



KebNi AB
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Press release in English
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(NSME : ASTG)

KebNi releases Q2 2020 Report

KebNi AB (former Advanced Stabilized Technologies Group AB) reports Revenue of 18.8 MSEK and an EBITDA of 0.9 MSEK for Q2, 2020. This is the 4th quarter in a row with a positive EBITDA and the highest Revenue in one quarter to date. Q2 highlights are change of name from ASTG AB to KebNi AB, announcement of SAAB Dynamics development program for IMU, Satmission acquisition in SatCom, application for listing on Nasdaq First North from end of August 2020, and the strengthening of sales efforts in India and North America. Outlook indicates increased sales activity and continuation of the growth strategy, including acquisitions.

KebNi has released Q2 2020 report and shows a growth in revenue and a continued positive EBITDA.

[Click here](#) to see interview with CEO, Carsten Drachmann

Q2 2020: April-June 2020 (same period as last year)

- Net sales amounted to 18.8 MSEK (10.9 MSEK)
- Operating profit before depreciation and other expenses amounted (EBITDA) amounted to 0.9 MSEK (-1.5 MSEK)
- Operating profit after depreciation and financial items amounted to -2.6 MSEK (-2.7 MSEK)
- Earnings per share after depreciation and financial items amounted to -0.08 SEK (-0.21 SEK)
- Cash flow from operations amounted to -4.2 MSEK (-5.9 MSEK)

First half 2020: Jan-June 2020 (same period as last year)

- Net Sales amounted to 32.9 MSEK (11.3 MSEK)
- Operating profit before depreciation and other expenses amounted (EBITDA) amounted to 1.4 MSEK (-4.9 MSEK)
- Operating profit after depreciation and financial items amounted to -4.0 MSEK (-7.1 MSEK)
- Earnings per share after depreciation and financial items amounted to -0.12 SEK (-0.55 SEK)

- Cash flow from operations amounted to -9.4 MSEK (-10.7 MSEK)

CEO Words

Dear Shareholders and Investors,

I am proud to write to you for the first time under our new name, KebNi. KebNi is a unique name that signifies a strong Nordic heritage. It instils the feeling of reliability, durability, and courage. While referring to a Nordic mountain chain, KebNi also stands for *Kinetic Engineering by Nordic Innovation* and going forward we will market the company globally under the name KebNi, driving towards our vision of “Bringing stability to a world in motion”.

Q2 highlights

Our Q2 report shows a positive EBITDA (0.9 MSEK) for the 4th quarter in a row and we reached the highest revenue (18.8 MSEK) in one quarter so far. Looking at 12 months trailing revenue and EBITDA, we are at 55.4 MSEK in revenue and 2.7 MSEK in EBITDA.

The Q2 results mainly come from delivering maritime antennas to Israel, executing the SAAB development program and good deliveries from our new acquisition, Satmission.

During the quarter, we received 22.3 MSEK in new orders.

On May 12, we completed the acquisition of Satmission, which develops, produces, and sells so-called “Drive Away” solutions for the satellite communication industry. This acquisition is part of our “accelerate” strategy and follows the completion of the technology acquisition of Coms on the Move from ReQuTech at the beginning of April. The two product areas are, in the industry, jointly referred to as “Land Mobile Solutions”.

On June 17, we were finally able to present our contract with SAAB Dynamics. The contract is initially a frame agreement, with a value of 10.8 MSEK, for customization of our inertial sensing product as a key component in the SAAB Dynamics NLAW system. This is a crucial milestone for KebNi Inertial Sensing (former AIMS) and will, over time, lead to a significant increase in revenue for our Inertial Sensing business unit. The exact timing of orders and production volumes are subject to SAAB Dynamics success in selling the NLAW system. We are now also able to use the SAAB Dynamics name as a customer reference, which will be a strong selling point when engaging with other customers and opportunities.

As part of our strategy to strengthen our profile both towards customers and investors, we have during Q2 initiated our name change from “Advanced Stabilized Technologies group AB” to “KebNi AB”. At the same time, we have initiated the process for listing on Nasdaq First North, aiming at changing trading platform from Nordic SME to Nasdaq First North by the end of August 2020, subject to final approval by First North. These two actions together are steps towards our vision and strategy of building a new valuable Nordic company within satellite communication and technologies for stabilization and movement.

With the new name, KebNi, we have today also launched an updated website, with a better presentation of our products and solutions. This change will help us create a stronger brand towards the market and increase interest in our growing product portfolio.

KebNi is an international company with international customers. It needs to have an international presence, both in terms of customer engagement, but also when it comes to potential investors.

The Board of Directors has assessed that a listing of the Company's shares on Nasdaq First North will improve the liquidity in the Company's shares and increase the interest in the business and the Company, both nationally and internationally, from analysts, the general public, institutional investors, clients and other stakeholders. This will create better conditions for the future value creation for the Company's shareholders. The listing is therefore considered to strengthen KebNi's future opportunities for development and expansion.

Outlook

The Company will continue to execute its strategy as communicated earlier. This includes focusing on expanding the satellite communication business as well as the business for inertial sensing technology. We will focus on building critical mass across our businesses and use acquisition as a road to additional growth when there is an opportunity that matches our strategy and direction.

In our current work, we are developing new products and variants of existing products, based on what we believe the market demands. This includes investing in the development of the maritime antennas, the Coms on the Move, the Drive Away solutions, and in inertial sensing products, not only for SAAB Dynamics but also for other markets.

Beyond our internal development, we are also looking for partnerships, new business areas, and new emerging technologies that we can leverage to reach our strategy and long-term goals faster and better.

On the sales front, we start to see more activities, despite Covid-19. It has paid off to expand the product and technology portfolio, and we get more requests from customers, as we expected. The sales cycles can still be long, but it all starts with engaging with the customer and having an offering that excites. The addition of Satmission to our portfolio has immediately brought new order intake to the business, and we see good interest in our Coms on the Move solution from different parts of the world.

Waiting for the customer to call is, however, not enough. We need to actively work in the different markets globally to position our brand and products to create a much larger sales pipeline. This also requires presence locally in the various markets. Our Chief Sales Officer, Henrik Asbjørn, is leading our sales activities and he has recently announced the expansion of our sales reach in India and North America, by signing an agreement with Major General Ramakrishna and former US Naval Officer Nelson Santini, which will create more sales leads.

With the addition of Satmission, we have also opened the Russian market, and we can leverage existing relationships and sales success in Russia, to position our other products as well.

We are also working on how to optimize the fact that SAAB Dynamics has now chosen us as a preferred supplier. We have received useful learnings from this project, and it is a strong reference point for dialogue with other companies who are looking for a qualified integrator and technology provider in the inertial sensing space.

Summary

The company now has a broader and stronger product portfolio in place, especially in the satellite communication area. Our sales reach continues to increase, with our presence in India, North America, and access to Russia, and we see more interest in our Company as a result. SAAB Dynamics is now officially a reference customer. Our branding towards customers and the market is evolving with a new name, KebNi, and we have launched a new website with a more defined market focus.

By moving the trading of our share to Nasdaq, we are opening up for a wider range of investors both nationally and internationally. We believe this is a good steppingstone for the future value creation for the Company's shareholders.

While sales cycles may still take time, I firmly believe that we have achieved a significantly better platform for growth and success during the first half of 2020.

Welcome to KebNi!

Best regards,

Carsten Drachmann
CEO, KebNi AB

About KebNi AB (publ.)

KebNi AB is active in satellite communication and precision inertial sensors and invests in and develops reliable technologies for safety, precision and stabilization.

KebNi AB includes the wholly owned subsidiaries KebNi Inertial Sensing AB, KebNi Land Mobile AB & Satmission AB.

KebNi AB, via the KebNi Maritime brand, develops, manufactures and sells innovative 4-axes stabilizing VSAT antennas for maritime use based on its P9 antenna platform. KebNi Inertial Sensing AB develops, manufactures and sells advanced inertial sensors designed to measure movements in three dimensions. KebNi Land Mobile AB develops, manufactures and sells Communication on the Move (COTM) antennas for land. Satmission AB develops, manufactures and sells Communication on the Pause (COTP) for mobile satellite communications systems.

The company's registered office is in Stockholm, Sweden.

The company is listed at Nordic SME stock exchange.

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For accuracy, please exclusively rely on the Swedish version. Should there be unintentional translation differences between the English and the Swedish press release, the Swedish version will take precedence.

These financial statements have not been reviewed by the Company's auditor.