

Shape Robotics Interim report

January – March 2023

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CEO André Reinhard Fehr

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Statement by the Board and Executive Management

On May 12, 2023, the Board of Directors has approved the Q1 Interim Report for 2023 (January 1 – March 31).

The interim report is unaudited.



Shape Robotics receives Lenovo's price for "The best partner in sales of educational solutions in EMEA"

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 Q1 2023 has not been reviewed by the Company's auditor. FY 2022 is audited.

Net sales and operating result

Net sales was TDKK 18.980 (7.138). EBITDA was TDKK -2.934 (-2.070).

Balance sheet and equity ratio

Total assets amounted to TDKK 102.653 (31.779), and primarily consisted of inventories and trade receivables.

Shareholder's equity amounted to TDKK 38.815 (11.989), and liabilities amounted to TDKK 63.837 (19.789). Shareholders equity includes TDKK 651 (1.403) of Treasury shares.

Cash Flow and investments

Cash flow amounted to TDKK -1.546 (1.104).

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, 2023, the total number of shares was 10.462.619 (of which 41.116 are treasury shares).

Certified Advisor

Grant Thornton

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Key Figures

KEY FIGURES		Q1	Q1	FY
Amount, DKK ('000)		2023	2022	2022
	Revenue	18.980	7.138	87.385
	Contribution margin	5.978	2.618	26.484
	Contribution margin %	31%	37%	30%
INCOME- STATEMENT	Result before special items	-3.682	-2.479	-2.728
	EBITDA	-2.934	-2.070	-193
	Result before financial items and tax	-3.682	-2.479	-2.728
	Financial items net	-660	-295	-1.721
	Net result	-4.531	-2.886	-4.355
BALANCE	Total assets	102.653	31.779	104.955
	Total equity	38.815	11.989	43.368
CASH FLOW	Cash flow from operating activities	527	-6.714	-41.326
	Cash flow from investing activities	-3.004	-259	-10.156
	Cash flow from financing activities	931	8.077	54.181
	Net cash flow	-1.546	1.104	2.699

CEO letter 1/2

Dear reader,

As mentioned in earlier letters digital transformation presents unique opportunities for society and the economy. However, we must enhance digital education and training across all age groups to meet daily demands. In September 2020, the EU introduced the Digital Education Action Plan, integrating digital education into all forms of training. The Recovery and Resilience Funds (RRF) allocate approx. 20% of funds to digital transformation initiatives. The plan includes EUR 45 billion for educational purposes, with approx. EUR 14 billion for the digitalization of European schools and digital learning, assisting member states in equipping their schools.

Our company places utmost importance on the prospects that Europe presents to member states, schools, and students. Considering this, and in response to promising market opportunities, Shape Robotics' management and board of directors made the decision in February to launch a share emission (rights issue) to secure additional capital. This strategic initiative aims to accelerate our entry or further establish our presence in selected countries that have a strong focus on implementing digital learning technology in schools. Leveraging our experience in the Romanian market, we aim to capitalize on these opportunities and maximize our growth potential.

The rights issue emission that took place at the end of March was successful and oversubscribed by approximately 50%. As a result, the company is now actively pursuing the establishment of subsidiaries in Poland and the Republic of Moldova as its first endeavor. We will keep the market informed of our progress once we have completed the setup.

I would like to take this opportunity to express my gratitude to our investors for their trust and confidence in our company. Their support and mandate have enabled us to pursue our mission and achieve significant progress towards our goals.

Status and pipeline

The Q1 2023 revenue results demonstrate the typical fluctuations inherent in the B2G market, which have been observed in previous years. Most the company's revenue typically materializes in the latter quarters of the year.

The group realized a revenue of almost DKK 19 m in Q1, with a contribution margin of 31%. As part of the preparations for the scale-up to come, herein also the strategic initiatives, the operational costs have also increased in Q1, following in a negative EBITDA of DKK -3 m in the period. The operational costs in the coming quarters are somewhat expected to be in the same range as in Q1, but the company expects a significant growth in revenue in the coming quarters, leading to expected profitability for the fiscal year 2023 (guidance of EBITDA DKK +3 to +5 m bf. non-recurring costs).



CEO letter 2/2

The group's pipeline possesses promising tender opportunities, organic growth, with positive quotes and forecasts from both new and existing distributors. For example, during the winter and spring, more than 1,000 schools applied for a Smart Digital Laboratory ("SmartLab") under the Romanian National Recovery and Resilience Plan, with a total allocated budget of €117m (DKK 870m), in which Shape Robotics' own or third-party distributed products are eligible for purchase. The Romanian Ministry of Education announced the list of schools eligible for funding on May 9, and next step, most likely during the summer, will be for the schools to start placing orders at integrators and distributors of solutions that meet the Ministry of Education's minimum specifications for products in a SmartLab.

Furthermore, the partnership with Samsung is also showing great promise. Besides an already confirmed new Samsung-distributor (HandyAV) that had an opening order of DKK 1.5 m, Shape Robotics recently participated in the world's largest Edtech exhibition, the BETT show in London, as an integral part of Samsung's booth, which has resulted from the development of Fable Blockly as an integration of Samsung's interactive displays.

The exhibition was a huge success and generated many promising leads in Europe, Asia, and South America.

Finally, as mentioned in the beginning of my letter, we are also focusing on countries like Bulgaria, Poland and the Republic of Moldova, and we have high expectations for growth in these markets in the coming months and years.

I want to extend my gratitude to our talented team of employees and close partners, who have worked tirelessly to make our current and future success possible.

André Reinhard Fehr

Chief Executive Officer

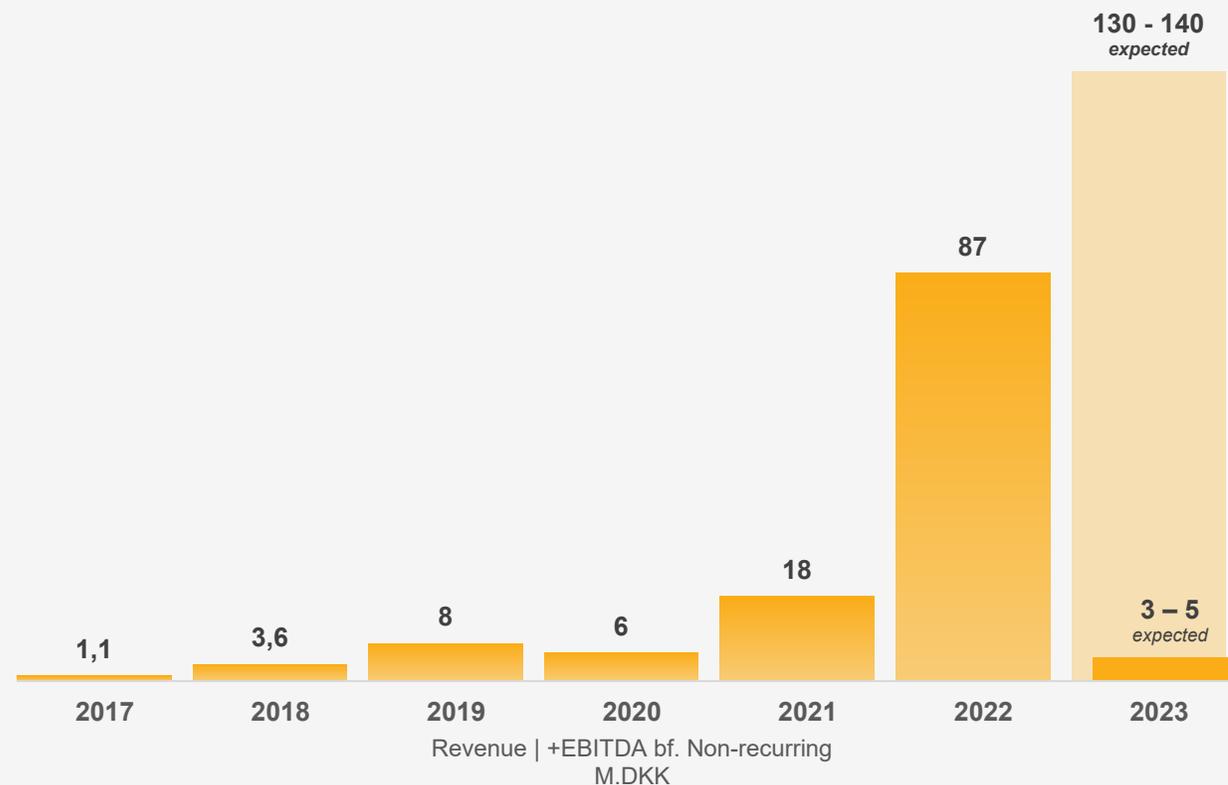


Full year outlook

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 – March 31 2023)

Income statement Amount, DKK ('000)	Q1 2023	Q1 2022	FY 2022
Revenue	18.980	7.138	87.385
Cost of goods sold	-13.003	-4.520	-60.901
Contribution margin	5.978	2.618	26.484
Contribution margin %	31%	37%	30%
Research and Development	-158	-135	-830
Sales and administrative costs	-3.739	-1.222	-10.487
Staff costs	-5.015	-3.331	-15.360
Depreciation, amortization and impairment losses	-748	-409	-2.535
Result before special items	-3.682	-2.479	-2.728
Special items	0	0	0
Result before financial items and tax	-3.682	-2.479	-2.728
Financial items net	-660	-295	-1.721
Corporation tax for the year	-189	-112	94
Net result	-4.531	-2.886	-4.355



Balance sheet (31. March 2023)

Balance Sheet Amount, DKK ('000)	Q1 2023	Q1 2022
Assets		
Completed development projects	3.106	3.682
Goodwill	6.560	342
Development projects in progress	2.659	0
Intangible assets	12.325	4.023
Fixtures and fittings, other plant and equipment	5.615	3.424
Property, plant and equipment	5.615	3.424
Inventories	51.641	12.429
Accounts receivable	24.730	5.893
Deferred tax asset	1.540	0
Tax receivable	194	293
Other receivables	3.410	2.605
Cash and cash equivalents	3.197	3.112
Total current assets	84.713	24.331
Total assets	102.653	31.779

Balance Sheet Amount, DKK ('000)	Q1 2023	Q1 2022
Liability		
Share capital at the end of the period	1.046	797
Treasury shares at the end of the period	-651	-1.403
Funds and reserves	12.731	0
Retained earnings	25.688	12.595
Total equity	38.815	11.989
Total non-current liabilities	8.195	34
Current borrowings	18.276	8.096
Accounts payable	25.637	6.476
Other liabilities	11.728	5.183
Total current liabilities	55.642	19.756
Total equity and liabilities	102.653	31.779

Cash Flow Statement (January 1 – March 31 2023)

Cash Flow Amount, DKK ('000)	Q1 2023	Q1 2022	FY 2022
Profit/loss before financial items and tax (EBIT)	-3.682	-2.479	-2.728
Depreciation, amortization and impairment losses reversed	748	409	2.535
Changes in provisions and pension obligations, etc.	464	0	0
Changes in inventories	-7.247	-3.053	-24.446
Changes in receivables	9.833	1.001	-23.157
Changes in current liabilities	1.267	-2.185	9.543
Financial costs paid	-702	-266	-1.726
Financial income received	36	-29	0
Income taxes paid/received	-189	-112	-1.347
Cash flow from operating activities	527	-6.714	-41.326
Cash flow from investing activities	-3.004	-259	-10.156
Cash flow from investing activities	-3.004	-259	-10.156
Changes in other non-current liabilities, net	-6	4	0
Increase of capital	0	0	31.413
Change in treasury shares	82	67	1.071
Borrowings	854	8.007	21.697
Cash flow from financing activities	931	8.077	54.181
Net cash flow	-1.546	1.104	2.699
Cash and cash equivalents at the beginning of period	4.738	2.039	2.039
Exchange rate adjustments on cash and cash equivalents	4	0	0
Cash and cash equivalents at the end of period	3.196	3.143	4.738



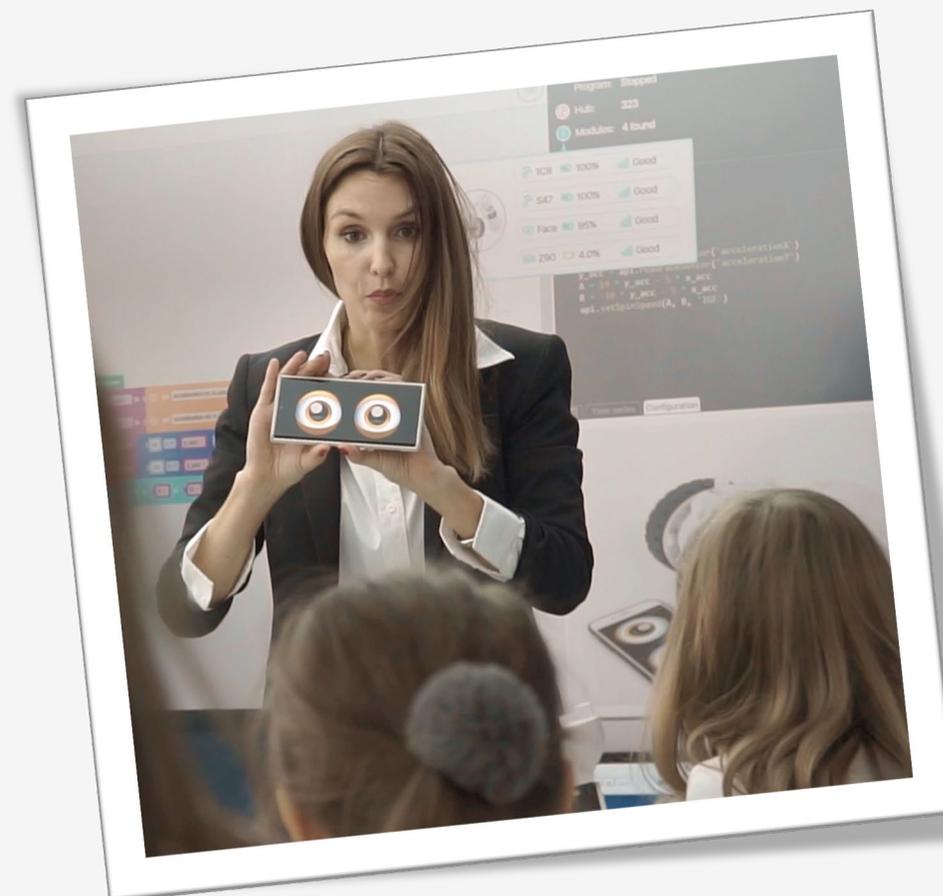
Notes

SHARE CALCULATIONS DKK	Q1 2023	Q1 2022	FY 2022
Market share price, end of period	21,70	18,35	26,40
Earnings per share	-0,43	-0,36	-0,42
# total shares	10.462.619	7.962.619	10.462.619
# treasury shares	41.116	160.354	41.034
# shares outstanding	10.421.503	7.802.265	10.421.585
Equity ratio %	38%	38%	41%

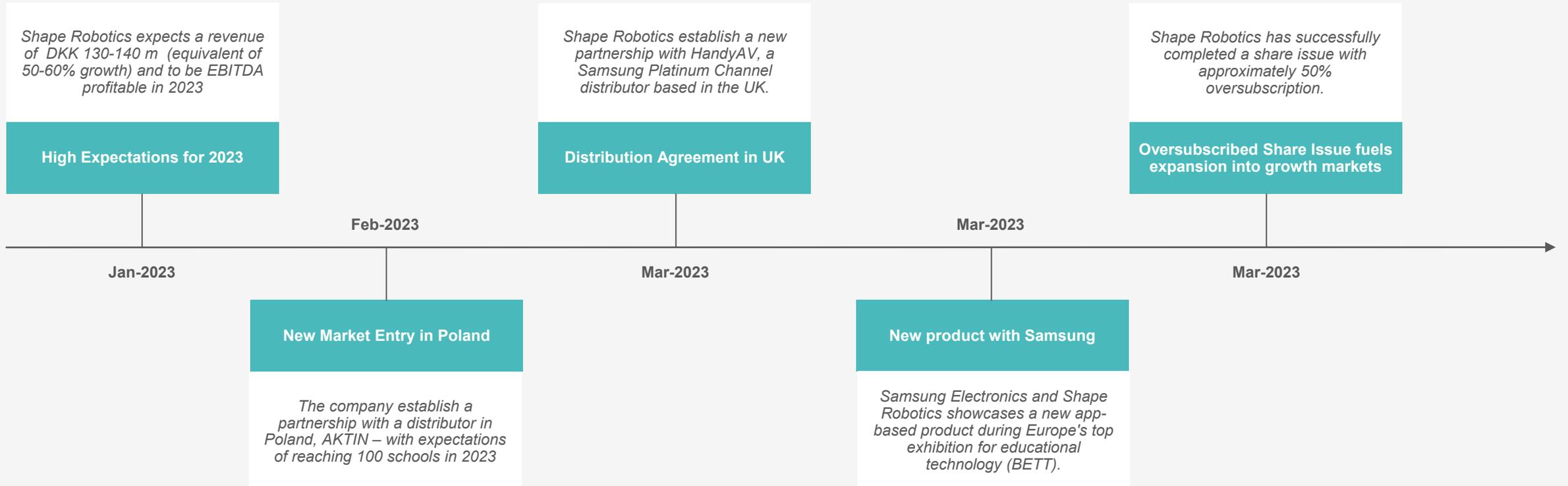
EQUITY Amount, DKK ('000)	Q1 2023	Q1 2022	FY 2022
Share Capital	1.046	797	797
Retained earnings/losses	42.322	14.196	14.196
Equity at January 1st	43.368	14.993	14.993

Changes in Equity

Capital increase (share capital)	0	0	249
Treasury shares	82	67	1.071
Retained earnings/losses	-104	-186	31.413
Distribution of loss to retained earnings/losses	-4.531	-2.886	-4.358
Equity end of period	38.815	11.988	43.368



Highlights 2023



Highlights Q1 2023

High Expectations for 2023

The financial year of 2022 demonstrates Shape Robotics' technological significance and distribution reach, having achieved almost 400% revenue growth and positive EBITDA in the 2nd half of the year. By effectively distributing Danish educational technology to the global market, the company is poised for continued growth in the upcoming year, targeting a triple-digit million revenue and a growth rate of 50-60% over the 2022 fiscal year.

In 2023, Shape Robotics anticipates generating revenues ranging from DKK 130-140 million with an EBITDA (before non-recurring costs) of approximately DKK 3-5 million.

Additionally, the company aims to list on the Nasdaq main market by the end of the year.

New Market Entry in Poland

With a first delivery of Fable robots worth €140,000 to the new Polish distribution partner, AKTIN, Shape Robotics is opening up a new market with high demand for Danish education technology.

Initially, the partnership covers a minimum of 100 schools in 2023, corresponding to a total invoicing value of DKK 3.5 million.

With an aim of reaching 300-500 schools per year at a value of approximately €5-7,000 per school, the new distribution agreement has the potential to generate revenues in the range of DKK 12-25 million per year in the new Polish market.

“... Timely and expeditious implementation is crucial to seize new opportunities in new markets, as many projects are expected to commence as early as 2023 and 2024. We have learned from Romania that the market is evolving rapidly, and having the best cards at hand is essential to securing a solid position in the market.”

André Fehrn, CEO Shape Robotics

Distribution agreement in UK

Shape Robotics has recently established a distribution partnership with HandyAV, a UK-based company specializing in providing professional AV solutions for technology spaces, with a strong customer base within educational institutions. The agreement has a minimum target of € 500,000 (DKK 3.7 million) in 2023, and the initial delivery of Fable Robots has a total value of DKK 1.5 million.

Moreover, as HandyAV is a Samsung Platinum Channel Partner in selected countries, this agreement marks the first tangible outcome of the partnership between Samsung and Shape Robotics, aimed at fostering and enhancing technological education in school systems globally.

New app-based EdTech product

Samsung Electronics and Shape Robotics showcased a new app-based product, targeting the growing global market for digital education, in Samsung's booth at Europe's leading exhibition for new educational technology.

Shape Robotics' flagship product, the Fable robot, has now been integrated into Samsung Electronics' international ecosystem, and at BETT London 2023 (British Educational Training and Technology Show), thousands of teachers, educators, and international distributors experienced the new Fable Blockly system in action.

The partnership agreement signed last year between Shape Robotics and Samsung Electronics includes not only a distribution agreement but also a shared goal to create an Edtech ecosystem that can optimize technology education in school systems worldwide.

“The native integration of the Fable Blockly app into the Tizen operating system of Samsung Flip Pro Interactive Displays comes with several technical, economic and educational benefits that we believe are extremely important. First of all, it eliminates the need to purchase the device (computer, laptop, tablet, OPS) that, until now, was responsible for running the Fable Blockly application on the interactive display, thus decreasing the level of expenses and increasing the level of reliability of the platform.”

Constantin Cristian, Head of Division Samsung Electronics

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 March 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 31 March 2023 and of the results of the company's operations and cash flows for the financial period 1 January – 31 March 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, 12th of May 2023

Executive Management

André Fehr
CEO

Board of Directors

Jeppe Frandsen
Chairman

Helle Rootzen
Vice Chairman

Moises Pacheco

Kasper Holst Hansen

Annette Siewert Lindgreen

