

E K O  
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Annual Report  
for

EKOBOT AB

559096-1974

Financial year 2022

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## Ekobot in brief

Ekobot conducts operations based on the business concept of developing, manufacturing and selling autonomous agricultural robots that enable efficient precision farming where weed management takes place entirely without, or with minimal use of, chemical pesticides. Ekobot's vision is to provide the agricultural sector with a long-term sustainable alternative for reducing or completely phasing out chemical spraying in crops for human consumption.

Today, weed management is a major, costly problem for Ekobot's end customer, the farmer. Demand for robotic weed control will increase significantly over the next five years. With its exceptional solution for identifying weeds via a system that uses vision technology and artificial intelligence, the company's robot can cut weeds at ground level, reducing the risk of new root shoots, thus removing the need for the crop to compete with weeds for nutrients, water and light. The system can be adapted for use in areas of varying sizes, e.g. by managing multiple rows of crops simultaneously. Ekobot makes very efficient use of existing areas. The company's product and services make cultivation efficient without, or with limited use of, chemical pesticides, and uses an electric drive with low power consumption.

It also creates value for its customers through the data collected via the robot platform. It allows the customer to get e.g. information about crop status. The data itself will also serve as a future potential revenue stream. The Ekobot product enables data feedback to a common database, where the information is gathered and passed on to all linked devices in conjunction with updates. Using an AI solution, Ekobot offers a product that is under constant development and which, in the company's opinion, provides good abilities to uniquely streamline and predict different production needs.

## The year in brief

### 1st Quarter

- In February, the company submitted a patent application to the European Patent Office for a tool carrier unit for autonomous agricultural vehicles.
- Ekobot signed letters of intent with three customers in the Netherlands.
- The company received an initial order for a pilot installation for a customer in the Netherlands.
- The Board resolved on a rights issue, which requires approval by an extraordinary general meeting.
- The company received an initial order for a pilot installation with one of Sweden's biggest vegetable growers.

### 2nd Quarter

- In April, the Company was awarded project support of approx SEK 5.7 million from the Swedish Board of Agriculture.
- An extraordinary general meeting held on April 20 resolved to conduct a proposed share issue.
- A rights issue was concluded on May 19, providing the company with SEK 9.3 million before issue expenses.
- Almi Företagspartner Mälardalen continued to show confidence in the company and granted a SEK 2 million green loan.
- The first indicative results from the year's field trials in Sweden were obtained in July. The results show that Ekobot's agricultural robot WEAI (autonomous weeder) greatly reduces the need for chemicals while also providing the farmer with the ability to increase productivity.

### 3rd Quarter

- In August, the Company signed an agreement with a new, major Swedish customer for the delivery of Ekobot's autonomous robot system WEAI. Under the agreement, delivery of the order valued at SEK 900,000 will take place during the 2023 growing season.
- In September, Almhaga Gård, the southern Swedish onion producer, carried out a large-scale test of the Ekobot robot in their onion crop.
- On September 23, Ekobot concluded an agreement with Kapitalpartner to support the establishment and growth of field robots in the Danish market.
- Ekobot is one of six companies in Agtech and Food tech selected to represent Sweden and meet American Agtech investors in Silicon Valley during the Nordic-US Food Summit in November this year.

### 4th Quarter

- The issue price for exercising the T02 series warrants was set at SEK 2.57 per share, and with 47% of the program exercised, the Company was provided with approx SEK 700 thousand before issue expenses.
- In October, the company concluded a contract with a new customer in the Netherlands for the delivery of Ekobot's WEAI autonomous weeder for the 2023 growing season.
- On October 23 and with the authorization of Ekobot's AGM of May 12, 2022, Ekobot's Board resolved to carry out a targeted emission of 474,934 shares to strategic investor Navus Ventures. The issue price was SEK 5.00 per share, corresponding to a discount of around 4.6 percent compared to the Nasdaq First North Growth Market closing price of October 21, 2022 and a premium of around 58.7 percent compared to the volumetric weighted average price (VWAP) for the company's shares on Nasdaq First North Growth Market during the period from October 10, 2022 through October 21, 2022. The issue provided the company with SEK 2.4 million before issue expenses.
- In November, the Company received official field test results that showed a 6% harvest increase compared to conventional cultivation technology with chemical weed control.

### Significant events after the end of the period

- The Board resolved, contingent upon subsequent approval by an extraordinary general meeting, to carry out a new share issue of no more than 8,564,728 shares with preferential rights for existing shareholders. If fully subscribed, Ekobot will receive share proceeds of around SEK 21.4 million before issue expenses. The issue is subject to around 85% of the subscription rights and guarantees. Also, the Board may resolve on an over-allotment issue in the form of a targeted new share issue of no more than SEK 5.4 million on the condition that the rights issue is fully subscribed.
- The company published its strategic goals for 2023.
- In January, the company signed an agreement with a Swedish customer in the organic vegetable cultivation sector. The agreement concerns a robot system for delivery in time for the 2023 growing season.
- An extraordinary general meeting held on February 16 approved the Board's proposal concerning a new share issue and resolved on the incentive program 2023/2026A-B to issue warrants to senior executives, employees, consultants and Board members.
- Ekobot published the prospectus on February 17 in conjunction with the rights issue.

- On March 14, the new issue was completed, and the company receives SEK 26.8 million before issue expenses. The rights issue was subscribed to approx. 130.3% and the board decided to issue shares to meet the high demand.
- On March 21, a directed issue of 258,043 shares was carried out to the guarantors who wish to be paid in shares.

## Multi-year overview

SEK thousand	2022	2021	2020	2019	2018
Net sales	214	0	0	0	0
Operating loss	-8,998	-6,796	-3,370	-975	218
Earnings for the period	-10,410	-7,067	-3,964	-773	403
Earnings per share before dilution, SEK	-3.22	-3.24	-10.27	-9.51	6.04
Total assets	31,223	26,826	8,916	6,422	6,790
Cash and cash equivalents	2,943	9,004	1,274	2,194	548
Equity/assets ratio (%)	49.2	57.1	51.6	58.1	53.3
Average number of shares before dilution	3,235,976	2,180,920	385,793	81,200	66,700
Average number of shares after maximum dilution	3,925,917	2,646,545	385,793	81,200	66,700
Average number of employees	6	6	4	3	2

## The Company's history

**2016** – EKOBOT AB founded on December 15, 2016 by Ulf Nordbeck.

**2017** – Unibap AB invests in Ekobot and the company receives financing of SEK 9.2 million from the Swedish Board of Agriculture.

**2018** – The first prototype, Minibot, is tested. The company is chosen from a short list of the 170 most innovative Swedish companies.

**2019** – In the spring, the company issues new shares for around SEK 4 million. The Company submits a patent application in October. Field tests with the EKOBOT prototype.

**2020** – Updated prototype and new share issue for around SEK 5.4 million. Ekobot signs letters of intent with two major vegetable growers in Sweden and initiates an international collaboration with WUR.

**2021** – The Company is listed on First North in March and issues new shares for around SEK 20.50 million before issue costs and is granted SEK 873 thousand in support from the EU in April. In May, a collaboration with Telia is begun for the purpose of developing Ekobot Gen III. The company applies to the EU for a patent for parts of its technology and begins exports in September. In October, Ekobot is selected as the winner of the Agtech Challenge 2021 from among Sweden's top agricultural innovations. In November, test results from the

collaboration with WUR are published, showing a weeding efficiency increase from 20 percent last year to 74 percent this year. In December, the company initiates an integration with the Saga Robotics Thorvald module platform with the aim of accelerating its market introduction in 2022. Meanwhile, Ekobot receives around SEK thousand 314 from Region Västmanland, and affirmative advance notice regarding support from the Board of Agriculture for large-scale field tests in the years ahead, indicative fully between SEK 4.5 and 5.9 million.

**2022** – The company signs letters of intent with customers in the Netherlands and also receives its first order for pilot installations with customers in the Netherlands and Sweden. A rights issue is carried out during the first half of the year and the Swedish Board of Agriculture also grants the Company project support of around SEK 5.7 million. Almi Företagspartner Mälardalen also continues to show confidence in the Company and grants a SEK 2 million green loan. Field tests are conducted in conjunction with successful installations in the Netherlands and Sweden and show a harvest increase of 6 percent compared to conventional cultivation technology with chemical weed control. The first commercial contracts are signed for robot deliveries in 2024. The Company also concludes an agreement with Kapitalpartner for support for establishment and growth in the Danish market. Ekobot is one of six companies in AgTech and Food tech selected to represent Sweden and meet American AgTech investors in Silicon Valley during the Nordic-US Food Summit in November. The Company's development during the year and its future potential receive a boost when strategic investor Navus Ventures subscribes to shares in the Company in a targeted issue.



*The Company was listed on Nasdaq First North in March 2021.*

## A word from the CEO

**Ekobot enjoyed a very eventful 2022, a year in which the company's commercial breakthroughs were two of its most important milestones. And since the company also gained a new major strategic shareholder – Dutch venture capital company Navus Ventures – 2022 was all in all a very successful year for Ekobot.**

### **Commercial breakthroughs in two markets**

Two of the company's most important milestones since its founding were passed in 2022 and came in the form of commercial breakthroughs in the Swedish and Dutch markets. The customer contracts concluded during the year covered both pilot installations and fully commercial conditions. The contracts clearly demonstrate an increasing need for agricultural robotics of Ekobot type in the agricultural sector, and that the market in Europe is rapidly growing. Experience from the year's sales efforts also shows that many farmers in the Netherlands and Sweden harbor clear ambitions to convert their conventional cultivation systems to robotics within a few short years. The 2022 customer contracts are multi-year and form the basis of the company's first sales revenues. They also provide a clear indication that earlier assumptions regarding pricing to the customer were correct.

### **New, long-term major shareholder**

In October, Ekobot announced that the company had gained a new, long-term strategic owner with the ambition to lead the company's capitalization moving forward and to actively participate in the company's development. This has in turn provided Ekobot with a fantastic opportunity to become one of Europe's leading companies in the field robotics segment. Navus Ventures, the new major shareholder, is the Lely family's investment company. Lely, which is based in the Netherlands, has extensive, solid experience in the agricultural sector. Navus Ventures uses knowhow and networks from Lely Industries, the family company, which has a long history of high-tech product development and the successful introduction of innovations to the marketplace. Ekobot's innovative core technology and its well-proven customer value made a great impression on the field robotics market in 2022, which formed the basis for Navus Ventures' decision to take on the role of strategic owner.

### **Project support and successful field tests**

Ever since the Company was founded, Ekobot has financed its operations and development with the aid of support from e.g. the Swedish Board of Agriculture and the Swedish Energy Agency. During the second quarter of 2022, the company received further positive news concerning project support of around SEK 5.7 million from the Board of Agriculture. The decision enabled financing for large-scale prototype tests for collecting and evaluating field data as the basis for developing advanced decision support services for farmers. The project's purpose is to set up a test environment in which Ekobot can conduct large-scale tests of its robot system while also taking an important step towards the next generation's robot system. The project also enables the collection and analysis of large quantities of field data. While the project will continue during 2023, it has already provided clear results showing that Ekobot technology makes the farmer's day-to-day work easier and more efficient, and it provides farmers with advanced data-driven decision support.

With the support of official field test results later in 2022, Ekobot was able to show that the robots system contributes to greater productivity. The field tests showed that the company's robot system was able to contribute to a harvest increase compared to conventional cultivation using chemical pesticides. The field tests were carried out at a Swedish onion farm where Hushållningssällskapet and HIR Skåne, Ekobot's collaborative partners, were responsible for conducting and evaluating the cultivation tests. The results showed that Ekobot's robot system provided an approximate 6% harvest increase compared to conventional cultivation techniques. The outcomes from the cultivation trials indicate that Swedish onion farmers can achieve a significant increase in productivity through the large-scale use of Ekobot's robot system.

### Patents

Ekobot operates in a market where innovative technological solutions rapidly redefine conditions in the agricultural sector. Processing strong technology is an extremely important success factor for a company in this sector. Ekobot has a clear strategy of constantly reinforcing its IPR portfolio around its core technology. The Company's very competent R&D team worked intensively in 2022 on the further development of the Company's existing technology. During the first quarter of 2022, these efforts resulted in an additional patent application at a high technological level, providing the Company with good prospects for an additional strong market position in autonomous field robotics.

### 2023 and onward

During 2022, Ekobot deservedly strengthened its position on the market for autonomous field robots in Europe. Despite a very challenging year for raising capital, and great uncertainty in predicting whether market sentiment for raising capital will improve in the future, I look forward to 2023 with great confidence. I'm both pleased and proud to declare that 2022 was an excellent springboard and provides great conditions for 2023. We note the rapidly growing requirement our customers have for robotized, laborsaving solutions. There is a great need to reduce the consumption of chemicals. Today, the company has a new, major strategic long-term owner with extensive experience from the market Ekobot is active in. Ekobot is facing a number of challenges in the future, but during the year we have shown that we possess highly competitive technology that adds great value for our customers. All in all, these parameters provide Ekobot with excellent conditions for continuing its positive development and increasing its sales during 2023.



Västerås April 2023

Erik Jonuks,  
CEO Ekobot AB (publ)



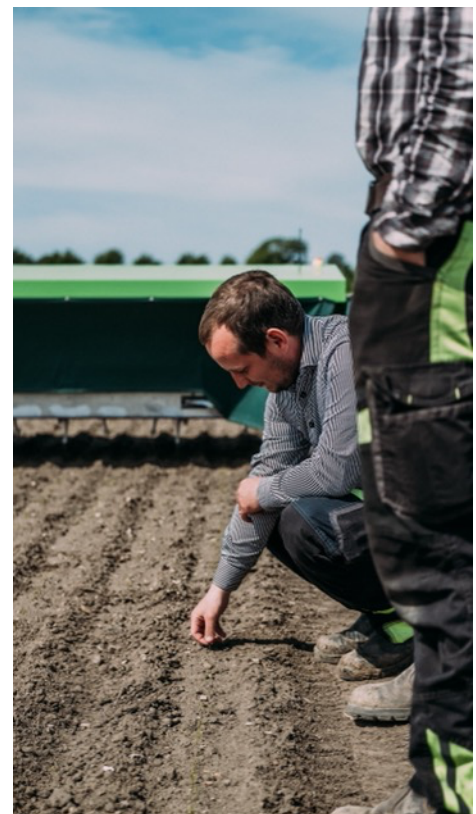
## Ekobot's operations

### Vision and technology

Ekobot has a vision of becoming Europe's leading company within autonomous agricultural robots and aims to be agriculture's go-to supplier of advanced weed management services and decision support. The company was founded with the ambition of enabling agriculture to produce more food with fewer resources and seeks to position itself as a long-term sustainable alternative to conventional chemical crop spraying – all aimed at tomorrow's agriculture.

Ekobot conducts operations based on the business concept of developing, manufacturing and selling agricultural robots that enable efficient precision farming, where e.g. weed management takes place entirely without, or with minimal use of, herbicides. Today, weed management is a major, costly problem for Ekobot's end customer, the farmer. Demand for robotic weed control will increase significantly over the next five years. With its exceptional solution for identifying weeds via a system that uses vision technology and artificial intelligence, the company's robot can cut weeds at ground level, reducing the risk of new root shoots, thus removing the need for the crop to compete with weeds for nutrients, water and light. The system can be adapted for use in areas of varying sizes, e.g. by managing multiple rows of crops simultaneously. Ekobot makes very efficient use of existing areas.

It also creates value for its customers through the data collected via the robot platform. It allows the customer to get e.g. information about crop status. The data itself will also serve as a future potential revenue stream. The Ekobot product enables data feedback to a common database, where the information is gathered and passed on to all linked devices in conjunction with updates. Using an AI solution, Ekobot offers a product that is under constant development and which, in the company's opinion, provides good abilities to uniquely streamline and predict different production needs.



### Business model

Ekobot brings the latest technology such as computer vision, artificial intelligence (AI) and the internet of things (IoT) to the agricultural sector to clear weeds in vegetable crops with very high precision while collecting data on crop status. What's more, it does so sustainably by using self-generated energy for electric operation. This concept fits in very well with the transition now underway in agriculture, where efficient, sustainable solutions are in demand to supplement the big, heavy-duty diesel tractors in use today.



*Ekobot's business model builds on a combination of technology, product and services.*

Ekobot's business model builds on a combination of technology, product and services. The Ekobot solution is based on an autonomous, lightweight field robot that automates weed control on agricultural land. Ekobot products and services can help farmers grow crops more efficiently and sustainably. Because the Ekobot robot platform is light in relation to existing technology, it results in considerably less damage to soil structure.

Sales consist of the operational leasing of Ekobot robot systems and associated service and support. Customers lease the robot for 36 months for EUR 90,000 excluding VAT. Each robot system has the capacity to handle around 10 hectares. Ekobot plans to collaborate with an external financier in these transactions. A business model involving contract refinancing via an external financial partner has the potential to provide a number of benefits:

- *Improved cash flow:* By refinancing its contracts through an external financial partner, the Company can gain immediate access to funds that can be used to invest in growth potential or manage day-to-day operations. This can help improve cash flow and reduce the risk of running into financial difficulties.
- *Reduced risk:* Contract refinancing via an external financial partner can help reduce the risk of non-payment or delayed payment. This is because the financial partner assumes responsibility for enforcing payments and managing non-payment risks.
- *Access to expertise:* External financial partners often possess specialized knowledge and expertise that can help the Company manage its finances more efficiently. This might involve advice on financial administration, risk management and compliance.
- *Scalability:* Contract refinancing via an external financial partner can help companies scale up their operations quickly without having to make significant investments ahead of time. This is especially important for companies seeking to expand quickly or take advantage of new opportunities.

- *Flexibility:* External financial partners offer a number of financing alternatives that can be tailored to suit an operation's specific needs. These might include adapted payment terms, interest rates and other functions that can help companies manage their finances more efficiently.

Ekobot's value proposition to customers can be summed up as follows:

- **Data collection provides decision support and better return on investment**

Ekobot uses high-precision GPS technology, camera systems and AI via a data collection and analysis system to recognize plants and weeds. This provides for increased operational stability and precision in farm management. Because Ekobot technology makes sure crops do not have to compete with weeds for nutrients and sunlight, growth and crop yields are optimized.



The Ekobot robot platform is equipped with camera systems and sensors that collect the data needed to bring about tomorrow's precision farming. It will take decision support for the farmer to a whole new level. In addition to mechanical weed control, the robot is able to measure and analyze everything from the soil to crop well-being by means of advanced sensors such as multi-spectral cameras, earth and moisture probes and air sensors. The farmer receives a detailed crop status report based on analyses from the robot for use in making decisions on inputs such as fertilizer, irrigation and harvesting, taking decision support to a whole new level. Naturally, the overall aim is to reduce the amount of input materials while increasing yield in a long-term, sustainable way.

*Ekobot's robot system collects and analyzes data from the field, which forms the basis for a decision support system for the agricultural sector.*

- **Green technology and sustainable farming**

Compared to tractors, Ekobot robots weigh little and they are driven by electric motors. The robot system carries batteries that can be charged either by solar cells, a grid connection or a battery replacement system. Thanks to its low weight and low power demand, the robot system is able to operate independently of the power grid and is thus carbon neutral.

The demand for organic farming and the increasing restrictions on the use of chemicals for conventional farming pose a major challenge for farmers, as they are forced to rely on mechanized weed control methods. Farmers have to invest in automation to remain competitive and practice sustainable farming in environmentally friendly ways.



*Ekobot's robot system is a reliable solution that increases productivity while also contributing to sustainability through lower consumption of fossil fuels and chemicals.*

- **Rapid payback time**

The Ekobot autonomous robot system allows the grower to eliminate or reduce labor costs. Ekobot helps eliminate, or greatly reduce, the need for time-consuming manual weed removal.

Farmers today find it increasingly difficult to attract and accommodate agricultural labor. The demand for organic farming and the increasing restrictions on the use of chemicals for conventional farming pose a major challenge for farmers, as they are forced to rely on mechanized weed control methods.

For high-grade crops such as sugar beet, onions, herbs and vegetables, weed control is often done manually, which is very costly for the farmer, as well as difficult and tedious for the farmhand. Repayment time for the Ekobot robot system is short in both organic and conventional farming. For an organic farmer who has to resort to seasonal manual labor, switching to the Ekobot robot system will already be profitable in year one.



Farmers have to invest in automation to remain competitive and feed the world, and do so in environmentally friendly and sustainable ways.

Thus Ekobot's above-mentioned value proposition enables the sustainable, eco-friendly, long-term, profitable production of healthy food.

## Commercialization strategy

Ekobot's strategy is to build a scalable system that will initially focus on weed management for a few strategically selected outdoor row crops for human consumption, known as high-value crops. Typical examples would be sugar beet, onions, and herbs and vegetables such as carrots, lettuce and so forth. In 2022, Ekobot focused on yellow onions, and will continue to focus on that crop in 2023. The company concentrates on this crop as it enjoys relatively high profitability compared with traditional crops such as oats, wheat and corn. High-value crops also demand high costs for inputs to achieve productivity and profitability. Also, there is great regulatory pressure against the use of chemical pesticides in the cultivation of high-value crops. Thus the demand and need for autonomous, sustainable farm management is considered to be great. The company will develop the robot system to handle several different crops and plans to begin a process with the aim of adding functions for harvesting and seeding.

The main focus of its marketing activities will be on the outdoor growing markets, primarily in Sweden, the Netherlands and Denmark. All market activity will be led by an Ekobot team in Sweden, and recruitment of experienced sales and marketing staff will be carried out to escalate the pace of commercialization.

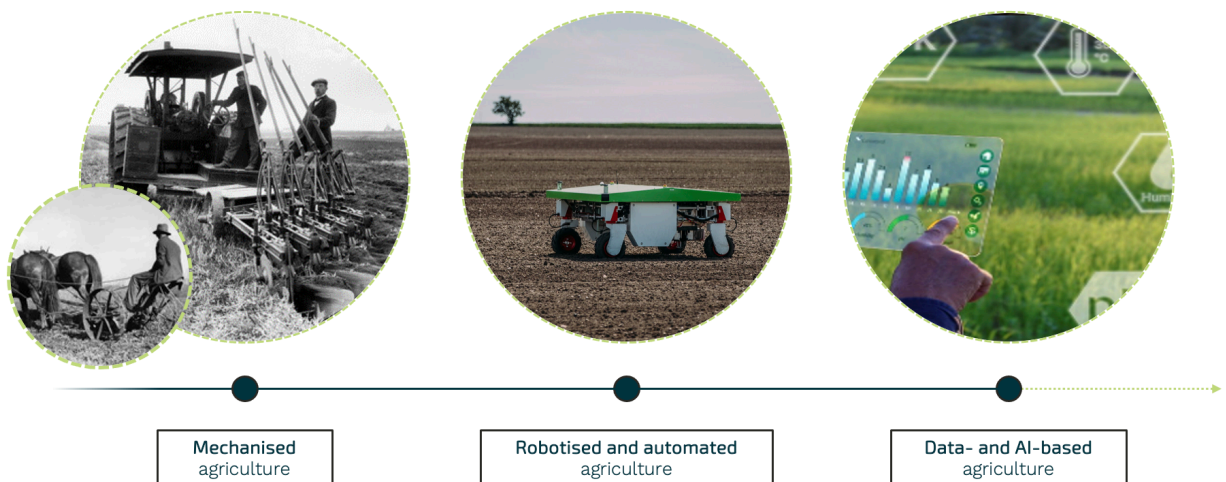
Ekobot intends to begin selling robots without the assistance of external partners and to subsequently expand through dealers and distributors. Thus the intent is to create a network of logistics, installation, training and service partners across Europe.



## Market overview and market drivers

### Market drivers, Robotics in agriculture – a paradigm shift

Today, farmers are constantly forced to make important decisions based on a large number of complex variables. Producing a variety of crops requires extensive, long-term planning. Such planning usually concerns irrigation, fertilizers, crop rotation, pesticides, time of harvest and when, where and to whom the harvest must be delivered. Despite highly reliable technology, agriculture remains an arbitrary science. Managing the many complex variables in order to maximize the crop and thus profit, is a major challenge for the farmer.



*A new technological paradigm shift is needed in the agricultural sector. Ekobot combines robotized precision interventions in agricultural land using data analysis and decision support services, thus offering a technology shift away from today's heavy mechanized agriculture.*

The approaching major technology shift with field robotics and data collection has the potential to make it considerably easier for the farmer to make complex decisions based on many variables. Also, large volumes of different kinds of data can be used in forecasting models to predict production, which is of great assistance to farmers at the marketing stage.

High resolution data from fields can also help provide consumers with highly traceable food. High-resolution data collection can help in the production of food with well-documented nutritional content, which in turn helps build confidence between producers and consumers.

#### *Opportunities for computer-based solutions*

High field data availability is essential for the farmer's ability to conduct precision farming, where complex decisions are made easier by advanced decision support based on AI. Precision farming revolves around sustainability and using precisely the right amount of resources at precisely the right time. In precision farming systems supported by robotics, crop requirements for minerals, fertilizers and water can be assessed and managed individually.

#### *Challenges in implementing computer-based solutions*

One of the biggest challenges to solve before field robotics and computer science can be implemented in agriculture, is how the transition from existing technology in a heavily mechanized industry should take place.

Understandably, farmers are reluctant to change their farming practices and it is very costly for them if things go wrong. Switching to digitized robotic technology in agriculture also requires the farmer to invest in new technology to replace older, proven technology.

While the business potential of high-resolution field data is enormous, it also presents a challenge. Problems such as the secure collection, storage and distribution of data continue to be under scrutiny.

#### *Incentives for investment – enablers for a major technology shift*

There is a major ongoing effort in European agricultural politics to make sure the common agricultural policy can continue to provide strong support for European agriculture, making prosperous rural areas and the production of high-quality food possible.

A number of incentives have been introduced to enable farmers to invest in new technology. This is, and will continue to be, an important factor in the major technology shift facing European agriculture where digitization of the industry will take place supported by autonomous field robot systems similar to Ekobot.

### **Market overview – a rapidly growing market for agricultural robots**

The global market for agricultural robots is expected to grow from USD 4.9 billion in 2021 to USD 11.9 billion in 2026, which represents a compound annual growth rate (CAGR) of 19.3 percent up until 2026. The number of farmers choosing agricultural automation is constantly growing. One particularly significant factor is the reduced availability of seasonal labor.<sup>1</sup> The reduction in the labor force is mainly due to the small number of young people becoming farmers, as this type of livelihood is increasingly seen as unattractive. As a result, the industry is suffering from a lack of skills, and this encourages new technologies for agricultural automation.<sup>1</sup> Indoor robots, milking robots, plant handling robots and fruit-crop robots account for a smaller share of the market, as the major part of agriculture is conducted outdoors.

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<sup>1</sup> MarketsandMarkets, 2021, *Agricultural Robots Market worth \$11.9 billion by 2026*.  
<https://www.marketsandmarkets.com/PressReleases/agricultural-robot.asp>

This means that the outdoor growing sector, a.k.a. outdoor cultivation, is expected to take a larger share of the market compared to the indoor sector during the forecast period 2021–2026.<sup>2</sup>

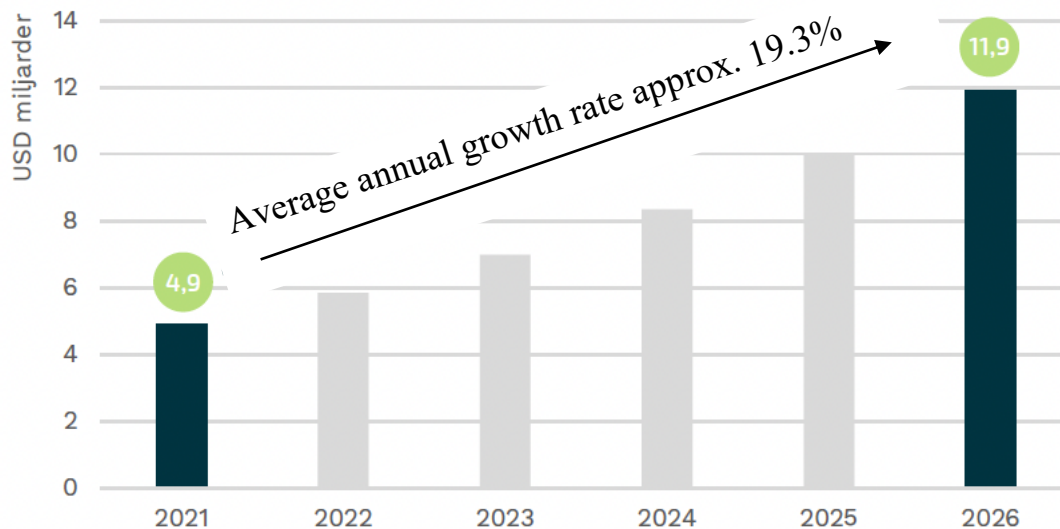


Figure 1: The size of the global market for agricultural robots 2021–2026<sup>1</sup>

The total value of everything produced by the EU agricultural industry in 2021 was estimated at EUR 449.5 billion. This includes the value of crops, animals, agricultural services and certain other goods and services. Agriculture contributed 1.3 percent to the EU’s GDP in 2021.<sup>3</sup>

For farmers to choose organic solutions, they must refrain from using synthetic commercial fertilizers and non-organic chemical pesticides on their crops. In 2020, organic farming took up almost 14.7 million hectares in the EU, corresponding to 9.1 percent of the total agricultural land area. Thus organic farming land area increased by 56 percent between 2012 and 2020. Austria, Estonia and Sweden top the list of countries with the largest organic arable area, with more than 20 percent organic arable land.<sup>4</sup> This trend is inspired by greater global environmental awareness, as well as bans and regulations for chemical pesticides. The market for organic farming is expected to reach USD 287.8 billion in 2027, which represents an average annual growth rate of around 11.2 percent from 2022.<sup>5</sup>

<sup>2</sup> 11Silva, G., 2018, Feeding the world in 2050 and beyond – Part 1: Productivity challenges. Michigan State University Extension. <https://www.canr.msu.edu/news/feeding-the-world-in-2050-andbeyond-part-1>

<sup>3</sup> Europeiska kommissionen, Performance of the agricultural sector. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance\\_of\\_the\\_agricultural\\_sector](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance_of_the_agricultural_sector)

<sup>4</sup> Research and Markets, 2021, Organic Farming Global Market Report 2021: COVID-19 Growth and Change to 2030. <https://www.researchandmarkets.com/r/7ja8lb>

<sup>5</sup> Research and Markets, 2023, Organic Farming Global Market Report 2023: <https://www.researchandmarkets.com/reports/5735287/organic-farming-global-market-report#tag-pos-12>

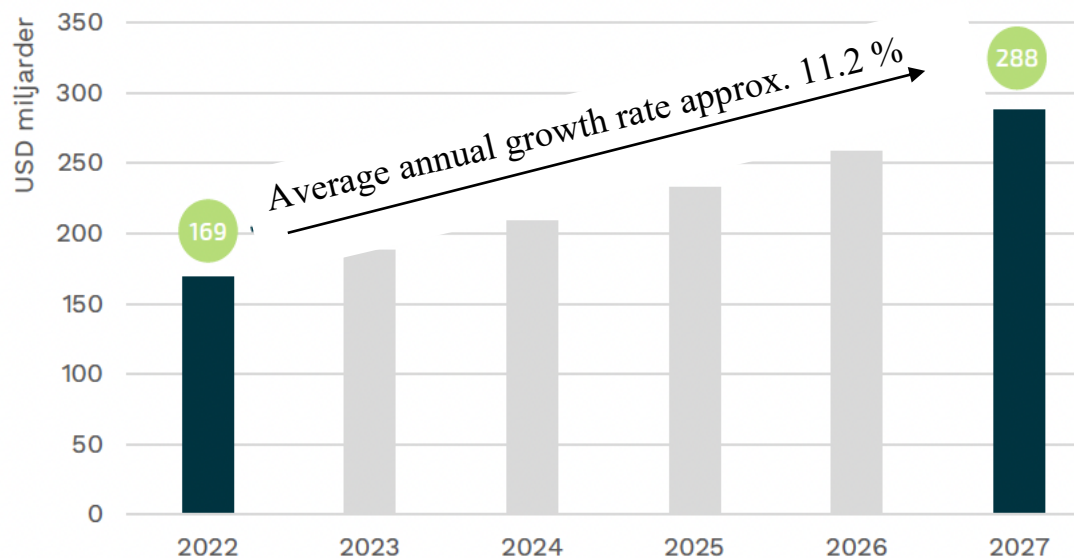


Figure 2: The size of the global market for organic farming robots 2022–2027<sup>5</sup>

### Competitive advantages

According to third-party control services and calculations carried out in 2022, the Ekobot solution is so effective during a crop's sensitive period that it can increase crop yields by 5–20 percent, which is unique in the market according to the company. Official tests of Ekobot's robot system also show an approximate 6 percent harvest increase compared to conventional cultivation technology using chemical weed control.<sup>6</sup> Also, more and more EU farmers are opting for ecological solutions and renouncing such things as non-organic chemical pesticides.<sup>7</sup> Ekobot's innovative solution allows organic farming to increase production without increasing the area under cultivation. Tendencies in this regard were demonstrated in 2021 when Ekobot, in competition with Sweden's most prominent agricultural innovations, won the AgTech<sup>8</sup> Challenge 2021, and again in 2022 when Ekobot, as one of six AgTech and Food tech<sup>9</sup> companies, was selected to represent Sweden and meet American AgTech investors in Silicon Valley, California, during the Nordic-US Food Summit in November of that year.

<sup>5</sup> The results from third-party controlled field tests conducted in 2022 by the Hushållningssällskapet's field trials unit HIR in Skåne; the results are presented in summary in Hansson, O. (HIR Skåne) and Sjöberg, P. (NIBIO), 2022, Ekobot – field tests Sweden 2022. <https://www.ekobot.se/wp-content/uploads/2023/01/Ekobot-slutrapport-faltforsok-sverige-2022-.pdf>

<sup>6</sup> European Parliament, 2021, Organic food in the EU: facts and regulations

<https://europarl.europa.eu/news/sv/headlines/society/20180404ST000909/ekologiska-livs-medel-i-eu-fakta-och-regler>

<sup>7</sup> The term Agtech derives from agricultural technology; the term is applied to technical innovations in the agricultural sector.

<sup>8</sup> The term Food tech derives from food technology; the term is applied to technical innovations in the food industry.

<sup>9</sup> Food tech är ett samlingsbegrepp på engelska över branschen tekniska innovationer inom matindustrin.



## Underlying factors for growth

### *Productivity*

The global population is forecast to reach 9.2 billion people by 2050, which will require an increase in food production of at least 60–70 percent.<sup>2</sup> Precision farming is expected to play a key role in this development in order to safeguard reliable production and the more efficient use of agricultural land.

Two of the most serious challenges in the European agricultural sector are the cost and shortage of labor. Consequently, the European Commission has financed a project aimed at helping farmers reduce the cost and shortage of labor through the use of autonomous agricultural robots.<sup>10</sup>

Agricultural robots offer an enormous potential to reduce both the cost and need for labor, as robots can be used to automate routine tasks. The factors driving rapid market growth include the need to reduce the amount of manual labor and manually operated machines, and an increasing demand for higher productivity from existing farmland. The decrease in the number of young farmers in the agricultural sector and the increase in the minimum wage for farmers, are also driving growth in the agricultural robot market. Also, more favorable prices for the internet of things (IoT) and GPS technologies contribute to market growth. The maturity of existing agricultural technologies and the introduction of new agricultural technologies are expected to be major factors behind market growth in the long term.<sup>1</sup>

### *Sustainability*

Plant protection products and herbicides are forms of pesticides used in agriculture and forestry to protect crops and other plants from pests and diseases. Inappropriate or overuse of pesticides can have a negative impact on soil, water and biodiversity in agriculture. The use of plant protection products is therefore heavily regulated by EU pesticide regulations. Under the European Green deal initiative to tackle climate change and environmental degradation, the European Commission sets high ambitions for the sustainable use of pesticides. One of these ambitions is to reduce the use of chemical pesticides in the EU by 50 percent by 2030.<sup>11</sup>

### *The market addressed by Ekobot*

During 2022–2024, Ekobot intends to address the European market for large and medium-sized agricultural units, with a primary focus on marketing activities in Sweden, the Netherlands and Denmark where the priority segment will be customers with extensive onion crops. In 2021, 186,810 hectares of onions were grown in the EU. Of these, 39,510 hectares were cultivated in the Netherlands, an increase of 37% since 2010. In 2021, around 1,500 hectares were cultivated in Sweden, which represents an increase of 72 percent since 2010.<sup>12</sup>

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<sup>10</sup> Europeiska kommissionen, Robots for protecting crops. <https://cordis.europa.eu/project/id/101016807>

<sup>11</sup> Europeiska kommissionen, Pesticides and plant protection. [https://food.ec.europa.eu/plants/pesticides/sustainable-use-pesticides\\_en](https://food.ec.europa.eu/plants/pesticides/sustainable-use-pesticides_en)

<sup>12</sup> Food and Agriculture Organization of the United Nations, Crops and livestock products. <https://www.fao.org/faostat/en/#data/QCL>

## Field tests

The 2022 field season included most of the successful field tests and demonstrations. The purpose of the field tests was primarily to verify robot output and capacity. The purpose of the tests was also to show that the company's robot system can contribute to a harvest increase compared to conventional cultivation using chemical pesticides. Cultivation tests were conducted in a Swedish onion farm where Hushållnings-sällskapet and HIR Skåne were responsible for conducting and evaluating the cultivation tests.

Results from the block tests show that Ekobot's WEAI robot system contributes with an approximate 6 percent harvest increase compared to conventional cultivation techniques. The outcomes from the cultivation trials indicate that Swedish onion farmers can achieve a significant increase in productivity through the large-scale use of Ekobot's WEAI robot system. Another important purpose of the field tests was to collect and analyze field data. Most of the field demonstrations were also carried out during the season where the robot system was demonstrated to customers and collaborative partners. The demonstrations during the year were very successful and provided good market exposure in both the Swedish and Dutch markets.



*During the season, extensive field tests were conducted in commercial cultivation at Almhaga Gård in Skåne, Sweden.*

## Product and service offering

Ekobot's product and service offering comprises two parts, hardware in the form of an autonomous agricultural robot and software consisting of a data collection and analysis system for decision support. This involves a modular design that can be applied and modified according to the user's requirements. This makes the system suitable for use all over the world, regardless of soil or climate conditions.

### Agricultural robot – Ekobot WEA

In recent years, Ekobot's autonomous agricultural robot has been developed and tested in collaboration with several external partners such as Hushållningssällskapet, RISE (Research Institutes of Sweden) and Wageningen University Research ("WUR"). Work on the creation of a robot ready for commercialization was completed in 2022 when the Ekobot WEAI agricultural robot was launched on the market, leading to the company's first orders ever.

Ekobot WEAI comprises three subsystems:

#### *Carrier system*

Ekobot WEAI's electric drive, navigation and safety functions are housed in the carrier, which is autonomous, i.e. self-driving. The carrier transports the core Ekobot technology, the mechanical tool system, the AI and the camera system.

#### *Mechanical tool system*

Ekobot's core technology is the tool system that makes the practical work of combating weeds possible on agricultural land. The mechanical design of the tool and the Ekobot AI model allows weed management to be performed with high precision. The tool system works with the support of AI and the camera system which combine information from both crops and weeds to map out the best strategy for weed management without damaging the crops.

#### *AI and the camera system*

The third system consists of an AI model and a camera system that controls the two other subsystems, the carrier system and the mechanical tool system. The image information provided by the camera system is interpreted by an AI model that sends signals and instructions to the other subsystems, which act accordingly. The subsystem uses state-of-the-art technologies to detect weeds with very high precision. The latest 3D cameras allow the system to track all objects in real time while storing the position of the weeds on a global map.

### Decision support service – Ekobot PLUS

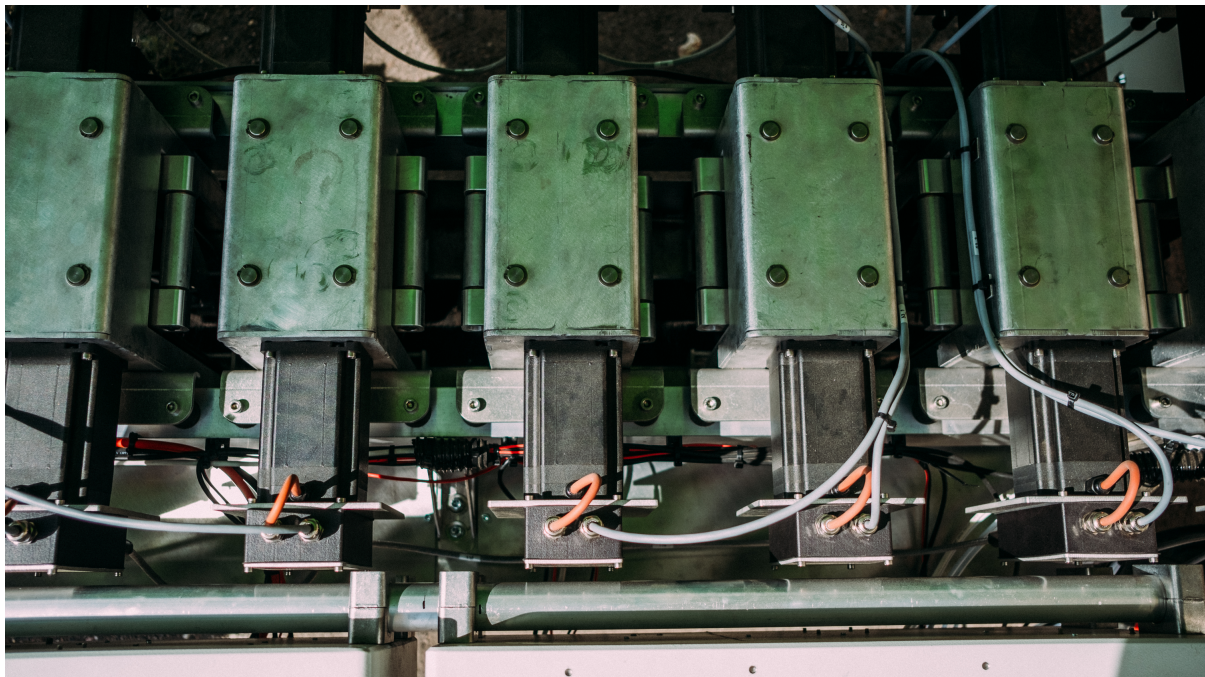
In 2022, requirements for the company's supplementary cloud-based software service (SaaS) Ekobot PLUS were specified together with an end customer, and Ekobot PLUS is scheduled for launch in 2023 to the first pilot users.

By adding Ekobot PLUS, the farmer also adds value through an integrated data collection and analysis system. The service collects field data via the robot system in real time, which is then analyzed using AI to help the farmer make decisions on inputs such as fertilizing, irrigation and harvesting.

The Ekobot PLUS user interface presents the operator with two instrument panels; one that provides overall robot status and is used as a preventive maintenance indicator, while the other contains performance analyses and an overall analysis of detected crops, weeds and pests.

The farmer can collect crop data continuously, which then serves as extensive decision support data for the farmer and the robotic system for the purpose of increasing productivity. This means the farmer, at any given time, can receive information on crop status, harmful organisms, crop nutrient requirements, rate of growth, humidity and so forth. On the basis of such information, the farmer can decide on any measures to benefit the crops.

Ekobot PLUS increases the farmer's margins, and as a scalable solution it has the potential to meet current and future needs for quantitative production volumes with the greatest possible consideration for the environment. All in all, data collection will enable Ekobot to use the robot platform in the future to make multiple vertical SaaS offerings through Ekobot PLUS, thereby generating new revenue streams.



*The strategy is based on providing a complete system with a high degree of modularity, making it scalable and adaptable to prevailing crop conditions.*

## Patents

The different components and modularity are in line with the way Ekobot's IPR portfolio has gradually been built up since the company's inception. In 2019, Ekobot filed a patent application with the European Patent Office (EP) for its technology (19205129.0 A WEEDING MACHINE AND A METHOD FOR CARRYING OUT WEEDING USING THE WEEDING MACHINE). The company's patent application has been approved and the patent expires in 2041.

The company has also filed a patent application with EP for its patent (EP3811748A1) for a cutting system for linear weed control. The application was submitted for registration in June 2021. Thus far, the company's application has passed scrutiny without objection and the company expects the patent to be approved in the first quarter of 2023.

On February 10, 2022, the company filed a patent application (No. 22156029.5) with EP for a tool carrier unit for autonomous agricultural vehicles. Approval of the company's application is expected in 2024.

## Production and Product development

### Collaborative partners

In 2020, Ekobot began a collaborative project with WUR under the EU Commission's Farm of the Future program, and Opportunities for West, aimed at developing circular agriculture. The Farm of the Future is an initiative of Ministry of Agriculture, Nature and Food Quality in Wageningen in the Netherlands. WUR is a world renowned agricultural research Institute in the Netherlands. Among other things, it helped initiate contacts on the Dutch market to facilitate Ekobot's entry into the European market.

Ekobot has collaborated with Telia for some time, as the company's autonomous, electric field robot is connected to Telia's 5G network. Ekobot is able to identify and mechanically remove weeds with the aid of advanced camera sensors and AI. This enables reductions in the use of chemicals in the field leading to healthier crops, soil and products. Ekobot is now also included in the European Parliament's EGDC (European Green Digital Coalition) pilot project, together with Telia, where they have selected a set of digital solutions (field studies) for development into calculators for field studies. The purpose of the field study calculators is to assess the net environmental impact of the selected solutions.



### Production and suppliers

The company currently has agreements with a number of local suppliers, and it is holding discussions with several suppliers in Europe in order to scale up production.

The company believes it can meet planned deliveries and the scaling-up of operations in the coming year with its existing suppliers.

## Organization and management

The organization and management team continued its journey in 2022 in good Ekobot spirit and with good outcomes.

Today, the company's Board covers key strategic areas such as agriculture, customer-centric product development, digital service scaling and business development.



*The company's Board and management team.*

The organization consists of a highly competent engineering team, and during the year it continued its work on developing a reliable tool system that can be modified and applied in several areas in the agricultural sector. The team is a great asset for the company, and it possesses a very extensive, wide range of skills in the field.

## The share, share capital & ownership ratio

### The share

Ekobot AB (publ) has been traded on Nasdaq First North Growth Market under the name Ekobot since March 15, 2021. The number of shares as of December 31, 2022 totaled 4,282,364. The quota value per share is SEK 0.35. There will be a maximum dilution effect of 8.74 percent on the closing date.

### The ten largest shareholders as of December 31, 2022

Shareholder	Number of shares	Capital and votes
Nordbeck, Ulf	511,545	11.95%
Navus Ventures B.V.	474,934	11.09%
Cederlund, Tord	317,895	7.42%
Unibap AB	167,000	3.90%
Gullberg, Jonas	152,869	3.57%
Linus Larson Holding i Uppsala AB	149,600	3.49%
Lindgren, Thomas	117,683	2.75%
Avanza Pension	103,915	2.43%
Säll, Gunnar & Sällsam Aktiebolag	100,072	2.34%
Dahlström, Christer with company	100,038	2.34%
<b>The 10 largest owners</b>	<b>2,195,551</b>	<b>51.27%</b>
Others	2,086,813	48.73%
<b>TOTAL</b>	<b>4,282,364</b>	<b>100.00%</b>

### Share price movements in 2022 (SEK)



## Share-based compensation programs

At an extraordinary general meeting on November 30, 2020, Ekobot resolved to adopt incentive programs for the Board and certain company employees. The incentive program consisted of a targeted issue of a maximum of 100,000 warrants. The subscription price per warrant is SEK 0.296 and is based on the market value of the warrant. As a result of these warrants, Ekobot's share capital may increase by a maximum of SEK 35,000.

The right to subscribe for warrants was given to three Board members who subscribed for 40,000 warrants, and employees in the company who subscribed for a total of 57,500 warrants. Thus the total number of warrants subscribed for under the option program was 97,500. The warrants may be exercised during the period November 1, 2023 to December 1, 2023. Each warrant entitles the holder to subscribe for one (1) new share in the company at a subscription price of SEK 30 per share. For further information about the program, please visit the company's website at [www.ekobot.se](http://www.ekobot.se).

In conjunction with the listing on March 15, 2022, 465,000 units were issued, each consisting of two shares and one option. While the series T01 warrants could be exercised for the subscription of shares during the period April 19 – May 3, 2022, this was not done.

In conjunction with the rights issue during the second quarter of 2022, 116,078 units were issued, each consisting of 10 shares and 5 options. The exercise period for the series T02 warrants was October 3–14, during which 271,980 warrants of a possible total of 580,390 were exercised. As a result, share capital increased by SEK 95,193 to SEK 1,332,600.50, while the number of shares increased from 3,535,450 to 3,807,430. The company received around SEK 700 thousand before issue expenses. During the second quarter of 2022, a convertible instrument in the amount of SEK 3 million was also issued in conjunction with the rights issue. This entitles subscription at a price of SEK 9.60 and falls due on April 27, 2023.

Also, an extraordinary general meeting resolved to issue two programs, 2023/2026A-B. Refer also to Share-based compensation programs, elsewhere in the Annual Report.

The number of shares as of closing day was 4,282,364. There will be a maximum dilution effect of 8.74 percent on the closing date.





## Administration Report

The Board and CEO of Ekobot AB (publ) submit the following Annual Report for the financial year 2022. This Annual Report is prepared in Swedish kronor, SEK.

### Information about the business

Ekobot has a vision of becoming Europe's leading company within autonomous agricultural robots and aims to be agriculture's go-to supplier of advanced weed management services and decision support. The company was founded with the ambition of enabling agriculture to produce more food with fewer resources and seeks to position itself as a long-term sustainable alternative to conventional chemical crop spraying – all aimed at tomorrow's agriculture.

Ekobot conducts operations based on the business concept of developing, manufacturing and selling agricultural robots that enable efficient precision farming, where e.g. weed management takes place entirely without, or with minimal use of, herbicides. Today, weed management is a major, costly problem for Ekobot's end customer, the farmer. Demand for robotic weed control will increase significantly over the next five years. With its exceptional solution for identifying weeds via a system that uses vision technology and artificial intelligence, the company's robot can cut weeds at ground level, reducing the risk of new root shoots, thus removing the need for the crop to compete with weeds for nutrients, water and light. The system can be adapted for use in areas of varying sizes, e.g. by managing multiple rows of crops simultaneously. Ekobot makes very efficient use of existing areas.

It also creates value for its customers through the data collected via the robot platform. It allows the customer to get e.g. information about crop status. The data itself will also serve as a future potential revenue stream. The Ekobot product enables data feedback to a common database, where the information is gathered and passed on to all linked devices in conjunction with updates. Using an AI solution, Ekobot offers a product that is under constant development and which, in the company's opinion, provides good abilities to uniquely streamline and predict different production needs.

### Research and development

Ekobot's technology can be used for many applications in precision farming, such as irrigation, spraying and seeding. The company has chosen to focus on weed management in onion farming as the initial market, with other vegetables coming later. The Ekobot software comprises two independent subsystems, the robot system and the tool system, which allows a modular design that can be modified according to the user's needs. This makes the system suitable for use all over the world, regardless of soil or climate conditions. The robot system is equipped with several state-of-the-art sensors that provide information to the user to allow autonomous navigation. Ekobot's effective sensor fusion combines information from GPS, wheel encoders and the Inertial Measurement Unit (IMU), making localization and tracking very accurate.

Together with the company's tool system, which can detect both weeds and crops with very high precision, the robot system creates a global map storage coordinate and identifies all the weeds and crops detected, enabling the development of weed management strategies based on the changing weed situation from one day to another.

The user can interact with the robot and the system through a user interface. The interface presents the user with two instrument panels; one panel provides overall robot status and is used as a preventive maintenance indicator, while the other contains performance analyses and an overall analysis of detected crops, weeds

and/or pests. Together, the instrument panels can be used to provide a farmer with an up-to-date health check of the fields and a yield forecast indicator.

The tool system is built with modularity as a core purpose. All tools are independent of each other, making the system scalable and adaptable to the current situation on a farm. The tool is able to mechanically remove identified weeds very carefully without damaging the crops. The mechanical design of the tool and the Ekobot AI model allows weed management to be performed with high precision without damaging sensitive crops. The AI model uses state-of-the-art technologies to detect weeds with very high precision. The latest 3D cameras allow the system to track all objects in real time while storing the position of the weeds on a global map.

## Market

The global market for agricultural robots is expected to grow, and the number of farmers choosing to automate their agricultural operations is constantly growing. Two of the company's most important milestones since its founding were passed in 2022 and came in the form of commercial breakthroughs in the Swedish and Dutch markets. The contracts concluded during the year with the customer covered both pilot installations and fully commercial conditions. The contracts clearly demonstrate an increasing need for agricultural robotics of Ekobot type in the agricultural sector, and that the market in Europe is rapidly growing. Experience from the year's sales efforts also shows that many farmers in the Netherlands and Sweden harbor clear ambitions to convert their conventional cultivation systems to robotics within a few short years. The 2022 customer contracts are multi-year and form the basis of the company's first sales revenues. They also provide a clear indication that earlier assumptions regarding pricing to the customer were correct.

The company has a broad network of experienced external consultants. The number of employees on closing day was six.

## Significant events during the financial year

- In February, the company submitted a patent application to the European Patent Office for a tool carrier unit for autonomous agricultural vehicles.
- Ekobot signed letters of intent with three customers in the Netherlands.
- The company received an initial order for a pilot installation for a customer in the Netherlands.
- The Board resolved on a rights issue, which requires approval by an extraordinary general meeting.
- The company received an initial order for a pilot installation with one of Sweden's biggest vegetable growers.
- In April, the company was awarded project support of approx SEK 5.7 million from the Swedish Board of Agriculture.
- An extraordinary general meeting held on April 20 resolved to conduct a proposed share issue.
- A rights issue was concluded on May 19, providing the company with SEK 9.3 million before issue expenses.
- Almi Företagspartner Mälardalen continued to show confidence in the company and granted a SEK 2 million green loan.
- The first indicative results from the year's field trials in Sweden were obtained in July. The results show that Ekobot's agricultural robot WEAI (autonomous weeder) greatly reduces the need for chemicals while also providing the farmer with the ability to increase productivity.
- In August, the company signed an agreement with a new, major Swedish customer for the delivery of Ekobot's autonomous robot system WEAI. Under the agreement, delivery of the order valued at SEK 900,000 will take place during the 2023 growing season.
- In September, Almhaga Gård, the southern Swedish onion producer, carried out a large-scale test of the Ekobot robot in their onion crop.

- On September 23, Ekobot concluded an agreement with Kapitalpartner to support the establishment and growth of field robots in the Danish market.
- Ekobot is one of six companies in Agtech and Food tech selected to represent Sweden and meet American Agtech investors in Silicon Valley during the Nordic-US Food Summit in November this year.
- The issue price for exercising the T02 series warrants was set at SEK 2.57 per share, and with 47% of the program exercised, the company was provided with approx SEK 700 thousand before issue expenses.
- In October, the company concluded a contract with a new customer in the Netherlands for the delivery of Ekobot's WEAI autonomous weeder for the 2023 growing season.
- On October 23 and with the authorization of Ekobot's AGM of May 12, 2022, Ekobot's Board resolved to carry out a targeted emission of 474,934 shares to strategic investor Navus Ventures. The issue price was SEK 5.00 per share, corresponding to a discount of around 4.6 percent compared to the Nasdaq First North Growth Market closing price of October 21, 2022 and a premium of around 58.7 percent compared to the volumetric weighted average price (VWAP) for the company's shares on Nasdaq First North Growth Market during the period from October 10, 2022 through October 21, 2022. The issue provided the company with SEK 2.4 million before issue expenses.
- In November, the company received official field test results that showed a 6% harvest increase compared to conventional cultivation technology with chemical weed control.

### Significant events after the end of the period

- The Board resolved, contingent upon subsequent approval by an extraordinary general meeting, to carry out a new share issue of no more than 8,564,728 shares with preferential rights for existing shareholders. If fully subscribed, Ekobot will receive share proceeds of around SEK 21.4 million before issue expenses. The issue is subject to around 85% of the subscription rights and guarantees. Also, the Board may resolve on an over-allotment issue in the form of a targeted new share issue of no more than SEK 5.4 million on the condition that the rights issue is fully subscribed.
- The company published its strategic goals for 2023.
- In January, the company signed an agreement with a Swedish customer in the organic vegetable cultivation sector. The agreement concerns a robot system for delivery in time for the 2023 growing season.
- An extraordinary general meeting held on February 16 approved the Board's proposal concerning a new share issue and resolved on the incentive program 2023/2026A-B to issue warrants to senior executives, employees, consultants and Board members.
- Ekobot published the prospectus on February 17 in conjunction with the rights issue.
- On March 14, the new issue was completed, and the company receives SEK 26.8 million before issue expenses. The rights issue was subscribed to approx. 130.3% and the board decided to issue shares to meet the high demand.
- On March 21, a directed issue of 258,043 shares was carried out to the guarantors who wish to be paid in shares.

## Revenue and earnings

Net sales for the year totaled SEK 214 thousand (0). During the first quarter of 2022, the company concluded agreements in respect of pilot installations in Sweden and the Netherlands. The sales in the amount of SEK 214 thousand relate to these agreements.

Other revenues during the year totaled SEK 449 thousand (419), and consisted mainly of currency gains and grants. SEK 14 thousand (34) was received in government support for increased sick pay expenses during the first six months of 2022. These have reduced capitalized expenditures for development work.

The operating loss for the year totaled SEK -8,998 thousand (-6,796). Research and development costs increased by SEK 1,519 thousand compared with 2021, and the absolute largest part of this increase can be attributed to the impairment of two field robots that were reported as tangible assets. These robots were built in-house, and it has since been determined that they can be produced at lower cost and on a greater scale. Because this is a natural part of every product development process and is essentially positive, the original book value was depreciated by a total of SEK 1,149 thousand during the third quarter.

Sales and administrative expenses for the year totaled SEK -7,391 thousand (-6,533). Sales and administrative expenses increased this year due mainly to higher marketing costs and other sales and marketing activities. Moving forward, these costs will remain greater than the corresponding period for the previous year, as the focus on marketing communications is increasing.

As of closing day December 31, 2022, the number of employees was six (six).

Ekobot's loss for the financial year was SEK -10,410 thousand (-7,067). Earnings per share totaled SEK -3.22 (-3.24).

## Liquidity and financial position

At the end of the financial year, shareholder equity totaled SEK thousand 15,371 (15,318) and the equity/assets ratio was 49.2 percent (57.1).

Cash and cash equivalents at the end of the financial year totaled SEK thousand 2,943 (9,004). During the second quarter, the company carried out a rights issue that raised SEK 9,286 thousand before issue expenses. Issue expenses totaled SEK 1,682 thousand on closing date. A total of 1,160,078 shares were issued and the share capital increased to SEK 1,237 thousand. An option program, T02, totaling 580,390 options was also initiated in conjunction with the issue. The underwriting period for the options expired in October, and a total of 271,980 shares were subscribed to, raising SEK 699 thousand before issue expenses. Also in October, and with the authorization of Ekobot's AGM of May 12, 2022, Ekobot's Board resolved to carry out a targeted emission of 474,934 shares to strategic investor Navus Ventures. The issue provided the company with SEK 2,375 thousand before issue expenses. The total number of shares as of closing day was 4,282,364, and share capital stood at SEK 1,499 thousand.

Ekobot intends to continue its operations and the assessment is that the company's products and services have great market potential. The financial climate today is tough, and the geopolitical unrest also means that the financing risk has increased. In light of this, the Board is working on possible alternative financing and managing the situation by preparing new share issues in good time. Accordingly, an extraordinary general meeting in February 2023 resolved to conduct a rights issue and this brought in SEK 26.8 million to the

company before issue expenses. The issue was oversubscribed to approx. 130.3%, which feels reassuring for the future. The company is now continuing its scaling up, which will continue to require capital. Against the background of the company's positive development, as well as the support shown in the latest issue, the Board views positively on the possibility of financing the company's development going forward. The Board makes the assessment that the company's available funds and equity as of 31 December 2022 are not deemed to cover the liquidity needed to run the business for the next 12 months, but looks positively at the future. The company is also in a position to reprioritize operations and adjust costs and expenses based on the available capital in the company.

Given that the business is at a pre-commercial stage and without sales revenues, the Board has resolved to propose to the AGM that no dividend be paid to the shareholders in 2023.

### **Cash flow and investments**

Cash flow from operating activities including changes in working capital for financial year 2022 totaled SEK -10,753 thousand (-5,883).

Cash flow from investing activities totaled SEK -12,084 thousand (-6,669). In all, capitalized development costs increased during 2022 by SEK 8,594 thousand (6,387). Investment in the patent portfolio for the corresponding period totaled 287 thousand (102). Capital expenditures for property, plant and equipment during the fourth quarter of 2022 totaled SEK 0 thousand (0) and SEK 3,203 thousand (180) for the period January to December. The biggest material investments for full-year 2022 consisted of two proprietary field robots.

Cash flow from financing activities totaled SEK 16,776 thousand (20,282). The biggest items consist of newly raised loans totaling SEK 14,375 thousand (2,600), the rights issue carried out during the second quarter which brought in SEK 9,286 thousand before issue expenses, and the targeted new issue that took place in October and which raised SEK 2,375 thousand before issue expenses. Amortization of loans totaling SEK 8,062 thousand (101) were also made during 2022. Listing on the Nasdaq First North Growth Market took place during the first quarter of 2021 and the issue brought in proceeds of SEK 20.5 million before issue expenses.

### **Personnel**

The buildup of the Ekobot organization and network continued during the year to equip it for the future. On closing day, the company had six (six) employees. While the organization is still relatively small, the company works with a large network of skilled consultants dedicated to Ekobot.

### **Share-based compensation programs**

Ekobot has an option program that was active on the closing date. At an extraordinary general meeting on November 30, 2020, Ekobot resolved to adopt an incentive program for the Board and certain company employees. Also, during the second quarter of 2022, a convertible instrument in the amount of SEK 3 million was issued in conjunction with the rights issue. This entitles subscription at a price of SEK 9.60 and falls due on April 27, 2023. Also, an extraordinary general meeting resolved to issue two programs, 2023/2026A-B. Refer also to Share-based compensation programs, elsewhere in the Annual Report.

### **Nomination committee**

Ekobot's nomination committee for the 2023 Annual General Meeting (AGM) was appointed in accordance with the principles adopted by the AGM of May 12, 2022, and comprises: Tord Cederlund, own holding, as chairman,

Jens Lagergren, appointed by Unibap AB (publ) and Ulf Nordbeck, own holding, and as co-opted, Chairman of the Board Thomas Lindgren.

Before the AGM of May 12, 2023, the nomination committee must prepare resolutions in issues relating to elections and fees, and where applicable, procedural issues for the next nomination committee.

## Environment

Ekobot works proactively to reduce any negative environmental impact and to develop as a sustainable company. The company endeavors to ensure responsible, sustainable sales as well as responsible, sustainable purchases of goods and services. The company has also been granted a green loan of approximately SEK 2 million. Almi Mälardalen AB's green loans are aimed at financing green investments that pursue one or more of the six environmental objectives in the EU's taxonomy.

## The work of the Board

The company's Board comprises five ordinary members, including the Chairman of the Board, who were elected by the AGM for the period up to the end of the 2023 AGM. In 2022, the Board met 13 times. Among other things, the Board is responsible for setting targets and strategies, ensuring procedures and introducing systems for evaluating targets, and the ongoing evaluation of the company's financial position, financial performance and operational management.

The Board follows written rules of procedure that are revised annually and adopted at the statutory Board meeting each year. Activities governed by the rules of procedure include Board practices, functions and the division of responsibility between the Board and the CEO and, where applicable, between the Board and various committees.

## The share

Ekobot AB (publ) has been traded on Nasdaq First North Growth Market under the name Ekobot since March 15, 2021. The number of shares as of December 31, 2022 totaled 4,282,364. The quota value per share is SEK 0.35. There will be a maximum dilution effect of 8.74 percent on the closing date. As of closing day, there were two owners with holdings greater than 10%, namely Ulf Nordbeck (11.95%) and Navus Ventures B.V. (11.09%).

## Share-based compensation programs

At an extraordinary general meeting on November 30, 2020, Ekobot resolved to adopt incentive programs for the Board and certain company employees. The incentive program consisted of a targeted issue of a maximum of 100,000 warrants. The subscription price per warrant is SEK 0.296 and is based on the market value of the warrant. As a result of these warrants, Ekobot's share capital may increase by a maximum of SEK 35,000.

The right to subscribe for warrants was given to three Board members who subscribed for 40,000 warrants, and employees in the company who subscribed for a total of 57,500 warrants. Thus the total number of warrants subscribed for under the option program was 97,500. The warrants may be exercised during the period November 1, 2023 to December 1, 2023. Each warrant entitles the holder to subscribe for one (1) new share in the company at a subscription price of SEK 30 per share. For further information about the program, please visit the company's website at [www.ekobot.se](http://www.ekobot.se).

In conjunction with the listing on March 15, 2022, 465,000 units were issued, each consisting of two shares and one option. While the series T01 warrants could be exercised for the subscription of shares during the period April 19 – May 3, 2022, this was not done.

In conjunction with the rights issue during the second quarter of 2022, 116,078 units comprising 10 shares and five options were issued. The exercise period for the series T02 warrants was October 3–14, during which 271,980 warrants of a possible total of 580,390 were exercised. As a result, share capital increased by SEK 95,193 to SEK 1,332,600.50, while the number of shares increased from 3,535,450 to 3,807,430. The company received around SEK 700 thousand before issue expenses.

During the second quarter of 2022, a convertible instrument in the amount of SEK 3 million was also issued in conjunction with the rights issue. This entitles subscription at a price of SEK 9.60 and falls due on April 27, 2023.

In February 2023, an extraordinary general meeting resolved to introduce incentive program 2023/2026A to senior executives, employees and consultants in the company through the issue of no more than 107,000 warrants. The same general meeting also resolved to introduce incentive program 2023/2026B to Board members through the issue of no more than 102,000 warrants. Also refer to the minutes from the extraordinary general meeting of February 16, 2023, at [www.ekobot.se](http://www.ekobot.se).

The number of shares as of closing day was 4,282,364. There will be a maximum dilution effect of 8.74 percent on the closing date.

## Operations, prospects, risks and uncertainties

The company's development during the year was very positive. Field tests, the conclusion of agreements on commercial terms, and continued strong interest from potential customers demonstrate that the company has been very successful and shows great potential for the future. Despite this, the company is dependent on the successful scaling up of production, commercialization and marketing of its agricultural robots. Given that scaling up and commercialization always require capital, and because the company sees great opportunities for further product development, there is a financing risk. Financing risk concerns the ability to finance development up to commercialization and full launch. The company handles this by preparing new share issues in good time. Financing risk is deemed to have increased with regard to the prevailing financial climate with high inflation and rising interest rates, etc. The current geopolitical unrest also contributes to increased risk. The company develops robots with new, trailblazing technology and there will always be regulatory, market and financial risks in its operations. The business risks consist primarily of the new, pioneering technology on which the development is based. Also, there is always risk involved in moving from the development phase to the commercialization phase. Market risk consists mainly of currency risks. This risk is very low at present, as most payment transactions are in Swedish kronor. However, because sales agreements are concluded in euros, a certain currency risk exists. The credit risk for cash and cash equivalents is considered negligible, since counterparties to the company's bank balances are reputable banks with high ratings by external analysts. As mentioned above, financing risk concerns the ability to finance development up to commercialization and full launch. This risk is deemed to have increased due to the prevailing tough climate on the capital market. Liquidity risk concerns the company's ability to fulfill its obligations. The company manages this risk by constantly monitoring cash flow to reduce liquidity risk and ensure its ability to pay.

One of the company's challenges in the short and long terms is to continue developing the robot and the decision support system to keep pace with technological developments while maintaining a lead over competitors. Another

future challenge is to demonstrate sales in markets other than those the company has hitherto focused its marketing activities on.

External factors such as changes in inflation, exchange rates and interest rates have an impact on operating costs, sales prices and the value of shares. A major part of future sales revenues may flow in in SEK and EUR, and exchange rates may change substantially. Depending on how the company's revenues and expenses are distributed across different currencies, changes in exchange rates may have a significant negative impact on Ekobot's financial position and earnings. Furthermore, inflation and increasing interest rates contribute to increased costs. The company is very cost-conscious and continues to focus on prioritizing between activities.

The company has a relatively small organization, although its contact network is large. However, this means a degree of vulnerability exists with regard to key individuals. As the company grows, this risk will decrease.

The current unrest around the world affects us all. Precisely how things will develop and how they will affect the company in the long-term is difficult to predict today. The war in Ukraine has not directly affected operations in any way, as we do no business with Russia or Ukraine, but it may have an indirect negative effect on delivery times. Developments in the financial market have been weak. The general economic climate, both national and international, will be a challenge for every company moving forward. Furthermore, Covid-19 continues, and even though restrictions have been removed, society remains affected, and the company has taken the measures necessary to protect employees and limit any negative impact on its operations. The biggest risk currently identified concerns long hardware delivery times due to a global component shortage. Because the company is in a commercialization phase that includes the challenge of scaling up production, this risk is substantial.

While there are identified risks concerning AgTech investments in general, there are also opportunities.

The following risks have been identified:

- *Market fragmentation:* The AgTech sector is very fragmented, with a broad range of companies and start-up companies offering products and services in different segments of the agricultural value chain. This makes it challenging for investors to identify the most promising investment opportunities and to judge the market potential of various products and services.
- *Regulatory challenges:* The agricultural industry is very regulated with a number of regulatory requirements that vary significantly from region to region. This can make it difficult for AgTech companies to navigate through the regulations and ensure compliance with local laws and regulations.
- *Access to data:* Agriculture is a data-intensive industry and access to reliable, high-quality data is essential for the success of AgTech companies. However, availability and quality of data can vary considerably depending on the region and the type of data required.
- *Investment risk:* AgTech companies often require significant early investments in R&D, as well as the development and testing of new products and services. This can create significant risks for investors, especially during the early stages of a company's development.
- *Adoption challenges:* The agricultural industry is often slow to adopt new technologies and products, where farmers and other stakeholders in the industry rely on conventional and traditional methods. This can create challenges for AgTech companies wishing to penetrate a market and achieve widespread use of their products and services.

To sum up, investments in the AgTech sector in 2022 faced a number of challenges including market fragmentation, regulatory challenges, access to data, investment risk and adoption challenges. But by focusing on companies like Ekobot that have a strong value offering and a clear route to market adoption, investors can identify promising investment opportunities in this rapidly growing sector.



The following opportunities have been identified:

- *Increased demand for sustainable farming methods:* Because the negative effects on the environment and human health from the use of pesticides are becoming more apparent, there is a growing demand for more sustainable farming methods. This could involve the use of autonomous field robots in order to reduce the need for pesticides, which would help protect the environment and human health.
- *Improved market opportunities:* The transition to more sustainable farming methods can create new market opportunities for autonomous field robot companies. When farmers look for ways to reduce their dependence on pesticides and improve their sustainability data, there may be increased demand for autonomous field robots able to help them achieve their goals.
- *Beneficial regulatory environment:* The regulatory pressure against pesticides may create a beneficial regulatory environment for autonomous field robot companies. When the government and supervisory bodies look for ways to promote sustainable farming methods and reduce the use of pesticides, they may offer incentives or other support to companies that can help them achieve these goals.
- *Technological innovation:* The pressure to reduce the use of pesticides may drive innovations in autonomous field robot technology. When farmers look for ways to reduce their dependence on pesticides, they may be more willing to adopt new technologies that can help them achieve this goal. This may create new opportunities for autonomous field robot companies to develop and market innovative solutions.

To sum up, the regulatory pressure against pesticides may be good news for autonomous field robot companies. It could create new market opportunities, promote sustainable farming methods and drive innovation in autonomous field robot technology. As such, companies in the sector are well positioned to benefit from the growing demand for more sustainable, eco-friendly food production.

## Corporate governance report

Ekobot is a Swedish public limited liability company. Corporate governance in the company is based on Swedish law, including the Swedish Companies Act and the Annual Accounts Act, as well as First North's regulations and the company's own internal rules and regulations.

The Swedish Code of Corporate Governance (the Code) applies to Swedish limited companies whose shares are listed on a regulated market in Sweden, currently Nasdaq Stockholm and Main Regulated Equity. Thus Ekobot is not subject to the Code as the company's shares are not admitted for trading on a regulated market. The Board has chosen not to apply the Code for the time being.

### Shareholder

The Ekobot share is listed and admitted for trading on Nasdaq First North Growth Market under the ticker EKOBOT. Under the company's articles of association, share capital must total no less than SEK 1,100,000 and no more than SEK 4,400,000, and be divided among no fewer than 3,400,000 shares and no more than 13,600,000 shares. The company's share capital totals SEK 1,498,827.40 divided into 4,282,364 common shares. Each share has a quota value of SEK 0.35. Shares in the company are denominated in SEK. The shares in the company are of the same class and issued in compliance with Swedish legislation.

As of December 31, 2022 Ulf Nordbeck was the largest individual shareholder with 11.95 percent of the shares. Strategic owner Navus Ventures B.V. invested in the company in October 2022 and holds 11.09 percent of the shares. They were also the only shareholders with holdings in the company that represented at least one tenth of the voting rights of all shares in the company on closing day.

Each share entitles the holder to one (1) vote at the AGM. Each person entitled to vote may vote for the full number of shares owned and represented at the AGM. The shares all carry identical rights to the company's assets and profits.

### Annual General Meeting (AGM)

Under the Swedish Companies Act, the AGM is the company's highest decision-making body. Shareholders exercise their voting rights on key issues at the AGM, such as the adoption of income statements and balance sheets, the allocation of the company's earnings, the discharge from liability for the Board and the CEO, the election of Board members and auditors, and remuneration to the Board and auditors.

The AGM must be held within six (6) months from the end of the financial year. In addition to the AGM, shareholders may call an extraordinary general meeting. According to the company's articles of association, notice to attend an AGM is made by advertising in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. Notice that an AGM is convened must also be advertised in Svenska Dagbladet (daily newspaper).

### Right to attend an AGM

Shareholders who wish to participate in the AGM must be entered in the share register maintained by Euroclear no later than six banking days prior to the meeting and must notify the company of their intention to participate in the AGM no later than the date specified in the notice to attend. At general meetings, shareholders may attend in person or by proxy and may also be assisted by a maximum of two people. The means for shareholders to register for the AGM is shown in the notice to attend; it is often possible to register in several ways. Shareholders entitled to vote may vote for the full number of shares owned and represented at the AGM. Any

shareholder in the company who registers a matter with sufficient advance notice has the right to have the matter addressed at the AGM.

## Initiatives by shareholders

Shareholders who wish to have a matter addressed at the AGM are required to submit a written request to the Board. Usually, the request must be received by the Board no later than seven weeks before the AGM.

## AGM 2022

Ekobot held its AGM on May 12, 2022.

In addition to the customary AGM agenda items, the meeting adopted the following resolutions:

- to re-elect Thomas Lindgren, Sina Vosough, Mattias Jansson, Victoria Woyland and Ulf Nordbeck as Board members until the end of the next AGM;
- to elect Thomas Lindgren as Chairman of the Board;
- to re-elect the registered accounting firm Grant Thornton Sweden AB as auditor with Michael Palm as auditor-in-charge;
- that an annual fee of SEK 136,400 be paid to the Chairman of the Board and SEK 68,200 to each of the other members elected by the AGM who are not employed by the company;
- that remunerations to auditors be paid on open account against approved invoice;
- to establish and adopt instructions for the nomination committee and
- to authorize the Board during the period until the next AGM, to resolve on one or more occasions on the issue of new shares, warrants and/or convertibles, with or without deviation from shareholders' preferential rights. The Board also has the right to decide whether payment for new shares must be made in cash, through payment in kind or offset. The number of shares that may be issued and the number of shares to which conversion or subscription may be made must be limited to a maximum that will result in an increase in share capital of no more than twenty percent based on the company's total share capital at the time of the 2022 AGM. In order not to disadvantage the company's current shareholders in relation to the external investor(s) who may subscribe for shares in the company, the Board intends to determine the issue price for issues with deviation from the shareholders' preferential rights to close to market level, subject to market issue discounts, where applicable as deemed by the Board on each individual occasion.

## AGM 2023

The AGM will be held on Friday May 12 in Västerås. Notice to attend the AGM will be made by advertisement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time, notice that an AGM is convened will also be advertised in Svenska Dagbladet (daily newspaper).

Shareholders wishing to have an issue addressed at the AGM must submit a written request to the Board well in advance of the meeting. The Board may be contacted by mail to: The Board of Directors, Ekobot AB, Slakterigatan 10, SE-721 32 Västerås, or by e-mail to: info@ekobot.se.

## Nomination Committee and instructions for its work and composition

The 2021 AGM resolved to set up a nomination committee for future AGMs. The Chairman of the Board is tasked with contacting the three largest registered shareholders by voting power by no later than September 30 each year and asking them to appoint one member each to the nomination committee. Should any of these shareholders not wish to appoint a member, the next shareholder in line will be asked to appoint a representative to the nomination committee. However, the nomination committee must appoint a chairman

internally; the Chairman of the Board or other Board member may not be appointed chairman of the nomination committee. The names of the committee members must be published in the company's third quarter interim report.

If a member leaves the nomination committee before its work is completed, a replacement member must, if necessary, be appointed by the shareholder who appointed the outgoing member, or if that shareholder is no longer one of the three largest shareholders registered, by the largest shareholder of the three largest shareholders registered or otherwise known, who has not appointed a member of the nomination committee.

The nomination committee must submit proposals to the Chairman and other members of the Board, about fees and other remunerations for Board assignments for each of the Board members. The nomination committee must also submit proposals for the election and remuneration of auditors. Furthermore, the nomination committee must put forward a name for Chairman of the AGM and, to the extent necessary, make proposals for amendments to this instruction for the nomination committee.

The term of office of the nomination committee will run until a new nomination committee has taken office. No remunerations will be paid to members of the nomination committee. The nomination committee has the right, on request, to resources from the company, such as a nomination committee secretary, and also has the right to charge the company for the cost of recruitment consultants and travel related to the assignment, if deemed necessary.

### **Nomination Committee for the 2023 AGM**

Ekobot's nomination committee for the 2023 Annual General Meeting (AGM) was appointed in accordance with the principles adopted by the AGM of May 12, 2022, and comprises: Tord Cederlund, own holding, as chairman, Jens Lagergren, appointed by Unibap AB (publ) and Ulf Nordbeck, own holding, and as co-opted, Chairman of the Board Thomas Lindgren.

### **Guidelines for remunerations to senior executives**

Ekobot AB must offer market-based total remuneration packages to enable the recruitment and retention of qualified senior executives. Remuneration to the CEO and other senior executives may consist of basic salary, variable remuneration, other benefits and pension. The basic salary forms the basis for the total remuneration and must be commensurate with the responsibilities and powers of the executive. The variable remuneration may not exceed an amount equivalent to four months' salary for each executive. The variable remuneration is based on earnings in relation to individually defined qualitative and quantitative metrics and earnings for the company in relation to the goals set by the Board. Pensionable salary consists solely of basic salary. The period of notice must be at least three months in the event of termination on the initiative of the senior executive, and in the event of termination by the company, between three and twelve months. No severance payment will be made. Where applicable, share and share price-related programs must be resolved by the AGM. Allotment must be made in compliance with the decision of the AGM. Apart from the provisions of the employment contracts set out above, senior executives are not entitled to any benefits following termination of employment / the assignment. The CEO's remuneration must be prepared and approved by the Board. The CEO must prepare the remuneration of other senior executives and submit a proposal to the Board for approval. The Board has the right to deviate from the above remuneration guidelines for senior executives if justified by special reasons.

## The Board of Directors

The Board is the second most senior decision-making body after the AGM. Under the Swedish Companies Act, the Board is responsible for the organization and management of the company's affairs, which means it is responsible for such things as setting targets and strategies, ensuring procedures and introducing systems for evaluating targets, and the ongoing evaluation of the financial position, financial performance and operational management. The Board is also responsible for ensuring that interim and annual reports are drawn up in a timely manner. It is also the responsibility of the Board to appoint a CEO.

The Board is usually appointed by the AGM up until the conclusion of the next AGM. According to the company's articles of association, the Board must consist of no fewer than four and no more than seven members. Members are elected annually at the AGM for the period up until the conclusion of the following AGM. There is no provision limiting how long a member may sit on the Board.

The Chairman of the Board is tasked with managing the work of the Board, making sure it fulfills its duties and that the work of the Board is carried out efficiently. Through contacts with the CEO, the Chairman must monitor the development of the company and make sure that Board members, through the CEO's administration, continuously receive the information necessary to enable them to monitor the company's position, financial planning and development. The Chairman must also consult the CEO on strategic matters and verify that the decisions of the Board are effectively implemented. The Chairman of the Board is responsible for contacts with the owners in matters of ownership and for communicating views from the owners to the Board.

The Board follows written rules of procedure that are revised as required and adopted at the statutory Board meeting. The rules of procedure govern such things as the Board's practices, functions and the division of responsibilities between the Board members and the CEO. At the statutory Board meeting, the Board also adopts instructions for the CEO, including instructions for reporting.

The Board consists of five members, namely Thomas Lindgren (Chairman of the Board), Sina Vosough, Ulf Nordbeck, Mattias Jansson and Victoria Woyland. The assignments of all Board members are valid until the conclusion of the 2023 AGM. Further information about the members can be found in the Board section below.

Name	Position	Elected	Shareholding	Warrants, holding	Board meeting attendance	Independent of the company and its management	Independent of major shareholders
Thomas Lindgren	Chairman	2020	117,683	20,000	13/13	Yes	Yes
Ulf Nordbeck	Board member	2017	511,545	20,000	13/13	No	No
Mattias Jansson	Board member	2019	5,000	10,000	13/13	Yes	Yes
Sina Vosough	Board member	2020	42,500	10,000	13/13	Yes	Yes
Victoria Woyland	Board member	2021	18,750	-	13/13	Yes	Yes

## The CEO

The CEO is subordinate to the Board and, under the Swedish Companies Act, is responsible for the day-to-day management of the company in compliance with the Board's guidelines and instructions. Measures which, in view of the scope and nature of the company's operations, are of exceptional or significant importance, fall outside the scope of 'day-to-day management' and must therefore be prepared and presented to the Board to enable it to make decisions. The CEO must also take the measures necessary to make sure the company's accounting records are carried out in compliance with the law and that assets are safely managed. In relation to the Board, the CEO is a subordinate company function, which means the Board can resolve on issues that are part of the company's day-to-day management. The work and role of the CEO and the division of responsibilities between the Board and the CEO are set forth in a written instruction (CEO instruction) adopted by the Board and under which the Board evaluates the work of the CEO on an ongoing basis.

The company's CEO is Erik Jonuks. Further information about the CEO and other senior executives can be found under the section entitled Senior executives & auditors.

## Remuneration and terms of employment for the CEO and other senior executives

The Board resolves on remuneration to the CEO

Remuneration to senior executives who are employed may consist of salary, pension and other benefits. The period of notice and compensation in the event of termination are set per individual and governed by the respective employment contracts. Remuneration to the CEO consists of a fixed monthly salary, and from 2021 a variable potential remuneration. The mutual period of notice is six months. According to his employment contract, if the CEO receives or reasonably should have received new income from employment or other gainful activity during the period of notice, said income will be deducted from termination pay. The CEO is also obliged to keep the company informed of any new income during the period of notice.

Further to the above, no senior executives are entitled to compensation after termination of employment. For more information about remuneration to CEO and senior executives, see Note.

## Share-based compensation programs

Incentive programs have been set up for senior executives, employees, consultants and the Board with the aim of motivating and retaining important human resources.

## Auditing

As a public company, Ekobot is required to have at least one auditor to audit the company's and the Group's annual accounts, accounting records and the administration of the Board and the CEO. The audit should be as detailed and comprehensive as generally accepted auditing standards require. The company's auditors are elected by the AGM in compliance with the Swedish Companies Act. The auditor of a Swedish public limited liability company thus receives his assignment from, and reports to, the AGM and may not allow himself to be controlled in his work by the Board or any senior executives. At the end of each financial year, the auditor must submit an Auditors' report and, where applicable, an Auditors' report for the Group to the AGM.

According to the company's articles of association, the AGM must appoint at least one or two auditors with no more than two deputy auditors or one registered accounting firm. The company's current auditor is Grant Thornton Sweden AB, with Michael Palm as auditor-in-charge. More detailed information about the auditor can be found under the section entitled Senior executives & auditors.

## Internal control

The company has chosen not to establish a special function for internal auditing; the task is carried out by the Board as a whole. The Board assesses the need to establish a special internal audit function annually.

The Board has overall responsibility for internal control. The Swedish Companies Act and the Annual Accounts Act include provisions that require information on the most important elements of Ekobot's system for internal control and risk management to be included in the company's corporate governance report. To maintain good internal control, the Board has drawn up several policy documents, such as the Board's rules of procedures, the CEO instructions, instructions for financial reporting, and the information and communication policy. Internal control includes control of the company's organization, procedures and actions. The purpose is to ensure reliable and accurate financial reporting, that the company's financial reporting is prepared in compliance with the law and applicable accounting standards, and that other requirements are complied with. The internal control system also seeks to monitor compliance with the company's guidelines, principles and instructions. The protection of the company's assets and the appropriate, cost-effective use of the company's resources are also monitored. Furthermore, internal control is carried out by following up in information and business systems and through risk analysis. Financial statements and reporting pathways are reviewed at each Board meeting.

Further information on the composition of the Board and the management team is available below.

## Board of Directors

According to the company's articles of association, the Board must comprise no fewer than four and no more than seven members with zero or no more than seven deputies. The Board is elected at the AGM. The election of the Board applies to the period up to and including the next AGM. The company's Board currently comprises five members and no deputies. The Board members are elected for the period until the end of the 2023 AGM.



### **THOMAS LINDGREN**

*Chairman of the board since:* 2020

**Born:** 1960

**Other assignments in progress:** Chairman of the boards of Magnus Thor AB, Frostslingan Fastigheter AB, Adbud Technologies AB and Nina Samtalsgruppen AB. Board member and CEO of XP Investment AB. Board member at XP Advisory AB.

**Holding in Ekobot:** 117,683 shares and 20,000 warrants of series 2020/2023.

Thomas has more than 30 years' experience as an authorized public accountant and many years as a senior partner with leading roles in management and the board of directors of Grant Thornton Sweden AB, a firm with more than 1,300 employees in Sweden. Thomas has worked as auditor and advisor with companies in most industries and all sizes, including public listed companies. Today, Thomas has several engagements in promising startups and growth companies and is chairman of the boards of a number of companies. Thomas has extensive, solid experience in leading board work and is very frequently engaged as a lecturer in corporate governance and the work of boards of directors.



**ULF NORDBECK**

**Board member since: 2017**

**Born: 1966**

**Other assignments in progress:** Board member at Ulf Nordbeck's Uppfinningar AB.

**Holding in Ekobot:** 511,545 shares and 20,000 warrants of series 2020/2023.

Ulf has a broad background in IT management, project management and operational delivery of IT systems in various industries such as electronics, pharmaceuticals and the public sector. Ulf also has extensive experience from work in executive positions in IT from Zarlink, Ericsson and Octapharma, among others. Ulf has worked internationally in the USA, England and Canada and as a consultant in Belgium, Germany, Norway and the USA. His education is broad with a focus on informatics (programming, AI, etc.), and complemented by economics, geology and statistics.



**MATTIAS JANSSON**

**Board member since: 2019**

**Born: 1977**

**Other assignments in progress:** Chairman of the Faringe-Bladåkers farmers association and active in the association at the municipal and regional levels. Board member in the Nardinghundra agricultural society. Member of Arla, Chairman of the Almunge-Funbo conservative party association and member of the conservative municipal council in Uppsala Municipality.

**Holding in Ekobot:** 5,000 shares and 10,000 warrants of series 2020/2023.

Mattias is a farmer in Faringe Kyrkby with milk production and crop cultivation on around 500 hectares.





**SINA VOSOUGH**

**Board member since:** 2020

**Born:** 1981

**Other assignments in progress:** Authorized signatory at Seco Tools AB.

**Holding in Ekobot:** 42,500 shares and 10,000 warrants of series 2020/2023.

Sina has 17 years' experience in senior positions primarily at Sandvik and ABB, including CTO and Vice President at Seco Tools AB, Vice President ABB Instrument Transformers and management team work at Sandvik. Sina has long and well-documented experience in creating profitable transactions with support from R&D. He also has experience from product development projects in interdisciplinary research areas. Among other things, Sina has been in charge of R&D projects that resulted in three global patents. He holds two Master's degrees; Technical Physics from Luleå University of Technology and an Executive MBA from the Stockholm School of Economics.



**VICTORIA WOYLAND**

**Board member since:** 2021

**Born:** 1976

**Other assignments in progress:** CEO of EpinovaTech, a start-up company in the semiconductor industry. Board Member of the All Good Business Group AB.

**Holding in Ekobot:** 18,750 shares.

Victoria Woyland has a broad background in areas such as aftermarket, business development and IT and digital service development, and has held several executive positions in the Volvo Group. Prior to her time with the Volvo Group, she gained experience at Volvo Cars and the consulting industry. Victoria has solid experience in driving change and transformation in a global context. A graduate engineer from Chalmers University of Technology, she lives in Kullavik outside Gothenburg.

## Senior executives & auditors

The management team consists of the following people.

Name	Position	Since	Holding
Erik Jonuks	CEO	2021	5,000 <sup>1</sup> shares and 20,000 warrants
Tomas Täuber	CTO	2021	6,000 shares
Birgitta Lundvik	CFO	2020	4,680 shares

<sup>1</sup> Refers to own holdings and those of related natural persons and legal entities.



**ERIK JONUKS**  
**CEO since: 2021**  
**Born: 1972**

**Other assignments in progress:** Member of the boards of Purple Hill AB and Zappier Consulting AB. Member of the boards of Zappier Consulting AB and Cityzapnow AB. Deputy member of the boards of GEOSTRIX Aktiebolag and Fibu AB.

**Holding in Ekobot:** 5,000 shares and 20,000 warrants of series 2020/2023.

Erik has a background as an agronomist, but for most of his career he has worked with business development in growth companies and start-ups. Erik has owned and run a number of companies in various industries. He has good experience in financial control and financing matters. He has also worked with advisory positions in IPR-related issues. Erik is responsible for planning and implementing various brand-building activities and sales activities.



**TOMAS TÄUBER**  
**CTO since: 2021**  
**Born: 1967**

**Other assignments in progress:** Member of the boards of Täuber Management AB and T2C AB.

**Holding in Ekobot:** 6,000 shares and 150 warrants of series 2020/2023.

Tomas Täuber is an experienced leader with a solid technical background. Graduate engineer in technical physics and electrical engineering. He has worked in a wide range of technology fields, from heavy real-time systems to administrative web solutions. Tomas has excellent project-management experience and a long tradition of heading up various types of development teams. For the past 13 years, he was CEO of an IT consulting firm before he began his own business in 2020.



**BIRGITTA LUNDAVIK**

**CFO since:** 2020

**Born:** 1967

**Other assignments in progress:** CEO and board member at Enable - Finance & Business Development in Sweden AB. Board chair at HERAccount AB.

**Holding in Ekobot:** 4,680 shares.

Birgitta has more than 25 years' experience from management positions, primarily as CFO. This includes Sinfonia Biotherapeutics, AlzeCure Pharma AB (publ) and Favro AB, and she has a long track record in pharmaceuticals and medical devices, software development, life science and real estate. Birgitta also has experience in M&A transactions, business development, Board work, and she has extensive experience of work in the venture capital industry.

## **Auditor**

At the AGM on May 12, 2022, Grant Thornton Sweden AB was elected auditor for the period until the conclusion of the 2023 AGM, with Michael Palm, Authorized Public Accountant, as auditor-in-charge.

## Multi-year overview

SEK thousand	2022	2021	2020	2019	2018
Net sales	214	0	0	0	0
Operating loss	-8,998	-6,796	-3,370	-975	218
Earnings for the period	-10,410	-7,067	-3,964	-773	403
Earnings per share before dilution, SEK	-3.22	-3.24	-10.27	-9.51	6.04
Total assets	31,223	26,826	8,916	6,422	6,790
Cash and cash equivalents	2,943	9,004	1,274	2,194	548
Equity/assets ratio (%)	49.2	57.1	51.6	58.1	53.3
Average number of shares before dilution	3,235,976	2,180,920	385,793	81,200	66,700
Average number of shares after maximum dilution	3,925,917	2,646,545	385,793	81,200	66,700
Average number of employees	6	6	4	3	2

## Change in equity

SEK thousand	Share capital	Fund for development works	Share premium fund	Accumulated the year	Loss for the year	Total
Opening amount	831	12,294	26,951	-17,691	-7,067	15,318
Appropriation as adopted by this year's AGM				-7,067	7,067	0
Rights issue	406		8,880			9,286
Issue expenses			-1,682			-1,682
Options scheme T02	95		604			699
Issue expenses			-60			-60
Targeted new share issue	167		2,208			2,375
Issue expenses			-155			-155
Capitalized development expenditures		8,594		-8,594		0
Loss for the year					-10,410	-10,410
<b>Closing amount</b>	<b>1,499</b>	<b>20,888</b>	<b>36,746</b>	<b>-33,352</b>	<b>-10,410</b>	<b>15,371</b>

## Proposal regarding the allocation of earnings

The Board proposes that available funds (SEK):

accumulated loss	-33,352,557
share premium reserve	36,746,483
loss for the year	-10,409,760
	<b>-7,015,834</b>
be appropriated and carried forward in the amount of SEK	-7,015,834
	<b>-7,015,834</b>

## Dividend policy

Ekobot is in an expansive growth phase where any capital surplus in the operation is invested in the operation and/or acquisitions. Thus far, the company has paid no dividends to its shareholders since it was formed. In view of this, Ekobot has not adopted a dividend policy.

The company's earnings and position are otherwise shown in the following income statement and balance sheet, cash flow statement and notes.

## Income statement

	Note	01/01/2022 -12/31/2022	01/01/2021 -12/31/2021
Amount in SEK thousand			
<b>Net sales</b>		<b>214</b>	<b>0</b>
<b>Operating expenses</b>	3		
Selling and administrative expenses	4, 5	-7,391	-6,533
Research and development costs	4	-2,186	-667
Other operating income		449	419
Other operating expenses		-84	-15
		<b>-9,212</b>	<b>-6,796</b>
<b>Operating loss</b>		<b>-8,998</b>	<b>-6,796</b>
<b>Loss from financial items</b>			
Interest income and similar income statement items		1	0
Interest expenses and similar loss items		-1,413	-271
		<b>-1,412</b>	<b>-271</b>
<b>Loss after financial items</b>		<b>-10,410</b>	<b>-7,067</b>
<b>Loss before income tax</b>		<b>-10,410</b>	<b>-7,067</b>
Tax on current year earnings	6	-0	-0
<b>Loss for the year</b>		<b>-10,410</b>	<b>-7,067</b>
Earnings per share before dilution, SEK		-3.22	-3.24
Earnings per share after dilution, SEK		-3.22	-3.24
Average number of shares before dilution		3,235,976	2,180,920
Average number of shares after dilution		3,925,617	2,646,545

## Balance sheet

Amount in SEK thousand

	Note	12/31/2022	12/31/2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development work	2, 7	20,888	12,294
Patents	8	382	178
		<b>21,270</b>	<b>12,472</b>
<i>Fixed assets</i>			
Machinery and other technical facilities	9	2,054	0
Equipment and tools	10	136	183
		<b>2,190</b>	<b>183</b>
<b>Total assets</b>		<b>23,460</b>	<b>12,655</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Raw materials and consumables		489	410
Advance to suppliers		0	2,192
		<b>489</b>	<b>2,602</b>
<i>Current receivables</i>			
Accounts receivable		0	1
Other receivables		1,569	990
Prepaid expenses and accrued income	11	2,762	1,574
		<b>4,331</b>	<b>2,565</b>
<i>Cash and cash equivalents</i>		2,943	9,004
<b>Total current assets</b>		<b>7,763</b>	<b>14,171</b>
<b>TOTAL ASSETS</b>		<b>31,223</b>	<b>26,826</b>

## Balance sheet

Amount in SEK thousand

	Note	12/31/2022	12/31/2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	12		
<i>Restricted equity</i>			
Share capital		1,499	831
Development expenditure fund		20,888	12,294
		<b>22,387</b>	<b>13,125</b>
<i>Non-restricted equity</i>			
Free share premium reserve		36,746	26,951
Profit/loss brought forward		-33,352	-17,691
Loss for the year		-10,410	-7,067
		<b>-7,016</b>	<b>2,193</b>
<b>Total equity</b>		<b>15,371</b>	<b>15,318</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	13, 14	4,007	4,586
<b>Total non-current liabilities</b>		<b>4,007</b>	<b>4,586</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	14	7,421	530
Trade accounts payable		1,884	2,931
Tax liabilities		18	50
Other liabilities		440	2,267
Accrued expenses and deferred income	15	2,082	1,144
<b>Total current liabilities</b>		<b>11,845</b>	<b>6,922</b>
<b>Total liabilities</b>		<b>15,852</b>	<b>11,508</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,223</b>	<b>26,826</b>



## Cash flow statement

	Note	01/01/2022 -12/31/2022	01/01/2021 -12/31/2021
Amount in SEK thousand			
<b>Operating activities</b>			
Operating loss		-8,998	-6,796
Adjustments for items not included in cash flow			
Depreciation		128	78
Impairments		1,149	0
Interest received		1	0
Interest paid		-1,413	-271
<b>Cash flow from operating activities before change in working capital</b>		<b>-9,133</b>	<b>-6,989</b>
<b>Change in working capital</b>			
Change in inventories and work in progress		-79	-2,602
Change in operating receivables		-1,767	-987
Change in operating liabilities		-1,967	4,695
<b>Cash flow from operating activities</b>		<b>-12,946</b>	<b>-5,883</b>
<b>Investing activities</b>			
Acquisition of intangible fixed assets	7, 8	-8,881	-6,489
Acquisition of equipment and tools	9, 10	-1,010	-180
<b>Cash flow from investing activities</b>		<b>-9,891</b>	<b>-6,669</b>
<b>Financing activities</b>			
New share issue		10,463	17,783
Amortization of loan		-8,062	-101
New loans		14,375	2,600
<b>Cash flow from financing activities</b>		<b>16,776</b>	<b>20,282</b>
<b>Cash flow for the year</b>		<b>-6,061</b>	<b>7,730</b>
Cash and cash equivalent at beginning of year		9,004	1,274
<b>Cash and cash equivalents at year-end</b>		<b>2,943</b>	<b>9,004</b>

## Notes

### Note 1 Accounting policies and valuation principles

#### General information

Ekobot AB's Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The company's accounting policies are unchanged compared with the previous year.

#### Foreign currencies

Assets and liabilities in foreign currency are measured at the closing day rate.

#### Revenue recognition

The sale of goods is recognized when the company has transferred the significant risks and benefits associated with use of the goods by the customer, the goods have been delivered to the customer and the expenditures arising from the transaction can be reliably calculated. Sales of services are allocated to a particular period and recognized as income when the service is performed.

#### Operational leasing

The company receives revenues from operational leases of the company's robots. Rental income is reported as revenue on a straight-line basis over the leasing period. Assets leased under operational leases remain in the company as fixed assets as the rights and obligations remain with the company. These assets are measured in the same way as other tangible assets.

#### Other types of income

State aid and other public grants from the EU, the state and municipalities and formally independent bodies formed from them are reported when the company has fulfilled all of the conditions associated with the grant. The aid is recognized as other operating income at fair value in the period when the costs the aid is intended to offset are incurred. Support received for the acquisition of intangible fixed assets reduces the carrying amount of the asset.

#### Income tax

Reported income tax includes tax that must be paid or received in respect of the current year and adjustments relating to previous years' current tax.

Tax liabilities and receivables are measured as the amount which, in the company's assessment, must be paid to, or received from, the Swedish Tax Agency. The assessment is made according to the tax rules and rates that are in force, or which have been announced and will very likely come into force.

The tax effects associated with items reported in the income statement are also reported in the income statement. The tax effects of items reported directly against equity are reported against equity.

Tax deferred for future tax effects is reported in the income statements and balance sheets only when it is deemed probable that they can be used against future gains within the next 1-2 years.

## Intangible assets

Research costs are expensed as they occur. Research costs are expenditures on research aimed at obtaining new scientific or technical knowledge.

Development refers to expenditures where research results or other knowledge are applied to achieve new or improved products or processes. Expenditures directly attributable to the development phase of a project are reported as intangible fixed assets provided they meet the following requirements:

- It is technically possible to complete the intangible fixed asset so that it can be used or sold
- The intention is to complete the asset and to use or sell it
- Conditions exist for the use or sale of the asset
- It is likely that the asset will generate future economic benefits
- Adequate technical, financial and other resources necessary to complete the development and to use or sell the asset are in place
- Development expenditures attributable to the development of the asset can be measured reliably

Development expenditures that do not meet these activation criteria are expensed as they arise. The cost of capitalized expenditure includes expenditure on the development of the asset. Directly attributable expenditures include personnel costs incurred in the development work together with an appropriate proportion of indirect costs. A corresponding amount has been transferred to the development expenditure fund. Depreciation is only begun when the product is fully developed. Development costs previously expensed are not capitalized as an asset in later periods.

### Impairment test

On each closing day, an assessment is made to determine whether there is any indication that an asset's value is lower than its carrying amount. If there is any such indication, the recoverable amount of the asset is calculated. If the recoverable amount is less than the carrying amount, an impairment loss is reported.

An internally generated intangible fixed asset that is not yet ready for use or sale on the closing day is always subject to impairment.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less sales costs and value in use.

Fair value less cost of sales is the expected price obtainable in a transaction between knowledgeable parties who are independent of each other and who both have an interest in the completion of the transaction. Deductions are made for costs directly attributable to the sale. Value in use consists of future cash flows that an asset or cash-generating unit is expected to generate.

When testing for impairment, assets are grouped in cash-generating units. A cash-generating unit is the smallest identifiable group with payments that are in all material respects independent. This means the need for impairment of certain assets is tested individually, while others are tested at the level of cash-generating units. Goodwill is allocated to the cash-generating units that are expected to benefit from the synergies that relate to business acquisitions and represent the lowest level at which goodwill is monitored.

Impairment losses in respect of cash-generating units first reduce the carrying amount of the goodwill allocated to the unit. Any remaining impairment loss proportionally reduces the other assets in the cash-generating units.

With the exception of goodwill, all assets are reassessed for signs that a previous impairment loss is no longer justified. An impairment loss is reversed if the recoverable amount of the asset or cash-generating unit exceeds the carrying amount and is distributed proportionally over all assets other than goodwill.

### **Tangible fixed assets**

Tangible fixed assets are reported at cost less depreciations. Expenditure for improvements in an asset's performance beyond the original level increases the carrying amount of the asset. Repair and maintenance expenditures are reported as expenses.

Tangible fixed assets are depreciated systematically over the estimated useful life of the asset. Where applicable when determining the depreciable amount of the assets, the residual value of the asset is taken into account.

The straight-line depreciation method is used for all types of tangible assets.

The following depreciation times are applied:

Inventories, tools and installations	5 years
Machinery and other technical facilities	5 years

### **Depreciation**

Depreciation of the depreciable amount is carried out on a straight-line basis over the estimated useful life. Depreciation begins when the asset is put to use. The useful life is reviewed on each closing day.

### **Financial instruments**

Financial instruments reported in the balance sheet include securities, other financial receivables, accounts receivable, accounts payable, lease liabilities and loan liabilities.

Market values of financial instruments are calculated on the basis of market quotations current on closing day. For other financial instruments, mainly short-term loans and investments where market values are not listed, market value is deemed to correspond to book value.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred and the company has transferred virtually all risks and benefits associated with ownership.

Financial liability is removed from the balance sheet when the obligations are settled or concluded in any other way.

### **Inventories**

Inventories were measured according to the lowest value principle, i.e. historical cost or net realizable value, whichever is the lower. Cost is calculated according to the first in, first out principle. Net realizable value is the estimated price for which goods can be sold under normal operating conditions less any applicable selling expenses directly attributable to the sales transaction.

### **Accounts receivable**

Accounts receivable are reported as current assets at the amount expected to be paid after deduction of individually assessed doubtful accounts receivable.

### **Receivables**

Receivables are reported at the amount that is expected to be paid after individual testing. Receivables are reported as current assets with the exception of items with maturity dates more than 12 months from the closing date, which are classified as fixed assets.

### Cash and cash equivalents

Cash and cash equivalents consist of cash and balances held by banks and other credit institutions and other current liquid investments that can easily be converted to known amounts and which are subject to insignificant risk of fluctuations in value. Such investments have a maximum maturity of three months. Cash and cash equivalents in the cash flow statement include the company's deposits in the company's account.

### Loan liabilities and accounts payable

Loan liabilities and accounts payable are initially reported at cost less transaction costs.

### Offsetting financial receivables and financial liabilities

A financial asset and a financial liability are offset and reported with a net amount in the balance sheet only when a legal right of offset exists, and when a settlement with a net amount is intended to take place or when a contemporaneous sale of the asset and settlement of the liability is intended to take place.

### Shareholders' equity

Shareholders' equity in the company consists of the following line items:  
*Share capital* representing the nominal value of issued and registered shares.

*Share premium reserve*, which includes any premium received in conjunction with the issue of new share capital. Any transaction costs associated with the issue of new shares are deducted from the share premium, taking into account any income tax effects.

*The development expenditure fund* is increased annually by the amount capitalized in respect of the company's own development work. The fund is reduced annually by depreciation of the activated development work.

*Retained earnings or losses*, i.e. all retained gains/losses and share-based compensation for current and prior periods and the acquisition of own shares. It also includes reserves for financial assets available for sale and cash flow hedges that contain gains and losses related to these types of financial instruments.

Transactions with the company's owners, such as shareholder contributions and dividends, are reported separately in equity. Dividends payable are included in the item Other liabilities when the dividends have been approved at a general meeting before the closing day.

### Remuneration to employees

*Current remunerations* in the company consist of loans, social security contributions, paid leave and paid sick leave. Current remunerations are reported as an expense and a liability where there is a legal or constructive obligation to pay a remuneration. Termination compensation is paid when the company decides to terminate employment before the normal date of termination of employment or when an employee accepts an offer of voluntary termination in exchange for such compensation. If the compensation does not provide the company with any future financial advantage, a liability and an expense are reported when the company has a legal or constructive business obligation to pay such compensation. The compensation is measured to the best estimate of the compensation that would be required to settle the obligation on closing day.

### Leases

Leases in which the financial risks and benefits of owning an asset are transferred from the lessor to Ekobot AB (publ) are classified in the accounts as financial leases. Financial leases require the rights and obligations to be reported as assets and liabilities respectively in the balance sheet. The asset and liability are measured at the lower of the fair value of the asset and the present value of the minimum lease payments. Expenses directly attributable to the lease are added to the asset's value. Lease fees are divided into interest and amortization according to the effective interest method. Variable charges are expensed in the period in which they arise. The leased asset is amortized on a straight-line basis over the lease period.

Leases where the economic benefits and risks attributable to the leased object in all material respects remain with the lessor are classified as operating leases. Under such leases, payments including a first raised rent, are

reported as costs on a straight-line basis over the lease period.

### **Cash flow statement**

The cash flow statement was prepared according to the indirect method. The reported cash flow includes only transactions that have resulted in cash receipts or disbursements.

In addition to cash and cash equivalents, the company also classifies disposable balances with banks and other credit institutions and current liquid investments listed on a marketplace and which have a maturity of less than three months from the date of acquisition, as cash and cash equivalents. Changes in blocked funds are reported in investment activities.

### **Key performance indicator definitions**

#### Equity/assets ratio

Equity/assets and untaxed reserves (less deferred tax) in relation to total assets.

#### Return on total capital

Earnings before deduction of interest expenses in relation to the balance sheet total.

#### Return on equity

Earnings after financial items in relation to equity and untaxed reserves (less deferred tax).

### **Estimates and assessments**

When financial statements are drawn up, the Board and the CEO must, in accordance with the accounting and valuation principles applied, make certain estimations, assessments and assumptions that affect the recognition and measurement of assets, provisions, liabilities, income and expenses. The areas in which such estimates and assessments may have the greatest impact on the company and which may therefore affect the income statements and balance sheets in the future are described below.

#### Significant assessments and uncertainty of estimates

The information set forth below concerns significant assessments made when applying the accounting policies adopted by the company and which have the most significant effect on the financial reports, and information about estimates and assumptions that have the most significant effect on the recognition and valuation of assets, provisions, liabilities, revenues and expenses.

#### Capitalization of intangible assets

Allocation between the R&D phases in new development projects and determining whether the requirements for capitalizing development expenditure are met require assessments to be made. After activation, we monitor whether the accounting requirements for development costs are still being met and whether there are indications that the capitalized expenditure may be subject to a loss of value.

The capitalized development costs are measured at cost and costs incurred. When calculating costs incurred, management makes certain calculations and assessments of the cost of the time spent, which is to some extent flat-rate. The valuation of the capitalized development work expenditure is therefore dependent on these assessments and the value would be affected should they change, even if they are deemed to be reasonable at the time of the annual report.

An assessment is also made as to whether the capitalized intangible assets have a future value and that the company has the funds to enable them to complete development up until the product is commercialized.

#### Income taxes

Deferred tax assets relating to loss carry-forwards or other future tax deductions are reported to the extent that it is likely that the deduction can be offset against future surpluses in future taxation over the next 1–2 years.

#### Impairment charges

In order to assess any impairment losses, the recoverable amount of each asset or cash-generating unit is calculated based on expected future cash flow and using an appropriate interest rate to enable cash flow to be discounted. The uncertainty lies in assumptions about future cash flow and the determination of an appropriate discount rate.

In other respects, the company judges there to be no estimates and assessments in the financial statements that involve a significant risk of substantial adjustment to carrying amounts during the coming year.

#### Inventories

The net sales value of inventories is calculated every closing day, taking into account the most reliable data available.

### Note 2 Development work with state aid

	<b>2022</b>	<b>2021</b>
<b>Change during the year</b>		
Capitalized development costs	13,637	9,502
State aid that has reduced the cost of intangible fixed assets during the period:	-5,043	-3,116
	<b>8,594</b>	<b>6,387</b>

### Note 3. Expenses classified by type

	<b>2022</b>	<b>2021</b>
Personnel costs	-2,277	-2,680
Other operating expenses	-6,107	-4,457
Impairments	-1,149	0
Depreciation	-128	-78
<b>Total</b>	<b>-9,661</b>	<b>-7,215</b>

#### Note 4 Employees, employee benefit expenses

	<b>2022</b>	<b>2021</b>
Average number of employees		
Men	6	6
Average number of employees	<b>6</b>	<b>6</b>
Gender distribution in the company's Board		
Men	4	4
Women	1	1
	<b>5</b>	<b>5</b>
Gender distribution in the company's management team		
Men	5	5
Women	1	1
	<b>6</b>	<b>6</b>
<b>Salaries and other benefits</b>		
Board and CEO	1,151	1,559
Other remuneration to the Board and CEO	236	419
Other employees	2,534	1,837
	<b>3,921</b>	<b>3,815</b>
<b>Social Security expenses and pension contributions</b>		
Social Security contributions	1,012	1,205
(of which pension contributions to the Board and CEO)	178	327
(of which pension contributions to other employees)	0	0
Total pay, other remunerations, Social Security and pension expenses	4,933	<b>5,020</b>

#### Related party transactions

Related parties are all Board members and senior executives and their family members. The principles governing what may be considered as related party transactions are set forth in the Swedish Annual Accounts Act 5:23–24.

The fee to the Chairman and Board members is resolved by the AGM. The AGM of May 12, 2022, resolved that the Chairman of the Board shall receive a fee of SEK 136,400, and that the other Board members who are not employees in the company shall receive a fee in the amount of SEK 68,200. Board members do not have the right to any benefits once their board assignments have ceased.

Remuneration to senior executives who are employed may consist of salary, pension and other benefits. The period of notice and compensation in the event of termination are set per individual and governed by the respective employment contracts. A mutual six-month period of notice applies to the CEO.

Further to the above, no senior executives are entitled to compensation after termination of employment. The CTO and CFO are engaged as consultants on market terms. No related party transactions in addition to these took place in 2022, individually or in combination, that are significant for the company.



## Note 5 Auditors' Fee

Auditors' assignments involve examination of the annual report and financial accounting as well as the administration by the Board and the CEO, other tasks related to the duties of the company's auditors together with consultation or other services that may result from observations noted during such examinations or the implementation of such other tasks.

	<b>2022</b>	<b>2021</b>
<b>Grant Thornton Sweden AB</b>		
Audit assignment	276	200
Audit activities in addition to the audit assignment	30	5
	<b>306</b>	<b>205</b>

## Note 6 Deferred tax asset

	<b>2022</b>	<b>2021</b>
Opening amount	0	0
Provisions for the year	0	0
Charges reversed during the year	0	0
<b>Closing amount</b>	<b>0</b>	<b>0</b>

The company has tax loss carry-forwards that may be utilized against taxable profits in the future. When it is likely that taxable profits will be generated, the company must report a deferred tax asset. An activation of deferred tax under the 2022 tax rate would result in a deferred claim of SEK 4,726,555 as of 12/31/2022. Management has judged that the conditions for recording a deferred tax asset do not yet exist.

## Note 7 Capitalized expenditures for development work

	<b>12/31/2022</b>	<b>12/31/2021</b>
Opening costs	12,294	5,907
New acquisitions	13,637	9,502
Less subsidy coverage	-5,043	-3,115
<b>Closing accumulated costs</b>	<b>20,888</b>	<b>12,294</b>
<b>Closing carrying amount</b>	<b>20,888</b>	<b>12,294</b>

The item concerns work done on our robots including decision support.

## Note 8 Patents

	12/31/2022	12/31/2021
Opening costs	248	145
Purchases	287	103
<b>Closing accumulated costs</b>	<b>535</b>	<b>248</b>
Opening depreciation	-70	-29
Depreciations for the year	-83	-41
<b>Closing accumulated depreciation</b>	<b>-153</b>	<b>-70</b>
<b>Closing carrying amount</b>	<b>382</b>	<b>178</b>

The patent is related to the company's developed robot and function.

## Note 9 Machinery and other technical facilities

	12/31/2022	12/31/2021
Opening costs	0	0
Reclassification from advance to supplier	2,193	0
Purchases	1,010	0
<b>Closing accumulated costs</b>	<b>3,203</b>	<b>0</b>
Opening depreciation	0	0
Depreciations for the year	-0	-0
<b>Closing accumulated depreciation</b>	<b>-0</b>	<b>-0</b>
Opening depreciation	0	0
Impairment losses for the year	-1,149	0
<b>Closing accumulated impairment charges</b>	<b>-1,149</b>	<b>0</b>
<b>Closing carrying amount</b>	<b>2,054</b>	<b>0</b>

### Note 10 Equipment and tools

	12/31/2022	12/31/2021
Opening costs	231	51
Purchases	0	180
<b>Closing accumulated costs</b>	<b>231</b>	<b>231</b>
Opening depreciation	-48	-11
Depreciations for the year	-47	-37
<b>Closing accumulated depreciation</b>	<b>-95</b>	<b>-48</b>
<b>Closing carrying amount</b>	<b>136</b>	<b>183</b>

### Note 11 Prepaid expenses and accrued income

	12/31/2022	12/31/2021
Prepaid rent	135	125
Accrued contributions	2,019	1,289
Pre-paid issue expenses	86	0
Other items	522	160
	<b>2,762</b>	<b>1,574</b>

### Note 12 Number of shares and quota value

Name	Number of shares	Quota value
Number of A shares	4,282,364	0.35
	<b>4,282,364</b>	

### Note 13 Non-current liabilities

	12/31/2021	12/31/2020
Liabilities that must be paid later than five years from closing date	0	3,028
	<b>0</b>	<b>3,028</b>

#### Note 14 Liabilities relating to multiple items

The company's bank loan of SEK 11,428 thousand is reported under the following items in the balance sheet.

	12/31/2022	12/31/2021
<b>Non-current liabilities (2–5 years)</b>		
Other liabilities to credit institutions	4,007	1,558
	<b>4,007</b>	<b>1,558</b>
<b>Current liabilities (1 year)</b>		
Other liabilities to credit institutions	7,421	530
	<b>7,421</b>	<b>530</b>

#### Note 15 Accrued expenses and deferred income

	12/31/2022	12/31/2021
Accrued salaries	3	98
Accrued holiday pay	355	304
Accrued social security expenses	113	126
Deferred income	300	0
Accrued consultancy costs	1,270	611
Other items	41	5
	<b>2,082</b>	<b>1,144</b>

#### Note 16 Pledged assets

	12/31/2022	12/31/2021
Chattel mortgage	7,124	3,800
Other assets pledged	50	50
	<b>7,174</b>	<b>3,850</b>

## Note 17 Significant events after the closing date

- The Board resolved, contingent upon subsequent approval by an extraordinary general meeting, to carry out a new share issue of no more than 8,564,728 shares with preferential rights for existing shareholders. If fully subscribed, Ekobot will receive share proceeds of around SEK 21.4 million before issue expenses. The issue is subject to around 85% of the subscription rights and guarantees. Also, the Board may resolve on an over-allotment issue in the form of a targeted new share issue of no more than SEK 5.4 million on the condition that the rights issue is fully subscribed.
- The company published its strategic goals for 2023.
- In January, the company signed an agreement with a Swedish customer in the organic vegetable cultivation sector. The agreement concerns a robot system for delivery in time for the 2023 growing season.
- An extraordinary general meeting held on February 16 approved the Board's proposal concerning a new share issue and resolved on the incentive program 2023/2026A-B to issue warrants to senior executives, employees, consultants and Board members.
- Ekobot published the prospectus on February 17 in conjunction with the rights issue.
- On March 14, the new issue was completed, and the company receives SEK 26.8 million before issue expenses. The rights issue was subscribed to approx. 130.3% and the board decided to issue shares to meet the high demand.
- On March 21, a directed issue of 258,043 shares was carried out to the guarantors who wish to be paid in shares.

## Note 18 Contingent liabilities

The Board has not identified any contingent liabilities.

Västerås April 12, 2023

Thomas Lindgren  
Chairman

Mattias Jansson

Sina Vosough

Ulf Nordbeck

Victoria Woyland

Erik Jonuks  
Managing Director

Our Auditors' report was submitted on April 12, 2023.

Grant Thornton Sweden AB

Michael Palm  
Authorized Public Accountant

## Auditors' Report

To the AGM in EKOBOT AB (publ)  
Corporate identity number 559096-1974

### Report on the financial statements

#### Opinions

We have audited the annual accounts of EKOBOT AB (publ) for the year 2022, except for the corporate governance statement on pages 34-43. The annual accounts of the company are included on pages 25 - 61 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of EKOBOT AB (publ) as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

#### 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 EKOBOT AB (publ) 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

Without affecting our opinion, we would like to draw attention to the comments on the annual report, which under the heading "Liquidity and Financial position", state that the company will need additional capital to finance the company's development and that the board makes the assessment that this financing will be obtainable. This indicates that there is a material uncertainty

that may cast significant doubt about the company's ability to continue as a going concern.

#### Other information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1 - 24 and 65 - 66. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual 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, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual 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.

#### The responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company'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 Managing Director 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 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.

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, 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 Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual 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 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 or, if such disclosures are inadequate, to modify our opinion about the annual 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 the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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, we have also audited the administration of the Board of Directors and the Managing Director of EKOBOT AB (publ) for the year 2022 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 statutory administration report and that the members of the Board of Directors and the Managing Director 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 EKOBOT AB (publ) 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.

#### **The responsibility of the Board of Directors and the Managing Director**

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 type of operations, size and risks place on the size of the company'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 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 Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill 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 Managing Director 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

#### **The Auditor's examination of the Corporate Governance Statement**

The Board of Directors is responsible for that the corporate governance statement on pages 34-43 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act

Uppsala, according to the date indicated by the electronic signature.

Grant Thornton Sweden AB

Michael Palm  
Authorized Public Accountant



## Shareholder information

### Financial calendar

Ekobot AB provides regular financial information according to the following plan:

Interim report for the period January–March 2023	May 2, 2023
Annual General Meeting	May 12, 2023
Interim report for the period April–June 2023	August 25, 2023
Interim report for the period July–September 2023	November 17, 2023

All financial reports are available on the Ekobot website, [www.ekobot.se](http://www.ekobot.se)

The company's financial year runs from January 1–December 31.

### For further information about Ekobot, please contact:

Ekobot AB (publ)  
Corp. ID no. 559096-1974, Registered office Västerås, Sweden  
Address: Slakterigatan 10, SE-721 32 Västerås  
[info@ekobot.se](mailto:info@ekobot.se)  
Erik Jonuks, CEO, [erik.jonuks@ekobot.se](mailto:erik.jonuks@ekobot.se)  
+46 703 850 890

### Augment Partners AB is the company's certified advisor.

Augment Partners AB  
+46 8-604 22 55  
[info@augment.se](mailto:info@augment.se)  
Eriksbergsgatan 8A  
SE-114 30 Stockholm  
Sweden

## AGM 2023

The Annual General Meeting will be held on May 12, 2023 at the company's premises, Slakterigatan 10 in Västerås.

The right to participate in the AGM applies to:

- anyone listed as a shareholder in the shares ledger maintained by Euroclear Sweden AB on May 4, 2022
- any shareholder who notifies the company of his or her intention to attend the AGM by no later than May 8. Notification may be made in writing to: The Board of Directors, Ekobot AB, Slakterigatan 10, SE-721 32 Västerås, or by e-mail to [birgitta.lundvik@ekobot.se](mailto:birgitta.lundvik@ekobot.se).

For detailed information about the 2023 AGM, please refer to the notice to attend that will appear on the Ekobot website [www.ekobot.se](http://www.ekobot.se).

E K O  
B O !

EKOBOT AB  
Slakterigatan 10  
SE 721 32 Västerås [www.ekobot.se](http://www.ekobot.se)