

ROBOTTO CO APS
NIELS JERNES VEJ 10, 9220 AALBORG ØST
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 4 July 2022**

Kenneth Richard Geipel

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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 Registered Office: Aalborg Financial Year: 1 January - 31 December
Board of Directors	Morten Trap Wiegandt Laust Nielsen Søndergaard Christian Löken Sparrevohn Ole Schack Petersen Kenneth Richard Geipel
Board of Executives	Kenneth Richard Geipel
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
Bank	Jyske Bank

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Robotto Co ApS for the financial year 1 January - 31 December 2021.

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 financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

The board of directors and board of executives 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, 4 July 2022

Board of Executives

Kenneth Richard Geipel

Board of Directors

Morten Trap Wiegandt

Laust Nielsen Søndergaard

Christian Löken Sparrevohn

Ole Schack Petersen

Kenneth Richard Geipel

ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

To the Shareholders of Robotto Co ApS

We have compiled the Financial Statements of Robotto Co ApS for the financial year 1 January - 31 December 2021 based on the Company's accounting records and other information provided by Management.

The Financial Statements comprise a summary of income statement, balance sheet, statement of changes in equity, notes and significant 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 the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

The Financial Statements and the accuracy and completeness of the information used to compile the 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 the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Aalborg, 4 July 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 20 22 26 70

Peter Nørrevang
State Authorised Public Accountant
MNE no. mne11706

MANAGEMENT'S REVIEW

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.

Uncertainty as to recognition and measurement

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 position

The year that we've gone through have been heavily revolved around the final development of AWRA. As the pandemic did not allow for business travel or conferences previously scheduled, most activities have been with developing and testing locally with North Jutlands Emergency Service, as well as the GRAF firefighters in Spain. The Footprint Firm investment of 2021 will allow Robotto to ramp up the commercial side, as AWRA is ready to go to market.

Significant events after the end of the financial year

The company have post-closure of the period signed and executed an equity capital increase.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
GROSS PROFIT		690.498	-333.520
Staff costs.....	1	-1.692.765	-742.180
OPERATING LOSS		-1.002.267	-1.075.700
Other financial income.....		10.010	2.744
Other financial expenses.....		-2.470	-12.585
LOSS BEFORE TAX		-994.727	-1.085.541
Tax on profit/loss for the year.....	2	293.031	270.373
LOSS FOR THE YEAR		-701.696	-815.168
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-701.696	-815.168
TOTAL		-701.696	-815.168

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Development projects in progress and prepayments.....		1.810.927	678.967
Intangible fixed assets	3	1.810.927	678.967
Rent deposit and other receivables.....		21.649	19.496
Fixed asset investments	4	21.649	19.496
FIXED ASSETS		1.832.576	698.463
Deferred tax assets.....		165.000	121.000
Other receivables.....		23.877	45.403
Corporation tax receivable.....		249.031	149.373
Prepayments and accrued income.....		11.214	18.947
Receivables		449.122	334.723
Cash and cash equivalents		0	556.775
CURRENT ASSETS		449.122	891.498
ASSETS		2.281.698	1.589.961

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital.....		57.800	40.000
Reserve for development costs.....		1.412.523	529.594
Retained earnings.....		229.021	-1.344.762
EQUITY.....		1.699.344	-775.168
Convertible and interest-bearing debt instruments.....		0	2.160.010
Other liabilities.....		20.531	20.531
Long-term liabilities.....	5	20.531	2.180.541
Bank debt.....		11.953	695
Trade payables.....		25.813	98.125
Other liabilities.....		225.585	85.768
Accruals and deferred income.....		298.472	0
Current liabilities.....		561.823	184.588
LIABILITIES.....		582.354	2.365.129
EQUITY AND LIABILITIES.....		2.281.698	1.589.961
 Information on uncertainty with respect to recognition and measurement	 6		

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021.....	40.000	529.594	-1.344.762	-775.168
Capital increase.....	17.800		2.882.200	2.900.000
Cost of capital increase.....			-123.791	-123.791
Purchase of own equity investments.....			-1	-1
Sale of own equity investments.....			400.000	400.000
Proposed distribution of profit.....			-701.696	-701.696
Transferred to reserve for development costs.....		882.929	-882.929	
Equity at 31 December 2021	57.800	1.412.523	229.021	1.699.344

NOTES

	2021 DKK	2020 DKK	Note
Staff costs			1
Average number of employees 4 (2020: 2)			
Wages and salaries.....	1.649.499	712.066	
Social security costs.....	28.898	6.165	
Other staff costs.....	14.368	23.949	
	1.692.765	742.180	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-249.031	-149.373	
Adjustment of deferred tax.....	-44.000	-121.000	
	-293.031	-270.373	
Intangible fixed assets			3
		Development projects in progress and prepayments	
Cost at 1 January 2021.....		678.967	
Additions.....		1.131.960	
Cost at 31 December 2021.....		1.810.927	
Carrying amount at 31 December 2021.....		1.810.927	
<p>The development project constitutes search and rescue and powerline inspection use-cases, which are still actively being developed. Market studies show that there is a high demand for this new type of product, and that there exists little to no competitors on the market. The management have high expectations to the product line, and there are no indications for the need to write down the accounted value.</p>			
Fixed asset investments			4
		Rent deposit and other receivables	
Cost at 1 January 2021.....		19.496	
Additions.....		2.153	
Cost at 31 December 2021.....		21.649	
Carrying amount at 31 December 2021.....		21.649	

NOTES

					Note
Long-term liabilities					5
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities	Current portion at the beginning of the year
Convertible and interest- bearing debt instruments.....	0	0	0	2.160.010	0
Other liabilities.....	20.531	0	0	20.531	0
	20.531	0	0	2.180.541	0

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 2021 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

In accordance with section 32 of the Danish Financial Statements Act, revenue, other operating income, operating costs, and other external costs are comprised into the financial statement caption gross profit.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

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.

ACCOUNTING POLICIES

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.

Fixed asset investments

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.

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.