

CONSOLIDATED ANNUAL REPORT

beginning of financial year: 01.01.2022

end of the financial year: 31.12.2022

business name: Airobot Technologies AS

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Table of contents

Management report	3
The annual accounts	5
Consolidated statement of financial position	5
Consolidated income statement	6
Consolidated statement of cash flows	7
Consolidated statement of changes in equity	8
Notes	9
Note 1 Accounting policies	9
Note 2 Receivables and prepayments	12
Note 3 Inventories	12
Note 4 Tax prepayments and liabilities	13
Note 5 Investments in subsidiaries and associates	13
Note 6 Shares of subsidiaries	13
Note 7 Property, plant and equipment	14
Note 8 Intangible assets	14
Note 9 Operating lease	15
Note 10 Loan commitments	15
Note 11 Payables and prepayments	16
Note 12 Share capital	16
Note 13 Net sales	17
Note 14 Miscellaneous operating expenses	17
Note 15 Labor expense	18
Note 16 Related parties	18
Note 17 Non consolidated statement of financial position	20
Note 18 Non consolidated income statement	21
Note 19 Non consolidated statement of cash flows	22
Note 20 Non consolidated statement of changes in equity	22
Note 21 Unconsolidated income statement Airobot OÜ	22
Note 22 Merger of companies	23
Signatures	24
Sworn auditor's report	25

Management report

As of 31.12.2021, Airobot Technologies' investments in the subsidiary amounted to EUR 235,412. On 01.10.2022 the companies were merged, and the subsidiary was merged into the parent company. After that, all assets and liabilities were transferred to Airobot Technologies, and the net effect on equity was EUR 235,412. Until 30.09.2022, sales activities took place in the subsidiary Airobot OÜ.

In January-February 2022, the first and successful share issue of Airobot Technologies AS took place. A total of 156,942 shares were issued at a price 4.97 euros, of which the nominal value was 0.10 and the premium was 4.87 euros. The share capital was increased by EUR 15,695 to a total of EUR 251,107. All shares of Airobot were admitted to trading on Nasdaq Baltic First North Market as of February 10.

The seasonality of the company's business activity or cyclicity of economic activity can be considered low, and the important environmental and social effects are not involved. With changes in exchange and interest rates that occurred during the financial year and the period of preparation of the report, there were no associated risks.

The reports are presented in a consolidated form, and the unconsolidated income statement of Airobot OÜ for the periods 01.01-30.09.2022 and 2021 are presented in Note 21.

Management report on operations

The total turnover in 2022 was EUR 1,002,360, which is 2.1 times higher than the total turnover in 2021. The consolidated loss for Airobot last year was EUR 388,248.

The loss for the company in 2022 was mainly due to one-time costs associated with going public, the temporary exceptional increase in input prices resulting from the Russian-Ukrainian war and Covid-19 pandemic, and intensive investment in product development. If the one-time costs in 2022 are excluded and the intensity of product development is reduced, the company could already be profitable.

In summary, the year was very good for the company. The projected turnover was exceeded, and there is potential for further growth at the same pace in the future. In 2023, the investments will continue in new product and software development and marketing to enter foreign markets.

Operations plan for the first half of 2023

Airobot continues to invest in product development in both smart ventilation and heating control categories, being the only air technology company whose ventilation systems are connectable to their heating control solution.

In the first half of 2023, Airobot will launch a new ventilation device model, L5, designed for larger residential and commercial buildings. This model is a strong competitor to the solutions currently used by developers and builders. The expansion of the product portfolio and entry into a new product segment gives Airobot the opportunity to achieve the set revenue targets and mitigate market risks.

Airobot sees more and more opportunities for cooperation with real estate developers, as exemplified by last year's cooperation with Liven to supply ventilation equipment to their Iseära new development. At the beginning of this year, Liven confirmed their second major order, confirming Airobot as a reliable cooperation and supply partner. This time the order went to Liven's Luuslangi development. In addition to Airobot's ventilation equipment, Airobot's heating control solutions, which were only launched in December 2022, will also be installed at Luuslangi.

Financial Ratios	2022
Sales Revenue	1,002,360
Increase of Sales Revenue	109.4 %
Net Profit (Loss)	-388,248
Net Profit Margin = Net Profit / Sales Revenue *100	-38.7 %
Quick Ratio = (Current Assets - Inventory) / Current Liabilities	1.34
Working Capital = Current Assets - Current Liabilities	301,712
Return on Assets (ROA) = Net Profit / Assets * 100	-53.7 %

Return on Equity (ROE) = Net Profit / Equity * 100	-98.5 %
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The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2022	31.12.2021	Note
Assets			
Current assets			
Cash and cash equivalents	387 640	8 297	
Receivables and prepayments	52 495	80 942	2
Inventories	189 814	91 668	3
Total current assets	629 949	180 907	
Non-current assets			
Property, plant and equipment	17 218	14 994	7
Intangible assets	75 325	92 478	8
Total non-current assets	92 543	107 472	
Total assets	722 492	288 379	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	137 028	0	10, 16
Payables and prepayments	191 209	148 851	11
Total current liabilities	328 237	148 851	
Non-current liabilities			
Loan liabilities	0	137 028	10
Total non-current liabilities	0	137 028	
Total liabilities	328 237	285 879	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	251 107	235 412	12
Share premium	764 308	0	
Other reserves	230 751	230 751	16
Retained earnings (loss)	-463 663	-463 663	
Annual period profit (loss)	-388 248	0	
Total equity held by shareholders and partners in parent company	394 255	2 500	
Total equity	394 255	2 500	
Total liabilities and equity	722 492	288 379	

Consolidated income statement

(In Euros)

	2022	30.12.2021 - 31.12.2021	Note
Revenue	1 002 360	0	13
Other income	1 754	0	
Raw materials and consumables used	-511 894	0	
Other operating expense	-401 352	0	14
Employee expense	-444 133	0	15
Depreciation and impairment loss (reversal)	-21 472	0	7, 8
Other expense	-6 347	0	
Operating profit (loss)	-381 084	0	
Interest income	43	0	
Interest expenses	-7 207	0	
Profit (loss) before tax	-388 248	0	
Annual period profit (loss)	-388 248	0	
Profit (loss) from shareholders and partners in parent company	-388 248	0	

Consolidated statement of cash flows

(In Euros)

	2022	30.12.2021 - 31.12.2021	Note
Cash flows from operating activities			
Operating profit (loss)	-381 084	0	
Adjustments			
Depreciation and impairment loss (reversal)	21 472	20 057	7, 8
Other adjustments	0	-86 924	
Total adjustments	21 472	-66 867	
Changes in receivables and prepayments related to operating activities	28 447	-6 285	
Changes in inventories	-98 146	-52 522	
Changes in payables and prepayments related to operating activities	53 737	70 547	
Interest received	43	8	
Other cash flows from operating activities	0	1 999	
Total cash flows from operating activities	-375 531	-53 120	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-6 543	-13 194	7, 8
Total cash flows from investing activities	-6 543	-13 194	
Cash flows from financing activities			
Loans received	25 000	0	
Repayments of loans received	-25 000	0	
Interest paid	-18 586	-2 007	
Proceeds from issuing shares	780 003	0	
Total cash flows from financing activities	761 417	-2 007	
Total cash flows	379 343	-68 321	
Cash and cash equivalents at beginning of period	8 297	76 618	
Change in cash and cash equivalents	379 343	-68 321	
Cash and cash equivalents at end of period	387 640	8 297	

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company					Total
	Issued capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	
30.12.2021	235 412			230 751	-463 663	2 500
31.12.2021	235 412			230 751	-463 663	2 500
Annual period profit (loss)					-388 248	-388 248
Issue of equity	15 695	764 308				780 003
31.12.2022	251 107	764 308	0	230 751	-851 911	394 255

Notes

Note 1 Accounting policies

General information

The annual accounts of AS Airobot Technologies have been prepared in accordance with the Estonian Financial Reporting Standard. The Estonian Financial Reporting Standard is a body of financial reporting requirements directed at the public and based on the internationally accepted accounting and reporting principles, the principal requirements of which are established by the Accounting Act of the Republic of Estonia and which are specified by the guideline of the Standards Board.

The annual accounts of an undertaking have been prepared in accordance with the requirements for the abridged annual accounts of a small undertaking. The income statement has been prepared in accordance with the income statement layout No. 1 provided in Annex 2 to the Accounting Act.

The annual accounts have been prepared in euros.

A consolidated report has been presented for the reporting year and the comparative data has also been compiled in a consolidated manner. The consolidated report has line-by-line consolidated financial indicators of the parent company and the subsidiary company, the parent company's participation in the subsidiary company has been eliminated, mutual transactions, receivables and payables and unrealized gains and losses.

The consolidated comparative data for 2021 is reflected in the report as zero, since Airobot Technologies AS was founded on 30.12.2021 and Airobot OÜ was acquired at the end of the year, so line-by-line consolidated income-expenses did not arise in the necessary volume. The previous influence of Airobot OÜ is reflected through equity retained earnings.

Cash and cash equivalents

Cash on hand and at bank, deposits on demand, and other short-term (up to 3 months) highly liquid investments are recorded as cash and cash equivalents.

Foreign exchange transactions have been recognised on the basis of the exchange rates of the European Central Bank officially valid on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities at fair value have been converted into euros at the exchange rates of the European Central Bank applicable on the reporting date. Resulting currency translation differences are recognised as profit or loss from the exchange rate in the income statement.

Receivables and prepayments

Trade receivables, accrued income and other short- and long-term receivables (incl. loan receivables) are measured at amortised cost. At each balance sheet date, it must be assessed whether there is any evidence that a financial asset is impaired. If any such evidence exists, financial assets carried at amortised cost are written down to the present value of their estimated future cash inflows. Impairment losses are recognised as an expense in the income statement.

Inventories

The acquisition cost of inventories is calculated based on the FIFO method.

Inventories are initially recorded at the acquisition cost, which consists of purchase costs, production costs and other costs incurred in bringing the inventories to their present location and condition. The acquisition costs of inventories include the purchase price of inventories, customs duties, other non-refundable taxes, and transport costs directly related to the acquisition of the inventories. Production costs of inventories comprise both direct costs related to the products as well as the proportionate share of production overheads (based on normal production capacity).

Plant, property and equipment and intangible assets

Property, plant and equipment are tangible assets that an entity uses for the production of goods, rendering of services, for rental to others or for administrative purposes, and that are expected to be used during a period exceeding one year. An item of property, plant and equipment is initially recognised at cost, which comprises its purchase price, any costs directly attributable to its acquisition, and the present value of future estimated costs of dismantling an asset and restoring its site of location. If an item of property, plant and equipment is produced over a longer period of time and it is financed with a loan or other debt instrument, the borrowing costs directly attributable to the production of the item of property are capitalised in the acquisition cost of the given item.

Tangible fixed assets are recognised at acquisition cost less accumulated depreciation and any write-downs for impairment. The straight-line method is used for depreciating items of property, plant and equipment.

Intangible non-current assets are non-monetary assets without physical substance that are clearly identifiable from other assets that the entity expects to use during more than one year. Intangible fixed assets are initially recorded at the acquisition cost, which consists of the purchase price and expenses directly related to acquisition.

Minimal acquisition cost 600

Useful life by assets group (years)

Assets group name	Useful life
IT equipment	3-5 years
machinery and equipment	10 years
other non-currant assets	5-7 years
intangible non-current assets	10 years

Leases

The company as a lessor:

A finance lease is a lease whereby all material assets and risks and rewards of ownership are transferred to the lessee. Other leases are recognised as operating leases.

Financial liabilities

A financial liability is initially recognised at cost, which includes all transaction costs directly attributable to the acquisition of financial liability. All financial liabilities are subsequently measured at amortised cost in the balance sheet, except for derivatives with a negative fair value that are measured at fair value.

The restated acquisition cost of current financial liabilities is generally equal to their nominal value, therefore current financial liabilities are recognised in the balance sheet in the amount payable (for example, reported in an invoice, a contract or some other source document). For calculating the amortised cost of long-term financial liabilities they are initially recognised at the fair value of the consideration payable, by calculating interest expense on the liabilities in the following periods using the effective interest rate method.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any discounts as specified in the contract.

Revenue from the sale of goods: Revenue from the sale of goods is recognised when: (1) all significant risks of ownership have been transferred from the seller to the buyer; (2) the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods or product; (3) the amount of sales revenue can be measured reliably; (4) it is probable that the economic benefits associated with the transaction will flow to the entity; (5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services: Revenue from rendering services is recognised based on the stage of completion method. When a service is performed over a very short period of time, and the effect of the allocation of revenue into periods is insignificant, the revenue is recognised immediately after the rendering of a service.

Expense recognition

Expenses are recognised in the same period as the related revenue (the matching principle). Expenses that are likely to contribute to the generation of fiscal advantages in subsequent periods are recognised as an asset when incurred and recognised as an expense in the period(s) they generate fiscal advantages (e.g. expenditure on tangible fixed assets). Expenses that contribute to the generation of fiscal advantages during the reporting period or do not contribute to the generation of fiscal advantages are recognised as an expense in the period in which they are incurred.

Taxation

A resident company pays income tax on profit distributed as dividends or other profit distributions upon payment thereof. A resident company pays income tax at the rate of 20/80 on the distribution of dividends. As of 2019, regularly payable dividends are taxed at a lower rate of 14/86 of the net amount of the dividends.

Corporate income tax on the payment of dividends is recognised as a liability and in the income statement as income tax expense for the period of declaration of the dividends, regardless of the period for which they are declared or when they are actually paid. The liability to pay income tax arises on the tenth day of the month following the distribution of dividends.

Related parties

A related party is a person or entity related to the entity preparing the financial statements to the extent that transactions between them may not occur under market conditions.

A person or a close member of that person's family is related to the reporting entity if that person: (1) is a member of the management of the reporting entity or of its parent entity; or (2) has control or significant influence over the reporting entity.

An entity is related to a reporting entity if one or several of the following conditions applies: (1) an entity and the reporting entity are under common control; (2) one entity is an entity under the control of a third party and the other entity is an entity under significant influence of that third party (if a person is the third party, this person or a close family member of that person); (3) an entity has dominant or significant influence over the reporting entity; (4) an entity is under the reporting entity's dominant or significant influence; (5) entities over which members of the management of the reporting entity or of its parent entity (or close family members of these persons) have dominant or significant influence; (6) entities with persons (or close family members of these persons) in their management who have dominant or significant influence over the reporting entity.

Note 2 Receivables and prepayments

(In Euros)

	31.12.2022	Within 12 months	Note
Accounts receivable	47 319	47 319	
Accounts receivables	47 319	47 319	
Tax prepayments and receivables	2 597	2 597	4
Other receivables	141	141	
Prepayments	2 438	2 438	
Other paid prepayments	2 438	2 438	
Total receivables and prepayments	52 495	52 495	
	31.12.2021	Within 12 months	Note
Accounts receivable	17 958	17 958	
Accounts receivables	18 181	18 181	
Allowance for doubtful receivables	-223	-223	
Tax prepayments and receivables	4 097	4 097	4
Other receivables	56 449	56 449	
Accrued income	56 449	56 449	
Prepayments	2 438	2 438	
Other paid prepayments	2 438	2 438	
Total receivables and prepayments	80 942	80 942	

Note 3 Inventories

(In Euros)

	31.12.2022	31.12.2021
Raw materials	184 074	69 319
Finished goods	0	18 243
Inventory prepayments	1 674	4 106
Goods in responsible storage	4 066	0
Total Inventories	189 814	91 668

Inventories do not require depreciation.

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2022		31.12.2021	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax		1 679		0
Personal income tax		5 758		2 191
Fringe benefit income tax		684		
Social tax		10 930		3 829
Contributions to mandatory funded pension		543		232
Unemployment insurance tax		545		278
Other tax prepayments and liabilities		14 610		6 748
Prepayment account balance	2 597		4 097	
Total tax prepayments and liabilities	2 597	34 749	4 097	13 278

Under other tax prepayments and liabilities are recognized accruals of salary taxes.

Prepayment account balance is also presented in Note 2 and total tax liabilities in Note 11.

Note 5 Investments in subsidiaries and associates

(In Euros)

Name of subsidiary: Airobot OÜ, country of residence Estonia, partnership 100 %.

As of 31.12.2021, AS Airobot Technologies' investments in the subsidiary amounted to 235,412 euros.

Merger of companies is presented also in Note 22.

Note 6 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2021	31.12.2022
12405854	Airobot OÜ	Estonia		100	0

Shares of subsidiaries, detaild information			
Name of subsidiary	31.12.2021	Other changes	31.12.2022
Airobot OÜ	235 412	-235 412	0
Total shares of subsidiaries, at end of previous period	235 412	-235 412	0

01.10.2022 the companies were merged, during which the subsidiary was merged into the parent company.

Note 7 Property, plant and equipment

(In Euros)

					Total
	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	
31.12.2021					
Carried at cost	6 467	3 895	10 362	12 418	22 780
Accumulated depreciation	-2 993	-130	-3 123	-4 663	-7 786
Residual cost	3 474	3 765	7 239	7 755	14 994
Acquisitions and additions	2 974	0	2 974	3 569	6 543
Depreciation	-2 642	-389	-3 031	-1 288	-4 319
31.12.2022					
Carried at cost	9 441	3 895	13 336	15 987	29 323
Accumulated depreciation	-5 635	-519	-6 154	-5 951	-12 105
Residual cost	3 806	3 376	7 182	10 036	17 218

Note 8 Intangible assets

(In Euros)

	Other intangible assets	Total
31.12.2021		
Carried at cost	171 533	171 533
Accumulated depreciation	-79 055	-79 055
Residual cost	92 478	92 478
Depreciation	-17 153	-17 153
31.12.2022		
Carried at cost	171 533	171 533
Accumulated depreciation	-96 208	-96 208
Residual cost	75 325	75 325

Note 9 Operating lease

(In Euros)

Accounting entity as lessee

	2022	30.12.2021 - 31.12.2021	Note
Operating lease expenses	37 767	0	14
Future lease expense under non-cancellable lease contracts			
	31.12.2022	31.12.2021	Note
Within 12 months	41 900	37 767	
1 - 5 years	179 090	174 470	

Under operating lease is recognized rent of premises and vehicles.

The rental agreement for the premises is valid until 01.07.2026. If neither party notifies in due time that they do not wish to extend the contract, the contract becomes open-ended. Every 12 months after the conclusion of the contract (on July 1) the rent increases by the consumer price index.

Note 10 Loan commitments

(In Euros)

	31.12.2022	Allocation by remaining maturity			Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Current loans total	137 028	137 028						
Loan commitments total	137 028	137 028						
	31.12.2021	Allocation by remaining maturity			Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Non-current loans								
Non-current loans total	137 028		137 028					
Loan commitments total	137 028		137 028					

Note 11 Payables and prepayments

(In Euros)

	31.12.2022	Within 12 months	Note
Trade payables	87 031	87 031	16
Employee payables	38 232	38 232	
Tax payables	34 749	34 749	4
Other payables	13 896	13 896	
Interest payables	6	6	
Other accrued expenses	13 890	13 890	
Prepayments received	17 301	17 301	
Other received prepayments	17 301	17 301	
Total payables and prepayments	191 209	191 209	

	31.12.2021	Within 12 months	Note
Trade payables	90 880	90 880	16
Employee payables	18 963	18 963	
Tax payables	13 278	13 278	4
Other payables	11 385	11 385	
Interest payables	11 385	11 385	
Prepayments received	14 345	14 345	
Other received prepayments	14 345	14 345	
Total payables and prepayments	148 851	148 851	

Note 12 Share capital

(In Euros)

	31.12.2022	31.12.2021
Share capital	251 107	235 412
Number of shares (pcs)	2 511 067	2 354 125
Nominal value of shares	0.10	0.10

Note 13 Net sales

(In Euros)

	2022	30.12.2021 - 31.12.2021
Net sales by geographical location		
Net sales in European Union		
Estonia	1 000 297	0
Lithuania	2 063	0
Total net sales in European Union	1 002 360	0
Total net sales	1 002 360	0
Net sales by operating activities		
Sales of goods	1 000 916	0
Sales of services	1 444	0
Total net sales	1 002 360	0

Note 14 Miscellaneous operating expenses

(In Euros)

	2022	30.12.2021 - 31.12.2021	Note
Leases	32 255	0	9
Energy	5 752	0	
Electricity	4 365	0	
Heat energy	1 387	0	
Miscellaneous office expenses	8 639	0	
Exploration and development expense	116 564	0	
Travel expense	6 032	0	
Training expense	413	0	
Advertising and marketing expense	104 708	0	
IT costs	10 572	0	
Utilities	6 379	0	
Car expense	12 749	0	9
Legal expense	36 220	0	
Accounting and audit expense	22 464	0	
Other operating expense	38 605	0	
Total miscellaneous operating expenses	401 352	0	

Note 15 Labor expense

(In Euros)

	2022	30.12.2021 - 31.12.2021
Wage and salary expense	331 904	0
Social security taxes	112 229	0
Total labor expense	444 133	0
Average number of employees in full time equivalent units	9	0
Average number of employees by types of employment:		
Person employed under employment contract	8	0
Member of management or controlling body of legal person	1	0

Note 16 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2022	31.12.2021	Note
Loan commitments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	137 028	0	10
Total loan commitments	137 028	0	
Payables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	600	10 500	11
Total payables and prepayments	600	10 500	

LONG TERM	31.12.2022	31.12.2021	Note
Receivables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	137 028	10
Total receivables and prepayments	0	137 028	

LOAN COMMITMENTS	31.12.2021	Loans received	Loans received repayments	31.12.2022	Interest accrued for period	Note
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	137 028	25 000	25 000	137 028	7 207	10
Total loan commitments	137 028	25 000	25 000	137 028	7 207	

BOUGHT	2022	30.12.2021 - 31.12.2021
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	6 600	600
Total bought	6 600	600

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2022	30.12.2021 - 31.12.2021
Remuneration	60 000	0

Voluntary reserve capital formed from loans received from related parties is recorded under other reserves.

Note 17 Non consolidated statement of financial position

(In Euros)

	31.12.2022	31.12.2021
Assets		
Current assets		
Cash and cash equivalents	387 640	0
Receivables and prepayments	52 495	0
Accounts receivable	47 319	0
Tax prepayments and receivables	2 597	0
Other receivables	141	0
Prepayments	2 438	0
Total Inventories	189 814	0
Raw materials	188 140	0
Inventory prepayments	1 674	0
Total current assets	629 949	0
Non-current assets		
Investments in subsidiaries and associates	0	235 412
Shares of subsidiaries	0	235 412
Property, plant and equipment	17 218	0
Intangible assets	75 325	0
Total non-current assets	92 543	235 412
Total assets	722 492	235 412
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	137 028	0
Payables and prepayments	191 209	0
Trade payables	87 031	0
Employee payables	38 232	0
Tax payables	34 749	0
Other payables	13 896	0
Other received prepayments	17 301	0
Total current liabilities	328 237	0
Total liabilities	328 237	0
Equity		
Issued capital	251 107	235 412
Share premium	764 308	0
Other reserves	230 751	0
Retained earnings (loss)	-718 861	0
Annual period profit (loss)	-133 050	0
Total equity	394 255	235 412
Total liabilities and equity	722 492	235 412

Note 18 Non consolidated income statement

(In Euros)

	2022	30.12.2021 - 31.12.2021
Revenue	355 702	0
Other income	11 021	0
Raw materials and consumables used	-205 661	0
Other operating expense	-144 816	0
Employee expense	-138 106	0
Depreciation and impairment loss (reversal)	-5 456	0
Other expense	-3 994	0
Total operating profit (loss)	-131 310	0
Interest income	10	0
Interest expenses	-1 750	0
Profit (loss) before tax	-133 050	0
Annual period profit (loss)	-133 050	0

Note 19 Non consolidated statement of cash flows

(In Euros)

	2022	30.12.2021 - 31.12.2021
Cash flows from operating activities		
Operating profit (loss)	-131 310	0
Adjustments		
Depreciation and impairment loss (reversal)	5 456	0
Total adjustments	5 456	0
Changes in receivables and prepayments related to operating activities	-8 162	0
Changes in inventories	43 662	0
Changes in payables and prepayments related to operating activities	9 201	0
Interest received	10	0
Total cash flows from operating activities	-81 143	0
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-3 570	0
Loans given	-750 000	0
Other cash inflows from investing activities	444 095	0
Total cash flows from investing activities	-309 475	0
Cash flows from financing activities		
Interest paid	-1 745	0
Proceeds from issuing shares	780 003	0
Total cash flows from financing activities	778 258	0
Total cash flows	387 640	0
Change in cash and cash equivalents	387 640	0
Cash and cash equivalents at end of period	387 640	0

Note 20 Non consolidated statement of changes in equity

(In Euros)

					Total
	Issued capital	Share premium	Other reserves	Retained earnings (loss)	
30.12.2021	235 412				235 412
31.12.2021	235 412				235 412
Annual period profit (loss)				-133 050	-133 050
Other changes in equity	15 695	764 308	230 751	-718 861	291 893
31.12.2022	251 107	764 308	230 751	-851 911	394 255

Note 21 Unconsolidated income statement Airobot OÜ

	01.01-30.09.2022	2021
Revenue	646 658	478 708
Other income	204	124 469
Raw materials and consumables used	-306 234	-216 778
Other operating expenses	-256 535	-249 082
Employee expenses	-306 028	-201 171
Depreciation and impairment loss (reversal)	-16 016	-20 057
Other expenses	-11 824	-1 014
Operating profit (loss)	-249 775	-84 925
Interest income	33	8
Interest expenses	-5 456	-2 007
Profit (loss) before tax	-255 198	-86 924
Income tax expense		
Reporting period profit (loss)	-255 198	-86 924

Note 22 Merger of companies

01.10.2022 the companies were merged, during which the subsidiary was merged into the parent company. After that came assets and liabilities transferred to Airobot Technologies AS, the net impact on equity was EUR 235,412.

INDEPENDENT SWORN AUDITOR'S REPORT

To the shareholders of Airobot Technologies AS

Qualified Opinion

We have audited the consolidated financial statements of Airobot Technologies AS and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with the Estonian financial reporting standard.

Basis for Qualified Opinion

As we were selected as auditors after the end of the previous financial year, we were not physically able to verify the accuracy of the stock balance as at 31 December 2021. We were also unable to verify the existence of inventories using alternative procedures. As a result of the above, we do not express an opinion on the inventories in the consolidated balance sheet as at 31 December 2021. Our report for the previous period also included a qualified opinion of the same content.

We conducted our audit in accordance with the International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the *Sworn Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated financial statements and our sworn auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Sworn Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group's internal control;
- evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management;
- conclude on the appropriateness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our sworn auditor's report to the related disclosures in the consolidated 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 sworn auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 during our audit.

/digitally signed/
Tarmo Rahkama
Sworn Auditor number 614

Grant Thornton Baltic OÜ
Audit firm's activity licence number 3
Pärnu mnt 22, Tallinn, Harju County, 10141
6 April 2023