

Shape Robotics

Interim Full-Year Report 2023

January – December 2023

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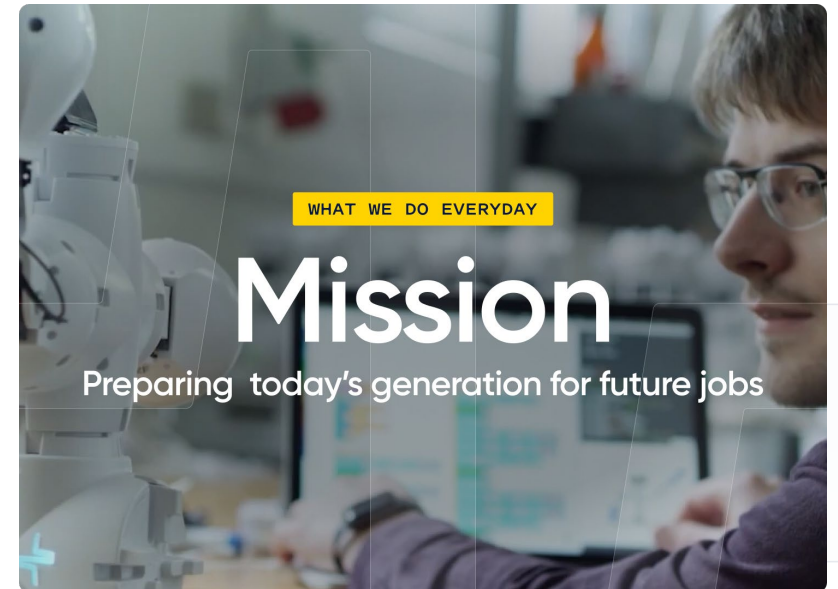
About Shape Robotics

Shape Robotics is a Danish EdTech company dedicated to providing primary learners with essential digital and technological skills in education. We provide intelligent classroom solutions, educational robots and software primarily to educational institutions in Europe. Our mission is to make teaching meaningful and easier through technology. Central to our philosophy is TECHDUCATION — an approach focused on shaping specialized classes and lessons that empower today's learners for the careers of tomorrow, all driven by technology.

We are TECHDUCATORS, and our goal is to create personalized educational experiences to prepare the younger generation for the job markets of the future, all using smart technology.

With thousands of institutions trusting us, we lead in smart classroom solutions, promoting innovation in teaching methods. We advocate integrating intelligent solutions into education, boosting technological literacy in STEAM disciplines. Our solutions also come equipped with comprehensive content and video training, empowering educators to effectively utilize our smart technology and enhance learning experiences.

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About Shape Robotics (cont.)

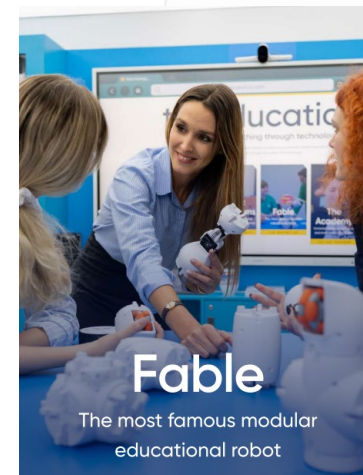
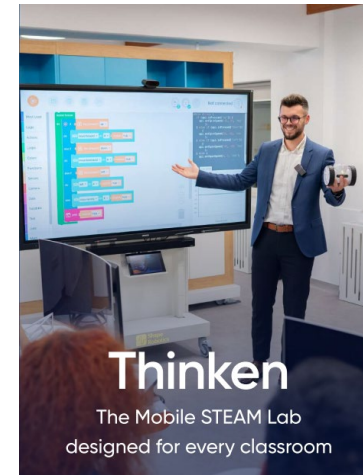
Our EdTech Solutions

Thinken – The Mobile STEAM Lab brings dynamic, explorative learning to every classroom. Designed to be smart and affordable, it's a compact, ergonomic mobile cart that provides schools worldwide with a flexible and comprehensive solution for immersive experiences. Thinken is portable and comes equipped with VR headsets, robots, laptops, and an adjustable interactive display, making it a flexible asset for all types of learning styles and environments

Smart Classrooms - The Smart Classroom is equipped with cutting-edge technology, including multifunctional robots, interactive displays, VR headsets, 3D printers, scanners, laser cutters, and drones, offering a comprehensive suite of hardware and software tools. This inclusive and environmentally conscious setup ensures that students are prepared with essential skills for their future careers in a responsible manner.

Fable - Renowned as the leading modular educational robot, serving as the core component of our Smart Classroom and Thinken ecosystem. It's an ideal tool for various STEAM subjects and hands-on learning, thanks to its innovative magnetic assembly system, it can be assembled in seconds to code movements and make interactions of the robot from our Fable Blockly software. Fable is suitable for all academic levels, from primary to university, making it the perfect companion for interactive and engaging education.

Shape Robotics Academy – A versatile educational platform tool that prepares educators and students to make STEAM subjects more engaging with the help of technology. The Academy provides extensive video resources, enabling teachers to effectively employ Smart Classroom and Thinken technologies. This hands-on approach ensures that learning is not only interactive but also forward-thinking, aligning with the demands of future workplaces.



About the Interim Report

- **Auditor's review**

The Interim Full-Year report for 2023 has not been reviewed by the Company's auditor.

- **Net sales and operating result**

Net sales FY 2023 was TDKK 171.213 (87.385). EBITDA was TDKK 16.085 (5.134)

- **Balance sheet and equity ratio**

Total assets amounted to TDKK 256.289 (116.335), and primarily consisted of inventories, trade receivables. Shareholder's equity amounted to TDKK 128.041 (44.882), and liabilities amounted to TDKK 128.247 (71.454).

- **Cash Flow**

Net Cash flow FY 2023 amounted to TDKK -3.018 (2.699).

- **The share**

The shares of Shape Robotics A/S were listed on Nasdaq Main Market Copenhagen on November 20, 2023 – on December 31, 2023, the total number of shares was 14.054.517 (of which 126.708 are treasury shares).

Principles of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for all business combinations.

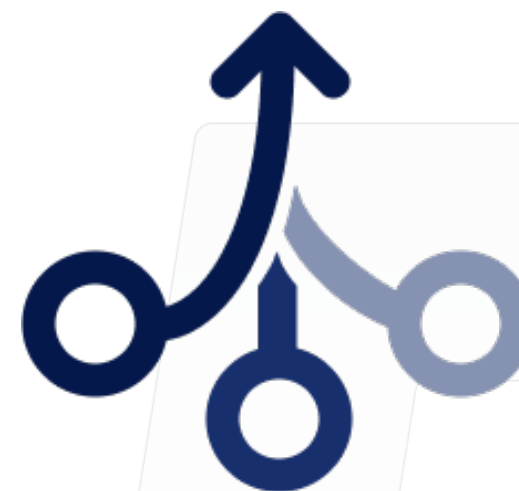
The parent company (Shape Robotics A/S) has of December 31, 2023, 100% ownership of the following subsidiaries:

Shape Robotics Romania S.R.L (Romania)

Video Technic Systems S.R.L (Romania)

Shape Robotics East S.R.L (Republic of Moldova)

The acquisition of Skriware S.A was finalized at the end of 2023, and the issuance of shares was initiated before the year-end. The ultimate control of the company was completed at the beginning of January 2024, with Shape Robotics officially registered as the owner at the start of January. Although the capital increase in the Danish business authorities was recorded by the end of 2023, the full control of the company was not achieved until the beginning of January. As a result, Skriware is currently classified as a financial asset in the consolidation and will be fully consolidated from January 1, 2024.



Key figures (Jan – Dec 2023)

KEY FIGURES		Q4	Q4	FY	FY
Amount, DKK ('000)		2023	2022	2023	2022
INCOME STATEMENT	Revenue	86.524	50.951	171.213	87.385
	Contribution margin	23.557	15.590	48.133	26.484
	Contribution margin %	27%	31%	28%	30%
	EBITDA	13.936	5.037	16.085	5.134
	EBIT	12.097	2.682	7.359	-1.960
	Net result	11.863	3.431	2.517	-4.287
BALANCE	Total assets	256.289	116.335	256.289	116.335
	Total equity	128.041	44.882	128.041	44.882
CASH FLOW	Cash flow from operating activities	-10.816	-12.774	-43.248	-35.919
	Cash flow from investing activities	-7.455	-2.102	-19.554	-3.328
	Cash flow from financing activities	11.914	18.683	59.784	41.946
	Net cash flow	-6.358	3.807	-3.018	2.699

CEO letter

Dear reader,

We, at Shape Robotics remain committed to delivering intelligent classroom solutions and outstanding educational ecosystems, including the best educational robotics system. Through our mission to facilitate teaching through technology, we design unique classes and lessons to prepare today's learners for tomorrow's job opportunities, all through the power of technology.

Through our STEAM 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. We have therefore fostered an environment where we cater to and share our values, such as innovation, learning, creativity, adaptability and sustainability, creating a new way of learning for the benefit of the next generation – smart learning. "Smart learning" refers to the use of technology, data, and innovative strategies to enhance and optimize the learning process; it involves leveraging various tools and techniques to make learning more efficient, effective, and personalized.

In 2023, the group experienced substantial growth, necessitating a revision of our guidance. This was notably driven by a record-breaking fourth quarter marked by a significant surge in orders. Towards the end of 2023, we successfully finalized the acquisition agreement with Skriware SA in Poland. The transaction is set to conclude in January 2024, providing us with enhanced access to the Polish market and enabling the exportation of our successful business model from Romania to the larger market in Poland.

Long-Term Planning

Recently, we unveiled our long-term strategy, focusing on both ongoing and new projects geared towards enhancing core technology, expanding the product portfolio, cultivating client and partner relationships, and extending our presence across different countries and regions. In terms of financial goals, our objective is to achieve a net revenue of 1 billion DKK by 2027, accompanied by an EBITDA margin ranging from 12-15%. Achieving these financial milestones relies on increased business penetration in Europe and expansion into new markets such as the UAE, Saudi Arabia, the US, India, and China.

Technology Focus

From a technological perspective, we are committed to continuous investment in the development of our existing product lines, progressively meeting more requirements, and emphasizing the digitalization of education. Additionally, we aspire to be the pioneer in offering AI classroom education, introducing a subscription-based Educational Intelligence Assistant (E.di). This innovative tool aims to address challenges faced by educators, providing features such as customized lesson plans tailored to individual teaching styles and student needs to foster increased teacher engagement.

Acknowledgments

In conclusion, I want to express my sincere gratitude to our talented team and valued partners. In 2023, we achieved significant milestones, including a successful listing on the Nasdaq Main Market and the acquisition of Skriware, our new Polish subsidiary. The journey was (and is) remarkable, and we look forward to further success in the future.

André Reinhard Fehr

Chief Executive Officer

Income Statement (Jan – Dec 2023).

Income statement Amount, DKK ('000)	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenue	86.524	50.951	171.213	87.385
Cost of goods sold	-62.967	-35.362	-123.080	-60.901
Contribution margin	23.557	15.590	48.133	26.484
Contribution margin %	27%	31%	28%	30%
Research and Development	115	-122	-279	-830
Sales and administrative costs	-4.196	-3.940	-12.053	-4.209
Staff costs	-5.540	-6.492	-19.716	-16.312
EBITDA	13.936	5.037	16.085	5.134
Depreciation, amortization and impairment losses	-1.839	-2.355	-8.726	-7.094
EBIT	12.097	2.682	7.359	-1.960
Financial items net	-2.150	-238	-5.751	-2.380
Corporation tax for the year	1.916	987	909	53
Net result	11.863	3.431	2.517	-4.287

Balance Sheet (Dec 31, 2023)

Balance Sheet Amount, DKK ('000)	FY 2023	FY 2022
Assets		
Completed development projects	7.388	4.800
Goodwill	4.809	4.809
Development projects in progress	9.663	897
Customer relations	2.771	3.091
Intangible assets	24.631	13.597
Right of use assets	11.692	10.282
Property, plant and equipment	8.893	3.171
Other non-current assets	20.585	13.454
Total non-current assets	45.216	27.051
Inventories	37.276	44.935
Accounts receivable	121.182	32.868
Work in Progress	0	0
Deferred tax asset	3.710	1.540
Other financial assets and investments	37.264	0
Tax receivable	0	194
Other receivables	9.910	5.010
Cash and cash equivalents	1.730	4.738
Total current assets	211.073	89.285
Total assets	256.289	116.335

Balance Sheet Amount, DKK ('000)	FY 2023	FY 2022
Liability		
Share capital at the end of the year	1.405	1.046
Treasury shares at the end of the year	-3.776	-402
Retained earnings	130.412	44.238
Total equity	128.041	44.882
Other provisions	937	464
Deferred tax	665	774
Finance lease liabilities	5.648	4.584
Borrowing	20.974	925
Other payables	272	47
Total non-current liabilities	28.497	6.793
Finance lease liabilities	5.038	4.510
Bank debts	25.548	24.222
Prepayments from customers	621	263
Accounts payable	55.993	27.750
Other liabilities	12.551	7.915
Total current liabilities	99.751	64.660
Total equity and liabilities	256.289	116.335

Cash flow statement (Jan – Dec 2023)

Cash Flow Amount, DKK ('000)	Q4 2023	Q4 2022	FY 2023	FY 2022
Profit/loss for the year	11.863	3.431	2.517	-4.287
Depreciation, amortization and impairment losses reversed	1.839	2.355	8.726	7.094
Changes in provisions and pension obligations, etc.	552	-3.745	473	-3.745
Other adjustments	1.480	1.617	2.145	2.407
Changes in inventories	38.375	-7.556	7.179	-24.446
Changes in receivables	-61.891	1.831	-94.622	-23.157
Changes in other operating activities	-7.781	-2.067	-73.582	-46.133
Changes in current liabilities	-498	-10.083	36.630	13.288
Financial costs paid	-2.247	-118	-4.995	-1.726
Income taxes paid/received	-290	-506	-1.302	-1.347
Cash flow from operating activities	-10.816	-12.774	-43.248	-35.919
Cash flow from investing activities	-7.455	-2.102	-19.554	-3.328
Cash flow from investing activities	-7.455	-2.102	-19.554	-3.328
Changes in borrowings	5.494	-5.693	21.368	21.728
Principal elements of lease liabilities	-5.219	-1.317	-5.668	-5.724
Proceeds from capital increase	11.330	25.373	47.976	25.273
Changes in treasury shares	390	762	-3.374	669
Changes in other non-current liabilities, net	-82	-443	-518	0
Cash flow from financing activities	11.914	18.683	59.784	41.946
Net cash flow for the year	-6.358	3.807	-3.018	2.699
Cash and cash equivalents at the beginning of the year	8.152	930	4.738	2.039
Exchange rate adjustments on cash and cash equivalents	-65	0	-10	0
Cash and cash equivalents at the end of the year	1.730	4.738	1.730	4.738

Notes (Jan – Dec 2023)

EQUITY	FY	FY
Amount, DKK ('000)	2023	2022
Share Capital	1 046	797
Retained earnings/losses	43 836	14 995
Equity at January 1st	44 882	15 792
<i>Changes in Equity</i>		
Capital increase (share capital)	359	249
Treasury shares	-3 374	1 071
Retained earnings/losses	83 657	32 057
Distribution of loss to retained earnings/losses	2 517	-4 287
Equity end of period	128 041	44 882

SHARE CALCULATIONS	FY	FY
DKK	2023	2022
Market share price, end of period	29,80	26,40
Earnings per share	0,21	-0,51
# total shares	14 054 517	10 462 619
# treasury shares	126 708	41 034
# shares outstanding	13 927 809	10 421 585
Equity ratio %	50%	39%

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 2023.

The interim report has been prepared in accordance with IAS 34.

In our opinion, the financial statements give a true and fair view of the company's financial position on 30 September 2023 and of the results of the company's operations and cash flows for the financial period 1 January – 31 December 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, February 29, 2024

Executive Management

André Reinhard Fehrn, *CEO*

Board of Directors

Jeppe Frandsen, *Chairman*

Helle Rootzen, *Vice Chairman*

Moises Pacheco

Kasper Holst Hansen

Annette Siewert Lindgreen

Financial calendar

March 1, 2024

Extraordinary General Meeting

April 3, 2024

Annual Report 2023

April 3, 2024

Notice of Ordinary General Meeting

April 26, 2024

Ordinary General Meeting

