

ANNUAL REPORT

Beginning of financial year: 30 December 2021
End of financial year: 31 December 2021

Business name: Airobot Technologies AS

Registry code: 16405978

Street name, building number: Suur-Sõjamäe 37a
Village: Soodevahe Village
Municipality: Rae Municipality
County: Harju County
Postcode: 75322

Telephone: +372 5283181

Email address: info@airobothome.com
Website address: www.airobothome.com

Table of contents

ANNUAL REPORT	1
Management Report	3
Financial statements	4
Balance sheet	4
Notes to financial statements	5
Note 1 Accounting policies	5
Note 2 Shares of subsidiaries	6
Note 3 Share capital	6
Signatures to Report	7

Management Report

Airobot Technologies AS (hereinafter referred to as the **Company**) was established on 30 December 2021. The Company was established as a holding company without independent economic activity (64201 (EMTAK 2008)).

The purpose of establishing the Company was the initial public offering and admission to trading on the First North multilateral trading facility of the shares of Airobot OÜ, an air technology company operating under the Airobot brand since 2013. Airobot OÜ is engaged in the development and production of intelligent self-regulating heat recovery ventilation equipment, air analytics and indoor climate technology. As the corporate form of Airobot OÜ (private limited company) did not allow it to make a public offering of the holding and apply for admission to trading, the Company was founded.

The Company was established with non-monetary contributions the object of which was a 100% holding in Airobot OÜ, thus the Company is the parent company of Airobot OÜ.

The initial public offering of the Company's shares was successful and as at 10 February 2022, all of the Company's shares will be publicly traded on the First North multilateral trading facility of Nasdaq Tallinn.

In 2021, the Company did not perform any activities apart from the acquisition of a 100% holding in Airobot OÜ as a share capital contribution, and therefore the Company has no financial results for 2021. In order to assess the economic results of the Company as a publicly traded company, we recommend reviewing the annual report of Airobot OÜ.

As the Company will continue to operate only as a holding company in the current financial year and there are no plans to commence independent economic activities, the Company's management is considering merging the Company with its subsidiary Airobot OÜ in the interests of management efficiency and cost optimisation.

Financial statements

Balance sheet

(euros)

	31.12.2021	30.12.2021	Note No
Assets			
Fixed assets			
Investments in subsidiaries and affiliates	235,412	235,412	2
Total fixed assets	235,412	235,412	
Total assets	235,412	235,412	
Liabilities and equity			
Equity			
Share capital at nominal value	235,412	235,412	3
Total equity	235,412	235,412	
Total liabilities and equity	235,412	235,412	

Notes to financial statements

Note 1 Accounting policies

General information

The financial statements of Airobot Technologies AS have been prepared in compliance with the Estonian financial reporting standard. The Estonian financial reporting standards are based on internationally acknowledged principles of accounting and reporting, the primary requirements of which are provided for in the Accounting Act, which are specified by the guidelines issued by the Accounting Standards Board of the Republic of Estonia.

The Company's financial statements have been prepared in accordance with the requirements established for the abridged financial statements of small companies. The income statement has been prepared on the basis of income statement layout number 1 specified in Annex 2 to the Accounting Act.

The financial statements have been prepared in euros.

Shares of subsidiaries and affiliates

Subsidiaries are companies controlled by the parent company. Control is presumed if the parent company holds, either directly or through subsidiaries, more than 50% of the voting rights of the subsidiary. Control also exists if the parent company holds 50% or less of the voting rights in the subsidiary, but the parent company: (1) actually controls more than 50% of voting rights under an agreement with other investors; (2) controls the company's financial and operational policy under the articles of association or an agreement; (3) is able to appoint or remove the majority of members of the management or the highest supervisory body (e.g. the management board or supervisory board or the company); or (4) is able to steer the decisions adopted at meetings of the management or the highest supervisory body.

An affiliate is a company over which the investor exercises a significant influence and which is not a subsidiary of the investor. Significant influence is presumed to exist if the investor holds 20% to 50% of the voting shares of the company. In exceptional cases, significant influence can also exist if the investor holds less than 20% of the associate. The existence of significant influence is characterised by the following elements: (1) representation in the executive management or a higher management body of the investment object; (2) participation in making business policy decisions of the investment object; (3) significant transactions between the investor and the investment object; (4) partial overlap between the investor and the management of the investment object; (5) exchange of technical information between the investor and the investment object.

Investments in subsidiaries are recognised in the balance sheet using the acquisition cost method.

The Company has not prepared consolidated financial statements, as it proceeded from the exception set forth in subsection 29 (3) of the Accounting Act.

Related parties

A related party is a person or a company that is related to the Company preparing the annual report to such an extent that the transactions between them might not be concluded under market conditions.

A person or a close family member of that person is related to the reporting company if that person:

- (1) is a member of the management of the reporting company or of its parent company; or
- (2) has control or significant influence over the reporting company.

A company is related to the reporting company if one or several of the following conditions apply:

- (1) the company and the reporting company are under common control;
- (2) one company is a company under the control of a third party and the other company is a company under the significant influence of this third party (or the individual or their close family member if the third party is an individual);
- (3) the company has control or significant influence over the reporting company;
- (4) the company is under the control or significant influence of the reporting company;
- (5) companies that are under the control or significant influence of the reporting company or a member of the management of its parent company (or their close family members);
- (6) companies whose management includes persons (or their close family members) who have dominant or significant influence over the reporting company.

Note 2 Shares of subsidiaries

(euros)

Shares of subsidiaries, general information					
Registry code of subsidiary	Name of subsidiary	Country of location	Principal area of activity	Holding (%)	
				30.12.2021	31.12.2021
12405854	OÜ Airobot	Estonia	production of ventilation equipment	100	100

Shares of subsidiaries, detailed information		
Name of subsidiary	30.12.2021	31.12.2021
OÜ Airobot	235,412	235,412
Total shares in subsidiaries, at end of previous period	235,412	235,412

Note 3 Share capital

(euros)

	31.12.2021	30.12.2021
Share capital	235,412	235,412
Number of shares	2,354,125	2,354,125
Nominal value of shares	0.10	0.10

INDEPENDENT CERTIFIED AUDITOR'S REPORT

To the shareholders of Airobot Technologies AS

Opinion

We have audited the financial statements of Airobot Technologies AS (the Company), which include the balance sheet as of 31.12.2021 and the notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 in accordance with the Estonian financial reporting standard.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the Certified Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The management is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our sworn auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this regard we have nothing to report.

Responsibilities of Management and Persons Charged with Governance in Relation to the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Estonian financial reporting standard and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The persons charged with governance are responsible for overseeing the Company's financial reporting process.

Certified Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a sworn auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our certified auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our certified auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in the course of the audit.

/digitally signed/
Tarmo Rahkama
Certified Auditor Number 614

Grant Thornton Baltic OÜ
Audit Firm's Activity Licence Number 3
Pärnu mnt 22, 10141 Tallinn, Harju County
18.05.2022