



AS Bercman Technologies 2021
12 months consolidated unaudited interim report

beginning of the reporting year: 01.01.2021

end of reporting year: 31.12.2021

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Management report

About Company

AS Bercman Technologies (hereinafter referred to as "the Company" or "Bercman") was established in 2016 with the aim of preventing preventable road accidents and significantly contribute to the spread of autonomous vehicles through the development and introduction of road safety products. The Company contributes to the global development of the Cooperative Intelligent Transport Systems (C-ITS) sector. The Company's vision is to be the most preferred partner in the development and marketing of smart city, smart road and mobility themed solutions. The Company's main target market is the European Union Member States, mainly due to the similarities of the Union-wide regulations. In Europe, the environment is conducive to entrepreneurship and innovation.

Initial public offering of Company shares

In June 2021 the Company carried out the initial public offering (IPO) of its shares on the Nasdaq Tallinn AS operated multilateral trading system First North. The offering was a success – a total of 4 110 investors participated and the offering was oversubscribed by 14.48 times which is a record in the history of Nasdaq Tallinn. In total 240 000 shares of the Company were distributed to new investors and 816 000 EUR of additional capital was raised.

Acquisition of Krakul OÜ

On 22.11.2021, AS Bercman Technologies, Krakul Holding OÜ and Krakul OÜ (hereinafter "Krakul") concluded a conditional swap for the share of a private limited Company and shares of a public limited Company. The object of the Contract is the acquisition of a 100% shareholding in Krakul by Bercman. Acquisition of this shareholding was paid for in the shares of Bercman. The extraordinary general meeting of shareholders of Bercman held on 01.12.2021 resolved to approve the Contract; the same extraordinary general meeting of shareholders resolved to increase the share capital of Bercman. 23.12.2021, the transactions were closed and Bercman acquired the 100% shareholding in Krakul. Jaan Hendrik Murumets, CEO of Krakul, joined the management board of Bercman and is responsible for research and development of technological solutions. The objective of the acquisition of Krakul was to strengthen Group-wide competencies in order to develop new products and services and to expand into export markets together. Bercman Technologies will also be able to offer hardware and software development services with the help of Krakul, increasing the Company's sales volumes.

Krakul is a leading developer of IoT and autonomous systems in Estonia, founded in 2013. Krakul's solutions can be found, for example, in electric bicycles, smart bike racks, autonomous buses, unmanned aircrafts, smart passage systems, but also in cameras going to the moon and smart massage devices. Krakul's team has completed more than 100 international projects in the Baltics, USA, Finland, Sweden, Mexico, Switzerland, Vietnam and many other countries. In 2021, Krakul exported to six countries - Latvia, Finland, Germany, Singapore, the United States and Switzerland.

In cooperation with AS Bercman Technologies, Krakul plans to grow its turnover and profit in the 2022 financial year by continuing long-term customer projects and carrying out new projects both in Estonia and on export markets. To ensure growth, the Company expands its capacity to serve customers in specific areas, including micro-mobility and smart cities.

Due to the merger with Bercman Technologies, the accounting for Krakul's financial year changed. In 2021, the financial year lasted 9 months, from the 1st of April to the 31st of December. The turnover for the reporting period of Krakul, during the 9 months in 2021, was 936 432 EUR, while the 12-month comparison of 2020 and 2021 showed a 57% increase in Krakul's turnover (2020 12 months: 799 169 EUR). As of 31.12.2021, 16 employees worked in Krakul and consisted of 2 members of the board.

Bercman, in turn, will be able to offer hardware and software development services through Krakul in the future, thereby increasing the Company's sales volumes on a consolidated basis and having a broad industry-specific knowledge in order to strengthen its competitive advantages.

Company equity and shareholding in other companies

The Company's share capital in the financial year was 129 847,10 EUR. The Company has issued 1 298 471 shares of one class with a nominal value of 10 cents. In addition to the nominal value of the share capital, the Company's equity includes share premium, options and other reserves, and retained earnings/losses totalling 1 514 972 EUR. Bercman together with his subsidiary Krakul forms a group. The Company has a 100% stake in Krakul, that is, a share with a nominal value of 2 500 EUR. As the acquisition of Krakul took place at the end of the 2021 financial year, the 2021 annual report consolidates the balance sheets of Bercman and Krakul, but not the income statement.

Economic results

The reporting period ended with a loss of 593 252 EUR. Losses are due to expenses made for the growth and development of the Company, further development of the Company's own product, recruitment of additional employees to increase internal competence, investments into intangible assets and non-recurring costs associated with the initial public offering and admission to trading of shares. In addition, the acquisition of Krakul resulted in one-off expenses for the preparation and execution of the transaction. The Company is in the development phase and the loss is inevitable. During the reporting period, the Company's operations have been primarily affected by the acquisition of shareholdings in Krakul.

As of 31.12.2021, the balance sheet total of the Parent Company was 1 933 849 EUR (31.12.2020: 225 249 EUR), which is an increase of 759% compared to the same period in 2020. Current assets accounted for 458 874 EUR (31.12.2020: 89 924 EUR), or 23.7% (31.12.2020: 39.9%) of total assets. Fixed assets amounted to 1 474 975 EUR (31.12.2020: 135 325 EUR) or 76.3% (31.12.2020: 60.1%) of the balance sheet total. The equity of the Parent Company was 1 644 819 EUR (31.12.2020: -58 894 EUR). As of 31.12.2021, the Company had 33 294 EUR (31.12.2020: 59 307) loan obligations.

The most important investment was the acquisition of the subsidiary Krakul. A total of 1 419 639 EUR (12 months 2020: 43 499 EUR) were invested in fixed assets during the reporting period, of which investments in subsidiaries in the amount of 1 233 600 EUR, in tangible assets in the amount of 12 326 EUR and intangible assets in the amount of 173 713 EUR. Depreciation costs for 12 months of 2021 amounted to 75 938 EUR (12 months 2020: 41 626 EUR).

From a macroeconomic point of view, the negative impact of the coronavirus COVID-19 pandemic on the global economy has somewhat complicated the availability of product components and prolonged delivery deadlines. In 2022, Russia's military action in Ukraine may affect customers' purchasing security, which may in turn prolong the deadlines set by the Company for fulfilling its sales targets. There were no significant events during the period in which the income statement was prepared that could affect the results of subsequent financial years. The Company assesses its activities as socio-economically important. Bercman's activities have a positive long-term impact on the overall development of society.

The inclusion of additional investments is planned for the first half of 2022. More investment will be made to improve sales activities and sales results and to build up a network of dealers with a view to increase sales turnover.

Team

7 new jobs were created during the reporting period. The Company was joined by a machine vision specialist, a software developer, a development manager, a production manager, a mechanical engineer, a sales representative and a part-time business consultant.

In the next reporting period, the management board intends to continue to expand the team in the following areas: financial management, sales and software development. As of 31.12.2021, the Company had 14 employees, 2 members of the board and 3 members of the supervisory board.

New business model

The business model of the Company was updated – distributors are used in export markets instead of direct sales. For example, negotiations were ongoing with A1 Hrvatska d.o.o., Croatia's largest telecommunications Company, which is expanding its portfolio of products and services in the smart city sector.

Today, the Company is in the process of negotiating with dozens of distributors in non-domestic markets. Several of them also made their first purchases during the 2021 financial year to get to know Bercman's products, which is the basis for successful entry into non-domestic markets and a gradual increase in sales volumes.

New markets to enable rapid growth of the Company

The Company's main area of activity is the creation, production and sale of physical and digital products and services that enhance traffic safety. One of the most important events of the financial year was the start of sales of the Company's core product The Smart Pedestrian Crosswalk third-generation solution on export markets. During the financial year, additional personnel were hired to strengthen the Company's internal competence for better implementation of the medium-term plan. The focus was on the internal development of software and hardware capabilities so that Bercman's own product would meet customer expectations and regulations.

Sales model

When selling its products, Bercman uses a model where hardware sales are a one-time transaction and a multi-year maintenance contract is concluded with the customer to enable software updates. Customers can also order additional functionality for products at an additional cost. Market-specific custom-made solutions are priced on the basis of an hourly rate according to the quotes submitted.

Thanks to the merger with Krakul, the Company has the opportunity to offer additional services to its existing and potential customers. The first possible cooperation opportunities have also emerged during the financial year. Bercman markets Krakul's hardware and software development services through its channels, and the first possible cooperations have already emerged during the financial year. Bercman, together with Krakul's experienced engineering team, can offer customers not only products, but also a stronger product development service, including one-off developments, custom-made solutions and semi-custom solutions, where it is necessary to integrate something with existing systems or add additional capabilities. Between the engineers of the two companies there is a value chain in order to develop IoT solutions with the highest demand.

Development activity and source of coverage

At the end of 2021, Bercman joined CCAM, an international organization of intelligent and autonomous transport systems. CCAM is a non-profit organisation founded in June 2021 as part of the European Commission's Horizon Europe programme. The aim of the association for intelligent and autonomous transport systems is to accelerate the development and uptake of new technologies that create the possibility of environmentally friendly, sustainable and smart mobility. In addition, CCAM aims to make Europe a world leader in the development and implementation of intelligent and autonomous transport systems solutions over the next decade. The non-profit organisation includes stakeholders from different sectors, such as industry, research institutions, national and local governments and other organisations. Through CCAM membership and participation in the activities of the association, the Company creates a pan-European network of contacts with research and development-intensive companies, universities and organisations. With the support of this network, Bercman Technologies can participate with partners in Horizon government grants projects that support product development and improve product competitiveness. In addition, it is possible to establish partnerships with stakeholders important to the Company, find potential customers, have a say in EU-wide legislation and be informed about developments in the field.

The Company started working with technology companies from the University of Hamburg and Hamburg city (including the Artificial Intelligence Center Hamburg (ARIC)). The Company's "Smartwalk" project will receive funding with a budget of 100,000 euros under the mFUND innovation initiative, which in turn will be funded by the The Federal Ministry of Transport and Digital Infrastructure of the Federal Republic of Germany. The consortium of project partners includes NATIX GmbH, HITeC e.V., AS Bercman Technologies and Artificial Intelligence Center Hamburg (ARIC). The project started on the 1st of October 2021 and will last for one year. The "SmartWalk" project aims to develop intelligent traffic infrastructure while protecting vulnerable road users such as cyclists and pedestrians. As part of the project, a smart road sign for a pedestrian crosswalk will be equipped with an intelligent, data-protecting camera system that uses innovative technologies applying artificial intelligence. Using a real-time anonymised combination of sensors, "SmartWalk" detects critical traffic situations and alerts road users.

During the financial year, further developments and testing were carried out with the project partners on the ICT Green support measure. The Green ICT project aims to develop an environmentally friendly demand-based mobility platform (VEDAS) integrated into the smart bus stop network. The project solves the problem of transport arranger and residents in sparsely populated areas, where the availability of public transport and services is not in line with the needs of the inhabitants of the region and is carbon-intensive. The Green ICT project will be able to further develop a demand-driven transport platform and a prototype smart bus stop, enabling both products to be exported to Scandinavian markets.

The Company has prepared a funding application for the Applied Research Programme of Enterprise Estonia (RUP) with a budget volume of 340 000 EUR. The aim of the project is to create a prototype traffic infrastructure system solution for detecting traffic accidents that have occurred on pedestrian crosswalk. The project application will be submitted to Enterprise Estonia when the measure opens, but not later than during Q2 of 2022.

Intellectual property

In cooperation with the patent office Stellbrink & Partner Patentanwälte mbB, the Company completed a patent application for the protection of intellectual property of the smart pedestrian crosswalk solution. The patent application was sent to the European Patent Office on 15.06.2021, which is also the start date of priority protection. The Company protects its intellectual property from unauthorised use, and the Company's IO strategy relies heavily on trade secrets, but the Company is also increasingly interested in patenting its technology in Europe and America.

By the European Union Intellectual Property Office, the word "Bercman" is entered in the relevant classes in the European Union Trade Mark database. The registration certificate number is 016235418. As the fields of activity expand, the list of classifications of goods and services is supplemented for the protection of the word compound.

Management board is optimistic

The Company had no pending legal proceedings, tax or other disputes during the financial year or at the time of submitting the report.

In the opinion of the management board, the initial public offering of shares carried out in June has had a supportive effect on the Company's economic activities and the new opportunities that have arisen during the reporting period are planned to be realised in the following financial years. Taking into account market conditions, the management board believes that the overall market environment is on a continuing upward trend. Consequently, the management board believes that the objectives set are realistically achievable and that the creation of preconditions enabling rapid growth in the future is actively being pursued.

Plans for 2022

Bercman is participating in a 2022 development project at Hamburg's TAVF autonomous vehicle test campus. A multi-kilometre automated and connected vehicle test track has been built in the city of Hamburg, which from 2018 has been updated with vehicle infrastructure with communication capabilities. Thanks to the numerous features of the equipment, the test track allows vehicle manufacturers, technology companies and research institutions to test intelligent transport systems, safety and assistance systems, and the functions of automated and connected vehicles on public roads in a real-world traffic environment. Bercman supplies a device for the test track that creates the prerequisites that the crosswalk on the test track is capable of notifying connected vehicles of road users at risk.

In 2022, Bercman's cooperation with the University of Tartu will continue. In the period from February to April, Bercman participates in a project coordinated by the autonomous driving lab of the University of Tartu together with Tartu City Transport, Traffest OÜ and Modern Mobility OÜ. The aim of the cooperation project is to test the use of an autonomous driving vehicle in the provision of on-demand transport services and to validate the technological solutions and processes necessary for this purpose. Within the framework of the cooperation project, Bercman will install radars on the trajectory of an autonomous vehicle in the city of Tartu and outside the city on the highway and interface them with the control system of an autonomous car. Information from radar is transmitted through V2X (vehicle-infrastructure) systems to an autonomous vehicle and lets the machine know whether it is safe for the vehicle to turn onto the highway. Bercman also interfaces the vehicle's control system with Estonia's first 5G connected smart pedestrian crosswalk on Kroonuaia Street in Tartu. The pedestrian crosswalk shall inform the autonomous vehicle when it reaches its immediate vicinity whether a pedestrian is waiting to cross the road or whether the vehicle can continue to move forward without stopping.

With the renewed needs to smarten up urban infrastructure, new functionalities are being added to Bercman's smart pedestrian crosswalks. In the course of the natural development of pedestrian crosswalks and the experience acquired by the team, in cooperation with clients, there are additional opportunities to use the intelligence of pedestrian crosswalks to increase road safety.

In 2022 and 2023, the main focus will be actively on increasing the sales volumes of the non-domestic markets and expanding to new countries. While a total of 16 pedestrian crosswalks were planned to be sold last year, this year the sales forecast for smart pedestrian crosswalks is several times higher compared to last year. In addition to pedestrian crosswalks, the Company's sales turnover will be further

increased by participation in innovation procurements and the development of custom-made solutions for new or already existing customers.

Switzerland, Finland, Bosnia, Slovakia, Spain, Portugal, the Czech Republic and Belgium will be added as new export markets this year and the communication has started in several other European markets.

The Company forecasts consolidated sales of 2 400 000 EUR for the 2022 financial year.

The main financial ratios of the consolidating entity during the reporting and reference period are as follows:

Financial ratio	Methodology for calculation	2021	2020
Current ratio	Current assets/current liabilities	1.61	0.34
Debts to assets ratio	total liabilities / total assets	0.15	1.26
Increase in sales revenue (%)	$(2021 \text{ sales revenue} - 2020 \text{ sales revenue}) / 2020$	-39%	77%

The annual accounts

Consolidated statement of financial position

(in Euros)

	31.12.2021	30.06.2021	31.12.2020	30.06.2020	Note
Assets					
Current assets					
Cash and cash equivalents	378 023	825 715	9 727	3 350	
Receivables and prepayments	158 412	12 088	11 313	46 785	2
Inventories	123 143	74 940	68 884	113 072	3
Total current assets	659 578	912 743	89 924	163 207	
Non-current assets					
Property, plant and equipment	37 110	27 866	32 161	36 694	6
Intangible assets	1 448 259	145 872	103 164	119 008	7
Total non-current assets	1 485 369	173 738	135 325	155 702	
Total assets	2 144 947	1 086 481	225 249	318 909	
Liabilities and equity					
Liabilities					
Current liabilities					
Loan liabilities	28 472	42 891	59 307	113 044	8
Payables and prepayments	462 666	240 704	197 358	172 470	9
Provisions	4 168	4 168	4 168	4 168	
Total current liabilities	495 306	287 763	260 833	289 682	
Non-current liabilities					
Loan liabilities	4 822	0	0	82 748	8
Government grants	0	23 310	23 310	23 310	10
Total non-current liabilities	4 822	23 310	23 310	106 058	
Total liabilities	500 128	311 073	284 143	395 740	
Equity					
Equity held by shareholders and partners in Parent Company					
Issued capital	129 847	119 847	75 000	75 000	11
Unregistered equity	0	0	100 592	0	11
Share premium	1 868 788	1 097 788	0	0	11
Other reserves	473 922	156	0	0	11, 16
Retained earnings (loss)	-234 486	-234 486	-150 358	-150 358	
Annual period profit (loss)	-593 252	-207 897	-84 128	-1 473	
Total equity held by shareholders and partners in Parent Company	1 644 819	775 408	-58 894	-76 831	
Total equity	1 644 819	775 408	-58 894	-76 831	
Total liabilities and equity	2 144 947	1 086 481	225 249	318 909	

Consolidated income statement

(in Euros)

	2021	2021 II half-year	2020	2020 II half-year	Note
Revenue	76 096	72 981	124 731	81 307	12
Other income	51 150	31 282	89 018	43 313	13
Work performed by entity and capitalised	130 178	85 388	0	0	7
Raw materials and consumables used	-146 345	-134 037	-72 597	-65 119	14
Other operating expense	-231 571	-138 001	-33 460	-18 429	15
Employee expense	-384 855	-240 553	-123 086	-80 517	16
Depreciation and impairment loss (reversal)	-75 938	-55 280	-41 626	-21 495	6, 7
Other expense	-1 796	-212	-11 413	-11 196	
Operating profit (loss)	-583 081	-378 432	-68 433	-72 136	
Interest expenses	-8 870	-6 407	-13 737	-9 371	
Other financial income and expenses	-1 301	-516	-1 958	-1 148	
Profit (loss) before tax	-593 252	-385 355	-84 128	-82 655	
Annual period profit (loss)	-593 252	-385 355	-84 128	-82 655	
Profit (loss) from shareholders and partners in Parent Company	-593 252	-385 355	-84 128	-82 655	

Consolidated statement of cash flows

(in Euros)

	2021	2021 II half-year	2020	2020 II half-year	Note
Cash flows from operating activities					
Operating profit (loss)	-583 081	-378 432	-68 433	-72 136	
Adjustments					
Depreciation and impairment loss (reversal)	75 938	55 280	41 626	21 495	6,7
Other adjustments	-39 770	-20 116	-89 018	-43 313	10,11
Total adjustments	36 168	35 164	-47 392	-21 818	
Changes in receivables and prepayments relating to operating activities	-52 517	-40 929	1 217	-1 715	
Changes in inventories	-19 994	-13 939	36 749	44 188	
Changes in payables and prepayments related to operating activities	48 715	5 374	45 262	18 789	
Interest received	24	24	0	0	
Proceeds from government grants	38 596	7 972	78 205	32 500	10
Total cash flows from operating activities	-532 089	-384 766	45 608	-192	
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	-178 807	-119 735	-43 499	-1 118	6,7
Net cash flow from acquisition of subsidiaries and operating activities	65 095	65 095	0	0	
Total cash flows from investing activities	-113 712	-54 640	-43 499	-1 118	
Cash flows from financing activities					
Loans received	156 100	0	59 920	11 700	
Repayments of loans received	-114 346	-16 830	-152 367	-100 185	
Interest paid	-3 642	-1 456	-9 270	-4 420	
Proceeds from issuing shares	975 985	10 000	100 592	100 592	11
Total cash flows from financing activities	1 014 097	-8 286	-1 125	7 687	
Total cash flows	368 296	-447 692	984	6 377	
Cash and cash equivalents at beginning of period	9 727	825 715	8 743	3 350	
Change in cash and cash equivalents	368 296	-447 692	984	6 377	
Cash and cash equivalents at end of period	378 023	378 023	9 727	9 727	

Consolidated statement of changes in equity

(in Euros)

	Equity held by shareholders and partners in Parent Company					Total
	Issued capital	Unregistered equity	Share premium	Other reserves	Retained earnings (loss)	
	31.12.2019	75 000				
Annual period profit (loss)					-1 473	-1 473
30.06.2020	75 000	0	0	0	-151 831	-76 831
Annual period profit (loss)					-82 655	-82 655
Issue of equity		100 592				100 592
31.12.2020	75 000	100 592	0	0	-234 486	-58 894
Annual period profit (loss)					-207 897	-207 897
Issue of equity	44 847	-100 592	1 097 788			1 042 043
Changes in reserves				156		156
30.06.2021	119 847	0	1 097 788	156	-442 383	775 408
Annual period profit (loss)					-385 355	-385 355
Issue of equity	10 000		771 000			781 000
Changes in reserves				473 766		473 766
31.12.2021	129 847	0	1 868 788	473 922	-827 738	1 644 819

Additional information on equity movements can be found in Note 11.

Notes

Note 1 Accounting policies

General information

The consolidated annual reports of AS Bercman Technologies (hereinafter also known as "the Parent Company") and its subsidiary (hereinafter together as "Group") have been prepared in accordance with the Accounting Act and the Estonian Financial Reporting Standard. The Estonian Financial Reporting Standard is an internationally recognised accounting practice based on accounting and reporting principles, which is based on the guidelines of the Accounting Board Guides.

This report has been prepared following the principle of acquisition cost, except in the cases which are described in the below accounting principles.

The income statement of AS Bercman Technologies Group has been prepared on the basis of the income statement scheme No. 1 set out in Note 2 to the Accounting Act.

The annual report of accounts is reported in Euros.

The main accounting policies used in preparing these financial statements are described below.

Error adjustments

In the retained earnings for the reporting period, a correction has been made in connection with the adjustment of the debt balance associated with the supplier.

Additional item name	31.12.2020	Change	31.12.2020
Payables and prepayments	199 565	-2 207	197 358
Retained earnings/Accumulated loss	-168 044	17 686	-150 358
Net profit/-loss for the period	-68 649	-15 479	-84 128
Other expenses	-2 357	-9 056	-11 413
Interest expenses	-7 314	-6 423	-13 737

Preparation of consolidated statements

The consolidated financial statements contains the financial indicators of AS Bercman Technologies and its subsidiary Krakul OÜ as consolidated line by line. The subsidiary is consolidated from the date of acquisition. Based on the principle of materiality, the basis is the financial indicators of the end-of-month balance sheet nearest to the acquisition date, i.e. 31.12.2021, as it does not differ significantly from the balance sheet of the date of acquisition (23.12.2021).

The subsidiary uses the same accounting policies as the Parent Company when preparing its statements. All intra-Group transactions, receivables and liabilities, as well as unrealised profits and losses on transactions between the Group's companies, have been eliminated in full in the annual report.

The Parent Company's separate unconsolidated main reports are published in the annual reports notes. The Parent Company's main statements have been prepared in accordance with the same accounting policies that have also been applied to the preparation of the consolidated annual report, with the exception of investments in the subsidiary that are recognised in the unconsolidated report using the cost method.

Financial assets

Financial assets include cash, a contractual right to receive cash or other financial assets (eg accounts receivable) from other party, equity instruments of other undertakings and contractual right to exchange financial assets with other party under potentially favourable conditions. Financial assets are initially taken into account at cost, which is the fair value of the payment made or received for the financial asset. The initial cost includes all transaction costs directly related to the financial asset, except for financial assets acquired for trading purposes. Depending on the type, the financial assets are further accounted for either at fair value, acquisition cost or restated cost.

When the restated cost method is used, the financial asset is recognised in the balance sheet in its initial acquisition cost discounted with an internal rate of interest minus repayments of the principal and possible impairment caused from loss of value or unlikelihood of collection. A financial asset is derecognised if the Company loses the right to receive cash flows arising from the given financial asset or transfers to a third party cash flows arising from this financial asset and most risks and benefits related to this financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand as well as bank account balances.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

The Company's functional currency is the euro. Transactions denominated in foreign currency are recorded on the basis of the foreign currency exchange rates of the European Central Bank officially valid on the transaction date. Assets and liabilities denominated in foreign currency have been translated into Euros 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 resulting from revaluation are recorded in the income statement of the reporting period. Foreign currency transactions and assets and liabilities denominated in a foreign currency

Any undertaking over which the Parent Company has a dominant influence shall be regarded as a subsidiary. A dominant influence is presumed if the Parent Company owns directly or through subsidiaries more than 50% of the voting rights of the subsidiary or the Parent Company is otherwise able to control the operating and financial policies of the subsidiary.

Business combinations are accounted for using the purchase method. When the purchase method is applied, the acquired capital is recognised at its acquisition cost.

According to the method of purchase, the assets, liabilities and contingent liabilities of the acquired subsidiary are recognised at their fair value and the difference between the cost of the acquired interest and the fair value of the acquired net assets is recognised as positive or negative goodwill. Where the acquisition of an interest is effected in exchange for shares of the acquirer issued for that purpose and to be issued in the future, the acquisition cost shall be taken to be the fair value of the shares issued and to be issued. The best indication of fair value is the market price of the shares.

From the date of acquisition, the assets, liabilities and contingent liabilities of the acquired subsidiary and the positive goodwill generated shall be recognised in the consolidated balance sheet and the participation in the income and expenses of the subsidiary shall be recognised in the consolidated profit and loss account.

Receivables and prepayments

Accrued income and other current and non-current receivables (incl. loan receivables, deposits) are recognised at restated cost. The adjusted acquisition cost of short-term receivables is generally the same as their nominal value (less discounts), which is why short-term receivables are represented on the balance sheet at the amounts likely to be received.

Accounts receivable from buyers have been valued in the balance sheet on the basis of the amounts likely to be received. The requirements are assessed on a case-by-case basis. A claim shall be considered to be irrecoverable if, in the opinion of the management board, there is no possibility of collecting the claim. In case of trade receivables whose collection is partly or fully doubtful, their impairment is recognised in the income statement under "other operating expenses". Trade receivables whose collection is not feasible or

economically justified are considered uncollectible and written off. An improbable or irrecoverable receivable in the reporting period is recognised as a reduction in the amount and cost of the improbable receivables in the period in which the receivable was received.

Inventories

Inventories are initially recorded at their acquisition cost, which consists of purchase costs, production costs and other costs necessary to bring the inventories to their existing location and condition. In addition to the purchase price, the purchase cost of inventories includes customs duties, other non-refundable taxes and transport costs directly related to the acquisition of inventories, less discounts and endowments.

The cost of inventories is calculated using the FIFO method.

Inventories are valued at the lower of the acquisition cost or net realisable value. The net realisable value shall be the estimated selling price less the estimated costs necessary to make the product available for sale and to effect the sale. Discounts of inventories at their net realisable value are recognised as a cost of production sold during the discount period.

Plant, property and equipment and intangible assets

Based on the materiality principle, assets with an acquisition cost exceeding 500 euros and a useful life of more than one year are recorded as property, plant and equipment in the balance sheet. Assets with a lower acquisition cost or shorter useful life are expensed as they are taken into use.

Intangible fixed assets are intangible assets that the Group intends to use for a longer period than one year, and which are controlled by the Group, whose cost can be reliably estimated and that will generate probable future economic benefits for the the Company.

Both plant, property and equipment and intangible assets are recorded at cost, which consists of the purchase price and the costs directly related to the acquisition that are necessary to bring the asset to its working position and location. If an item of property, plant and equipment consists of distinguishable significant components that have different useful lives, those components are accounted as separate assets, with separate depreciation rates based on the useful lives of the components.

The Company uses the straight-line method to depreciate property, plant and equipment. Intangible assets are initially recorded at their acquisition cost, which consists of the purchase price and expenses directly related to the acquisition. If it appears that the effective useful life of the asset is significantly different from the initial valuation, the amortisation period should be changed.

Assets are depreciated from the time they are taken into use and until the depreciable portion is fully depreciated or the asset is retired. If a fully depreciated asset is still in use, both the cost and accumulated depreciation are recognized in the balance sheet until the asset is permanently withdrawn from use.

Minimum threshold for the recognition of assets: 500 euros.

Useful life by fixed asset groups (in years)	
Name of fixed asset group	Useful life
Computers and computer systems	4-5 years
Other property, plant and equipment	5 years
Other machinery and equipment	5 years
Development expenditures	3-5 years
Computer software	5 years
Concessions, patents, licenses, trademarks	10 years
Other intangible fixed assets	3-5 years
Goodwill	10 years

Leases

Leases are classified as financial leases whenever all the important risks and rewards of ownership are transferred to the lessee. The remaining leases are treated as operating leases.

The lessee shall recognise the financial lease in its balance sheet when the lease takes effect either as an asset and a liability for the amount of the fair value of the leased asset or as a minimum amount of the lease payments at present value, if lower. Lease payments are divided into financial expenses and reductions of the residual value of liabilities. Financial charges shall be allocated to the lease term in such a way that the interest rate is the same at any time during the lease term in relation to the residual value of the liability. Financial charges are generally recognised on an accrual basis in the income statement.

Assets leased under operating leases are not recognised in the balance sheet. Operating lease payments for the use of an asset are recognised as an expense evenly over the lease term, regardless of the periods in which and the amount of the payments actually occur.

Financial liabilities

Financial liabilities are defined as accounts payable, accrued and other current and non-current liabilities to suppliers. Financial assets are initially taken into account at cost, which is the fair value of the payment received for the financial asset. The initial acquisition cost includes all transaction costs that are directly related to the financial asset.

Financial liabilities (trade payables and short- and long-term borrowings) are recognised at adjusted cost. The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, therefore short-term financial liabilities are recognized in the amount payable in the balance sheet. In order to account for the adjusted cost of non-current financial liabilities, they are initially charged at the fair value of the consideration payable, taking into account interest expense in subsequent periods, using the internal rate of return method.

Financial liabilities are classified as short-term, when their payment date is within 12 months after the balance sheet date or the Company does not have an unconditional right to postpone the settlement of the liability for later than 12 months after the balance sheet date. Loan liabilities within 12 months of the balance sheet date, but which become non-current as a result of refinancing after the balance sheet date but before approving the annual report, are recognised as current. Short-term borrowings also include borrowings which the lender had the right to repay at the balance sheet date due to violation of the terms and conditions stipulated in the loan agreement.

A financial liability is derecognised when it is discharged, canceled or expires.

Provisions and contingent liabilities

A provision is recognised in the balance sheet if the Group has a legal or operational obligation that is probable to materialise (more than 50%) and the amount of which can be measured reliably as a result of a mandatory event that occurred before the balance sheet date. Provisions are valued on the basis of the management's estimates, experience and, if necessary, independent experts' estimates and are recognised in the balance sheet in the amount necessary to satisfy the liabilities related to the provision as at the balance sheet date.

Government grants

Government grant is aid granted by local, national or international governmental or other similar organisations through the transfer of certain resources to the Group, for which the Group's business activities must meet certain defined criteria.

Government grants are not recognized as income until there is reasonable assurance that the enterprise will comply with the conditions attaching to the grant and the grant will be received.

The gross method has been applied to government grants, according to which the reimbursable expense and the received government grants are recognized both separately in the income statement. Acquired assets are depreciated at cost over their useful life.

A government grant for an activity is recognised as income when the government grant is practically certain and the substantive conditions attached to the government grant are met. If the conditions for recognition of the government grant under income have not been met, the

grant will be recorded under liabilities in the balance sheet. The corresponding liability is recorded under current or non-current liabilities in the balance sheet, depending on when the conditions related to the government grant are met.

Revenue recognition

Revenue shall be recognised at the fair value of the consideration received or receivable on an accrual basis, subject to the reductions provided for in the contract. Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods have been transferred to the buyer, it is probable that the sales proceeds will be received and the revenue and transaction costs can be measured reliably.

Revenue from the sale of service is recognised during the service period if the receipt of the revenue for the provision of the service is likely and the revenue and expenses related to the provision of services can be reliably measured.

Expense recognition

The income for the period shall be reduced by the costs relating to the same income. Expenses for which the corresponding income arises in another period shall be recognised as an expense in the same period in which the related income arises. In cases where revenues related to a particular cost are not directly identifiable, approximate methods are used to recognise the expense. Expenses that are not likely to generate revenue are recognised as an expense at the time of their occurrence.

Related parties

A party is deemed to be related if one party exercises a dominant influence over the other party or exercises a significant influence over the business decisions of the other party, including subsidiaries, owners, management and supervisory board members, members of their families and companies over which the persons listed above exercise a dominant or significant influence.

Events after the reporting date

The financial statements reflect the material assets and the factors affecting the assessment of liabilities that occurred between the balance sheet date (31.12.2021) and the date the report was created, but are related to transactions in the reporting period or earlier periods. Events occurring after the balance sheet date that have not been taken into account in the valuation of assets and liabilities but that have a material impact on the result for the following financial year are disclosed in the notes to the annual accounts.

Note 2 Receivables and prepayments

(in Euros)

	31.12.2021	within 12 months	Note
Accounts receivable	125 342	125 342	
Tax prepayments and receivables	11 887	11 887	4
Other receivables	8 080	8 080	
Accrued income	8 080	8 080	
Prepayments	13 103	13 103	
Deferred expenses	13 103	13 103	
Total receivables and prepayments	158 412	158 412	
	31.12.2020	within 12 months	Note
Prepayments	500	500	
Deferred expenses	500	500	
Deferred income from grants	10 813	10 813	10
Total receivables and prepayments	11 313	11 313	

Note 3 Inventories

(in Euros)

	31.12.2021	31.12.2020
Raw materials	107 187	52 775
Work in progress	12 774	0
Finished goods	0	16 000
Inventory prepayments	3 182	109
Total inventories	123 143	68 884

Note 4 Tax prepayments and liabilities

(in Euros)

	31.12.2021		31.12.2020
	Tax prepayments	Tax liabilities	Tax liabilities
Corporate income tax		58 595	0
Value added tax		4 451	8 168
Personal income tax		27 775	8 971
Fringe benefit income tax		68	21
Social tax		49 142	17 972
Contributions to mandatory funded pension		2 689	1 093
Unemployment insurance tax		3 518	1 311
Interest		0	782
Prepayment account balance	11 887		
Total tax prepayments and tax liabilities	11 887	146 238	38 318

Note 5 Shares of subsidiaries

(in Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2020	31.12.2021
12458980	Krakul OÜ	Estonia	Research and development	0	100
Acquired ownership interests					
Name of subsidiary	Acquired ownership interest %	Acquisition date	Cost of acquired ownership interest		
Krakul OÜ	100	23.12.2021	1 233 600		

In order to acquire 100% of the shareholding of Krakul OÜ, Krakul Holding OÜ and AS Bercman Technologies entered into a share swap agreement for a conditional private limited company and a share swap agreement for the acquisition of a shareholding in AS Bercman Technologies. The payment for the shareholding is made in several instalments and the second and third instalments are conditional. The management board has estimated that the additional conditions are met and are therefore included in the cost of the shareholding.

Since the acquisition of the holding took place in exchange for AS Bercman Technologies shares issued for this purpose and to be issued in the future, the acquisition cost is the fair value of the shares issued over time, which is the market price for these shares. Shares to be issued in the future are recorded in equity in other reserves (see Note 11).

A positive goodwill of 1 169 476 EUR was created between the cost of the acquired interest and the fair value of the net assets acquired, which has been recognised as intangible fixed assets in the consolidated balance sheet (see Note 7).

Note 6 Property, plant and equipment

(in Euros)

								Unfinished projects and prepayments	Total
	Trans portation	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property ,plant and equipment	Unfinished projects	prepayments		
31.12.2019									
Carried at cost	0	0	0		56 003	372	51	423	56 426
Accumulated depreciation	0	0	0		-16 275	0	0		-16 275
Residual cost	0	0	0		39 728	372	51	423	40 151
Acquisitions and additions		1 119		1 119	2 000				3 119
Other acquisitions and additions		1 119		1 119	2 000				3 119
Depreciation		-37		-37	-11 072				-11 109
Reclassifications					372	-372		-372	
Reclassifications from unfinished projects					372	-372		-372	
31.12.2020									
Carried at cost	0	1 119	0	1 119	58 374	0	51	51	59 544
Accumulated depreciation	0	-37	0	-37	-27 346	0	0	0	-27 383
Residual cost	0	1 082	0	1 082	31 028	0	51	51	32 161
Acquisitions and additions		11 497	829	12 326					12 326
Other acquisitions and additions		11 497	829	12 326					12 326
Additions through business combinations	1 458	11 371	9 339	22 168	2 406				24 574
Depreciation		-857	-14	-871	-11 229				-12 100
Reclassifications					-4 000		-51	-51	-4 051
Reclassifications of inventory					-4 000		-51	-51	-4 051
Other changes					-15 800				-15 800
31.12.2021									
Carried at cost	3 500	33 900	15 889	53 289	12 906	0	0	0	66 195
Accumulated depreciation	-2 042	-10 807	-5 735	-18 584	-10 501	0	0	0	-29 085
Residual cost	1 458	23 093	10 154	34 705	2 405	0	0	0	37 110

During the reporting period, fixed assets in the amount of 7 232 EUR were acquired through financial leasing. This amount has been adjusted for the amount of acquisitions of fixed assets during the reporting period in the cash flow statement.

During the reporting period, fixed assets were reclassified to inventories with certain components that could subsequently be used for prototyping purposes.

The amortisation expense of 12 100 EUR and the residual value of the written-off fixed assets of 15 800 EUR are recorded in the cash flows under "Depreciation and impairment loss (reversal)".

Note 7 Intangible assets

(in Euros)

							Total
	Goodwill	Development expenditures	Computer software	Concessions, patents, licenses, trademarks	Other intangible assets	Unfinished projects and prepayments	
31.12.2019							
Carried at cost	0	85 790	24 351	3 955	3 327	0	117 423
Accumulated depreciation	0	-16 559	-5 765	-911	-887	0	-24 122
Residual cost	0	69 231	18 586	3 044	2 440	0	93 301
Acquisitions and additions		18 380	22 000				40 380
Depreciation		-22 019	-7 437	-396	-665		-30 517
31.12.2020							
Carried at cost	0	104 170	46 351	3 955	3 327	0	157 803
Accumulated depreciation	0	-38 578	-13 202	-1 307	-1 552	0	-54 639
Residual cost	0	65 592	33 149	2 648	1 775	0	103 164
Acquisitions and additions			26 796		5 420	141 497	173 713
Additions via business combinations	1 169 476		49 944				1 219 420
Depreciation		-18 749	-11 502	-395	-1 720		-32 366
Impairment loss			-13 513				-13 513
Other changes			-1 050		-1 109		-2 159
31.12.2021							
Carried at cost	1 169 476	104 170	136 203	3 955	5 420	141 497	1 560 721
Accumulated depreciation	0	-57 327	-52 379	-1 702	-1 054	0	-112 462
Residual cost	1 169 476	46 843	83 824	2 253	4 366	141 497	1 448 259

A positive goodwill of 1 169 476 EUR was created between the cost of the acquired shareholding in subsidiary and the fair value of the net assets acquired, which has been recognised as intangible fixed assets in the consolidated balance sheet (see Note 5).

Workforce costs in the amount of 130 178 EUR capitalised at the cost of intangible assets produced for own consumption have been included in unfinished projects. As the asset is not yet available for use at the balance sheet date, it is recognised as an unfinished project. A prepayment of 11 320 EUR for a registered functionality patent has also been included under unfinished projects, as this patent has not yet been validated by the balance sheet date.

The amortisation expense of 32 366 EUR, the residual value of the written-off fixed assets of 2 159 EUR and impairment loss of 13 513 EUR are recorded in the cash flows under "Depreciation and impairment loss (reversal)".

Note 8 Loan commitments

(in Euros)

	31.12.2021	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		within 12 months	1 - 5 years	over 5 years			
Current loans							
Credit institutions	26 061	26 061			5% + 6 month Euribor	EUR	15.09.2022
Current loans total	26 061	26 061					
Finance lease obligations total	7 233	2 411	4 822				
Loan commitments total	33 294	28 472	4 822				
	31.12.2020	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		within 12 months	1 - 5 years	over 5 years			
Current loans							
Credit institutions	59 307	59 307			5% + 6 month Euribor	EUR	15.09.2022
Current loans total	59 307	59 307					
Loan commitments total	59 307	59 307					

The loan from the credit institution is backed by a KredEx guarantee, the amount of which is 80% of the outstanding loan amount to the bank and a personal guarantee from the members of the management board and supervisory board.

The finance lease agreements have been concluded in euros and are due in December 2024

Note 9 Payables and prepayments

(in Euros)

	31.12.2021	within 12 months	Note
Trade payables	195 481	195 481	
Employee payables	96 821	96 821	
Related parties payables	345	345	17
Tax payables	146 238	146 238	4
Other payables	12 481	12 481	
Interest payables	12 379	12 379	
Other accrued expenses	102	102	
Prepayments received	2 244	2 244	
Deferred income	2 244	2 244	
Other current liabilities	9 056	9 056	
Total payables and prepayments	462 666	462 666	
	31.12.2020	within 12 months	Note
Trade payables	117 575	117 575	
Employee payables	23 125	23 125	
Related parties payables	2 389	2 389	17
Tax payables	38 318	38 318	4
Other payables	6 895	6 895	
Interest payables	6 895	6 895	
Other current liabilities	9 056	9 056	
Total payables and prepayments	197 358	197 358	

Note 10 Grants

(in Euros)

	31.12.2019		Receivables	Recognized in the income statement	31.12.2020		Note
	Receivables	Liabilities			Receivables	Liabilities	
Grants for acquisition of non-current assets							
Enterprise Estonia development project EU51732	0	19 390	0	0	0	19 390	
Total grants for acquisition of non-current assets	0	19 390	0	0	0	19 390	
Grants for operating expenses							
Innovation voucher EU52657	0	3 920	0	0	0	3 920	
Green ICT funding	0	0	0	10 813	10 813	0	
Direct grant from the European Commission SPECK	0	0	45 705	45 705	0	0	
SA Archimedes project SFOS57904	0	0	32 500	32 500	0	0	
Total grants for operating expenses	0	3 920	78 205	89 018	10 813	3 920	
Total grants	0	23 310	78 205	89 018	10 813	23 310	13
	31.12.2020		Receivables	Recognized in the income statement	31.12.2021		Note
	Receivables	Liabilities			Receivables	Liabilities	
Grants for acquisition of non-current assets							
Enterprise Estonia development project EU51732	0	19 390	0	19 390	0	0	
Total grants for acquisition of non-current assets	0	19 390	0	19 390	0	0	
Grants for operating expenses							
Innovation voucher EU52657	0	3 920	0	3 920	0	0	
Green ICT funding	10 813	0	30 625	19 812	0	0	
H2020 EIC Accelerator measure	0	0	3 000	3 000	0	0	
mFund 19F1087D funding	0	0	4 971	4 971	0	0	
Total grants for operating expenses	10 813	3 920	38 596	31 703	0	0	
Total grants	10 813	23 310	38 596	51 093	0	0	13

Within the framework of the Enterprise Estonia development project (EU51732) program, a decision was made in 2017 to support the realization and testing of a prototype of AS Bercman Technologies in the amount of 19 390 euros through government grants. The project involved cooperation with Tallinn University of Technology (TalTech). The conditions attached to the project have been met and the grant of 19 390 EUR has been recognised as revenue.

Within the framework of the Innovation Voucher measure (EU52657), co-operation was established with the University of Tartu to test the product. The conditions attached to the project have been met and the grant of 3 920 EUR has been recognised as revenue.

The European Commission (SPECK) funded an applied study examining the possibilities of increasing the traffic safety with the Smart Pedestrian Crosswalk on an unregulated pedestrian crosswalks.

In the framework of the Smart Specialisation Project with SA Archimedes (SFOS57904), an applied research was carried out "Real-time sensor fusion of combined sensor data to increase the accuracy of location, orientation and direction information of moving subject".

The aim of the Estonian-Norwegian cooperation program "Green ICT" is to support the sustainable development of Estonian entrepreneurs. The program focuses on the development of three areas: industry and green technologies, ICT and health technologies.

H2020 Funding from EIC Accelerator - AS Bercman Technologies applied for funding from the EIC Accelerator for a total budget of EUR 2.15 million, 30% of which is own contribution. Within the framework, the company reached

in December 2021 to an interview convened by the European Commission, which proved unsuccessful, but the Estonian Research Council compensated for the preparatory activities carried out for this interview.

mFund for Innovation Initiative project 19F1087D - during the reporting period a cooperation project "Smartwalk" was written to finance the project, where the project partners in addition to AS Bercman Technologies are Hamburg University of Technology, ARIC and Natix. Funding for the project was approved on 01.10.2021

(<https://view.news.eu.nasdaq.com/view?id=b9c0fb85aad5277cf88f9ac7d9c8d0d26&lang=en>) and preparatory activities started during the reporting period. During the course of the project, mFund will compensate for the costs incurred by the project partners approximately once a quarter.

As the income from government grants is shown in cash flows using the direct method, the operating profit through the other adjustments line has been adjusted to the government grants income for the reporting period, also taking into account changes in government receivables and liabilities.

Note 11 Share capital

(in Euros)

	31.12.2021	31.12.2020
Share capital	129 847	75 000
Number of shares (pcs)	1 298 471	750 000
Nominal value of shares	0.10	0.10

During the reporting period, 548 471 shares with a nominal value of 54 847,10 EUR and a share premium of 1 868 788 EUR have been issued. Of these, 99 220 shares with a nominal value of 9 922 EUR and a share premium of 90 670 EUR were not registered in the reference period and are included in the retained earnings balance sheet balances of the reporting period under the item "Unregistered equity" (these fees were received in 2020). A total of 1 823 043 EUR was received for the remaining shares during the reporting period, of which 975 985 EUR was received in contribution and 847 058 EUR contribution in kind.

AS Bercman Technologies has entered into share call option agreements with its employees under which the employees will be entitled to acquire shares in AS Bercman Technologies in the future. On the basis of these contracts, the amounts resulting from the granting of share options in the form of equity reserves amount to 11 322 EUR (see Note 16). The same amount has been adjusted for cash flows in the "Other adjustments" line.

In connection with the acquisition of Krakul OÜ's shareholding, the shares of AS Bercman Technologies issued in the future have also been included in other reserves and have been taken into account at their fair value in the amount of 462 600 EUR (see Note 5).

Note 12 Net sales

(in Euros)

	2021	2020
Net sales by geographical location		
Net sales in European Union		
Estonia	41 183	112 931
Greece	19 488	0
Croatia	7 995	0
Lithuania	3 515	0
Latvia	3 115	0
Portugal	800	0
United Kingdom	0	11 800
Total net sales in European Union	76 096	124 731
Total net sales	76 096	124 731
Net sales by operating activities		
Sale of goods	74 835	43 970
Sale of services	1 261	80 761
Total net sales	76 096	124 731

Note 13 Other operating income

(in Euros)

	2021	2020	Note
Revenue from grants	51 093	89 018	10
Other	57	0	
Total other operating income	51 150	89 018	

Note 14 Goods, raw materials and services

(in Euros)

	2021	2020
Raw materials	-139 534	-57 212
Services purchased for resale	-2 895	-14 148
Transport expense	-1 190	-973
Logistics expense	-2 726	-264
Total goods, raw materials and services	-146 345	-72 597

Note 15 Miscellaneous operating expenses

(in Euros)

	2021	2020
Leases	-22 819	0
Miscellaneous office expenses	-1 345	-871
Travel expense	-5 497	-234
Training expense	-15 529	-2 020
State and local taxes	-109	-36
Maintenance and common services of premises	-5 333	-1 516
Accounting and auditing services	-29 350	-7 238
Legal services	-73 281	-1 300
Consultation services	-7 445	-5 096
IT and communication services	-5 621	-2 524
Advertising and marketing costs	-18 404	-112
Car costs	-6 101	-6 009
Other services	-38 921	-4 204
Other	-1 816	-2 300
Total miscellaneous operating expenses	-231 571	-33 460

Note 16 Labour expense

(in Euros)

	2021	2020
Wages and salary expense	-278 852	-91 898
Social security taxes	-92 018	-30 453
Unemployment insurance costs	-2 154	-735
Option costs	-11 322	0
Other	-509	0
Total labour expense	-384 855	-123 086
Average number of employees in full time equivalent units	10	5
Average number of employees by types of employment:		
Person employed under employment contract	10	5

AS Bercman Technologies has entered into share call option agreements with its employees under which the employees will be entitled to acquire shares in AS Bercman Technologies in the future. The cost of issuing share options is included in the line "Option costs".

A total of 130 178 EUR has been deferred from labour costs in the reporting period for own-account fixed assets (see Note 6 for details).

Note 17 Related parties

(in Euros)

Related party balances according to groups

SHORT TERM	31.12.2021	31.12.2020	Note
Payables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	345	2 389	9
Total payables and prepayments	345	2 389	

LOAN COMMITMENTS	31.12.2019	Loans received	Loans received repayments	31.12.2020	Interest accrued for period	Note
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	51 000	14 220	65 220	0	180	
Total loan commitments	51 000	14 220	65 220	0	180	

LOAN COMMITMENTS	31.12.2020	Loans received	Loans received repayments	31.12.2021	Interest accrued for period	Note
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher		48 350	48 350	0	21	
Legal person with material ownership interest and material influence of management and higher		100 000	100 000	0	1 041	
Total loan commitments	0	148 350	148 350	0	1 062	

BOUGHT	2021	2020	
	Services	Services	Non-current assets
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	4 516	5 654	22 000
Total bought	4 516	5 654	22 000

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2021	2020
Remuneration	34 857	10 684

Upon early termination of the contract of a member of the management board, which is on the initiative of the company, the members of the management board are entitled to severance pay at the threefold rate of the remuneration of the member of the management board. No other significant benefits for the members of the management board are foreseen or accounted for during the reporting period.

Note 18 Non consolidated statement of financial position

(in Euros)

	31.12.2021	31.12.2020
Assets		
Current assets		
Cash and cash equivalents	312 928	9 727
Receivables and prepayments	53 017	11 313
Inventories	92 929	68 884
Total current assets	458 874	89 924
Non-current assets		
Investments in subsidiaries and associates	1 233 600	0
Property, plant and equipment	12 536	32 161
Intangible assets	228 839	103 164
Total non-current assets	1 474 975	135 325
Total assets	1 933 849	225 249
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	28 472	59 307
Payables and prepayments	251 568	197 358
Provisions	4 168	4 168
Total current liabilities	284 208	260 833
Non-current liabilities		
Loan liabilities	4 822	0
Government grants	0	23 310
Total non-current liabilities	4 822	23 310
Total liabilities	289 030	284 143
Equity		
Issued capital	129 847	75 000
Unregistered equity	0	100 592
Share premium	1 868 788	0
Other reserves	473 922	0
Retained earnings (loss)	-234 486	-150 358
Annual period profit (loss)	-593 252	-84 128
Total equity	1 644 819	-58 894
Total liabilities and equity	1 933 849	225 249

Note 19 Non consolidated income statement

(in Euros)

	2021	2020
Revenue	76 096	124 731
Other income	51 150	89 018
Work performed by entity and capitalised	130 178	0
Raw materials and consumables used	-146 345	-72 597
Other operating expense	-231 571	-33 460
Employee expense	-384 855	-123 086
Depreciation and impairment loss (reversal)	-75 938	-41 626
Other expenses	-1 796	-11 413
Total operating profit (loss)	-583 081	-68 433
Interest expenses	-8 870	-13 737
Other financial income and expenses	-1 301	-1 958
Profit (loss) before tax	-593 252	-84 128
Annual period profit (loss)	-593 252	-84 128

Note 20 Non consolidated statement of cash flows

(in Euros)

	2021	2020
Cash flows from operating activities		
Operating profit (loss)	-583 081	-68 433
Adjustments		
Depreciation and impairment loss (reversal)	75 938	41 626
Other adjustments	-39 770	-89 018
Total adjustments	36 168	-47 392
Changes in receivables and prepayments relating to operating activities	-52 517	1 217
Changes in inventories	-19 994	36 749
Changes in payables and prepayments related to operating activities	48 715	45 262
Interest received	24	0
Proceeds from government grants	38 596	78 205
Total cash flows from operating activities	-532 089	45 608
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-178 807	-43 499
Total cash flows from investing activities	-178 807	-43 499
Cash flows from financing activities		
Loans received	156 100	59 920
Repayments of loans received	-114 346	-152 367
Interest paid	-3 642	-9 270
Proceeds from issuing shares	975 985	100 592
Total cash flows from financing activities	1 014 097	-1 125
Total cash flows	303 201	984
Cash and cash equivalents at beginning of period	9 727	8 743
Change in cash and cash equivalents	303 201	984
Cash and cash equivalents at end of period	312 928	9 727

Note 21 Non consolidated statement of changes in equity

(in Euros)

						Total
	Issued capital	Unregistered equity	Share premium	Other reserves	Retained earnings (loss)	
31.12.2019	75 000				-168 044	-93 044
Effects of correction of errors					17 686	17 686
Restated balance 31.12.2019	75 000				-150 358	-75 358
Annual period profit (loss)					-68 649	-68 649
Issue of equity		100 592				100 592
31.12.2020	75 000	100 592			-219 007	-43 415
Effects of correction of errors					-15 479	-15 479
Restated balance 31.12.2020	75 000	100 592			-234 486	-58 894
Annual period profit (loss)					-593 252	-593 252
Issue of equity	54 847	-100 592	1 868 788			1 823 043
Changes in reserves				473 922		473 922
31.12.2021	129 847		1 868 788	473 922	-827 738	1 644 819
Governing and material influence ownership interest value of financial position						-1 233 600
Governing and material influence on the value of holdings under the equity method						1 233 600
Restated non consolidated equity 31.12.2021						1 644 819