



Insplorion has completed a directed issue of MSEK 30, has resolved to carry out a fully guaranteed rights issue of a maximum of MSEK 30.3, and intends to change listing to Nasdaq First North

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Insplorion AB (publ) ("Insplorion" or the "Company") has, following a resolution by the board of directors with the support of the authorisation from the annual general meeting, carried out a directed issue of 1,500,000 shares at a subscription price of SEK 20 per share (the "Directed Issue") and will hereby receive approximately SEK 30 million before deduction of costs related to the transaction. Further, the board of directors of the Company has resolved to carry out a rights issue of a maximum of 1,515,778 new shares at the same subscription price, i.e. at a subscription price of 20 per share (the "Rights Issue", and together with the Directed Issue, the "Share Issues"). At full subscription in the Rights Issue, which is fully guaranteed through subscription undertakings and guarantee commitments, the Company will receive approximately SEK 30.3 million before deduction of costs related to the transaction. The Share Issues will thus, at full subscription, provide the Company with a total of approximately SEK 60.3 million before deduction of costs related to the transaction. The board of directors has also resolved to initiate a process in order to change marketplace from Spotlight Stock Market to Nasdaq First North Growth Market.

BACKGROUND AND REASONS

Insplorion's development of the fastest hydrogen sensor in the world has developed rapidly and attracted global attention during the last year. The hydrogen sensor can be a crucial component in the rapidly growing market of hydrogen-based energy systems. The development of the hydrogen sensor and the Company's battery sensor mean individually and together great opportunities for Insplorion, to establish a solid position in two rapidly growing markets, while commercialisation of the Company's air quality sensors further validates the technology.

The Rights Issue and the Directed Issue are carried out with the purpose of creating financial space and conditions to realize the Company's growth potential, and consequently to create value for the shareholders.

The net proceeds from the Share Issues of approximately SEK 53.6 million after costs related to the Share Issues (calculation based on cash payment of guarantee commission) are deemed sufficient to finance the acceleration of the Company's development of its hydrogen and battery sensors, and to facilitate further commercialisation of air quality sensors.

Patrik Dahlqvist, CEO Insplorion

"Our hydrogen sensor has developed rapidly during the year we have been running the project, and has over the same time matched well with the fast developing global market for hydrogen as an energy carrier. The interest for the fastest hydrogen sensor in the world is large on the market, within vehicles, within infrastructure and among component manufacturers. The interest is also high among financiers, where AP Ventures, a London based specialist fund focusing on the hydrogen value chain, participate in our directed issue due to the potential of the hydrogen sensor. Today, we are very happy to strengthen our ownership base with both financial weight and industrial competence, while also receiving funds in order to realise the potential of our full sensor platform."

THE DIRECTED ISSUE

As per today, the board of directors has resolved to carry out a Directed Issue of 1,500,000 new shares. The resolution was made with the support of the authorisation from the annual general meeting held on 16 April 2020. The subscription price amounts to SEK 20 per new share.

The reason for deviation from the shareholders' preferential rights is to strengthen and broaden the shareholder base and to, in a cost and time efficient manner, carry out a capital raise through which the Company's financial position is strengthened.

The shares have been subscribed for but not yet paid. Pursuant to the investment agreement that has been entered into between the Company and the subscribers, the new shares in the Directed Issue shall not entitle to subscription rights or subscription for new shares in the Rights Issue by virtue of preferential rights. The new shares will thus be registered with the Swedish Companies Registration Office after the record date for receiving of subscription rights in the Rights Issue.

The subscription price for the new shares (which is the same in the Share Issues) corresponds to a discount of approximately 21 per cent as compared to the closing price of SEK 25.40 for the Company's share on Spotlight Stock Market on 6 November 2020, the last day of trading before the resolution on the Share Issues. The subscription price has been set following discussions with investors and on the terms and conditions under which the board of directors deems that the Share Issues can be carried out, conforming to the prevailing market conditions. The Company's board of directors considers the subscription price to be on market conditions.

Through the Directed Issue, the Company will receive approximately SEK 30 million before deduction of costs related to the transaction (primarily consisting of fees to advisors and costs for practical management). For information regarding use of proceeds, refer to the section "BACKGROUND AND REASONS" above.

The subscribers in the Directed Issue consists of a limited number of Swedish and international institutional investors as well as one pre-existing shareholder, whereas the largest investors (in terms of amount) are AP Venures Fund II GP LLP, Formue Nord A/S and Thorén Tillväxt AB and one additional UK based investment fund (who have subscribed for new shares corresponding to a total of SEK 28 million, i.e. approximately 93 per cent of the Directed Issue). Naventus Corporate Finance AB, who is the Company's financial advisor in connection with the Share Issues, have subscribed for new shares in the Directed Issue to an amount corresponding to SEK 1 million.

Commenting on the investment, Andrew Hinkly, Managing Partner, AP Ventures said:

"We are delighted to welcome Insplorion into our portfolio and to working closely together in the future. Ensuring safe production, transport, storage and use of hydrogen is key to unlocking the global hydrogen economy and we think that Insplorion's sensors address these challenges; they can also support the development of more efficient and cost-effective equipment such as Fuel Cells. We are very impressed with the versatility of the technology, which has applications outside of the hydrogen value chain, as well as with the team at Insplorion. We are pleased to be part of the journey as the company scales and commercializes its innovative technology."

As a condition for its investment, AP Ventures has requested and the board of directors has accepted that AP Ventures shall be entitled to appoint a board

observer with participation but no voting rights at meetings of the board. AP Ventures' payment is of subscribed share (corresponding to SEK 9 million) is conditional on that proceeds from the Share Issues exceeds SEK 41 million (i.e. in addition to the SEK 9 million that AP Ventures will pay as payment for new shares in the Directed Issue).

All participants in the Directed Issue have entered into a so-called lock-up commitments whereby they have undertaken not to sell the shares from the Directed Issue during a period up to and including the day of the Company's announcement of the final outcome of the Rights Issue (but no later than 31 December 2020). A number of investors in the Directed Issue have, through guarantee commitments, also undertaken to subscribe for new shares in the Rights Issue that are not subscribed for with or without subscription rights. For more information, refer to the section "THE RIGHTS ISSUE" below.

THE RIGHTS ISSUE

In addition to the Directed Issue as above, the board of directors has, as per today, also resolved to carry out an issue of 1,515,778 new shares with preferential rights for the Company's shareholders, i.e. the Rights Issue as defined above. The resolution was made with the support of the authorisation from the annual general meeting held on 16 April 2020. The subscription price amounts to SEK 20 per new share (i.e. the same subscription price as in the Directed Issue).

Provided that the Rights Issue is fully subscribed, the Company will receive approximately SEK 30.3 million before deduction of costs related to the transaction (primarily consisting of compensation for guarantee commitments, fees to advisors and costs for practical management). For information regarding use of proceeds, refer to the section "BACKGROUND AND REASONS" above.

The shareholders of the Company will have preferential rights to subscribe for the new shares that are included in the Rights Issue. For each share held on the record date, two (2) subscription rights are received, whereby thirteen (13) subscription rights entitle to subscription for one (1) new share. Shareholders who do not participate in the Rights Issue have an opportunity to receive economic compensation for the dilution by selling their subscription rights.

The new shares in the Directed Issue will not entitle to subscription rights or subscription for new shares in the Rights Issue by virtue of preferential rights (also see section "THE DIRECTED ISSUE" above).

In the event that not all shares are subscribed for by exercise of subscription rights, the board shall, within the framework of the maximum amount for the Rights Issue, resolve on allotment of shares subscribed for without subscription rights. In such a case, shares shall primarily be allocated to those who have also subscribed for shares by exercise of subscription rights, and secondly be allocated to those who have subscribed for shares without subscription rights. Thirdly and lastly, any remaining new shares shall be allocated to those who have guaranteed the issue pursuant to a separate agreement with the Company, and distributed in relation to the size of their respective pledged guarantee commitments.

Subscription undertakings amount to approximately SEK 3.7 million corresponding to approximately 12 per cent of the Rights Issue. In addition, guarantee commitments amount to approximately SEK 26.6, corresponding to approximately 88 per cent of the Rights Issue. The Rights Issue is thus fully secured through subscription undertakings and guarantee commitments. Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. For the guarantee commitments, there is a customary guarantee commission, conforming to the prevailing market conditions, of ten (10) per cent of the guaranteed amount. Each guarantor can choose whether the guarantee commission shall be paid by the Company in cash, or in new shares whereby each new share shall have a value corresponding to the subscription price in the Share Issues. In order to enable payment of guarantee commission in new shares the board of directors has, as per today, by virtue of the aforementioned authorisation from the annual general meeting, also resolved on an additional directed issue (i.e. in addition to the Directed Issue of a maximum of 132 820 new shares against payment through a set-off of claims regarding guarantee commissions with the same subscription price as in the Share Issues. No compensation is paid to the parties that have provided subscription undertakings. The largest guarantor (in terms of amount) is Formue Nord Markedsneutral A/S with a guarantee commitment corresponding to approximately 56 percent of the total, by the guarantee consortium guaranteed amount, amount. Among the two existing shareholders, the Chalmers University of Technology Foundation has provided the largest guarantee commitment (in terms of amount), corresponding to approximately 7.5 percent of the total amount guaranteed by the guarantee consortium.

Full terms and conditions for the Rights Issue and further information regarding net proceeds, guarantee commitments etc. will be disclosed in the EU Growth Prospectus which will be published by the Company no later than in conjunction with the commencement of the subscription period.

Preliminary timetable for the Rights Issue

25 November 2020 Last day of trading including right to receive subscription rights
26 November 2020 First day of trading excluding right to receive subscription rights
27 November 2020 Record date for participation in the Rights Issue with preferential rights, that is, shareholders who are registered in the share register kept by Euroclear Sweden AB as of this day will receive subscription rights that entitle to participation in the Rights Issue with preferential rights
1-11 December 2020 Trading in subscription rights
1-15 December 2020 Subscription period
17 December 2020 Announcement of the outcome of the Rights Issue
Week 52 The Rights Issue is completed and registered

Through the Directed Issue, the Company's share capital will increase by SEK approximately 225,000 through an issue of 1,500,000 shares. At full subscription in the Rights Issue, the Company's share capital will increase by SEK approximately 227,367 through an issue of 1,515,778 shares. If all guarantors choose guarantee commission in new shares only, the Company's share capital will increase by SEK 19 920 through an issue of 132 820 shares.

The Directed Issue corresponds to approximately 13.2 per cent of all outstanding shares in the Company after the Directed Issue (excluding new shares that are included in the Rights Issue, and new shares that may be added upon any payment of guarantee commission in new shares). The Rights Issue corresponds to approximately 11.8 per cent of all outstanding shares in the Company after the Directed Issue and a fully subscribed Rights Issue (excluding new shares that may be added upon any payment of guarantee commission in new shares). Through payment of guarantee commission in new shares, the Company's share capital will increase by a maximum of SEK 19,920 through an issue of a maximum of 132,820 shares, which corresponds to approximately 1 per cent of all outstanding shares in the Company after the Directed Issue, a fully subscribed Rights Issue, and the maximum number of new shares within the framework of the guarantee commission. In total, the above issuances corresponds to a share capital increase of a maximum of 472,287, through an issue of a maximum of 3,148,598 shares, which corresponds to approximately 24 per cent of all outstanding shares in the Company after the Share Issues. The calculations have been based on the number of shares in the Company as per today.

PLANNED LIST CHANGE TO NASDAQ FIRST NORTH GROWTH MARKET

The board of directors has resolved to initiate a process to change marketplace from Spotlight Stock Market to Nasdaq First North Growth Market. The list change is scheduled to take place following the Share Issues, provided that Nasdaq approves the list change. Should the list change be carried out and approved by Nasdaq, the Company will disclose such a decision as well as a more detailed timetable regarding last day of trading on Spotlight Stock Market and first day of trading on Nasdaq First North Growth Market respectively.

ADVISORS

Naventus Corporate Finance AB is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to Insplorion in connection with the Share Issues.

For more information, please contact:

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About Naventus Corporate Finance AB

Naventus Corporate Finance is an independent privately-held financial advisor offering services relating to qualified advice regarding IPOs, capital raises and M&A to listed and unlisted companies and their owners. www.naventus.com

About AP Ventures:

AP Ventures is headquartered in London and manages venture capital funds with a global mandate to invest in pioneering new technologies and businesses which aim to solve global challenges such as renewable energy integration, resource scarcity and a growing population.

The existing portfolio is focused on the hydrogen value chain and includes investments in Allergy Systems, ERGOSUP, Greyrock Energy, HyET, Hydrogenious Technologies, Plug Power and ZEG Power. All these companies either utilise or enable the use of Platinum Group Metals (PGMs).

AP Ventures is led by Andrew Hinkly (Managing Partner) and Kevin Eggers (Partner). Investors include Anglo-American Platinum, the Mirai Creation Fund, Mitsubishi Corporation, Plastic Omnium, the Public Investment Corporation and Sumitomo Corporation.

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This release is not a prospectus in accordance with the definition in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). Complete information regarding the rights issue can only be obtained through the prospectus expected to be publicized. Pursuant to article 2 k of the Prospectus Regulation, this press release constitutes an advertisement.

This information is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This information must not be acted on or relied upon by persons who are not Relevant Persons. An investment or an investment activity referred to in this release is only available in the United Kingdom for Relevant Persons and will only be conducted with Relevant Persons.

This release may include forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and beyond the Company's control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Information to distributors

For the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) national implementing measures, (together the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the offered shares have been subject to a product approval process, who have established that these shares are: (i) suitable for a target market consisting of non-professional investors and investors who fulfil the criteria for professional clients and eligible counterparties, each as defined in MiFID II, and (ii) suitable for distribution through all distribution channels that has been approved in MiFID II ("Target Market Assessment"). Irrespective of the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the Company's shares offer no guaranteed income and no capital protection; and an investment in the Company's shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the issues.

The target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to the Company's shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Company's shares and determining appropriate distribution channels.

This disclosure contains information that Insplorion is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 06-11-2020 23:55 CET.

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Insplorion AB, with its disruptive sensor platform NanoPlasmonic Sensing (NPS), operates within four fields: air quality sensors, hydrogen sensors, battery sensors and research instruments. The sensors are small, durable and cost efficient at volume production. Our sensor technology enables air quality sensors at home, in cars and in public environment. Our hydrogen sensors show a sub-second response time, making them the fastest in the world and will promote the growth of hydrogen infrastructure. The battery sensor optimizes battery control and usage. Our instruments give scientists around the world nanometer sensitive real time data of surface processes in fields like catalysis, material- and life science.