

# **Airobot Technologies AS**

**Interim report  
for the 6 months of 2023  
(unaudited)**

**reporting period:** 01.01.2023 - 30.06.2023  
**financial year:** 01.01.2022-31.12.2022

**business name:** Airobot Technologies AS

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## Operational Report

For the first half of 2023, Airobot Technologies confirmed orders amounting to €895,704, marking a 79% growth compared to the first half of 2022. The company's total revenue for the first half was €653,544, of which €472,114 is accounted for as sales revenue, and €181,430 is recorded as prepayments under the balance sheet line "Liabilities and Prepayments". Sales revenue grew by nearly 30% compared to the first half of 2022. The volume of confirmed orders best characterizes the company's real-time growth, as, due to the nature of Airobot's operations, sales revenue reflects with a certain delay.

The total loss for the reporting half-year was €190,744. However, the company's actual loss in the first half was smaller, as the half-yearly report's turnover doesn't account for prepayments totaling €181,430, which will be future sales revenue.

A significant portion of the company's loss in the first half was attributed to development costs. Airobot launched two new ventilation devices and smart heating control products, the development costs of which largely occurred in the first half of 2023.

Furthermore, Airobot invested in marketing activities during the first half, supporting the company's export plans. Due to successful sales efforts, Airobot's first smart ventilation devices reached nine foreign countries in the first half: the United Kingdom, the Netherlands, Germany, Latvia, Belgium, Poland, the Faroe Islands, Romania, and Sweden.

## Activity Plans for the 2nd Half of 2023

Airobot's turnover volumes have been steadily increasing. The company anticipates that when moderate market activity remains, it will be cash-flow positive and gradually turn profitable in the second half of the year.

Despite challenging market conditions, the company expects active growth. Growth rates might vary year by year, but it is assumed that the average annual sales volume growth will be similar to previous years.

Airobot recognizes there's substantial untapped potential in the domestic market. Previous groundwork with private, business clients, and resellers should reflect in the results of the coming years. Airobot also plans to strengthen relationships with its initial export partners in the second half and work towards achieving consistent orders and gradual volume growth in foreign countries.

## Financial review

In H1 2023 AS Airobot Technologies unaudited turnover was EUR 472,114 (2022 H1 : EUR 363,188) and net loss EUR 190,744 (2022 H1 : EUR 233,982). The increase of turnover was 30 %.

As of 30 June 2023, the Company's total assets came to EUR 745,238 (30.06.2022: EUR 950,595). Current assets amounted to EUR 579,660 (30.06.2022: EUR 850,786) or 77,8% of total assets. Fixed assets amounted to EUR 165,578 (30.06.2022: EUR 99,809) or 22,2% of the balance sheet total. The liabilities of AS Airobot Technologies totalled EUR 541,727 (30.06.2022: EUR 402,074) and equity amounted to EUR 203,511 euro (30.06.2022: EUR 548,521).

As of 30 June 2023, the Company's loan liabilities remained unchanged comparing to 30 June 2022 and totalled EUR 137,028.

As of 30 June 2023, AS Airobot Technologies had 8 employees and one management Board member. Labor costs in H1 2023 (included taxes) amounted to EUR 211,214.

## Financial Ratios

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
Sales Revenue	472 114	363 188
Increase of revenue	30,0%	41,0%
Net profit (loss)	-190 744	-233 982
Net profit margin = Net Profit : Sales Revenue *100	-40,4%	-64,4%
Working Capital = Current Assets - Current Liabilities	37 933	585 740
Return of Assets (ROA) = Net Profit : Assets *100	-25,6%	-24,6%
Return of Equity (ROE) = Net Profit : Equity *100	-93,7%	-42,7%

## Financial Statements

### Consolidated statement of financial position

(in Euros)

	30.06.2023	31.12.2022	30.06.2022	Note
<b>Assets</b>				
Current assets				
Cash and cash equivalents	263 115	387 640	480 142	
Receivables and prepayments	23 922	52 495	84 871	2
Inventories	292 623	189 814	285 773	3
<b>Total current assets</b>	<b>579 660</b>	<b>629 949</b>	<b>850 786</b>	
Non-current assets				
Tangible fixed assets	98 781	17 218	15 907	5
Intangible assets	66 797	75 325	83 902	6
<b>Total non-current assets</b>	<b>165 578</b>	<b>92 543</b>	<b>99 809</b>	
<b>Total assets</b>	<b>745 238</b>	<b>722 492</b>	<b>950 595</b>	
<b>Liabilities and equity</b>				
Liabilities				
Current liabilities				
Short-term loans	137 028	137 028	0	
Payables and prepayments	404 699	191 209	265 046	4, 7
<b>Total current liabilities</b>	<b>541 727</b>	<b>328 237</b>	<b>265 046</b>	
Non-current liabilities				
Long-term loans	0	0	137 028	
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>137 028</b>	
<b>Total liabilities</b>	<b>541 727</b>	<b>328 237</b>	<b>402 074</b>	
Equity				
Issued capital	251 107	251 107	251 107	
Share premium	764 308	764 308	764 308	
Other reserves	230 751	230 751	230 751	
Retained earnings (loss)	-851 911	-463 663	-463 663	
Reporting period profit (loss)	-190 744	-388 248	-233 982	
<b>Total equity</b>	<b>203 511</b>	<b>394 255</b>	<b>548 521</b>	
<b>Total liabilities and equity</b>	<b>745 238</b>	<b>722 492</b>	<b>950 595</b>	

**Consolidated income statement**

(in Euros)

	<b>01.01.2023 - 30.06.2023</b>	<b>01.01.2022 - 30.06.2022</b>	<b>Note</b>
Revenue	472 114	363 188	
Other income	7	0	
Raw materials and consumables used	-225 753	-180 916	
Other operating expenses	-205 775	-208 350	
Employee expenses	-211 214	-190 811	8
Depreciation and impairment loss (reversal)	-14 165	-10 636	5, 6
Other expenses	-3 114	-1 608	
<b>Operating profit (loss)</b>	<b>-187 900</b>	<b>-229 133</b>	
Interest income	13	13	
Interest expenses	-2 857	-4 862	
<b>Profit (loss) before tax</b>	<b>-190 744</b>	<b>-233 982</b>	
<b>Reporting period profit (loss)</b>	<b>-190 744</b>	<b>-233 982</b>	

**Consolidated statement of cash flows**

(in Euros)

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022	Note
Cash flows from operating activities			
Operating profit (loss)	-187 900	-229 133	
Adjustments			
Depreciation and impairment loss (reversal)	14 165	10 636	5, 6
<b>Total adjustments</b>	<b>14 165</b>	<b>10 636</b>	
Changes in receivables and prepayments related to operating activities	28 573	-3 937	
Changes in inventories	-102 809	-194 105	
Changes in payables and prepayments related to operating activities	214 685	116 195	
Interest received	13	0	
Other cash flows from operating activities	0	0	
<b>Total cash flows from operating activities</b>	<b>-33 273</b>	<b>-300 344</b>	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-87 200	-2 973	5
<b>Total cash flows from investing activities</b>	<b>-87 200</b>	<b>-2 973</b>	
Cash flows from financial activities			
Interest paid	-4 052	-4 840	
Proceeds from issuing shares	0	780 002	
<b>Total cash flows from financial activities</b>	<b>-4 052</b>	<b>775 162</b>	
<b>Total cash flows</b>	<b>-124 525</b>	<b>471 845</b>	
Cash and cash equivalents at beginning of period	387 640	8 297	
<b>Change in cash and cash equivalents</b>	<b>-124 525</b>	<b>471 845</b>	
Cash and cash equivalents at end of period	263 115	480 142	

**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
Reporting period profit (loss)				-190 744	-190 744
<b>30.06.2023</b>	251 107	764 308	230 751	-1 042 655	203 511

## 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)

	30.06.2023	Allocation by remaining maturity		Note
		Within 12 months	1-5 years	
Accounts receivable	16851	16851		
Accounts receivables	16851	16851		
Tax prepayment and receivables	89	89		4
Other receivables	131	131		
Prepayments	6851	6851		
Deferred expenses	6851	6851		
<b>Total receivables and rprepayments</b>	<b>23922</b>	<b>23922</b>		

	30.06.2022	Allocation by remaining maturity		Note
		Within 12 months	1-5 years	
Accounts receivable	78 621	78 621		
Accounts receivables	78 844	78 844		
Bad debts	-223	-223		
Tax prepayment and receivables	0	0		4
Other receivables	3 812	3 812		
Prepayments	2 438	2 438		
Tulevaste perioodide kulud	2 438	2 438		
<b>Total receivables and rprepayments</b>	<b>84 871</b>	<b>84 871</b>		

**Note 3 Inventory**

(in Euros)

	30.06.2023	30.06.2022
Raw materials	272 222	246 112
Finished goods	0	18 243
Inventory prepayments	20 401	21 418
<b>Total inventory</b>	<b>292 623</b>	<b>285 773</b>

**Note 4 Tax prepayments and liabilities**

(in Euros)

	30.06.2023		30.06.2022	
	Prepayments	Liabilities	Prepayments	Liabilities
Value added tax		11603		6806
Personal income tax		4939		4988
Fringe benefit income tax		9		0
Social tax		8543		8622
Contribution to mandatory funded pension		412		425
Unemployment insurance tax		500		507
Other tax prepayments and liabilities		15848		15116
Prepayment account balance	2597		4097	
<b>Total tax prepayments and liabilities</b>	<b>2597</b>	<b>41854</b>	<b>4097</b>	<b>36464</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>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>
Asquisitions 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>
Asquisitions and additions	0	0	0	3569	3569
Depreciation	-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>
Asquisitions and additions	0	0	0	87200	87200
Depreciation	-1284	-195	-1479	-4158	-5637
<b>30.06.2023</b>					
Carried at cost	9441	3895	13336	103187	116523
Accumulated depreciation	-6919	-714	-7633	-10109	-17742
<b>Residual cost</b>	<b>2522</b>	<b>3181</b>	<b>5703</b>	<b>93078</b>	<b>98781</b>

**Note 6 Intangible assets**

(in Euros)

	Other intangible assets	Total
<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>
Depreciation	-8 528	-8 528
<b>30.06.2023</b>		
Carried at cost	171 533	171 533
Accumulated depreciation	-104 736	-104 736
<b>Residual cost</b>	<b>66 797</b>	<b>66 797</b>

**Note 7 Payables and prepayments**

(in Euros)

	30.06.2023	Within 12 months	Note ok
Trade payables	141 262	141 262	
Employee payables	39 761	39 761	
Tax payables	41 854	41 854	4
Other payables	392	392	
Interest payables	230	230	
Other accrued expenses	162	162	
Received prepayments	181 430	181 430	
Deferred income	181 430	181 430	
<b>Total payables and prepayments</b>	<b>404 699</b>	<b>404 699</b>	
	30.06.2022	Within 12 months	Note
Trade payables	101 679	101 679	
Employee payables	30 840	30 840	
Tax payables	36 464	36 464	4
Other payables	6 969	6 969	
Interest payables	4 601	4 601	
Other payables	2 368	2 368	
Received prepayments	89 094	89 094	
Deferred income	89 094	89 094	
<b>Total payables and prepayments</b>	<b>265 046</b>	<b>265 046</b>	

**Note 8 Labor expense**

(in Euros)

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
Wage and salary expense	157 839	143 002
Social security taxes	53 375	47 810
<b>Total labor expense</b>	<b>211 214</b>	<b>190 812</b>
Average number of employees in full time equivalent units	12	7
Average number of employees by types of employment:		
Person employed under employment contract	8	6
Member of management or controlling body of legal person	4	1

**Note 9 Related parties**

(in Euros)

**Related party balances according to groups**

<b>Loan liabilities</b>	<b>30.06.2023</b>	<b>30.06.2022</b>	<b>Period calculated interest</b>
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	137 028	0	2 857

<b>Payables and prepayments</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	600	600

<b>Bought</b>	<b>01.01.2023- 30.06.2023 Services</b>	<b>01.01.2022- 30.06.2022 Services</b>
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	4 200	3 600

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

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
Remuneration	30 000	31 500