

Shape Robotics Interim full-year report 2022



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CEO André Reinhard Fehr

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Statement by the Board and Executive Management



On February 24, 2023, the Board of Directors has approved the Q4 Interim Report for 2022 (January 1 – December 31).

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 and quarters in 2022 has not been reviewed by the Company's auditor. FY 2021 is audited.

Net sales and operating result

Net sales was TDKK 87.385 (17.770). EBITDA was TDKK 273 (-15.512).

Balance sheet and equity ratio

Total assets amounted to TDKK 104.957 (26.048), and primarily consisted of inventories and trade receivables.

Shareholder's equity amounted to TDKK 43.830 (14.993), and liabilities amounted to TDKK 61.127 (11.055). Shareholders equity includes TDKK 402 (1.470) of Treasury shares.

Cash Flow and investments

Cash flow amounted to TDKK 2.701 (-7.180).

The share

The shares of Shape Robotics A/S were listed on Nasdaq First North Growth Market Denmark on June 25, 2020. On December 31, 2022, the total number of shares was 10.462.619 (of which 41.034 are treasury shares).

Certified Advisor

Grant Thornton

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Key Figures

KEY FIGURES		Q4	Q4	FY	FY
Amount, DKK ('000)		2022	2021	2022	2021
	Revenue	50.951	12.556	87.385	17.770
	Contribution margin	15.590	3.779	26.483	6.278
	Contribution margin %	31%	30%	30%	35%
INCOME- STATEMENT	Result before special items	3.322	-4.645	-2.262	-16.595
	EBITDA	4.527	-4.295	273	-15.512
	Result before financial items and tax	3.322	-4.645	-2.262	-16.133
	Financial items net	-67	-52	-1.722	-127
	Net result	4.190	-4.753	-3.890	-16.322
BALANCE	Total assets	104.957	26.048	104.957	26.048
	Total equity	43.830	14.993	43.830	14.993
CASH FLOW	Cash flow from operating activities	-13.944	-5.757	-40.315	-14.929
	Cash flow from investing activities	-2.939	-2.021	-10.156	-3.099
	Cash flow from financing activities	22.327	-214	53.172	10.848
	Net cash flow	5.444	-7.992	2.701	-7.180

CEO letter 1/2

The digital transformation is presenting unprecedented opportunities for society and the economy. However, as digital capabilities continue to grow, there is a clear need for enhanced digital education and training across all age groups to effectively meet daily demands. In September 2020, the EU introduced the Digital Education Action Plan, which emphasizes the integration of digital education into all forms of education and training. The Recovery and Resilience Funds (RRF) further support this integration by allocating 20% of funds to digital transformation initiatives. As a part of this plan, the European Commission is assisting member states in equipping their schools for successful digital transformation.

The RRF is a strategic EU plan created to support European societies toward investments in challenges and opportunities of green and digital transitions. The plan comprises grants and loans of EUR 723 billion, wherein EUR 45 billion are allocated for educational purposes. For educational purposes, the fund has allocated approx. EUR 13 billion for the digitalization of European schools and digital learning.

Following the completion of education projects funded by the recovery and resilience plans, the European Union has indicated a continued focus on digitalization, beyond 2026 – indicating that programs or project funding with focus on education will follow after the recovery and resilience funding.

Shape Robotics recognizes the growing demand for educational technology and aims to become a leading provider in Romania by leveraging established partnerships with global technology companies. Our primary objective is to create exceptional learning experiences in Romania and utilize this success as a launchpad to expand into other countries. This approach aligns with Romania's ambition to lead digital education efforts among EU member states.



CEO letter 2/2

As a result, Shape Robotics' management and Board of Directors have decided to pursue additional funding opportunities through a proposed rights issue emission in March or April. We believe this additional investment will enable the company to replicate our successes from Romania into other selected countries such as Poland, Bulgaria and Republic of Moldova. Expansion into new geographical markets are associated with significant up-front investments in office leases, recruitments of administrative staff and not least a qualified sales team with a relevant network.

The Edtech market in especially the East European countries develops quickly and attracts significant political and public interest driving new projects being offered in competitive tender processes. Timely and rapid implementation is critical to capitalize on such emerging opportunities in new markets, as many projects are expected to commence in 2023 and 2024. The strategic plan for 2023 includes deploying local teams in at least one of the aforementioned markets to assist distributors, conduct teacher training sessions, and create customized marketing and educational content, while the strategic plan for 2024 involves expansion into further new geographical markets. Implementation of these strategic plans is subject to completion of the intended rights issue.

In the year 2023, prior to factoring in the potential success of implementing new teams and gaining entry into novel markets, our estimated revenue range is expected to fall between DKK 130-140 million. In addition, we anticipate an EBITDA before non-recurring costs to be approximately DKK 3-5 million. These figures are indicative of a growth rate of approximately 50-60% in relation to our revenue. Furthermore, it is our objective to list our company on the Nasdaq Main Market Copenhagen by year-end.

André Reinhard Fehr

Chief Executive Officer

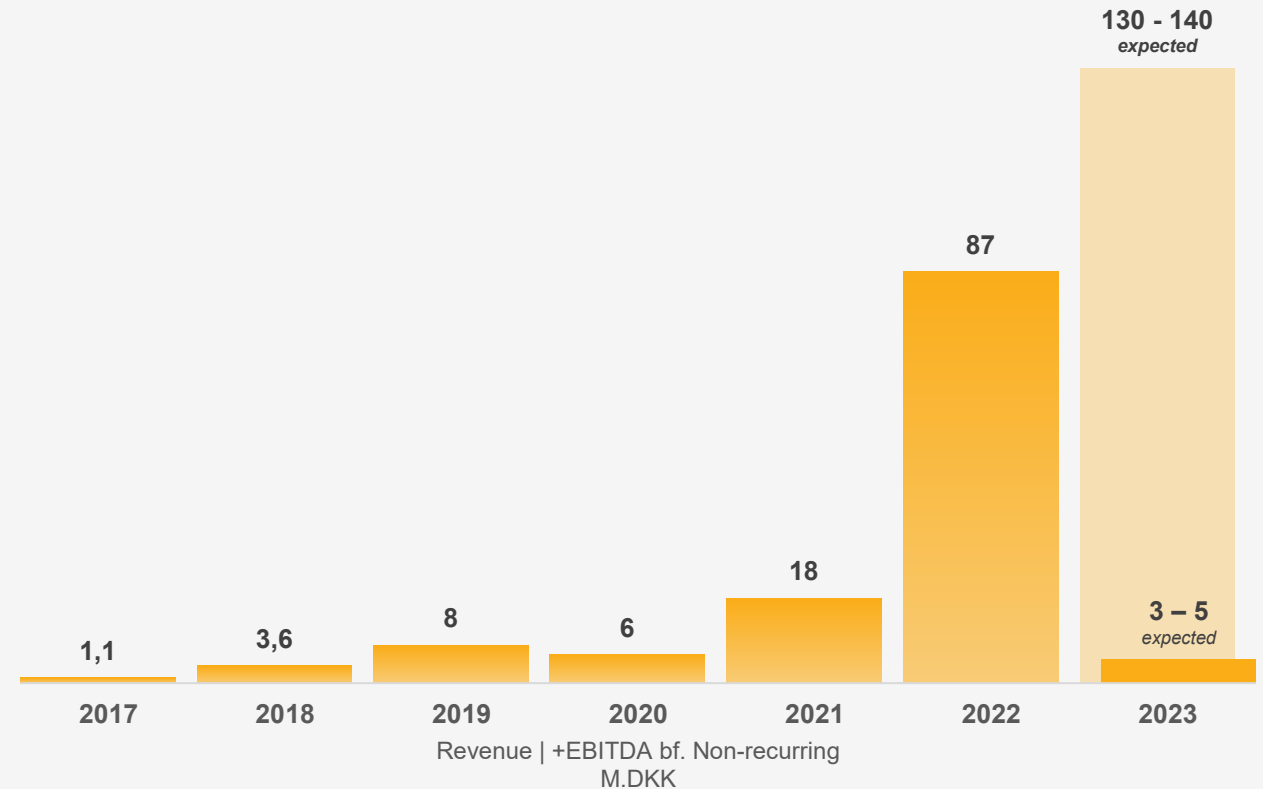


Full year outlook

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 130 to 140** in the financial year 2023, and an **EBITDA** of **MDKK +3 to +5 (bf. non-recurring costs)**.



Income Statement (January 1 – December 31 2022)

Income statement Amount, DKK ('000)	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenue	50.951	12.556	87.385	17.770
Cost of goods sold	-35.362	-8.777	-60.902	-11.492
Contribution margin	15.590	3.779	26.483	6.278
Contribution margin %	31%	30%	30%	35%
Research and Development	-122	-566	-830	-1.206
Sales and administrative costs	-5.543	-3.805	-10.218	-7.680
Staff costs	-5.398	-3.703	-15.162	-12.905
Depreciation, amortization and impairment losses	-1.205	-350	-2.535	-1.083
Result before special items	3.322	-4.645	-2.262	-16.595
Special items	0	0	0	462
Result before financial items and tax	3.322	-4.645	-2.262	-16.133
Financial items net	-67	-52	-1.722	-127
Corporation tax for the year	935	-56	94	-62
Net result	4.190	-4.753	-3.890	-16.322



Balance sheet (31. December 2022)

Balance Sheet Amount, DKK ('000)	FY 2022	FY 2021
Assets		
Completed development projects	3.238	5.850
Development projects in progress	882	0
Goodwill	6.817	355
Intangible assets	10.937	6.205
Fixtures and fittings, other plant and equipment	4.733	1.391
Property, plant and equipment	4.733	1.391
Inventories	44.935	9.377
Accounts receivable	32.868	4.677
Deferred tax asset	1.540	0
Tax receivable	194	293
Other receivables	5.010	2.066
Cash and cash equivalents	4.739	2.039
Total current assets	89.286	18.452
Total assets	104.957	26.048

Balance Sheet Amount, DKK ('000)	FY 2022	FY 2021
Liability		
Share capital at the end of the year	1.046	797
Treasury shares at the end of the year	-402	-1.470
Reserves	1.992	4.563
Retained earnings	41.194	11.103
Total equity	43.830	14.993
Total non-current liabilities	926	82
Current borrowings	24.222	43
Accounts payable	27.750	5.516
Other liabilities	8.229	5.414
Total current liabilities	60.202	10.973
Total equity and liabilities	104.957	26.048

Cash Flow Statement (January 1 – December 31 2022)

Cash Flow Amount, DKK ('000)	Q4 2022	Q4 2021	FY 2022	FY 2021
Profit/loss before financial items and tax (EBIT)	3.322	-4.645	-2.262	-16.133
Depreciation, amortization and impairment losses reversed	1.205	342	2.535	1.079
Changes in inventories	-5.056	-590	-22.446	-959
Changes in receivables	-1.114	-7.398	-26.102	-5.623
Changes in other operating activities	0	-697	0	-1.055
Changes in current liabilities	-11.727	7.457	11.029	7.596
Financial costs paid	-67	-31	-1.722	-125
Income taxes paid/received	-506	-195	-1.347	292
Cash flow from operating activities	-13.944	-5.757	-40.315	-14.929
Cash flow from investing activities	-2.939	-2.021	-10.156	-3.099
Cash flow from investing activities	-2.939	-2.021	-10.156	-3.099
Changes in other non-current liabilities, net	-150	-214	13	0
Change in treasury shares	160	0	1.068	518
Increase of capital	32.119	0	32.119	10.330
Borrowings	-9.802	0	19.972	0
Cash flow from financing activities	22.327	-214	53.172	10.848
Net cash flow	5.444	-7.992	2.701	-7.180
Cash and cash equivalents at the beginning of period	-704	9.988	2.039	9.176
Cash and cash equivalents at the end of period	4.739	1.996	4.739	1.996



Notes

SHARE CALCULATIONS DKK

	FY 2022	FY 2021
Market share price, end of period	26,40	12,0
Earnings per share	-0,37	-2,05
# total shares	10.462.619	7.962.619
# treasury shares	41.034	167.156
# shares outstanding	10.421.585	7.795.463
Equity ratio %	42%	58%

EQUITY Amount, DKK ('000)

	FY 2022	FY 2021
Share Capital	797	683
Retained earnings/losses	14.196	19.670
Equity at January 1st	14.993	20.353

Changes in Equity

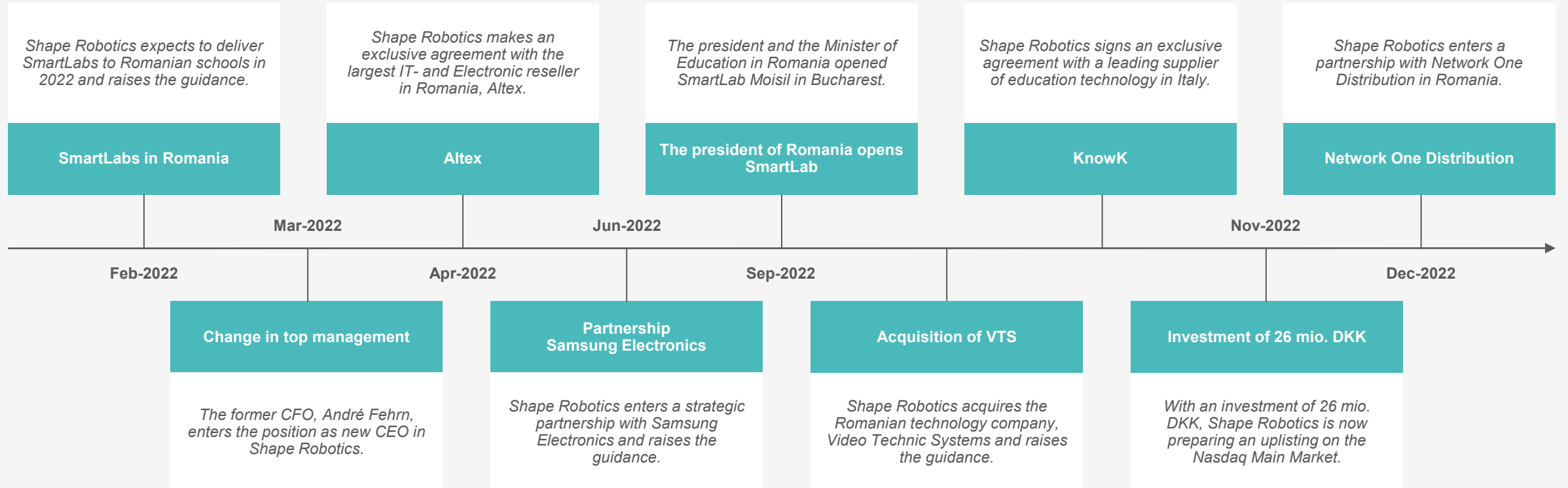
Capital increase (share capital)	249	114
Treasury shares	1.068	518
Retained earnings/losses	31.410	10.330
Distribution of loss to retained earnings/losses	-3.890	-16.322

Equity end of period

	43.830	14.993
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Highlights 2022



Highlights Q4 2022

Investment of 26 mio. DKK

In November 2022, Shape Robotics announced its revenue expectations of at least DKK 130 million for the year 2023, with a projected positive operating result. To support its growth plans, the company secured an investment of over DKK 26 million from the investment firm Fundamental Invest and its customers. With this injection of capital, Shape Robotics aims to achieve a listing on Nasdaq Main Market Copenhagen in 2023.

Partnership with Network One Distribution

In December, Shape Robotics, announced a partnership with NOD (Network One Distribution), a leading electronics and IT distributor in Romania. Over the next three years, they will sell Shape Robotics' "Fable" robot, as well as 3D printers and VR glasses through NOD's distribution network. The first order of approximately 7 million DKK was delivered in the same month, and both parties expected similar orders to be placed about three times a year in the coming three years, totaling an expected billing value of 60 million DKK. The partnership aligns with Shape Robotics' growth strategy to strengthen its market position in Romania and meet the high demand for educational technology in the region. NOD is a market leader in Romania with over 20 years of experience and a revenue of over 3 billion DKK annually. They aim to implement innovative solutions and the latest technologies to promote the modernization of Romanian society.

“The partnership with NOD is part of the company's strategy to build a solid distribution and integration network in Romania to quickly scale up and implement technology in local schools, businesses, and institutions with high usability for teachers and documented learning effects for students.”

André Fehrn, CEO 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 – 31 December 2022.

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 31 December 2022 and of the results of the company's operations and cash flows for the financial period 1 January –31 December 2022.

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, 24th February 2023

Executive Management

André Fehn
CEO

Board of Directors

Kasper Støy
Chairman

Helle Rootzen
Vice Chairman

Moises Pacheco

Michael Frank

