

Q2 2024

Quarterly report, Kebni AB (publ), 556943-8442



Q2 2024 at a glance

Kebni reports the first quarter with positive operating cash flow, as well as solid revenues and continued EBITDA margin of 10 %.

Financial development Apr-Jun 2024 (KSEK)

- Net sales, 30 901 (7 392)
- EBITDA, 3 073 (-14 077)
- Operating profit, 1 859 (-11 732)
- Net profit for the period, 1 663 (-10 936)
- Net cash flow for the period, 98 (-7 746)
- Operating cash flow for the period, 3 859 (-5 691)
- Earnings per share before and after dilution, 0,01 (-0,04)

Financial development Jan-Jun (KSEK)

- Net sales, 61 881 (18 275)
- EBITDA, 6 264 (-17 083)
- Operating profit, 3 965 (-21 813)
- Net profit for the period, 3 738 (-21 165)
- Net cash flow for the period, -9 196 (291)
- Operating cash flow for the period, -2 622 (-20 245)
- Earnings per share before dilution, 0,01 (-0,09)
- Earnings per share after dilution, 0,01 (-0,08)

Significant events Jan-Jun 2024

- ScaffSense concluded successful large-scale pilot test.
- Martin Elovsson recruited as new CEO to bring ScaffSense to the market.
- The Annual General Meeting, held on 16 May 2024, elected Anders Persson as the new Chairman of the Board, along with the new election Anna-Karin Stenberg and Martin Elovsson and the re-election of Jan Wäreby and Magnus Edman as members of the Board.
- Johanna Toll Meyer started as CFO.
- Kebni entered strategic partnership with Varisis for the Indian market.

Significant events after the period

- Kebni secures working capital credit facility with Danske Bank to fuel growth.

KPIs

KSEK	2024 Jan-Jun	2023 Jan-Jun	Growth	2024 Apr-Jun	2023 Apr-Jun	Growth	2023 Jan-Dec
Net sales	61 881	18 275	+239%	30 901	7 392	+318%	65 532
Operating profit/loss	3 965	-21 813		1 859	-11 732		-38 734
EBITDA	6 264	-17 083		3 073	-14 077		-30 076
EBITDA margin (%)	10%	-93%		10%	-190%		-45%
Adjusted EBITDA	-	-		-	-		-27 201
Balance sheet total	102 221	63 230		102 220	63 230		88 819
Net profit/loss for the period	3 738	-21 165		1 663	-10 936		-39 042
Net profit/loss margin (%)	6%	-116%		5%	-148%		-60%
Net cash flow for the period	-9 196	291		98	-7 746		9 647
Equity ratio (%)	62	72		62	72		66
Number of employees at end of period	26	25		26	25		25



Torbjörn Saxmo, CEO

“We reached another milestone in Q2, delivering our first positive operating cash flow”

Comments from the CEO

Following a significant revenue increase in Q4 2023 and our first profitable quarter in Q1 2024, we achieved another milestone in Q2 by delivering our first positive operating cash flow.

Positive Cash Flow and Financial Health

After achieving all-time high revenue in Q4 2023 and an EBITDA of 10% in Q1 2024, I am pleased to report that we have sustained our positive trajectory with continued profitability and stable revenues in Q2. Our two product areas, Inertial Sensing and Satcom, has both contributed substantially to the revenue of the quarter. It should be noted that the Satcom business is typically based on large projects and thus can vary quarter to quarter. While we are aligning with our customers' current delivery schedules, we are well-positioned to ramp up production significantly as demand increases.

The strong performance in recent quarters has resulted in a positive cash flow in Q2, a testament to the efforts across our organization to work closely with suppliers and customers and optimizing our internal processes. Additionally, the working capital credit facility of 15 MSEK agreed upon with Danske Bank backed by EKN, Swedish Export Credit Agency, is an instrumental tool for our continued growth. It provides us with the financial stability needed to focus on strategic initiatives at the right times.

Market Opportunities

We are experiencing very high levels of market engagement, with a record number of quotes in circulation. Our industry is characterized by long sales cycles and the need for persistent efforts to build trust and credibility. The longer we remain engaged, the more confidence and recognition we gain in the market. Additionally, Sweden's recent NATO membership has opened up new opportunities. We have received test orders from several strategically important players on the Swedish defense

market, reflecting interest in both our Inertial Sensing and Satcom products.

International Interest for Kebni SensAltion

Interest in our coming product line SensAltion remains high, particularly in Asia, where ongoing customer dialogues have led to the order and delivery of test units to several key defense customers as well as other customer segments. As we prepare for volume orders, we continue to work towards the start of series production for the product line. A crucial milestone was achieved in Q2 with the selection of a suitable hardware supplier, setting the stage for series deliveries starting in October 2024.

ScaffSense Moving Forward

Our joint venture, ScaffSense, also made significant strides in Q2. The first large-scale pilot test of the product yielded excellent results, and we were pleased to announce that Martin Elovsson, also a member of Kebni's board, has taken on the role of CEO for ScaffSense AB. These milestones mark the beginning of the commercialization, a journey we support with great enthusiasm.

Reflecting on Our Progress

Considering it is just a year since the inauguration of our Inertial Sensing production in Karlskoga, the progress we have made as a company is notable. I am proud of the entire Kebni team for the journey we have embarked on together. As we move forward, our focus remains on achieving sustainable growth and profitability in a challenging and uncertain world. We appreciate the continued trust from our customers and shareholders. Together, we are shaping the future of Kebni.

Torbjörn Saxmo, CEO



Financial overview

Revenue and profit

Sales during Q2 increased by 318 % to 30 901 KSEK (7 392 KSEK) compared to Q2 2023. Revenues include postponed deliveries of maritime antennas from Q4 2023, which were executed in Q1 and Q2 2024.

Capitalized development costs amounted to 1 842 KSEK (1 375 KSEK). The capitalization of self-financed development expenses is mainly attributable to projects in the Inertial Sensing product area.

Operating profit strengthened to 1 859 KSEK (-11 732 KSEK). Kebni shows a positive operating profit again this quarter which is an effect of continued sales volume and cost efficiencies that have been implemented throughout Kebni. With continued sales volumes and cost efficiencies, earnings will strengthen and the EBITDA margin for the second quarter amounts to 10% (-190,4%).

Profit for the period amounted to 1 663 KSEK (-10 936 KSEK). Earnings per share amounted to 0.01 SEK (-0.04 SEK).

Cash flow and cash equivalents

During the second quarter, Kebni shows a positive cash flow for the period 98 KSEK (-7 746 KSEK) and operating cash flow is now positive and improved to 3 859 KSEK from -5 691 KSEK. The continued cost efficiencies is contributing to an increase of working capital. Sales volumes and renegotiation of payment terms with key suppliers and customers will gradually strengthen the liquidity and cash flow.

At the end of the period, cash amounted to 11 742 KSEK (11 694 KSEK).

After the end of the quarter, Kebni has negotiated a working capital credit facility of 15 MSEK from Danske Bank backed by EKN, Swedish Export Credit Agency, to be used in connection with the growth increase.

Financial status

Kebni's total equity at the end of Q2 amounted to 63 261 KSEK (45 755 KSEK). At the end of the quarter, the equity ratio was 62% (72%).

Future developments and risks

Kebni's growth journey continues and there is a noticeable increase in demand for Kebni's products, where the markets for both Inertial Sensing and Satcom continue to grow. The focus going forward is primarily on the ramp-up of series deliveries to Saab, product development and intensified marketing in Europe and Asia. The ongoing sustainable growth path is supported by the recently received working capital credit facility.

The risks the company faces mainly relate to prioritization and timing of development efforts as well as the assessment of sales volumes, as sales cycles are long. These risks are closely monitored in Kebni's ongoing strategy work to ensure that the company maintain flexibility towards their customers while being prepared for rapid market adaptations.

Uncertainty in the global supply chain and higher inflation also pose a risk to Kebni. The risks are mainly linked to the availability of certain raw materials, components and longer lead times. Some of these risks are managed through strategic partnerships, contract management and intensified dialogue and negotiation with suppliers.

A more detailed description of the risks can be found on page 17-19 in the Annual Report for 2023.



About Kebni

Kebni is Swedish tech company specializing in stabilizing technologies.

The company develops, produces and offers advanced products and applications for stabilization, navigation and satcom. Kebni's targets governmental, military and commercial sectors on the global market.

Kebni is headquartered in Kista, Stockholm.

Vision

Bringing stability to a world in motion

Other information

Kebni

Kebni consists of the parent company Kebni AB (publ) and two fully owned subsidiaries:

Satmission AB

org. nr 556666-8793.

ASTGW AB

org. nr 559218-8881

Employees

Kebni had 26 (25) employees as of June 30, 2024.

Sustainability

Kebni's sustainability efforts primarily focus on social responsibility, ethical procurement, and actively developing the company's positive impacts on people and the environment. Actively working with more environmental-friendly materials and environmental standards and guidelines is a natural course for the company.

Financial calendar

Interim report Q3 2024: October 24, 2024

Year-end report 2024: February 13, 2025

Accounting principles

Kebni AB (publ) applies the Annual Accounts Act and BFAR 2012:1 Annual Accounts and Consolidated Accounts (K3). Balance sheet items are valued at acquisition cost according to K3, chapter 11.

This report has not been subject to review by the company's auditors.

Press releases

www.kebni.com/press

IR contact

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Product areas

Inertial Sensing

Inertial Sensing, a motion sensing technology, is found in everything from smartphones to nuclear submarines. Kebni develops Inertial Sensing products, tailored solutions, and applications for advanced stabilization, navigation, and motion analysis.

Off-the-shelf products

Kebni develops standardized and customizable multisensor platforms for integration into autonomous systems and vehicles. The first product family, **Kebni SensAltion**, is currently approaching series production.



Kebni SensAltion

Tailored solutions

Kebni Tailored Solutions are bespoke, client-tailored Inertial Sensing solutions, such as the IMU (Inertial Measurement Unit) developed by Kebni for Saab's NLAW anti-tank system.



Saab NLAW. Source: Saab

Applications

A part of Kebni's product strategy is to develop sensor-based applications for the commercial segment. The first example is ScaffSense, a safety system for scaffolding.



Source: Solideq Group

Satcom

Kebni develops Satcom solutions for ships and land vehicles that, through a combination of the company's unique Satcom and stabilization expertise, meet high demands for precision, stability, and performance, even in extreme environmental conditions.

Maritime

Kebni's maritime antenna, **Kebni Gimbal**, features a 4-axis stabilization system, enabling stable satellite communication regardless of the vessel's movement. The system is unique in the market for its robustness and performance under challenging conditions, as proven in military environmental tests. After eight years of development and deliveries to the customer, the product is now ready for sale to the demanding defense and government segment.



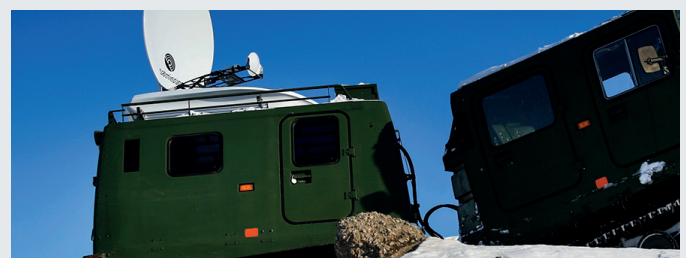
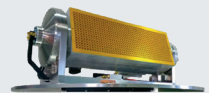
Kebni Gimbal



Ship with maritime Satcom antenna

Land

Kebni's antennas for land vehicles have their roots in broadcasting but are now used in applications such as Search & Rescue and the defense industry. The latest addition to the product portfolio is **Kebni SOTM**, an On-the-move antenna for the defense and government segment. This product fills the market gap between the efficient but space-demanding traditional parabolic antennas and the new flat antennas.



Kebni Satmission Drive-away antenna installed on military vehicle



The share

Kebni's B-share has been listed on Nasdaq First North Growth Market Stockholm since August 25, 2020, and trades under the ticker KEBNI B.

The company has a total of 271,154,530 shares issued, of which 295,302 are A-shares and 270,859,228 are B-shares, with a par value of 0.06847 kronor. A-series shares carry ten (10) votes, while B-series shares carry one (1) vote. Both A-series and B-series shares have equal rights to the company's profits and assets.

As of June 30, 2024, the market value was 436 083 KSEK (301 223 KSEK), and the number of shareholders amounted to 7 362 (5 563).

Certified Adviser

G&W Fondkommission is the company's Certified Adviser.

Warrants

Incentive program 2022/2025

The shareholders decided at the Annual General Meeting on June 28, 2022, to implement a stock option program for all employees during 2022. A total of 3 662 387 options were issued with an exercise price of 200% of the average volume-weighted price over the last fifteen days before the implementation of the program. It expires on October 15, 2025.

KebNi B



The graph shows the development of the Kebni stock for the period 30/06/2023 – 30/06/2024, sourced from Avanza.

Result per share

	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec
Number of shares at the end of the period	271 154 530	246 504 119	271 154 530	246 504 119	271 154 530
Average number of shares before dilution	271 154 530	231 077 362	271 154 530	246 504 119	252 613 648
Average number of shares after dilution	274 816 917	235 592 143	274 816 917	251 018 900	256 276 035
Earnings per share before dilution, SEK	0,01	-0,09	0,01	-0,04	-0,14
Earnings per share after dilution, SEK	0,01	-0,08	0,01	-0,04	-0,14

Largest shareholders

The largest owners confirmed as of June 30, 2024, are shown in the table below

Shareholder	A-share	B-share	Capital (%)	Votes (%)
Anders Danielsson with company	-	51 877 777	19,13%	18,95%
Pärsson Jan Robert	-	35 100 000	12,94%	12,82%
Försäkringsaktiefbolaget Avanza Pension	-	11 157 399	4,11%	4,07%
Nordnet Pensionsförsäkring AB	-	6 121 921	2,26%	2,24%
Sven Olof Hagelin with company	-	5 720 000	2,11%	2,09%
Jan Wäreby	-	3 039 322	1,12%	1,11%
Molcap Invest AB	-	3 000 000	1,11%	1,10%
Elsy Brylde	-	2 986 651	1,10%	1,09%
Maida Vale Capital	295 302	-	0,11%	1,08%
Redeye (GRIT fondbolag)	-	2 500 000	0,92%	0,91%
Others	-	149 356 158	55,09%	56,75%
Total	295 302	270 859 228	100,00%	100,00%

The owner list was retrieved from Euroclear.



Profit and loss

KSEK	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec
Sales					
Net sales	61 881	18 275	30 901	7 392	65 532
Capitalized expenditure	3 748	3 994	1 842	1 375	6 377
Other operating income	2 166	1 089	968	948	4 906
Total operating income, change in inventory, etc.	67 796	23 358	33 711	9 714	76 815
Operating expenses					
Cost of goods sold	-29 975	-7 819	-15 264	-2 636	-37 958
Other external expenses	-12 014	-15 138	-5 660	-7 258	-29 573
Personnel costs	-18 160	-17 484	-9 186	-9 207	-35 155
Depreciation/amortisation and impairment of tangible and intangible assets	-2 299	-4 730	-1 214	-2 345	-8 658
Other operating expenses	-1 383	0	-528	0	-4 206
Total operating expenses	-63 831	-45 171	-31 852	-21 446	-115 549
Operating profit/loss	3 965	-21 813	1 859	-11 732	-38 734
Financial income/expenses					
Profit/loss from shares in associates and jointly controlled entities	-197	-90	-162	-56	-236
Other interest income and similar income	5	751	1	751	5
Interest expenses and similar expenses	-34	-13	-34	101	-77
Total net financial income/expenses	-226	648	-196	796	-308
Profit/loss after net financial income/expenses	3 738	-21 165	1 663	-10 936	-39 042
Income taxes for the year	0	0	0	0	0
Net profit/loss for the period	3 738	-21 165	1 663	-10 936	-39 042



Balance sheet

KSEK	2024.06.30	2023.06.30	2023.12.31
ASSETS			
Non-current assets			
Intangible assets			
Capital expenditures for research and development	25 379	23 212	22 728
Concessions, patents, licences, trademarks and similar rights	1 912	853	1 509
Goodwill	909	2 120	1 514
Total intangible assets	28 199	26 185	25 751
Tangible assets			
Cost of improvements to leased property	1 434	1 230	1 471
Equipment, tools, fixtures and fittings	2 925	1 912	1 761
Total tangible assets	4 359	3 141	3 232
Financial assets			
Participations in associates and jointly controlled entities	3 380	60	2 277
Other non-current receivables	486	486	486
Total financial assets	3 866	545	2 762
Total non-current assets	36 423	29 871	31 745
Current assets			
Inventories			
Raw materials and consumables	13 499	7 486	4 650
Work in progress	4 624	5 125	3 858
Prepayments issued to supplier	61	38	584
Total inventories	18 183	12 649	9 092
Current receivables			
Trade receivables	33 381	6 597	22 979
Current tax receivables	696	247	152
Other receivables	483	1 232	782
Prepaid expenses and accrued income	1 312	940	3 136
Total current receivables	35 872	9 016	27 049
Cash and bank	11 742	11 694	20 932
Total current assets	65 797	33 359	57 074
TOTAL ASSETS	102 220	63 230	88 819



Balance sheet, cont.

KSEK	2024.06.30	2023.06.30	2023.12.31
EQUITY AND LIABILITIES			
Equity			
Share capital	18 566	16 878	18 566
Other contributed capital	329 211	306 696	329 211
Other equity including profit/loss for the period	-284 516	-277 818	-288 862
Total equity	63 261	45 755	58 915
Provisions			
Other provisions	671	4 673	671
Total provisions	671	4 673	671
Current liabilities			
Advances payment from customers	927	2 171	960
Accounts payable	29 004	4 561	19 281
Other liabilities	4 189	2 395	5 423
Accrued expenses and deferred income	4 169	3 675	3 570
Total current liabilities	38 288	12 802	29 233
TOTAL EQUITY AND LIABILITIES	102 220	63 230	88 819



Statement of changes in equity

KSEK	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec
Opening balance	58 915	43 503	61 240	56 758	43 503
Profit for the year	3 738	-21 165	1 663	-10 936	-39 042
New share issue	-	24 374	-	-	53 955
Costs related to the new share issue	-	-1 083	-	-66	-1 988
Equity fund	600	125	350	-	2 488
Warrants	7	-	7	-	-
Closing balance	63 261	45 755	63 261	45 755	58 915



Cash flow statement

KSEK	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec
Cash flow from operating activities					
Operating profit	3 965	-21 165	1 859	-11 084	-38 971
Adjustments for non-cash items	2 299	4 380	1 214	1 944	4 891
Financial items received	5	-	1	-	5
Financial items paid	-34	-	-34	-	-77
Taxes paid	-544	80	-	-	175
Cash flow before changes in working capital	5 691	-16 705	3 040	-9 140	-33 977
Cash flow from changes in working capital					
Inventories	-9 091	-3 432	-6 830	-1 613	124
Trade receivables	-10 402	1 424	-15 441	7 729	-14 958
Other current receivables	2 123	838	855	630	-908
Accounts payable	9 723	-1 185	23 272	-4	13 535
Other current liabilities	-666	-1 185	-1 037	-3 293	527
Net cash flow from changes in working capital	-8 313	-3 540	819	3 449	-1 678
Net cash flow from operating activities	-2 622	-20 245	3 859	-5 691	-35 656
Cash flow from investing activities					
Investments in intangible assets	-4 292	-1 375	-2 066	-759	-5 023
Sale of intangible assets	-	-	-	-	-
Investments in tangible assets	-1 582	-1 380	-1 495	-1 230	-1 615
Investment in associated companies and joint ventures	-700	-	-200	-	-25
Investments in financial assets	-	-	-	-	-
Sale of financial assets	-	-	-	-	-
Net cash flow from investing activities	-6 574	-2 755	-3 761	-1 989	-6 664
Cash flow from financial activities					
New share issue	-	23 291	-	-67	51 966
Borrowings	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-
Net cash flow from financial activities	0	23 291	0	-67	51 966
Net cash flow for the period	-9 196	291	98	-7 746	9 647
Net cash at the beginning of period	20 932	11 285	11 638	19 449	11 285
Exchange rate difference	6	118	6	-8	
Net cash at the end of period	11 742	11 694	11 742	11 694	20 932



Declaration by the Board of Directors and CEO

Kebni AB (publ), 556943-8442

Anders Persson

Chairman of the Board

Jan Wäreby

Board member

Anna-Karin Stenberg

Board member

Martin Elovsson

Board member

Magnus Edman

Board member

Torbjörn Saxmo

Chief Executive Officer

The Board of Directors and the chief executive officer hereby confirm that the quarterly report provides a true and fair overview of Kebni's operations, financial position, and results, as well as describes significant risks and uncertainties facing Kebni.

Kista, August 15, 2024



Bringing stability to
a world in motion