

Airobot Technologies AS

**Interim report
for the 12 months of 2023
(unaudited)**

reporting period: 01.01.2023 - 31.12.2023
financial year: 01.01.2023-31.12.2023

business name: Airobot Technologies AS

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Airobot Technologies AS
25.01.2024 Stock Exchange Announcement

Airobot Technologies AS Unaudited Interim Consolidated Report for the Last Six Months of the Financial Year 2023

Management Report on Activities

In the second half of 2023, Airobot Technologies recorded a significant turnover of EUR 1,061,718, an increase of approximately 1.7 times compared to the same period in 2022. The profit for the second half of 2023 was EUR 286,391. The profit in the second half of the year was due to an increase in sales revenue and partly to the capitalisation of product development costs. EUR 98 993 of product development costs were capitalized over three years.

For the entire year of 2023, Airobot Technologies' total turnover amounted to EUR 1,533,832, which represents a 1.5-fold increase over 2022. The total profit for 2023 was EUR 95,647.

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 segment.

Financial review

In H2 2023 AS Airobot Technologies unaudited turnover was EUR 1,061,718 (2022 H2 : EUR 639,172) and net profit EUR 286,391 (2022 H2 net loss: EUR 154,266). The increase of turnover was 66 %.

As of 31 December 2023, the Company's total assets came to EUR 808,026 (30.06.2023: EUR 745,238). Current assets amounted to EUR 557,713 (30.06.2023: EUR 579,660) or 69% of total assets.

Fixed assets amounted to EUR 250,313 (30.06.2023: EUR 165,578) or 31% of the balance sheet total.

The liabilities of AS Airobot Technologies totalled EUR 318,124 (30.06.2023: EUR 541,727) and equity amounted to EUR 489,902 (30.06.2023: EUR 203,511).

As of 31 December 2023, the Company's loan liabilities remained unchanged comparing to 30 June 2023 and totalled EUR 137,028.

As of 31 December 2023, AS Airobot technologies had 8 employees and one management Board member. Labor costs in H2 2023 (included taxes) amounted to EUR 229,159.

Financial Ratios

	2023	2023 H2	2022	2022 H2
Sales Revenue	1 533 832	1 061 718	1 002 360	639 172
Increase of revenue	53,0%	66,1%	109,4%	17,6%
Net profit (loss)	95 647	286 391	-388 248	-154 266
Net profit margin = Net Profit : Sales Revenue *100	6,2%	27,0%	-38,7%	-24,1%
Working Capital = Current Assets - Current Liabilities	239 588	239 588	301 712	301 712
Return of Assets (ROA) = Net Profit : Assets *100	11,8%	35,4%	-53,7%	-16,2%
Return of Equity (ROE) = Net Profit : Equity *100	19,5%	42,1%	-98,5%	-28,1%

Financial Statements

Consolidated statement of financial position

(in Euros)

	31.12.2023	30.06.2023	31.12.2022	Note
Assets				
Current assets				
Cash and cash equivalents	318 211	263 115	387 640	
Receivables and prepayments	37 269	23 922	52 495	2
Inventories	202 233	292 623	189 814	3
Total current assets	557 713	579 660	629 949	
Non-current assets				
Tangible fixed assets	98 970	98 781	17 218	5
Intangible assets	151 343	66 797	75 325	6
Total non-current assets	250 313	165 578	92 543	
Total assets	808 026	745 238	722 492	
Liabilities and equity				
Liabilities				
Current liabilities				
Short-term loans	137 028	137 028	137 028	
Payables and prepayments	181 096	404 699	191 209	4, 7
Total current liabilities	318 124	541 727	328 237	
Non-current liabilities				
Total non-current liabilities	0	0	0	
Total liabilities	318 124	541 727	328 237	
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	-851 911	-463 663	
Reporting period profit (loss)	95 647	-190 744	-388 248	
Total equity	489 902	203 511	394 255	
Total liabilities and equity	808 026	745 238	722 492	

Consolidated income statement

(in Euros)

	2023	2023 H2	2022	Note
Revenue	1 533 832	1 061 718	1 002 360	
Other income	1 390	1 383	1 754	
Raw materials and consumables used	-641 523	-415 770	-511 894	
Other operating expenses	-306 767	-100 992	-401 352	
Employee expenses	-440 373	-229 159	-444 133	8
Depreciation and impairment loss (reversal)	-35 784	-21 619	-21 472	5, 6
Other expenses	-8 207	-5 093	-6 347	
Operating profit (loss)	102 568	290 468	-381 084	
Interest income	26	13	43	
Interest expenses	-6 947	-4 090	-7 207	
Profit (loss) before tax	95 647	286 391	-388 248	
Reporting period profit (loss)	95 647	286 391	-388 248	

Consolidated statement of cash flows

(in Euros)

	2023	2023 H2	2022	Note
Cash flows from operating activities				
Operating profit (loss)	102 568	290 468	-381 084	
Adjustments				
Depreciation and impairment loss (reversal)	35 784	21 620	21 472	5, 6
Total adjustments	35 784	21 620	21 472	
Changes in receivables and prepayments related to operating activities	15 226	-13 347	28 447	
Changes in inventories	-12 419	90 390	-98 146	
Changes in payables and prepayments related to operating activities	-16 279	-230 074	53 737	
Interest received	24	13	43	
Total cash flows from operating activities	124 904	159 070	-375 531	
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	-190 015	-102 815	-6 543	5
Total cash flows from investing activities	-190 015	-102 815	-6 543	
Cash flows from financial activities				
Interest paid	-4 308	-1 150	-18 586	
Proceeds from issuing shares	0	0	780 003	
Total cash flows from financial activities	-4 308	-1 150	761 417	
Total cash flows	-69 419	55 105	379 343	
Cash and cash equivalents at beginning of period	387 640	263 116	8 297	
Change in cash and cash equivalents	-69 419	55 105	379 343	
Cash and cash equivalents at end of period	318 221	318 221	387 640	

Consolidated statement of changes in equity

(in Euros)

	Issued capital	Share premium	Other reserves	Retained earnings (loss)	Total
31.12.2022	251 107	764 308	230 751	-851 911	394 255
Reporting period profit (loss)				-190 744	-190 744
30.06.2023	251 107	764 308	230 751	-1 042 655	203 511
Reporting period profit (loss)				286 391	286 391
31.12.2022	251 107	764 308	230 751	-756 264	489 902

Notes

Note 1 Accounting policies

General information

The 12 months of 2023 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 2023 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	3-10 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)

	31.12.2023	Allocation by remaining maturity		Note
		Within 12 months	1-5 years	
Accounts receivable	34256	34256		
Accounts receivables	34256	34256		
Prepayments	3013	3013		
Deferred expenses	3013	3013		
Total receivables and rprepayments	37269	37269		

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1-5 years	
Accounts receivable	47 319	47 319		
Ostjatelt laekumata arved	47319	47 319		
Tax prepayment and receivables	2597	2 597		4
Other receivables	141	141		
Prepayments	2 438	2 438		
Prepaid expences	2 438	2 438		
Total receivables and rprepayments	52 495	52 495		

Note 3 Inventory

(in Euros)

	31.12.2023	31.12.2022
Raw materials	201 806	184 074
Goods in responsible storage	0	4 066
Inventory prepayments	427	1 674
Total inventory	202 233	189 814

Note 4 Tax prepayments and liabilities

(in Euros)

	31.12.2023		31.12.2022	
	Prepayments	Liabilities	Prepayments	Liabilities
Value added tax		13913		1679
Personal income tax		6563		5758
Fringe benefit income tax		194		684
Social tax		11576		10930
Contribution to mandatory funded pension		590		543
Unemployment insurance tax		699		545
Other tax prepayments and liabilities		12271		14610
Prepayment account balance	0		2597	
Total tax prepayments and liabilities	0	45806	2597	34749
			ok	

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
31.12.2022					
Carried at cost	9441	3895	13336	15987	29323
Accumulated depreciation	-5635	-519	-6154	-5951	-12105
Residual cost	3806	3376	7182	10036	17218
Asquisitions and additions	0	0	0	87200	87200
Depreciation	-1284	-195	-1479	-4158	-5637
30.06.2023					
Carried at cost	9441	3895	13336	103187	116523
Accumulated depreciation	-6919	-714	-7633	-10109	-17742
Residual cost	2522	3181	5703	93078	98781
Asquisitions and additions	2732	0	2732	4630	7362
Depreciation	-1256	-195	-1451	-5722	-7173
31.12.2023					
Carried at cost	12173	3895	16068	107817	123885
Accumulated depreciation	-8175	-909	-9084	-15831	-24915
Residual cost	3998	2986	6984	91986	98970

Note 6 Intangible assets

(in Euros)

	Other intangible assets	Total
31.12.2022		
Carried at cost	171 533	171 533
Accumulated depreciation	-96 208	-96 208
Residual cost	75 325	75 325
Depreciation	-8 528	-8 528
30.06.2023		
Carried at cost	171 533	171 533
Accumulated depreciation	-104 736	-104 736
Residual cost	66 797	66 797
Asquisitions and additions	98 993	98 993
Depreciation	-14 447	-14 447
31.12.2023		
Carried at cost	270 526	270 526
Accumulated depreciation	-119 183	-119 183
Residual cost	151 343	151 343

Note 7 Payables and prepayments

(in Euros)

	31.12.2023	Within 12 months	Note
Trade payables	61 856	61 856	
Employee payables	37 583	37 583	
Tax payables	45 806	45 806	4
Other payables	6 307	6 307	
Interest payables	1 751	1 751	
Other accrued expenses	4 556	4 556	
Received prepayments	29 544	29 544	
Deferred income	29 544	29 544	
Total payables and prepayments	181 096	181 096	

	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		
Received prepayments	17 301	17 301	
Deferred income	17 301	17 301	
Total payables and prepayments	191 209	191 209	

Note 8 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 9 Related parties

(in Euros)

Related party balances according to groups

Loan liabilities	31.12.2023	31.12.2022	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	6 947

Payables and prepayments	31.12.2023	31.12.2022
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	2 351	600

Bought	2023 Services	2022 Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	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