



Interim Report

January – June 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

April – June 2023

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

- Net sales during the period totaled SEK 185 thousand (172).
- Net earnings for the period totaled SEK -10,964 thousand (-2,122).
- The company's R&D work has now taken the robot system to a significantly higher level, resulting in the write-off of old prototypes. While earnings were affected negatively by this impairment loss, cash flow was not affected.
- Earnings per share before dilution totaled SEK -0.72 (-0.72).
- Total assets at the end of the period totaled SEK 35,991 thousand (32,810).
- Cash and cash equivalents at the end of the period totaled SEK 12,017 thousand (5,182).

January – June 2023

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- Net sales during the period totaled SEK 260 thousand (172).
- Net earnings for the period totaled SEK -13,837 thousand (-4,547).
- The company's R&D work has now taken the robot system to a significantly higher level, resulting in the write-off of old prototypes. While earnings were affected negatively by this impairment loss, cash flow was not affected.
- Earnings per share before dilution totaled SEK -1.30 (-1.71).
- Total assets at the end of the period totaled SEK 35,991 thousand (32,810).
- Cash and cash equivalents at the end of the period totaled SEK 12,017 thousand (5,182).

Significant events

April – June 2023

- The company held its annual general meeting on May 12, 2023.
- On May 16, the Board announced that Erik Jonuks is leaving his position as CEO for Ekobot AB (publ) and will step down during the fall of 2023.
- On May 23, the company announced that it had signed a letter of intent with AllagBots Nordic APS for the sale of robots in Denmark and Norway.
- On June 27, the Board announced the appointment of Jonas Eklind as the company's new CEO. Jonas will succeed Erik Jonuks, the company's previous CEO, and take up his position on September 1, 2023. Jonas Eklind's extensive leadership experience in technology-based industrial companies undergoing strong growth makes him an excellent fit as Ekobot's new CEO. His successful background demonstrates his ability to create growth in companies from research-based ideas to profitable operations.

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

- Ekobot presents an updated strategy with a focus on sales via distributors and the goal of achieving a 5 percent market share within the EU by 2030.



A word from the CEO

The second quarter of 2023 was characterized by extensive operational work in the field and rewarding sales and marketing work in the Swedish and Dutch markets. A number of our robots were in operation with both organic and conventional farmers, in both Sweden and the Netherlands, and this placed great demands on Ekobot's operational organization. Important lessons learned during the season contributed to an updated strategic plan for the period 2023–2030.

Updated strategy until end of 2030

In a recently published press release, Ekobot's management team and Board announced the company's updated long-term strategic plan. In the updated strategy, which runs until the end of 2030, the company's operations have been refined to meet the great interest shown in Ekobot's products by distributors and dealers in 2023. We will therefore place a greater focus on sales through distributors, especially in the Netherlands and Denmark. In the short term, this will mean a slower scaling up of sales, but with significant subsequent growth advantages. The updated strategy also involves developing our own robot carrier unit with the aim of lowering manufacturing costs more quickly and improved production control and flexibility. Up until the end of 2030, the long-term plan involves extensive sales growth in the EU and certain technical developments to broaden the offering to customers, an important growth-driving factor per se. Thus the updated strategy constitutes an ambitious plan for growth and profitability aimed at achieving significant market share by the end of 2030.

New, strong Board composition

Ekobot held its annual general meeting in May, 2023. The AGM resolved the nomination committee's proposal for re-election and new election. The new board composition involves a considerable broadening of Ekobot's strategic skills. In a very positive move, the company's principal owner, Navus Ventures of the Netherlands, has through Eduard Meijer's position on the Board taken an active role in the company's strategic control.

Letter of intent signed with Danish distributor AllagBots Nordic Aps

During the second quarter, a letter of intent regarding the sale of Ekobot's robots in Denmark and Norway was signed with Danish distributor AllagBots Nordic. AllagBots is an experienced field robot distributor in the Nordic agricultural sector. The company holds a couple of other field robot brands in its product portfolio. Through its express strategy of becoming the market-leading field robot distributor in the Nordics in just a few years, AllagBots is an important partner in helping Ekobot achieve good market representation in the Nordics.

New CEO from September 1

In putting together my comments for Ekobot's second quarterly report 2023, I do so with mixed feelings. In May, the company announced that I would be leaving my position as CEO from September 1, 2023 to take up a new exciting position.

My time as CEO was incredibly rewarding for me personally, and Ekobot has during the same time period enjoyed a fantastic journey that included its listing on the Nasdaq First North and commercial breakthroughs in two markets. Of course, none of this and a lot more besides had been possible without an extremely dedicated team of colleagues, strong strategic control through the company's Board and a great number of investors who have faith in the company's vision, team and technology. I'm very proud of what we achieved during my time at Ekobot, and I also feel safe in handing over the role of new CEO into the capable hands of Jonas Eklind. Jonas's leadership experience in technology-based companies in growth make him an excellent fit for the role, and his ability to transform ideas into profitable operations stand out as important factors for taking the company to new successes.

In conclusion, I would like to extend especially big thanks to my team of colleagues, Ekobot's Board and everyone who continues to have faith in the company. Ekobot is a company of the future, right on time and with a competitive technology that enables a strong position in an international market with great prospects.



Västerås, August, 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 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 renewable 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 take place in two ways, either directly to the end customer/farmer through operational leasing or outright purchase, and via distributors and dealers. Direct sales take place mainly on the Swedish market, while in the Netherlands and the rest of Europe they take place through dealer channels. The average price for a robot system is EUR 95,000 excluding VAT. Each robot system has the capacity to handle around 10 hectares.

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 with renewable energy for example 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.



Ekobot revolutionizes farming with its autonomous robot system, reducing manual labor and promoting sustainable, efficient crop production. From weed control to cost savings, Ekobot empowers farmers to meet the challenges of modern agriculture

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 have 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 2023/2024 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 on the European market (with the exception of Sweden) with the assistance of external partners and 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.



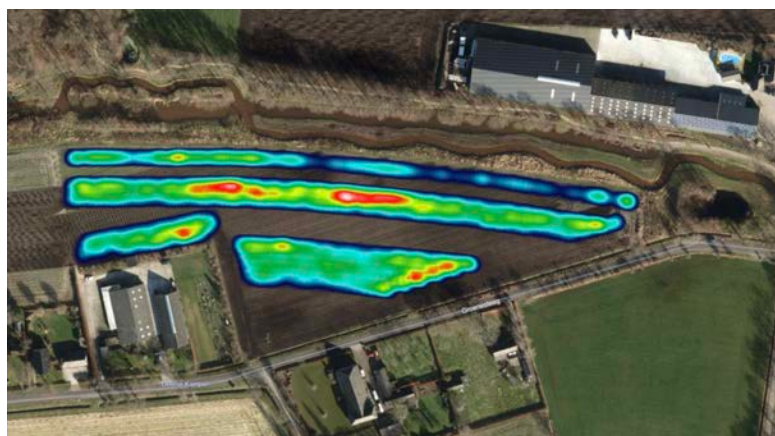
A new technological paradigm shift is needed in the agricultural sector. Ekobot combines robotized precision interventions in agricultural land using data analysis and decision support services, thus offering a technology shift away from today's heavy mechanized agriculture.

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.

Thanks to the robot's data collection ability, Ekobot can provide significant value to its customers, such as real-time maps showing weed density and growth.

Aspects concerning the implementation of 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 will 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.

A rapidly growing market for agricultural robots

The global market for agricultural robots is expected to grow from USD 11.2 billion in 2023 to USD 35.9 billion in 2030, which represents a compound annual growth rate (CAGR) of 19 percent up until 2030. The number of farmers choosing agricultural automation is constantly growing. One particularly significant factor is the reduced availability of seasonal labor.¹ 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

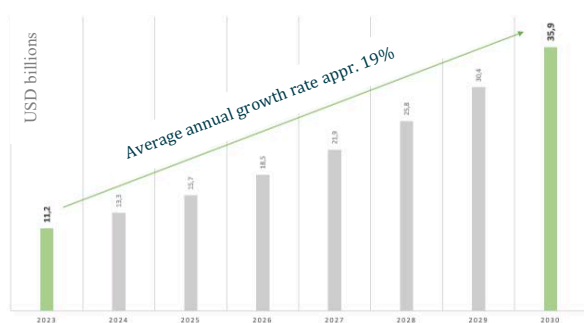


Figure 1: Global market volume of agricultural robots from 2023 to 2030¹

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.

1 Global market volume of agricultural robots from 2020 to 2030 M. Shahbandeh
Research expert covering agriculture & FMCG

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



Ekobot helps enhance the profitability of organic farmers, leading to increased organic cultivation within the EU.

Competitive advantages

The company estimates that its solution can improve conditions for crops during their most vulnerable period and contribute to a 5–20 percent increase in crop yields, which is unique in the market, according to the company. Third-party verified tests of Ekobot's robot system also show an approximate 6 percent harvest increase compared to conventional cultivation technology using 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://europa.eu/european_council/news/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	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Net sales	185	172	260	172	214
Operating loss	-10,789	-1,687	-12,772	-3,600	-8,998
Earnings for the period	-10,964	-2,122	-13,837	-4,547	-10,410
Earnings per share before dilution, SEK	-0.72	-0.72	-1.30	-1.71	-3.22
Total assets	35,991	32,810	35,991	32,810	31,223
Cash and cash equivalents	12,017	5,182	12,017	5,182	2,943
Equity/assets ratio (%)	70.8	55.9	70.8	55.9	49.2
Average number of shares before dilution	15,246,317	2,955,060	10,678,003	2,664,865	3,235,976
Average number of shares after maximum dilution	15,552,817	3,497,755	11,088,503	3,217,463	3,925,917
Average number of employees	8	7	6	6	6

See definitions below.

Revenue and earnings

During the quarter, the company reported net sales of SEK 185 thousand (172). The corresponding figure for the period January to June is SEK 260 thousand (172). In 2022, the company signed an agreement concerning pilot installations in Sweden and the Netherlands for the current and future seasons. The sales relate to these agreements. Further agreements have been signed in 2023 for future seasons.

Other revenues during the second quarter totaled SEK 24 thousand (146), and for the period January to June they totaled SEK 36 thousand (389). The revenues refer mainly to exchange rate gains, as in the equivalent period during the previous year.

Other operating expenses during the second quarter totaled SEK -32 thousand (-11). The major item here also consists of exchange rate changes. The loss under Other operating expenses for the six-month period was SEK -42 thousand (-66).

The operating loss for the second quarter of 2023 totaled SEK -10,789 thousand (-1,687) and SEK -12,772 thousand (-3,600) for the period January to June. The earnings has been affected negatively due to a non-cash related write-off during the period. The company's R&D work has now taken the robot system to a significantly higher level, resulting in the write-off of old prototypes. While earnings were affected negatively by this impairment loss, cash flow was not affected.

Sales and administration expenses for the second quarter totaled SEK -3,535 thousand (-1,741), while the corresponding figure for the first six months was SEK -5,197 thousand (-3,676). Sales and administrative expenses increased this year due mainly to higher sales and marketing activities.

Research and development costs increased year-on-year by SEK 7,178 thousand during the second quarter. However, the major part of this cost, SEK 5,826 thousand, does not affect cash flow as it consists of the impairment of earlier prototypes. Because the company's development work has now taken the robot system to a significantly higher level, the old prototypes were

written off. The impaired expenditures refer primarily to the years 2018–2021. Furthermore, two robots were also reclassified as machinery and other technical facilities. These robots were also produced in-house, and as it is evident that they can be produced at lower cost and in greater scale, the original book value was depreciated by a total of SEK 1,149 thousand during this quarter. This cost has no cash impact either. In all, four machines were put into full operation during the season, and depreciations have begun.

A total of SEK 3,011 thousand was capitalized during the second quarter. This year, development during the first six months mainly concerned remote control, the tool boom and safety system.

The number of employees as of June 30, 2023 was eight (seven). The effects of the Corona pandemic persists and 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 -0.72 (-0.72) for the second quarter and SEK -1.30 (-1.71) for the period January to June, 2023.

Financial position

At the end of the period, shareholder equity totaled SEK 25,481 thousand (18,338) and the equity/assets ratio was 70.8 percent (55.9).

Cash and cash equivalents at the end of the period totaled SEK 12,017 thousand (5,182). 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 3,745 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 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 June 30, 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 second quarter totaled SEK -3,867 thousand (-3,778). The corresponding cash flow for the period January to June 2023 totaled SEK -4,608 thousand (-4,715).

Cash flow from investing activities totaled SEK -3,052 thousand (-3,244) during the second 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 third generation robots were under development. This year, development during the first six months mainly concerned the tool boom

and safety system. Cash flow from investing activities for the period January to June 2023 totaled SEK -5,163 thousand (-11,503). During the second quarter, the grants totaled SEK 48 thousand. In all, capitalized expenditures for development work decreased by SEK -6,414 thousand (3,017) net for the second quarter 2023, and by SEK -4,707 thousand (8,129) for the first six months. A total of SEK 3,011 thousand was capitalized, but because SEK 5,826 thousand was written off and SEK 3,599 thousand was reclassified as a fixed asset, the net was SEK -6,414 thousand. Investment in the patent portfolio for the second quarter totaled 41 thousand (101). Capital expenditures in property, plant and equipment during the second quarter of 2023 totaled SEK 0 thousand (125). However, the balance sheet item increased during the quarter as two robots were reclassified from capitalized development costs.

Cash flow from financing activities totaled SEK -4,595 thousand (3,044) in the second quarter of 2023, and for the period January to June, the corresponding amount was SEK 18,845 thousand (12,396). The biggest items during the first six months consist of new share issues which brought in SEK 24 million net (7.6), newly raised loans of SEK 6,175 thousand (12,375) and SEK 11,277 (7,546) for the amortization of loans. The SEK 6,175 thousand bridging loan obtained during the first quarter of 2023 was also settled during the quarter.

Related party transactions

The agreements with CTO and CFO continue to run under commercial conditions. Also, compensation on market terms was paid to two members of Erik Jonuks' family during the second quarter in the amount of SEK 86 thousand. No other related party transactions have taken place.

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 the year has been very positive. Field tests, the conclusion of agreements on commercial terms, and continued strong interest from potential customers demonstrate that the company has been 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. 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 were 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

	06/30/2023	06/30/2022	12/31/2022
Total equity at the end of the period	25,481	18,338	15,371
Total assets at the end of the period	35,991	32,810	31,223
Equity/assets ratio (%):	70.8%	55.9%	49.2%

Financial calendar

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

Interim report for the period January–September 2023	November 24, 2023
Interim report for the period January–December 2023	February 27, 2024
Annual report 2023	April 26, 2024
Interim report for the period January–March 2024	May 14, 2024

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.

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 June 30, 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 first quarter.

The 10 biggest shareholders as of June 30, 2023

Shareholder	Number of shares	Capital and votes
Navus Ventures B.V.	2,616,116	17.2%
Cederlund, Tord	1,053,964	6.9%
Nordnet Pensionsförsäkring	682,747	4.5%
Nordbeck, Ulf	541,366	3.6%
Säll, Gunnar with company	450,150	3.0%
Avanza Pension	445,622	2.9%
Petersen, Henrik	390,079	2.6%
Lindgren, Thomas with company	387,448	2.5%
Linus Larson Holding i Uppsala AB	255,985	1.7%
Dahlström, Christer with company	253,814	1.7%
The 10 largest owners	7,077,291	46.4%
Others	8,169,026	53.6%
TOTAL	15,246,317	100.00%

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 entitled subscription at a price of SEK 9.60 and fell due in April, 2023. No subscription took place.

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
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, August 25, 2023

Thomas Lindgren
Chairman of the Board

Mattias Jansson
Board member

Eduard Meijer
Board member

Ulf Nordbeck
Board member

Victoria Woyland
Board member

Tord Cederlund
Board member

Magnus Edman
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:

Erik Jonuks, CEO, email erik.jonuks@ekobot.se or
Jonas Eklind, email jonas.eklind@ekobot.se

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SE-114 30 Stockholm
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Income statement

Amount in SEK thousand	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Net sales	185	172	260	172	214
Operating expenses					
Selling and administrative expenses	-3,535	-1,741	-5,197	-3,676	-7,391
Research and development costs	-7,431	-253	-7,829	-419	-2,186
Other operating income	24	146	36	389	449
Other operating expenses	-32	-11	-42	-66	-84
	-10,974	-1,859	-13,032	-3,772	-9,212
Operating loss	-10,789	-1,687	-12,772	-3,600	-8,998
Loss from financial items					
Interest income and similar income statement items	0	0	2	0	1
Interest expenses and similar loss items	-175	-435	-1,067	-947	-1,413
Loss after financial items	-10,964	-2,122	-13,837	-4,547	-10,410
Loss before income tax	-10,964	-2,122	-13,837	-4,547	-10,410
Tax on current year earnings	-0	-0	-0	-0	-0
Earnings for the period	-10,964	-2,122	-13,837	-4,547	-10,410
Earnings per share before dilution, SEK	-0.72	-0.72	-1.30	-1.71	-3.22
Earnings per share after dilution, SEK	-0.72	-0.72	-1.30	-1.71	-3.22
Average number of shares before dilution	15,246,317	2,955,060	10,678,003	2,664,865	3,235,976
Average number of shares after dilution	15,552,817	3,497,755	11,088,503	3,217,463	3,925,617

Balance sheet

Amount in SEK thousand	06/30/2023	06/30/2022	12/31/2022
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development work	16,181	20,423	20,888
Patents	381	316	382
	16,562	20,739	21,270
<i>Fixed assets</i>			
Machinery and other technical facilities	4,653	3,203	2,054
Equipment and tools	113	159	136
	4,766	3,362	2,190
Total assets	21,328	24,101	23,460
Current assets			
<i>Inventory, etc.</i>			
Raw materials and consumables	397	487	489
	397	487	489
<i>Current receivables</i>			
Accounts receivable	0	144	0
Other current receivables	903	1,732	1,569
Prepaid expenses and accrued income	1,346	1,164	2,762
	2,249	3,040	4,331
<i>Cash and cash equivalents</i>			
	12,017	5,182	2,943
Total current assets	14,663	8,709	7,763
TOTAL ASSETS	35,991	32,810	31,223
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	5,336	1,237	1,499
Development expenditure fund	16,181	20,423	20,888
	21,517	21,660	22,387
<i>Non-restricted equity</i>			
Share premium reserve	56,856	34,112	36,746
Loss brought forward	-39,055	-32,887	-33,352
Earnings for the period	-13,837	-4,547	-10,410
	3,964	-3,322	-7,016
Total equity	25,481	18,338	15,371
Non-current liabilities			
Liabilities to credit institutions	3,489	6,881	4,007
Total non-current liabilities	3,489	6,881	4,007
Current liabilities			
Liabilities to credit institutions	2,837	3,064	7,421
Trade accounts payable	1,408	2,502	1,884
Tax liabilities	0	26	18
Other current liabilities	274	218	440
Accrued expenses and deferred income	2,502	1,781	2,082
Total current liabilities	7,021	7,591	11,845
Total liabilities	10,510	14,472	15,852
TOTAL EQUITY AND LIABILITIES	35,991	32,810	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			-3,744			-3,744
Active development expenditures for the period		-4,707		4,707		0
Earnings for the period					-13,837	-13,837
Closing balance as of June 30, 2023	5,336	16,181	56,856	-39,055	-13,837	25,481

Cash flow statement

Amount in SEK thousand	June–April 2023	June–April 2022	Jan–June 2023	Jan–June 2022	Jan–Dec 2022
Operating activities					
Operating loss	-10,789	-1,687	-12,772	-3,600	-8,998
Adjustments for items not included in cash flow:					
Depreciation	284	30	320	56	128
Impairments	6,975	0	6,975	0	1,149
Interest received	0	0	2	0	1
Interest paid	-175	-435	-1,067	-947	-1,413
Cash flow from operating activities before change in working capital	-3,705	-2,092	-6,542	-4,491	-9,133
Change in working capital					
Change in inventory etc.	102	-105	92	2,115	-79
Change in operating receivables	1,047	131	2,082	-474	-1,767
Change in operating liabilities	-1,311	-1,712	-240	-1,865	-1,967
Net flow from operating activities	-3,867	-3,778	-4,608	-4,715	-12,946
Investing activities					
Acquisition of intangible fixed assets	-3,052	-3,119	-4,767	-8,300	-8,881
Acquisition of equipment and tools	-0	-125	-396	-3,203	-1,010
Cash flow from investing activities	-3,052	-3,244	-5,163	-11,503	-9,891
Financing activities					
New share issue incl. transaction expenses	-435	7,567	23,947	7,567	10,463
Amortization of loan	-4,160	-7,523	-11,277	-7,546	-8,062
New loans	0	3,000	6,175	12,375	14,375
Cash flow from financing activities	-4,595	3,044	18,845	12,396	16,776
Cash flow for the period	-11,514	-3,978	9,074	-3,822	-6,061
Cash and cash equivalents at the beginning of the period	23,531	9,160	2,943	9,004	9,004
Cash and cash equivalents at the end of the period	12,017	5,182	12,017	5,182	2,943

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