

Q3 2024

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



Q3 2024 at a glance

Kebni reports a second consecutive quarter of positive operating cash flow, with an adjusted EBITDA of 9% and a revenue of 28,3 MSEK, showing a strong 187% growth.

Financial development Jul-Sep 2024 (KSEK)

- Net sales, 28 295 (9 853), 187% growth year-on-year
- Adjusted EBITDA*, 2 646 (-10 474), 9% (-82.3%)
- EBITDA, -1 154 (-10 474), -4% (-82.3%)
- Net profit for the period, -3 347 (-11 098)
- Operating cash flow for the period, 356 (-8 332)
- Earnings per share before and after dilution, -0,01 (-0,04)

Financial development Jan-Sep 2024 (KSEK)

- Net sales, 90 176 (28 129), 221% growth year-on-year
- Adjusted EBITDA*, 8 909 (-25 195), 10% (-90%)
- EBITDA, 5 109 (-25 195), 6% (-90%)
- Net profit for the period, 390 (-32 263)
- Operating cash flow for the period, -2 268 (-28 577)
- Earnings per share before and after dilution, 0,00 (-0,12)

*Adjusted EBITDA (earnings before interest, taxes, dereciation and amortization), adjusted for non-recurring costs of 3,8 MSEK of salaries, rent and travel expenses relating to the closing down of the operation of Satmission AB.

Significant events Jul-Sep 2024

- Kebni announces strategic decision to explore closing down its subsidiary Satmission AB, as part of an enhanced strategic focus, creating improved conditions for growth.
- Kebni secures working capital credit facility with Danske Bank.

Significant events Jan-Sep 2024

- Kebni enters strategic partnership with Varisis for the Indian market.
- Johanna Toll Meyer starts as new CFO.
- ScaffoldSense concluded successful large-scale pilot test.
- Martin Elovsson recruited as new CEO to bring ScaffoldSense to the market.

Significant events after the period

- Kebni closes down the operations in its subsidiary Satmission AB.

KPIs

KSEK	2024 Jul-Sep	2023 Jul-Sep	Growth	2024 Jan-Sep	2023 Jan-Sep	Growth	2023 Jan-Dec
Net sales	28 295	9 853	+187%	90 176	28 129	+221%	65 532
Operating profit/loss	-3 004	-10 474		959	-32 286		-38 734
EBITDA	-1 154	-8 113		5 109	-25 195		-30 076
EBITDA margin (%)	-4%	-82%		6%	-90%		-45%
Adjusted EBITDA	2 646	-		8 909	-		-27 201
Adjusted EBITDA margin (%)	9%	-		10%	-		-
Balance sheet total	96 550	83 443		96 550	83 443		88 819
Net profit/loss for the period	-3 347	-11 098		390	-32 263		-39 042
Net profit/loss margin (%)	-12%	-113%		0%	-115%		-60%
Adjusted net profit/loss for the period	453	-		4 190	-		-
Net cash flow for the period	-1 696	18 596		-10 892	18 887		9 647
Operating cash flow for the period	356	-8 332		-2 268	-28 577		-35 656
Equity ratio (%)	63	78		63	78		66
Number of employees at end of period	26	25		26	25		25



Torbjörn Saxmo, CEO

“Continued positive operating cash flow and refined strategic focus”

Comments from the CEO

In the quarter we maintained positive operating cash flow and good over-all financial performance while focusing on growth in high-potential areas.

Continued positive operating cash flow

After achieving our first positive operating cash flow last quarter, I'm pleased to report that we sustained this momentum in Q3 2024. This quarter's results were affected by costs related to the closure of Satmission AB, resulting in a net loss of -3 MSEK. However, EBITDA, adjusted for the one-time costs, is 9% which reflects strong underlying performance. We report a revenue of 28,3 MSEK spread over the two working months of the period, representing a 187% increase compared to Q3 2023.

For the accumulated year, the adjusted EBITDA stands at 10%, and revenue amounts to 90 MSEK. In Q4 2022, after our strategic review, we presented our financial objectives. We don't expect to fully reach the strategic revenue target of 150-200 MSEK, but we anticipate to meet our full-year EBITDA target of 5-10% for 2024.

Growing sales pipelines

We continue to see strong market interest in both Europe and Asia across our Inertial Sensing and remaining Satcom product areas. Our sales pipeline is larger than ever, and the volume of quotations has never been higher. This is a testament to the systematic, long-term market efforts we've made since we began shaping the new Kebni in 2021. As sales cycles and procurement processes in the defence industry are both long and complex, it is through sustained and persistent efforts that we will succeed in winning them. Our success stories with industry giants like Saab strengthen our credibility and build trust in our ongoing discussions with potential customers.

Regarding the Saab contract, we remain confident that Saab's success with NLAW will continue. The order backlog will keep us busy throughout a large part of 2025.

Kebni SensAltion ready for series production

The multi-sensor platform Kebni SensAltion is now ready for series production, a key milestone that positions us to tap into high-growth markets. Currently, around ten

customers are evaluating the product in preparation for potential volume orders. These customers, spread across Sweden, Europe and Asia, are testing the product in applications such as UAVs (e.g. drones), automotive systems, and military combat systems. We are fully prepared to meet the expected demand.

ScaffSense preparing for launch

Following the successful pilot test in May 2024, our joint venture ScaffSense is currently being tested in-depth on two different construction sites in Sweden. The aim is to launch the product with the expectation of securing our first paying customer in early 2025. We are excited about the potential this holds for further growth.

Closing Satmission

As part of our refined strategic focus, we have decided to close down our subsidiary, Satmission AB, due to a significantly declining market for broadcasting Satcom antennas. This decision is a step in refocusing our resources to the product areas where we see the greatest potential for long-term growth—Inertial Sensing and our stabilized Satcom platforms, particularly the Kebni Gimbal, which continues to attract strong market interest. By reducing costs by approximately 1,8 MSEK per quarter and optimizing operations, we are better positioned to accelerate our growth trajectory.

I want to thank all Kebni employees, whose hard work and dedication over the past few years have shaped us into the structured, reliable and quality-driven company we are today. We are now well-positioned to capitalize on the opportunities ahead. Lastly, I'd like to offer a special thank you to the team at Satmission AB and wish them all the best in their future endeavors.

Torbjörn Saxmo, CEO



Financial overview

Jul-Sep 2024

Revenue and profit

Sales during Q3 increased by 187 % to 28 295 KSEK (9 853 KSEK) compared to Q3 2023. Revenue composition for the quarter consists mainly of Inertial Sensing products.

Capitalized development costs amounted to 1 584 KSEK (925 KSEK). The capitalization of self-financed development expenses is mainly attributable to projects in the Inertial Sensing product area.

EBITDA margin for the third quarter amounts to -4% (-82%). However the operating profit is affected by non-recurring costs relating to the wind down of the operation in Kebni subsidiary Satmission AB. Adjusted EBITDA summing up to 2 646 KSEK corresponding EBITDA margin of 9%. The non-recurring costs include 3 800 KSEK for salaries, rent and travel expenses. There is also a goodwill impairment of 606 KSEK.

Operating profit strengthened to -3 004 KSEK (-10 474 KSEK). Kebni shows a positive adjusted operating profit this quarter which is an effect of continued sales volume and cost efficiencies implemented throughout Kebni.

Profit for the period amounted to -3 347 KSEK, adjusted profit 453 KSEK (-11 098 KSEK). Earnings per share amounted to -0.01 SEK (-0.04 SEK).

Cashflow and cash equivalents

During the third quarter, Kebni shows a cash flow for the period -1 696 KSEK (18 596 KSEK, due to new share issue) and operating cash flow is continued positive, 356 KSEK from -8 332 KSEK. The continued cost efficiencies is contributing to an increase of working capital. Sales volumes and renegotiation of payment terms with key suppliers and customers will gradually continue to strengthen the liquidity and cash flow.

Cash flow from investing activities ends up to -2 052 KSEK of which -1 584 KSEK consist of capitalized development costs as mentioned above. Remaining costs consist of smaller investments in the business to facilitate future growth.

At the end of the period, cash amounted to 10 030 KSEK (30 172 KSEK). During this quarter Kebni has negotiated a working capital credit facility of 15 MSEK from Danske Bank backed by EKN, Swedish Export Credit Agency, to be used in connection with the growth increase. Total cash-at-hand is 25 MSEK.

Jan-Sep 2024

Revenue and profit

Sales during the first three quarters of the year increased by 221% to 90 176 KSEK (28 129 KSEK). Revenue consist of both Satcom and Inertial Sensing to established customers as well as new customers.

Capitalized development costs amounted to 5 333 KSEK (4 919 KSEK). The capitalization of self-financed development expenses is mainly attributable to projects in the Inertial

Sensing product area.

EBITDA for the period summing up to 5 109 KSEK, EBITDA margin of 6% (-25 195 KSEK, -90%). Adjusted EBITDA summing up to 8 909 KSEK corresponding EBITDA margin of 10%. Operating profit for the first three quarters strengthened to 959 KSEK (-32 286 KSEK). The reorganization within Kebni with regards to closing down its subsidiary Satmission AB will also result in cost reductions of 1.8 MSEK per quarter.

Profit for the period amounted to 390 KSEK, adjusted profit 4 190 KSEK (-32 263 KSEK). Earnings per share amounted to 0.00 SEK (-0.12 SEK)

Cash flow and cash equivalents

During the first three quarters of the year, Kebni shows a cash flow for the period of -10 892 KSEK (18 887 KSEK, due to new share issue) and the operating cash flow is strengthened to -2 268 KSEK (-28 577 KSEK).

Cash flow from investing activities ends up at -8 624 KSEK of which -5 333 KSEK consist of capitalized development costs as mentioned above. Remaining costs consist of smaller investments in the business to facilitate future growth.

Financial status

Kebni's total equity at the end of Q3 amounted to 60 473 KSEK (65 182 KSEK) At the end of the quarter, the equity ratio was 63% (78%).

Future developments and risks

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

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

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

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



About Kebni

Kebni is Swedish tech company specializing in stabilizing technologies.

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

Kebni is headquartered in Kista, Stockholm.

Vision

Bringing stability to a world in motion

Other information

Kebni

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

Satmission AB

org. nr 556666-8793.

ASTGW AB

org. nr 559218-8881

Employees

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

Sustainability

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

Financial calendar

Year-end report 2024: February 13, 2025

Accounting principles

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

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

Press releases

www.kebni.com/press

IR contact

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Product areas

Inertial Sensing

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

Off-the-shelf products

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



Kebni SensAltion

Tailored solutions

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



Saab NLAW. Source: Saab

Applications

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



ScaffSense pilot testing

Satcom

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

Kebni Gimbal

Kebni's maritime antenna, **Kebni Gimbal**, features a 4-axis stabilization system, enabling stable satellite communication regardless of the vessel's movement. The system is unique in the market for its robustness and performance under challenging conditions, as proven in military environmental tests.

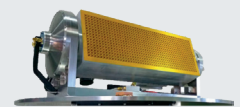


Kebni Gimbal



Kebni SOTM

Kebni SOTM is an On-the-move antenna for the defense and government segment, filling the market gap between the efficient but space-demanding traditional parabolic antennas and the new flat antennas.



Kebni SOTM





The share

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

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

As of September 30, 2024, the market value was 331 532 KSEK (322 864 KSEK), and the number of shareholders amounted to 7 058 (5 953).

Certified Adviser

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

Warrants

Incentive program 2022/2025

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

KebNi B



The graph shows the development of the Kebni stock for the period 30/09/2023 – 30/09/2024, sourced from Avanza.

Result per share

	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Number of shares at the end of the period	271 154 530	271 154 530	271 154 530	271 154 530	271 154 530
Average number of shares before dilution	271 154 530	258 829 325	271 154 530	246 433 354	252 613 648
Average number of shares after dilution	274 816 917	263 344 106	274 816 917	251 018 900	256 276 035
Earnings per share before dilution, SEK	-0,01	-0,04	0,00	-0,12	-0,14
Earnings per share after dilution, SEK	-0,01	-0,04	0,00	-0,12	-0,14

Largest shareholders

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

Shareholder	A-share	B-share	Capital (%)	Votes (%)
Anders Danielsson with company	-	46 973 096	17,32%	17,16%
Pärsson Jan Robert	-	35 350 000	13,04%	12,91%
Försäkringsaktiebolaget Avanza Pension	-	12 281 412	4,53%	4,49%
Nordnet Pensionsförsäkring AB	-	8 267 961	3,05%	3,02%
Sven Olof Hagelin with company	-	5 690 000	2,10%	2,08%
Elsy Brylde	-	3 157 427	1,16%	1,15%
Jan Wäreby	-	3 039 322	1,12%	1,11%
Molcap Invest AB	-	3 000 000	1,11%	1,10%
Maida Vale Capital	295 302	-	0,11%	1,08%
Redeye	-	2 500 000	0,92%	0,91%
Others	-	150 600 010	55,54%	55,00%
Total	295 302	270 859 228	100,00%	100,00%

The owner list was retrieved from Euroclear.



Profit and loss

KSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Sales					
Net sales	28 295	9 853	90 176	28 129	65 532
Capitalized expenditure	1 584	925	5 333	4 919	6 377
Other operating income	2 438	22	4 604	1 111	4 906
Total operating income, change in inventory, etc.	32 317	10 800	100 113	34 159	76 815
Operating expenses					
Cost of goods sold	-16 029	-6 437	-46 004	-14 256	-37 958
Other external expenses	-6 059	-5 072	-18 073	-20 210	-29 573
Personnel costs	-10 385	-7 404	-28 546	-24 888	-35 155
Depreciation/amortisation and impairment of tangible and intangible assets	-1 850	-2 361	-4 149	-7 091	-8 658
Other operating expenses	-998	0	-2 381	0	-4 206
Total operating expenses	-35 321	-21 274	-99 153	-66 445	-115 549
Operating profit/loss	-3 004	-10 474	959	-32 286	-38 734
Financial income/expenses					
Profit/loss from shares in associates and jointly controlled entities	-254	-52	-451	-142	-236
Other interest income and similar income	2	-572	7	180	5
Interest expenses and similar expenses	-91	-1	-125	-14	-77
Total net financial income/expenses	-343	-625	-569	23	-308
Profit/loss after net financial income/expenses	-3 347	-11 098	390	-32 263	-39 042
Income taxes for the year	0	0	0	0	0
Net profit/loss for the period	-3 347	-11 098	390	-32 263	-39 042



Balance sheet

KSEK	2024.09.30	2023.09.30	2023.12.31
ASSETS			
Non-current assets			
Intangible assets			
Capital expenditures for research and development	26 634	22 268	22 728
Concessions, patents, licences, trademarks and similar rights	1 813	788	1 509
Goodwill	0	1 817	1 514
Total intangible assets	28 447	24 873	25 751
Tangible assets			
Cost of improvements to leased property	1 626	1 490	1 471
Equipment, tools, fixtures and fittings	2 688	1 886	1 761
Total tangible assets	4 314	3 376	3 232
Financial assets			
Participations in associates and jointly controlled entities	3 701	1 858	2 277
Other non-current receivables	486	486	486
Total financial assets	4 187	2 343	2 762
Total non-current assets	36 947	30 591	31 745
Current assets			
Inventories			
Raw materials and consumables	13 864	6 217	4 650
Work in progress	4 218	5 897	3 858
Prepayments issued to supplier	84	-	584
Total inventories	18 167	12 113	9 092
Current receivables			
Trade receivables	25 854	6 312	22 979
Current tax receivables	705	247	152
Other receivables	661	2 779	782
Prepaid expenses and accrued income	4 187	1 229	3 136
Total current receivables	31 407	10 566	27 049
Cash and bank	10 030	30 172	20 932
Total current assets	59 603	52 851	57 074
TOTAL ASSETS	96 550	83 443	88 819



Balance sheet, cont.

KSEK	2024.09.30	2023.09.30	2023.12.31
EQUITY AND LIABILITIES			
Equity			
Share capital	18 566	18 566	18 566
Other contributed capital	329 211	333 683	329 211
Other equity including profit/loss for the period	-287 303	-287 067	-288 862
Total equity	60 473	65 182	58 915
Provisions			
Other provisions	4 471	3 318	671
Total provisions	4 471	3 318	671
Current liabilities			
Advances payment from customers	396	38	960
Accounts payable	23 196	9 466	19 281
Other liabilities	4 783	2 731	5 423
Accrued expenses and deferred income	3 231	2 708	3 570
Total current liabilities	31 607	14 943	29 233
TOTAL EQUITY AND LIABILITIES	96 550	83 443	88 819



Statement of changes in equity

KSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Opening balance	63 261	45 755	58 915	43 503	43 503
Profit for the year	-3 347	-11 098	390	-32 263	-39 042
New share issue	-	29 580	-	53 955	53 955
Costs related to the new share issue	-	-905	-	-1 988	-1 988
Equity fund	575	1 850	1 175	1 975	2 488
Warrants	-16	-	-7	-	-
Closing balance	60 473	65 181	60 473	65 181	58 915



Cash flow statement

KSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Cash flow from operating activities					
Operating profit	-3 004	-11 121	959	-32 286	-38 971
Adjustments for non-cash items	5 649	1 664	7 948	6 044	4 891
Financial items received	2	-	7	-	5
Financial items paid	-91	-	-125	-	-77
Taxes paid	-9	-	-553	80	175
Cash flow before changes in working capital	2 547	-9 458	8 236	-26 163	-33 977
Cash flow from changes in working capital					
Inventories	17	536	-9 074	-2 896	124
Trade receivables	7 527	285	-2 875	1 709	-14 958
Other current receivables	-3 053	-1 836	-930	-998	-908
Accounts payable	-5 808	4 905	3 915	3 720	13 535
Other current liabilities	-874	-2 764	-1 540	-3 949	527
Net cash flow from changes in working capital	-2 191	1 126	-10 504	-2 414	-1 678
Net cash flow from operating activities	356	-8 332	-2 268	-28 577	-35 656
Cash flow from investing activities					
Investments in intangible assets	-1 804	-1 540	-6 094	-2 915	-5 023
Sale of intangible assets	-	-	-	-	-
Investments in tangible assets	-248	-208	-1 830	-1 588	-1 615
Investment in associated companies and joint ventures	-	-	-700	-	-25
Investments in financial assets	-	-	-	-	-
Sale of financial assets	-	-	-	-	-
Net cash flow from investing activities	-2 052	-1 748	-8 624	-4 503	-6 664
Cash flow from financial activities					
New share issue	-	28 676	-	51 967	51 966
Borrowings	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-
Net cash flow from financial activities	0	28 676	0	51 967	51 966
Net cash flow for the period	-1 696	18 596	-10 892	18 887	9 647
Net cash at the beginning of period	11 742	11 694	20 932	11 285	11 285
Exchange rate difference	-16	-118	-10	-	-
Net cash at the end of period	10 030	30 172	10 030	30 172	20 932



Declaration by the Board of Directors and CEO

Kebni AB (publ), 556943-8442

Anders Persson

Chairman of the Board

Jan Wäreby

Board member

Anna-Karin Stenberg

Board member

Martin Elovsson

Board member

Magnus Edman

Board member

Torbjörn Saxmo

Chief Executive Officer

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

Kista, October 24, 2024



Bringing stability to
a world in motion