

CONSOLIDATED ANNUAL REPORT

beginning of financial year: 01.01.2023

end of the financial year: 31.12.2023

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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 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.

Management Report on Operations

The total turnover in 2023 was EUR 1,523,663 (2022:1,002,360), which is 1.5 times higher than the total turnover in 2022. The consolidated profit for Airobot last year was EUR 52,619 (2022: loss 388,248).

Despite challenges in the construction market and uncertainties within the sector, 2023 marked a historic milestone for Airobot Technologies, as the company achieved profitability for the first time. This accomplishment is largely due to a substantial increase in market share in the domestic market.

The growth of Airobot Technologies was significantly driven by the launch of new models, which expanded Airobot's product portfolio, enabling the company to offer comprehensive smart ventilation solutions for private homes of various sizes.

Additionally, Airobot Technologies' move into the smart heating automation market played a key role in supporting its profitability. Airobot's smart thermostats and heating control solutions have been well-received by partners and resellers, thereby expanding the company's reach across an increasing number of homes.

Action Plans for the First Half of 2024

Looking forward to the first half of 2024, Airobot Technologies continues its commitment to investing in product development, especially in smart ventilation and heating control. The company stands out as the only air technology firm offering integrated ventilation systems that can be combined with their heating control solutions.

Airobot Technologies will persist in aggressively pursuing new export opportunities, building upon the established contacts from 2023, with plans to continue expanding its market presence to nearly 14 countries.

The company's reputation for reliable products and timely delivery has increased interest from local property developers in Airobot's domestic ventilation equipment. While the forecast for the 2024 construction market remains uncertain, Airobot Technologies sees potential growth for its ventilation equipment in the real estate development.

Financial Ratios	2023	2022
Sales Revenue	1,523,663	1,002,360
Increase of Sales Revenue	52.0 %	109.4 %
Net Profit (Loss)	52,619	-388,248
Net Profit Margin = Net Profit / Sales Revenue *100	3.5 %	-38.7 %
Quick Ratio = (Current Assets - Inventory) / Current Liabilities	1.1	1.3

Working Capital = Current Assets - Current Liabilities	201,039	301,712
Return on Assets (ROA) = Net Profit / Assets *100	6.8 %	-53.7 %
Return on Equity (ROE) = Net Profit / Equity *100	11.8 %	-98.5 %

The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2023	31.12.2022	Note
Assets			
Current assets			
Cash and cash equivalents	318 211	387 640	
Receivables and prepayments	37 268	52 495	2
Inventories	174 758	189 814	3
Total current assets	530 237	629 949	
Non-current assets			
Property, plant and equipment	98 970	17 218	5
Intangible assets	146 865	75 325	6
Total non-current assets	245 835	92 543	
Total assets	776 072	722 492	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	137 028	137 028	8,14
Payables and prepayments	192 170	191 209	9
Total current liabilities	329 198	328 237	
Total liabilities	329 198	328 237	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	251 107	251 107	10
Share premium	764 308	764 308	
Other reserves	230 751	230 751	14
Retained earnings (loss)	-851 911	-463 663	
Annual period profit (loss)	52 619	-388 248	
Total equity held by shareholders and partners in parent company	446 874	394 255	
Total equity	446 874	394 255	
Total liabilities and equity	776 072	722 492	

Consolidated income statement

(In Euros)

	2023	2022	Note
Revenue	1 523 663	1 002 360	11
Other income	1 390	1 754	
Raw materials and consumables used	-669 903	-511 894	
Other operating expense	-311 804	-401 352	12
Employee expense	-440 373	-444 133	13
Depreciation and impairment loss (reversal)	-35 225	-21 472	5,6
Other expense	-8 207	-6 347	
Operating profit (loss)	59 541	-381 084	
Interest income	25	43	
Interest expenses	-6 947	-7 207	
Profit (loss) before tax	52 619	-388 248	
Annual period profit (loss)	52 619	-388 248	
Profit (loss) from shareholders and partners in parent company	52 619	-388 248	

Consolidated statement of cash flows

(In Euros)

	2023	2022	Note
Cash flows from operating activities			
Operating profit (loss)	59 541	-381 084	
Adjustments			
Depreciation and impairment loss (reversal)	35 225	21 472	5,6
Total adjustments	35 225	21 472	
Changes in receivables and prepayments related to operating activities	15 226	28 447	
Changes in inventories	15 056	-98 146	
Changes in payables and prepayments related to operating activities	-784	53 737	
Interest received	26	43	
Total cash flows from operating activities	124 290	-375 531	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-188 517	-6 543	5,6
Total cash flows from investing activities	-188 517	-6 543	
Cash flows from financing activities			
Loans received	0	25 000	
Repayments of loans received	0	-25 000	
Interest paid	-5 202	-18 586	
Proceeds from issuing shares	0	780 003	
Total cash flows from financing activities	-5 202	761 417	
Total cash flows	-69 429	379 343	
Cash and cash equivalents at beginning of period	387 640	8 297	
Change in cash and cash equivalents	-69 429	379 343	
Cash and cash equivalents at end of period	318 211	387 640	

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company				Total
	Issued capital	Share premium	Other reserves	Retained earnings (loss)	
	31.12.2021	235 412		230 751	
Annual period profit (loss)				-388 248	-388 248
Issue of equity	15 695	764 308			780 003
31.12.2022	251 107	764 308	230 751	-851 911	394 255
Annual period profit (loss)				52 619	52 619
31.12.2023	251 107	764 308	230 751	-799 292	446 874

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.

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.

Although there will no longer be a subsidiary in 2023, due to Accounting Act requirements, a consolidated statement must still be prepared in the reporting year report. The data of the comparison period are consolidated line by line, the participation of the parent company in the subsidiary company is eliminated, among themselves transactions, receivables and payables and unrealized gains and losses.

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	3-10 years
intangible non-current assets	3-10 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)

	31.12.2023	Within 12 months	Note
Accounts receivable	34 255	34 255	
Accounts receivables	34 255	34 255	
Prepayments	3 013	3 013	
Deferred expenses	575	575	
Other paid prepayments	2 438	2 438	
Total receivables and prepayments	37 268	37 268	
	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	

Note 3 Inventories

(In Euros)

	31.12.2023	31.12.2022
Raw materials	172 770	184 074
Inventory prepayments	427	1 674
Goods in responsible storage	1 561	4 066
Total Inventories	174 758	189 814

According to management's assessment inventories did not require depreciation.

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2023		31.12.2022	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax		13 742		1 679
Personal income tax		6 563		5 758
Fringe benefit income tax		194		684
Social tax		11 576		10 930
Contributions to mandatory funded pension		590		543
Unemployment insurance tax		699		545
Other tax prepayments and liabilities		12 271		14 610
Prepayment account balance	0		2 597	
Total tax prepayments and liabilities		45 635	2 597	34 749

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 9.

Note 5 Property, plant and equipment

(In Euros)

					Total
	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	
31.12.2022					
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
Acquisitions and additions	2 732		2 732	91 830	94 562
Depreciation	-2 540	-390	-2 930	-9 880	-12 810
31.12.2023					
Carried at cost	12 173	3 895	16 068	107 817	123 885
Accumulated depreciation	-8 175	-909	-9 084	-15 831	-24 915
Residual cost	3 998	2 986	6 984	91 986	98 970

Note 6 Intangible assets

(In Euros)

	Total	
	Other intangible assets	
31.12.2022		
Carried at cost	171 533	171 533
Accumulated depreciation	-96 208	-96 208
Residual cost	75 325	75 325
Acquisitions and additions	93 955	93 955
Depreciation	-22 415	-22 415
31.12.2023		
Carried at cost	265 488	265 488
Accumulated depreciation	-118 623	-118 623
Residual cost	146 865	146 865

Note 7 Operating lease

(In Euros)

Accounting entity as lessee

	2023	2022	Note
Operating lease expenses	43 375	37 767	12
Future lease expense under non-cancellable lease contracts			
	31.12.2023	31.12.2022	Note
Within 12 months	45 151	41 900	
1 - 5 years	194 379	179 090	

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 8 Loan commitments

(In Euros)

	31.12.2023	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						
	31.12.2022	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						

Note 9 Payables and prepayments

(In Euros)

	31.12.2023	Within 12 months	Note
Trade payables	62 879	62 879	
Employee payables	37 583	37 583	
Tax payables	45 635	45 635	4
Other payables	6 307	6 307	
Interest payables	1 751	1 751	
Other accrued expenses	4 556	4 556	
Prepayments received	39 766	39 766	
Other received prepayments	39 766	39 766	
Total payables and prepayments	192 170	192 170	
	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	
Prepayments received	17 301	17 301	
Other received prepayments	17 301	17 301	
Total payables and prepayments	191 209	191 209	

Note 10 Share capital

(In Euros)

	31.12.2023	31.12.2022
Share capital	251 107	251 107
Number of shares (pcs)	2 511 067	2 511 067
Nominal value of shares	0.10	0.10

Note 11 Net sales

(In Euros)

	2023	2022
Net sales by geographical location		
Net sales in European Union		
Estonia	1 476 132	1 000 297
Lithuania	0	2 063
Finland	20 194	0
Sweden	5 458	0
Latvia	2 008	0
Poland	3 388	0
Netherlands	2 144	0
Romania	2 385	0
Denmark	9 147	0
Total net sales in European Union	1 520 856	1 002 360
Net sales outside of European Union		
United Kingdom	2 807	0
Total net sales outside of European Union	2 807	0
Total net sales	1 523 663	1 002 360
Net sales by operating activities		
Sales of goods	1 519 239	1 000 916
Sales of services	4 424	1 444
Total net sales	1 523 663	1 002 360

Note 12 Miscellaneous operating expenses

(In Euros)

	2023	2022	Note
Leases	43 375	32 255	7
Energy	2 649	5 752	
Electricity	1 871	4 365	
Heat energy	778	1 387	
Miscellaneous office expenses	4 178	8 639	
Exploration and development expense	16 209	116 564	
Travel expense	8 904	6 032	
Training expense	655	413	
Advertising and marketing expense	136 404	104 708	
IT costs	11 874	10 572	
Utilities	6 232	6 379	
Car expense	8 618	12 749	7
Legal expense	12 506	36 220	
Accounting and audit expense	20 608	22 464	
Other operating expense	39 592	38 605	
Total miscellaneous operating expenses	311 804	401 352	

Note 13 Labor expense

(In Euros)

	2023	2022
Wage and salary expense	328 387	331 904
Social security taxes	111 986	112 229
Total labor expense	440 373	444 133
Average number of employees in full time equivalent units	9	9
Average number of employees by types of employment:		
Person employed under employment contract	8	8
Member of management or controlling body of legal person	1	1

Note 14 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2023	31.12.2022	Note
Loan commitments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	137 028	137 028	8
Total loan commitments	137 028	137 028	

Payables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	2 351	600	9
Total payables and prepayments	2 351	600	

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	8
Total loan commitments	137 028	25 000	25 000	137 028	7 207	

LOAN COMMITMENTS	31.12.2022	31.12.2023	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	137 028	6 947	8
Total loan commitments	137 028	137 028	6 947	

BOUGHT	2023		2022	
	Services		Services	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher		7 800		6 600
Total bought		7 800		6 600

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2023	2022
Remuneration	60 000	60 000

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

Note 15 Non consolidated statement of financial position

(In Euros)

	31.12.2023	31.12.2022
Assets		
Current assets		
Cash and cash equivalents	318 211	387 640
Receivables and prepayments	37 268	52 495
Inventories	174 758	189 814
Total current assets	530 237	629 949
Non-current assets		
Property, plant and equipment	98 970	17 218
Intangible assets	146 865	75 325
Total non-current assets	245 835	92 543
Total assets	776 072	722 492
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	137 028	137 028
Payables and prepayments	192 170	191 209
Total current liabilities	329 198	328 237
Total liabilities	329 198	328 237
Equity		
Issued capital	251 107	251 107
Share premium	764 308	764 308
Other reserves	230 751	230 751
Retained earnings (loss)	-851 911	-718 861
Annual period profit (loss)	52 619	-133 050
Total equity	446 874	394 255
Total liabilities and equity	776 072	722 492

Note 16 Non consolidated income statement

(In Euros)

	2023	2022
Revenue	1 523 663	355 702
Other income	1 390	11 021
Raw materials and consumables used	-669 903	-205 661
Other operating expense	-311 804	-144 816
Employee expense	-440 373	-138 106
Depreciation and impairment loss (reversal)	-35 225	-5 456
Other expense	-8 207	-3 994
Total operating profit (loss)	59 541	-131 310
Interest income	25	10
Interest expenses	-6 947	-1 750
Profit (loss) before tax	52 619	-133 050
Annual period profit (loss)	52 619	-133 050

Note 17 Non consolidated statement of cash flows

(In Euros)

	2023	2022
Cash flows from operating activities		
Operating profit (loss)	59 541	-131 310
Adjustments		
Depreciation and impairment loss (reversal)	35 225	5 456
Total adjustments	35 225	5 456
Changes in receivables and prepayments related to operating activities	15 226	-8 162
Changes in inventories	15 056	43 662
Changes in payables and prepayments related to operating activities	-784	9 201
Interest received	26	10
Total cash flows from operating activities	124 290	-81 143
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-188 517	-3 570
Loans given	0	-750 000
Other cash inflows from investing activities	0	444 095
Total cash flows from investing activities	-188 517	-309 475
Cash flows from financing activities		
Interest paid	-5 202	-1 745
Proceeds from issuing shares	0	780 003
Total cash flows from financing activities	-5 202	778 258
Total cash flows	-69 429	387 640
Cash and cash equivalents at beginning of period	387 640	0
Change in cash and cash equivalents	-69 429	387 640
Cash and cash equivalents at end of period	318 211	387 640

Note 18 Non consolidated statement of changes in equity

(In Euros)

					Total
	Issued capital	Share premium	Other reserves	Retained earnings (loss)	
31.12.2022	251 107	764 308	230 751	-851 911	394 255
Restated balance 31.12.2022	251 107	764 308	230 751	-851 911	394 255
Annual period profit (loss)				52 619	52 619
31.12.2023	251 107	764 308	230 751	-799 292	446 874
Restated non consolidated equity 31.12.2023	251 107	764 308	230 751	-799 292	446 874

Note 19 Note 19 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

We have audited the consolidated financial statements of Airobot Technologies AS and its subsidiaries (group), which include the consolidated balance sheet as of 31.12.2023 and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year ended the above date and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31.12.2023 and the consolidated financial result and consolidated cash flows for the year ended at that date in accordance with the Estonian Financial Reporting Standard.

Grounds for opinion

We carried out the audit in accordance with international auditing standards (Estonia). Our responsibilities under these standards are further described in the "Responsibilities of the authorized auditor in relation to the audit of consolidated financial statements" section of our report. We are independent of the Group in accordance with the Code of Ethics of Professional Accountants (Estonia) (incl. independence standards) and have fulfilled our other ethical obligations 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

Management is responsible for other information. Other information includes the management report but does not include the consolidated financial statements or the report of our authorized auditor. Our opinion on consolidated financial statements does not include any other information and we do not draw any form of assurance conclusion about it.

In connection with the audit of our consolidated financial statements, it is our responsibility to read other information and, in doing so, to consider whether other information diverges materially from the consolidated financial statements or the knowledge we have gained during the audit or otherwise appears to be materially misstated.

If, on the basis of the work done, we conclude that other information is materially misstated, we are obliged to report that fact. We have nothing to report on in this regard.

Responsibilities of management and those charged with management in relation to consolidated financial statements.

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the Estonian Financial Reporting Standard and for such internal control as management deems necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to assess the ability of the group to continue as a going concern, to provide information, where applicable, about going concern circumstances and to use the going concern basis, unless management intends to either liquidate or close the group or has no realistic alternative to it.

Those charged with governance are responsible for supervising the group's accounting reporting process.

Duties of authorised auditor in relation to the audit of consolidated financial statements

Our goal is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue a sworn auditor's report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that if a material misstatement exists, it will always be detected during an audit carried out in accordance with international auditing standards (Estonia). Misstatements may result from fraud or error and are considered material when they can reasonably be expected to influence, individually or collectively, the economic decisions made by users on the basis of the consolidated financial statements.

We use professional judgement in auditing in accordance with international auditing standards (Estonia) and maintain professional skepticism throughout the audit. We also do the following:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and carry out audit procedures in response to these risks and obtain sufficient and appropriate audit evidence to inform our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of misstatement resulting from an error, as fraud may amount to collusion, falsification, failure to provide information, misrepresentations or failure to comply with internal controls:

- we acquire an understanding of the relevant internal control in the case of an audit in order to design appropriate audit procedures in these conditions, but not to express an opinion on the effectiveness of the group's internal control; - we assess the appropriateness of the accounting policies used and the reasonableness of management's accounting estimates and related disclosures; - we conclude on the appropriateness of management's use of the going concern basis and the audit evidence received as to whether there are material uncertainties about events or conditions that could cast significant doubt on the group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are obliged to draw attention in the sworn auditor's report to the information disclosed about it in the consolidated financial statements or, if the information disclosed is insufficient, to modify our opinion. Our findings are based on audit evidence received up to the date of the sworn auditor's report. However, future events or conditions may impair the group's ability to continue as a going concern.

- we assess the overall presentation, structure, and content of the consolidated financial statements, including the information disclosed, and whether the consolidated financial statements present the underlying transactions and events in a manner that achieves a fair presentation. - obtain sufficient appropriate evidence of the financial information of the group's business entities or business activities to give an opinion on the consolidated financial statements of the group. We are responsible for the management, supervision and conduct of the group audit. We are solely responsible for our audit opinion.

We exchange information with those charged with governance about, among other things, the planned scope and timing of the audit and significant audit observations, including any significant internal control deficiencies we have identified during the audit.

/Digitally signed/ Tarmo Rahkama Sworn auditor number 614

Grant Thornton Baltic OÜ
Audit company license number 3
Pärnu mnt 22, Tallinn, Harju county, 10141 12.04.2024