

Leapwork ApS

Esplanaden 8
1263 København K
CVR No. 36924225

Annual report 2021

The Annual General Meeting adopted the
annual report on 15.07.2022

Christian Brink Frederiksen
Chairman of the General Meeting

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Entity details

Entity

Leapwork ApS
Esplanaden 8
1263 København K

Business Registration No.: 36924225
Date of foundation: 05.06.2015
Registered office: København
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Christian Brink Frederiksen, Chairman
Claus Michael Rosenkrantz Topholt
Christopher Vik
Thomas Pierre Jean Rubens
Ganna Vershebeniuk
Patrick Joesph Devine

Executive Board

Christian Brink Frederiksen, CEO
Claus Michael Rosenkrantz Topholt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Leapwork ApS for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.07.2022

Executive Board

Christian Brink Frederiksen
CEO

Claus Michael Rosenkrantz Topholt

Board of Directors

Christian Brink Frederiksen
Chairman

Claus Michael Rosenkrantz Topholt

Christopher Vik

Thomas Pierre Jean Rubens

Ganna Vershebeniuk

Patrick Joesph Devine

Independent auditor's report

To the shareholders of Leapwork ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Leapwork ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.07.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000
Key figures		
Gross profit/loss	622	10,535
Operating profit/loss	(89,385)	(30,647)
Net financials	14,040	(1,005)
Profit/loss for the year	(75,980)	(28,658)
Balance sheet total	420,434	73,461
Investments in property, plant and equipment	2,297	381
Equity	337,789	26,050
Cash flows from operating activities	(44,574)	(6,958)
Cash flows from investing activities	(25,374)	(15,249)
Cash flows from financing activities	396,021	18,743
Ratios		
Equity ratio (%)	80.34	35.46

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The company's primary activities comprise development and sales of products and services related to quality-testing of software-development.

Our Mission

The world runs on software. Leapwork automates it. We are democratizing automation in quality assurance through our next generation visual language that everyone understands. Enterprises today are digital first, and automation is a fundamental requirement. Automation tools have not kept up as they can only be used by technical people and are hard to maintain and scale.

Now non-technical people can easily train software robots to handle repetitive and mundane tasks. This matters because it impacts us all, whether it is by increasing our productivity or our job satisfaction. Leapwork robots are used by Global2000 companies in Quality Assurance across the world and in all industries, from banks and insurance companies to life science, government, and high tech.

The company is making automation accessible to any employee, using its entirely visual system, backed by a modern tech stack. Instead of using hours of developer time, staff can automate tasks themselves, without writing any code, thanks to the simple user interface. Leapwork customers are seeing an average time saving of 75 percent.

The system is as easy to learn as PowerPoint or Excel and allows clients to accomplish more with less resource, lower their costs and reduce risks. Half of all computer work is repetitive and boring, taking staff away from more productive tasks, sapping their motivation and making them more likely to make costly mistakes.

Development in activities and finances

The aim for 2021 was scaling our sales teams in North America and Europe and further solidifying our footprint among our largest enterprise customers. In addition, we were investing in our product to get even better support for the largest enterprise applications. Both targets were satisfactorily achieved. The loss for 2021 amounts to DKK 75,980 thousand which is as expected due to the aggressive expansion strategy during the year. The equity is DKK 337,789 thousand at year end.

During the year we raised the largest B-round in Danish history to get further funding for our continued expansion and product investments.

Referring to the accounting policies, a number of adjustments of the historical figures have been identified and adjusted in the opening equity and comparison figures for 2020. These adjustments primarily relates to depreciations and cut off.

Profit/loss for the year in relation to expected developments

The loss was in line with expectations for the year given the aggressive investments in our product and entering new markets.

Unusual circumstances affecting recognition and measurement

The financial position at 31 December 2021 of Leapwork ApS and the results of the activities and cash flows of the entity and the group for the financial year for 2021 have not been affected by any unusual events.

Outlook

The Company expects to benefit from the investments made in 2021 and accelerate the growth rates in 2022 and beyond and continue to launch new and innovative visual no-code products.

Revenue is expected to increase by at least 60-100% in 2022 and the losses expected to be in the range of DKKm 150 to 250 driven by aggressive product investments and sales expansions.

Knowledge resources

Our people are our core assets and are essential for both short- and long-term growth and for meeting the Company's overall targets. Hence, the Company is investing in growing and developing our existing employees and attracting new talents.

Research and development activities

The Company has incurred significant research and development costs in 2021 to develop and improve both our existing product and launching the next version of the Leapwork automation platform. These investments help develop and improve the positioning of our product in the market. The Company expects to further increase research and development investments in 2022.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		622,001	10,535,326
Staff costs	2	(79,638,286)	(32,336,822)
Depreciation, amortisation and impairment losses	3	(10,368,221)	(8,845,321)
Operating profit/loss		(89,384,506)	(30,646,817)
Other financial income	4	20,711,208	21,159
Other financial expenses	5	(6,670,805)	(1,026,156)
Profit/loss before tax		(75,344,103)	(31,651,814)
Tax on profit/loss for the year	6	(636,002)	2,994,307
Profit/loss for the year	7	(75,980,105)	(28,657,507)

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	9	14,192,846	14,416,261
Development projects in progress	9	19,616,824	7,199,690
Intangible assets	8	33,809,670	21,615,951
Other fixtures and fittings, tools and equipment		2,730,270	1,039,581
Leasehold improvements		223,023	288,265
Property, plant and equipment	10	2,953,293	1,327,846
Deposits		1,913,258	726,231
Financial assets	11	1,913,258	726,231
Fixed assets		38,676,221	23,670,028
Trade receivables		19,281,280	14,915,624
Deferred tax	12	56,849	24,237
Other receivables		2,223,639	373,787
Tax receivable		3,349,276	3,349,276
Prepayments	13	474,538	828,069
Receivables		25,385,582	19,490,993
Cash		356,372,565	30,299,764
Current assets		381,758,147	49,790,757
Assets		420,434,368	73,460,785

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	14	1,163,599	899,157
Reserve for development costs		33,936,670	16,860,442
Retained earnings		302,688,589	8,290,690
Equity		337,788,858	26,050,289
Bank loans		15,906,851	18,742,778
Other payables		1,952,770	2,127,919
Non-current liabilities other than provisions	15	17,859,621	20,870,697
Current portion of non-current liabilities other than provisions	15	10,497,920	0
Bank loans		35,888	0
Trade payables		10,239,572	2,251,128
Other payables		14,002,908	5,631,682
Deferred income	16	30,009,601	18,656,989
Current liabilities other than provisions		64,785,889	26,539,799
Liabilities other than provisions		82,645,510	47,410,496
Equity and liabilities		420,434,368	73,460,785
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Transactions with related parties	20		
Group relations	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	899,157	16,860,442	8,290,690	26,050,289
Increase of capital	264,442	0	388,351,629	388,616,071
Exchange rate adjustments	0	0	(897,397)	(897,397)
Transfer to reserves	0	17,076,228	(17,076,228)	0
Profit/loss for the year	0	0	(75,980,105)	(75,980,105)
Equity end of year	1,163,599	33,936,670	302,688,589	337,788,858

Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		(89,384,506)	(30,646,817)
Amortisation, depreciation and impairment losses		10,368,221	8,845,321
Working capital changes	17	21,967,650	13,257,704
Cash flow from ordinary operating activities		(57,048,635)	(8,543,792)
Financial income received		20,711,208	21,159
Financial expenses paid		(7,568,200)	(1,026,156)
Taxes refunded/(paid)		(668,613)	2,591,131
Cash flows from operating activities		(44,574,240)	(6,957,658)
Acquisition etc. of intangible assets		(24,189,524)	(15,234,698)
Acquisition etc. of property, plant and equipment		2,137	0
Acquisition of fixed asset investments		(1,187,027)	(14,154)
Cash flows from investing activities		(25,374,414)	(15,248,852)
Free cash flows generated from operations and investments before financing		(69,948,654)	(22,206,510)
Loans raised		7,697,881	18,742,778
Cash capital increase		388,323,574	0
Cash flows from financing activities		396,021,455	18,742,778
Increase/decrease in cash and cash equivalents		326,072,801	(3,463,732)
Cash and cash equivalents beginning of year		30,299,764	33,763,496
Cash and cash equivalents end of year		356,372,565	30,299,764
Cash and cash equivalents at year-end are composed of:			
Cash		356,372,565	30,299,764
Cash and cash equivalents end of year		356,372,565	30,299,764

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	95,279,836	35,792,580
Pension costs	2,850,132	884,243
Other social security costs	1,167,012	312,548
Other staff costs	339,101	64,402
	99,636,081	37,053,773
Staff costs classified as assets	(19,997,795)	(4,716,951)
	79,638,286	32,336,822
Average number of full-time employees	127	55

	Remuneration of manage- ment 2021 DKK	Remuneration of manage- ment 2020 DKK
Executive Board	2,779,723	2,212,528
	2,779,723	2,212,528

Special incentive programmes

As part of the salaries of key employees, the company has launched a warrant program. This obligation is not recognized in the financial statements and will only be realized in the event of an "exit".

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	9,698,881	8,397,625
Depreciation on property, plant and equipment	669,340	447,696
	10,368,221	8,845,321

4 Other financial income

	2021 DKK	2020 DKK
Exchange rate adjustments	20,711,208	21,159
	20,711,208	21,159

5 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	2,348,419	544,051
Exchange rate adjustments	4,322,386	482,105
	6,670,805	1,026,156

6 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	665,873	(2,984,555)
Change in deferred tax	(29,871)	(9,752)
	636,002	(2,994,307)

7 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Retained earnings	(75,980,105)	(28,657,507)
	(75,980,105)	(28,657,507)

8 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	37,687,759	7,199,690
Transfers	9,475,466	(9,475,466)
Additions	0	21,892,600
Cost end of year	47,163,225	19,616,824
Amortisation and impairment losses beginning of year	(23,271,498)	0
Amortisation for the year	(9,698,881)	0
Amortisation and impairment losses end of year	(32,970,379)	0
Carrying amount end of year	14,192,846	19,616,824

9 Development projects

Development projects relate to the development of the company's IT platform, which is the foundation for future earnings. The company continuously develops on the IT platform as well as new add-ons. The development is proceeding as planned using the resources allocated by the management to the development.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,784,584	326,213
Additions	2,296,924	0
Disposals	(2,709)	0
Cost end of year	4,078,799	326,213
Depreciation and impairment losses beginning of year	(745,003)	(37,948)
Depreciation for the year	(604,098)	(65,242)
Reversal regarding disposals	572	0
Depreciation and impairment losses end of year	(1,348,529)	(103,190)
Carrying amount end of year	2,730,270	223,023

11 Financial assets

	Deposits DKK
Cost beginning of year	726,231
Additions	1,187,027
Cost end of year	1,913,258
Carrying amount end of year	1,913,258

12 Deferred tax

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	24,237	0
Recognised in the income statement	32,612	24,237
End of year	56,849	24,237

Deferred tax assets

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

An amount regarding deferred tax assets has not been recognised in the balance sheet, as there is uncertainty related to when it will be possible for the group to take advantage of the asset. The contingent deferred tax asset amounts to DKK 21.850 thousand.

13 Prepayments

Prepayments consist of office rent, consulting services, subscriptions and other prepayments.

14 Contributed capital

	Number	Par value DKK	Nominal value DKK
Senior Preferred A-shares	25,332,288	0.01	253,323
Junior Preferred-shares	61,050,500	0.01	610,505
Senior Preferred B-shares	29,977,100	0.01	299,771
	116,359,888		1,163,599

15 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due after more than 12 months 2021 DKK
Bank loans	10,497,920	15,906,851
Other payables	0	1,952,770
	10,497,920	17,859,621

16 Deferred income

Deferred income consists of contract accrual.

17 Changes in working capital

	2021 DKK	2020 DKK
Increase/decrease in receivables	(4,449,381)	(4,263,778)
Increase/decrease in trade payables etc.	26,417,031	17,521,482
	21,967,650	13,257,704

18 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	4,672,849,884	3,032,183

19 Contingent liabilities

A company in the Group has provided corporate pledges to banks totalling DKK 24,5 million. The corporate pledge includes current and non-current tangible and intangible assets. No limitations in the use of assets apply.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Leapwork ApS, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Leapwork ApS, Copenhagen

22 Subsidiaries

	Registered in	Ownership %
LEAPWORK India Pvt Ltd.	India	100.00
LEAPWORK LLC	USA	100.00
LEAPWORK Germany GmbH	Germany	100.00
LEAPWORK The Netherlands B.V.	Netherland	100.00
LEAPWORK UK LIMITED	United Kingdom	100.00
LEAPWORK AB	Sweden	100.00
LEAPWORK SAS	France	100.00

Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(39,717,326)	7,912,931
Staff costs	2	(41,590,868)	(26,861,921)
Depreciation, amortisation and impairment losses		(10,019,403)	(8,698,617)
Operating profit/loss		(91,327,597)	(27,647,607)
Other financial income	3	21,054,150	21,126
Other financial expenses	4	(6,788,773)	(1,031,625)
Profit/loss before tax		(77,062,220)	(28,658,106)
Tax on profit/loss for the year	5	0	3,349,276
Profit/loss for the year	6	(77,062,220)	(25,308,830)

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	8	14,192,846	14,416,261
Development projects in progress	8	19,616,823	7,199,690
Intangible assets	7	33,809,669	21,615,951
Other fixtures and fittings, tools and equipment		1,524,279	816,143
Leasehold improvements		223,023	288,265
Property, plant and equipment	9	1,747,302	1,104,408
Investments in group enterprises		2,446,342	385,469
Deposits		1,508,738	724,418
Financial assets	10	3,955,080	1,109,887
Fixed assets		39,512,051	23,830,246
Trade receivables		6,954,701	9,026,586
Receivables from group enterprises		12,005,032	27,129,406
Other receivables		1,596,892	22,444
Tax receivable		3,349,276	3,349,276
Prepayments	11	388,399	828,069
Receivables		24,294,300	40,355,781
Cash		340,295,250	5,109,450
Current assets		364,589,550	45,465,231
Assets		404,101,601	69,295,477

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,163,599	899,157
Reserve for development costs		33,936,670	16,860,442
Retained earnings		304,441,942	11,126,158
Equity		339,542,211	28,885,757
Bank loans		15,906,851	18,742,778
Other payables		1,952,769	2,127,919
Non-current liabilities other than provisions	12	17,859,620	20,870,697
Current portion of non-current liabilities other than provisions	12	10,497,920	0
Bank loans		35,888	0
Trade payables		9,436,017	2,186,093
Payables to group enterprises		4,147,385	0
Other payables		10,029,502	5,243,794
Deferred income	13	12,553,058	12,109,136
Current liabilities other than provisions		46,699,770	19,539,023
Liabilities other than provisions		64,559,390	40,409,720
Equity and liabilities		404,101,601	69,295,477
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	899,157	18,418,792	11,443,403	30,761,352
Adjustment of material errors	0	(1,558,350)	(317,245)	(1,875,595)
Adjusted equity, beginning of year	899,157	16,860,442	11,126,158	28,885,757
Increase of capital	264,442	0	388,351,629	388,616,071
Exchange rate adjustments	0	0	(897,397)	(897,397)
Transfer to reserves	0	17,076,228	(17,076,228)	0
Profit/loss for the year	0	0	(77,062,220)	(77,062,220)
Equity end of year	1,163,599	33,936,670	304,441,942	339,542,211

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	59,723,948	30,594,252
Pension costs	1,317,348	760,043
Other social security costs	387,871	203,753
Other staff costs	159,496	20,824
	61,588,663	31,578,872
Staff costs classified as assets	(19,997,795)	(4,716,951)
	41,590,868	26,861,921
Average number of full-time employees	62	39

	Remuneration of Manage- ment 2021 DKK	Remuneration of Manage- ment 2020 DKK
Executive Board	2,779,723	2,212,528
	2,779,723	2,212,528

Special incentive programmes

As part of the salaries of key employees, the company has launched a warrant program. This obligation is not recognized in the financial statements and will only be realized in the event of an "exit".

3 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	342,942	0
Exchange rate adjustments	20,711,208	21,126
	21,054,150	21,126

4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	2,355,294	539,082
Exchange rate adjustments	4,433,479	492,543
	6,788,773	1,031,625

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	0	(3,349,276)
	0	(3,349,276)

6 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	(77,062,220)	(25,308,830)
	(77,062,220)	(25,308,830)

7 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	37,687,759	7,199,690
Transfers	9,475,466	(9,475,466)
Additions	0	21,892,599
Cost end of year	47,163,225	19,616,823
Amortisation and impairment losses beginning of year	(23,271,498)	0
Amortisation for the year	(9,698,881)	0
Amortisation and impairment losses end of year	(32,970,379)	0
Carrying amount end of year	14,192,846	19,616,823

8 Development projects

Development projects relate to the development of the company's IT platform, which is the foundation for future earnings. The company continuously develops on the IT platform as well as new add-ons. The development is proceeding as planned using the resources allocated by the management to the development.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,325,871	326,213
Additions	963,415	0
Cost end of year	2,289,286	326,213
Depreciation and impairment losses beginning of year	(509,728)	(37,948)
Depreciation for the year	(255,279)	(65,242)
Depreciation and impairment losses end of year	(765,007)	(103,190)
Carrying amount end of year	1,524,279	223,023

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	385,469	724,418
Additions	2,060,873	784,320
Cost end of year	2,446,342	1,508,738
Carrying amount end of year	2,446,342	1,508,738

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

11 Prepayments

Prepayments consist of office rent, consulting services, subscriptions and other prepayments.

12 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due after more than 12 months 2021 DKK
Bank loans	10,497,920	15,906,851
Other payables	0	1,952,769
	10,497,920	17,859,620

13 Deferred income

Deferred income consists of contract accrual.

14 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	4,200,645	3,032,183

15 Contingent liabilities

The Company has provided corporate pledges to banks totalling DKK 24,5 million. The corporate pledge includes current and non-current tangible and intangible assets. No limitations in the use of assets apply.

16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Material errors in previous years

In connection with the preparation of the annual report for the parent company Leapwork ApS, material misstatements in previous years have been corrected. The identified misstatements primarily comprises errors in recognition of assets and cut off in relation to costs and revenue.

The misstatements have been corrected via the equity in the opening balance 2020 and in the comparative figures. The following summarises the impact of the prior year:

PROFIT AND LOSS STATEMENT	2020	2020 (restatement)	Adjustment
Gross profit	8.611	7.912	(699)
Staff expenses	(27.682)	(26.862)	820
Depreciations	(6.701)	(8.698)	(1.997)
Tax	3.349	3.349	-
Total			(1.876)

ASSETS	2020	2020 (restatement)	Adjustment
Completed development projects	16.413	14.416	(1.997)
Trade receivables	7.879	9.026	1.147
LIABILITIES			
Trade payable	(1.267)	(2.186)	(996)
Other debt	(5.992)	(5.243)	820
Deferred income	(11.259)	(12.109)	(850)
EQUITY 1 JANUARY 2020	30.761	28.885	(1.876)

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.