



**Shape Robotics**  
**Interim report Q1**  
January – March 2021

# Content

## Summary

- About Shape Robotics
- Financial review and full year outlook

## Management review

## Financial statements

- Income Statement
  - Balance Sheet
  - Cash Flow Statement
  - Notes to the financial statements
- 
- Statement by the Board and Executive Management

On May 11 2021, the Board of Directors has approved the Q1 Interim Report for 2021 (January 1 – March 31).

The interim report is unaudited.



# About Shape Robotics A/S

Shape Robotics is a Danish robotics company with a strong position in the global educational technology ("EdTech") market. The Company has developed Fable, a unique modular robot that makes it easy and fun for students to build and program their own robots. Since the launch of Fable in 2017 more than 8000 robots have been sold and shipped to schools around the world.

Shape Robotics helps educational institutions provide excellent teaching that will prepare students for a fast-changing future where digital technologies, artificial intelligence, and automation are transforming life and work. Fable is a modular robot that students can build in seconds. The robot system is robust, can withstand everyday usage in classrooms and can be used to solve demanding tasks. Students code Fable depending on their experience - from simple block programming to coding in the advanced Python language.

Comprehensive teaching materials has been developed in collaboration with professional educators.

Therefore, Shape Robotics provides complete teaching solutions for educational institutions from the 3rd grade to high-school and vocational schools.

In 2020 Shape Robotics launched a new telepresence robotics system called Fable Connect. The system enables schools to get homebound students back in the classroom using the robot as a communication device. The product broadens the company's offering and has been well received by the Danish Schools. More than 200 Fable Connect robots are now being used at schools and hospitals, mainly by children with long-term health issues. The market for Fable Connect is expected to grow and become an important product for the company in the years to come.

## About the Interim Report

### Auditor's review

The Interim report has not been reviewed by the Company's auditor

### Net sales and operating result

Net sales for Q1 2021 was TDKK 2.159 (2.007).  
EBITDA (bf. non-operating activities) was TDKK -3.055 (-2.685).

### Balance sheet and equity ratio

Total assets amounted to TDKK 19.106 (12.149), and primarily consisted of cash and cash equivalents, inventories, tangible/intangible assets, and trade receivables.

Shareholder's equity amounted to TDKK 17.033 (6.324), and liabilities amounted to TDKK 2.074 (5.826). Shareholders equity includes TDKK 1.988 (0) of Treasury shares.

### Cash Flow and investments

Cash flow for Q1 2021 amounted to TDKK -4.889 (323).

### The share

The shares of Shape Robotics A/S were listed on Nasdaq First North Growth Market Denmark on June 25, 2020. On March 31, 2021, the total number of shares was 6.825.102 (of which 202.490 are treasury shares).

### Certified Advisor

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## Financial review and full year outlook

- The Company has realized a revenue of MDKK 2.16 in Q1 2021 (2.0), a growth of 7%. The realized revenue is in line with the company's expectations for the first quarter.
- Gross Operating Profit (Contribution Margin) for the quarter was MDKK 1.0 (0.9) . The Gross Operating in % was 48% for Q1 (46%). Which shows that the Company has increased the margin on the product mix.
- The quantities in raw materials and finished goods in the inventory remains high on MDKK 7.8 compared to MDKK 8.4 at the end of 2020 (MDKK 3 in Q1 2020). The Company's inventory and finished goods to be sold, cannot, in the short term, become obsolete. The level of inventory allows the company to deliver orders of a larger quantity, e.g. for public tenders. This is in line with the Company's strategic plan.
- Fable Connect, Shape Robotics' telepresence robot, continues to be well received by schools, educational institutions and patient associations. In Q1 additional 54 subscriptions were sold, bringing the total number to 164 subscriptions, and the annual recurring revenue from the Fable Connect Pro software is T.DKK 94 at the end of Q1. The Company has high expectations for Fable Connect and the software that follows as an additional source of revenue and expect to have ~500 subscriptions on the Fable Connect Pro software at the end of the year, equivalent to an ARR of approximately T.DKK 250-300.

Revenue Q1 2021  
**MDKK 2.16**

New subscriptions on  
Fable Connect PRO  
**54**

ARR growth  
**22%**

Contribution Margin  
**48%**

Revenue expectations 2021  
**MDKK 14 – 17**

## Financial review and full year outlook

### Outlook

The Company's strategy is to continue to expand its international sales channels, optimize its operations, and introduce new products and services. The objective is to strengthen the Company's position as a leading global provider of educational robotic technology and in the process increase turnover as well as profit margins.

The Company anticipate the market situation in 2021 to gradually return to normal. Combined with order indications from the Company's resellers, the Company expects the full year revenue 2021 to be in the range of **MDKK 14.0 – 17.0**, which will be **more than a doubling of** revenue compared to 2020.



# Management review

## Highlights from Q1 2021

### Back to growth – even when many schools are still in lock-down

Shape Robotics realized sales growth of 7% in Q1 compared to last year, and at the same time grows the recurring revenue with 22%. The revenue came mainly from danish customers (40%) and the rest was export. Mostly to some of the Company's focus markets in UK (17%), Russia (30%) and The Netherlands (10%). At the same time the Company has managed to increase the contribution margin to 48% (46%) which shows that the Company has increased the margin on the product mix compared to last year.

### Shape Robotics was chosen as the sole supplier in a national project

During 2020 the Danish Lung Association evaluated five different technical solutions that could help homebound children with respiratory diseases get back in school, amongst them were several international companies specialized in Telepresence robots, and in March Shape Robotics' Fable Connect was chosen as the preferred (and only) product for the next phases. In the next phase a selected group of children will receive a Fable Connect. The intent of the Danish Lung Association is to offer and roll-out the robots to all Danish children within the target group within 2021/2022.

*The ability to grow a business that were heavily affected by the worldwide restrictions and lock-downs shows how much potential this company has.*  
says CCO Steen Lund

*This project has strategic importance for us. We believe that it can help us setup similar partnerships with other patient associations around the world.*  
says CEO David Johan Christensen

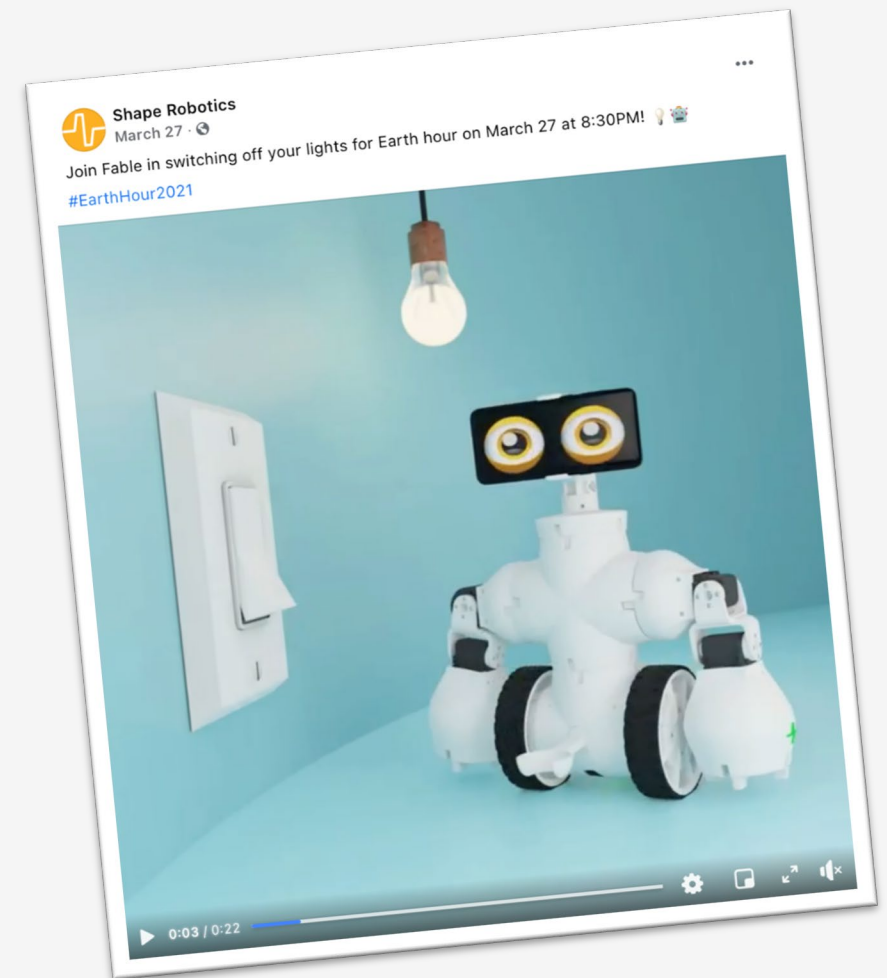
## Management review

### Product development – New products, lower costs and a greener profile

Since the IPO, the R&D engineers have spent a lot of time optimizing the product all the way from electrical components, accessories, and software content to the packaging. This means that Company expects that the cost price for several of its products can be lowered significantly during 2021 while at the same time improving the quality of the product and shifting to a more environmentally friendly packaging solution. The improvements are expected to be phased in during the autumn 2021.

### Competition on EdTech robots

One of the biggest companies that operates within EdTech, has recently announced that it in June 2021 will phase out one of its main products. The product is a major direct competitor to Fable within its main user segment of 12+ years students for STEM education. The new market situation, with reduced competition, is expected to increase the demand for the Company's products and open-up opportunities with new distributors, looking for a replacement product. The Company's sale staff is in close dialog with existing and potentially new distributors to ensure the awareness of the Company's products as a possible direct replacement for the product being phased out. It is still uncertain how much it is going to affect the demand in the short term.



## Financial Highlights

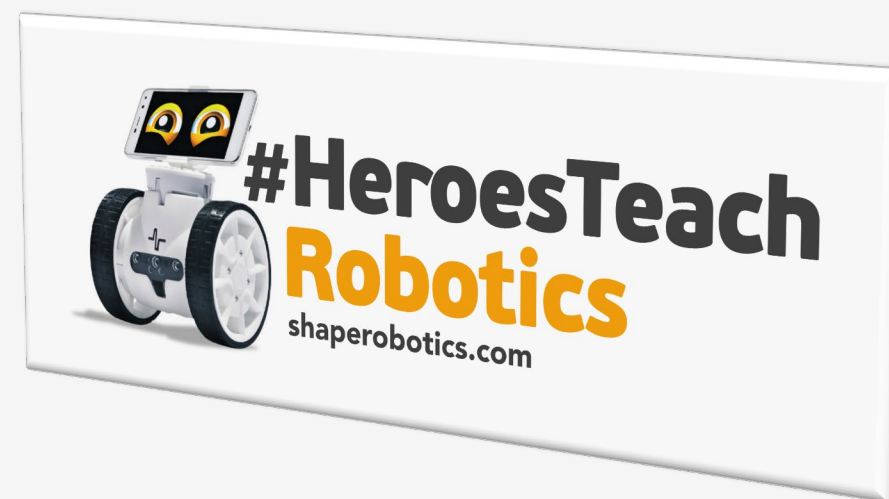
KEY FIGURES		<i>not revised</i>	<i>not revised</i>	<i>revised</i>	SHARE CALCULATIONS		<i>not revised</i>	<i>not revised</i>	<i>revised</i>
Amounts in DKK ('000)		Q1 2021	Q1 2020	FY 2020	DKK	Q1 2021	Q1 2020	FY 2020	
	Revenue (Net)	2.159	2.007	6.044	Market share price, end of period	11,5	N/A	12,4	
	Gross Operating Profit	1.032	914	2.396	Earnings per share	-0,49	N/A	-1,86	
	Gross Operating Profit %	48%	46%	40%	# total shares	6.825.102	N/A	6.825.102,0	
INCOME	Operating profit/loss bf. non-operating activities	-3.293	-2.917	-11.189	# treasury shares	202.490	N/A	202.490,0	
STATEMENT	EBITDA bf. non-recurring costs	-3.055	-2.685	-10.235	# shares outstanding	6.622.612	N/A	6.622.612	
	Operating profit/loss	-3.293	-3.158	-12.837	Equity ratio %	89%	52%	84%	
	Financial income and expenses, net	-26	14	-163					
	Net profit/loss	-3.319	-3.145	-12.728					<i>NOT LISTED</i>
<hr/>									
BALANCE	Total Assets	19.106	12.149	24.184					
SHEET	Equity	17.033	6.324	20.354					
<hr/>									
CASH	Cash flow from operating activities	-4.678	347	-17.524					
FLOW	Cash flow from investing activities	-211	-24	-127					
STATEMENT	Cash flow from financing activities	0	0	25.012					
	Total cash flows	-4.889	323	7.361					



## Income statement (1 January – 31 March 2021)

PROFIT & LOSS Amounts in DKK ('000)	Note	<i>not revised</i> Q1 2021	<i>not revised</i> Q1 2020	<i>revised</i> FY 2020
Revenue (Net)		2.159	2.007	6.044
Cost of Revenue		-1.127	-1.092	-3.648
<b>Gross Operating Profit</b>		<b>1.032</b>	<b>914</b>	<b>2.396</b>
Gross Operating Profit %		48%	46%	40%
Research and development		-212	-228	-739
Sales, general and administrative		-743	-866	-3.251
Staff cost	(1)	-3.132	-2.505	-8.640
Depreciation and amortization		-238	-232	-954
<b>Total operating expenses</b>		<b>-4.325</b>	<b>-3.832</b>	<b>-13.585</b>
<b>Operating profit/loss bf. non-operating activities</b>		<b>-3.293</b>	<b>-2.917</b>	<b>-11.189</b>
Non-operating income		0	0	531
Non-operating costs		0	-241	-2.179
<b>Operating profit/loss</b>		<b>-3.293</b>	<b>-3.158</b>	<b>-12.837</b>
Financial income and expenses, net		-26	14	-163
Taxes, calculated and actual		0	0	272
<b>Net profit/loss</b>		<b>-3.319</b>	<b>-3.145</b>	<b>-12.728</b>

(1) Specified on page 12



## Balance sheet (31 March 2021)

ASSETS	<i>not revised</i>	<i>not revised</i>	<i>revised</i>
Amounts in DKK ('000)	Q1 2021	Q1 2020	FY 2020
Completed development projects	4.380	5.096	4.559
Development projects in progress	0	0	0
<b>Intangible assets</b>	<b>4.380</b>	<b>5.096</b>	<b>4.559</b>
Other plant, machinery, tools & equipment	803	716	636
<b>Tangible assets</b>	<b>803</b>	<b>716</b>	<b>636</b>
<b>Fixed assets</b>	<b>5.183</b>	<b>5.811</b>	<b>5.195</b>
Raw materials and finished goods	7.837	2.973	8.419
<b>Inventories</b>	<b>7.837</b>	<b>2.973</b>	<b>8.419</b>
Trade receivables	1.075	503	338
Other receivables	452	242	784
Corporation tax receivable	272	482	272
<b>Receivables</b>	<b>1.799</b>	<b>1.226</b>	<b>1.394</b>
<b>Cash and cash equivalents</b>	<b>4.287</b>	<b>2.138</b>	<b>9.176</b>
<b>Current Assets</b>	<b>13.924</b>	<b>6.338</b>	<b>18.989</b>
<b>Assets</b>	<b>19.106</b>	<b>12.149</b>	<b>24.184</b>

EQUITY AND LIABILITIES		<i>not revised</i>	<i>not revised</i>	<i>revised</i>
Amounts in DKK ('000)	Note	Q1 2021	Q1 2020	FY 2020
Share capital		683	407	683
Reserve for development cost		3.416	3.481	3.556
Treasury Shares		-1.988	0	-1.988
Retained earnings/losses		14.922	2.436	18.104
<b>Equity</b>	(2)	<b>17.033</b>	<b>6.324</b>	<b>20.354</b>
Trade payables		63	1.766	2.187
Other liabilities		2.011	4.060	1.643
<b>Current liabilities</b>		<b>2.074</b>	<b>5.826</b>	<b>3.830</b>
<b>Liabilities</b>		<b>2.074</b>	<b>5.826</b>	<b>3.830</b>
<b>Equity and liabilities</b>		<b>19.106</b>	<b>12.149</b>	<b>24.184</b>

(2) Specified on page 13

## Cash Flow Statement (1 January - 31 March 2021)

CASH FLOW Amounts in DKK ('000)	Note	<i>not revised</i> Q1 2021	<i>not revised</i> Q1 2020	<i>revised</i> FY 2020
Net profit/loss		-3.319	-3.145	-12.728
Reversed depreciation and amortization		238	232	954
Reversed tax calculations		0	0	-272
Corporation tax received		0	0	482
Δ Accounts receivable		-737	959	711
Δ Inventory		582	-678	-6.123
Δ Account payable		-2.124	882	1.296
Δ Other working capital		683	2.096	-1.844
<b>Cash flow from operating activities</b>		<b>-4.678</b>	<b>347</b>	<b>-17.524</b>
Δ Intangible assets		0	0	0
Δ Tangible assets		-211	-24	-127
<b>Cash flow from investing activities</b>		<b>-211</b>	<b>-24</b>	<b>-127</b>
Issue of shares	(2)	0	0	27.000
Purchase treasury shares	(2)	0	0	-1.988
<b>Cash flow from financing activities</b>		<b>0</b>	<b>0</b>	<b>25.012</b>
<b>Δ Net change in cash</b>		<b>-4.889</b>	<b>323</b>	<b>7.361</b>
Cash beginning of period		9.176	1.815	1.815
<b>Cash end of period</b>		<b>4.287</b>	<b>2.138</b>	<b>9.176</b>



## Notes to the financial statements

(1) Staff costs - Amounts in DKK ('000)	Q1 2021	Q1 2020	FY 2020
Number of calc. FTE's end of period (#)	20	21	19
Production & Assembly	336	301	1.248
Research & Development	1.023	1.064	3.150
Sales, Marketing & Education	1.312	830	3.090
Administration	461	311	1.153
<b>Total staff costs</b>	<b>3.132</b>	<b>2.505</b>	<b>8.640</b>

### Long-Term Incentive Programme

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

Each share option gives the right to acquire one share in the company on a predetermined strike price.



## Notes to the financial statements

(2) Equity - Amounts in DKK ('000)	Q1 2021	Q1 2020	FY 2020
Share Capital	683	256	256
Retained earnings/losses	16.115	5.029	5.029
Reserve for development costs	3.556	4.186	4.186
<b>Equity at 1 January</b>	<b>20.354</b>	<b>9.471</b>	<b>9.471</b>
<i>Changes in Equity</i>			
Capital increase (share capital)	0	151	427
Treasury shares in Shape Robotics A/S*	0	0	-1.988
Retained earnings/losses	140	0	25.800
Distribution of loss to retained earnings/losses	-3.319	-3.145	-12.728
Reserve for development costs	-142	-153	-630
<b>Equity end of period</b>	<b>17.033</b>	<b>6.324</b>	<b>20.352</b>

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

\*Treasury shares equals less than 3% of the total share capital.



# Statement by the Board of Directors and Executive Management

Today the Board of Directors and the Executive Management have discussed and approved the interim report of Shape Robotics A/S for Q1 2021.

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 March 31, 2021 and of the results of the Company's operations and cash flows for the financial period January 1 – March 31, 2021.

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, May 11 2021*

## Executive Management

David Johan Christensen  
CEO

## Board of Directors

Lars R. Nyengaard  
*Chairman*

Kasper Støy  
*Vice Chairman*

Moises Pacheco

Michael Frank