
Shape Group ApS

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

Annual Report for 1 January - 31 December 2021

CVR No 38 45 78 61

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /6 2022

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 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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, 8 June 2022

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 2021 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 2021 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 2021, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financials 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.

Independent Auditor's Report

- 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 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, 8 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Baunkjær Andersen

statsautoriseret revisor

mne35483

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: 5th financial year
Municipality of reg. office: København

Board of Directors

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

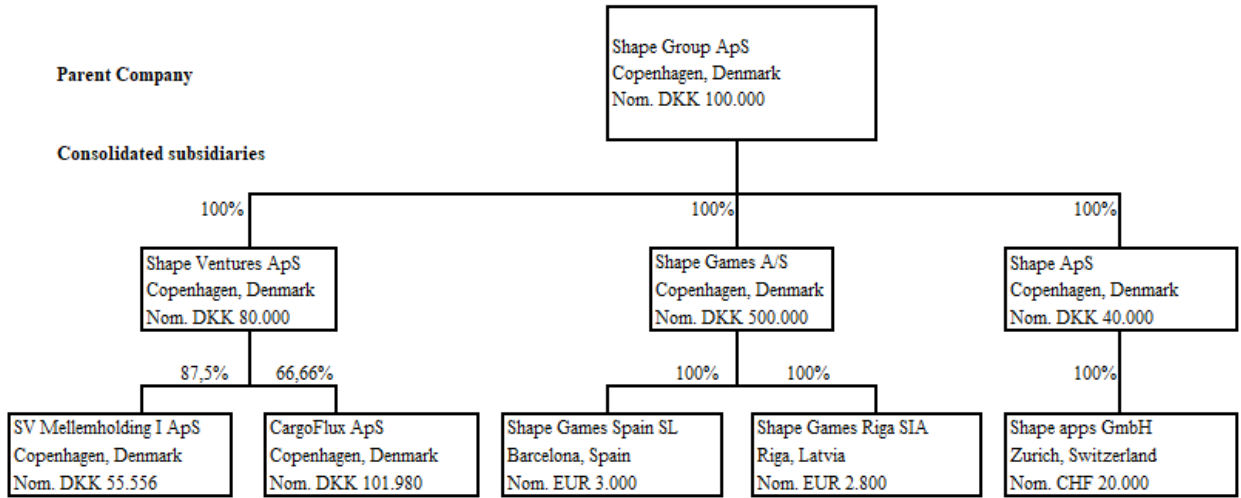
Executive Board

Christian Johan Claudi Risom

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart



Financial Highlights

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

	Group		
	2021	2020	2019
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Operating profit/loss	25,327	17,877	16,909
Profit/loss before financial income and expenses	25,327	17,877	19,243
Net financials	-1,619	-403	-513
Net profit/loss for the year	17,896	13,452	15,047
Balance sheet			
Balance sheet total	67,393	55,531	46,259
Equity	41,558	31,669	26,221
Cash flows			
Cash flows from:			
- operating activities	25,324	17,777	10,413
- investing activities	-12,471	-7,539	-6,545
including investment in property, plant and equipment	-583	-619	-1,182
- financing activities	-8,066	-8,000	-4,710
Change in cash and cash equivalents for the year	4,786	2,238	-842
Number of employees	119	100	79
Ratios			
Return on assets	37.6%	32.2%	41.6%
Solvency ratio	61.7%	57.0%	56.7%
Return on equity	48.9%	46.5%	114.8%

As the Group was required to prepare a consolidated Financial Report for the first time, for the financial year 2020, key figures only contain 3 years, which is in accordance with the Danish Financial statement act.

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 2021 shows a profit of DKK 17,895,736, and at 31 December 2021 the balance sheet of the Group shows equity of DKK 41,558,017.

The past year and follow-up on development expectations from last year

In the Annual report for 2020, Management expected an EBITDA growth in the range of 10-15 %. However, in 2021 the Group has realized an EBITDA growth of about 40%, which is significantly higher than expected. The increased EBITDA can primarily be attributed to the Groups Games business, which has experienced an EBITDA growth much higher than expected. The EBITDA growth in the Games business is primarily driven by the clients.

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 10-20 % despite uncertainty in the markets Shape Group operates in due to the war in Ukraine and volatile global markets. The guidance is based on a number of important assumptions, including that business performance, client and competitor behaviour will remain normal.

Intellectual capital resources

Shape Group ApS is dependent on attracting and retaining employees who are able to continue the development of the Group's operations.

Knowledge resources that may be of particular importance for the Group's future operations relate to being at the front edge of a wide range of services as well as having and maintaining a good image as an innovative, effective, dependable as well as a flexible Group with a good working environment.

Management's Review

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.

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 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2021 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	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Gross profit/loss		95,705,952	77,549,332	-83,975	-686,371
Staff expenses	1	-67,533,867	-57,592,701	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-2,845,297	-2,079,489	0	0
Profit/loss before financial income and expenses		25,326,788	17,877,142	-83,975	-686,371
Income from investments in subsidiaries		0	0	18,010,284	14,047,414
Income from investments in associates	3	-1,313,932	-78,652	0	0
Financial income	4	38,058	14,203	78,674	59,096
Financial expenses	5	-343,359	-338,970	-226,705	-88,732
Profit/loss before tax		23,707,555	17,473,723	17,778,278	13,331,407
Tax on profit/loss for the year	6	-5,811,819	-4,021,339	26,879	91,065
Net profit/loss for the year		17,895,736	13,452,384	17,805,157	13,422,472

Balance Sheet 31 December

Assets

	Note	Koncern		Moderselskab	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Completed development projects		25,211,553	14,346,848	0	0
Acquired other similar rights		482,917	0	0	0
Goodwill		200,203	240,243	0	0
Development projects in progress		0	2,510,672	0	0
Intangible assets	7	25,894,673	17,097,763	0	0
Other fixtures and fittings, tools and equipment		898,282	980,048	0	0
Leasehold improvements		228,519	263,763	0	0
Property, plant and equipment	8	1,126,801	1,243,811	0	0
Investments in subsidiaries	9	0	0	40,689,180	30,719,403
Investments in associates	10	564,157	1,474,585	0	0
Other investments	11	505,426	1,219	0	0
Deposits	11	1,380,743	1,342,189	0	0
Fixed asset investments		2,450,326	2,817,993	40,689,180	30,719,403
Fixed assets		29,471,800	21,159,567	40,689,180	30,719,403
Trade receivables		17,376,068	16,397,217	0	0
Contract work in progress	12	0	124,583	0	0
Receivables from group enterprises		0	0	3,675,931	2,634,819
Receivables from associates		151,638	40,000	0	0
Other receivables		172,177	2,383,446	13	0
Corporation tax receivable from group enterprises		0	0	4,101,458	3,250,370
Prepayments	13	8,970	0	0	0
Receivables		17,708,853	18,945,246	7,777,402	5,885,189
Cash at bank and in hand		20,212,664	15,426,542	93,484	195,149
Currents assets		37,921,517	34,371,788	7,870,886	6,080,338
Assets		67,393,317	55,531,355	48,560,066	36,799,741

Balance Sheet 31 December

Liabilities and equity

	Note	Koncern		Moderselskab	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Share capital		100,000	100,000	100,000	100,000
Reserve for net revaluation under the equity method		0	278,474	28,589,180	18,519,403
Reserve for exchange rate		55,007	-4,486	0	0
Retained earnings		33,329,507	23,311,862	4,795,334	5,066,447
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		41,484,514	31,685,850	41,484,514	31,685,850
Minority interests		73,503	-17,076	0	0
Equity		41,558,017	31,668,774	41,484,514	31,685,850
Provision for deferred tax	15	5,450,132	3,656,934	0	0
Provisions		5,450,132	3,656,934	0	0
Other payables		4,697,984	5,202,660	0	0
Long-term debt	16	4,697,984	5,202,660	0	0

Balance Sheet 31 December

Liabilities and equity

		Koncern		Moderselskab	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Prepayments received from customers		1,902,123	558,083	0	0
Trade payables		1,888,223	601,999	0	0
Contract work in progress, liabilities	12	0	889,473	0	0
Payables to group enterprises		0	0	2,731,864	1,603,533
Payables to owners and Management		1,035,862	969,875	1,035,862	969,875
Corporation tax		3,198,386	2,403,359	3,119,626	2,403,359
Payables to group enterprises relating to corporation tax		0	0	153,200	0
Other payables	16	7,662,590	9,580,198	35,000	137,124
Short-term debt		15,687,184	15,002,987	7,075,552	5,113,891
Debt		20,385,168	20,205,647	7,075,552	5,113,891
Liabilities and equity		67,393,317	55,531,355	48,560,066	36,799,741
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	278,474	-4,486	23,311,862	8,000,000	31,685,850	-17,076	31,668,774
Exchange adjustments	0	0	59,493	0	0	59,493	0	59,493
Ordinary dividend paid	0	0	0	0	-8,000,000	-8,000,000	0	-8,000,000
Purchase of treasury shares	0	0	0	-65,986	0	-65,986	0	-65,986
Net profit/loss for the year	0	-278,474	0	10,083,631	8,000,000	17,805,157	90,579	17,895,736
Equity at 31 December	100,000	0	55,007	33,329,507	8,000,000	41,484,514	73,503	41,558,017

Moderelskab

Equity at 1 January	100,000	18,519,403	0	5,066,447	8,000,000	31,685,850	0	31,685,850
Ordinary dividend paid	0	0	0	0	-8,000,000	-8,000,000	0	-8,000,000
Exchange adjustments relating to foreign entities	0	59,493	0	0	0	59,493	0	59,493
Dividend from group enterprises	0	-8,000,000	0	8,000,000	0	0	0	0
Purchase of treasury shares	0	0	0	-65,986	0	-65,986	0	-65,986
Net profit/loss for the year	0	18,010,284	0	-8,205,127	8,000,000	17,805,157	0	17,805,157
Equity at 31 December	100,000	28,589,180	0	4,795,334	8,000,000	41,484,514	0	41,484,514

Dividends from group companies have been transferred to retained earnings, as the concurrency principle has been applied.

Cash Flow Statement 1 January - 31 December

	Note	Koncern	
		2021 DKK	2020 DKK
Net profit/loss for the year		17,895,736	13,452,384
Adjustments	17	10,335,842	6,499,761
Change in working capital	18	620,887	897,643
Cash flows from operating activities before financial income and expenses		28,852,465	20,849,788
Financial income		38,058	14,203
Financial expenses		-343,359	-338,971
Cash flows from ordinary activities		28,547,164	20,525,020
Corporation tax paid		-3,223,594	-2,748,032
Cash flows from operating activities		25,323,570	17,776,988
Purchase of intangible assets		-10,942,579	-5,864,530
Purchase of property, plant and equipment		-582,618	-619,032
Fixed asset investments made etc		-946,265	-1,066,534
Sale of fixed asset investments etc		0	11,111
Cash flows from investing activities		-12,471,462	-7,538,985
Purchase of treasury shares		-65,986	0
Dividend paid		-8,000,000	-8,000,000
Cash flows from financing activities		-8,065,986	-8,000,000
Change in cash and cash equivalents		4,786,122	2,238,003
Cash and cash equivalents at 1 January		15,426,542	13,188,539
Cash and cash equivalents at 31 December		20,212,664	15,426,542
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		20,212,664	15,426,542
Cash and cash equivalents at 31 December		20,212,664	15,426,542

Notes to the Financial Statements

	Koncern		Moterselskab	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
1 Staff expenses				
Wages and salaries	66,128,833	56,712,468	0	0
Pensions	136,504	120,576	0	0
Other social security expenses	1,063,053	593,212	0	0
Other staff expenses	205,477	166,445	0	0
	67,533,867	57,592,701	0	0
Average number of employees	119	100	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Warrants

The Group has provided warrant programmes for selected employees and executive management in group enterprises, the programme is established in 2021.

The number of warrants issued are 214,250 warrants (nominal share capital DKK 37,500). The exercise price has been determined at minimum DKK 1 per warrant.

The maturity period is three years from the time of granting and programmes have been granted in the period from August 2021 to August 2024.

The programmes expire at 31 December 2031 as the latest. If an employee leaves the Group or the group enterprises before the expiration of the programme and leaves as a so-called "Good Leaver", all warrants which are granted and have vested, shall remain unaffected thereby. All non-granted and non-vested warrants shall automatically lapse without any compensation.

In the event that the group enterprise's shares are sold, the programme will expire, and warrant holders may exercise granted warrants.

Besides the above warrant program, selected employees hold shares in the group (minority shareholders).

Notes to the Financial Statements

	Koncern		Moderselskab	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	2,145,669	1,449,149	0	0
Depreciation of property, plant and equipment	699,628	630,340	0	0
	2,845,297	2,079,489	0	0
3 Income from investments in associates				
Share of losses of associates	-990,292	-749,526	0	0
Amortisation of goodwill	-52,437	-52,437	0	0
Gain/loss on capital increases	-271,203	712,200	0	0
Gain on sale of shares	0	11,111	0	0
	-1,313,932	-78,652	0	0
4 Financial income				
Interest received from group enterprises	0	0	78,674	59,096
Other financial income	38,058	14,203	0	0
	38,058	14,203	78,674	59,096
5 Financial expenses				
Interest paid to group enterprises	0	0	93,649	66,101
Other financial expenses	326,813	239,422	133,056	22,631
Exchange loss	16,546	99,548	0	0
	343,359	338,970	226,705	88,732

Notes to the Financial Statements

	Koncern		Moderselskab	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
6 Tax on profit/loss for the year				
Current tax for the year	4,015,017	3,075,254	-22,110	-91,011
Deferred tax for the year	1,793,198	946,139	0	0
Adjustment of tax concerning previous years	3,604	-54	-4,769	-54
	5,811,819	4,021,339	-26,879	-91,065

7 Intangible assets

Koncern

	Completed development projects	Acquired other similar rights	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 January	16,656,561	0	400,405	2,510,672
Additions for the year	0	500,000	0	10,442,579
Transfers for the year	12,953,251	0	0	-12,953,251
Cost at 31 December	29,609,812	500,000	400,405	0
Impairment losses and amortisation at 1 January	2,309,713	0	160,162	0
Amortisation for the year	2,088,546	17,083	40,040	0
Impairment losses and amortisation at 31 December	4,398,259	17,083	200,202	0
Carrying amount at 31 December	25,211,553	482,917	200,203	0
Amortised over	10 years	10 years	10 years	

Development projects relate to the development of software products. 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	Leasehold improvements
	<u>DKK</u>	<u>DKK</u>
Cost at 1 January	2,919,546	372,879
Additions for the year	<u>542,618</u>	<u>40,000</u>
Cost at 31 December	<u>3,462,164</u>	<u>412,879</u>
Impairment losses and depreciation at 1 January	1,939,498	109,116
Depreciation for the year	<u>624,384</u>	<u>75,244</u>
Impairment losses and depreciation at 31 December	<u>2,563,882</u>	<u>184,360</u>
Carrying amount at 31 December	<u>898,282</u>	<u>228,519</u>
Depreciated over	<u>3-5 years</u>	<u>3-5 years</u>

Notes to the Financial Statements

	Moderselskab	
	2021	2020
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January	4,200,000	4,100,000
Additions for the year	0	100,000
Disposals for the year	-100,000	0
Cost at 31 December	<u>4,100,000</u>	<u>4,200,000</u>
Value adjustments at 1 January	26,519,403	22,476,475
Exchange adjustment	59,493	-4,486
Net profit/loss for the year	18,010,284	13,952,914
Dividend to the Parent Company	-8,000,000	-10,000,000
Elimination of internal profit	0	94,500
Value adjustments at 31 December	<u>36,589,180</u>	<u>26,519,403</u>
Carrying amount at 31 December	<u>40,689,180</u>	<u>30,719,403</u>

Investments in subsidiaries are specified as follows:

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

Notes to the Financial Statements

	Koncern		Moderselskab	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
10 Investments in associates				
Cost at 1 January	1,196,111	850,450	0	0
Additions for the year	403,504	372,480	0	0
Disposals for the year	0	-26,819	0	0
Cost at 31 December	<u>1,599,615</u>	<u>1,196,111</u>	<u>0</u>	<u>0</u>
Value adjustments at 1 January	278,474	341,418	0	0
Disposals for the year	0	26,819	0	0
Net profit/loss for the year	-990,292	-749,526	0	0
Amortisation of goodwill	-52,437	-52,437	0	0
Gain/loss on capital increases	-271,203	712,200	0	0
Value adjustments at 31 December	<u>-1,035,458</u>	<u>278,474</u>	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>564,157</u>	<u>1,474,585</u>	<u>0</u>	<u>0</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	524,368	524,368	0	0
Remaining positive difference included in the above carrying amount at 31 December	<u>262,184</u>	<u>314,620</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	Helsingø	80.503	17.23%
Viavolo DK ApS	Copenhagen	53.575	30.00%

Notes to the Financial Statements

11 Other fixed asset investments

	Koncern	
	Other investments	Deposits
	DKK	DKK
Cost at 1 January	1,219	1,342,189
Additions for the year	504,207	38,554
Cost at 31 December	505,426	1,380,743
Carrying amount at 31 December	505,426	1,380,743

	Koncern		Moderselskab	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
12 Contract work in progress				
Selling price of work in progress	0	1,480,539	0	0
Payments received on account	0	-2,245,429	0	0
	0	-764,890	0	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	0	124,583	0	0
Prepayments received recognised in debt	0	-889,473	0	0
	0	-764,890	0	0

13 Prepayments

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

Notes to the Financial Statements

	Koncern		Moderselskab	
	2021 DKK	2020 DKK	2021 DKK	2020 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	-278,474	-62,944	18,010,284	14,047,414
Minority interests' share of net profit/loss of subsidiaries	90,579	29,912	0	0
Retained earnings	10,083,631	5,485,416	-8,205,127	-8,624,942
	17,895,736	13,452,384	17,805,157	13,422,472

15 Provision for deferred tax

Provision for deferred tax at 1 January	3,656,934	2,722,305	0	0
Amounts recognised in the income statement for the year	1,793,198	946,139	0	0
Amounts recognised in equity for the year	0	-11,510	0	0
Provision for deferred tax at 31 December	5,450,132	3,656,934	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	4,697,984	5,202,660	0	0
Long-term part	4,697,984	5,202,660	0	0
Other short-term payables	7,662,590	9,580,198	35,000	137,124
	12,360,574	14,782,858	35,000	137,124

Notes to the Financial Statements

	Koncern	
	<u>2021</u>	<u>2020</u>
	DKK	DKK
17 Cash flow statement - adjustments		
Financial income	-38,058	-14,203
Financial expenses	343,359	338,970
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,845,297	2,079,489
Income from investments in associates	1,313,932	78,652
Tax on profit/loss for the year	5,811,819	4,021,339
Other adjustments	59,493	-4,486
	<u>10,335,842</u>	<u>6,499,761</u>
18 Cash flow statement - change in working capital		
Change in receivables	1,236,393	-1,923,841
Change in trade payables, etc	-615,506	2,821,484
	<u>620,887</u>	<u>897,643</u>

Notes to the Financial Statements

	Koncern		Moterselskab	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
19 Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,901,487	2,015,811	0	0
Between 1 and 5 years	1,276,891	2,592,100	0	0
	3,178,378	4,607,911	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 3,119,626. 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 31 December 2022.

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 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in DKK.

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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, direct costs and other external expenses.

Staff expenses

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

Warrants

Established warrant programs are categorised as equity-based programs and based on this, it has been chosen not to recognize the value of granted warrants.

Amortisation, depreciation and impairment losses

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

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Group's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 years.

Acquired similar rights are measured at cost less accumulated depreciation or at the recoverable amount, whichever is lower. Acquired similar rights are depreciated over 10 years.

Notes to the Financial Statements

22 Accounting Policies (continued)

The residual value of acquired similar rights is set at 50%.

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$