infrastructure and applications are being made by both industry and governments around the world. External calculations from the Hydrogen Council (McKinsey) in September 2024 show that global project investments have seen a sevenfold increase from approximately USD 10 billion in 2020 to around USD 75 billion in 2024. Additionally, investments in the hydrogen value chain need to increase by a factor of eight from current levels by 2030 to be in line with the NetZero targets for 2050. The demand for sensors to ensure safety and efficiency will be there throughout the value chain; from production, through storage and transport, to end user applications.

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.*

*Insplorion's sensors consist of metal nanostructures that act as optical "antennas".*

*The sensor signal tracks changes in hydrogen concentration by measuring differences in optical response.*



The sensor is coated with a Nanoscopic structure that Insplorion can mass produce and tune to suit specific measurement needs.

## 2024 in brief

- Insplorion announced the timeline for launching an ATEX-certified hydrogen sensor for leak detection in Q1 2025. By the end of 2024, Insplorion had already received three orders for the sensor in question, that is, before the certification process was completed.
- During the year, Insplorion's hydrogen sensors were included in several pilot studies and collaborative projects with customers and partners across various promising industries with high potential.
- Insplorion received its first order in Asia through a Japanese distributor in the automotive industry.
- Insplorion was selected to participate in the Swedish Energy Agency's delegation to the U.S. hydrogen ecosystem.
- Insplorion signed a Letter of Intent with Saab Group AB for hydrogen safety solutions in the aviation industry.
- In the fall, Insplorion completed a new share issue, raising over MSEK 20 before issuance costs, providing financial and operational stability for both the Insplorion team and its shareholders.
- The hydrogen market in 2024 was in constant development but still needs to mature further for both the market and Insplorion to reach their full potential. However, there remains strong confidence in the future growth of the hydrogen market, where Insplorion's hydrogen sensors play a key role in ensuring a safe and efficient value chain.
- A significant focus during the year has been on advancing existing and potential new customer dialogues while continuing rapid technological development based on feedback from the market and those who already use Insplorion's sensors.

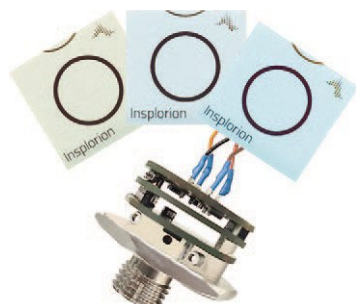
*Net sales* kSEK 1,865

*Profit after financial items* kSEK –19,665

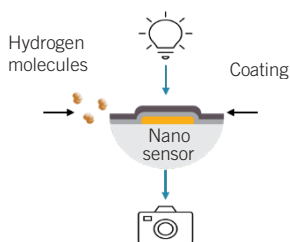
*Cash flow from operating and investing activities* kSEK –18,650

*Solidity* 83 percent

*Quick ratio* 277 percent



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



Coatings and nanosensors of different palladium-alloys used to create the right sensor abilities for several hydrogen applications.



# A word from the CEO

Another financial year of intense and successful operations has passed for Insplorion. In 2024, we have seen continued geopolitical uncertainty with conflicts and significant political elections, but also signs of stabilization in the world economy. Despite a continued strong focus on sustainability and innovation from large parts of the world, significant global efforts are required to reach climate targets and a sustainable society. In the midst of all this, we have during the year further established and strengthened our position in the rapidly developing hydrogen market, although this is not reflected in the financial markets where 2024 was a challenging year for many companies within energy transition.

## An eventful year

One of the most significant steps during the year was the announcement of our timeline for the launch of an ATEX-certified hydrogen sensor for leak detection. We received orders for this sensor even before the certification started, which is clear evidence of the market interest and our technological lead. With launch planned for Q2 2025, we look forward to introducing a product that meets the EU directive's high requirements for safety and efficiency in potentially explosive environments, thus opening up for larger orders and deliveries from Q3 and onwards.

During the year, our hydrogen sensors have also been part of several pilot studies and collaborations with customers and partners in various industries where we see high potential. These collaborations not only strengthen our technical platform but also serve as springboards for future commercial projects. We also took an important step into the Asian market with an order from a Japanese automotive distributor, which means that we now have a strong presence both in terms of sectors and geographies.

Another milestone was the new share issue we carried out in the fall, in which existing and new shareholders entrusted us with just over MSEK 20. This strengthens our ability to focus on both technology development and creating value for our shareholders.

## A rising market despite headwinds

Investments in global hydrogen projects that have reached final investment decisions (FIDs) have increased sevenfold from 2020 to 2024, from 102 projects worth USD 10 billion to 434 projects worth USD 75 billion. Success factors behind this positive development include effective incentives, demand-driven solutions and strong industrial policies, which have led to increased project maturity and more projects in advanced stages. Such progress is being made despite continuing challenges such as macroeconomic headwinds and regulatory uncertainty.

Although the market still needs to mature, we saw that the global hydrogen market continued to develop at high pace. This growth creates an increasing demand for safety solutions throughout the value chain, which makes us remain confident that our sensor, with its unique ability to detect leaks, will have an important role to play in the market.

## The journey ahead

In summary, 2024 has been a strong year for Insplorion. We have made significant progress both commercially and technologically, while laying the foundation for further successes going forward. The focus during the year has been to strengthen our customer relationships, drive technology development while building on our financial and operational foundation.

We look forward to 2025 with great confidence and are convinced that the coming year will be at least as exciting and developing as the past year.

Gothenburg, April 2025

Johan Rask, CEO



# Vision

Hydrogen sensors for an accelerated transition to a sustainable future

## Business and market overview

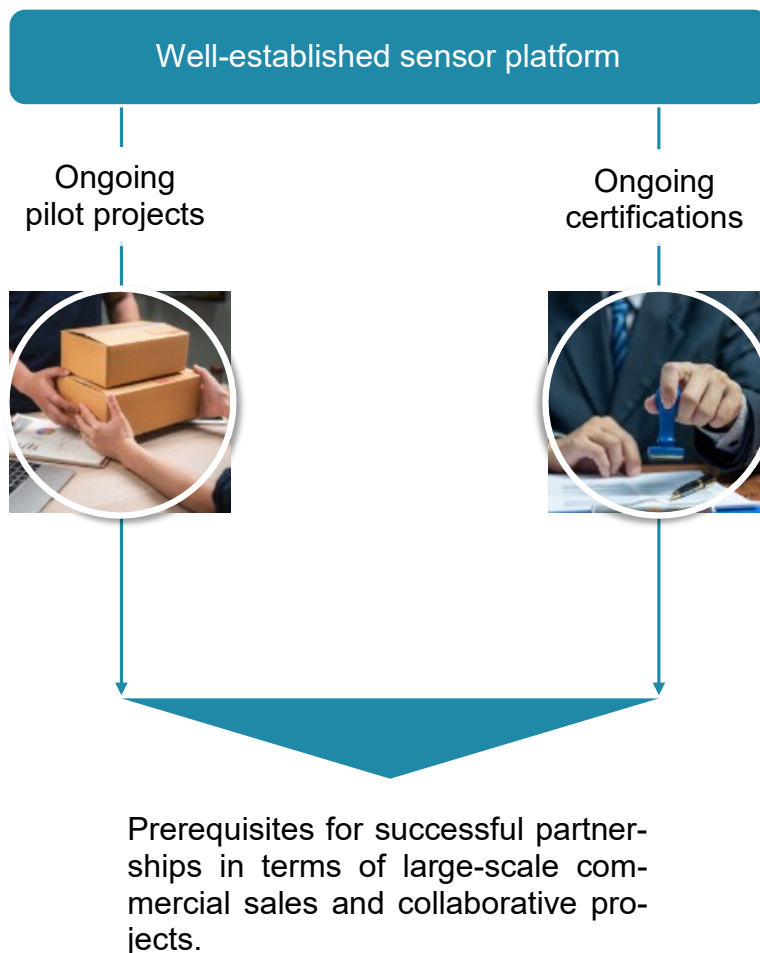
*Insplorion develops and sells a proprietary and cutting-edge sensor platform, which enables versatile, specific, and fast nanoscale measurement. Insplorion's sensors are enablers for a safe development of the hydrogen market.*

### The Company

The technology itself was commercialized in 2011 within the business area Research Instruments, where Insplorion still sells measuring instruments for research in mainly hydrogen sensing, battery research, materials development and Life Science. This business has been successful in validating the technology and identifying interesting application areas. This is particularly relevant as 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.

Since 2022, Insplorion has focused on hydrogen sensors currently sold as commercial-project prototypes. Pilot projects are carried out in both leak detection and process monitoring, aiming to validate the sensor's ability to measure in the specific customer's application. In 2023 and 2024, several contracts for such pilot projects were signed with customers in different sectors, leading to the delivery of sensors for testing. This kind of business is a valuable springboard to more and larger business opportunities.

In parallel, work is underway to ATEX-certify the NPS-P2 product, which is planned to be launched in the second quarter of 2025 and delivered from Q3 and onwards. We see it as a natural part of the future to work with partnerships, partly for the commercial rollout of NPS-P2 but also in collaborative projects for development in specific segments and applications.



## History and milestones

*The journey leading up to what Insplorion is today started way back in time. We are proud of the experience and customer value we have generated during these past ~25 years, and see our history as a strong backbone for our continued journey.*

### The late 1990s – The journey begins

Prof. Bengt Kasemo and Igor Zoric start to work with nanoplasmonic particles for sensing purposes at Chalmers.

### 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 listing

Insplorion AB goes public on Aktietorget (Spotlight) and raises capital to further develop the air quality and battery applications.

### 2019 – International contexts

The Eurostars InBAT project, which aims to develop the next generation of sensor equipped battery cells, is fully funded. The air quality sensor takes the first international step with the UK as new ground. Article from Chalmers is published showing Insplorion's technology as the world's fastest hydrogen sensor.

### 2021 – To First North and automotive industry

Insplorion changes marketplace to Nasdaq First North Growth Market where international and institutional investors join. A leading German automotive OEM purchases Insplorion's M8 Instrument to optimize automotive batteries.

### 2023 – Several commercial agreements

The hydrogen sensor is sold to customers in three distinct sectors: marine, aviation, and energy systems. The response from customers is positive, giving Insplorion the confidence to raise more money to push the Company towards large-scale commercialization.

### 2004–2008 – From research to development

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

The Company's first sale is made. The University of Eindhoven acquires an X1 system.

### 2017 – Patents approved

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

### 2020 – Hydrogen application area initiated

In light of the research success of the "world's fastest hydrogen sensor" and interest from industry, a project is initiated with Chalmers University of Technology and PowerCell.

### 2022 – All in 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.

### 2024 – Large scale commercialization preparations

Insplorion presents timeline for ATEX certification of hydrogen sensor and takes part in several commercial pilot projects and collaborative projects.

## Technology and market

Insplorion's technology is called NanoPlasmonic Sensing (NPS) and is based on a long-known optical phenomenon – Localized Surface Plasmon Resonance (LSPR). Simply put, this phenomenon means that small particles (nanoparticles) of certain metals naturally capture and scatter light of a specific wavelength, the LSPR wavelength, when illuminated. For nanoparticles containing palladium, the LSPR wavelength depends, among other things, on the hydrogen concentration in the environment. In Insplorion's hydrogen sensors, nanoparticles of various palladium alloys are used, which are attached to a surface. The nanoparticles are covered with a functional and protective coating. In the presence of hydrogen, the particles absorb hydrogen, and their LSPR wavelength changes. The interaction of the particles with light is measured in real-time and is directly correlated with the hydrogen concentration in the environment.

## Intellectual property rights

The IPR (Intellectual Property Rights) of Insplorion consists of both unique 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 of 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 (gray 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 only in recent years that the technology and the need for exploring this opportunity has caught up. As is well known, hydrogen is highly reactive, has no smell, and is 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 estimates, among other things, that > USD 500 billion will be invested globally in the hydrogen economy by 2030. The latest update published in

September 2024 also shows that global hydrogen projects increased by about seven times between 2020 and 2024. Projects are mainly concerning areas such as process industry, production, transport, and storage.

Forecasts from organizations such as the International Energy Agency (IEA), Hydrogen Council, BP Energy Outlook, and Shell Scenarios highlight the increasingly widespread role of hydrogen in society. Today, hydrogen usage accounts for approximately 1% of global energy consumption, a figure that could grow to between 8% and 22% by 2050, according to various analysts. The heavy industry sector (steel, chemicals) will account for the largest share, around 20–30%, while new applications in mobility (road vehicles, maritime, and aviation) are expected to account for about 25% of total hydrogen usage.

The EU views hydrogen's role as central to achieving climate neutrality and plans to invest €470 billion solely in increasing hydrogen production capacity by 2050. The European Commission has also established a hydrogen bank with €1 billion earmarked for green hydrogen production and an additional €200 million for projects in the maritime sector. In Sweden, hydrogen will be key to the electrification of society and the transition to fossil-free processes in the steel industry and heavy transport.

**What is highly significant from the Insplorion perspective is that hydrogen sensors are needed anywhere hydrogen is produced, stored, transported and used.**

## Hydrogen sensor need

The rapidly growing use of hydrogen requires robust systems for process control and for safety throughout the value chain. Here, supervision by means of sensors is an important 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.

In addition to reducing the risk of accidents, sensors also help to optimize processes and minimize downtime in operations, which has a positive impact on profitability. Thus, sensor-controlled processes 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. The speed, selectivity, and the fact that the sensors work in different application environments are of great importance here.

## Product concept and its benefits

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)
- 2) Process monitoring (in-line sensors to ensure safe and efficient processes)
- 3) Remote read-outs via fiber optics to complement the above.

The speed of the sensor is of great importance, especially for safety applications. However, fast response time is always an advantage, e.g., when you want to control processes where hydrogen is used, such as optimizing fuel cells, electrolyzers, or other industrial processes.

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

Optical readouts also make it possible to avoid electronics in the gas environment, which adds a safety aspect and the capability of detection in difficult-to-access environments using fiber optics.

The sensor is not dependent on oxygen to detect hydrogen, making it suitable for applications where an inert environment, i.e., reduced oxygen, is used to decrease the risk of explosion.

Another advantage is that the technology is flexible and can be adapted to different sensor needs and environments through variations in structure, alloys, and coatings.

Insplorion sensors benefit many current and emerging market segments through improved H<sub>2</sub> detection performance that ensures safe and efficient operation.

The benefits mentioned above represent competitive advantages over other commercially available hydrogen detection technologies. For example, electrochemical and catalytic sensors depend on oxygen for their function, and many sensors measure things such as flammable gases, which require you to know with certainty which gases are present in the application.



**Fast response**  
Enables quick action



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



**Optical readout**  
Sensors can be separated from electronics

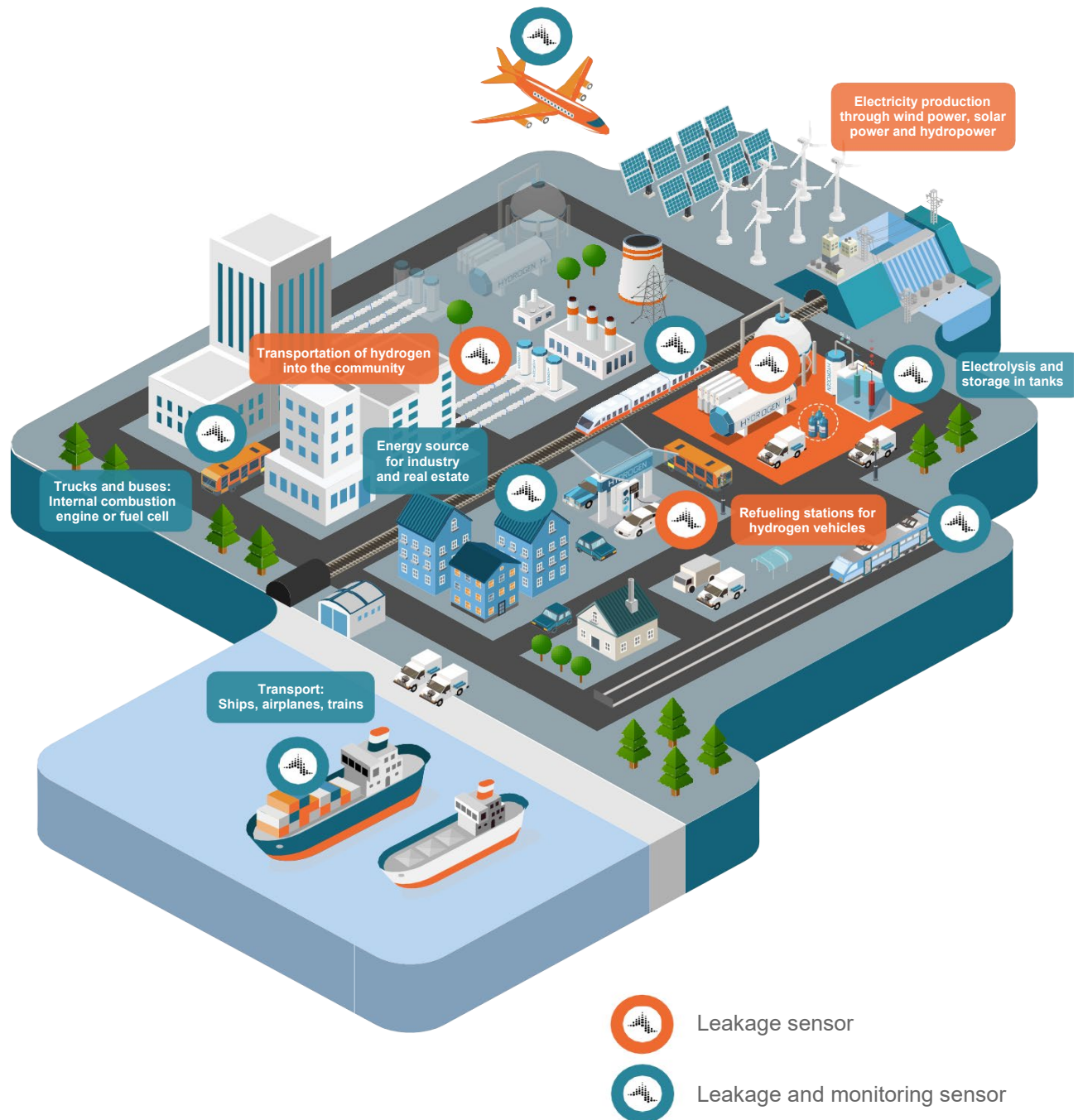


**O<sub>2</sub>-independent**  
Operates without oxygen, e.g., in inert environments



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





## Application areas

The visualization above illustrates the broad potential for using Insplorion sensors in the hydrogen value chain. The application areas for hydrogen are many and Insplorion sensors can be adapted to suit various 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, Insplorion focuses on two major paths:

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

## Insplorion's commercialization

For companies like Insplorion, which is firmly rooted in research, the step from being a research and development company to becoming a commercial company is a challenging journey. Insplorion has made great strides in recent years by continuously presenting progress on several fronts. For a company to successfully commercialize its products, there must be a demand, a game plan and a capacity that make sales possible. Insplorion has shown in a short time that it is now well on its way to achieving all three of these conditions.



### Customer contracts show clear demand

The fact that Insplorion started delivering on four different customer contracts shortly after the hydrogen focus was initiated shows that there is a clear need in the market and that Insplorion's sensors meet customers' wishes. For a deep tech company like Insplorion, this type of contract is the first step that must be passed before larger contracts can be signed.

### ATEX certified product

In the beginning of 2024, Insplorion was able to announce the timeline for its first certified hydrogen sensor for leak detection. When Insplorion now takes its first product through the ATEX certification process, this step clearly marks the transition from a development company to a product company. The certification will open new doors for Insplorion and provide both internal and external assurance that the sensors are ready for large-scale commercialization.



### Equipped for large-scale production

Insplorion cooperates closely with dedicated production partners and has dialogues with additional potential partners, providing good conditions for scaling up production. The Insplorion team is confident in continuing to deliver quality-controlled products with a high level of service even as volumes increase. The production scale-up is also part of the ongoing certification process, giving the work a clear timeline.

## Investment rationales

- Hydrogen as an energy carrier is a key factor in the transition to a renewable energy system and a sustainable future. Major investments are currently being made globally in this area.
- Insplorion's sensors contributes to an accelerated transition with sensors for the safe and efficient use of hydrogen.
- Commercial phase with several ongoing projects with partners in marine, aviation, and energy systems.
- Unique proprietary sensor platform with several advantages, such as very short response time, which enables fast decisions, risk management and lower operating costs.
- Solid basis from research and an experienced team with proven success in commercializing innovative technologies.

## 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 commercialize 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, 2021. The shares are traded under the short name INSP, with ISIN code SE0006994943. Insplorion's stock was traded on Spotlight Stock Market from 2015 to January 2021.

## Share capital

As of December 31, 2024, the share capital of Insplorion amounted to SEK 7,422,232, divided into a total of 49,481,532 shares with a quota value of SEK 0.15 per share.

## Shareholders

As of December 31, 2024, Insplorion had 4,145 shareholders. The table on page 14 shows the ten largest shareholders.

## Price development 2024

During the year, Insplorion's share price decreased by 74.93 percent and was SEK 0.429 on December 31, 2024. Average shares traded per trading day during 2024 were 171,729 shares. Market capitalization amounted to MSEK 21,2 as of December 31, 2024. The diagram on page 14 shows the price development for the period January 1 to December 31, 2024.

## Largest shareholders

Name	Share of votes and capital (%)
Avanza Pension	6.5
Kenneth Svensson	6.1
Mikael Hägg	4.4
Fenja Capital I A/S	3.9
Gryningskust Holding AB	3.0
Hans-Olov Olsson	2.0
Nordnet Pensionsförsäkring	2.0
Mikael Lönn	1.9
JSH Biotech APS	1.5
Svesten AB	1.2
Other shareholders	67.5
<b>Total</b>	<b>100.00</b>

## Share capital development

Since the Company's start in 2010 until December 31, 2024, 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 of shares	117,333	117,333	1.00
2011	New issues of shares	126,666	126,666	1.00
2012	New issues of shares	159,333	159,333	1.00
2014	New issues of shares	181,539	181,539	1.00
2015	New issues of shares and split	753,838	5,025,585	0.15
2016	New issues of shares	942,297	6,281,981	0.15
2017	New issues of shares	982,272	6,548,481	0.15
2018	New issues of shares	1,059,613	7,064,083	0.15
2019	New issues of shares	1,467,181	9,781,205	0.15
2020	New issues of shares	1,920,212	12,801,409	0.15
2021	New issues of shares	1,962,982	13,085,944	0.15
2022	New issues of shares	1,963,535	13,090,234	0.15
2023	New issues of shares	3,142,912	20,952,742	0.15
2024	New issues of shares	7,422,232	49,481,532	0.15

## Share price 2024



## 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), Timik Group AB (member), Lumina Adhesives AB (member).

**Holding** 380,446 shares as per 2024-12-31, of which 170,203 via Currere AB.

### *Olof Andersson*

Responsible for production and development since 2012

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** 57,786 shares as per 2024-12-31.

### *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. Elin has previously also been a scientist at the Competence Center for Catalysis at Chalmers.



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

**Holding** 210,079 shares as per 2024-12-31.



## 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. Since August 2022, he has been CEO of Gapwaves, a Gothenburg-based technology company that develops and sells antennas based on a patented waveguide technology, with main application areas in automotive radar and telecom. The company was founded in 2011 and has been listed on First North Growth since 2016. Between 2010–2022, Jonas was CEO of Osstell AB, a global company that develops, manufactures and distributes diagnostic equipment for stability measurements. He has previously been CEO of Collectricon and Mentice. Jonas has a solid experience in developing sales strategies, distribution and sourcing in technology-focused and international companies. During his time at Osstell, he has also spent some time living in the US 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 and Chairman of the Board of Unfold West AB and board member of Metasum AB and Sensrad AB.

**Holding** 140,000 shares via Walsh Holding AB as per 2024-12-31.

### **Hedvig Paradis**

**Board member since 2023**

Hedvig has a master's degree with a focus on mechanical engineering from Lund University, as well as studies at UCLA Berkeley and the Georgia Institute of Technology. She has also completed a PhD in energy sciences at Lund University with a focus on hydrogen. Hedvig is since 2021 responsible for the hydrogen field focusing on technology selection, design work and suppliers along with the Stegra contract as VP of Hydrogen. Before Stegra, Hedvig has held several positions at TRATON Group and Scania in Sweden and Germany. Among other things, she has worked on connected services and related solutions, but also on electrification in the early stages.



**Other ongoing assignments -**

**Holding** 95,834 shares as per 2024-12-31.

### **Daniel Johansson**

**Board member since 2023**

Daniel has a degree in International Economics from Uppsala University. He has experience in renewable energy and green transition from his work as CEO of the listed wind power company Arise AB from 2016 to 2021, a period characterized by successful transformation in financial and business terms. He has also been active in politics for over 10 years, including four years as State Secretary for Energy and IT. Daniel 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** Chairman of the board of Solarwork Holding AB and board member of SR Energy AB.

**Holding** 372,500 shares as per 2024-12-31.

### **Jan Burenius**

**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 Unrivalled Customer Value" which has been included as course literature at technical universities on customer value and innovation. Today, Jan works as head of the Chalmers Innovation Foundation with Stena Center and is vice chairman of Engineers Without Borders. 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, OpenHack C4H (svb), Envue Technologies AB and DREV AB, deputy board member of Burenius & Partners AB.

**Holding** 47,378 shares via Nimba AB as per 2024-12-31.

### **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 and Gapwaves AB. Magnus is also a board member of Smart Eye AB.

**Holding** 142,500 shares as per 2024-12-31.

## Management report

The Board of Directors together with the CEO are hereby authorized to prepare the annual report and consolidated accounts for the financial year 2024-01-01 – 2024-12-31.

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

### Information about the business

Insplorion is a Gothenburg-based environmental technology company, founded in 2010, which with its patented sensor platform NanoPlasmonic Sensing (NPS) develops and sells hydrogen sensors. The sensors are fast, selective for hydrogen, does not require oxygen to work and can be adapted for different measurement environments. In addition to hydrogen sensors, the Company sells NPS-based research instruments utilizing its versatile technology.

The underlying technology was developed during more than a decade of research at the Department of Physics at Chalmers University of Technology and there are now more than 125 published research articles using the Insplorion technology. Insplorion, 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 15th year of operation.

### Significant events during the financial year

- Insplorion announced the timeline for launching an ATEX-certified hydrogen sensor for leak detection in Q1 2025. Already at the end of 2024, Insplorion received three orders for the sensor in question, thus before the certification was finalized.
- Insplorion signed several agreements for pilot studies and collaborative projects with customers and partners in several interesting industries with high potential.
- Insplorion received its first order in Asia via an order from a Japanese distributor in the automotive industry.
- During the fall, Insplorion carried out a new share issue that raised just over MSEK 20 before issuance costs, which provided financial and operational peace of mind for both the Insplorion team and its shareholders.

### Expected future development as well as risks and uncertainties

Within hydrogen, the ambition is to realize more customer-financed projects and launch an ATEX certified product in Q2 2025 to enable large-scale production for volume applications. Deliveries of ATEX certified sensors are expected from Q3 and onwards.

In research instruments, we continue to supply sensors and instruments to existing customers but have no intention of further developing the business with new instruments or aggressive marketing.

### Results and position – The Group

Net sales for the full year are slightly below those of the previous year, and currently consist of sales of sensors in various pilots and customer projects. The negative development of the result has been mitigated due to lower operating costs, where the Company, as a result of its focus on the hydrogen business compared to the previous multiple segments, has been able to reduce its operating cost base.

As part of the strategy change to focus primarily on hydrogen, write-downs of intangible fixed assets were made during the year. Write-downs of approximately MSEK 2 were made and relate to previously capitalized development costs attributable to the instrument and battery sensor project.

Cash and cash equivalents amounted to kSEK 12,753 (11,204) as of December 31. See further comments on going concern on page 20. The Company's interest-bearing liabilities totaled kSEK 269 (1,209).

Cash flow for the period (January 1 – December 31) amounted to kSEK 1,549 (–15,211), of which cash flow from operating activities amounted to kSEK –15,645 (–19,280).

### Corporate risks

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

## 1. Operational and industry-related risks

### Risks related to demand and market acceptance

Nanoplasmonic Sensing (“NPS”) is an emerging technology. Insplorion aims to provide its hydrogen sensor technology and research instruments. In the business area of hydrogen sensors, Insplorion’s long-term goal is to sell large volumes of the sensors to both private and public actors around the world. Insplorion’s sales are affected by customer demand for the Company’s products. 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 will not materialize as quickly as previously projected due to hydrogen projects around the world not being realized as quickly as planned. This may affect the Company’s future revenue and growth. Insplorion estimates that the probability of the risk, in whole or in part, being realized is medium. In the event that the risk is realized, and market acceptance is not achieved, it could potentially have a high negative impact on, in particular, the Company’s revenue.

### Risks related to commercial collaborations

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 to varying degrees dependent on these collaborations developing according to plan for the successful commercialization of its technology in new application fields. 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 of Insplorion chooses to end a partnership, there is a risk that the Company may not be able to continue projects linked to such a partner on its own, or that new collaborations must be initiated with a different partner, in order for projects to be further developed. This may result in higher costs for the Company and delay the time to commercialization. Insplorion estimates that the probability of the risk, in whole or in part, being realized is medium. In the event that the risk is realized, it could potentially have a high negative impact on, in particular, the Company’s costs.

### Risks related to market competition

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. As of the date of the annual report, the Company has not discovered any equivalent technologies to the Company’s NPS technology that offer the same possibilities for measuring hydrogen. 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. Insplorion estimates that the probability of the risk, in whole or in part, being realized is medium. In the event that the risk is realized, and the Company faces unexpected competition in several or all areas, it could potentially have a medium negative impact on, in particular, the Company’s revenue.

### Risks related to key individuals and employees

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. In addition, the Company is facing a growth initiative that requires an expanded organization. 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. 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. There is also a risk that the Company’s resources are not sufficient to recruit and retain qualified personnel, which could have a negative impact on Insplorion’s operations, financial position and results. Insplorion estimates that the probability of the risk, in whole or in part, being realized is low. In the event that the risk is realized, it could potentially have a high negative impact on, in particular, the Company’s costs.

## 2. Legal risks

### Risks related to the Company’s intellectual property

Insplorion develops new technologies in the course of its business that are in great need of protection from competitors. Patents and other intellectual property rights are thus a key asset in the Company’s operation, and any future success is largely dependent on the possibilities of protecting, maintaining, and creating intellectual property

protection in the form of know-how and patents. 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, that know-how cannot be secured, 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. Insplorion estimates that the probability of the risk, in whole or in part, being realized is low. In the event that the risk is realized, it could potentially have a high negative impact on, in particular, the Company's costs and income.

#### **Risks related to product liability**

Insplorion markets a proprietary product and thus has extensive product liability towards its customers. In the event that the Company is unable to ensure the safety and quality of the product, the Company risks being subject to legal action and damages as a result of damage caused by the Company's product. In the context of judicial proceedings, the Company may be forced to defend itself in ways that adversely affect its ongoing operations. Insplorion's liability insurance may prove insufficient to cover all potential claims and losses, which could adversely affect the Company's financial position. Even unsubstantiated claims can expose Insplorion to negative publicity and cause Insplorion to incur significant costs for legal advice and potentially lengthy legal proceedings. Regardless of the final decision, such claims and legal proceedings may significantly impact Insplorion's reputation and, thus, also the Company's ongoing operations. Insplorion estimates that the probability of the risk, in whole or in part, being realized is low. In the event that the risk is realized, it could potentially have a high negative impact on, in particular, the Company's costs and income.

### **3. Financial risks**

#### **Risks related to funding**

Insplorion is a product development company in a growth phase that currently has limited revenues due to product sales and relatively high development costs. Since its formation, Insplorion's operations have generated a negative operating profit and it cannot be excluded that it will take longer time than estimated for the Company to achieve positive cash flow. In light of the fact that the Company is in a growth phase, it can neither be excluded that the Company in the future will have larger capital requirements than what today is deemed necessary. If Insplorion fails to generate additional revenues or implement sufficient cost reductions in the future, the Company may be forced to explore alternative financing options, such as additional capital raising, grants, or financing by borrowing from financial institutions. There is a risk that new capital cannot be added when needed or on acceptable terms or that added capital will not be sufficient to fund operations in accordance with established development plans and objectives. The conditions for available funding may also negatively impact the Company's operations as debt financing, if available to the Company, may contain restrictive conditions that could limit the Company's flexibility. Furthermore, the Company's future capital requirements may differ from management's calculations. Future capital requirements depend on several factors, including the costs of developing and commercializing product candidates, as well as the timing and extent of sales revenues from current and future products. If the Company fails to estimate its future capital requirements and cannot raise capital on terms favorable to the Company, it could adversely affect the Company's financial position and ability to develop its business. In the long term, a lack of funding or unsuccessful capitalization measures could result in the Company going into reconstruction or, in the worst case, bankruptcy. Insplorion estimates that the probability of the risk, in whole or in part, being realized is low.

## 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 rules in K3, Chapter 11, which means that valuation is based on acquisition value.

## Potential to continue as going concern

In the coming years, the Company will continue to invest in the commercialization of the hydrogen sensor, which will continue the demand for funding. The Board of Directors is therefore evaluating various options to strengthen the Company's financial position through further capital raising in 2025. The Board assesses that the Company needs additional capital to ensure continued operation during the current year. The Board's main short-term focus is to ensure a high conversion rate of the outstanding warrants under the TO3 program, which has its subscription period in May 2025.

The Board of Directors considers the possibility of securing such new funding to be good and consequently sees that the annual report can be published under the assumption of continued operations.

## 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, 2021. The share was until then traded on Spotlight Stock Market from June 25, 2015.

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

At the end of 2024, the Company had 49,481,532 shares with a quota value of SEK 0.15.

As of December 31, 2024, Insplorion had more than 4,145 shareholders. The table on page 14 shows the ten largest shareholders.

## Multiple-year comparison

The Group	2024	2023	2022	2021	2020
Net sales	1,865	1,948	2,002	2,335	1,177
Profit after financial items	−19,665	−24,266	−21,253	−11,620	−12,795
Balance sheet total	31,525	30,071	47,093	72,083	87,600
Solidity (%)	83.2%	82.3%	83.6%	84.19%	80.6%

The Parent Company	2024	2023	2022	2021	2020
Net sales	4,496	6,601	3,007	3,881	2,898
Profit after financial items	−18,270	−18,255	−21,300	−13,150	−13,664
Balance sheet total	30,411	27,419	44,443	69,940	85,729
Solidity (%)	82.6%	81.2%	83.0%	86.6%	82.4%

For definitions of indicators, see additional disclosures.

## Changes in equity

The Group (kSEK)	Share capital	Other added capital	Balanced result	Result of the period	Total equity
<b>Equity on 2023-01-01</b>	<b>1,964</b>	<b>122,458</b>	<b>-63,790</b>	<b>-21,253</b>	<b>39,379</b>
Outline of previous year's results			-21,253	21,253	
New issues of shares	1,179	10,614			11,794
Issuance costs		-2,147			-2,147
Result for the year				-24,266	-24,266
<b>Equity on 2023-12-31</b>	<b>3,143</b>	<b>130,925</b>	<b>-85,043</b>	<b>-24,266</b>	<b>24,759</b>
<b>Equity on 2024-01-01</b>	<b>3,143</b>	<b>130,925</b>	<b>-85,043</b>	<b>-24,266</b>	<b>24,759</b>
Outline of previous year's results			-24,266	24,266	0
Redeemed warrants	425	4,963			5,389
Rights issue	3,854	16,700			20,554
Issuance costs		-4,802			-4,802
Result for the year				-19,665	-19,665
<b>Equity on 2024-12-31</b>	<b>7,422</b>	<b>147,786</b>	<b>-109,309</b>	<b>-19,665</b>	<b>26,235</b>

The Parent Company (kSEK)	Restricted equity		Unrestricted equity			Total equity
	Share capital	Fund for development fees	Other added capital	Balanced result	Result of the period	
<b>Equity on 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>
Outline of previous year's results				-23,753	23,753	
Change development fund		-444		444		
Rights issue	1,179		10,614			11,794
Issuance costs			-2,147			-2,147
Result for the year					-24,265	-24,265
<b>Equity on 2023-12-31</b>	<b>3,143</b>	<b>1,161</b>	<b>130,925</b>	<b>-88,704</b>	<b>-24,265</b>	<b>22,260</b>
<b>Equity on 2024-01-01</b>	<b>3,143</b>	<b>1,161</b>	<b>130,925</b>	<b>-88,704</b>	<b>-24,265</b>	<b>22,260</b>
Outline of previous year's results				-24,265	24,265	0
Change development fund		-235		235		
Redeemed warrants	425		4,963			5,389
Rights issue	3,854		16,700			20,554
Issuance costs			-4,802			-4,802
Result for the year					-18,270	-18,270
<b>Equity on 2024-12-31</b>	<b>7,422</b>	<b>926</b>	<b>147,786</b>	<b>-112,734</b>	<b>-18,270</b>	<b>25,130</b>

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

The following funds are available to the Annual General Meeting:

Premium reserve	143,785,987
Balanced profit including profit for the year	-131,004,455
<b>Total</b>	<b>16,781,532</b>

The Board of Directors proposes that the available funds, SEK 16,781,532, be carried 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.

## Consolidated income statement

All amounts in thousands of SEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
<b>Operating revenue</b>	1		
Net sales	3	1,865	1,948
Own work capitalized		2,911	5,153
Other operating income	2	891	400
<b>Total operating income</b>		<b>5,667</b>	<b>7,501</b>
<b>Operating expenses</b>			
Raw material and consumables		–498	–493
Other external charges	4, 5	–10,402	–10,801
Personnel costs	6	–11,256	–13,199
Depreciation of intangible and tangible fixed assets		–1,290	–2,567
Depreciation of intangible fixed assets		–1 983	–4,782
<b>Total operating expenses</b>		<b>–25,428</b>	<b>–31,841</b>
<b>Operating result</b>		<b>–19,761</b>	<b>–24,340</b>
<b>Profit from financial items</b>			
Interest income and similar items	7	97	178
Interest costs and similar items	8	–2	–105
<b>Profit from financial items</b>		<b>96</b>	<b>73</b>
<b>Results before tax</b>		<b>–19,665</b>	<b>–24,266</b>
Tax on result for the year	9	0	0
<b>Results for the year</b>		<b>–19,665</b>	<b>–24,266</b>

Earnings per share before and after dilution kSEK –0.67 (–1.69).

## Consolidated balance sheet

All amounts in thousands of SEK	Note	2024-12-31	2023-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenses for development work	10	14,061	13,794
Concessions, patents, licenses, trademarks	11	1,029	1,498
<b>Total intangible assets</b>		<b>15,091</b>	<b>15,291</b>
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	12	534	236
<b>Total tangible fixed assets</b>		<b>534</b>	<b>236</b>
<b>Total fixed assets</b>		<b>15,625</b>	<b>15,527</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Work in progress		1,271	1,669
<b>Total inventories, etc.</b>		<b>1,271</b>	<b>1,669</b>
<i>Receivables</i>			
Accounts receivable		404	529
Other receivables		400	682
Prepayments and accrued income	14	1,072	460
<b>Total current receivables</b>		<b>1,876</b>	<b>1,670</b>
<i>Cash and cash equivalents</i>	15	12,753	11,204
<b>Total current assets</b>		<b>15,900</b>	<b>14,544</b>
<b>TOTAL ASSETS</b>		<b>31,525</b>	<b>30,071</b>

All amounts in thousands of SEK	Note	2024-12-31	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	7,422	3 143
Other added capital		147,786	130,925
Profit/loss carried forward		–109,308	–85,043
Results for the year		–19,665	–24,266
<b>Total equity</b>		<b>26,235</b>	<b>24,759</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to credit institutions	17	0	494
<b>Total long-term liabilities</b>		<b>0</b>	<b>494</b>
<i>Short-term liabilities</i>			
Liabilities to credit institutions		269	715
Accounts payable		1,768	1,016
Pre-payments from customers		53	0
Current tax liabilities		15	83
Other short-term liabilities		179	230
Accruals and deferred income	18	3,007	2,773
<b>Total short-term liabilities</b>		<b>5,290</b>	<b>4,818</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,525</b>	<b>30,071</b>

## Consolidated cash flow statement

All amounts in thousands of SEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
<b>Operating activities</b>			
Operating profit		–19,761	–24,340
Adjustment for non-cash items	22		
Depreciation according to plan		1,290	2,567
Impairments of intangible fixed assets		1,983	4,782
Interest income and similar items		97	178
Interest costs and similar items		–2	–105
<b>Cash flow from operating activities before changes in working capital</b>		<b>–16,393</b>	<b>–16,918</b>
<b>Cash flow from changes in working capital</b>			
Increase (–)/decrease (+) in inventories		34	256
Increase (–)/decrease (+) in operating receivables		–205	–640
Increase (+)/decrease (–) in operating liabilities		921	–1,978
<b>Cash flow from changes in working capital</b>		<b>748</b>	<b>–2,362</b>
<b>Cash flow from operating activities</b>		<b>–15,645</b>	<b>–19,280</b>
<b>Investing activities</b>			
Acquisition of capitalized expenses for research and more	10,11	–2,911	–5,153
Acquisition of machinery and other technical facilities	12	–94	0
<b>Cash flow from investing activities</b>		<b>–3,005</b>	<b>–5,153</b>
<b>Financing activities</b>			
Amortization of loans	17	–940	–425
New issues of shares		15,751	9,647
Options program		5,389	0
<b>Cash flow from financing activities</b>		<b>20,200</b>	<b>9,222</b>
<b>Increase/decrease of cash and cash equivalents</b>		<b>1,549</b>	<b>–15,211</b>
<b>Cash/cash equivalents at the beginning of the year</b>		<b>11,204</b>	<b>26,415</b>
<b>Cash/cash equivalents at the end of the year</b>	15	<b>12,753</b>	<b>11,204</b>

## The Parent Company's income statement

All amounts in thousands of SEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
<b>Operating revenue</b>	1		
Net sales	3	4,496	6,601
Own work capitalized		117	78
Other operating income	2	891	400
		<b>5,505</b>	<b>7,079</b>
<b>Operating costs</b>			
Raw material and consumables		–498	–493
Other external charges	4,5	–10,217	–10,356
Personnel costs	6	–11,256	–13,199
Depreciation of intangible and tangible fixed assets		–844	–1,124
Impairment of intangible fixed assets		–1,056	–236
		<b>–23,871</b>	<b>–25,407</b>
<b>Operating profit</b>		<b>–18,366</b>	<b>–18,329</b>
<b>Result from financial items</b>			
Interest income and similar items	7	98	179
Interest costs and similar items	8	–2	–105
		<b>96</b>	<b>74</b>
<b>Profit after financial items</b>		<b>–18,270</b>	<b>–18,255</b>
Year-end appropriations		0	–6,010
Tax on profit for the year	9	0	0
<b>Profit/loss for the year</b>		<b>–18,270</b>	<b>–24,265</b>

## The Parent Company's balance sheet

All amounts in thousands of SEK	Note	2024-12-31	2023-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Capitalized expenses for development work	10	317	1,608
Concessions, patents, licenses, trademarks, etc.	11	472	803
<b>Total intangible fixed assets</b>		<b>789</b>	<b>2,411</b>
<b>Tangible fixed assets</b>			
Machinery and other technical facilities	12	534	236
		<b>534</b>	<b>236</b>
<b>Financial fixed assets</b>			
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>1,374</b>	<b>2,697</b>
<b>Current assets</b>			
<b>Inventories, etc.</b>			
Work in progress		1,271	1,669
<b>Total inventories, etc.</b>		<b>1,271</b>	<b>1,669</b>
<b>Current receivables</b>			
Accounts receivable		404	529
Receivables from group companies		13,386	11,438
Other receivables		234	474
Prepayments and accrued income	14	1,072	460
<b>Total current receivables</b>		<b>15,096</b>	<b>12,901</b>
<b>Cash and bank balances</b>	15	12,670	10,152
<b>Total current assets</b>		<b>29,037</b>	<b>24,722</b>
<b>TOTAL ASSETS</b>		<b>30,411</b>	<b>27,419</b>

All amounts in thousands of SEK	Note	2024-12-31	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	16	7,422	3,143
Fund for development costs		926	1,161
<b>Total restricted equity</b>		<b>8,349</b>	<b>4,304</b>
<i>Non-restricted equity</i>			
Premium reserve		147,786	130,925
Retained loss		–112,734	–88,704
Profit/loss for the year		–18,270	–24,265
<b>Total non-restricted equity</b>		<b>16,782</b>	<b>17,957</b>
<b>Total equity</b>		<b>25,130</b>	<b>22,259</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to credit institutions	17	0	494
<i>Total long-term liabilities</i>		<i>0</i>	<i>494</i>
<i>Short-term liabilities</i>			
Liabilities to credit institutions		269	715
Accounts payable		1,768	1,013
Pre-payments from customers		53	0
Current tax liabilities		21	89
Other short-term liabilities		179	230
Accruals and deferred income	18	2,991	2,618
<b>Total short-term liabilities</b>		<b>5,281</b>	<b>4,665</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,411</b>	<b>27,419</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.

Definition of indicators

Solidity

Adjusted equity in relation to the balance sheet total.

Quick ratio

Current assets excluding inventory as a percentage of short-term liabilities.

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 any 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, and are reported at acquisition value less any accumulated depreciation and 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 satisfy the requirements is recognized as incurred. The amount capitalized during the year is allocated 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 prepare 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.	5

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 the indirect method. The reported cash flow only includes transactions that result in receipts or payments. 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 re-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 does not provide the Company any future economic benefits is recognized as expenses and liabilities when there is legal or constructive obligation to pay such compensation. Compensations 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 ex-change rate differences are recognized in the in-come 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 as-sets 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 trans-actions 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 judgments**

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.

#### *Impairments*

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 acquisition value includes the purchase price 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	
	2024	2023	2024	2023
Public grants	223	400	223	400
Debt write-off	668	0	668	0
	<b>891</b>	<b>400</b>	<b>891</b>	<b>400</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	
Percentage	2024	2023	2024	2023
Sales relating to group companies	0	0	59	70

**Note 4 Leases***Operational leasing*

The Group's leasing expenses primarily consist of leased premises and the lease runs with a nine-month notice period.

The Group	2024-12-31	2023-12-31
Within one year	950	950
Later than one year but within five years	0	0
Later than five years	0	0
<b>Group total</b>	<b>950</b>	<b>950</b>

The Group's operational lease costs for the year amounted to to kSEK 1,304 (kSEK 1,255).

The Parent Company	2024-12-31	2023-12-31
Within one year	950	950
Later than one year but within five years	0	0
Later than five years	0	0
<b>Parent Company, total</b>	<b>950</b>	<b>950</b>

The Parent Company's operational lease costs for the year amounted to kSEK 1,304 (kSEK 1,255).

**Note 5 Remuneration of the auditors**

	The Group		The Parent Company	
	2024	2023	2024	2023
KPMG				
Audit work	268	260	248	240
Audit work in addition to statutory audit	98	0	25	70
<b>Total remuneration of auditors</b>	<b>365</b>	<b>260</b>	<b>273</b>	<b>310</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	
	2024	2023	2024	2023
Average number of employees				
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	11	13	11	13
of whom women	3	5	3	5
of whom men	8	8	8	8
<i>Salaries, remunerations of personnel</i>				
Salaries, remunerations, social security contributions and pension costs have been paid in the following amounts:				
Salaries and remuneration	7,950	9,416	7,950	9,416
Pension costs	979	938	979	938
Social security contributions	2,058	2,563	2,058	2,563
	10,987	12,917	10,987	12,917
Board of Directors and senior executives				
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	1	1	1	1
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 remuneration	2,261	2,035	2,261	2,035
Pension costs	478	412	478	412
Social security contributions	712	739	712	739
	3,451	3,187	3,451	3,187

The CEO is entitled to severance pay in accordance with the employment contract, corresponding to six monthly salaries.

**Note 7 Interest income and similar items**

	The Group		The Parent Company	
	2024	2023	2024	2023
Interest income	97	178	97	178
	<b>97</b>	<b>178</b>	<b>97</b>	<b>178</b>

**Note 8 Interest costs and similar items**

	The Group		The Parent Company	
	2024	2023	2024	2023
Interest costs, other	-2	-105	-2	-105
	<b>-2</b>	<b>-105</b>	<b>-2</b>	<b>-105</b>

**Note 9 Deferred tax**

The Company has accumulated tax loss carry-forwards of kSEK 145,444 (121,890). The underlying value of the deferred tax attributable to these losses amounts to kSEK 29,962 (25,109). In the 2019–2024 financial statements, the Company has, as a precautionary measure, chosen not to recognize the value of those 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	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Cost, opening balance	24,980	19,827	3,554	3,476
Capitalization for the year	2,911	5,153	117	78
<b>Accumulated cost, closing balance</b>	<b>27,891</b>	<b>24,980</b>	<b>3,671</b>	<b>3,554</b>
Accumulated amortization, opening balance	-11,187	-4,693	-1,946	-1,209
Impairments for the year	-1,983	-4,782	-1,056	-236
Amortization for the year	-661	-1,712	-352	-501
<b>Accumulated amortization, closing balance</b>	<b>-13,830</b>	<b>-11,187</b>	<b>-3,354</b>	<b>-1,946</b>
<b>Carrying amount</b>	<b>14,061</b>	<b>13,794</b>	<b>317</b>	<b>1,608</b>

**Note 11 Concessions, patents, licenses, trademarks and similar rights**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Cost, opening balance	2,434	2,434	1,404	1,404
<b>Accumulated cost, closing balance</b>	<b>2,434</b>	<b>2,434</b>	<b>1,404</b>	<b>1,404</b>
Depreciation, opening balance	-936	-285	-601	-182
Depreciations for the year	-468	-651	-331	-419
<b>Accumulated amortization, closing balance</b>	<b>-1,404</b>	<b>-936</b>	<b>-932</b>	<b>-601</b>
<b>Carrying amount</b>	<b>1,029</b>	<b>1,498</b>	<b>472</b>	<b>803</b>

**Note 12 Machinery and other technical equipment**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Cost, opening balance	1,541	1,541	1,541	1,541
Investments for the year	94	0	94	0
Sales/disposals	-185	0	-185	0
Re-classifications	365	0	365	0
<b>Accumulated cost, closing balance</b>	<b>1,815</b>	<b>1,541</b>	<b>1,815</b>	<b>1,541</b>
Depreciation, opening balance	-1,305	-1,101	-1,305	-1,101
Sales disposals	185	0	185	0
Depreciations for the year	-161	-204	-161	-204
<b>Accumulated depreciation, closing balance</b>	<b>-1,281</b>	<b>-1,305</b>	<b>-1,281</b>	<b>-1,305</b>
<b>Carrying amount</b>	<b>534</b>	<b>236</b>	<b>534</b>	<b>236</b>

**Note 13 Participations in group companies**

	The Parent Company	
	2024-12-31	2023-12-31
Cost, opening balance	50	50
Acquisitions	0	0
<b>Carrying amount</b>	<b>50</b>	<b>50</b>

Subsidiary, corporate registration number, registered office	Number of shares	In %	Carrying amount
Insplorion Sensor System AB, 556969-5140, Gothenburg	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	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Prepaid rents	331	326	331	326
Prepaid insurance	106	109	106	109
Accrued grant income	557	0	557	0
Other	78	25	78	25
	<b>1,072</b>	<b>460</b>	<b>1,072</b>	<b>460</b>

**Note 15 Cash and cash equivalents**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Bank balances	12,753	11,204	12,670	10,152
<b>Total cash and cash equivalents</b>	<b>12,753</b>	<b>11,204</b>	<b>12,670</b>	<b>10,152</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	20,952,742	0.15
Exercised warrants	2,836,456	0.15
Rights issue	25,692,334	0.15
Number/value at year-end	49,481,532	0.15

**Note 17 Long-term liabilities**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Due within 2 to 5 years	0	494	0	494
Due later than 5 years	0	0	0	0
	<b>0</b>	<b>494</b>	<b>0</b>	<b>494</b>

*Growth loan from the Swedish Energy Agency*

The original borrowed amount amounts to MSEK 4.1. The maturity of the loan is 10 years. The interest rate is 6% above the Swedish Central Bank's reference rate 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 installment. The remaining part of the loan was forgiven in 2024 to an amount of kSEK 668.

Conditional loan from the Swedish Agency for Economic and Regional Growth

The original borrowed amount amounts to MSEK 0.47. The interest rate is 5% and must be paid on May 31 and November 30 every year. Amortization amounts to 5% of the Company's net sales, which must be paid in two equal installments, one on May 31 and one on November 30.

**Note 18 Accruals and deferred income**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accrued salaries and remunerations	452	865	452	865
Accrued holiday pay incl. social	1,076	1,403	1,076	1,403
Accrued social security contributions	125	173	125	173
Prepaid grants	777	0	777	0
Accrued interest costs	0	55	0	55
Other external charges	577	277	561	121
<b>Total</b>	<b>3,007</b>	<b>2,773</b>	<b>2,991</b>	<b>2,618</b>

**Note 19 Pledged assets**

Nimba Aktiebolag, wholly owned by board member Jan Burenus, has invoiced kSEK 51 net during the year for advisory services. Rask Invest AB, a company wholly owned by the CEO Johan Rask, has been invoiced by Insplorion for kSEK 12 net during the year for office rent.

**Note 20 Pledged assets**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Business mortgages	500	500	500	500
Pledges and other collateral	50	50	50	50

**Note 21 Contingent liabilities**

	The Group		The Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Contingent liabilities	None	None	None	None

**Note 22 Non-cash items**

	The Group	
	2024-12-31	2023-12-31
Depreciation	1,290	2,567
Impairments	1,983	4,782
<b>Total non-cash items</b>	<b>3,272</b>	<b>7,349</b>

**Note 23 Significant events after the balance sheet date**

- Insplorion signs exclusive distribution agreement with Consilium Safety Group for the marine market. Consilium will finance the marine type approvals required in addition to ATEX certification for this market segment. In addition, Consilium has placed an initial order of MSEK 0.3.

Gothenburg, April 16, 2025

*Jonas Ehinger*  
Chairman of the  
Board

*Johan Rask*  
CEO

*Hedvig Paradis*  
Director

*Daniel Johansson*  
Director

*Jan Burenius*  
Director

*Magnus Jonsson*  
Director

Our auditor's report was submitted on April 16, 2025.  
KPMG AB

*Daniel Haglund*  
Chartered Accountant

# Auditor's Report

To the general meeting of the shareholders of Insplorion AB,  
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 (publ) for the year 2024. The annual accounts and consolidated accounts of the Company are included on pages 17–39 in this document.

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 December 31, 2024, and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The management 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.

### Material uncertainty related to going concern

We draw attention to the management report which states that at the time of publication of this report the Board's assessment is that the Company is in need of additional capital in 2025. As indicated on page 20 in the annual report, the Board is evaluating various opportunities to strengthen the Company's financial position through further generation of capital during 2025 and also that the Board's main short-term priority is to secure a high conversion rate of outstanding warrants, with the subscription period in May 2025.

These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinions are not modified in respect of this matter.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2–16 and page 43. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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 skepticism 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 Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer'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.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Chief Executive Officer of Inspirion AB (publ) for the year 2024 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 management report and that the members of the Board of Directors and the Chief Executive Officer 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 Chief Executive Officer

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 Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the Company's accounting 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 Chief Executive Officer 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 skepticism 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.

Göteborg

KPMG AB

*Signed on the Swedish original*

Daniel Haglund

Authorized Public Accountant

## Financial Information

Insplorion will publish financial statements for the financial year 2025 on the following occasions:

**April 24**

Interim report for the first quarter 2025.

**August 20**

Half-yearly report 2025.

**November 6**

Interim report for the third quarter 2025.

**February 18**

Year-end report for the financial year 2025.

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 4:00 p.m. on May 7, at Biotech Center, Arvid Wallgrens backe 20 (7th floor), in Gothenburg. Registration begins at 3:30 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, 2025, and notify the Company of their attendance no later than 12:00 p.m. on May 2, 2025. 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 AB, Arvid Wallgrens Backe 20, SE-413 46 Göteborg, Sweden

insplorion.com   |||||   info@insplorion.com   |||||   +46 31-380 26 95