



# Shape Robotics Interim report

January – June 2023

# Content

About Shape Robotics

Key figures

CEO letter

Full year outlook

Interim report

- Income Statement
- Balance
- Cash Flow
- Notes

Highlights April-June 2023

Statement by the Board and Executive Management

On August 25, 2023, the Board of Directors has approved the 1H Interim Report for 2023 (January 1 – June 30).

The interim report is unaudited.



## About Shape Robotics A/S

Shape Robotics is a Danish EdTech company that offers primary learners digital and technological skills education, fostering lifelong interest and teaching basic STEAM vocational digital skills at an early age. Through our technology labs and basic robotics, young learners are taught introductory programming, robotics and AI in an environment that promotes problem-solving and teamwork, capabilities that will be useful no matter what eventual career the student will have. For today's youth to be digitally prepared for the future, internet access and a computer are no longer sufficient. By promoting more advanced digital and technological skills at an earlier age, the school curriculum will provide widespread digital and technological literacy and a head-start for students aiming for STEAM fields.

### About the Interim Report

#### Auditor's review

The Interim report for 1H 2023 has not been reviewed by the Company's auditor.

#### Net sales and operating result

Net sales for 1H 2023 was TDKK 55.824 (15.636). EBITDA was TDKK -4.450 (-4.677).

#### Balance sheet and equity ratio

Total assets amounted to TDKK 139.930 (41.217), and primarily consisted of inventories and trade receivables.

Shareholder's equity amounted to TDKK 69.330 (8.436), and liabilities amounted to TDKK 70.600 (32.781). Shareholders equity includes TDKK 4.027 (562) of Treasury shares.

#### Cash Flow and investments

Cash flow for 1H 2023 amounted to TDKK 2.170 (208).

#### The share

The shares of Shape Robotics A/S were listed on Nasdaq First North Growth Market Denmark on June 25, 2020. On June 30, 2023, the total number of shares was 12.555.142 (of which 133.399 are treasury shares).

#### Certified Advisor

Grant Thornton

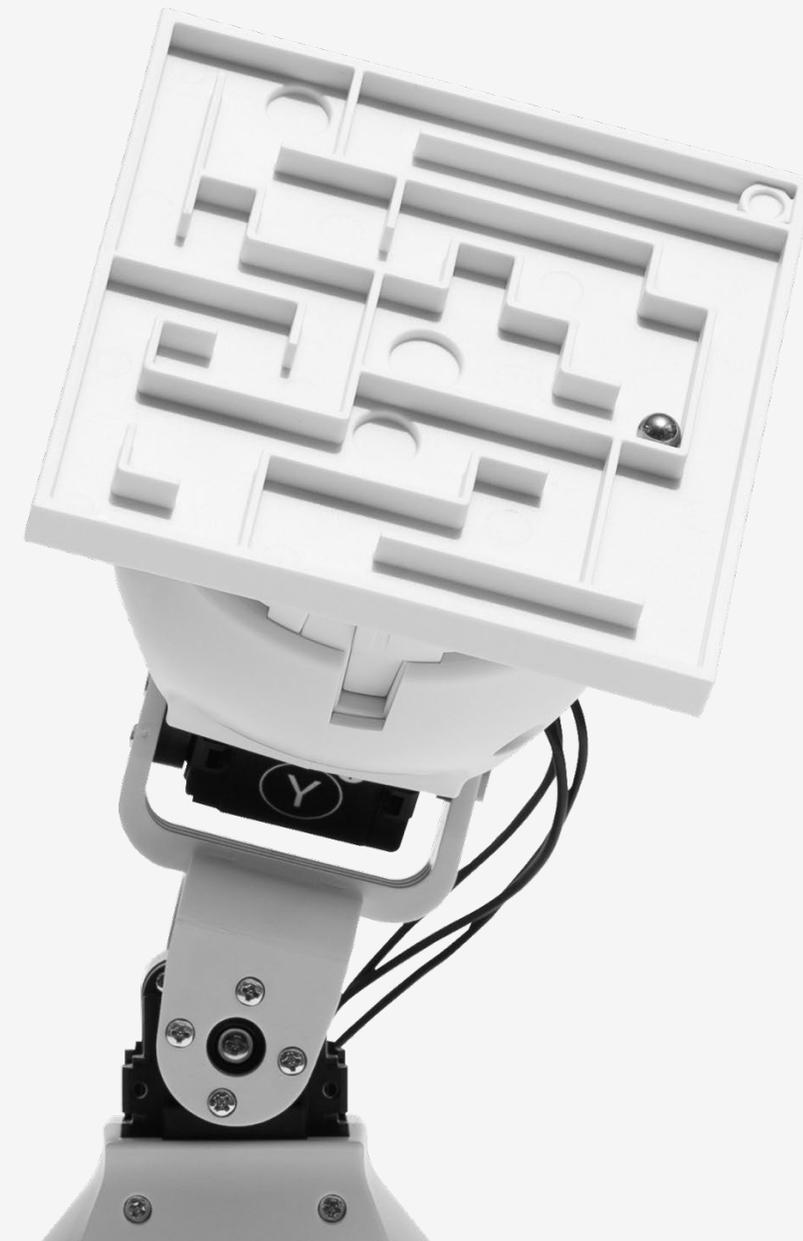
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## Key Figures

KEY FIGURES		Q2	1H	1H	FY
Amount, DKK ('000)		2023	2023	2022	2022
	Revenue	36.844	55.824	15.636	87.385
	Contribution margin	10.547	16.525	5.725	26.484
	Contribution margin %	29%	30%	37%	30%
<b>INCOME-</b>	Result before non-recurring costs	-719	-4.401	-5.508	-2.728
	EBITDA before non-recurring costs	260	-2.675	-4.677	-193
	Non-recurring costs	-1.775	-1.775	0	0
<b>STATEMENT</b>	EBITDA	-1.515	-4.450	-4.677	-193
	Result before financial items and tax	-2.494	-6.176	-5.508	-2.728
	Financial items net	-764	-1.424	-520	-1.721
	Net result	-3.540	-8.072	-6.713	-4.355
<b>BALANCE</b>	Total assets	139.930	139.930	41.217	104.955
	Total equity	69.330	69.330	8.436	43.368
<b>CASH FLOW</b>	Cash flow from operating activities	-22.225	-21.698	-20.815	-41.326
	Cash flow from investing activities	-2.141	-5.145	-424	-10.156
	Cash flow from financing activities	28.083	29.013	21.448	54.181
	Net cash flow	3.716	2.170	208	2.699



## CEO letter 1/2

Dear reader,

Expanding upon the framework outlined in my earlier letters, it's evident that the era of digital transformation presents numerous unparalleled opportunities for societal and economic progress. To fully seize these prospects and stay aligned with the modern landscape, it's crucial that we intensify our efforts in enhancing digital education and training across all age groups. The EU's Digital Education Action Plan, launched in September 2020, is a tangible embodiment of this commitment, seamlessly integrating digital education into various training methods.

Recent months have seen a significant and dynamic trend, where nations are rapidly directing substantial investments toward educational initiatives, often supported by the Recovery and Resilience Funds (RRF), allocating around EUR 45 billion specifically for educational advancement.

Examples include Poland's forthcoming "Future Labs" program for secondary education, Romania's "Smartlab" initiative in the summer of 2023, and Lithuania's "Millennium Schools" endeavor, aiming to equip a minimum of 270 schools with advanced STEAM laboratories.

Numerous other countries are initiating similar programs, reflecting a collective dedication to elevating education. These endeavors are either in progress or set to begin shortly.

As a company deeply involved in educational technology, our strategic focus lies in achieving success in specific countries rather than pursuing an expansive approach. Drawing from our successful go-to-market strategy in Romania, we want to adapt this model in Poland and the Republic of Moldova. While we remain open to possibilities in other regions, we acknowledge our limitations in financial liquidity and workforce capacity. Thus, we prioritize securing successes before considering potential setbacks. Although we are committed to expanding sales beyond our primary target countries, our involvement in "second" and "third priority" markets is measured. In these regions, our strategy centers around identifying capable resellers or agents who can effectively represent Shape Robotics in the interim – collaborations with companies such as Samsung and Lenovo are likely to open doors

## CEO letter 2/2

### Status and Pipeline

The second quarter results stem from our initial deliveries within the framework agreement with Network One Distribution and a significant order from CG&GC, both in Romania. During this quarter, the group achieved a revenue of nearly DKK 37 million, marking it as the second most financially robust quarter in terms of revenue. This feat corresponds to the second-best month in terms of financial performance, given that most deliveries occurred in June. This characteristic is mirrored in our balance sheet, with elevated trade receivables at the quarter's conclusion. June 2023's accomplishments were only surpassed by those of December 2022.

The EBITDA before non-recurring costs exhibits a favorable amount of DKK 260 thousand. This financial portrayal aligns with our anticipatory expenditures, intricately linked to a business model currently structured to align with our strategic guidance and positioned for further growth.

The group's pipeline is abundant with promising opportunities. Our framework agreement with N.O.D, averaging approximately DKK 40 million in sales per quarter, stands as a testament to this.

We maintain confident forecasts from both new and established distributors, foresee potential tender opportunities from our new subsidiary in the Republic of Moldova, and note our entry into Poland – a venture that could potentially encompass an acquisition, establishing a strong foundation in a nation with nearly 40 million inhabitants heavily investing in educational technology. Given these factors, the management and Board of Directors hold strong confidence in achieving our guided financial objectives for 2023 and anticipate continued growth into 2024. As a side note, I am also pleased to inform that our ambition to have the company listed on the NASDAQ Main Market in Copenhagen remains on course.

I wish to express my appreciation to our investors, our accomplished team of employees, and our valued partners, as their efforts have been central in shaping our present and future successes.

Sincerely,  
André Reinhard Fehr  
Chief Executive Officer

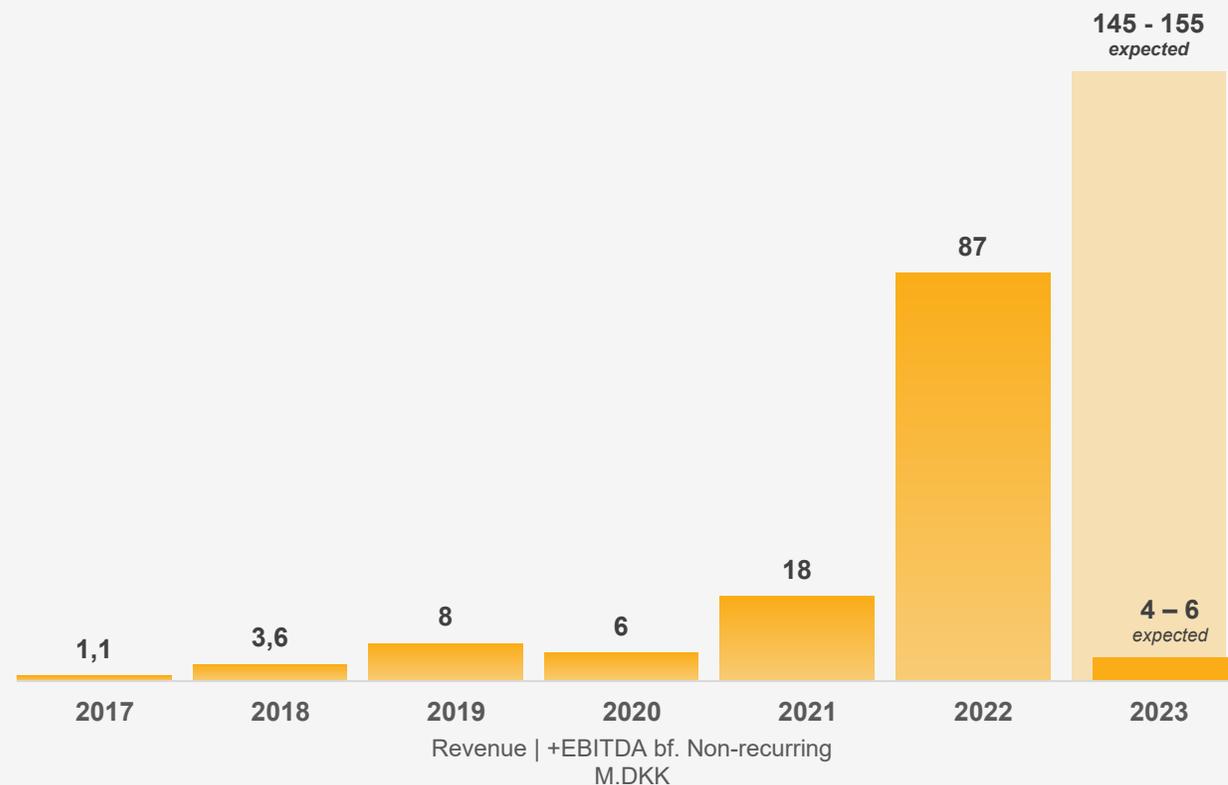


## Full year outlook

The company's strategy is to continue to expand its international sales channels, participate in selected public projects, optimize operations and introduce new products and services. The aim is to strengthen the company's position as a leading global provider of educational technology.

The growing demand for robotics and digital solutions in the education segment as well as ready-made and thoroughly tested turn-key STEAM Labs support Shape Robotics' expectation of high growth in the future.

The company expects **revenue** in the range of **MDKK 145 to 155** in the financial year 2023, and an **EBITDA** of **MDKK +4 to +6 (bf. non-recurring costs)**.



## Income Statement (January 1 – June 30 2023)

Income statement Amount, DKK ('000)	Q2 2023	Q2 2022	1H 2023	1H 2022	FY 2022
Revenue	36.844	8.499	55.824	15.636	87.385
Cost of goods sold	-26.296	-5.391	-39.299	-9.911	-60.901
<b>Contribution margin</b>	<b>10.547</b>	<b>3.108</b>	<b>16.525</b>	<b>5.725</b>	<b>26.484</b>
<b>Contribution margin %</b>	<b>29%</b>	<b>37%</b>	<b>30%</b>	<b>37%</b>	<b>30%</b>
Research and Development	-90	-407	-248	-542	-830
Sales and administrative costs	-5.543	-2.002	-9.282	-3.224	-10.487
Staff costs	-4.655	-3.305	-9.670	-6.636	-15.360
Depreciation, amortization and impairment losses	-978	-423	-1.726	-832	-2.535
<b>Result before non-recurring costs</b>	<b>-719</b>	<b>-3.030</b>	<b>-4.401</b>	<b>-5.508</b>	<b>-2.728</b>
Non-recurring costs*	-1.775	0	-1.775	0	0
<b>Result before financial items and tax</b>	<b>-2.494</b>	<b>-3.030</b>	<b>-6.176</b>	<b>-5.508</b>	<b>-2.728</b>
Financial items net	-764	-225	-1.424	-520	-1.721
Corporation tax for the year	-283	-572	-472	-685	94
<b>Net result</b>	<b>-3.540</b>	<b>-3.827</b>	<b>-8.072</b>	<b>-6.713</b>	<b>-4.355</b>
<b>EBITDA before non-recurring costs</b>	<b>260</b>	<b>-2.607</b>	<b>-2.675</b>	<b>-4.677</b>	<b>-193</b>

\*Non-recurring relates to one-off costs for uplisting to Nasdaq Main Market Copenhagen.

## Balance sheet (30. June 2023)

Balance Sheet Amount, DKK ('000)	1H 2023	1H 2022	FY 2022	Balance Sheet Amount, DKK ('000)	1H 2023	1H 2022	FY 2022
<b>Assets</b>				<b>Liability</b>			
Completed development projects	2.974	3.521	4.800	Share capital at the end of the period	1.256	797	1.046
Goodwill	6.302	328	6.817	Treasury shares at the end of the period	-4.027	-562	-402
Development projects in progress	2.113	0	882	Funds and reserves	4.020	0	1.992
<b>Intangible assets</b>	<b>11.389</b>	<b>3.849</b>	<b>12.499</b>	Retained earnings	68.082	8.201	40.732
Fixtures and fittings, other plant and equipment	7.252	3.358	3.171	<b>Total equity</b>	<b>69.330</b>	<b>8.436</b>	<b>43.368</b>
<b>Property, plant and equipment</b>	<b>7.252</b>	<b>3.358</b>	<b>3.171</b>	Finance lease liabilities	1.506	31	925
Inventories	56.136	19.395	44.935	Bank debts	5.002	0	5.002
Accounts receivable	50.820	9.291	32.868	Other payables	478	5	511
Deferred tax asset	1.540	0	1.540	<b>Total non-current liabilities</b>	<b>6.985</b>	<b>36</b>	<b>6.438</b>
Tax receivable	194	293	194	Current borrowings	15.216	20.628	19.220
Other receivables	5.777	2.785	5.010	Accounts payable	31.721	7.296	27.750
Cash and cash equivalents*	6.823	2.246	4.738	Other liabilities	16.678	4.821	8.179
<b>Total current assets</b>	<b>121.289</b>	<b>34.010</b>	<b>89.285</b>	<b>Total current liabilities</b>	<b>63.615</b>	<b>32.745</b>	<b>55.150</b>
<b>Total assets</b>	<b>139.930</b>	<b>41.217</b>	<b>104.955</b>	<b>Total equity and liabilities</b>	<b>139.930</b>	<b>41.217</b>	<b>104.955</b>

\*Additional DKK 5.5 M available in credit facilities

## Cash Flow Statement (January 1 – June 30 2023)

Cash Flow Amount, DKK ('000)	Q2 2023	Q2 2022	1H 2023	1H 2022	FY 2022
Profit/loss before financial items and tax (EBIT)	-2.494	-3.030	-6.176	-5.508	-2.728
Depreciation, amortization and impairment losses reversed	978	423	1.726	832	2.535
Changes in provisions and pension obligations, etc.	-466	0	-2	0	0
Changes in inventories	-4.421	-6.966	-11.668	-10.019	-24.446
Changes in receivables	-35.632	-9.062	-25.799	-8.061	-23.157
Changes in other operating activities	0	586	0	556	
Changes in current liabilities	20.861	5.375	22.128	3.189	9.543
Financial costs paid	-819	-814	-1.521	-1.081	-1.726
Financial income received	50	-10	86	-39	0
Income taxes paid/received	-283	-572	-472	-685	-1.347
<b>Cash flow from operating activities</b>	<b>-22.225</b>	<b>-14.071</b>	<b>-21.698</b>	<b>-20.815</b>	<b>-41.326</b>
Cash flow from investing activities	-2.141	-165	-5.145	-424	-10.156
<b>Cash flow from investing activities</b>	<b>-2.141</b>	<b>-165</b>	<b>-5.145</b>	<b>-424</b>	<b>-10.156</b>
Changes in other non-current liabilities, net	-740	0	-746	1	0
Increase of capital	36.800	0	36.800	0	31.413
Change in treasury shares	-3.707	841	-3.624	908	1.071
Borrowings	-4.271	12.529	-3.417	20.539	21.697
<b>Cash flow from financing activities</b>	<b>28.083</b>	<b>13.370</b>	<b>29.013</b>	<b>21.448</b>	<b>54.181</b>
<b>Net cash flow</b>	<b>3.716</b>	<b>-866</b>	<b>2.170</b>	<b>208</b>	<b>2.699</b>
Cash and cash equivalents at the beginning of period	3.196	3.112	4.738	2.038	2.039
Exchange rate adjustments on cash and cash equivalents	-90	0	-86	0	0
<b>Cash and cash equivalents at the end of period</b>	<b>6.822</b>	<b>2.246</b>	<b>6.822</b>	<b>2.246</b>	<b>4.738</b>



## Notes

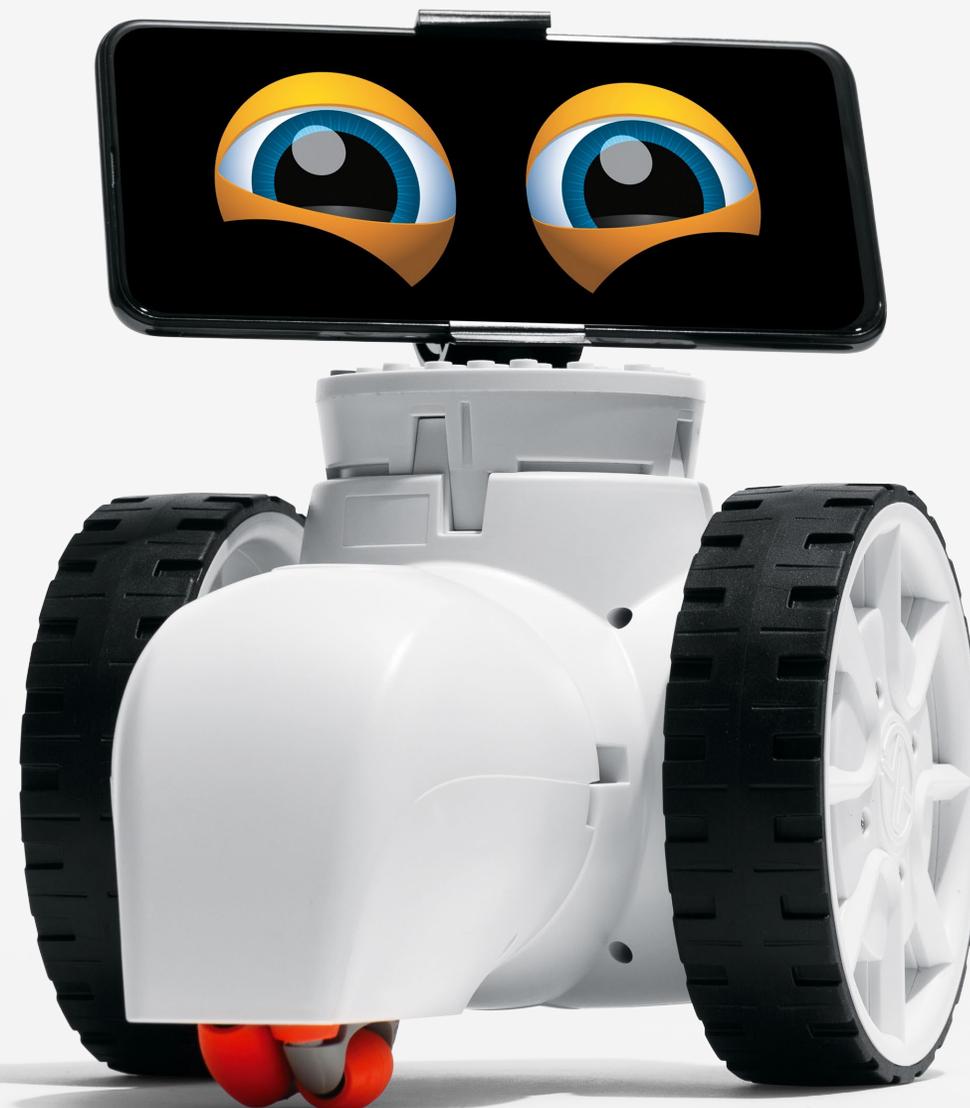
SHARE CALCULATIONS DKK	1H 2023	1H 2022	FY 2022
Market share price, end of period	28,40	16,45	26,40
Earnings per share	-0,64	-0,84	-0,42
# total shares	12.555.142	7.962.619	10.462.619
# treasury shares	133.399	70.067	41.034
# shares outstanding	12.421.743	7.892.552	10.421.585
Equity ratio %	50%	20%	41%

EQUITY Amount, DKK ('000)	1H 2023	1H 2022	FY 2022
Share Capital	1.046	797	797
Retained earnings/losses	42.322	14.196	14.196
<b>Equity at January 1st</b>	<b>43.368</b>	<b>14.993</b>	<b>14.993</b>

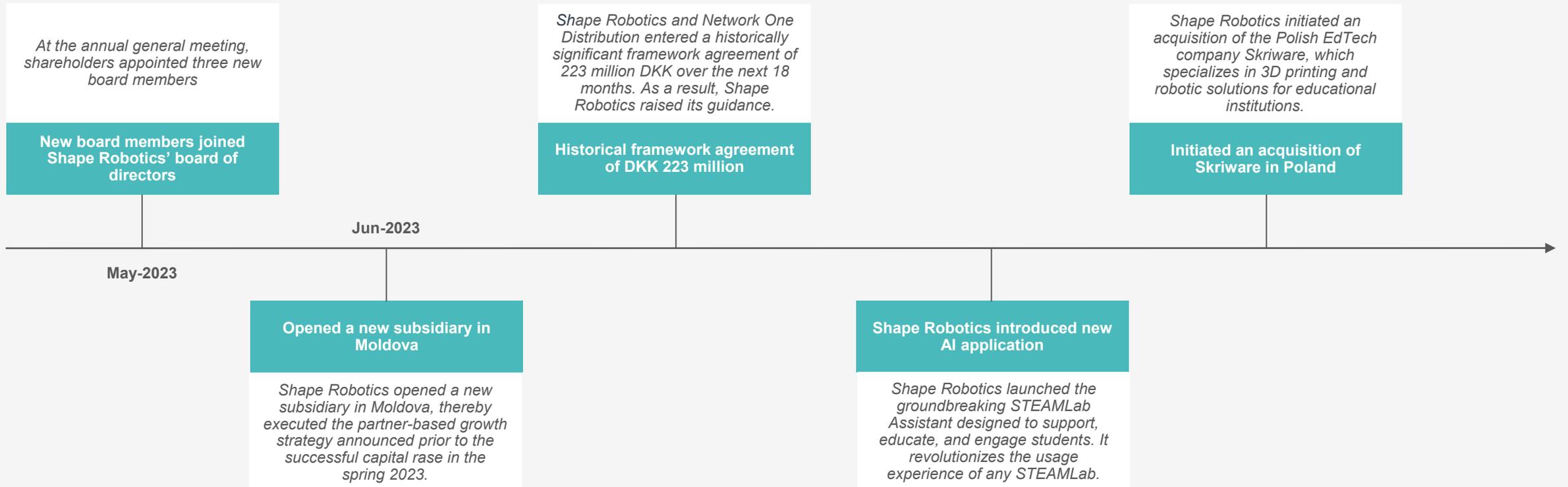
### Changes in Equity

Capital increase (share capital)	209	0	249
Treasury shares	-3.624	841	1.071
Retained earnings/losses	37.449	-685	31.413
Distribution of loss to retained earnings/losses	-8.072	-6.713	-4.358

<b>Equity end of period</b>	<b>69.330</b>	<b>8.436</b>	<b>43.368</b>
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## Highlights Q2 2023



## Highlights Q2 2023

### **New board members joined Shape Robotics' board of directors**

At the annual general meeting new board members was appointed, with new relevant competencies to support the company's growth and strategy. Jeppe Frandsen was elected as the new chairman of the board. With over 25 years of leadership experience in international business development, Jeppe Frandsen possesses a range of competencies in both B2B and B2C sectors. He has a background as Executive VP for EMEA at Canon and is vice chairman at the software company Milestone Systems A/S.

As a reinforcement of the board's competencies, Kasper Holst Hansen was appointed. Since 2006 he has been an entrepreneur and founded several educational platforms. Today, Kasper Holst Hansen operates Flying BizKit, which nurtures and invests in very early-stage startups, focusing on social entrepreneurship.

Annette Siewert Lindgreen has over 28 years of management experience in the consulting and service industries. Annette Siewert was chosen to enhance Shape Robotics' board with strategic work, international leadership, mergers and acquisitions, risk management, and governance. For the past four years, Annette worked as a coach, Business Angel and provided consultancy services in entrepreneurship.

*“The team is relatively small and works extremely focused on a common goal of making a real difference for young people.*

*My experience from Canon and my work with both hardware and software align well with Shape Robotics' business model, and I am convinced that I, along with the two new board members, can contribute to development and growth while ensuring continuity in collaboration with the CEO and the rest of the management.”*

***Jeppe Frandsen, Chairman Shape Robotics***

### **Opened a new subsidiary in Moldova**

In June 2023, Shape Robotics established a subsidiary in the Republic of Moldova, thereby executed the strategy outlined by the company prior to the successful capital raise in the spring of 2023. Moldova currently showcases a growing tech sector, and there is substantial political interest in elevating the educational standards across various age groups. This provides Shape Robotics with favorable conditions for sourcing local, skilled workforce, as well as long-term market opportunities for the company's turnkey EdTech solutions. Moldova is a country that, on cultural, political, and technological levels, aligns itself with neighboring Romania, where Shape Robotics' technology plays a significant role in the country's EU-supported digitalization of the education system.

### **Historical agreement of DKK 223 million**

Shape Robotics and Network One Distribution (NOD) entered a historically significant framework agreement with a total value of at least 30 million euros (DKK 223 million) over the next 18 months.

The framework agreement alone is expected, to secure a significant portion of Shape Robotics' projected revenue for this fiscal year.

As a result, the company raised its guidance by 15 million DKK to the range of 145-155 million DKK and increased EBITDA (before non-recurring costs) from 3-5 million DKK to the range of 4 to 6 million DKK.

*“In addition to the numerous programs currently being put up for public tender, there are several NGOs with educational projects in Moldova, such as UNICEF and USAID. Based on our discussions with the relevant stakeholders, we believe that having a local presence will enhance our prospects of winning projects. In the EdTech industry, early establishment in a growth-oriented country is crucial, which is why we are pleased to accelerate our efforts as early as June this year.”*

**André Fehr, CEO Shape Robotics**

*“This milestone order comes in the wake of a capital injection that finances our expansion plans, which the board and management are currently implementing in line with the presented growth strategy that investors have strongly supported. Our network of global partners enables us to effectively expand our footprint in the international EdTech market and enhance our relevance in the growing momentum of digital transformation, which is increasing globally day by day.”*

**Jeppe Frandsen, Chairman Shape Robotics**

### **Shape Robotics introduced new AI application**

Shape Robotics proudly unveiled its latest breakthrough in educational technology with the launch of the STEAMLab Assistant. Designed to support, educate, and engage students, this app combines the power of speech recognition, Text-to-Speech, object recognition and advanced AI capabilities to revolutionize the usage experience of any STEAMLab.

The STEAMLab Assistant is available to educational institutions and students as a freemium offering. This signifies that while the fundamental functionalities are accessible at no charge, supplementary premium features and content is accessible through a subscription-based model.

### **Initiated an acquisition of Skriware in Poland**

In the end of June, Shape Robotics initiated the acquisition of the EdTech company, Skriware, which specializes in 3D printing and robot solutions for educational institutions. The potential purchase of Skriware enables Shape Robotics to enter the rapidly growing EdTech market in Poland and strengthen its position as a provider of robotic technology and educational solutions in Central and Eastern Europe.

The establishment of future laboratories in the education sector is supported by public funds and provides significant opportunities for Shape Robotics in a country with a population of 38 million.

*“Shape Robotics continues to redefine the future of education by introducing transformative technologies that inspire and empower students. The STEAMLab Assistant represents a leap forward in educational innovation, leveraging the latest advancements in AI. We believe that by equipping students with these powerful tools, we are unlocking their potential and preparing them for a future where creativity and problem-solving are paramount.”*

**Moises Pacheco, CTO Shape Robotics**

# 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 financial period 1 January – 30 June 2023.

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 on 30 June 2023 and of the results of the company's operations and cash flows for the financial period 1 January – 30 June 2023.

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

The interim report is unaudited.

*Herlev, 25th of August 2023*

## Executive Management

André Fehr  
CEO

## Board of Directors

Jeppe Frandsen  
Chairman

Helle Rootzen  
Vice Chairman

Moises Pacheco

Kasper Holst Hansen

Annette Siewert Lindgreen

