

Q1 2024

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



Q1 2024 at a glance

Kebni reports its first profitable quarter with a positive result of 2 MSEK and an EBITDA of 3,2 MSEK, 10,1 %. The company is now focusing on production optimization and ramping up its sales activities to find its next major development project.

Financial development Q1 (KSEK)

- Net sales, 30 980 (10 883)
- EBITDA, 3 190 (-7 696)
- Operating profit, 2 105 (-10 081)
- Net profit for the period, 2 075 (-36 566)
- Net cash flow for the period, -9 294 (8 038)
- Operating cash flow for the period, -6 482 (-14 554)

Significant events Q1

- Kebni enters strategic partnership with Varisis for the Indian market.

Significant events after the period

- Johanna Toll Meyer starts as new CFO.
- The Nomination Committee of Kebni puts forward its proposal to elect Anders Persson as the new Chairman of the Board, along with the new election Anna-Karin Stenberg and Martin Elovsson and the re-election of Jan Wäreby and Magnus Edman as members of the Board.

The Annual General Meeting will be held on 16 May 2024 at 15.00, Scandic Victoria Tower Hotel, Arne Beurlings Torg 3, Kista.

KPIs

KSEK	Q1 2024	Q1 2023	Growth	FY 2023
Net sales	30 980	10 883	+185 %	65 532
EBITDA	3 190	-7 696		-30 076
EBITDA margin (%)	10,1 %	-70,7 %		-44,5 %
Adjusted EBITDA	3 190	-7 696		-27 201
Operating profit/loss	2 105	-10 081		-38 734
Balance sheet total	77 967	77 529		88 819
Net profit/loss for the period	2 075	-10 229		-39 042
Net profit/loss margin (%)	6,7 %	-94 %		-59,6 %
Net cash flow for the period	-9 294	8 038		9 647
Equity ratio (%)	79 %	73 %		66 %
Number of employees at end of period	25	21		25



Torbjörn Saxmo, CEO

”Kebni reaches yet another milestone as we report our first ever profitable quarter”

Comments from the CEO

Kebni reaches yet another big milestone as we proudly report our first ever profitable quarter. Building on the momentum from our all-time-high revenue in Q4 2023, we deliver a positive result of 2 MSEK in Q1. This is an important breakthrough on our journey towards profitable growth.

IMU deliveries for Saab continues

The tailored IMU for Saab's NLAW remains an instrumental growth-driver for Kebni. After a period of heavy investments in product development and capacity, we have now entered the phase of serial deliveries. Our focus is shifting towards continuous product improvements and fine-tuning of the production process and delivery schedule, all in close collaboration with Saab. In parallel, we are preparing for potential future production ramp-ups, that can be achieved within our current capacity.

Optimizing the production flow in Karlskoga

With the Inertial Sensing production in Karlskoga up and running, we are now working on optimizing the production flow. This includes managing the stream of uncalibrated sensor units from our suppliers, moving them through our production process at the right pace and finally balancing the deliveries with our customers requested delivery rate and timing. To achieve an optimal production flow, we are keeping close and transparent dialogues with all partners and customers.

ScaffSense going into pilot testing

Our joint venture ScaffSense are making exciting progress as the product has now proven ready for pilot testing. The first big-scale pilot project in collaboration with a leading player on the Swedish scaffolding market, is now planned in May. We are looking forward to seeing the results and moving forward towards the commercial launch.

Driving growth: Sales and Partnerships

Building upon our success with the Saab-project, we are now ramping up our sales activities and actively seeking new customers within both product areas. Sweden's recent NATO membership is giving us access to a broader market of defense and security customers in Europe, which we are currently exploring. In Asia, we are involved in several promising discussions with potential clients. This quarter, Kebni formed a partnership in India to explore business opportunities for the maritime antenna Kebni Gimbal. This is one of many examples of strategic partnerships that we are currently forming globally, to find the right customer for our next major development project. Additionally, as part of expanding our global reach, we are now transitioning our corporate communications to English, making us more accessible to international customers and stakeholders.

In the defence industry in particular, the requirements are more extensive, business cycles longer, and consequently order volumes and margins usually higher than in other industry segments. To compete and win as a supplier in this arena, it is crucial to build trust and credibility through long-term relationships, along with project timing, deep industry knowledge and lots of endurance. After having worked this market with perseverance for the last couple of years, we are now starting to see the result of this effort. On top of that, we continue our efforts to reduce operational costs. I am convinced that this is the key to our future success.

It is a privilege to be a part of Kebni at this exciting time. Thank you to our customers and shareholders for supporting our mission, and a special thank you to everyone in the Kebni team for their outstanding work. As we continue our growth journey together, our focus remains on achieving stable and sustainable growth and profitability.

Torbjörn Saxmo, CEO



Financial overview

Revenue and profit

Sales during Q1 increased by 185 % to 30 980 KSEK (10 883 KSEK) compared to Q1 2023. The increase is mainly driven by volume deliveries of IMUs to Saab's NLAW and postponed deliveries of maritime Satcom antennas from Q4 2023, which were executed in Q1 2024.

Capitalized development costs amounted to 1 906 KSEK (2 620 KSEK). The capitalization of self-financed development expenses is mainly attributable to projects in the Inertial Sensing product area.

Operating profit strengthened to 2 105 KSEK (-10 081 KSEK). The fact that Kebni now is showing a positive operating profit is partly an effect of increased sales and cost efficiencies that have been implemented throughout Kebni. With increased volumes and continued cost efficiencies, earnings will strengthen and the EBITDA margin for the first quarter amounts to 10.1% (-70.7%).

Profit for the period amounted to 2 075 KSEK (-10 229 KSEK). Earnings per share amounted to 0.01 SEK (-0.04 SEK).

Cash flow and cash equivalents

During the first quarter, net cash flow for the period was -9 294 KSEK (8 038 KSEK), and operating cash flow improved to -6 482 KSEK from -14 554 KSEK. The continued increase in sales growth is contributing to an increase of working capital. Increased sales volumes and renegotiation of payment terms with key suppliers and customers will gradually strengthen the liquidity and cash flow.

At the end of the period, cash amounted to 11 638 KSEK (19 449 KSEK). Following the strong result in the quarter, we are confident that we will achieve attractive financing facilities.

Financial status

Kebni's total equity at the end of Q1 amounted to 61 240 KSEK (56 758 KSEK). At the end of the quarter, the equity ratio was 79% (73%).

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 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 maintain 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's 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

In 2023, the former subsidiaries **Kebni Inertial Sensing AB** and **Kebni Land Mobile AB** was merged into the parent company.

Employees

Kebni had 25 (21) employees as of March 31, 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

Annual General Meeting 2024: May 16 2024

Interim report Q2 2024: August 15, 2024

Interim report Q3 2024: October 24, 2024

Year-end report 2024: February 13, 2025

Accounting principles

Kebni AB (publ) applies the Annual Accounts Act and BFAR 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 that will undergo pilot testing in 2024.



Source: Solideq Group

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.

Maritime

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. After eight years of development and deliveries to the customer, the product is now ready for sale to the demanding defense and government segment.



Kebni Gimbal



Ship with maritime Satcom antenna

Land

Kebni's antennas for land vehicles have their roots in broadcasting but are now used in applications such as Search & Rescue and the defense industry. The latest addition to the product portfolio is **Kebni SOTM**, an On-the-move antenna for the defense and government segment. This product fills the market gap between the efficient but space-demanding traditional parabolic antennas and the new flat antennas.



Kebni Satmission Drive-away antenna installed on military vehicle



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 kronor. 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 March 31, 2024, the market value was 388 954 KSEK (301 606 KSEK), and the number of shareholders amounted to 7 069 (5 009).

Certified Adviser

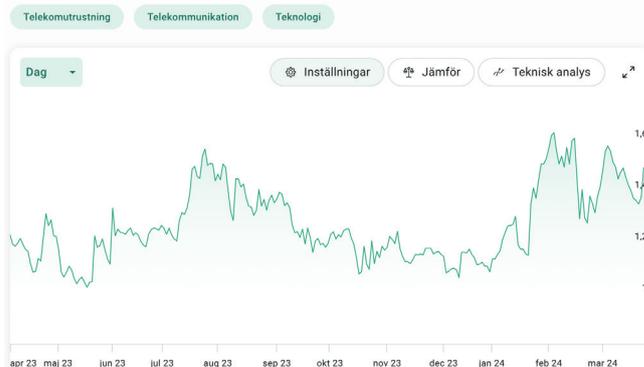
G&W Fondkommission is the company's Certified Adviser.

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



Result per share

	Q1 2024	Q1 2023	FY 2023
Number of shares at the end of the period	271 154 530	246 504 119	271 154 530
Average number of shares before dilution	271 154 530	231 077 362	252 613 648
Average number of shares after dilution	274 816 917	251 018 900	256 276 035
Earnings per share before dilution, SEK	0,01	-0,04	-0,14
Earnings per share after dilution, SEK	0,01	-0,04	-0,14

Largest shareholders

The largest owners confirmed as of March 31, 2024, are shown in the table below

Shareholder	A-share	B-share	Capital (%)	Votes (%)
Anders Danielsson with company	-	50 844 777	18,75%	18,57%
Pärsson Jan Robert	-	35 125 000	12,95%	12,83%
Försäkringsaktiebolaget Avanza Pension	-	11 432 469	4,22%	4,18%
Sven Olof Hagelin with company	-	5 710 000	2,11%	2,09%
Nordnet Pensionsförsäkring AB	-	4 949 140	1,83%	1,81%
Theodor Jeansson	-	3 600 000	1,33%	1,31%
Jan Wäreby	-	3 000 000	1,11%	1,10%
Elsy Brylde	-	2 986 651	1,10%	1,09%
Maida Vale Capital	295 302	-	0,11%	1,08%
Ålandsbanken Abp	-	2 834 827	1,05%	1,04%
Others	-	150 376 364	55,44%	54,90%
Total	295 302	270 859 228	100,00%	100,00%

The owner list was retrieved from Euroclear.



Profit and loss

KSEK	Q1 2024	Q1 2023	Full year 2023
Sales			
Net sales	30 980	10 883	65 532
Capitalized expenditure	1 906	2 620	6 377
Change in inventory	0	0	0
Other operating income	1 198	141	4 906
Total operating income, change in inventory, etc.	34 084	13 644	76 815
Operating expenses			
Cost of goods sold	-14 711	-5 183	-37 958
Other external expenses	-6 354	-7 880	-29 573
Personnel costs	-8 974	-8 277	-35 155
Depreciation/amortisation and impairment of tangible and intangible assets	-1 085	-2 385	-8 658
Other operating expenses	-855	0	-4 206
Total operating expenses	-31 979	-23 725	-115 549
Operating profit/loss	2 105	-10 081	-38 734
Financial income/expenses			
Profit/loss from shares in associates and jointly controlled entities	-35	-34	-236
Other interest income and similar income	4	0	5
Interest expenses and similar expenses	0	-114	-77
Total net financial income/expenses	-31	-148	-308
Profit/loss after net financial income/expenses	2 075	-10 229	-39 042
Income taxes for the year	0	0	0
Net profit/loss for the period	2 075	-10 229	-39 042



Balance sheet

KSEK	2024.03.31	2023.03.31	2023.12.31
ASSETS			
Non-current assets			
Intangible assets			
Capital expenditures for research and development	24 085	23 672	22 728
Concessions, patents, licences, trademarks and similar rights	1 764	917	1 509
Goodwill	1 212	2 423	1 514
Total intangible assets	27 060	27 013	25 751
Tangible assets			
Cost of improvements to leased property	1 452	0	1 471
Equipment, tools, fixtures and fittings	1 698	2 055	1 761
Total tangible assets	3 150	2 055	3 232
Financial assets			
Participations in associates and jointly controlled entities	2 992	116	2 277
Other non-current receivables	486	486	486
Total financial assets	3 478	602	2 762
Total non-current assets	33 688	29 669	31 745
Current assets			
Inventories			
Raw materials and consumables	4 329	6 960	4 650
Work in progress	7 024	3 801	3 858
Prepayments issued to supplier	0	275	584
Total inventories	11 353	11 036	9 092
Current receivables			
Trade receivables	17 942	14 326	22 979
Current tax receivables	696	247	152
Other receivables	396	1 523	782
Prepaid expenses and accrued income	2 254	1 279	3 136
Total current receivables	21 288	17 375	27 049
Cash and bank	11 638	19 449	20 932
Total current assets	44 279	47 860	57 074
TOTAL ASSETS	77 967	77 529	88 819



Balance sheet, cont.

KSEK	2024.03.31	2023.03.31	2023.12.31
EQUITY AND LIABILITIES			
Equity			
Share capital	18 566	16 878	18 566
Other contributed capital	329 211	302 290	329 211
Other equity including profit/loss for the period	-286 536	-262 411	-288 862
Total equity	61 241	56 758	58 915
Provisions			
Other provisions	671	4 673	671
Total provisions	671	4 673	671
Current liabilities			
Advances payment from customers	1 149	5 341	960
Accounts payable	5 732	4 565	19 281
Other liabilities	5 486	3 176	5 423
Accrued expenses and deferred income	3 688	3 017	3 570
Total current liabilities	16 055	16 099	29 233
TOTAL EQUITY AND LIABILITIES	77 967	77 529	88 819



Statement of changes in equity

KSEK	Q1 2024	Q1 2023	Full year 2023
Opening balance	58 915	43 503	43 503
Profit for the year	2 075	-10 229	-39 042
New share issue	0	24 374	53 955
Costs related to the new share issue	0	-1 016	-1 988
Equity fund	1250	125	2 488
Closing balance	61 240	56 758	58 915



Cash flow statement

KSEK	Q1 2024	Q1 2023	Full year 2023
Cash flow from operating activities			
Operating profit	2 105	-10 081	-38 971
Adjustments for non-cash items	1 085	2 436	4 891
Financial items received	4		5
Financial items paid	0		-77
Taxes paid	-544	80	175
Cash flow before changes in working capital	2 650	-7 565	-33 977
Cash flow from changes in working capital			
Inventories	-2 261	-1 819	124
Trade receivables	5 039	-6 305	-14 958
Other current receivables	1 268	208	-908
Accounts payable	-13 549	-1 181	13 535
Other current liabilities	371	2 108	527
Net cash flow from changes in working capital	-9 132	-6 989	-1 678
Net cash flow from operating activities	-6 482	-14 554	-35 656
Cash flow from investing activities			
Investments in intangible assets	-2 226	-616	-5 023
Sale of intangible assets	0	0	0
Investments in tangible assets	-86	-150	-1 615
Investment in associated companies and joint ventures	-500		-25
Investments in financial assets	0	0	0
Sale of financial assets	0	-	-
Net cash flow from investing activities	-2 812	-766	-6 664
Cash flow from financial activities			
New share issue	0	23 358	51 966
Borrowings	0	0	0
Repayment of borrowings	0	0	0
Net cash flow from financial activities	0	23 358	51 966
Net cash flow for the period	-9 294	8 038	9 647
Net cash at the beginning of period	20 932	11 285	11 285
Exchange rate difference			
Net cash at the end of period	11 638	19 449	20 932



Declaration by the Board of Directors and CEO

Kebni AB (publ), 556943-8442

Anders Björkman
Chairman of the Board

Daniel Rudeklint
Board member

Jan Wäreby
Board member

Per Wernersson
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, April 29, 2024



Bringing stability to
a world in motion