Scape Technologies A/S

Østerbro 5C, 5000 Odense C

Company reg. no. 27 58 78 87

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 30 May 2024.

Søren Henrik Bøving-Andersen
Chairman of the meeting

Contents

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Scape Technologies A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Odense C, 15 May 2024

Executive board

Søren Henrik Bøving-Andersen CEO	Rene Dencker Eriksen CTO

Board of directors

Jesper Bach Chairman	Fu Yu Chen	Rune Klausen Ulv Larsen
Hans Jørgen Elkjær Halskov	Yee Tai Simon Chung	

Independent auditor's report

To the shareholders of Scape Technologies A/S

Qualified opinion

We have audited the financial statements of for the financial year 01.01.2023 – 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the "Basis for qualified opinion" section, the financial statements give a true and fair view of the Entity’s financial position at and of the results of its operations for the financial year 01.01.2023 – 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

The development projects, which are recognized in the balance sheet at DKK 9.5 million, are, in our opinion, valued too high. Management's impairment test is based on expectations for future years' budgets. The company's budgets assume significant growth, which has not been realized so far. We refer to management's disclosure in note 6.

The tax effect of this amounts to 0 million DKK. Therefore, the equity and the current year's result are overvalued by a maximum of DKK 9.5 million.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor’s report. We are independent of the Entity 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 qualified opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which discloses that the Company has entered into an agreement with its principal shareholder on additional funding through a capital increase of mDKK 15. The capital increase has been approved by the Board of Directors and awaits approval by the Chinese authorities. The capital increase is planned to be carried out in June 2024.

It is Managements expectation that the Company's main shareholder Scape China will maintain to support the Company in terms of flexibility in regards to repayment of existing loans or other arrangements to support the continued operation and business development. However, no written agreement or letter of support have been entered into at the time of presentation of the annual report.

It is a crucial assumption for applying the going concern principle that the Company will receive the necessary liquidity from Scape China as capital contribution or loans. Based on the planned capital increase and the expected continued support from the main shareholder, Management considers the Company’s cash resources, to be sufficient to ensure its future operations at least one year ahead and to present the financial statements on a going concern basis.

This indicate that there is material uncertainty related to the Company’s going concern. Our opinion has not been modified with respect to this matter.

Emphasis of matter

We draw attention to note 2 to the financial statements, which discloses that there is material uncertainty related to income tax receivables.

Corporation tax receivable recognized in the balance sheet relates to the use of the tax credit scheme under Ligningsloven § 8X, whereby the Company can be paid the tax value of fiscal deficits, which arise from costs for research and development. Based on the review of the criteria for application of the scheme, it is the management's opinion that the Company is entitled to use the scheme. Whether the criteria for applying the scheme are met is based on estimates.

As a result, there may be a risk that the tax authorities consider that the criteria are not met. If applicable, the receivable will have to be refunded in whole or in part via the income statement in subsequent financial years. Our opinion has not been modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 15.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bo Damgaard Hansen

State Authorised Public Accountant

Identification No (MNE) mne34543

Company information

The company	Scape Technologies A/S Østerbro 5C 5000 Odense C	
	Company reg. no.	27 58 78 87
	Financial year:	1 January - 31 December
Board of directors	Jesper Bach, Chairman Fu Yu Chen Rune Klausen Ulv Larsen Hans Jørgen Elkjær Halskov Yee Tai Simon Chung	
Executive board	Søren Henrik Bøving-Andersen, CEO Rene Dencker Eriksen, CTO	
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Tværkajen 5 5100 Odense C	
Subsidiary	Scape Deutschland GmbH, Germany	

Description of key activities of the company

Scape Technologies A/S is a robotics company whose main activities for years have been development and sale of standardized and modular picking systems. These are based on 3D computer vision combined with gripper technology and advanced robot control complemented with a series of hardware modules, which are part of the overall solution.

In 2021 Scape Technologies introduced the company's first version of a new solution for the fast growing logistic market segment for gripping and singulating packets and letters for distribution - SCAPE Package-Picker. A solution that is now being implemented at the first European customer after undergoing customer tests also in China.

SCAPE systems are sold in partnership with systems integrators who are responsible for building and implementing systems into a customer's production machinery. In connection with the run-in of the systems the Company provides a well-defined range of paid services, which ensure the high quality and reliability of the SCAPE system.

In 2023 the Company unfolded a new strategy to strengthen the product offerings.

Building on 20 years of experience, Scape Technologies will make robotic automation with vision easy to imagine and attractive to build through combined offerings of price-competitive robotic equipment and easy-to-use software solutions.

Uncertainties connected with recognition or measurement

As the Company is a development company, there is a natural uncertainty associated with the measurement of the Company's completed development projects. Management has made an impairment test for the completed development projects based on discounted cashflows. The expected cashflows generated are expected to be positive in 2026. This is based on Management's expectations of a significant growth in revenue over the coming years until 2026. Please refer to note 6 for further information. The discount factor used for the impairment test is a market conform 20 % p.a.

The Company has deferred tax assets of DKK 23,6 mio. not recognized in the balance sheet. Management expect that the deferred tax will be used in the coming years.

Management´s review

Development in activities and financial matters

The company reached a revenue of DKK 2,9 mio. for 2023 and the operating loss for 2023 is DKK -16,1 mio. By end of 2023 the company had contract work in progress of DKK 1,5 mio. to be implemented and booked as revenue in 2024. Additionally from January 1st to April 30th 2024 the Company have received new orders at a value of DKK 3 mio.

In 2023 the Company secured additional financing through a capital increase at DKK 12 mio. from Scape China.

The Company needs further supply of capital for the continued operation and execution of the company's growth and development strategy.

In order to ensure flexibility in the capitalization of the company, it was approved on the extraordinary general assembly February 27, 2024 to renew the board's existing authorizations in the articles of association, so that the Board of Directors can carry out capital increases with up to nominal DKK 15,000,000 in the period until February 26, 2029.

The company has received commitment from the main shareholder Scape China of a capital increase from DKK 15 mio. in a directed issue through the issuance of new shares under market price against cash payment.

The capital increase is expected to be completed by the end of June 2024.

The company's main shareholder Scape China has made a commitment to secure loans to the company if needed until the capital increase has been completed.

In 2024 the Company will maintain to invest in future growth and new business areas. These investments are essential for fulfilling the growth plans for upcomings years, and based on Scape China’s insight and detailed engagement and involvement in the planning process, it is the managements expectation that the main shareholder, if needed, will maintain to support the company in terms of flexibility in regards to repayment of existing loans or other arrangements to support the continued operation and business development. Please refer to note 1 for further information.

Based on this, Management considers the Company’s cash resources, to be sufficient to ensure its future operations at least one year ahead and to present the financial statements on a going concern basis.

Background for extension of existing authorizations to capital increases

As previously announced, the company's management has adjusted the company's product and market strategy, so that the company in the future is secured access to more markets, than the Automotive industry.

For that reason the company has in 2023 invested heavily in product development and wants to maintain and, if necessary, strengthen the current capacity of development resources, so that the company can get faster to market with new solutions.

Focus areas for the company's growth oriented product development to generate new business areas and sales into new industries are primarily as follows:

The 3D robot guidance platform, SCAPE CoCreator, introduced in April 2024 aspire to be a market leading platform by offering a variety of tools and solutions to easily solve widely known robotic automation challenges in manufacturing and distribution/logistics.

Additionally Scape will strive to be a leading supplier of advanced 3D scanners for robotic automation and machine vision purposes by offering high quality 3D scanners at very price-attractive terms based on the strong partnership with Shenzhen Scape Technologies Co., Ltd., China. (“Scape China”).

The combined offering of automation solutions and 3D scanners will be complemented by standardized equipment and components. Ultimately the building blocks for a number of complete and standardized SCAPE Robotic Workcells

Outlook

The company expects a significant growth in revenue for 2024.

Since Scape Technologies is in a developing phase the Company is budgeting for a loss for 2024.

Outlook for 2024
Revenue: DKK 9 - 13 mio.
Loss (EBT): DKK 11.5 – 13.5 mio.

Accounting policies

The annual report for Scape Technologies A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

The licenses are recognised on a straight line basis over the duration of the contract period.

Contract work in progress comprises the sale of goods where the conditions for the sale of goods are considered met on a continuous basis and the hand-over of control to the buyer occurs in tandem with the work being carried out. Contract work in progress is recognised in the revenue in tandem with the work being carried out whereby the revenue will correspond to the selling price of the work carried out for the year (percentage of completion method). The revenue is recognised when the total income and costs and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Own work capitalised

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

Government grants

Grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial expenses

Financial expenses are recognised in the income statement with the amounts concerning the financial year. Financial expenses comprise interest expenses, realised and unrealised capital losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises and participating interest

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual group entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the participating interest is recognised in the income statement as a proportional share of the participating interests' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly or indirectly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment..

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is 5 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	2-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 10 years

Investments

Investments in group enterprises og associates/participating interest

Investments in group enterprises and associates which ar presented in the balance sheet as participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises og associates are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises og associates with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises og associates transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises og associates.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

Each individual item of contract work in progress is recognised in the statement of financial position under ‘accounts receivable’ or ‘liabilities other than provision’, depending on the net value of the selling price less invoicing on account and prepayments.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Revenue	2.912.113	6.126.315
	Own work capitalised	3.681.494	3.117.518
	Other operating income	263.122	9.011
	Costs of raw materials and consumables	-701.715	-1.355.505
	Other external expenses	-6.248.181	-6.299.828
	Gross profit	**-93.167**	**1.597.511**
3	Staff costs	-12.494.422	-11.593.669
	Depreciation, amortisation, and impairment	-3.503.003	-2.789.525
	Operating profit	**-16.090.592**	**-12.785.683**
	Income from investments in group enterprises	0	-120.349
	Impairment of financial assets	-2.474.492	-3.717.375
4	Other financial expenses	-731.155	-569.919
	Pre-tax net profit or loss	**-19.296.239**	**-17.193.326**
5	Tax on net profit or loss for the year	809.929	685.854
	Net profit or loss for the year	**-18.486.310**	**-16.507.472**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-18.486.310	-16.507.472
	Total allocations and transfers	**-18.486.310**	**-16.507.472**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
6	Completed development projects, including patents and similar rights arising from development projects	9.504.418	9.119.716
	Total intangible assets	9.504.418	9.119.716
7	Other fixtures, fittings, tools and equipment	492.099	655.858
8	Leasehold improvements	252.082	294.533
	Total property, plant, and equipment	744.181	950.391
9	Investments in group enterprises	0	0
11	Deposits	400.787	400.787
	Total investments	400.787	400.787
	Total non-current assets	**10.649.386**	**10.470.894**
	Current assets		
	Raw materials and consumables	1.657.230	1.520.270
	Total inventories	1.657.230	1.520.270
	Trade receivables	758.145	1.284.930
12	Contract work in progress	68.448	600.322
	Receivables from group enterprises	167.535	273.864
13	Income tax receivables	809.929	685.854
	Other receivables	61.499	64.379
	Prepayments	47.926	76.554
	Total receivables	1.913.482	2.985.903
	Cash and cash equivalents	311.605	2.249.521
	Total current assets	**3.882.317**	**6.755.694**
	Total assets	**14.531.703**	**17.226.588**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
14	Contributed capital	38.759.966	29.529.197
	Reserve for development costs	7.413.444	7.113.378
	Retained earnings	-42.092.594	-26.139.449
	Total equity	**4.080.816**	**10.503.126**
	Liabilities other than provisions		
	Other mortgage debt	382.050	1.606.088
	Other payables	1.058.751	1.022.948
	Payables to shareholders and management	224.045	247.231
15	Total long term liabilities other than provisions	1.664.846	2.876.267
15	Current portion of long term liabilities	1.323.186	1.330.883
	Bank loans	35.253	40.037
	Prepayments received from customers	0	29.037
12	Prepayments received from customers for contract work in progress	170.351	158.892
	Trade payables	764.183	880.801
	Payables to group enterprises	5.434.456	162.531
	Other payables	1.058.612	1.245.014
	Total short term liabilities other than provisions	8.786.041	3.847.195
	Total liabilities other than provisions	**10.450.887**	**6.723.462**
	Total equity and liabilities	**14.531.703**	**17.226.588**

1 Uncertainties relating to going concern

2 Uncertainties concerning recognition and measurement

16 Charges and security

17 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	29.529.197	0	7.113.378	-26.139.449	10.503.126
Cash capital increase	9.230.769	2.769.231	0	0	12.000.000
Retained earnings for the year	0	0	0	-18.486.310	-18.486.310
Transferred to/from retained earnings	0	-2.769.231	300.066	2.469.165	0
Other equity adjustments	0	0	0	64.000	64.000
	38.759.966	**0**	**7.413.444**	**-42.092.594**	**4.080.816**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Net profit or loss for the year	-18.486.310	-16.507.472
18	Adjustments	3.429.014	2.780.069
19	Change in working capital	912.353	-1.951.866
	Cash flows from operating activities before net financials	-14.144.943	-15.679.269
	Interest received, etc.	-1	0
	Interest paid, etc.	-731.155	-569.919
	Cash flows from ordinary activities	-14.876.099	-16.249.188
	Income tax paid	685.854	521.181
	Cash flows from operating activities	**-14.190.245**	**-15.728.007**
	Purchase of intangible assets	-3.681.494	-3.117.518
	Purchase of property, plant, and equipment	0	-364.611
	Sale of fixed asset investments	0	3.140.651
	Cash flows from investment activities	**-3.681.494**	**-341.478**
	Long-term payables incurred	5.098.509	0
	Repayments of long-term payables	-1.223.902	-1.157.423
	Cash capital increase	12.064.000	18.496.240
	Cash flows from financing activities	**15.938.607**	**17.338.817**
	Change in cash and cash equivalents	**-1.933.132**	**1.269.332**
	Cash and cash equivalents at 1 January 2023	2.209.484	940.152
	Cash and cash equivalents at 31 December 2023	**276.352**	**2.209.484**

	2023	2022
Cash and cash equivalents		
Cash and cash equivalents	311.605	2.249.521
Short-term bank loans	-35.253	-40.037
Cash and cash equivalents at 31 December 2023	**276.352**	**2.209.484**

All amounts in DKK.

1. Uncertainties relating to going concern

In 2023 The Company secured additional financing through a capital increase at DKK 12 mio. from Shenzhen Scape Technologies Co., Ltd., Shenzhen, China (“Scape China”).

The Company needs further supply of capital for the continued operation and execution of the company's growth and development strategy.

In order to ensure flexibility in the capitalization of the company, it was approved on the extraordinary general assembly February 27, 2024 to renew the board's existing authorizations in the articles of association, so that the Board of Directors can carry out capital increases with up to nominal DKK 15 mio. in the period until February 26, 2029.

The company has received commitment from the main shareholder Scape China of a capital increase at DKK 15 mio. no later than June 2024 in a directed issue through the issuance of new shares against cash payment.

The capital increase is expected to be completed by the end of June 2024, provided needed approvals from Chinese authorities.

It is Managements expectation that the Company's main shareholder Scape China will maintain to support the Company in terms of flexibility in regards to repayment of existing loans or other arrangements to support the continued operation and business development. However, no written agreement or letter of support have been entered into at the time of presentation of the annual report.

The company will furthermore be able to adjust its cost base accordingly if the realized order intake wouldn’t match the assumed order intake.

Based on the planned capital increase and the expected continued support from the main shareholder, Management considers the Company’s cash resources, to be sufficient to ensure its future operations at least one year ahead and to present the financial statements on a going concern basis.

2. Uncertainties concerning recognition and measurement

As the Company is a development company, there is a natural uncertainty associated with the measurement of the Company’s completed development projects as described in Note 6. There is further uncertainty associated with corporate tax receivables as described in note 13.

Notes

All amounts in DKK.

		2023	2022
3.	**Staff costs**		
	Salaries and wages	11.303.652	10.597.413
	Pension costs	1.003.952	847.943
	Other costs for social security	186.818	148.313
		12.494.422	**11.593.669**
	Average number of employees	21	19
4.	**Other financial expenses**		
	Financial costs, group enterprises	186.462	0
	Other financial costs	544.693	569.919
		731.155	**569.919**
5.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	-809.929	-685.854
		-809.929	**-685.854**

All amounts in DKK.

6. Completed development projects, including patents and similar rights arising from development projects

Cost 1 January 2023	30.768.174	27.650.656
Additions during the year	3.681.494	3.117.518
Cost 31 December 2023	**34.449.668**	**30.768.174**
Amortisation and write-down 1 January 2023	-21.648.458	-19.066.012
Amortisation and depreciation for the year	-3.296.792	-2.582.446
Amortisation and write-down 31 December 2023	**-24.945.250**	**-21.648.458**
Carrying amount, 31 December 2023	**9.504.418**	**9.119.716**

Management has made an impairment test for the completed development projects based on discounted cashflows over a 5-year period including an terminal value.
The expected cashflows generated are expected to grow significant with a year over year growth as shown in the table below and a terminal value. The impairment test is made on budgeted sales forecast and have therefor an embedded uncertainty.
The discount factor used for the impairment test is a market conform 20 % p.a. Year growth in cashflow from
Operation and Investments:
- 2024 - 41 %
- 2025 – 70 %
- 2026 - 170 %
- 2027 - 238 %
- 2028 - 276 %

Completed development projects include the development of standardized bin-picking systems based on 3D computer vision systems, the SCAPE Package-Picker and the first version of the SCAPE CoCreator platform. Management has high expectations for future sales of the systems and has, performed an impairment test of the value of the systems as of 31 December 2023. Based on the impairment test management has concluded that there is no impairment as of 31 December 2023.

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
7.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	2.039.911	1.687.780
	Additions during the year	0	352.131
	Cost 31 December 2023	**2.039.911**	**2.039.911**
	Depreciation and write-down 1 January 2023	-1.384.053	-1.220.294
	Amortisation and depreciation for the year	-163.759	-163.759
	Depreciation and write-down 31 December 2023	**-1.547.812**	**-1.384.053**
	Carrying amount, 31 December 2023	**492.099**	**655.858**
8.	**Leasehold improvements**		
	Cost 1 January 2023	428.734	416.254
	Additions during the year	0	12.480
	Cost 31 December 2023	**428.734**	**428.734**
	Depreciation and write-down 1 January 2023	-134.201	-90.880
	Amortisation and depreciation for the year	-42.451	-43.321
	Depreciation and write-down 31 December 2023	**-176.652**	**-134.201**
	Carrying amount, 31 December 2023	**252.082**	**294.533**
9.	**Investments in group enterprises**		
	Cost 1 January 2023	709.380	709.380
	Cost 31 December 2023	**709.380**	**709.380**
	Writedown, opening balance 1 January 2023	-709.380	-709.380
	Writedown 31 December 2023	**-709.380**	**-709.380**
	Carrying amount, 31 December 2023	**0**	**0**

Group enterprises:

	Domicile	**Equity interest**
Scape Deutschland GmbH	Germany	100 %

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
10.	**Investments in participating interests**		
	Cost 1 January 2023	0	5.800.000
	Disposals during the year	0	-5.800.000
	Cost 31 December 2023	**0**	**0**
	Revaluations, opening balance 1 January 2023	0	-2.539.000
	Net profit or loss for the year before amortisation of goodwill	0	-120.349
	Reversals for the year concerning disposals	0	2.659.349
	Revaluations 31 December 2023	**0**	**0**
	Carrying amount, 31 December 2023	**0**	**0**

		31/12 2023	31/12 2022
11.	**Deposits**		
	Cost 1 January 2023	400.787	400.787
	Cost 31 December 2023	**400.787**	**400.787**
	Carrying amount, 31 December 2023	**400.787**	**400.787**

		31/12 2023	31/12 2022
12.	**Contract work in progress**		
	Selling price of the production for the period	1.641.212	600.322
	Progress billings	-1.743.115	-158.892
	Contract work in progress, net	**-101.903**	**441.430**
	The following is recognised:		
	Contract work in progress (current assets)	68.448	600.322
	Contract work in progress (prepayments received on account)	-170.351	-158.892
		-101.903	**441.430**

All amounts in DKK.

	31/12 2023	31/12 2022

13. Income tax receivables

Corporation tax receivable recognized in the balance sheet relates to the use of the tax credit scheme under Ligningsloven § 8X whereby the company can be paid the tax value of fiscal deficits which arise from costs for research and development. Based on the review of the criteria for application of the scheme, it is the management's opinion that the company is entitled to use the scheme.Whether the criteria for applying the scheme are met is, however, based on an assessment. As a result, there may be a risk that the tax authorities consider that the criteria are not met. If applicable, the receivable will have to be refunded in whole or in part via the income statement in subsequent financial years.

14. Contributed capital

	31/12/2023	31/12/2022
Average shares per year	34.144.582	24.707.279
Earnings per share	(0,54)	(0,67)

15. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Other mortgage debt	1.682.050	1.300.000	382.050	0
Other payables	1.058.751	0	1.058.751	0
Payables to shareholders and management	247.231	23.186	224.045	0
	2.988.032	**1.323.186**	**1.664.846**	**0**

16. Charges and security

The Company’s bank debt is secured on a company charge of a nominal amount of DKK 3,5 mio.

Other debt raised by the issuance of bonds is secured on a company charge of a nominal amount of DKK 6 mio.

These securities comprises the assets below, stating the carrying amounts:

All amounts in DKK.

16. Charges and security (continued)

	DKK in thousands
Intangible assets	8.477
Property, plant, and equipment	744
Inventories	1.474
Trade receivables	926

17. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into rent contracts with a yearly rent of tDKK 929, and a remaining lease obligation of tDKK 5.034, which will expire in 2029.

18. Adjustments

Depreciation, amortisation, and impairment	3.503.002	2.789.526
Income from investments in group enterprises	0	120.349
Other financial expenses	731.155	569.919
Tax on net profit or loss for the year	-809.929	-685.854
Other adjustments	4.786	-13.871
	3.429.014	**2.780.069**

19. Change in working capital

Change in inventories	-136.960	-630.830
Change in receivables	1.196.496	2.889.329
Change in trade payables and other payables	-147.183	-4.210.365
	912.353	**-1.951.866**