

ROBOTTO CO APS
NIELS JERNES VEJ 10, 9220 AALBORG ØST
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 5 July 2024**

Kenneth Richard Geipel

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 40 93 32 63

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COMPANY DETAILS

Company	Robotto Co ApS Niels Jernes Vej 10 9220 Aalborg Øst CVR No.: 40 93 32 63 Established: 14 November 2019 Financial Year: 1 January - 31 December
Board of Directors	Morten Trap Wiegandt Laust Nielsen Søndergaard Ole Schack Petersen Kenneth Richard Geipel
Executive Board	Kenneth Richard Geipel
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
Bank	Jyske Bank

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Robotto Co ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

The Board of Directors and Executive Board remain of the opinion that the conditions for opting out of audit have been fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 5 July 2024

Executive Board

Kenneth Richard Geipel

Board of Directors

Morten Trap Wiegandt

Laust Nielsen Søndergaard

Ole Schack Petersen

Kenneth Richard Geipel

AUDITOR´S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholders of Robotto Co ApS

We have compiled these Financial Statements of Robotto Co ApS for the financial year 1 January - 31 December 2023 based on the Company's accounting records and other information provided by Management.

These Financial Statements comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), including principles of integrity, objectivity, professional behaviour, and due care.

These Financial Statements and the accuracy and completeness of the information used to compile these Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile these Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Aalborg, 5 July 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 20 22 26 70

Peter Nørrevang
State Authorised Public Accountant
MNE no. mne11706

MANAGEMENT COMMENTARY

Principal activities

The object of the company is to conduct business with development, production and sale of autonomous drone technology and possibly develop and consult general robotics technology, as well as related business at the discretion of the board.

Recognition and measurement uncertainty

Due to the company specific activity as a development company there is a natural uncertainty related to the measurement of the company's development. The carrying amount of the development project is based on the management's positive expectations to the future.

Development in activities and financial and economic position

2023 was a pivotal year for Robotto. Despite not achieving our end result expectations due to several projects being postponed into 2024, we experienced growth and made strategic advancements that have strengthened our foundation and positioned us for future success.

We successfully expanded our team, welcoming a new Chief Commercial Officer, Jonathan Cummins, who brings invaluable experience and strategic vision to our commercial operations. To accommodate our growing team and enhance operational efficiency, we moved to larger offices. This relocation not only provides a better working environment but also supports our future expansion plans.

Our culture of innovation and collaboration remains at the core of Robotto's identity. We fostered an environment where creativity and teamwork thrive, driving our progress and setting the stage for future advancements. The integration of new technologies and innovative practices has been instrumental in enhancing our service offerings and maintaining our competitive edge in the market.

As we move into 2024, our focus will be on capitalizing on the groundwork laid in 2023. The postponed projects will come to fruition, providing a strong start to the year.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		1.797.359	766.322
Staff costs.....	1	-2.393.393	-1.490.320
Depreciation, amortisation and impairment losses.....		-89.134	0
OPERATING LOSS		-685.168	-723.998
Other financial income.....		990	0
Other financial expenses.....		-106.345	-24.030
LOSS BEFORE TAX		-790.523	-748.028
Tax on profit/loss for the year.....	2	66.000	164.310
LOSS FOR THE YEAR		-724.523	-583.718
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-724.523	-583.718
TOTAL		-724.523	-583.718

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed.....		2.435.233	0
Development projects in progress and prepayments.....		1.673.796	2.705.815
Intangible assets.....	3	4.109.029	2.705.815
Equity investments in group enterprises.....		50.000	0
Rent deposit and other receivables.....		26.548	12.306
Financial non-current assets.....	4	76.548	12.306
NON-CURRENT ASSETS.....		4.185.577	2.718.121
Deferred tax assets.....		368.000	302.000
Other receivables.....		69.820	99.872
Corporation tax receivable.....		0	27.310
Prepayments and accrued income.....		0	2.980
Receivables.....		437.820	432.162
Cash and cash equivalents.....		258.407	1.155.561
CURRENT ASSETS.....		696.227	1.587.723
ASSETS.....		4.881.804	4.305.844

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share capital.....		57.800	57.800
Reserve for development costs.....		3.205.043	2.110.536
Retained earnings.....		-2.871.740	-1.052.710
EQUITY.....		391.103	1.115.626
Convertible and interest-bearing debt instruments.....		750.509	801.503
Other liabilities.....		21.631	20.531
Non-current liabilities.....	5	772.140	822.034
Trade payables.....		25.761	65.858
Other liabilities.....		442.832	173.010
Accruals and deferred income.....		3.249.968	2.129.316
Current liabilities.....		3.718.561	2.368.184
LIABILITIES.....		4.490.701	3.190.218
EQUITY AND LIABILITIES.....		4.881.804	4.305.844
 Information on uncertainty with respect to recognition and measurement	 6		

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023.....	57.800	2.110.536	-1.052.710	1.115.626
Proposed profit allocation.....			-724.523	-724.523
Other legal bindings				
Capitalized development costs.....		1.094.507	-1.094.507	0
Equity at 31 December 2023.....	57.800	3.205.043	-2.871.740	391.103

NOTES

			Note
Staff costs			1
Average number of employees	5	4	
Wages and salaries.....	2.256.661	1.434.160	
Social security costs.....	34.801	34.671	
Other staff costs.....	101.931	21.489	
	2.393.393	1.490.320	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	0	-27.310	
Adjustment of deferred tax.....	-66.000	-137.000	
	-66.000	-164.310	
Intangible assets			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 January 2023.....	2.705.815	2.705.815	
Additions.....	0	1.673.796	
Disposals.....	0	-2.705.815	
Cost at 31 December 2023.....	2.705.815	1.673.796	
Amortisation for the year.....	270.582	0	
Amortisation at 31 December 2023.....	270.582	0	
Carrying amount at 31 December 2023.....	2.435.233	1.673.796	
<p>Robotto is currently developing to implement LiDAR data into their offerings, to be used within the current line of search and rescue and wildfire mapping. Furthermore, Robotto are developing the platform to be integrated with Fixed-Wing drones to expand our offering to larger operations within the first responder vertical, or to larger wildlife parks for census and anti-poaching.</p>			
Financial non-current assets			4
	Equity investments in group enterprises	Rent deposit and other receivables	
Cost at 1 January 2023.....	0	12.306	
Additions.....	50.000	14.242	
Cost at 31 December 2023.....	50.000	26.548	
Carrying amount at 31 December 2023.....	50.000	26.548	

NOTES

					Note
Long-term liabilities	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities	5
Convertible and interest-bearing debt instruments.....	750.509	0	0	801.503	
Other liabilities.....	21.631	0	0	20.531	
	772.140	0	0	822.034	

Information on uncertainty with respect to recognition and measurement **6**
 Due to the company specific activity as a development company there is a natural uncertainty related to the measurement of the company's development. The carrying amount of the development project is based on the management's positive expectations to the future.

ACCOUNTING POLICIES

The Annual Report of Robotto Co ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Gross profit

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Financial non-current assets

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.