

ANNUAL REPORT 2019



CVR No 39 69 91 33
Rolundvej 23 - 5260 Odense S
The Annual Report was presented
and adopted at the Annual General Meeting
of the Company the 20 august 2020.

Peter Murmann Hartvigsen
Chairman of the General Meeting

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STATEMENT

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Kobots ApS for the financial year 1 January - 31 December 2019.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 20 august 2020
Executive Board

Peter Murmann Hartvigsen
Executive Officer

Board of Directors

Peter Murmann Hartvigsen, Chairman

Charlotte Hybschmann Jacobsen



NO GREY LITERATURE

The annual report is a comprehensive document on KOBOTS' activities throughout the previous year.

This report is intended to give our shareholders and other stakeholders information about KOBOTS' activities, future development and financial performance. This could be considered as grey literature, but trust us - it isn't.

Instead of choosing a predictable route, both as far as our general company mindset and in relation to producing an annual report, we have chosen a different way.

We invite you to look deeper into our processes and how we achieve great results. We want to show you how we provide a creative and nurturing environment for our employees; our company culture is of utmost importance to us.

*We work to create lives that are worth living,
- in a world in which we want to live.*

We are a young company, with a wealth of experience. We have a passionate and professional team when it comes to our co-workers and we have strong, dependable and enthusiastic C+suite investors, strategic partners and collaborators.

Peter Murmann Hartvigsen
CEO.

"We create the future"



THE BIG WHY

The BIG WHY

Why automate the processes in the construction industry?

Because no one else did and it's about time!

The need for change in the construction industry is apparent and it is well-known and it is feasible and within reach if some one is willing, to believe that change is possible.

This was the starting point behind the Big Why.

We want to be part of the change - not wait for it.

This is WHY

The truth behind 'The Why' is that:

'We work to create lives that are worth living, in a world in which we want to live'.

How we can best create lives that are worth living is the philosophy behind everything we do.

It is the impetus and the focal point of our organization.

The deepest wish from our founder is that we are able to make a difference to impact people's lives in a positive and inspiring way.

A way that will lead to greater personal freedom and happiness.

This statement is what anchors our organization.

These words, are words we live by.

With this philosophy and over 20 years of experience as a carpenter in the construction industry, it was natural that Peter was to develop something that would change people's lives. Through the years, he watched as friends and colleagues within the industry, began to suffer, from long working days and less time with their family. All due to a lack of efficient ways of completing time-consuming and low-value tasks. So the question is: Can we do better, yes we can. Both when it comes to long working days for the craftsmen, but at the same time improving the working environment, reducing repetitive strain injuries, musculoskeletal disorders, and reduced lung function and diseases? Largely due to the repetitive nature of the work, bad practices in occupational health and dusty work environments.



We work to create lives
that are worth living
- in a world in which we
want to live.

THE BIG WHY

It was obvious that something had to be done for the future both for the industry and for the worker.

It was now time to change and manifest a new future.

This was the beginning of the journey for KOBOTS.

The objective behind our 'Why'

The statement "We work to create lives that are worth living - in a world in which we want to live" is our vision for the future and the driving force behind KOBOTS.

The WHY has several main objectives

We want to reduce injuries, musculoskeletal disorders, and reduced lung function and diseases.

It really means everything to us, that we can help and add meaning and value to your working life every day, by taking good care of you. Bringing you safe and happy through your working days with powerful tools, that can serve you safely and efficiently, so that once you need to retire, you can enjoy your retirement, instead of being worn down physically.



Our vision is to simplify the work processes in the industry, to make them faster, easier and healthier to perform.

OUR VISION BROUGHT TO LIFE

Our vision brought to life

Our vision is brought to life through our main objectives.

Our vision is to simplify the work processes in the industry, to make them faster, easier and healthier to perform.

Our Mission – How we do it?

By being the difference we want to see in the world.

Our mission is to build collaborative robots for the construction industry that automate a range of work processes.

Maximizing productivity whilst minimizing the risk of work-related injuries from repetitive, monotonous work.



To win in the market,
you must first win
the people.

COMPANY CULTURE

To realize our vision, we need people to work with us that understand our 'WHY' and our 'VISION'. We need people that are exceptional and have the same desire towards driving our mission forward.

At KOBOTS, we have a great mix of engineers, craftsmen, developers, designers and executives with a wealth of experience in several different areas. The common factor between us all is that we have chosen to join a rapidly growing start-up organization. To be a part of this growing organization requires people that can take responsibility, work together, innovate, be flexible, be action and goal orientated, be professional and have a sense of humor. These personal skills, we seek in each and every one of us, at KOBOTS.

But why is that?

Our company culture, by definition, cannot be defined as a concept on its own. It does, however, help us to draw conclusions as to what informs us – how we work, live and play, and our beliefs. You can say that culture affects you. For example, in everyday life in Kobots' offices the culture becomes visible in the form of airy offices, with glass walls between departments, small oases with sofas where you can meet, talk about everything from complex issues on a robot to more everyday things like how it went with the daughter's dentist appointment the day before. Culture helps us understand why and how we do things by looking into current behaviour.

The culture is therefore not written down, but is done through interactions and attitudes.

You can say that we observe how others work so that we can learn how the system works.



KOBOTS is a development company that focuses on bringing collaborative robots to the construction industry.

COMPANY CULTURE

Culture is something that you create. You just have to repeat it over and over again. It works whether you've written down rules or not. In our day-to-day life, we are constantly affected by rules. If you are in a supermarket, it is expected that you queue at the checkout in an orderly fashion, even if another checkout opens whilst you are standing there.

Their purpose is to secure that we, as people, can function as a community and work as a team.

It is our cultural etiquette.

At KOBOTS we create cultural etiquette, so we can work even better as a team. For example, strengthening the social ties between the team members, is one way of working with cultural etiquette.

We know that if we do practise social events, it brings us together as a team, and strengthens relations among colleagues.

You can meet us at the Friday-bar or while we are skydiving, or just taking a walk in the nature. We allocate time for these events that our entire company participate in, even in a very busy workday.

The framework behind, is that we create and design the actions, so we meet each other - and from there build up both culture and knowledge about each other outside professional competences. It is important to us that we can develop both personally and professionally in KOBOTS.

Our management, and especially our founding CEO has, even before the creation of KOBOTS, been surrounded with people who, take responsibility, who work well together and who innovate and not to forget; people who are action-orientated and professional.

This has had a significant influence on how the company culture at KOBOTS has been developed and how it continues to grow.



Most people do
not listen with the intent
to understand
They listen with the intent
to reply.

COMPANY CULTURE

Behaviour affects others

The people who work at KOBOTS have a way of influencing each other with the way they behave. The way we work and carry ourselves, the way we speak to each other, the way we connect.

This way, we can connect more fully with our colleagues, as well as our end-users. It helps us ascertain what is needed to get the results we desire. We work together towards our shared goal of creating something of real value.

What does this mean in true terms?

It is simple. It means being able to connect with people; It is listening to what others have to say, it is about being respectful and interested in others thoughts, views and opinions. It may not give the biggest 'wow factor' as you are reading it, but in reality, to be able to listen to others, their ideas, their input and their challenges is the most powerful way to gain insight and a great place from which to take action.

At KOBOTS, we like to keep it simple yet effective.

How is this ensured?

All our offices have glass walls, so an openness is ensured.

Our CEO encourages all managers to spread information to their teams. Team members are encouraged to ask around.

Thorough interviews and personality analyzes are performed before hiring.

Our management team often evaluates and discuss if each person is thriving with his/her position - adjustments are easily and immediately performed.



Original

We are first off the block
when it comes to innovation.

COMPANY CULTURE

Creating happiness and ambassadorships

We believe that our success in the future is based on our company culture.

To win in the market, you must first win in the people. That is why the happiness of our colleagues and collaborators is of paramount importance.

That way, we create ambassadors for our organization.

A strong ambassador is not something you can buy simply by paying a decent wage or giving extra benefits.

Strong ambassadorship is developed and activated by a solid understanding of each other, our shared values and our common goals.

In an organization with many new colleagues, we must develop and grow a structure based on transparency. It is essential for everyone to have an overview of what the organization is, what it stands for and what it wants to achieve. We must be transparent about this. That way, everyone works towards the common good, everyone knows what is expected of him or her, and everyone understands the role of the individual, within that structure. 'Structure', 'transparency' and 'overview' are what our employees expressed a desire for in our organization, when asked 'what makes a happy workplace for you?'.

How do we do it

Kobots is a young company. We have been able to develop our first-generation Amigo in only two years. It started with a drawing on a napkin and today STARK has the Amigo available for sale nation wide. For an organization it is quite demanding to work at a pace that high. So, what do we do to ensure that transparency, structure and overview become part of the culture?

We do many things – both big and small.

We have a flat and informal organization – everyone has access to each other.

We have idea generation sessions – and each manager makes sure to act on the ideas selected to be pursued.



What makes a happy
workplace for you?

COMPANY CULTURE

Everybody in our company knows how to operate our robot. Cake, coffee, beer and small barbecues just outside our workshop are part of our "hygge" culture.

We are currently working on "The Koboteer Handbook – A manual for everyday life as a Kobots team member". In which structures, internal guidelines for employees, the management structure, our cultural etiquette and many other relevant info is gathered.

Our values are our power TOOL

"We work to create lives that are worth living - in a world in which we want to live."

Let's go back to the beginning and to our 'WHY?'

The above statement shows where our journey began and how, we were able to create our vision. We want to maximize productivity within the construction industry; we want to make life easier and safer. From here, we were able to develop our mission to "build collaborative robots for the construction industry that automate a range of work processes; maximizing productivity whilst minimizing the risk of work-related injuries from repetitive, monotonous work". Our values are our **power TOOL**.

These values mirror our organization and all the people with who we work. Our values are not just something we write down and then forget about. They inform everything we do, because we are the values. With this set of values, we can influence our company culture and move it in a direction that will help us support our organizational strategy and our future goals.

The values that support our power TOOL are

Trustworthy

- we are trustworthy and have confidence and belief in each other.

Open-minded

- we are open-minded and receptive and we value ideas and opinions that are different to our own.

Original

- We are first off the block when it comes to innovation. We lead the way in creating a world in which we want to live.

Likeable

- We are likeable and friendly, just like you.



Our values are our
power TOOL.

COMPANY CULTURE

There can be no doubt that even in this short space of time, that we at KOBOTS, have brought on board a strong team of people, both capable and likeable, within an incredible framework and with knowledgeable investors that believe in everything we do.

We are incredibly appreciative of all of them. Our investors don't simply trust and believe in us because of our products; they also believe in our way of connecting with people and how we view the world.

They see that we are able to take affirmative action, to reach our shared goals and that our overall strategy that leads the way in achieving these goals in the future.

How has our strong culture come about?

There is no doubt that the values and experiences of our founder is shining through. Peter is not afraid to handle conflicts quickly and directly with great knowledge of the human nature.



Likeable - We are likeable and friendly, just like you.

STRATEGY

Overall Strategy

Amigo is the craftsman's new colleague at the construction site. It can cut plasterboard fiber cement and any other boards by voice command. Amigo speaks and can ask for measurements using "cut-out templates".

The benefits of Amigo:

- The craftsman gets his hands free to make measurements, and can, by speaking the measurements to Amigo, completely avoid having to make notes of board sizes etc.
- The craftsman doesn't have to cut the board himself, thus avoiding dust from cutting, vibration from tools and poor working positions.
- The risk of incisional injuries is significantly lowered.
- The craftsman saves time by letting Amigo do the cutting work thus making him more efficient.
- Amigo is flexible and can be easily packed, transported and reassembled.
- The robot can be remotely monitored, and remote support can be provided.

At KOBOTS, we have identified that there is a significant demand to make this industry more efficient, safe and environmentally friendly.

We do this by implementing technology that assists the craftsmen, rather than replacing him or her. KOBOTS has been able to successfully respond to this need for efficiency by developing the technology platform AMIGO.

This new and beneficial technology has been brought to life by having a practical, down-to-earth approach in all aspects of its development. We realized early on that if it was in any way too challenging to operate the robot, the robot would never be utilized, and our clients would naturally avoid 'the hassle' of using it. They would undoubtedly go back to their old and trusted ways. Because of this, we have maintained, throughout the process, a clear focus on avoiding our self-invented term, 'The hassle factor'.



At KOBOTS
we have identified that there is a
significant demand to make this
industry more efficient.

STRATEGY

LONG TERM STRATEGY

Our long-term strategy will help us to construct our organization's ecosystem, a platform where we continue to build on our already strong commercial base; a platform where we create more, new and exciting applications using the AMIGO technology platform. This strategic roadmap will give KOBOTS access to a variety of branches within the construction industry in the coming years, thereby increasing the demand for and supply of, units based on the same technological platform. This ensures that our organization's ecosystem is continually evolving.

It will also ensure that we can bring new robots to the market faster than before, more cost-effectively, whilst continuing to improve on quality.

Early on, we have engaged and entered into partnership with a big actor on the construction market: STARK Group. Several other international actors are still in play.

KOBOTS AGILITY

The strategic development path that KOBOTS will pursue in the future will be alert, progressive, responsive and agile. It will distinguish itself by the funding we achieve, by the strategic partnerships we choose to enter into, and by listening and responding to the needs of our customers.

FUNDING STRATEGY

The primary purpose of our funded projects and the starting point for KOBOTS' funding strategy is that these projects support our core business.

What this means is that our development projects will ultimately help to promote digitalization and automation in the construction industry, ensuring a better working environment for the craftsmen whilst contributing to making the industry greener and more sustainable.



We listen and respond
to the needs of our
customers.

STRATEGY

FUNDING STRATEGY

A sustainable, green, industry and better working environments is the benchmark by which we determine the future direction of our organization, whether it concerns projects that evolve around the further development of our product platform or whether we participate in broader research and innovation.

We see the opportunity to obtain funding as a crucial opportunity to remain front-runners in the construction industry when it comes to creating positive change with our robots.

Kobots have received funding from several Danish funding programs. The funding has been a crucial part of the fast-paced development and could not have been done without it. We have received funding from the Danish Innovation Fund, the EU under the SME Instrument Phase 1, from the programs “Digital Omstilling”, DigitaliseringsBoost and several others administrated by ErhvervsFyn and from Energy Fyns Development Fund. Kobots is still part of the Robotics Hub in Odense Robotics and we still enjoy our very close cooperation and find that there is lots of valuable knowledge to gain from it.

KNOWLEDGE PARTNERS

We are always on the lookout for knowledge partners whose technology or knowledge complements ours. Knowledge partners can be anything from technology suppliers (white-label products that are part of our product) to educational institutions and universities. Often, there is a common interest in developing new technology together.

These types of partnerships fit well into our funding strategy where we are both involved with other companies in joint projects, or where we find a knowledge partners to participate in a development project alongside us.

We consider it essential to be at the forefront of the latest technological advancements, so these types of partnerships are very important to us.

Collaborating with knowledge partners ensures that we are leaders in our field when it comes to the incorporation of new technologies.



Our mission is to build collaborative robots for the construction industry that automate a range of work processes.

STRATEGIC PARTNERSHIPS

Focusing on finding strategic business partners is of the utmost importance for our sales and distribution and overall commercialization strategy. We must collaborate with others in the industry to ensure that we enter new markets with good impact and pace.

COMMERCIAL PATH

The AMIGO is a groundbreaking piece of technology for the construction industry, which proves that there is an obvious need for the continued development of our technology. As more of our robots enter the market, we receive more constructive feedback on them. We use this feedback to develop these existing applications further, whilst also informing the creation of any future products.

BUSINESS DEVELOPMENT

BUSINESS DEVELOPMENT ACTIVITIES

For KOBOTS, the development of new business activities is a central part of our strategy and part of the company's strategic ecosystem. To enable KOBOTS to be the frontrunners in implementing new technology, into the everyday life of craftsmen in the building industry, it is necessary to have access to the latest knowledge from the industry and most importantly from our users – the carpenters, plasterers, electricians, plumbers, masons, amongst others.

Our design department has both industrial designers and user experience designers who are essential team members and are working vigorously to get to know our users by visiting them, interviewing them and creating focus groups and many other activities. All these insights and this vast knowledge is then channeled into our business development activities.

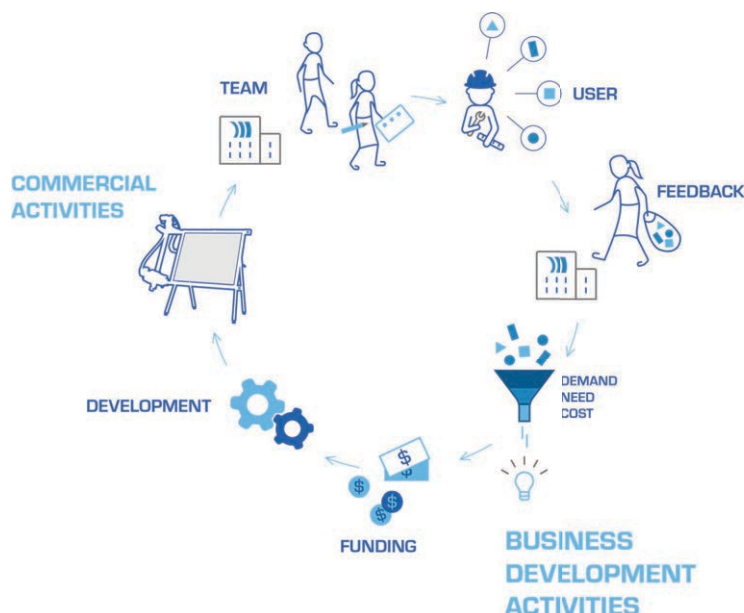


The AMIGO is a groundbreaking piece of technology for the construction industry.

BUSINESS DEVELOPMENT

The development activities are partly financed by soft funding from both international and national funding programs. At KOBOTS, we are very aware that all development requires financing. We, therefore, have a strategic and systematic approach to our funding efforts. We take soft funding seriously -understood in the sense that we are aware that when you receive funds to complete a project, the funds must be managed responsibly and with precision.

Our experienced administration team takes the lead on shaping the structures and processes and aligning them with the standards required for managing funded projects.



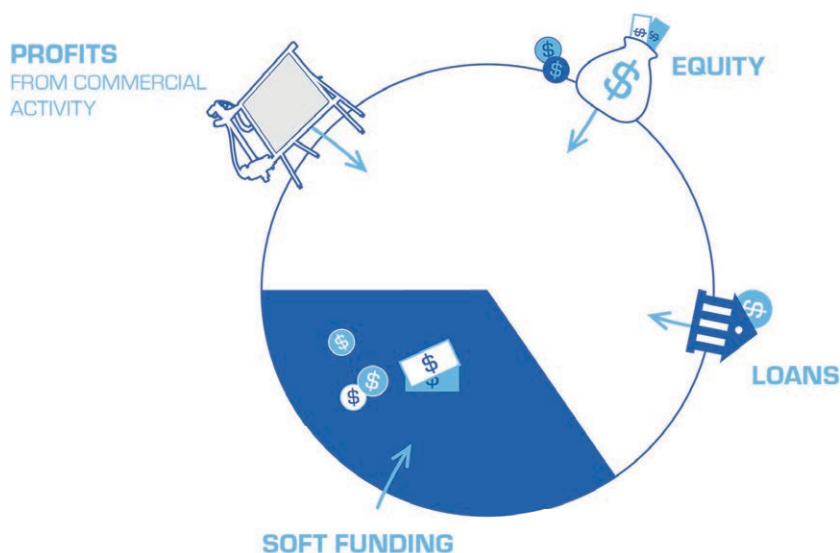
When compiling the company's budgets, we do not include soft funding.

Our approach is that although we see the commercial and the business development side of the business as part of an overall ecosystem, they are two independent units.

The activities in the two departments have no overlap.

However, they are both reliant upon each other, and there is a great deal of synergy between the sales team and the business development team, as illustrated above.

The part of the business development activities that does not consist of soft funding is self-financing. The self-financing parts of the costs are financed with profit from commercial activities, equity from investments, and loans.



BUSINESS DEVELOPMENT

Another prerequisite for staying ahead of development is collaboration. KOBOTS' business is highly dependent on the many committed partners we have through funding, business development and knowledge sharing.

The strong relationships with knowledge institutions, business partnerships, clusters and business promoters, form the foundation of our business development activities both nationally and internationally. We are always looking for new collaborations and partnerships, and it is part of our strategy to participate in international development projects where we can take an active role in moving the construction industry in a more digital and environmentally friendly direction.



In our design approach the user friendliness of our robots is a central focal point and we are constantly working on improving the design and intuitiveness. That is why our Amigo robots now have blue grips for disassembly, intuitively showing the craftsmen, that all grips and parts that are blue, are parts that he or she need to use. We have also designed our own icons for the user documentation which are reflected in the app and on the robot. For easy instructions we are making simple instruction videos and guides on how to use specific functionalities and cutting templates.



Another prerequisite
for staying ahead of
development is
collaboration.

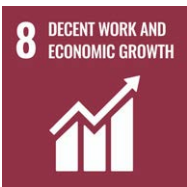
SUSTAINABLE GOALS



5.2 Women must be assured full and effective participation and equal opportunities for leadership at all levels of decision-making.

At KOBOTS, we are very aware of the value women bring to teams and organizations. But that is not why we have a high proportion of women at all levels of the company, including management and board of directors. 40% of the Koboteers are women. The reason for this relatively high percentage of women in our organization is that we have hired the most qualified person for each position, regardless of gender.

We see each other as equal and gender equality as natural.



8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including a focus on value-added and labor-intensive sectors.

KOBOTS's core business is implementing robots into the construction industry, thereby improving the industry in terms of efficiency, safety and environmental friendliness. The construction industry has been slow to integrate and adapt new technologies and automation. Tools and machines need to be extremely user friendly and hassle-free. That's why we at KOBOTS put user input extremely high on our list of priorities and why we do not compromise when it comes to listening to the needs of our clients.



SUSTAINABLE GOALS



9.2. Inclusive and sustainable industrialization must be promoted, and the industry's share of employment and gross domestic product must be significantly increased.

KOBOTS works with innovative technological solutions that support a sustainable business form.

For us, sustainability is several things; first and foremost, we need to work and operate in a way that allows us to continue both physically and mentally for many years without getting sick or worn out. For us, a psychologically healthy work environment is just as crucial as raising and lowering tables whilst ergonomically correcting screen height.

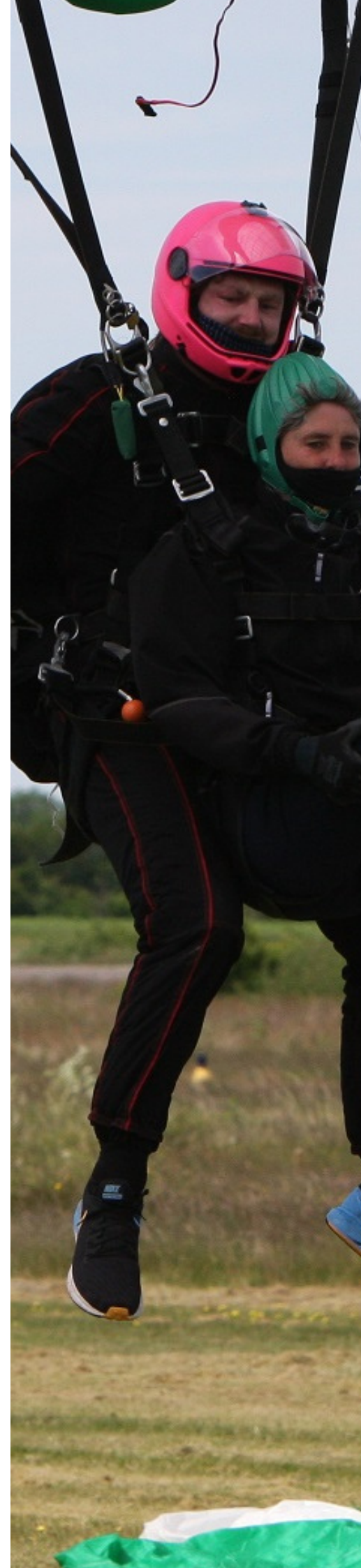
At the same time, we at KOBOTS focus on minimizing waste of resources so that we reduce the carbon footprint we leave on the planet. We are incredibly aware that the industry our products are developed for, account for 60% of Denmark's total CO2 emissions. We work actively to help influence the industry in a positive direction in this area. We do this, amongst other things, by leading and participating in projects that can help to re-think waste management and residual materials.

In the construction industry there are many obstacles to improving and optimizing the use of materials.

It is no simple task. We see several opportunities that our robots can help take advantage of. One is keeping track of residual pieces of plaster boards when cutting materials. Many of the residuals can be kept and used for later use. BUT the main challenge is not the technical challenge of keeping track of residuals and making the craftsman aware that they can use it again – the main challenge is changing a mindset and reducing the cost of actually putting the residual pieces to use. The main reason for this is that the main cost driver seen from the contractors' perspective is not the residual materials, but the time spend by the craftsman handling them.

From a societal perspective there might be a lot to gain from rethinking the use of residuals, but how can this perspective be included when the math of bidding on a job needs to be done by the contractor?

These mechanisms need to be part of the equation for Kobots in order to create real change in the construction sites' use of resources.



SUSTAINABLE GOALS



12.2. By 2030, achieve the sustainable management and efficient use of natural resources.

Through automation, data collection and knowledge of the construction industry, we at KOBOTS, work to improve efficiency and reduce material waste by up to 30% within our field. Construction is one of the industries that leave the most significant carbon footprint on our planet. With relatively simple means, there is a huge benefit to be gained for society and the world as a whole. Our goal at KOBOTS is to optimize, improve and reduce waste. Our goal is to be part of the change we want to see in the world.

"Our goal is to be part of the change we want to see in the world."



COMPANY INFORMATION

KOBOTS ApS

Rolundvej 23
DK-5260 Odense S

CVR NO: 39 69 91 33

01.07.18

Financial Period: 1 January – 31 december

Municipality of reg. Office: Odense

Board of Directors

Peter Murmann Hartvigsen
Charlotte Hybschmann Jacobsen

Excetutive Board

Peter Murmann Hartvigsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. Og 4. Sal
DK-5230 Odense M.



Practitioner's Statement on Compilation of Financial Statements

To the Management of Kobots ApS.

We have compiled the Financial Statements of Kobots ApS for the financial year 1 January - 31 December 2019 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

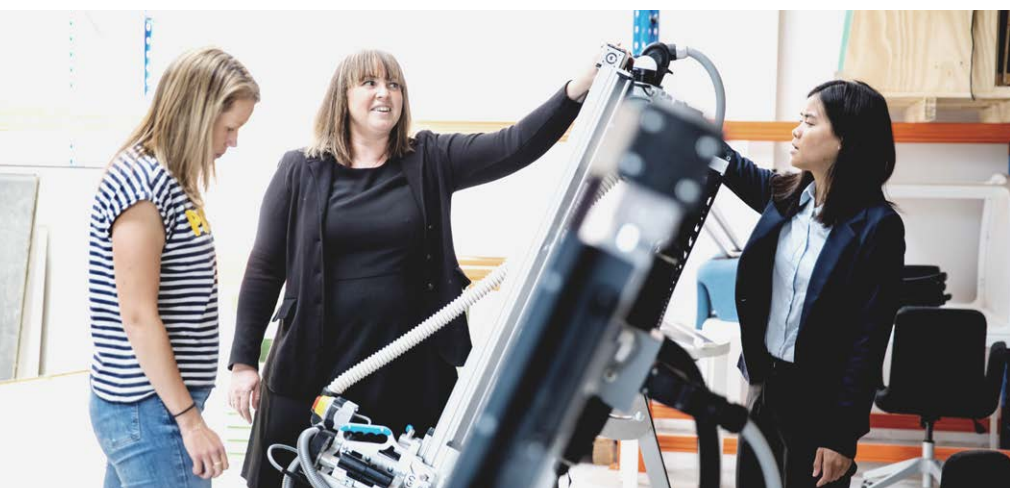
We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility. As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Odense, 20.8 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Brian Petersen
Statsautoriseret revisor
mne33722



The development activities are partly financed by soft funding from both international and national funding programs.

Management's Review

Financial Statements of Kobots ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The Company's object is to develop and commercialise robot solutions and software for business enterprises as well as related activities.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 524.645 and at 31 December 2019 the balance sheet of the Company shows equity of DKK 10,029,832.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



We are always looking for
new collaborations
and partnerships.

MANAGEMENT'S COMMENTARY

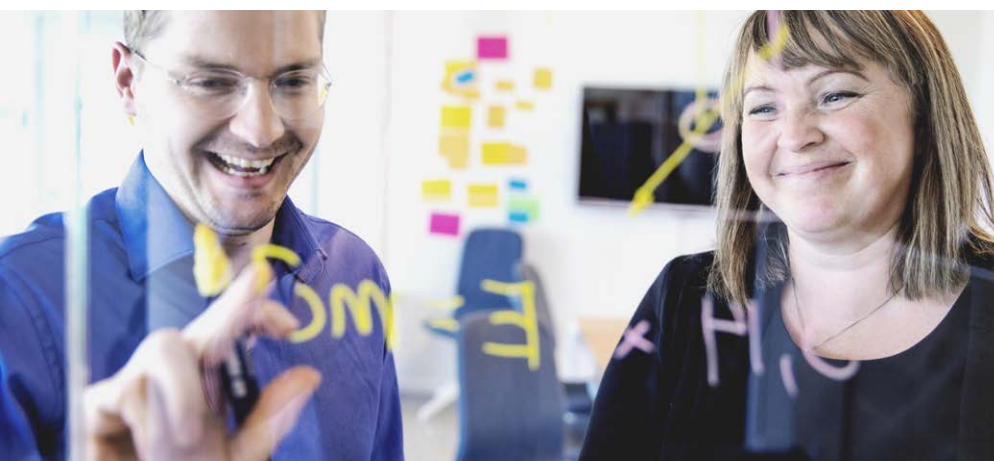
KOBOTS have developed two collaborative mobile and voice-activated cutting robots, aptly named the AMIGO 912 and the AMIGO 925.

The AMIGO 912 is a smaller version of the 925 and affectionately known as the 'little brother'.

Both models are hassle-free and very simple to use, increasing efficiency, making fewer cuts and performing tasks with less physical effort.

Phase 1 of the sales and distribution process of the AMIGO models focuses on sales to the construction industry in Denmark. Phase 2 will see an increase in worldwide sales.

KOBOTS is a young and exciting start-up, established in 2018. It is a world-class organization, with an incredibly creative and competent team, working in unison and ensuring that the development of the AMIGO series was uncommonly fast while continuing to remain cost-effective. Thanks to our hardworking, flexible team, and their rapid development of the AMIGO series, we are proud to have secured our first sale early in 2020.



You can meet us at the
friday-bar or for Skydiving,
or just to a walk in the nature.

MANAGEMENT'S COMMENTARY

2019 - 2020 DEVELOPMENT

KOBOTS's owners have self-financed the development of the AMIGO 912 & 925.

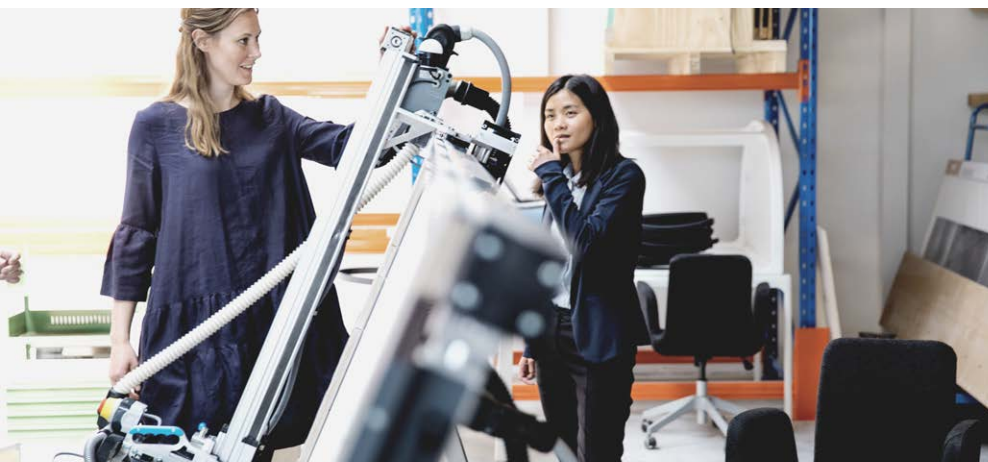
The company's income statement for 2019 showed an initial loss of DKK 524.645.

Subsequently, at the end of December 2019, the company's balance sheet showed an increase in the amount of equity to DKK 10,029.832. This increase was due to the completion of an investment round, which secured the capital for the future development of the company.

Since then, we have concentrated on strengthening the organization from within, ready for commercial growth in 2020. The focus has been on increased customer service and support, as well as production.

The vast majority of our staff are engineers that have worked on the development of the AMIGO series.

We also have a very strong sales and marketing team dedicated to promoting and selling our products.



40%

ARE WOMEN

MANAGEMENT COMMENTARY

2020 - EXPECTATIONS

The onset of COVID-19 caused a slight shift in activity in comparison to our expectations for 2020.

It is still too early to say how this will affect the company, but the management team is working tirelessly to ensure that any potential loss will be minimal.

In 2020, KOBOTS will continue to work on existing products, as well as on developing new ones.

We expect to be strengthening the company by employing more sales and more production professionals, in line with the increase in demand for our products.



It has to be
so easy
that everyone
can use the solution.

Income Statement 1 January - 31 december

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		1.086.035	122.867
Staff expenses	3	-1.681.831	-226.146
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-1.701	0
Profit/loss before financial income and expenses		-597.497	-103.279
Financial expenses	5	-91.849	-2.566
Profit/loss before tax		-689.346	-105.845
Tax on profit/loss for the year	6	164.701	26.922
Net profit/loss for the year		-524.645	-78.923

Distribution of profit

Proposed distribution of profit

Retained earnings	-524.645	-78.923
	-524.645	-78.923



Userfriendly.

Balance Sheet 31 December

ASSETS

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Development projects in progress		5.158.596	1.112.107
Intangible assets	7	5.158.596	1.112.107
Leasehold improvements		100.366	0
Property, plant and equipment	8	100.366	0
Fixed assets		5.258.962	1.112.107
Other receivables		373.746	293.614
Corporation tax		891.031	244.664
Corporation tax receivable from group enterprises		79.919	0
Prepayments		60.000	0
Receivables		1.404.696	538.278
Cash at bank and in hand		5.437.028	0
Currents assets		6.841.724	538.278
Assets		12.100.686	1.650.385



Trustworthy - we are
trustworthy and have
confidence and belief in
each other.

Balance Sheet 31 December

LIABILITIES & EQUITY

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		74.079	50.000
Reserve for development costs		4.023.704	867.443
Retained earnings		5.932.049	-946.366
Equity		10.029.832	-28.923
Provision for deferred tax		779.327	217.742
Provisions		779.327	217.742
Credit institutions		0	222.755
Trade payables		879.135	1.014.576
Payables to group enterprises		231.000	131.000
Other payables		181.392	93.235
Short-term debt		1.291.527	1.461.566
Debt		1.291.527	1.461.566
Liabilities and equity		12.100.686	1.650.385
Going concern	1		
Subsequent events	2		
Key activities			
Contingent assets, liabilities and other financial obligations	9		
Accounting Policies	10		



We value ideas and
opinions that are different
to our own.

Balance Sheet 31 December

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50.000	0	867.443	-946.366	-28.923
Debt conversion	4.103	2.582.436	0	0	2.586.539
Cash capital increase	19.976	7.976.885	0	0	7.996.861
Development costs for the year	0	0	3.156.261	-3.156.261	0
Net profit/loss for the year	0	0	0	-524.645	-524.645
Transfer from share premium account	0	-10.559.321	0	10.559.321	0
Equity at 31 December	74.079	0	4.023.704	5.932.049	10.029.832



We are able to make a difference to impact people's lives in a positive and inspiring way.

Notes to the Financial Statements

1. Going concern

Due to COVID-19, Management expects to see a change in activities compared to expectations before the COVID-19 outbreak.

The Company is in good dialogue with its stakeholders about the future.

Based on the initiatives already implemented, a positive cash flow is expected for 2020.

Management is monitoring the financial performance very closely, and work is still ongoing to optimise operations/liquidity for 2020; consequently, the Financial Statements are prepared under the going concern principle.

2 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. It is still too early yet to give an opinion on the extent to which COVID-19 will impact revenue and earnings in 2020.

An agreement has been reached with the bank on future credit limits to support the development of KOBOTS.

3 Staff expenses

	2019 DKK	2018 DKK
Wages and salaries	1.456.986	224.550
Pensions	98.850	0
Other social security expenses	16.964	1.596
Other staff expenses	109.031	0
	1.681.831	226.146
Average number of employees	3	1

4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation of property, plant and equipment	1.701	0
	1.701	0



At KOBOTS, we like to keep it simple but effective.

Notes to the Financial Statements

5 Financial expenses

	2019 DKK	2018 DKK
Interest paid to group enterprises	83.368	0
Other financial expenses	8.481	2.566
	91.849	2.566


6 Tax on profit/loss for the year

Current tax for the year	-890.228	-244.664
Deferred tax for the year	725.527	217.742
	-164.701	-26.922

7 Intangible assets

	Development projects in progress DKK
Cost at 1 January	1.112.107
Additions for the year	4.046.489
Cost at 31 December	5.158.596
Carrying amount at 31 December	5.158.596

The development project relates to the development of cooperative, mobile, voice-controlled robots for the construction industry. This is the Company's second year; however, the development process progresses as planned with the use of the resources allocated by Management.



We believe that our success in the future is based on our company culture.

Notes to the Financial Statements

8 Property, plant and equipment

	Leasehold improvements DKK
Cost at 1 January	0
Additions for the year	102.067
Cost at 31 December	102.067
Impairment losses and depreciation at 1 January	0
Depreciation for the year	1.701
Impairment losses and depreciation at 31 December	1.701
Carrying amount at 31 December	100.366
Depreciated over	5 years

9 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Hart Holding ApS, which is the management company of the joint taxation purposes.

Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilities at 31 December 2019.



At KOBOTS we create culture, so we can work even better as a team.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Kobots ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.



Alone we can do so little
together we can do so much.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

10 Accounting Policies (continued)

Gross profit/loss

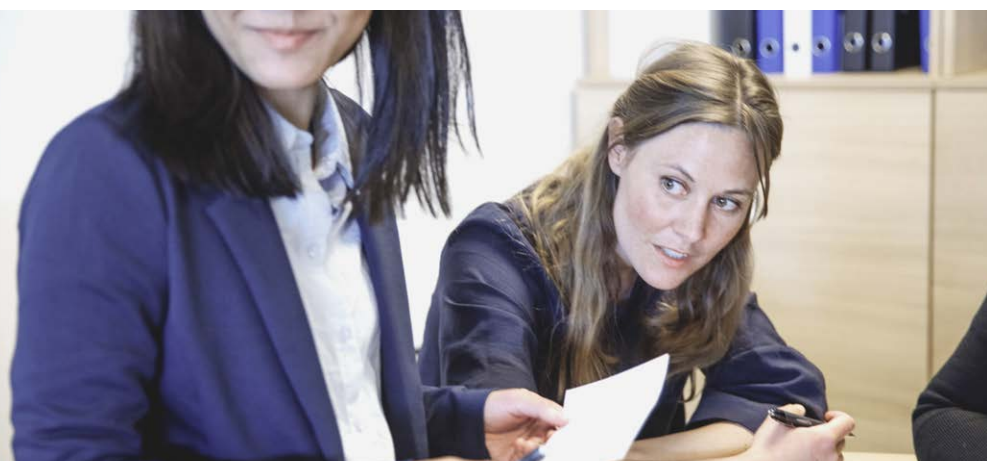
With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.



What makes a great Team?

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year.

The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets.

This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs".

The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.



At KOBOTS we focus on
minimizing waste of
resources.

Notes to the Financial Statements

10 Accounting Policies (continued)

Property, plant and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements 5 years.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.



We want to make a difference to impact people's lives in a positive and inspiring way.

Notes to the Financial Statements

10 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.



Don't wait for the future.
CREATE IT!

