

Leapwork ApS

Store Kongensgade 72
1264 København K
CVR No. 36924225

Annual report 2022

The Annual General Meeting adopted the
annual report on 12.06.2023

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 2022	10
Consolidated balance sheet at 31.12.2022	11
Consolidated statement of changes in equity for 2022	13
Consolidated cash flow statement for 2022	14
Notes to consolidated financial statements	15
Parent income statement for 2022	20
Parent balance sheet at 31.12.2022	21
Parent statement of changes in equity for 2022	23
Notes to parent financial statements	24
Accounting policies	28

Entity details

Entity

Leapwork ApS

Store Kongensgade 72

1264 København K

Business Registration No.: 36924225

Date of foundation: 05.06.2015

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Christian Brink Frederiksen, Chairman

Claus Michael Rosenkrantz Topholt

Thomas Pierre Jean Rubens

Ganna Vershebeniuk

Patrick Joesph Devine

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 12.06.2023

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

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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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, 12.06.2023

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

	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures			
Gross profit/loss	39,936	20,620	15,252
Operating profit/loss	(162,124)	(89,385)	(30,647)
Net financials	23,577	14,040	(1,005)
Profit/loss for the year	(142,091)	(75,980)	(28,658)
Balance sheet total	296,174	420,434	73,461
Investments in property, plant and equipment	4,994	2,297	381
Equity	195,072	337,789	26,050
Cash flows from operating activities	(99,010)	(44,574)	(6,958)
Cash flows from investing activities	(81,053)	(25,374)	(15,249)
Cash flows from financing activities	(9,488)	396,021	18,743
Ratios			
Equity ratio (%)	65.86	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 sale of products and services related to quality testing of softwares.

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 2022 was investing in people with the right skill and mindset to drive to organization to new heights. A continuous 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.

The loss for 2022 amounts to DKK 138,742 thousand which is as expected due to the heavy investments in people and our product. The equity is DKK 198,422 thousand at year end.

We achieved 2 important milestones for the company, being named in the strong performer category in the Forrester Wave for continuous automation as well as a mention in the Gartner market guidance for AI Augmented test automation.

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 2022 of Leapwork ApS and the results of the activities and cash flows of the entity and the group for the financial year for 2022 have not been affected by any unusual events.

Outlook

The Company expects to benefit from the investments made in 2022 and accelerate the growth rates in 2023 and beyond and continue to launch new and innovative visual no-code products.

Revenue is expected to increase more than 50% in 2023 and the losses expected to be in the range of DKKm 125 to 150 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. We will invest in our tech stack to ensure we have the tools enabled to support our growing business.

Research and development activities

The Company has incurred significant research and development costs in 2022 to develop and improve both our existing product and launching the next version of the Leapwork automation platform which is expected to launch in 2023.

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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		39,936,368	20,619,796
Staff costs	2	(196,004,036)	(99,636,081)
Depreciation, amortisation and impairment losses	3	(6,056,123)	(10,368,221)
Operating profit/loss		(162,123,791)	(89,384,506)
Other financial income	4	28,711,200	20,711,208
Other financial expenses	5	(5,134,274)	(6,670,805)
Profit/loss before tax		(138,546,865)	(75,344,103)
Tax on profit/loss for the year	6	(3,544,324)	(636,002)
Profit/loss for the year	7	(142,091,189)	(75,980,105)

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	9	30,258,579	14,192,846
Development projects in progress	9	70,203,740	19,616,824
Intangible assets	8	100,462,319	33,809,670
Other fixtures and fittings, tools and equipment		4,434,746	2,730,270
Leasehold improvements		624,861	223,023
Property, plant and equipment in progress		616,065	0
Property, plant and equipment	10	5,675,672	2,953,293
Deposits		6,796,128	1,913,258
Financial assets	11	6,796,128	1,913,258
Fixed assets		112,934,119	38,676,221
Trade receivables		11,682,556	19,281,280
Deferred tax	12	0	56,849
Other receivables		2,568,080	2,223,639
Tax receivable		1,129,188	3,349,276
Prepayments	13	1,039,730	474,538
Receivables		16,419,554	25,385,582
Cash		166,820,553	356,372,565
Current assets		183,240,107	381,758,147
Assets		296,174,226	420,434,368

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	14	1,165,299	1,163,599
Reserve for development costs		0	33,936,670
Retained earnings		193,907,131	302,688,589
Equity		195,072,430	337,788,858
Other provisions	15	1,597,012	0
Provisions		1,597,012	0
Bank loans		0	15,906,851
Other payables		1,952,770	1,952,770
Non-current liabilities other than provisions	16	1,952,770	17,859,621
Current portion of non-current liabilities other than provisions	16	16,730,913	10,497,920
Bank loans		0	35,888
Trade payables		8,186,998	10,239,572
Tax payable		107,254	0
Other payables		33,248,335	14,002,908
Deferred income	17	39,278,514	30,009,601
Current liabilities other than provisions		97,552,014	64,785,889
Liabilities other than provisions		99,504,784	82,645,510
Equity and liabilities		296,174,226	420,434,368
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Transactions with related parties	21		
Group relations	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,163,599	0	33,936,670	302,688,589	337,788,858
Increase of capital	1,700	112,540	0	0	114,240
Exchange rate adjustments	0	0	0	(739,479)	(739,479)
Transfer to reserves	0	(112,540)	(33,936,670)	34,049,210	0
Profit/loss for the year	0	0	0	(142,091,189)	(142,091,189)
Equity end of year	1,165,299	0	0	193,907,131	195,072,430

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		(162,123,791)	(89,384,506)
Amortisation, depreciation and impairment losses		6,056,123	10,368,221
Working capital changes	18	34,747,867	21,967,650
Cash flow from ordinary operating activities		(121,319,801)	(57,048,635)
Financial income received		28,711,200	20,711,208
Financial expenses paid		(5,134,274)	(7,568,200)
Taxes refunded/(paid)		(1,267,387)	(668,613)
Cash flows from operating activities		(99,010,262)	(44,574,240)
Acquisition etc. of intangible assets		(70,437,560)	(24,189,524)
Acquisition etc. of property, plant and equipment		(4,993,591)	2,137
Deposit movements		(4,882,870)	(1,187,027)
Other cash flows from investing activities		(739,477)	0
Cash flows from investing activities		(81,053,498)	(25,374,414)
Free cash flows generated from operations and investments before financing		(180,063,760)	(69,948,654)
Loans raised		6,340,247	7,697,881
Repayments of loans etc.		(15,942,739)	0
Cash capital increase		114,240	388,323,574
Cash flows from financing activities		(9,488,252)	396,021,455
Increase/decrease in cash and cash equivalents		(189,552,012)	326,072,801
Cash and cash equivalents beginning of year		356,372,565	30,299,764
Cash and cash equivalents end of year		166,820,553	356,372,565
Cash and cash equivalents at year-end are composed of:			
Cash		166,820,553	356,372,565
Cash and cash equivalents end of year		166,820,553	356,372,565

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

	2022	2021
	DKK	DKK
Wages and salaries	187,530,451	95,279,836
Pension costs	4,789,550	2,850,132
Other social security costs	3,535,372	1,167,012
Other staff costs	148,663	339,101
	196,004,036	99,636,081
Average number of full-time employees	212	127

	Remuneration of management 2022 DKK	Remuneration of management 2021 DKK
Executive Board	4,852,207	2,779,723
	4,852,207	2,779,723

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

	2022	2021
	DKK	DKK
Amortisation of intangible assets	3,784,910	9,698,881
Depreciation on property, plant and equipment	2,271,213	669,340
	6,056,123	10,368,221

4 Other financial income

	2022 DKK	2021 DKK
Other interest income	1,946,029	0
Exchange rate adjustments	26,765,171	20,711,208
	28,711,200	20,711,208

5 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	2,485,075	2,348,419
Exchange rate adjustments	2,649,199	4,322,386
	5,134,274	6,670,805

6 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	193,747	665,873
Change in deferred tax	3,350,577	(29,871)
	3,544,324	636,002

7 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Retained earnings	(142,091,189)	(75,980,105)
	(142,091,189)	(75,980,105)

8 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	47,163,225	19,616,823
Transfers	19,850,643	(19,850,643)
Additions	0	70,437,560
Cost end of year	67,013,868	70,203,740
Amortisation and impairment losses beginning of year	(32,970,379)	0
Amortisation for the year	(3,784,910)	0
Amortisation and impairment losses end of year	(36,755,289)	0
Carrying amount end of year	30,258,579	70,203,740

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	Property, plant and equipment in progress DKK
Cost beginning of year	4,078,799	326,213	0
Additions	3,769,337	608,190	616,065
Cost end of year	7,848,136	934,403	616,065
Depreciation and impairment losses beginning of year	(1,348,529)	(103,190)	0
Depreciation for the year	(2,064,861)	(206,352)	0
Depreciation and impairment losses end of year	(3,413,390)	(309,542)	0
Carrying amount end of year	4,434,746	624,861	616,065

11 Financial assets

	Deposits DKK
Cost beginning of year	1,913,258
Additions	4,887,190
Disposals	(4,320)
Cost end of year	6,796,128
Carrying amount end of year	6,796,128

12 Deferred tax

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	56,849	24,237
Recognised in the income statement	(56,849)	32,612
End of year	0	56,849

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	61,220,500	0.01	612,205
Senior Preferred B-shares	29,977,100	0.01	299,771
	116,529,888		1,165,299

15 Other provisions

Other provisions consist of provisions for recruitment and consultants.

16 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Bank loans	16,730,913	10,497,920	0
Other payables	0	0	1,952,770
	16,730,913	10,497,920	1,952,770

17 Deferred income

Deferred income consists of contract accrual.

18 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in receivables	6,406,622	(4,449,381)
Increase/decrease in trade payables etc.	28,341,245	26,417,031
	34,747,867	21,967,650

19 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	4,357,290	4,672,850

20 Contingent liabilities

A company in the Group has provided corporate pledges to banks totalling DKK 51,5 million. 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 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

23 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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		(80,568,854)	(19,719,531)
Staff costs	2	(80,411,041)	(61,588,663)
Depreciation, amortisation and impairment losses		(4,492,956)	(10,019,403)
Operating profit/loss		(165,472,851)	(91,327,597)
Other financial income	3	25,183,408	21,054,150
Other financial expenses	4	(4,827,605)	(6,788,773)
Profit/loss before tax		(145,117,048)	(77,062,220)
Tax on profit/loss for the year	5	(3,349,276)	0
Profit/loss for the year	6	(148,466,324)	(77,062,220)

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	8	30,258,579	14,192,846
Development projects in progress	8	70,203,740	19,616,823
Intangible assets	7	100,462,319	33,809,669
Other fixtures and fittings, tools and equipment		2,062,067	1,524,279
Leasehold improvements		157,311	223,023
Property, plant and equipment in progress		616,065	0
Property, plant and equipment	9	2,835,443	1,747,302
Investments in group enterprises		2,446,342	2,446,342
Deposits		4,102,070	1,508,738
Financial assets	10	6,548,412	3,955,080
Fixed assets		109,846,174	39,512,051
Trade receivables		2,134,878	6,954,701
Receivables from group enterprises		137,221,898	12,005,032
Other receivables		2,185,098	1,596,892
Tax receivable		0	3,349,276
Prepayments	11	1,039,730	388,399
Receivables		142,581,604	24,294,300
Cash		4,891,242	340,295,250
Current assets		147,472,846	364,589,550
Assets		257,319,020	404,101,601

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		1,165,299	1,163,599
Share premium		112,540	0
Reserve for development costs		76,802,259	33,936,670
Retained earnings		113,110,029	304,441,942
Equity		191,190,127	339,542,211
Bank loans		0	15,906,851
Other payables		1,952,770	1,952,769
Non-current liabilities other than provisions	12	1,952,770	17,859,620
Current portion of non-current liabilities other than provisions	12	16,730,913	10,497,920
Bank loans		0	35,888
Trade payables		8,358,899	9,436,017
Payables to group enterprises		7,897,670	4,147,385
Other payables		17,930,520	10,029,502
Deferred income	13	13,258,121	12,553,058
Current liabilities other than provisions		64,176,123	46,699,770
Liabilities other than provisions		66,128,893	64,559,390
Equity and liabilities		257,319,020	404,101,601
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 2022

	Contributed capital DKK	Share premium DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,163,599	0	33,936,670	304,441,942	339,542,211
Increase of capital	1,700	112,540	0	0	114,240
Transfer to reserves	0	0	42,865,589	(42,865,589)	0
Profit/loss for the year	0	0	0	(148,466,324)	(148,466,324)
Equity end of year	1,165,299	112,540	76,802,259	113,110,029	191,190,127

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

	2022	2021
	DKK	DKK
Wages and salaries	77,676,829	59,723,948
Pension costs	2,053,713	1,317,348
Other social security costs	629,357	387,871
Other staff costs	51,142	159,496
	80,411,041	61,588,663
Average number of full-time employees	88	62

	Remuneration	Remuneration
	of Manage-	of Manage-
	ment	ment
	2022	2021
	DKK	DKK
Executive Board	1,976,175	2,779,723
	1,976,175	2,779,723

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

	2022	2021
	DKK	DKK
Financial income from group enterprises	606,598	342,942
Other interest income	79,244	0
Exchange rate adjustments	24,497,566	20,711,208
	25,183,408	21,054,150

4 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	2,178,863	2,355,294
Exchange rate adjustments	2,648,742	4,433,479
	4,827,605	6,788,773

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	3,349,276	0
	3,349,276	0

6 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(148,466,324)	(77,062,220)
	(148,466,324)	(77,062,220)

7 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	47,163,225	19,616,823
Transfers	19,850,643	(19,850,643)
Additions	0	70,437,560
Cost end of year	67,013,868	70,203,740
Amortisation and impairment losses beginning of year	(32,970,379)	0
Amortisation for the year	(3,784,910)	0
Amortisation and impairment losses end of year	(36,755,289)	0
Carrying amount end of year	30,258,579	70,203,740

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	Property, plant and equipment in progress DKK
Cost beginning of year	2,289,286	326,213	0
Additions	1,180,122	0	616,065
Cost end of year	3,469,408	326,213	616,065
Depreciation and impairment losses beginning of year	(765,007)	(103,190)	0
Depreciation for the year	(642,334)	(65,712)	0
Depreciation and impairment losses end of year	(1,407,341)	(168,902)	0
Carrying amount end of year	2,062,067	157,311	616,065

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	2,446,342	1,508,738
Additions	0	2,597,652
Disposals	0	(4,320)
Cost end of year	2,446,342	4,102,070
Carrying amount end of year	2,446,342	4,102,070

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 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Bank loans	16,730,913	10,497,920	0
Other payables	0	0	1,952,770
	16,730,913	10,497,920	1,952,770

13 Deferred income

Deferred income consists of contract accrual.

14 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	2,822,828	4,200,645

15 Contingent liabilities

The Company has provided corporate pledges to banks totalling DKK 51,5 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.

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.

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 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.

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.