

# **Airobot Technologies AS**

**Interim report  
for the 12 months of 2022  
(unaudited)**

**reporting period:** 01.01.2022 - 31.12.2022  
**financial year:** 01.01.2022-31.12.2022

**business name:** Airobot Technologies AS

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## Table of contents

Management board's activity report

Financial Statements

Consolidated statement of financial position

Consolidated income statement

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes

Note 1 Accounting policies

Note 2 Receivables and prepayments

Note 3 Inventory

Note 4 Tax prepayments and liabilities

Note 5 Property, plant and equipment

Note 6 Intangible assets

Note 7 Payables and prepayments

Note 8 Labor expense

Note 9 Related parties

Airobot Technologies AS  
13.03.2023 Stock Exchange Announcement

## Airobot Technologies AS unaudited interim report for the consolidated financial statements of the six months ended 2022

### Management report on operations

Airobot Technologies achieved a turnover of EUR 639,172 in the second half of 2022, which is nearly 2.9 times higher compared to the second half of 2021. The total loss in the second half of last year was EUR 154,266 (including prepayments of EUR 17,301).

The total turnover in 2022 was EUR 1,002,360, which is 2.1 times higher than the total turnover in 2021. The 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 the 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. Airobot forecasts reaching profitability this year with similar product development intensity.

### 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 review

In H2 2022 AS Airobot Technologies unaudited turnover was EUR 639,172 (2021 H2 : EUR 221,157) and net loss EUR 154,266 (2021 H2 : EUR 107,922). The increase of turnover was 189 %.

As of 31 December 2022, the Company's total assets came to EUR 722,492 (30.06.2022: EUR 950,595). Current assets amounted to EUR 629,949 (30.06.2022: EUR 850,786) or 87,2% of total assets. Fixed assets amounted to EUR 92,543 (30.06.2022: EUR 99,809) or 12,8% of the balance sheet total. The liabilities of AS Airobot Technologies totalled EUR 328,237 (30.06.2022: EUR 402,074) and equity amounted to EUR 394,255 eurot (30.06.2022: EUR 548,521).

As of 31 December 2022, the Company's loan liabilities remained unchanged comparing to 30 June 2022 and totalled EUR 137,028.

As of 31 December 2022, AS Airobot technologies had 8 employees and one management Board member. Labor costs in H2 2022 (included taxes) amounted to EUR 253,322.

Financial Ratios	2022	2022 H2	2021	2021 H2
Sales Revenue	1 002 360	639 172	478 708	221 157
Increase of revenue	109,4%	17,6%	17,6%	
Net profit (loss)	-388 248	-154 266	-86 924	-107 922
Net profit margin = Net Profit : Sales Revenue *100	-38,7%	-24,1%	-18,2%	-48,8
Working Capital = Current Assets - Current Liabilities	301 712	585 740	32 056	32 056
Return of Assets (ROA) = Net Profit : Assets *100	-53,7%	-16,2%	-30,1%	-37,4%
Return of Equity (ROE) = Net Profit : Equity *100	-98,5%	-28,1%	-3477,0%	-4316,9%

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## Financial Statements

### Consolidated statement of financial position

(in Euros)

	31.12.2022	30.06.2022	31.12.2021	Note
<b>Assets</b>				
Current assets				
Cash and cash equivalents	387 640	480 142	8 297	
Receivables and prepayments	52 495	84 871	80 942	2
Inventories	189 814	285 773	91 668	3
<b>Total current assets</b>	<b>629 949</b>	<b>850 786</b>	<b>180 907</b>	
Non-current assets				
Tangible fixed assets	17 218	15 907	14 994	5
Intangible assets	75 325	83 902	92 478	6
<b>Total non-current assets</b>	<b>92 543</b>	<b>99 809</b>	<b>107 472</b>	
<b>Total assets</b>	<b>722 492</b>	<b>950 595</b>	<b>288 379</b>	
<b>Liabilities and equity</b>				
Liabilities				
Current liabilities				
Short-term loans	137 028	0	0	
Payables and prepayments	191 209	265 046	148 851	4, 7
<b>Total current liabilities</b>	<b>328 237</b>	<b>265 046</b>	<b>148 851</b>	
Non-current liabilities				
Long-term loans	0	137 028	137 028	
<b>Total non-current liabilities</b>	<b>0</b>	<b>137 028</b>	<b>137 028</b>	
<b>Total liabilities</b>	<b>328 237</b>	<b>402 074</b>	<b>285 879</b>	
Equity				
Issued capital	251 107	251 107	235 412	
Share premium	764 308	764 308	0	
Other reserves	230 751	230 751	230 751	
Retained earnings (loss)	-463 663	-463 663	-463 663	
Reporting period profit (loss)	-388 248	-233 982	0	
<b>Total equity</b>	<b>394 255</b>	<b>548 521</b>	<b>2 500</b>	
<b>Total liabilities and equity</b>	<b>722 492</b>	<b>950 595</b>	<b>288 379</b>	

**Consolidated income statement**

(in Euros)

	<b>2022</b>	<b>2022 H2</b>	<b>2021</b>	<b>Note</b>
Revenue	1 002 360	639 172	478 708	
Other income	1 754	1 754	124 469	
Raw materials and consumables used	-511 894	-330 978	-216 778	
Other operating expenses	-401 352	-193 002	-249 082	
Employee expenses	-444 133	-253 322	-201 171	8
Depreciation and impairment loss (reversal)	-21 472	-10 836	-20 057	5, 6
Other expenses	-6 347	-4 739	-1 014	
<b>Operating profit (loss)</b>	<b>-381 084</b>	<b>-151 951</b>	<b>-84 925</b>	
Interest income	43	30	8	
Interest expenses	-7 207	-2 345	-2 007	
<b>Profit (loss) before tax</b>	<b>-388 248</b>	<b>-154 266</b>	<b>-86 924</b>	
<b>Reporting period profit (loss)</b>	<b>-388 248</b>	<b>-154 266</b>	<b>-86 924</b>	

**Consolidated statement of cash flows**

(in Euros)

	2022	2022 H2	2021	Note
Cash flows from operating activities				
Operating profit (loss)	-381 084	-151 951	-84 925	
Adjustments				
Depreciation and impairment loss (reversal)	21 472	10 836	20 057	5, 6
<b>Total adjustments</b>	<b>21 472</b>	<b>10 836</b>	<b>20 057</b>	
Changes in receivables and prepayments related to operating activities	28 447	32 376	-9 866	
Changes in inventories	-98 146	95 959	-52 522	
Changes in payables and prepayments related to operating activities	53 737	-73 837	84 524	
Interest received	43	43	0	
Other cash flows from operating activities	0	5 936	-1 010	
<b>Total cash flows from operating activities</b>	<b>-375 531</b>	<b>-80 638</b>	<b>-43 742</b>	
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	-6 543	-3 569	-13 194	5
<b>Total cash flows from investing activities</b>	<b>-6 543</b>	<b>-3 569</b>	<b>-13 194</b>	
Cash flows from financial activities				
Interest paid	-18 586	-8 295	-11 385	
Proceeds from issuing shares	780 003	0	0	
<b>Total cash flows from financial activities</b>	<b>761 417</b>	<b>-8 295</b>	<b>-11 385</b>	
<b>Total cash flows</b>	<b>379 343</b>	<b>-92 502</b>	<b>-68 321</b>	
Cash and cash equivalents at beginning of period	8 297	480 142	76 618	
<b>Change in cash and cash equivalents</b>	<b>379 343</b>	<b>-92 502</b>	<b>-68 321</b>	
Cash and cash equivalents at end of period	387 640	387 640	8 297	

**Consolidated statement of changes in equity**

(in Euros)

	Issued capital	Share premium	Other reserves	Retained earnings (loss)	Total
<b>31.12.2021</b>	235 412		230 751	-463 663	2 500
Reporting period profit (loss)				-233 982	-233 982
Issue of equity	15 695	764 308			780 003
<b>30.06.2022</b>	251 107	764 308	230 751	-697 645	548 521
Reporting period profit (loss)				-154 266	-154 266
<b>31.12.2022</b>	251 107	764 308	230 751	-851 911	394 255

## Notes

### Note 1 Accounting policies

#### General information

The 12 months of 2022 unaudited Interim Report of Financial Statements of AS Airobot Technologies have been prepared in accordance with Estonian financial reporting standard. The main requirements of the Estonian financial reporting standard have been stipulated in the Accounting Act of the Republic of Estonia and supplemented by the guidelines issued by the Accounting Board of the Republic of Estonia.

The Company belongs to the small business category. The 12 months of 2022 unaudited Report of Financial Statements is compiled completely according to the regulations introduced for mid-sized companies.

The financial statements have been prepared in euros and in a consolidated manner.

#### Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents are cash in hand, demand deposits in banks.

Foreign currency transactions are recorded based on the currency exchange rate valid on the transaction date. Monetary entries denominated in foreign currency are translated on the basis of the currency exchange rates of the European Central Bank officially valid on the balance sheet date. Foreign exchange gains and losses from revaluation are recorded in the income statement.

Foreign exchange gains and losses are recorded under revenue and expenses in the income statement of the reporting period.

#### Receivables and prepayments

Accounts receivable are short-term receivables generated in the course of ordinary business, except for receivables from other group companies and associated companies. Accounts receivable are recorded at amortised cost (i.e. nominal value less possible write-downs).

Accounts receivable are evaluated on an individual basis, if possible. If the evaluation of the receivables on an individual basis proves impossible, only the material receivables will be evaluated. Other receivables are evaluated as a set of receivables, considering the information available regarding the customer's previous debts. Collection of receivables, which have been previously expensed as doubtful receivables, are reported as an adjustment to doubtful receivables.

All other receivables (accrued income, loans granted, other short-term and long-term receivables), except for receivables held for trading, are recorded at amortised cost. Receivables held for trading are recorded at their fair value

#### Inventories

Raw materials are recorded at cost, consisting of the purchase price, non-refundable taxes and direct transportation costs and other expenses directly related to the acquisition, incurred upon bringing the inventories to their present condition and location, less discounts and subsidies. Finished products and work-in-progress are recorded at production cost, consisting of the direct production costs (cost of raw materials), staff remuneration and a proportional part of the production overheads (depreciation of production buildings and equipment).

The acquisition cost of inventories is calculated based on the FIFO (Raw materials) and individual cost (Work in progress and finished goods) method.

#### Plant, property and equipment and intangible assets

Assets with an acquisition cost of over 600 euros and a useful life of over 1 year are recorded as property, plant and equipment (PPE) in the balance sheet. Assets with a useful life of over 1 year, but an acquisition cost of less than 600 euros, are recorded as low-value items (in inventories) and are fully expensed when the asset is taken into use. Low-value items that have been expensed are accounted for off-balance sheet.

PPE are initially recorded at acquisition cost, consisting of the purchase price and expenses incurred with the aim of taking the asset item into use. Subsequent to initial recognition, PPE are recorded at net book value. PPE constructed for own use is recorded at acquisition cost, consisting of the actual manufacturing expenses.

Depreciation is calculated on a straight-line basis, depending on the estimated useful life of the asset item.

#### Estimated useful life of the asset item:

computers and computer systems	3-5 years
machinery and equipment	10 years
Other tangible assets	5-7 years
Intangible assets	10 years

#### Financial liabilities

All financial liabilities (accounts payable, loans taken, accrued expenses, bonds issued, other short-term and long-term payables) are initially accounted for at their acquisition cost, which includes all expenses directly related to the acquisition. Subsequent to initial recognition, financial liabilities are recorded based on the amortised cost method.

As a rule, the amortised cost of short-term financial liabilities equals their nominal value. Therefore, short-term financial liabilities are recorded in the balance sheet at the payable amount. The amortised cost of long-term liabilities is calculated based on the effective interest rate method.



**Revenue recognition**

Revenue and expenses are recognised on an accrual basis, based on the matching principle. Income statement format No 1 is used.

Revenue is recognised on an accrual basis under the revenue recognition principle. Revenues from the sales of goods are recorded at the moment the right of ownership is transferred to the buyer.

**Expense recognition**

Expenses on vacation pay are recorded in the period when they are incurred. The vacation reserve is adjusted on an annual basis at the end of each financial year. The earned vacation pay is charged to expenses in the income statement, and recorded in the balance sheet under current liabilities to employees.

**Taxation**

According to the Income Tax Act of the Republic of Estonia, legal entities are not subject to income tax on profits earned. Corporate income tax is paid on fringe benefits, gifts, donations, costs of entertaining guests, dividends and payments not related to business operations. Thus, in Estonia there are no differences between the tax bases and the carrying amounts of assets, which would give rise to a deferred income tax asset or liability.

From 1 January 2015, the tax rate on dividends payable is 20/80 of the amount paid out as net dividends. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared.

From 2019, a tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed with the tax rate of 20/80. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account.

**Related parties**

For the purposes of the financial statements of AS Airobot Technologies, the following are considered related parties:

- owners
- management board and higher management
- close relatives of the above persons, and the companies related to them.

**Note 2 Receivables and prepayments**

(in Euros)

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1-5 years	
Accounts receivable	47319	47319		
Accounts receivables	47319	47319		
Tax prepayment and receivables	2597	2597		4
Other receivables	141	141		
Prepayments	2438	2438		
Deferred expenses	2438	2438		
<b>Total receivables and rprepayments</b>	<b>52495</b>	<b>52495</b>		

	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1-5 years	
Accounts receivable	17 958	17 958		
Ostjatelt laekumata arved	18 181	18 181		
Bad debts	-223	-223		
Tax prepayment and receivables	4 097	4 097		4
Other receivables	56 449	56 449		
Accruals	56 449	56 449		
Prepayments	2 438	2 438		
Tulevaste perioodide kulud	2 438	2 438		
<b>Total receivables and rprepayments</b>	<b>80 942</b>	<b>80 942</b>		

**Note 3 Inventory**

(in Euros)

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

**Note 4 Tax prepayments and liabilities**

(in Euros)

	31.12.2022		31.12.2021	
	Prepayments	Liabilities	Prepayments	Liabilities
Value added tax		1679		0
Personal income tax		5758		2191
Fringe benefit income tax		684		0
Social tax		10930		3829
Contribution to mandatory funded pension		543		232
Unemployment insurance tax		545		278
Other tax prepayments and liabilities		14610		6748
Prepayment account balance	2597		4097	
<b>Total tax prepayments and liabilities</b>	<b>2597</b>	<b>34749</b>	<b>4097</b>	<b>13278</b>

**Note 5 Property, plant and equipment**

(in Euros)

	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	Total
<b>30.12.2021</b>					
Carried at cost	6467	3895	10362	12418	22780
Accumulated depreciation	-2993	-130	-3123	-4663	-7786
<b>Residual cost</b>	<b>3474</b>	<b>3765</b>	<b>7239</b>	<b>7755</b>	<b>14994</b>
<b>31.12.2021</b>					
Carried at cost	6467	3895	10362	12418	22780
Accumulated depreciation	-2993	-130	-3123	-4663	-7786
<b>Residual cost</b>	<b>3474</b>	<b>3765</b>	<b>7239</b>	<b>7755</b>	<b>14994</b>
Acquisitions and additions	2974	0	2974	0	2974
Depreciation	-1249	-195	-1444	-617	-2061
<b>30.06.2022</b>					
Carried at cost	9441	3895	13336	12418	25754
Accumulated depreciation	-4242	-325	-4567	-5280	-9847
<b>Residual cost</b>	<b>5199</b>	<b>3570</b>	<b>8769</b>	<b>7138</b>	<b>15907</b>
Ostud ja parendused	0	0	0	3569	3569
Amortisatsioonikulu	-1393	-194	-1587	-671	-2258
<b>31.12.2022</b>					
Carried at cost	9441	3895	13336	15987	29323
Accumulated depreciation	-5635	-519	-6154	-5951	-12105
<b>Residual cost</b>	<b>3806</b>	<b>3376</b>	<b>7182</b>	<b>10036</b>	<b>17218</b>

**Note 6 Intangible assets**

(in Euros)

	Other intangible assets	Total
<b>30.12.2021</b>		
Carried at cost	171 533	171 533
Accumulated depreciation	-79 055	-79 055
<b>Residual cost</b>	<b>92 478</b>	<b>92 478</b>
<b>31.12.2021</b>		
Carried at cost	171 533	171 533
Accumulated depreciation	-79 055	-79 055
<b>Residual cost</b>	<b>92 478</b>	<b>92 478</b>
Depreciation	-8 576	-8 576
<b>30.06.2022</b>		
Carried at cost	171 533	171 533
Accumulated depreciation	-87 631	-87 631
<b>Residual cost</b>	<b>83 902</b>	<b>83 902</b>
Depreciation	-8 577	-8 577
<b>31.12.2022</b>		
Carried at cost	171 533	171 533
Accumulated depreciation	-96 208	-96 208
<b>Residual cost</b>	<b>75 325</b>	<b>75 325</b>

**Note 7 Payables and prepayments**

(in Euros)

	31.12.2022	Within 12 months	Note
Trade payables	87 031	87 031	
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	
Received prepayments	17 301	17 301	
Deferred income	17 301	17 301	
<b>Total payables and prepayments</b>	<b>191 209</b>	<b>191 209</b>	

	31.12.2021	Within 12 months	Note
Trade payables	90 880	90 880	
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	
Received prepayments	14 345	14 345	
Deferred income	14 345	14 345	
<b>Total payables and prepayments</b>	<b>148 851</b>	<b>148 851</b>	

**Note 8 Labor expense**

(in Euros)

	2022	2021
Wage and salary expense	331 904	150 352
Social security taxes	112 229	50 819
<b>Total labor expense</b>	<b>444 133</b>	<b>201 171</b>
Average number of employees in full time equivalent units	9	5
Average number of employees by types of employment:		
Person employed under employment contract	8	5
Member of management or controlling body of legal person	1	0

**Note 9 Related parties**

(in Euros)

**Related party balances according to groups**

Loan liabilities	31.12.2022	31.12.2021	Period calculated interest
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	137 028	137 028	7 207

Payables and prepayments	31.12.2022	31.12.2021
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	600	10 500

Bought	2022	2021
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	6 600	3 600

Remuneration and other significant benefits calculated for members of management and highest supervisory body

	2022	2021
Remuneration	60 000	0