
Shape Group ApS

c/o Shape A/S, Njalsgade 17A, 2., DK-2300
København S

Annual Report for 1 January - 31 December 2020

CVR No 38 45 78 61

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/5 2021

Christian Johan Claudi
Risom
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Shape Group ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27 May 2021

Executive Board

Christian Johan Claudi Risom
CEO

Board of Directors

Ole Gammelgaard Poulsen
Chairman

Nicolas Linde

Philip Martin Thygesen Bruce

Christian Johan Claudi Risom

Independent Auditor's Report

To the Shareholders of Shape Group ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Shape Group ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Baunkjær Andersen
statsautoriseret revisor
mne35483

Mads Haugegaard Albrechtsen
statsautoriseret revisor
mne45846

Company Information

The Company

Shape Group ApS
c/o Shape A/S
Njalsgade 17A, 2.
DK-2300 København S

CVR No: 38 45 78 61
Financial period: 1 January - 31 December
Incorporated: 27 February 2017
Financial year: 4th financial year
Municipality of reg. office: København

Board of Directors

Ole Gammelgaard Poulsen, Chairman
Nicolas Linde
Philip Martin Thygesen Bruce
Christian Johan Claudi Risom

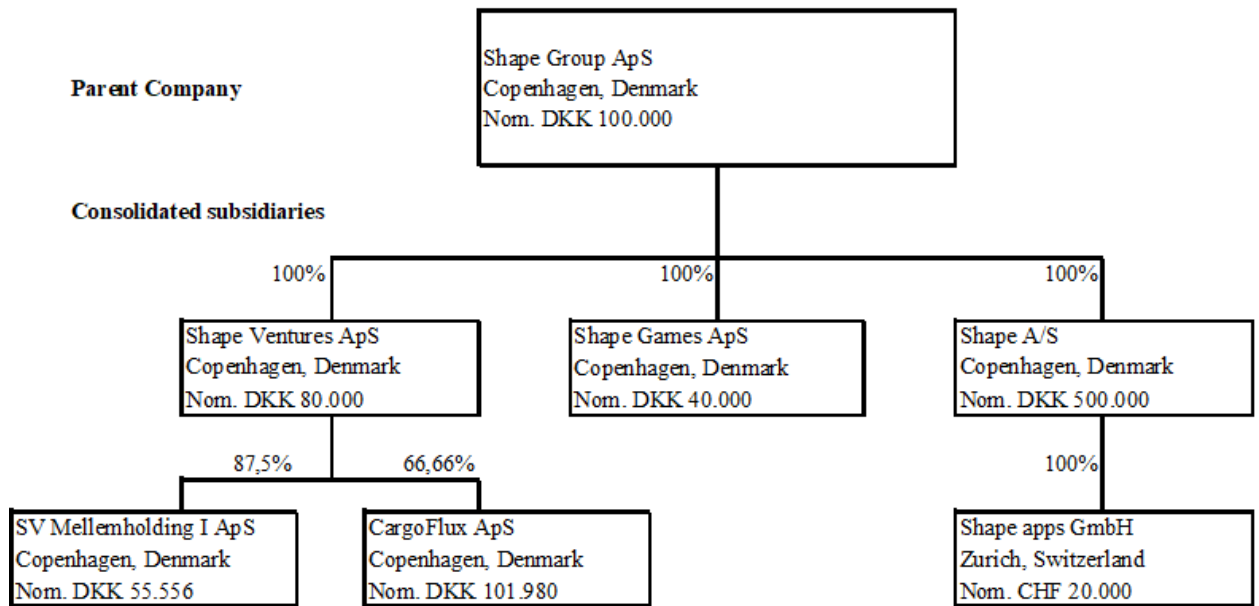
Executive Board

Christian Johan Claudi Risom

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart



Financial Highlights

Seen over a two-year period, the development of the Group is described by the following financial highlights:

	Group	
	2020 TDKK	2019 TDKK
Key figures		
Profit/loss		
Operating profit/loss	17,877	16,909
Profit/loss before financial income and expenses	17,877	19,243
Net financials	-403	-513
Net profit/loss for the year	13,452	15,047
Balance sheet		
Balance sheet total	55,531	46,259
Equity	31,669	26,221
Cash flows		
Cash flows from:		
- operating activities	17,777	10,413
- investing activities	-7,539	-6,545
including investment in property, plant and equipment	-619	-1,182
- financing activities	-8,000	-4,710
Change in cash and cash equivalents for the year	2,238	-842
Number of employees	100	79
Ratios		
Return on assets	32.2%	41.6%
Solvency ratio	57.0%	56.7%
Return on equity	46.5%	114.8%

As the Group is required to prepare a consolidated Financial Report for the first time, for the financial year 2020, key figures only contain 2 years.

For definitions of ratios, see under accounting policies.

Management's Review

Key activities

As in previous years, the Group's primary activities have consisted of business within development and sale of applications for mobile devices, both on a consultant basis and through direct sales, as well as activities related to this.

Development in the year

The income statement of the Group for 2020 shows a profit of DKK 13,452,384, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 31,668,774.

As the Group presents consolidated financial statements for the first time in 2020, the Group has not followed up on expectations from last year.

Operating risks

It has been assessed, that there are no single significant risks to the operations of the Group.

Foreign exchange risks

Activities abroad cause that net profit, cash flow and equity are influenced by exchange rate developments and interest rate trends for a number of currencies. The Group does not cover these risks.

Targets and expectations for the year ahead

Shape Group ApS expects growth in revenue and EBITDA in the range of 10-15 % despite uncertainty in the markets Shape Group operates in due to the Covid-19 pandemic. The guidance is based on a number of important assumptions, including that business performance, client and competitor behaviour will remain normal.

Environmental, social and corporate governance

The Shape Group has no policies for human rights, climate impact, environment, social and staff matters as well as anti-corruption because the Group has assessed that the related risks are limited.

Corporate social responsibility, including human rights and anti-corruption, is an integral part of the Danish labor market and Danish corporate culture and is well-established in the Group. This is reflected in the Group's trade with both Danish and foreign customers and suppliers.

In the future, the Group will strive to prepare policies describing risks and actions regarding corporate social responsibility to a larger extent.

Management's Review

Development projects

In line with the strategy, the Group continuously focuses on the development of its product portfolio in order to create value for both customers and consumers.

The Group has closed new contracts with customers during the financial year 2020 which management also expects to continue through-out 2021. This has resulted in an increased activity level in development cost, including new development projects and an increased level of capitalizations.

It is expected that the software will be sold in new markets and to new customers. Prior to the start of the projects, the Group has investigated the need for the software with the customers and a license agreement has already been made with customers.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Koncern		Moderselskab	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Gross profit/loss		77,549,332	63,435,156	-686,371	-345,725
Staff expenses	1	-57,592,701	-43,019,177	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-2,079,489	-1,173,215	0	0
Profit/loss before financial income and expenses		17,877,142	19,242,764	-686,371	-345,725
Income from investments in subsidiaries		0	0	14,047,414	14,855,805
Income from investments in associates	3	-78,652	-507,225	0	0
Financial income	4	14,203	222,877	59,096	195,877
Financial expenses	5	-338,970	-228,346	-88,732	-34,273
Profit/loss before tax		17,473,723	18,730,070	13,331,407	14,671,684
Tax on profit/loss for the year	6	-4,021,339	-3,683,557	91,065	134,690
Net profit/loss for the year		13,452,384	15,046,513	13,422,472	14,806,374

Balance Sheet 31 December

Assets

	Note	Koncern		Moderselskab	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Completed development projects		14,346,848	11,904,661	0	0
Goodwill		240,243	280,283	0	0
Development projects in progress		2,510,672	497,438	0	0
Intangible assets	7	17,097,763	12,682,382	0	0
Other fixtures and fittings, tools and equipment		980,048	916,780	0	0
Leasehold improvements		263,763	338,339	0	0
Property, plant and equipment	8	1,243,811	1,255,119	0	0
Investments in subsidiaries	9	0	0	30,719,403	26,576,475
Investments in associates	10	1,474,585	1,191,868	0	0
Other investments	11	1,219	1,219	0	0
Deposits	11	1,342,189	648,135	0	0
Fixed asset investments		2,817,993	1,841,222	30,719,403	26,576,475
Fixed assets		21,159,567	15,778,723	30,719,403	26,576,475
Trade receivables		16,397,217	15,752,849	0	0
Contract work in progress	12	124,583	99,576	0	0
Receivables from group enterprises		0	0	2,634,819	1,801,929
Receivables from associates		40,000	90,451	0	0
Other receivables		2,383,446	1,341,692	0	0
Corporation tax		0	0	3,250,370	2,884,718
Prepayments	13	0	6,857	0	0
Receivables		18,945,246	17,291,425	5,885,189	4,686,647
Cash at bank and in hand		15,426,542	13,188,539	195,149	394,951
Currents assets		34,371,788	30,479,964	6,080,338	5,081,598
Assets		55,531,355	46,258,687	36,799,741	31,658,073

Balance Sheet 31 December

Liabilities and equity

	Note	Koncern		Morderselskab	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Share capital		100,000	100,000	100,000	100,000
Reserve for net revaluation under the equity method		278,474	341,418	18,519,403	12,476,475
Reserve for exchange rate		-4,486	0	0	0
Retained earnings		23,311,862	17,826,446	5,066,447	5,691,389
Proposed dividend for the year		8,000,000	8,000,000	8,000,000	8,000,000
Equity attributable to shareholders of the Parent Company		31,685,850	26,267,864	31,685,850	26,267,864
Minority interests		-17,076	-46,988	0	0
Equity		31,668,774	26,220,876	31,685,850	26,267,864
Provision for deferred tax	15	3,656,934	2,722,305	0	0
Provisions		3,656,934	2,722,305	0	0
Other payables		0	1,617,458	0	0
Long-term debt	16	0	1,617,458	0	0

Balance Sheet 31 December

Liabilities and equity

	Note	Koncern		Morderselskab	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Prepayments received from customers		558,083	2,188,684	0	0
Trade payables		601,999	853,315	0	0
Contract work in progress, liabilities	12	889,473	675,542	0	0
Payables to group enterprises		0	0	1,603,533	2,145,099
Payables to associates		0	270,021	0	270,021
Payables to owners and Management		969,875	969,875	969,875	969,875
Corporation tax		2,403,359	2,064,681	2,403,359	1,970,214
Other payables	16	14,782,858	8,675,930	137,124	35,000
Short-term debt		20,205,647	15,698,048	5,113,891	5,390,209
Debt		20,205,647	17,315,506	5,113,891	5,390,209
Liabilities and equity		55,531,355	46,258,687	36,799,741	31,658,073
Subsequent events	21				
Distribution of profit	14				
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Accounting Policies	22				

Statement of Changes in Equity

Koncern

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	100,000	341,418	0	17,826,446	8,000,000	26,267,864	-46,988	26,220,876
Exchange adjustments	0	0	-4,486	0	0	-4,486	0	-4,486
Ordinary dividend paid	0	0	0	0	-8,000,000	-8,000,000	0	-8,000,000
Net profit/loss for the year	0	-62,944	0	5,485,416	8,000,000	13,422,472	29,912	13,452,384
Equity at 31 December	100,000	278,474	-4,486	23,311,862	8,000,000	31,685,850	-17,076	31,668,774

Moderselskab

Equity at 1 January	100,000	12,476,475	0	5,691,389	8,000,000	26,267,864	0	26,267,864
Ordinary dividend paid	0	0	0	0	-8,000,000	-8,000,000	0	-8,000,000
Exchange adjustments relating to foreign entities	0	-4,486	0	0	0	-4,486	0	-4,486
Dividend from group enterprises	0	-8,000,000	0	8,000,000	0	0	0	0
Net profit/loss for the year	0	14,047,414	0	-8,624,942	8,000,000	13,422,472	0	13,422,472
Equity at 31 December	100,000	18,519,403	0	5,066,447	8,000,000	31,685,850	0	31,685,850

Udbytte fra tilknyttede selskaber er overført til overført resultat, da samtidighedsprincippet er anvendt.

Cash Flow Statement 1 January - 31 December

	Note	Koncern	
		2020 DKK	2019 DKK
Net profit/loss for the year		13,452,384	15,046,513
Adjustments	17	6,499,761	5,325,481
Change in working capital	18	897,643	-8,426,833
Cash flows from operating activities before financial income and expenses		20,849,788	11,945,161
Financial income		14,203	222,877
Financial expenses		-338,971	-228,347
Cash flows from ordinary activities		20,525,020	11,939,691
Corporation tax paid		-2,748,032	-1,526,574
Cash flows from operating activities		17,776,988	10,413,117
Purchase of intangible assets		-5,864,530	-5,149,343
Purchase of property, plant and equipment		-619,032	-1,181,805
Fixed asset investments made etc		-1,066,534	-213,696
Sale of fixed asset investments etc		11,111	0
Cash flows from investing activities		-7,538,985	-6,544,844
Purchase of treasury shares		0	-709,923
Dividend paid		-8,000,000	-4,000,000
Cash flows from financing activities		-8,000,000	-4,709,923
Change in cash and cash equivalents		2,238,003	-841,650
Cash and cash equivalents at 1 January		13,188,539	14,030,189
Cash and cash equivalents at 31 December		15,426,542	13,188,539
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		15,426,542	13,188,539
Cash and cash equivalents at 31 December		15,426,542	13,188,539

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
1 Staff expenses				
Wages and salaries	56,712,468	42,364,496	0	0
Pensions	120,576	118,285	0	0
Other social security expenses	593,212	443,074	0	0
Other staff expenses	166,445	93,322	0	0
	57,592,701	43,019,177	0	0
Average number of employees	100	79	0	0
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.				
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	1,449,149	772,014	0	0
Depreciation of property, plant and equipment	630,340	401,201	0	0
	2,079,489	1,173,215	0	0
3 Income from investments in associates				
Share of losses of associates	-749,526	-1,083,149	0	0
Amortisation of goodwill	-52,437	-52,437	0	0
Gain on capital increases	712,200	628,361	0	0
Gain on sale of shares	11,111	0	0	0
	-78,652	-507,225	0	0

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
4 Financial income				
Interest received from group enterprises	0	0	59,096	0
Other financial income	14,203	222,877	0	195,877
	14,203	222,877	59,096	195,877
5 Financial expenses				
Interest paid to group enterprises	0	0	66,101	29,129
Other financial expenses	239,422	173,370	22,631	5,144
Exchange loss	99,548	54,976	0	0
	338,970	228,346	88,732	34,273
6 Tax on profit/loss for the year				
Current tax for the year	3,075,254	2,754,686	-91,011	-83,159
Deferred tax for the year	946,139	980,402	0	0
Adjustment of tax concerning previous years	-54	-51,531	-54	-51,531
	4,021,339	3,683,557	-91,065	-134,690

Notes to the Financial Statements

7 Intangible assets

Koncern

	Completed development projects <u>DKK</u>	Goodwill <u>DKK</u>	Development projects in progress <u>DKK</u>
Cost at 1 January	12,805,265	400,405	497,438
Additions for the year	0	0	5,864,530
Transfers for the year	3,851,296	0	-3,851,296
Cost at 31 December	<u>16,656,561</u>	<u>400,405</u>	<u>2,510,672</u>
Impairment losses and amortisation at 1 January	900,604	120,122	0
Amortisation for the year	1,409,109	40,040	0
Impairment losses and amortisation at 31 December	<u>2,309,713</u>	<u>160,162</u>	<u>0</u>
Carrying amount at 31 December	<u>14,346,848</u>	<u>240,243</u>	<u>2,510,672</u>
Amortised over	<u>10 years</u>	<u>10 years</u>	

Development projects relate to the development of software products. The remaining projects are expected to be completed during 2021. The projects proceed as planned using the resources the Management has allocated to the development projects in progress. It is expected that the software will be sold in new markets and to new customers. Prior to the start of the projects, the company has investigated the need for the software with the customers and a license agreement has already been made with customers.

Notes to the Financial Statements

8 Property, plant and equipment

Koncern

	Other fixtures and fittings, tools and equipment <u>DKK</u>	Leasehold improvements <u>DKK</u>
Cost at 1 January	2,300,514	372,879
Additions for the year	<u>619,032</u>	<u>0</u>
Cost at 31 December	<u>2,919,546</u>	<u>372,879</u>
Impairment losses and depreciation at 1 January	1,383,734	34,540
Depreciation for the year	<u>555,764</u>	<u>74,576</u>
Impairment losses and depreciation at 31 December	<u>1,939,498</u>	<u>109,116</u>
Carrying amount at 31 December	<u>980,048</u>	<u>263,763</u>
Depreciated over	<u>3-5 years</u>	<u>3-5 years</u>

Notes to the Financial Statements

	Moderselskab	
	2020	2019
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January	4,100,000	4,100,000
Additions for the year	100,000	0
Cost at 31 December	<u>4,200,000</u>	<u>4,100,000</u>
Value adjustments at 1 January	22,476,475	11,554,098
Exchange adjustment	-4,486	66,572
Net profit/loss for the year	13,952,914	14,710,305
Dividend to the Parent Company	-10,000,000	-4,000,000
Elimination of internal profit	94,500	145,500
Value adjustments at 31 December	<u>26,519,403</u>	<u>22,476,475</u>
Carrying amount at 31 December	<u>30,719,403</u>	<u>26,576,475</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Shape A/S	Copenhagen	500,000	100%
Shape Ventures ApS	Copenhagen	80,000	100%
Shape Games ApS	Copenhagen	40,000	100%

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
10 Investments in associates				
Cost at 1 January	850,450	623,477	0	0
Additions for the year	372,480	200,154	0	0
Disposals for the year	-26,819	0	0	0
Transfers for the year	0	26,819	0	0
Cost at 31 December	<u>1,196,111</u>	<u>850,450</u>	<u>0</u>	<u>0</u>
Value adjustments at 1 January	341,418	858,162	0	0
Disposals for the year	26,819	0	0	0
Net profit/loss for the year	-749,526	-1,083,149	0	0
Amortisation of goodwill	-52,437	-52,437	0	0
Gain on capital increases	712,200	628,361	0	0
Transfers for the year	0	-9,519	0	0
Value adjustments at 31 December	<u>278,474</u>	<u>341,418</u>	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>1,474,585</u>	<u>1,191,868</u>	<u>0</u>	<u>0</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>314,620</u>	<u>367,057</u>	<u>0</u>	<u>0</u>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
FarmBackup ApS	Copenhagen	197,736	19.39%
GoLittle ApS	Helsingør	80.503	17.23%

Notes to the Financial Statements

11 Other fixed asset investments

	Koncern	
	Other investments	Deposits
	DKK	DKK
Cost at 1 January	1,219	648,135
Additions for the year	0	694,054
Cost at 31 December	1,219	1,342,189
Carrying amount at 31 December	1,219	1,342,189

	Koncern		Moderselskab	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
12 Contract work in progress				
Selling price of work in progress	1,480,539	970,906	0	0
Payments received on account	-2,245,429	-1,546,872	0	0
	-764,890	-575,966	0	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	124,583	99,576	0	0
Prepayments received recognised in debt	-889,473	-675,542	0	0
	-764,890	-575,966	0	0

13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions etc.

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
14 Distribution of profit				
Proposed dividend for the year	8,000,000	8,000,000	8,000,000	8,000,000
Reserve for net revaluation under the equity method	-62,944	-516,744	14,047,414	14,855,805
Minority interests' share of net profit/loss of subsidiaries	29,912	240,140	0	0
Retained earnings	5,485,416	7,323,117	-8,624,942	-8,049,431
	13,452,384	15,046,513	13,422,472	14,806,374

15 Provision for deferred tax

Provision for deferred tax at 1 January	2,722,305	0	0	0
Amounts recognised in the income statement for the year	946,139	980,402	0	0
Amounts recognised in equity for the year	-11,510	1,741,903	0	0
Provision for deferred tax at 31 December	3,656,934	2,722,305	0	0

16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	0	1,617,458	0	0
Long-term part	0	1,617,458	0	0
Other short-term payables	14,782,858	8,675,930	137,124	35,000
	14,782,858	10,293,388	137,124	35,000

Notes to the Financial Statements

	Koncern	
	<u>2020</u>	<u>2019</u>
	DKK	DKK
17 Cash flow statement - adjustments		
Financial income	-14,203	-222,877
Financial expenses	338,970	228,346
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,079,489	1,173,215
Income from investments in associates	78,652	507,225
Tax on profit/loss for the year	4,021,339	3,683,557
Other adjustments	-4,486	-43,985
	<u>6,499,761</u>	<u>5,325,481</u>
18 Cash flow statement - change in working capital		
Change in receivables	-1,923,841	-8,301,311
Change in trade payables, etc	2,821,484	-125,522
	<u>897,643</u>	<u>-8,426,833</u>

Notes to the Financial Statements

19 Contingent assets, liabilities and other financial obligations	Koncern		Moterselskab	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2,015,811	645,635	0	0
Between 1 and 5 years	2,592,100	0	0	0
	4,607,911	645,635	0	0

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 2,403,359. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Parent Company has issued a letter of support to the subsidiary Shape Venture ApS with full liability for Shape Ventures ApS' current and future obligations. The letter of support is valid until the general meeting for the Annual Report for 2021 in Shape Ventures ApS.

20 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

21 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Shape Group ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements for 2020 are presented in DKK.

Changes in accounting policies

The Group's accounting policy has been changed in 2020 to reflect the amendments made to the Danish Financial Act. The change has resulted in reclassification between equity reserves. The change has not affected the net result for the year or the equity at year end.

The accounting principles applied for the Annual Report are in all other matters consistent with those applied last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Shape Group ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Notes to the Financial Statements

22 Accounting Policies (continued)

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

22 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct costs

Direct costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, direct costs and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

22 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Notes to the Financial Statements

22 Accounting Policies (continued)

Fixed asset investments

Fixed asset investments, which consist of unlisted shares are generally measured at fair value on the balance sheet date. If reliable documentation of the fair value cannot be obtained, fixed asset investments are recorded at cost.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Notes to the Financial Statements

22 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

22 Accounting Policies (continued)

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$