

Airobot Technologies AS

**Interim report
for the 6 months of 2024
(unaudited)**

reporting period: 01.01.2024 - 30.06.2024
financial year: 01.01.2023-31.12.2023

business name: Airobot Technologies AS

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Operational Report

Airobot Technologies 2024 First Half-Year Review

Airobot Technologies achieved a total revenue of €593,418 in the first half of 2024, of which €564,976 is recognized as sales revenue, and €28,442 is recorded as advance payments under the balance sheet item "liabilities and prepayments". Sales revenue increased by nearly 20% compared to the first half of 2023.

The company's confirmed order volume for the first half of the year was €669,230, representing a 25% decrease compared to the same period in 2023. The total loss for the first half of the year amounted to €121,123, a decrease of 36.5% compared to the first half of 2023. However, the actual loss was lower, as the advance payments totaling €28,442, which represent future sales revenue, are not reflected in the half-year turnover report. Given the significant decline in the construction market volume during the first half of the year, Airobot's results can be considered very strong.

Airobot continues to invest and seek opportunities to increase export volumes. To this end, an international sales manager has been added to the team, focusing on the Polish and Central European markets. Additionally, a local representative has been appointed for the Dutch market, tasked with preparing for market entry.

Operational Plans for the Second Half of 2024

Airobot's turnover has steadily increased, even in a declining market. Feedback from the second half of the summer shows the first signs of market activity resuming, and if this trend continues, the primary objective is to prepare for the anticipated growth in 2025.

The company believes that with continuous product development and the ongoing introduction of innovative solutions, it is capable of competing with large international companies in export markets. If markets remain in a downturn for an extended period, the majority shareholder is prepared to finance the ongoing product development with additional working capital.

The company has the option to reduce product development and thereby significantly cut costs. However, considering the current trends and opportunities, this would come at the expense of future growth and would deprive Airobot of the opportunity to grow faster than others when the market recovers.

Financial review

In H1 2024 AS Airobot Technologies unaudited turnover was EUR 564 976 (2023 H1 : EUR 472 114) and net loss EUR 121 123 (2023 H1 : EUR 190 744). The increase of turnover was 20%.

As of 30 June 2023, the Company's total assets came to EUR 642 121 (30.06.2023: EUR 745 238). Current assets amounted to EUR 392 350 (30.06.2023: EUR 579 660) or 61.1% of total assets. Fixed assets amounted to EUR 249 771 (30.06.2023: EUR 165 578) or 38.9% of the balance sheet total. The liabilities of AS Airobot Technologies totalled EUR 316 370 (30.06.2023: EUR 541 727) and equity amounted to EUR 325 751 (30.06.2023: EUR 203 511).

As of 30 June 2024, the Company's loan liabilities remained unchanged comparing to 30 June 2023 and totalled EUR 137,028.

As of 30 June 2024, AS Airobot Technologies had 8 employees and one management Board member. Labor costs in H1 2024 (included taxes) amounted to EUR 229 481.

Financial Ratios

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Sales Revenue	564,976	472,114
Increase of revenue	20%	30.0%
Net profit (loss)	-121,123	-190,744
Net profit margin = Net Profit : Sales Revenue *100	-21.4%	-40.4%
Working Capital = Current Assets - Current Liabilities	75,980	37,933
Return of Assets (ROA) = Net Profit : Assets *100	-18.9%	-25.6%
Return of Equity (ROE) = Net Profit : Equity *100	-37.2%	-93.7%

Financial Statements

Statement of financial position

(in Euros)

	6/30/2024	12/31/2023	6/30/2023	Note
Assets				
Current assets				
Cash and cash equivalents	113,034	318,211	263,115	
Receivables and prepayments	70,129	37,269	23,922	2
Inventories	209,186	174,758	292,623	3
Total current assets	392,350	530,238	579,660	
Non-current assets				
Tangible fixed assets	95,785	98,970	98,781	5
Intangible assets	153,986	146,864	66,797	6
Total non-current assets	249,771	245,834	165,578	
Total assets	642,121	776,072	745,238	
Liabilities and equity				
Liabilities				
Current liabilities				
Short-term loans	137,028	137,028	137,028	
Payables and prepayments	179,342	192,171	404,699	4, 7
Total current liabilities	316,370	329,199	541,727	
Non-current liabilities				
Long-term loans	0	0	0	
Total non-current liabilities	0	0	0	
Total liabilities	316,370	329,199	541,727	
Equity				
Issued capital	251,107	251,107	251,107	
Share premium	593,136	764,308	764,308	
Other reserves	2,631	230,751	230,751	
Retained earnings (loss)	-400,000	-851,911	-851,911	
Reporting period profit (loss)	-121,123	52,619	-190,744	
Total equity	325,751	446,873	203,511	
Total liabilities and equity	642,121	776,072	745,238	

Income statement

(in Euros)

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	Note
Revenue	564,976	472,114	
Other income	6,344	7	
Raw materials and consumables used	-261,150	-225,753	
Other operating expenses	-157,608	-205,775	
Employee expenses	-229,481	-211,214	8
Depreciation and impairment loss (reversal)	-32,044	-14,165	5, 6
Other expenses	-3,873	-3,114	
Operating profit (loss)	-112,837	-187,900	
Interest income	10	13	
Interest expenses	-3,464	-2,857	
Other financial income and expenses	-4,833	0	
Profit (loss) before tax	-121,123	-190,744	
Reporting period profit (loss)	-121,123	-190,744	

Statement of cash flows

(in Euros)

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	Note
Cash flows from operating activities			
Operating profit (loss)	-112,837	-187,900	
Adjustments			
Depreciation and impairment loss (reversal)	-32,044	14,165	5, 6
Total adjustments	-32,044	14,165	
Changes in receivables and prepayments related to operating activities	-32,860	28,573	
Changes in inventories	-34,428	-102,809	
Changes in payables and prepayments related to operating activities	42,961	214,685	
Interest received	10	13	
Other cash flows from operating activities	0	0	
Total cash flows from operating activities	-169,198	-33,273	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-35,980	-87,200	5
Total cash flows from investing activities	-35,980	-87,200	
Cash flows from financial activities			
Interest paid	0	-4,052	
Proceeds from issuing shares	0	0	
Total cash flows from financial activities	0	-4,052	
Total cash flows	-205,177	-124,525	
Cash and cash equivalents at beginning of period	318,211	387,640	
Change in cash and cash equivalents	-205,177	-124,525	
Cash and cash equivalents at end of period	113,034	263,115	

Statement of changes in equity

(in Euros)

	Issued capital	Share premium	Other reserves	Retained earnings (loss)	Total
12/31/2022	251,107	764,308	230,751	-851,911	394,255
Reporting period profit (loss)				-190,744	-190,744
Issue of equity	251,107	764,308	230,751	-1,042,655	203,511
6/30/2023				243,362	243,362
Reporting period profit (loss)	251,107	764,308	230,751	-799,293	446,873
12/31/2023				-121,123	-121,123
Reporting period profit (loss)					
Other changes in equity		-171,172	-228,120	399,293	0
6/30/2024	251,107	593,136	2,631	-521,123	325,751

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	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)

	6/30/2024	Allocation by remaini	Note
	Within 12 months		
Accounts receivable	65227	65227	
Accounts receivables	65277	65277	
Tax prepayment and receivables	0	0	4
Other receivables	0	0	
Prepayments	4902	4902	
Deferred expenses	4902	4902	
Total receivables and rprepayments	70129	70129	

	6/30/2023	Allocation by remaini	Note
	Within 12 months		
Accounts receivable	16851	16,851	
Accounts receivables	16851	16,851	
Tax prepayment and receivables	89	89	4
Other receivables	131	131	
Prepayments	6851	6,851	
Tulevaste perioodide kulud	6851	6,851	
Total receivables and rprepayments	23,922	23,922	

Note 3 Inventory

(in Euros)

	6/30/2024	6/30/2023
Raw materials	206,417	272,222
Finished goods	0	0
Inventory prepayments	2,769	20,401
Total inventory	209,186	292,623

Note 4 Tax prepayments and liabilities

(in Euros)

	6/30/2024		6/30/2023	
	Prepayments	Liabilities	Prepayments	Liabilities
Value added tax		5198		11603
Personal income tax		5170		4939
Fringe benefit income tax		64		9
Social tax		8817		8543
Contribution to mandatory funded pension		476		412
Unemployment insurance tax		518		500
Other tax prepayments and liabilities		15354		15848
Prepayment account balance	0		89	
Total tax prepayments and liabilities	0	35597	89	41854

Note 5 Property, plant and equipment

(in Euros)

	Computers and computer systems	Other machinery and equipment	Fixtures and Tools	Machinery and equipment	Other property, plant and equipment	Total
12/31/2022						
Carried at cost	9441	3895	0	13336	15987	29323
Accumulated depreciation	-5635	-519	0	-6154	-5951	-12105
Residual cost	3806	3376	0	7182	10036	17218
Asquisitions and additions	0	0	0	0	872000	872000
Depreciation	-1284	-195	0	-1479	-4158	-5637
6/30/2023						
Carried at cost	9441	3895	0	13336	103187	116523
Accumulated depreciation	-6919	-714	0	-7633	-10109	-17742
Residual cost	2522	3181	0	5703	93078	98781
Asquisitions and additions	2732	0	0	2732	0	2732
Depreciation	-1255	-195	0	-1450	-5413	-6863
12/31/2023						
Carried at cost	12172	3895	4630	20697	103187	123884
Accumulated depreciation	-8174	-909	-309	-9392	-15522	-24914
Residual cost	3998	2986	4321	11305	87665	98970
Asquisitions and additions	671	3954	0	4625	0	4625
Depreciation	-1153	-772	-463	-1925	-5422	-7347
6/30/2024						
Carried at cost	12843	7849	4630	25322	103187	128509
Accumulated depreciation	-9327	-1681	-772	-11780	-20944	-32724
Residual cost	3516	6168	3858	13541.73	82243	95785

Note 6 Intangible assets

(in Euros)

	Other intangible assets	Total
12/31/2022		
Carried at cost	171,533	171,533
Accumulated depreciation	-96,208	-96,208
Residual cost	75,325	75,325
Depreciation	-8,528	-8,528
6/30/2023		
Carried at cost	171,533	171,533
Accumulated depreciation	-104,736	-104,736
Residual cost	66,797	66,797
Acquisitions and additions	93,954	93,954
Depreciation	-13,887	-13,887
12/31/2023		
Carried at cost	265,487	265,487
Accumulated depreciation	-118,623	-118,623
Residual cost	146,864	146,864
Acquisitions and additions	31,354	31,354
Depreciation	-24,232	-24,232
6/30/2024		
Carried at cost	296,841	296,841
Accumulated depreciation	-142,855	-142,855
Residual cost	153,986	153,986

Note 7 Payables and prepayments

(in Euros)

	6/30/2024	Within 12 months	Note
Trade payables	67,881	67,881	
Employee payables	41,776	41,776	
Tax payables	35,597	35,597	4
Other payables	5,645	5,645	
Interest payables	5,215	5,215	
Other accrued expenses	431	431	
Received prepayments	28,442	28,442	
Deferred income	28,442	28,442	
Total payables and prepayments	179,342	179,342	
	6/30/2023	Within 12 months	Note
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 payables	162	162	
Received prepayments	181,430	181,430	
Deferred income	181,430	181,430	
Total payables and prepayments	404,699	404,699	

Note 8 Labor expense

(in Euros)

	01.01.2024- 6/30/2024	01.01.2023- 6/30/2023
Wage and salary expense	172,714	157,839
Social security taxes	56,767	53,375
Total labor expense	229,481	211,214
Average number of employees in full time equivalent units	12	12
Average number of employees by types of employment:		
Person employed under employment contract	8	8
Member of management or controlling body of legal person	4	4

Note 9 Related parties

(in Euros)

Related party balances according to groups

Loan liabilities	6/30/2024	6/30/2023	Period calculated interest
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	137,028	0	2,857
Payables and prepayments	6/30/2024	6/30/2023	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	610	600	
Bought	01.01.2024- 6/30/2024 Services	01.01.2023- 6/30/2023 Services	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	4,200	
Remuneration and other significant benefits calculated for members of management and highest supervisory body			
	01.01.2024- 6/30/2024	01.01.2023- 6/30/2023	
Remuneration	30,000	31500	

Additional information:

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