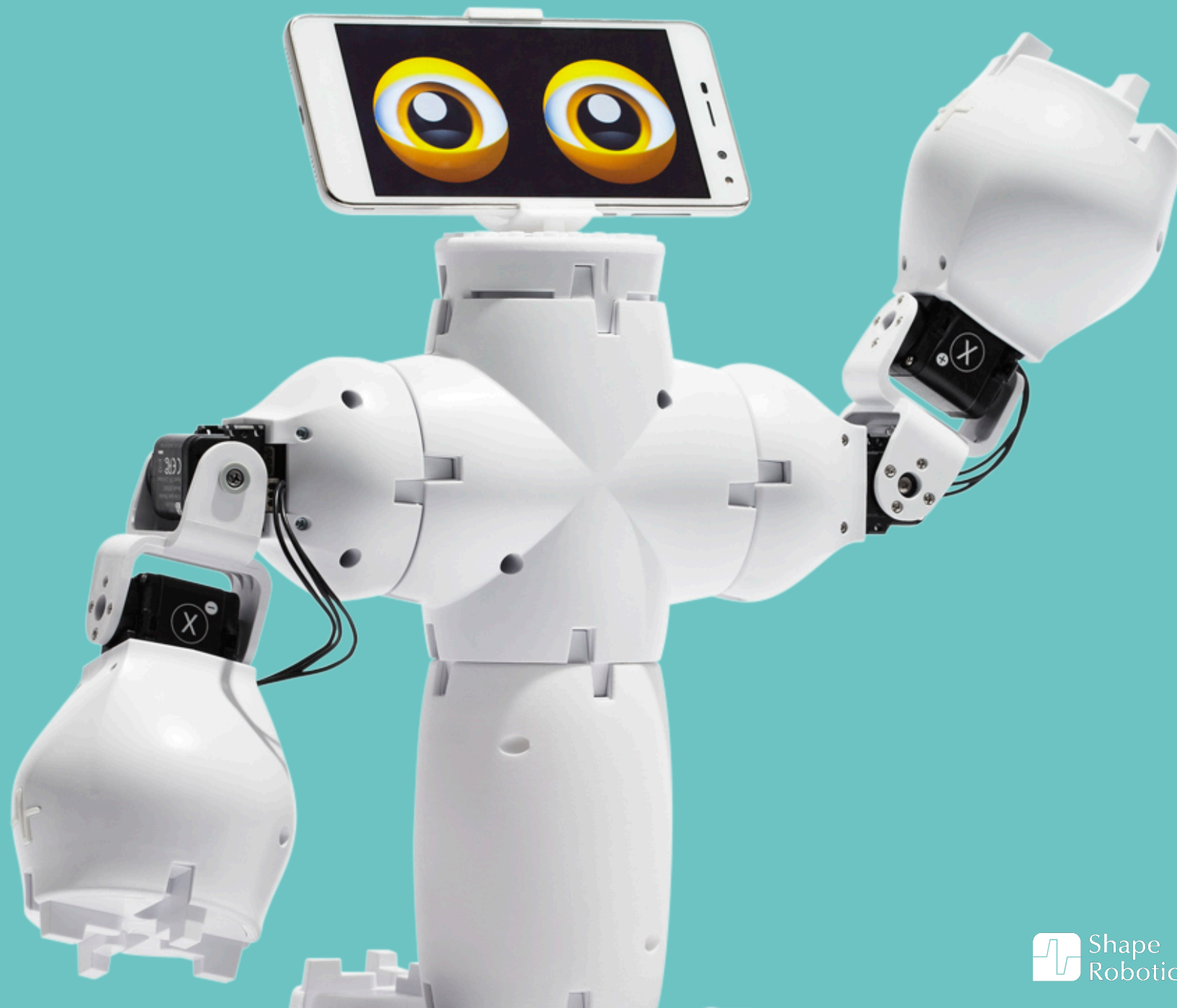


Shape Robotics

Interim report
January-June 2020



Contents

Summary 3

- The public offering
- The sale outside Denmark is growing
- The gross margin is improved
- Full year outlook 2020

Management review 7

- Financial Highlights
- Letter from the CEO

Financial statements 9

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the financial statements

Statement by the Board and Executive Management 13

On August 25 2020, the Board of Directors has accepted the interim report for the first half year of 2020 (January 1 – June 30).

The interim report is unaudited.



The public offering of shares in Shape Robotics in June 2020 was heavily oversubscribed

Shape Robotics was listed on Nasdaq First North Growth Market Denmark on June 25 2020.

Subscription commitments for a total of 1,841,713 new shares were given by 28 cornerstone investors during the pre-subscription period, representing a market value of DKK 18.049 million.

During the subscription period, the Company received 4,305 orders for a total of 14,309,844 additional new shares, representing a value of DKK 140.2 million.

In total, subscriptions were made corresponding to a market value of approximately DKK 158.25 million. The total offering of 27.0 MDKK was thus oversubscribed by a factor of 5.9 times. The new shares available in the public offering (excluding pre-commitments from cornerstone investors) were oversubscribed by a factor of 15.7 times.

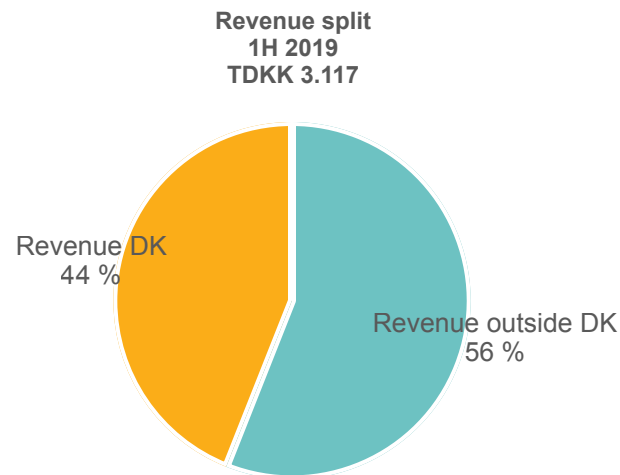
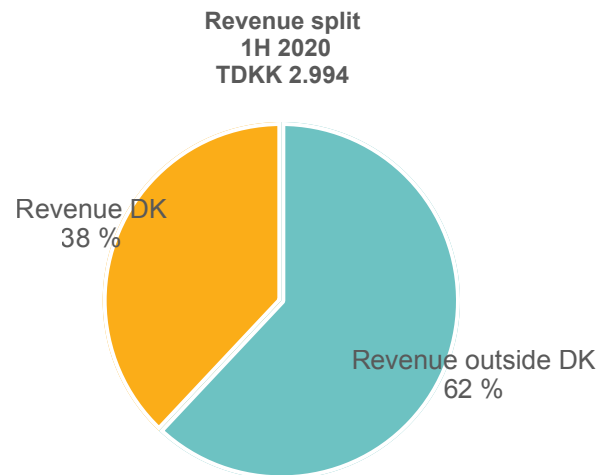
"We were truly overwhelmed by the interest in our company during the IPO, both from cornerstone investors and the public offering. With the finances in place, we are now ready to commence our strategies and scale up the business."

André Reinhard Fehr, CFO

The export market continue to grow as the Company increase brand awareness and programming becomes mandatory in the school curriculum.

Sales highlights for 1H, 2020

- The revenue from resellers and distributors is growing.
- After months of lockdown, the resellers and distributors started to place orders again in June.
- June was the month with the highest order intake in 2020, at ~1,4 MDKK.
- After COVID-19; there is an even bigger need for schools and institutions to teach digitalization skills as a part of their curriculum, such as programming, coding and the use of robots.



”Spending on robotics in education is estimated to reach USD 3.1 billion by 2025 from USD 1.3 billion in 2018. We now see that the queries for our robots and services outside Denmark is rapidly growing, and with the proceedings from the IPO, we are now ready to conquer and expand to markets outside Denmark.”

Rikke Møgelvang, CCO

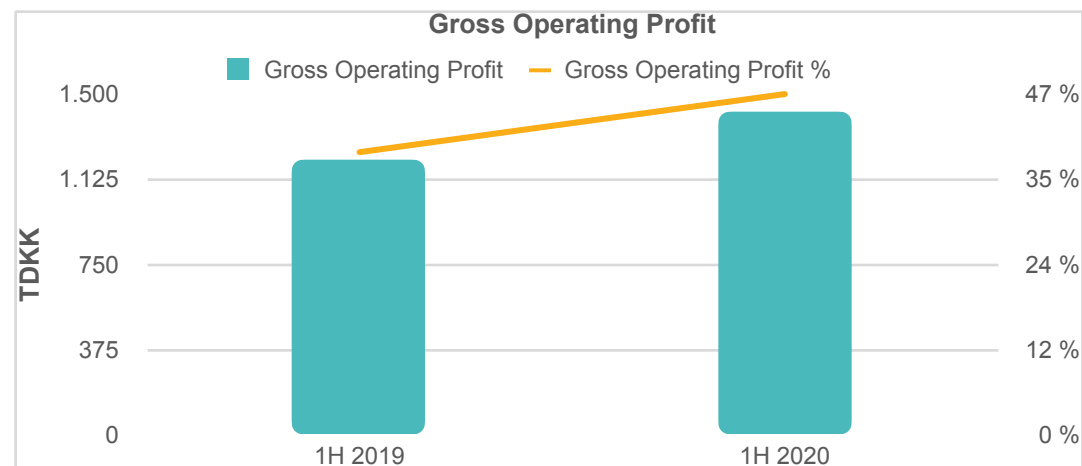
Gross Margin increased due to outsourcing of assembly and production

Production highlights 1H, 2020

At the end of 2019, the Company began several processes to improve the margin on the products

- outsourcing the assembly of robots and accessories to sub suppliers (ETK EMS A/S and SP Group A/S), which had previously all been assembled in Farum.
- An engineer was hired solely to work on reducing costs on various items used for the robots
- Larger batches of items were purchased

The result so far is that, the Company has achieved more economy of scale, flexibility, and better prices, all of which is noticeable in the interim report for the first half year of 2020, as the Gross Operating Profit in % has increased from 35% in the reference period to 47% in the first 6 months of 2020.



"We are starting to see the benefits of having the assembly handled by our suppliers, both in terms of the financial side, as well as the delivery speed. We are now looking into outsourcing most of our product portfolio, so that we are equipped for scaling up."

Moises Pacheco, CTO

Confidence in the future – robots and programming are here to stay

Full year outlook, 2020

- Before the COVID-19 outbreak, the Company was expecting a growth of 90% in 2020, but as a result of the lockdown in schools and educational institutions all around the world, large orders were cancelled or postponed. Even so, the Company expect that the growth will commence again in Q4, and expect the revenue, on average, to grow with 80% per annum from 2021, just as the revenue has grown more than 100% per annum since the first robots were shipped in 2017.
- Despite the lockdowns, the Company has realized a revenue of 3 MDKK in the first half of the year, which is at the same level as the revenue for the same period last year.
- At the closing of 1H 2020, the Company has orders for ~ 1 MDKK not shipped or invoiced, which will follow into Q3.
- The Company maintains the expectations, communicated in the prospectus, for the fiscal year of 2020, with an expected revenue of 7,5 - 8,5 MDKK.
- For the rest of this year – as a result of the IPO proceedings – the Company will also focus on the hiring of key sales and marketing personnel; scale-up the onboarding of new resellers in key growth markets, as well as maintain the existing sales network.

Financial Targets

- Average revenue growth rate of more than 80% per annum between 2021 to 2023
- Target Revenue of 55 MDKK in 2023
- Cash Flow positive for the full year 2023

*“We do not have an issue finding resellers – there is a huge demand to have our product on the shelves – instead, we are interested in finding **the** resellers that have the necessary capabilities and a vision, which is coherent with our own visions for robots in education.”*

Rikke Møgelvang, CCO

Financial Highlights

| KEY FIGURES | | not revised | not revised | revised |
|----------------------------|---|-------------|-------------|---------|
| Amounts in DKK ('000) | | 1H 2020 | 1H 2019 | FY 2019 |
| | Revenue (Net) | 2.994 | 3.117 | 8.061 |
| | Gross Operating Profit | 1.419 | 1.210 | 2.818 |
| | Gross Operating Profit % | 47 % | 39 % | 35 % |
| INCOME STATEMENT | Operating profit/loss bf. non-recurring costs | -5.072 | -4.360 | -9.509 |
| | EBITDA bf. non-recurring costs | -4.607 | -4.071 | -8.898 |
| | Operating profit/loss | -8.777 | -4.360 | -9.509 |
| | Financial income and expenses, net | -56 | -20 | -67 |
| | Net profit/loss | -8.796 | -4.380 | -9.094 |
| <hr/> | | | | |
| BALANCE SHEET | Total Assets | 33.205 | 11.026 | 12.418 |
| | Equity | 26.987 | 9.186 | 9.471 |
| <hr/> | | | | |
| CASH FLOW STATEMENT | Cash flow from operating activities | -5.214 | -6.482 | -8.869 |
| | Cash flow from investing activities | -183 | -1.382 | -2.113 |
| | Cash flow from financing activities | 26.312 | 6.339 | 10.000 |
| | Total cash flows | 20.915 | -1.525 | -982 |
| <hr/> | | | | |
| SHARE CALCULATIONS | | not revised | not revised | revised |
| DKK | | 1H 2020 | 1H 2019 | FY 2019 |
| | Market share price, end of period | 9,3 | N/A | N/A |
| | Earnings per share | -1,29 | N/A | N/A |
| | # total shares | 6.825.102 | N/A | N/A |
| | # treasury shares | 70.002 | N/A | N/A |
| | # shares outstanding | 6.755.100 | N/A | N/A |
| | Equity ratio % | 81 % | 83 % | 76 % |

NOT LISTED



Shape Robotics expect to meet the targets described in the prospectus

Strong interest in Fable for Schools

Despite COVID-19, we are satisfied with the performance of the Company during the first half of 2020, where we had a turnover of 3 MDKK. In the beginning of the year we saw a strong interest in our products and had the strongest ever sales pipeline for the rest of the year. However, the COVID-19 crisis closed educational institutions on a global scale and temporarily reduced their ability to deliver hands-on robotics education to their students. The Company quickly adapted to the new situation and transformed sales activities to become online using webinars, online meetings, etc. Considering this difficult situation, it is positive that the Company has been able to achieve the same turnover for the period as it did in 2019.

Expanding Reseller Network

We continue to see a strong interest from resellers looking to sell Fable to educational institutions in their home markets. During the first 6 months of 2020, Shape Robotics welcomed four new Fable resellers in Germany, China, Slovakia, and Egypt. None of the new partners have exclusive rights. A significant number of new partnership agreements are continuously being negotiated with resellers around the world. During H1 2020, 62% of our sales were outside of Denmark and we expect this number to increase in the coming quarters.

Product development of Fable robots to facilitate remote learning and socializing

The COVID-19 crisis has led to a surge in the demand for remote learning and socializing. Many students in high risk groups are unable to attend school and socialize with their friends. Therefore, the Company has developed a new kind of telerobot called Fable Connect. The system enables students to attend school from their home and it lets friends and family visit each other from wherever they are. The user can steer the robot around, giving them a superior sense of being present in a room compared to traditional video calls. The initial interest from trial customers and distributors has been very encouraging. Fable Connect is planned to be fully launched during Q3 2020.



David Johan Christensen, CEO

Income statement (1 January – 30 June 2020)

| PROFIT & LOSS | | <i>not revised</i> | <i>not revised</i> | <i>revised</i> |
|--|------|--------------------|--------------------|----------------|
| Amounts in DKK ('000) | Note | 1H 2020 | 1H 2019 | FY 2019 |
| Revenue (Net) | | 2.994 | 3.117 | 8.061 |
| Cost of Revenue | | -1.575 | -1.907 | -5.243 |
| Gross Operating Profit | | 1.419 | 1.210 | 2.818 |
| Gross Operating Profit % | | 47 % | 39 % | 35 % |
| Research and development | | -325 | -156 | -377 |
| Sales, general and administrative | | -1.138 | -1.406 | -2.765 |
| Staff cost | 1 | -4.562 | -3.718 | -8.575 |
| Depreciation and amortization | | -465 | -289 | -611 |
| Total operating expenses | | -6.491 | -5.569 | -12.327 |
| Operating profit/loss bf. non-recurring costs | | -5.072 | -4.360 | -9.509 |
| Non recurring costs / Other operating expenses* | | -3.705 | 0 | 0 |
| Operating profit/loss | | -8.777 | -4.360 | -9.509 |
| Financial income and expenses, net | | -56 | -20 | -67 |
| Taxes, calculated and actual | | 36 | 0 | 482 |
| Net profit/loss | | -8.796 | -4.380 | -9.094 |

* Costs related to listing the Company on Nasdaq First North Denmark



Balance sheet (30 June 2020)

| ASSETS | not revised | not revised | revised |
|---|---------------|---------------|---------------|
| Amounts in DKK ('000) | 1H 2020 | 1H 2019 | FY 2019 |
| Completed development projects | 4.917 | 4.264 | 5.275 |
| Development projects in progress | 160 | 602 | 0 |
| Intangible assets | 5.077 | 4.866 | 5.275 |
| Other plant, machinery, tools & equipment | 662 | 746 | 746 |
| Tangible assets | 662 | 746 | 746 |
| Fixed assets | 5.739 | 5.612 | 6.021 |
| Raw materials and finished goods | 3.266 | 2.348 | 2.296 |
| Inventories | 3.266 | 2.348 | 2.296 |
| Trade receivables | 725 | 725 | 1.462 |
| Other receivables | 227 | 529 | 342 |
| Corporation tax receivable | 518 | 538 | 482 |
| Receivables | 1.470 | 1.793 | 2.286 |
| Cash and cash equivalents | 22.730 | 1.274 | 1.815 |
| Current Assets | 27.466 | 5.414 | 6.397 |
| Assets | 33.205 | 11.026 | 12.418 |

| EQUITY AND LIABILITIES | | not revised | not revised | revised |
|-------------------------------|------|---------------|---------------|---------------|
| Amounts in DKK ('000) | Note | 1H 2020 | 1H 2019 | FY 2019 |
| Share capital | | 683 | 232 | 256 |
| Treasury Shares | | -688 | 0 | 0 |
| Reserve for development cost | | 3.960 | 3.795 | 4.186 |
| Retained earnings/losses | | 23.032 | 5.159 | 5.029 |
| Equity | 2 | 26.987 | 9.186 | 9.471 |
| Trade payables | | 2.766 | 805 | 882 |
| Other liabilities | | 3.452 | 1.035 | 2.065 |
| Current liabilities | | 6.218 | 1.840 | 2.947 |
| Liabilities | | 6.218 | 1.840 | 2.947 |
| Equity and liabilities | | 33.205 | 11.026 | 12.418 |

Cash Flow Statement (1 January - 30 June 2020)

| CASH FLOW | | <i>not revised</i> | <i>not revised</i> | <i>revised</i> |
|--|------|--------------------|--------------------|----------------|
| Amounts in DKK ('000) | Note | 1H 2020 | 1H 2019 | FY 2019 |
| Net profit/loss | | -8.796 | -4.380 | -9.094 |
| Reversed depreciation and amortization | | 465 | 289 | 611 |
| Reversed tax calculations | | -36 | 0 | -482 |
| Corporation tax received | | 0 | 0 | 537 |
| Δ Accounts receivable | | 737 | 1.015 | 502 |
| Δ Inventory | | -971 | -988 | -936 |
| Δ Account payable | | 1.884 | -191 | -115 |
| Δ Other working capital | | 1.503 | -2.226 | 108 |
| Cash flow from operating activities | | -5.214 | -6.482 | -8.869 |
| Purchase, intangible assets | | -160 | -602 | -1.237 |
| Purchase, tangible assets | | -23 | -780 | -876 |
| Cash flow from investing activities | | -183 | -1.382 | -2.113 |
| Issue of shares | 2 | 26.999 | 6.339 | 10.000 |
| Purchase treasury shares | 2 | -687 | 0 | 0 |
| Cash flow from financing activities | | 26.312 | 6.339 | 10.000 |
| Δ Net change in cash | | 20.915 | -1.525 | -982 |
| Cash beginning of period | | 1.815 | 2.797 | 2.797 |
| Cash end of period | | 22.730 | 1.272 | 1.815 |

“The net change in cash for the period is according to our expectations and the strategy for use of the IPO proceedings described in the prospectus”

André Reinhard Fehr, CFO

Notes to the financial statements

| (1) Staff costs - Amounts in DKK ('000) | 1H 2020 | 1H 2019 | FY 2019 |
|---|--------------|--------------|--------------|
| Number of FTE's end of period (#) | 18 | 19 | 19 |
| Production & Assembly | 513 | 637 | 1.090 |
| Research & Development | 2.095 | 1.252 | 2.784 |
| Sales, Marketing & Education | 1.347 | 1.611 | 3.168 |
| Administration | 597 | 598 | 2.391 |
| Capitalized salaries | -160 | -379 | -859 |
| Total staff costs | 4.562 | 3.718 | 8.575 |

Long-Term Incentive Programme

To motivate key staff, The Board has granted 132.653 share options to selected employees.

Each share option gives the right to acquire one share in the company of DKK 0.10 per share at a strike price of DKK 9.8 per share.

| (2) Equity - Amounts in DKK ('000) | 1H 2020 | 1H 2019 | FY 2019 |
|--|---------------|--------------|--------------|
| Share Capital | 256 | 202 | 202 |
| Retained earnings/losses | 5.030 | 3.543 | 3.543 |
| Reserve for development costs | 4.185 | 3.481 | 3.481 |
| Equity at 1 January | 9.471 | 7.226 | 7.226 |
| <i>Changes in Equity</i> | | | |
| Capital increase (share capital) | 427 | 30 | 54 |
| Treasury shares in Shape Robotics A/S* | -688 | 0 | 0 |
| Retained earnings/losses | 26.797 | 5.995 | 10.580 |
| Distribution of loss to retained earnings/losses | -8.796 | -4.380 | -9.093 |
| Reserve for development costs | -223 | 314 | 704 |
| Equity end of period | 26.987 | 9.186 | 9.471 |

The Company's share capital consists of 6.825.102 shares of nom. 0,1 kr.

*At the end of the period the Company has bought 70.002 out of 203.496 treasury shares. The remaining treasury shares were traded in the beginning of July 2020. Thereafter treasury shares equals 3% of the total share capital.

Statement by the Board of Directors and Executive Management

Statement

Today the Board of Directors and the Executive Management have discussed and approved the interim report of Shape Robotics A/S for the first half year January 1 – June 30 2020.

The interim report has been created in accordance with IAS 34, Interim Financial Reporting as approved by the EU and additional disclosure requirements for companies listed on NASDAQ First North Denmark.

In our opinion, the financial statements give a true and fair view of the Company's financial position at June 30 2020 and of the results of the Company's operations and cash flows for the financial period January 1 – June 30 2020.

The management's review includes in our opinion a fair presentation of the matters dealt with in the report.

The interim report is unaudited.

Farum, August 25 2020

Executive Management

David Johan Christensen
CEO

Board of Directors

Lars R. Nyengaard
Chairman

Thomas Gjørup
Vice Chairman

Moises Pacheco

Kasper Støy

Michael Frank