

Leapwork ApS

Store Kongensgade 72 C
1264 København K
CVR No. 36924225

Annual report 2023

The Annual General Meeting adopted the annual report on 03.05.2024

Christian Brink Frederiksen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2023	10
Consolidated balance sheet at 31.12.2023	11
Consolidated statement of changes in equity for 2023	13
Consolidated cash flow statement for 2023	14
Notes to consolidated financial statements	15
Parent income statement for 2023	20
Parent balance sheet at 31.12.2023	21
Parent statement of changes in equity for 2023	23
Notes to parent financial statements	24
Accounting policies	29

Entity details

Entity

Leapwork ApS

Store Kongensgade 72 C

1264 København K

Business Registration No.: 36924225

Date of foundation: 05.06.2015

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Christian Brink Frederiksen, Chairman

Claus Michael Rosenkrantz Topholt

Thomas Pierre Jean Rubens

Patrick Joesph Devine

Norman Louis Shipley

Christian Miele

Executive Board

Christian Brink Frederiksen, CEO

Claus Michael Rosenkrantz Topholt, CPO

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 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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, 03.05.2024

Executive Board

Christian Brink Frederiksen
CEO

Claus Michael Rosenkrantz Topholt
CPO

Board of Directors

Christian Brink Frederiksen
Chairman

Claus Michael Rosenkrantz Topholt

Thomas Pierre Jean Rubens

Patrick Joesph Devine

Norman Louis Shipley

Christian Miele

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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 03.05.2024

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

	2023	2022	2021	2020
	USD'000	USD'000	USD'000	USD'000
Key figures				
Gross profit/loss	8,889	5,638	3,277	2,334
Operating profit/loss	(28,201)	(22,889)	(14,207)	(4,690)
Net financials	26	3,329	2,231	(154)
Profit/loss for the year	(28,894)	(20,061)	(12,076)	(4,386)
Balance sheet total	65,726	42,479	64,079	12,127
Investments in property, plant and equipment	1,179	716	350	63
Equity	40,883	27,979	51,483	4,300
Equity excl. minority interests	40,883	27,979	0	0
Cash flows from operating activities	(52,730)	(13,901)	(7,085)	(1,065)
Cash flows from investing activities	(12,089)	(11,925)	(4,033)	(2,334)
Cash flows from financing activities	48,250	(1,361)	62,943	2,868
Ratios				
Equity ratio (%)	59.62	65.87	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 (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

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

Our Mission

The world runs on software. Leapwork automates software testing to enable enterprises to release at a greater velocity in their ever-complex technology stack. 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.

Create – Flow – Go

Leapwork is an intuitive, visual way to automate tests and processes that you just need eyes to understand. Intelligent building blocks handle logic and give a graphic overview of every step.

Create test easily from one step to the next with our test automation smart recorder. Add data, validate tests, and automate it into flows.

In the workflows it is easy to see what is in review and what is ready to go. Components and flows can be reused to reduce workload on end-to-end testing.

Our 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. Our customers experience impressive ROI, less application errors and faster time to market. All crucial factors in a globalized competitive market.

Development in activities and finances

The aim for 2023 was continuing to invest in people with the right skills and mindset to drive the organization to new heights. Besides this, there is an ongoing focus on servicing existing customers whilst scaling in sales to new enterprises primarily in North America and Europe. We kept our focus on constantly improving our product to meet our customers' expectations and keeping it relevant in an ever-changing environment. All targets were satisfactorily achieved.

During the year, Leapwork engaged in a successful partnership with Microsoft. The partnership seeks to improve and enhance the experience of D365 customers of Microsoft by leveraging Leapwork's software. The ease of customization using Leapwork during Microsoft's product updates has been a tremendous success with user experience.

2023 also marked a significant year in terms of being driven by data. One of the major strides was the implementation of a new ERP (Netsuite), which has enabled the business to enhance its reporting capabilities and analyze financial information accurately.

In 2023, Management decided to change the presentation currency of the Group reporting from Danish krone (DKK) to United States dollar (USD).

The loss for 2023 amounts to USD 28.9m (2022: USD 20.1m) which is as expected due to the heavy investments in people and our product. The equity is USD 40.8m (2022: USD 27.9m) at year end.

In 2023 we raised capital of USD 40m.

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 2023 of Leapwork ApS and the results of the activities and cash flows of the entity and the group for the financial year for 2023 have not been affected by any unusual events.

Outlook

The Company expects to benefit from the investments made in 2023 and accelerate the growth rates in 2024 and beyond and continue to launch new and innovative visual no-code products.

Revenue is expected to increase around 55% in 2024 and the expected loss is estimated to be in the region of USD 24.6m, mostly 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 continuing to invest in our existing employees and attracting new talents.

Research and development activities

The Company has incurred significant research and development costs in 2023 to develop and improve both our existing product and launching the next version of the Leapwork automation platform which is expected to launch in 2024.

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 2023

	Notes	2023 USD	2022 USD
Gross profit/loss		8,889,412	5,638,325
Staff costs	2	(35,521,831)	(27,672,387)
Depreciation, amortisation and impairment losses		(1,568,185)	(855,020)
Operating profit/loss		(28,200,604)	(22,889,082)
Other financial income	3	775,717	4,053,526
Other financial expenses	4	(749,651)	(724,871)
Profit/loss before tax		(28,174,538)	(19,560,427)
Tax on profit/loss for the year	5	(719,728)	(500,398)
Profit/loss for the year	6	(28,894,266)	(20,060,825)

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 USD	2022 USD
Completed development projects	8	5,103,730	4,339,890
Development projects in progress	8	19,427,496	10,069,094
Intangible assets	7	24,531,226	14,408,984
Other fixtures and fittings, tools and equipment		580,208	636,062
Leasehold improvements		727,829	89,623
Leased assets		82,569	0
Property, plant and equipment in progress		0	88,360
Property, plant and equipment	9	1,390,606	814,045
Deposits		766,910	974,746
Financial assets	10	766,910	974,746
Fixed assets		26,688,742	16,197,775
Trade receivables		5,663,283	1,675,591
Other receivables		390,011	368,332
Tax receivable		174,848	161,956
Prepayments	11	999,189	149,125
Receivables		7,227,331	2,355,004
Other investments		24,453,606	0
Investments		24,453,606	0
Cash		7,356,599	23,926,530
Current assets		39,037,536	26,281,534
Assets		65,726,278	42,479,309

Equity and liabilities

	Notes	2023 USD	2022 USD
Contributed capital	12	228,243	167,136
Retained earnings		40,654,755	27,811,470
Equity		40,882,998	27,978,606
Other provisions	13	0	229,054
Provisions		0	229,054
Bank loans		7,865,028	0
Lease liabilities		152,992	0
Other payables		1,045,539	280,079
Non-current liabilities other than provisions	14	9,063,559	280,079
Current portion of non-current liabilities other than provisions	14	36,809	2,399,661
Trade payables		1,181,920	1,174,240
Tax payable		693,898	15,383
Other payables		5,208,142	4,768,696
Deferred income	15	8,658,952	5,633,590
Current liabilities other than provisions		15,779,721	13,991,570
Liabilities other than provisions		24,843,280	14,271,649
Equity and liabilities		65,726,278	42,479,309
Events after the balance sheet date	1		
Fair value information	17		
Unrecognised rental and lease commitments	18		
Contingent assets	19		
Contingent liabilities	20		
Non-arm's length related party transactions	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2023

	Contributed capital USD	Share premium USD	Retained earnings USD	Total USD
Equity beginning of year	167,136	0	27,811,470	27,978,606
Increase of capital	55,470	40,882,438	0	40,937,908
Exchange rate adjustments	5,637	890,987	(35,874)	860,750
Transfer to reserves	0	(41,773,425)	41,773,425	0
Profit/loss for the year	0	0	(28,894,266)	(28,894,266)
Equity end of year	228,243	0	40,654,755	40,882,998

Consolidated cash flow statement for 2023

	Notes	2023 USD	2022 USD
Operating profit/loss		(28,200,604)	(22,889,082)
Amortisation, depreciation and impairment losses		1,568,185	855,020
Working capital changes	16	(26,069,607)	4,983,774
Cash flow from ordinary operating activities		(52,702,026)	(17,050,288)
Financial income received		775,717	4,053,526
Financial expenses paid		(749,651)	(724,871)
Taxes refunded/(paid)		(54,105)	(178,933)
Cash flows from operating activities		(52,730,065)	(13,900,566)
Acquisition etc. of intangible assets		(10,574,870)	(10,102,630)
Acquisition etc. of property, plant and equipment		(1,178,645)	(716,215)
Deposit movements		240,714	(700,334)
Other cash flows from investing activities		(576,588)	(406,215)
Cash flows from investing activities		(12,089,389)	(11,925,394)
Free cash flows generated from operations and investments before financing		(64,819,454)	(25,825,960)
Loans raised		8,783,480	909,361
Repayments of loans etc.		(2,362,852)	(2,286,615)
Cash capital increase		41,828,895	16,385
Cash flows from financing activities		48,249,523	(1,360,869)
Increase/decrease in cash and cash equivalents		(16,569,931)	(27,186,829)
Cash and cash equivalents beginning of year		23,926,530	51,113,359
Cash and cash equivalents end of year		7,356,599	23,926,530
Cash and cash equivalents at year-end are composed of:			
Cash		7,356,599	23,926,530
Cash and cash equivalents end of year		7,356,599	23,926,530

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

	2023	2022
	USD	USD
Wages and salaries	32,007,509	26,476,063
Pension costs	1,254,974	676,202
Other social security costs	2,162,473	499,133
Other staff costs	96,875	20,989
	35,521,831	27,672,387
Average number of full-time employees	304	212

	Remuneration of management 2023	Remuneration of management 2022
	USD	USD
Executive Board	926,400	691,766
	926,400	691,766

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".

As of 31st December 2023, members of management have been granted a total of 1,651,952 warrants of a nominal value of USD 2,449 to be exercised at a price agreed in advance.

3 Other financial income

	2023	2022
	USD	USD
Other interest income	323,960	274,746
Exchange rate adjustments	0	3,778,780
Fair value adjustments	451,757	0
	775,717	4,053,526

4 Other financial expenses

	2023 USD	2022 USD
Other interest expenses	731,812	350,850
Exchange rate adjustments	17,839	374,021
	749,651	724,871

5 Tax on profit/loss for the year

	2023 USD	2022 USD
Current tax	719,728	27,354
Change in deferred tax	0	473,044
	719,728	500,398

6 Proposed distribution of profit/loss

	2023 USD	2022 USD
Retained earnings	(28,894,266)	(20,060,825)
	(28,894,266)	(20,060,825)

7 Intangible assets

	Completed development projects USD	Development projects in progress USD
Cost beginning of year	9,611,581	10,069,094
Exchange rate adjustments	324,200	339,632
Additions	1,556,100	9,018,770
Disposals	(2,548,438)	0
Cost end of year	8,943,443	19,427,496
Amortisation and impairment losses beginning of year	(5,271,691)	0
Exchange rate adjustments	(177,815)	0
Amortisation for the year	(938,645)	0
Reversal regarding disposals	2,548,438	0
Amortisation and impairment losses end of year	(3,839,713)	0
Carrying amount end of year	5,103,730	19,427,496

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 USD	Leasehold improvements USD	Leased assets USD	Property, plant and equipment in progress USD
Cost beginning of year	1,125,633	134,019	0	88,360
Exchange rate adjustments	37,968	4,518	0	2,980
Transfers	16,582	74,759	0	(91,340)
Additions	306,513	767,129	105,003	0
Cost end of year	1,486,696	980,425	105,003	0
Depreciation and impairment losses beginning of year	(489,571)	(44,396)	0	0
Exchange rate adjustments	(16,513)	(1,498)	0	0
Depreciation for the year	(400,404)	(206,702)	(22,434)	0
Depreciation and impairment losses end of year	(906,488)	(252,596)	(22,434)	0
Carrying amount end of year	580,208	727,829	82,569	0

10 Financial assets

	Deposits USD
Cost beginning of year	974,746
Exchange rate adjustments	32,878
Additions	82,238
Disposals	(322,952)
Cost end of year	766,910
Carrying amount end of year	766,910

11 Prepayments

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

12 Contributed capital

	Number	Nominal value USD
Senior Preferred A-shares	25,332,288	37,559
Junior Preferred-shares	61,589,000	91,315
Senior Preferred B-shares	37,729,475	55,939
Senior Preferred B2-shares	29,291,702	43,429
	153,942,465	228,242

13 Other provisions

Other provisions consist of provisions for recruitment and consultants.

14 Non-current liabilities other than provisions

	Due within 12 months 2023 USD	Due within 12 months 2022 USD	Due after more than 12 months 2023 USD
Bank loans	0	2,399,661	7,865,028
Lease liabilities	36,809	0	152,992
Other payables	0	0	1,045,539
	36,809	2,399,661	9,063,559

15 Deferred income

Deferred income consists of contract accrual.

16 Changes in working capital

	2023 USD	2022 USD
Increase/decrease in receivables	(29,313,041)	918,881
Increase/decrease in trade payables etc.	3,243,434	4,064,893
	(26,069,607)	4,983,774

17 Fair value information

	Other investments USD
Fair value end of year	24,453,606
Unrealised fair value adjustments recognised in the income statement	451,757

18 Unrecognised rental and lease commitments

	2023 USD	2022 USD
Total liabilities under rental or lease agreements until maturity	4,238,706	624,952

19 Contingent assets

The Group has total tax assets of t.USD 20,741 which are not recognised in the financial statements due to the uncertainty of utilising the tax assets.

20 Contingent liabilities

A company in the Group has provided corporate pledges to banks totalling USD 7,642 thousand. The corporate pledge includes current and non-current tangible and intangible assets. No limitations in the use of assets apply.

21 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.

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
LEAPWORK Sociedad Limitada	Spain	100.00

Parent income statement for 2023

	Notes	2023 USD	2022 USD
Gross profit/loss		(17,358,837)	(11,374,928)
Staff costs	2	(10,420,594)	(11,352,656)
Depreciation, amortisation and impairment losses		(1,193,600)	(634,327)
Operating profit/loss		(28,973,031)	(23,361,911)
Other financial income	3	610,638	3,555,462
Other financial expenses	4	(2,667,908)	(681,574)
Profit/loss before tax		(31,030,301)	(20,488,023)
Tax on profit/loss for the year	5	0	(472,860)
Profit/loss for the year	6	(31,030,301)	(20,960,883)

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 USD	2022 USD
Completed development projects	8	5,103,730	4,339,890
Development projects in progress	8	19,427,496	10,069,094
Intangible assets	7	24,531,226	14,408,984
Other fixtures and fittings, tools and equipment		249,842	295,756
Leasehold improvements		674,885	22,563
Property, plant and equipment in progress		0	88,360
Property, plant and equipment	9	924,727	406,679
Investments in group enterprises		382,551	350,871
Receivables from group enterprises		801,334	0
Deposits		459,587	588,346
Financial assets	10	1,643,472	939,217
Fixed assets		27,099,425	15,754,880
Trade receivables		1,107,019	306,199
Receivables from group enterprises		138,925	19,681,291
Other receivables		286,505	313,402
Prepayments	11	741,141	149,125
Receivables		2,273,590	20,450,017
Other investments		24,453,606	0
Investments		24,453,606	0
Cash		2,189,675	701,535
Current assets		28,916,871	21,151,552
Assets		56,016,296	36,906,432

Equity and liabilities

	Notes	2023 USD	2022 USD
Contributed capital		228,243	167,136
Reserve for development costs		19,162,735	11,015,498
Retained earnings		19,073,217	16,239,144
Equity		38,464,195	27,421,778
Bank loans		7,638,206	0
Other payables		305,778	280,080
Non-current liabilities other than provisions	12	7,943,984	280,080
Current portion of non-current liabilities other than provisions	12	0	2,399,661
Trade payables		1,137,886	1,198,890
Payables to group enterprises		4,340,543	1,132,737
Other payables		1,687,630	2,571,717
Deferred income	13	2,442,058	1,901,569
Current liabilities other than provisions		9,608,117	9,204,574
Liabilities other than provisions		17,552,101	9,484,654
Equity and liabilities		56,016,296	36,906,432
Events after the balance sheet date	1		
Fair value information	14		
Unrecognised rental and lease commitments	15		
Contingent assets	16		
Contingent liabilities	17		
Non-arm's length related party transactions	18		

Parent statement of changes in equity for 2023

	Contributed capital USD	Share premium USD	Reserve for development costs USD	Retained earnings USD	Total USD
Equity beginning of year	167,136	0	11,015,498	16,239,144	27,421,778
Increase of capital	55,470	40,882,438	0	0	40,937,908
Exchange rate adjustments	5,637	890,987	0	238,186	1,134,810
Transfer to reserves	0	(41,773,425)	8,147,237	33,626,188	0
Profit/loss for the year	0	0	0	(31,030,301)	(31,030,301)
Equity end of year	228,243	0	19,162,735	19,073,217	38,464,195

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

	2023	2022
	USD	USD
Wages and salaries	9,859,582	10,966,632
Pension costs	477,015	289,949
Other social security costs	98,576	88,855
Other staff costs	(14,579)	7,220
	10,420,594	11,352,656
Average number of full-time employees	83	88

	Remuneration of Manage- ment 2023 USD	Remuneration of Manage- ment 2022 USD
Executive Board	926,400	279,002
	926,400	279,002

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".

As of 31st December 2023, members of management have been granted a total of 1,651,952 warrants of a nominal value of USD 2,449 to be exercised at a price agreed in advance.

Remuneration of Management

It has been deemed most appropriate to disclose the full remuneration amount, corresponding to the Group level amount.

3 Other financial income

	2023	2022
	USD	USD
Financial income from group enterprises	37,693	85,641
Other interest income	121,188	11,188
Exchange rate adjustments	0	3,458,633
Fair value adjustments	451,757	0
	610,638	3,555,462

4 Other financial expenses

	2023	2022
	USD	USD
Other interest expenses	700,626	307,618
Exchange rate adjustments	1,967,282	373,956
	2,667,908	681,574

5 Tax on profit/loss for the year

	2023	2022
	USD	USD
Change in deferred tax	0	472,860
	0	472,860

6 Proposed distribution of profit and loss

	2023	2022
	USD	USD
Retained earnings	(31,030,301)	(20,960,883)
	(31,030,301)	(20,960,883)

7 Intangible assets

	Completed development projects USD	Development projects in progress USD
Cost beginning of year	9,611,581	10,069,094
Exchange rate adjustments	324,200	339,632
Additions	1,556,100	9,018,770
Disposals	(2,548,438)	0
Cost end of year	8,943,443	19,427,496
Amortisation and impairment losses beginning of year	(5,271,691)	0
Exchange rate adjustments	(177,815)	0
Amortisation for the year	(938,645)	0
Reversal regarding disposals	2,548,438	0
Amortisation and impairment losses end of year	(3,839,713)	0
Carrying amount end of year	5,103,730	19,427,496

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 USD	Leasehold improvements USD	Property, plant and equipment in progress USD
Cost beginning of year	497,606	46,788	88,360
Exchange rate adjustments	16,784	1,578	2,980
Transfers	16,582	74,759	(91,340)
Additions	69,085	755,822	0
Cost end of year	600,057	878,947	0
Depreciation and impairment losses beginning of year	(201,850)	(24,225)	0
Exchange rate adjustments	(6,809)	(817)	0
Depreciation for the year	(141,556)	(179,020)	0
Depreciation and impairment losses end of year	(350,215)	(204,062)	0
Carrying amount end of year	249,842	674,885	0

10 Financial assets

	Investments in group enterprises USD	Receivables from group enterprises USD	Deposits USD
Cost beginning of year	350,871	0	588,346
Exchange rate adjustments	31,680	0	19,846
Additions	0	801,334	82,238
Disposals	0	0	(230,843)
Cost end of year	382,551	801,334	459,587
Carrying amount end of year	382,551	801,334	459,587

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 2022 USD	Due after more than 12 months 2023 USD
Bank loans	2,399,661	7,638,206
Other payables	0	305,778
	2,399,661	7,943,984

13 Deferred income

Deferred income consists of contract accrual.

14 Fair value information

	Other investments USD
Fair value end of year	24,453,606
Unrealised fair value adjustments recognised in the income statement	451,757

15 Unrecognised rental and lease commitments

	2023 USD	2022 USD
Total liabilities under rental or lease agreements until maturity	4,150,830	404,869

16 Contingent assets

The Company has total tax assets of t.USD 20,741 which are not recognised in the financial statements due to the uncertainty of utilising the tax assets.

17 Contingent liabilities

The Company has provided corporate pledges to banks totalling t.USD 7,642. The corporate pledge includes current and non-current tangible and intangible assets. No limitations in the use of assets apply.

18 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).

Changes in accounting policies

The Group and the Parent have changed their accounting policies regarding both functional and reporting currencies, which have been switched from DKK to USD. This change has resulted in exchange rate adjustments in both the current year's figures and the comparative figures.

Apart from the areas mentioned above, the annual report has been prepared using the accounting policies consistently applied in the previous year.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, both the income statements and the sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

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.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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 7 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:

	Useful life
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.

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.

Other investments (current assets)

Other current asset investments comprise unlisted investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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.