



Interim Report

January–March 2023

EKOBOT AB (publ)

Ekobot's mission is to contribute to the development of resource-efficient, sustainable agriculture and to create products and services that provide farmers with better opportunities to increase their food production while also reducing the amount of inputs in their crops.

EKOBOT AB (PUBL)

Ekobot AB (publ), based in Västerås, Sweden, 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. The company'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. The company is listed on Nasdaq First North Growth Market. For more information, refer to Ekobot's website at www.ekobot.se. Augment Partners AB is the company's Certified Advisor.

Financial information

January–March 2023

Figures in parentheses refer to the corresponding period for the previous year.

- Net sales during the period totaled SEK 75 thousand (0).
- Net earnings for the period totaled SEK -2,872 thousand (-2,425).
- Earnings per share before dilution totaled SEK -0.47 (-1.02).
- Total assets at the end of the period totaled SEK 52,861 thousand (33,600).
- Cash and cash equivalents at the end of the period totaled SEK 23,531 thousand (9,160).

Significant events

January–March 2023

- 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.
- A new share issue was concluded on March 14, providing the company with SEK 26.8 million before issue expenses. The rights issue was subscribed to around 130.3% and the Board resolved to issue further shares through a targeted issue to meet the great demand.
- On March 21, 258,043 targeted shares were issued to the guarantors who preferred payment in shares. The issue price of SEK 3.59 in the compensation issue was based on the volume-weighted average price of the company's shares during the rights issue subscription period, which ran from February 23, 2023 through March 9, 2023.
- On March 28, preliminary results were published showing that Ekobot can help reduce storage losses in Swedish onion farming.

Significant events after the end of the period

- On April 11, the company invited shareholders to attend the Annual General Meeting on May 12, 2023.



A word from the CEO

I'm happy that I'm able to present an interim report that describes Ekobot's successes during the first quarter of 2023. We're proud to report a strong start to the year with significant advances in multiple areas, which puts us in a good position for achieving our strategic goals for the year.

During the quarter, we had the opportunity to present our technology and its potential to support sustainable farming methods in round-table discussions with Missouri's governor, Michael L. Parson. The meeting was a unique chance to engage with a global leader in the AgTech sector and investigated growth strategies for expanding into the American market. In this particular case, we discussed a great many possibilities together with leading organizations and research centers that are driving innovation in the AgTech industry. These opportunities, i.e. networking with key players and investigating potential partnerships, are very important for driving growth and advancing developments.

We're also extremely pleased with our very successful new share issue, especially as it was oversubscribed thanks to the strong support of our existing and new shareholders. The issue has strengthened our financial position, and it enables continued investment in the development and commercialization of our technology.

We're also proud to announce that we've signed our first customer agreement with a Swedish producer of organic vegetables. This is an important milestone for us, and we're looking forward to working with this customer to implement our technology and support their business.

We have also set up strategic targets for 2023, which include expanding our presence on the market, continued development and improvement of our technology, and greater customer engagement and customer satisfaction.

To summarize, I'm extremely pleased with the progress we've made during the first quarter, and I'm convinced that we're in a great position for continued growth and success.

Once again, I note that autonomous field robots constitute a rapidly growing market that's on its way to revolutionize the way we grow and harvest crops. We will probably see a number of new players enter the market in the years ahead, while existing players expand their offerings and capacities.

One of the most important factors likely to drive high company valuations in our industry will be the ability to deliver products and services that are efficient in terms of improving harvests and reducing costs for farmers. For a company such as Ekobot, it's important that we can demonstrate a return on investment for our customers. This will naturally make the company more attractive to both investors and customers trying to maximize their profitability through new technology.



Another important factor that is likely to shape the market are the regulations for autonomous vehicles on agricultural land. When these technologies are more widespread, the government and regulatory bodies will need to develop standards and guidelines for their safe, efficient use. During the quarter, we took an important step forward in this field, thereby improving our ability to comply with future regulations, and in turn strengthen our market position.

However, there are also significant challenges that must be managed in the transition from established agricultural technology to self-driving robots. One of the biggest challenges is the need to develop machines that can function autonomously in a multitude of different weather and environmental conditions. This will require advances in sensor technology as well as the ability to develop algorithms able to handle large quantities of data in real time.

In conclusion, I can declare that Ekobot has taken several important steps forward in its ability to deliver highly effective, innovative solutions, while also having successfully navigated a landscape with new regulations in our industry. Ekobot is well-positioned to succeed in this exciting, rapidly growing market.



Västerås May, 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 in operation.

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 provide the world with food, and do so in eco-friendly, 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

Driving forces, robotics in agriculture – a paradigm shift

Today, farmers constantly have 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.



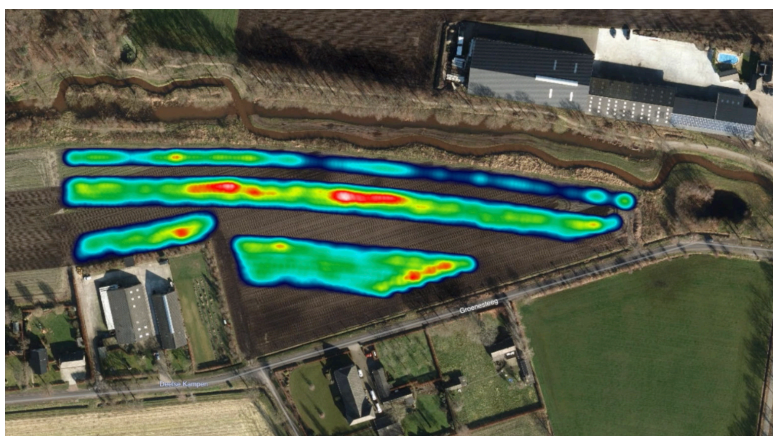
A new technological paradigm shift is needed in the agricultural sector. Ekobot combines robotized precision interventions in agricultural land using data analysis and decision support services, thus offering a technology shift away from today's heavy mechanized agriculture.

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 data-driven 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 artificial intelligence (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.



Precision agriculture requires field data to be readily available to allow AI-based decision support. This leads to sustainability in that resources are used at the right time and in the right quantity. Robotics are used to manage each crop's individual needs for minerals, fertilizer and water.

Aspects to consider when implementing data-based solutions

The common agricultural policy (CAP) is one of the EU's oldest and most comprehensive policy areas; it covers financing for agriculture and rural development throughout the EU. It has undergone several reforms since its beginning in the 1960s, with the goal of creating a more competitive, sustainable and fair agricultural sector.

One of the latest CAP reforms came into force in 2021. It focused on making agriculture more eco-friendly by demanding that a higher proportion of the CAP support should go to 'green measures' that promote sustainability and biodiversity. It includes such things as reducing the use of pesticides and artificial fertilizer, the promotion of agroforestry and supporting organic farming.

Another important challenge for the EU's agricultural sector will be meeting the needs of a growing global population while also mitigating climate change. To achieve this, agriculture will have to adapt to new technologies and methods. The EU's digital strategy launched in the year 2020, seeks to boost digitization in all sectors including agriculture.

Autonomous field robot systems such as Ekobot can play an important part in this technology shift. The systems can be used to automate tasks that were previously manual, thereby increasing efficiency and reducing the need for manual labor. They can also help reduce the use of chemical pesticides by using precision technology to identify and combat pests and weeds.

To summarize, the EU's agricultural policy is undergoing constant change in order to promote a more sustainable and competitive agricultural sector while also facing the challenges of increased food production and mitigating climate change. Technological innovations such as autonomous field robot systems are an important part of such work.

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.¹

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

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.²

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.

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 2021–2026.²

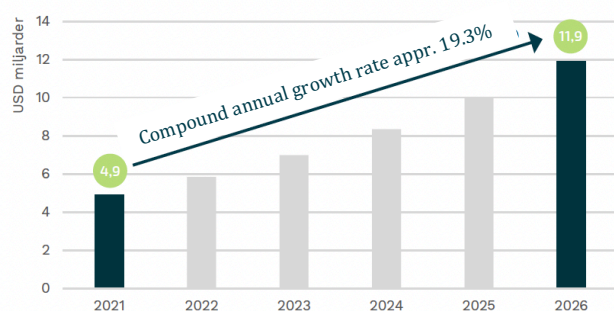


Figure 1: The size of the global market for agricultural robots 2021–2026¹

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 2021.³

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.⁴ This trend is inspired by greater global environmental awareness, as well as bans and regulations for chemical pesticides.

² 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>

³ European Commission, Performance of the agricultural sector. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance_of_the_agricultural_sector

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

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 2022.⁵

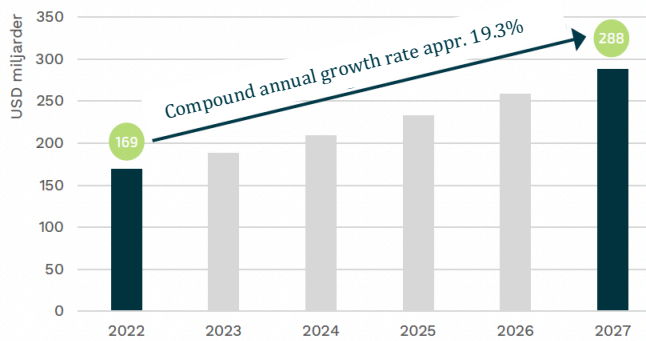


Figure 2: The size of the global market for organic farming robots 2022–2027⁵

Competitive advantages

According to the company's assessment, Ekobot's solution can improve the conditions for crops during their most sensitive period and contribute to an increased yield from cultivation by 5-20 percent, which the company considers to be unique on the market. Third-party controlled tests of Ekobot's robotic system demonstrate approximately a 6 percent yield increase compared to conventional cultivation technology with chemical weed control.⁶ Also, more and more EU farmers are opting for ecological solutions and renouncing such things as non-organic chemical pesticides.⁷ 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 AgTech⁸ Challenge 2021, and again in 2022 when Ekobot, as one of six AgTech and Food tech⁹ 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.

⁵ Research and Markets, 2023, Organic Farming Global Market Report 2023:

<https://www.researchandmarkets.com/reports/5735287/organic-farming-global-market-report#tag-pos-12>

⁶ 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>

⁷ European Parliament, 2021, Organic food in the EU: facts and regulations

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

⁸ The term Agtech derives from agricultural technology; the term is applied to technical innovations in the agricultural sector.

⁹ The term Food tech derives from food technology; the term is applied to technical innovations in the food industry.

Comments to the report

Financial overview

SEK thousand	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Net sales	75	0	214
Operating loss	-1,982	-1,913	-8,998
Earnings for the period	-2,872	-2,425	-10,410
Earnings per share before dilution, SEK	-0.47	-1.02	-3.22
Total assets	52,861	33,600	31,223
Cash and cash equivalents	23,531	9,160	2,943
Equity/assets ratio (%)	69.8	38.4	49.2
Average number of shares before dilution	6,109,690	2,374,670	3,235,976
Average number of shares after maximum dilution	6,624,190	2,937,170	3,925,917
Average number of employees	5	7	6

See definitions below.

Revenue and earnings

During the quarter, the company reported net sales of SEK 75 thousand (0). The corresponding figure for the period January to December is 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 relate to these agreements.

Other revenues during the first quarter totaled SEK 12 thousand (243) in respect of currency gains; so too for the corresponding period in the previous year.

The operating loss during the first quarter of 2023 totaled SEK -1,982 thousand (-1,913). Selling and administrative expenses during the first quarter totaled SEK -1,662 thousand (-1,935). Selling and administrative expenses were a little higher than the first quarter last year, mainly due to higher legal expenses. Research and development costs increased year-on-year by SEK 232 thousand during the first quarter.

The number of employees as of March 31, 2023 was five (seven). The Covid pandemic continues, even though the restrictions have been removed. The company continues to take the necessary measures to limit any negative impact on its operations. The pandemic continues to cause long delivery times for many components, which is a challenge for the company. See also “Significant risks and uncertainties”.

Earnings per share before dilution totaled SEK -0.47 (-1.02) for the quarter and SEK -3.22 (-3.24) for the period January to December 2022.

Financial position

At the end of the period, shareholder equity totaled SEK 36,881 thousand (12,893) and the equity/assets ratio was 69.8 percent (38.4).

Cash and cash equivalents at the end of the period totaled SEK 23,531 thousand (9,160). During the first quarter, the company carried out a rights issue that raised SEK 21,412 thousand before

issue expenses. The issue was oversubscribed by more than 130%, and the company also carried out a targeted over-allotment issue, which brought in SEK 5,353 thousand. Also, certain guarantee undertakings were compensated with shares, resulting in the issue of an additional 258,043 shares. These issues increased the total number of shares by 10,963,953 and share capital by SEK 3,837 thousand. Issue expenses totaled SEK 3,309 thousand.

Ekobot intends to continue operating and it considers the company's products and services to have great market potential. The current financial climate is tough, and geopolitical unrest also means that 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. We draw comfort for the future in that the issue conducted during the first quarter of 2023 was oversubscribed by around 130.3%. The company will now carry on scaling up, which will continue to require capital. In view of the company's positive development, and the support demonstrated by the latest share issue, the Board takes a positive view on the prospects for financing the company's development moving forward. While the Board considers the company's funds and equity available as of March 31, 2023 to be insufficient to cover the liquidity necessary for conducting business over the next 12 months, it has a positive view of the future. The company is also in a position to reprioritize operations and adjust costs and expenditures based on the capital in the company.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the first quarter totaled SEK -741 thousand (-937).

Cash flow from investing activities totaled SEK -2,111 thousand (-8,259) during the first quarter 2023. The company continued development activities during the quarter, and they are progressing steadily. The first quarter of last year was very intensive as the third generation robots were under development. This year, first quarter development mainly concerned the tool boom and safety system. During the first quarter, the grants totaled SEK 1,469 thousand. In all, capitalized development costs increased during the first quarter of 2023 by SEK 1,708 thousand (5,111). Investment in the patent portfolio for the corresponding period totaled 6 thousand (70). Capital expenditures in property, plant and equipment during the first quarter of 2023 totaled SEK 394 thousand (3,078). The biggest material investments for the first quarter of 2022 consisted of two proprietary field robots.

Cash flow from financing activities totaled SEK 23,440 thousand (9,352) during the first quarter 2023. The biggest items consist of new share issues which brought in SEK 24.4 million net (0), newly raised loans of SEK 6,175 thousand (9,375) and SEK 7,117 (23) for the amortization of loans. The SEK 6,175 thousand bridging loan obtained during the first quarter of 2023 was also settled during the current quarter.

Related party transactions

The agreements with CTO and CFO continue to run under commercial conditions. No other related party transactions took place during the period.

Accounting and valuation principles

The report has been prepared following the same accounting principles as the company's most recent annual accounts, i.e. in accordance with the Annual Accounts Act and the General Council of the Swedish Accounting Standards Board BFNAR 2012:1 Annual Reports and Consolidated Accounts (K3).

Estimations and assessments

When interim reports are drawn up, the Board of Directors and the CEO must, in accordance with the accounting and valuation principles applied, make certain estimations, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimations and assessments and only very rarely corresponds to the estimated amount.

Financing risk is deemed to have remained high during the period with regard to the prevailing financial climate with high inflation and rising interest rates, etc. The current geopolitical unrest also contributes to an increase in this risk. See also “Significant risks and uncertainties” below. Other estimations and assessments made in the interim report, including the assessment of the main causes of uncertainty, are the same as those applied in the last annual report.

Key figures and definitions

Earnings per share: earnings for the period divided by the average number of shares during the period.

Equity/assets ratio: equity and where applicable untaxed reserves (less deferred tax) in relation to total assets.

Significant risks and uncertainties

The company's development during 2022 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. Refinancing risk is deemed to be lower thanks to the new share issue completed in March, 2023. But because the company is in an early phase and the prevailing financial climate has high inflation and rising interest rates etc., financial risk remains high. 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 remained high 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.

Cross reference with alternative KPIs

SEK thousand

	03/31/2023	03/31/2022	12/31/2022
Total equity at the end of the period	36,881	12,893	15,371
Total assets at the end of the period	52,861	33,600	31,223
Equity/assets ratio (%):	69.8%	38.4%	49.2%

Financial calendar

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

Annual General Meeting	May 12, 20 23
Interim report for the period January–June 2023	August 31, 2023
Interim report for the period January–September 2023	November 24, 2023

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

The annual report and other financial reports will be made available on the company's website at www.ekobot.se.

Nomination committee

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

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 March 31, 2023 totaled 15,246,317. The number of company shares increased by 8,564,728 in conjunction with the rights issue carried out during the first quarter. Because the issue was oversubscribed by more than 130%, a targeted over-allotment issue and a set-off issue were also carried out, leading to an increase of 2,399,225 in the number of shares. The quota value per share is SEK 0.35. Share capital increased by SEK 3,837 thousand to total SEK 5,336 thousand during the quarter.

Owners as of March 31, 2023

The ten largest shareholders as of March 31, 2023

Shareholder	Number of shares	Capital and votes
Navus Ventures B.V.*	1,666,248	10.9%
Nordbeck, Ulf	511,545	3.4%
Cederlund, Tord	317,895	2.1%
Unibap AB	167,000	1.1%
Linus Larson Holding i Uppsala AB	149,600	1.0%
Säll, Gunnar & Sällsam Aktiebolag	125,232	0.8%
Gullberg, Jonas	121,450	0.8%
Lindgren, Thomas	117,683	0.8%
Nordnet Pensionsförsäkring AB	111,687	0.7%
Avanza Pension	108,342	0.7%
The 10 largest owners	3,396,682	22.3%
Others**	11,849,635	77.7%
TOTAL***	15,246,317	100.00%

* In the rights issue, Navus Ventures B.V. was allocated a total of 2,141,182 shares, of which 1,191,314 shares were included in the register as of March 31, 2023. As of registration date, the remaining shares were registered as paid subscribed shares (BTAs).

** As of registration date, the remaining allocated BTAs from the rights issue were not registered as shares. This indicates holdings for shareholders who took part in the rights issue excluding any allocation from said rights issue.

*** Including outstanding BTAs as of March 31, 2023.

Ulf Nordbeck is the founder of Ekobot and is still active as a Member of the Board.

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.

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 30, 2023.

The extraordinary general meeting of February 16, 2023 resolved to issue two new incentive programs, 2023/2026A and 2023/2026B.

Series 2023/2026A consists of a warrants-based incentive program for employees, senior executives and consultants in the company involving the issue of no more than 107,000 warrants. Each warrant entitles the holder to subscribe for one share in the company during the exercise period, corresponding to 200 percent of the average volume-weighted price paid for the company's shares on Nasdaq First North Growth Market during a period of 10 trading days immediately preceding February 16, 2023. The exercise period for the subscription of shares using the warrants runs from September 1, 2026 through September 30, 2026.

Subscription to the warrants must be at a price that corresponds to the market value of the warrants by applying a recognized valuation method (Black & Scholes model).

Series 2023/2026B consists of a warrant-based incentive program to the members of the Board of Directors, involving the issue of no more than 102,000 warrants in series 2023/2026B. Each warrant entitles the holder to subscribe for one share in the company during the exercise period, corresponding to 200 percent of the average volume-weighted price paid for the company's shares on Nasdaq First North Growth Market during a period of 10 trading days immediately preceding February 16, 2023. The exercise period for the subscription of shares using the warrants runs from September 1, 2026 through September 30, 2026. Subscription to the warrants must be at a price that corresponds to the market value of the warrants by applying a recognized valuation method (Black & Scholes model).

The number of shares as of closing day was 15,246,317. There will be a maximum dilution effect of 3.9 percent on the closing date.

Program/Instrument	Quantity	Subscription date
2020/2023	97,500	November 1, 2023–December 1, 2023
Convertible 2022	312,500	April 30, 2023
2023/2026A	107,000	September 1, 2026–September 30, 2026
2023/2026B	102,000	September 1, 2026–September 30, 2026



The Board's Assurance

The Board of Directors and the CEO hereby assure that the interim report provides a true and fair overview of the company's operations, position and performance and describes the significant risks and uncertainties that the company faces.

Västerås, May 02, 2023

Thomas Lindgren
Chairman of the Board

Mattias Jansson
Board member

Sina Vosough
Board member

Ulf Nordbeck
Board member

Victoria Woyland
Board member

Erik Jonuks
CEO

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

For further information, please visit www.ekobot.se or contact:

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Augment is the company's Certified Advisor.

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Income statement

Amount in SEK thousand	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Net sales	75	0	214
Operating expenses			
Selling and administrative expenses	-1,662	-1,935	-7,391
Research and development costs	-398	-166	-2,186
Other operating income	12	243	449
Other operating expenses	-9	-55	-84
	-2,057	-1,913	-9,212
Operating loss	-1,982	-1,913	-8,998
Loss from financial items			
Interest income and similar income statement items	2	0	1
Interest expenses and similar loss items	-892	-512	-1,413
Loss after financial items	-2,872	-2,425	-10,410
Loss before income tax	-2,872	-2,425	-10,410
Tax on current year earnings	-0	-0	-0
Earnings for the period	-2,872	-2,425	-10,410
Earnings per share before dilution, SEK	-0.47	-1.02	-3.22
Earnings per share after dilution, SEK	-0.47	-1.02	-3.22
Average number of shares before dilution	6,109,690	2,374,670	3,235,976
Average number of shares after dilution	6,624,190	2,937,170	3,925,617

Balance sheet

Amount in SEK thousand	03/31/2023	03/31/2022	12/31/2022
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development work	22,596	17,405	20,888
Patents	364	233	382
	22,960	17,638	21,270
<i>Fixed assets</i>			
Machinery and other technical facilities	2,450	3,078	2,054
Equipment and tools	125	171	136
	2,575	3,249	2,190
Total assets	25,535	20,887	23,460
Current assets			
<i>Inventory, etc.</i>			
Raw materials and consumables	499	382	489
	499	382	489
<i>Current receivables</i>			
Accounts receivable	0	195	0
Other current receivables	891	1,370	1,569
Prepaid expenses and accrued income	2,405	1,606	2,762
	3,296	3,171	4,331
<i>Cash and cash equivalents</i>			
	23,531	9,160	2,943
Total current assets	27,326	12,713	7,763
TOTAL ASSETS	52,861	33,600	31,223
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	5,336	831	1,499
Development expenditure fund	22,596	17,405	20,888
	27,932	18,236	22,387
<i>Non-restricted equity</i>			
Share premium reserve	57,291	26,951	36,746
Loss brought forward	-45,470	-29,869	-33,352
Earnings for the period	-2,872	-2,425	-10,410
	-8,949	-5,343	-7,016
Total equity	36,881	12,893	15,371
Non-current liabilities			
Liabilities to credit institutions	3,489	10,099	4,007
Total non-current liabilities	3,489	10,099	4,007
Current liabilities			
Liabilities to credit institutions	6,996	4,369	7,421
Trade accounts payable	2,935	4,139	1,884
Tax liabilities	0	31	18
Other current liabilities	217	188	440
Accrued expenses and deferred income	2,343	1,881	2,082
Total current liabilities	12,491	10,608	11,845
Total liabilities	15,980	20,707	15,852
TOTAL EQUITY AND LIABILITIES	52,861	33,600	31,223

Change in equity

Amount in SEK thousand	Share capital	Fund for development expenditures	Share premium reserve	Accumulated loss	Loss for the period and the year	Total equity
Opening balance as of January 1, 2022	831	12,294	26,951	-17,691	-7,067	15,318
Allocation of earnings				-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
Active development expenditures for the period		8,594		-8,594		0
Earnings for the period					-10,410	-10,410
Closing balance as of December 31, 2022	1,499	20,888	36,746	-33,352	-10,410	15,371
Opening balance as of January 1, 2023	1,499	20,888	36,746	-33,352	-10,410	15,371
Allocation of earnings				-10,410	10,410	0
Rights issue	2,998		18,414			21,412
New share issue through set-off	90		836			926
Targeted share issue	749		4,604			5,353
Issue expenses			-3,309			-3,309
Active development expenditures for the period		1,708		-1,708		0
Earnings for the period					-2,872	-2,872
Closing balance as of March 31, 2023	5,336	22,596	57,291	-45,470	-2,872	36,881

Cash flow statement

Amount in SEK thousand	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Operating activities			
Operating loss	-1,982	-1,913	-8,998
Adjustments for items not included in cash flow:			
Depreciation	36	26	128
Impairments	0	0	1,149
Interest received	2	0	1
Interest paid	-892	-512	-1,413
Cash flow from operating activities before change in working capital	-2,836	-2,399	-9,133
Change in working capital			
Change in inventory etc.	-11	2,220	2,114
Change in operating receivables	1,035	-605	-1,767
Change in operating liabilities	1,071	-153	-1,967
Net flow from operating activities	-741	-937	-10,753
Investing activities			
Acquisition of intangible fixed assets	-1,715	-5,181	-8,881
Acquisition of equipment and tools	-396	-3,078	-3,203
Cash flow from investing activities	-2,111	-8,259	-12,084
Financing activities			
New share issue incl. transaction expenses	24,382	0	10,463
Amortization of loan	-7,117	-23	-8,062
New loans	6,175	9,375	14,375
Cash flow from financing activities	23,440	9,352	16,776
Cash flow for the period	20,588	156	-6,061
Cash and cash equivalents at the beginning of the period	2,943	9,004	9,004
Cash and cash equivalents at the end of the period	23,531	9,160	2,943

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