
LEAPWORK A/S

Esplanaden 8C, DK-1263 København K

Annual Report for 1 January - 31 December 2019

CVR No 36 92 42 25

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /6 2020

Christian Brink Frederiksen
Chairman of the General
Meeting



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of LEAPWORK A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 8 June 2020

Executive Board

Christian Brink Frederiksen
CEO

Claus Michael Rosenkrantz
Topholt

Board of Directors

Massimo Giovanni Prelz
Oltramonti
Chairman

Christian Brink Frederiksen

Claus Michael Rosenkrantz
Topholt

Christian Miele

Independent Auditor's Report

To the Shareholders of LEAPWORK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of LEAPWORK A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 8 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Madsen

statsautoriseret revisor

mne10745

Company Information

The Company

LEAPWORK A/S
Esplanaden 8C
DK-1263 København K

Telephone: + 45 35 25 14 14
Website: www.LEAPWORK.com

CVR No: 36 92 42 25
Financial period: 1 January - 31 December
Municipality of reg. office: Københavns Kommune

Board of Directors

Massimo Giovanni Prelz Oltramonti, Chairman
Christian Brink Frederiksen
Claus Michael Rosenkrantz Topholt
Christian Miele

Executive Board

Christian Brink Frederiksen
Claus Michael Rosenkrantz Topholt

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Our Mission

LEAPWORK is transforming work on a global scale. We are democratizing automation through our next generation visual language that everyone understands. Now non-technical people can easily train software robots to handle repetitive and mundane tasks. This matters because it impacts us all, whether it's by increasing our productivity or our job satisfaction. LEAPWORK robots are used by Global2000 companies in test automation, RPA and Systems monitoring across the world and in all industries, from banks and insurance companies to life science, government and aerospace.

The company is making process 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.

Financial results

The aim for 2019 was scaling the business in enterprise space and increasing revenue in the main markets of North America and Europe which was achieved with a satisfying result. The loss for 2019 amounts to DKK -18,114,996 which is as expected due to the aggressive expansion strategy during the year. The equity is DKK 54,194,586 at year end.

Outlook for 2020

The Company still expects growth for 2020 in-line with 2019 growth rates. While the COVID-19 outbreak had an initial negative impact from short-term budget freezes from customers, the need for software tools for productivity increase and risk mitigation has been trending positively. The Company's automation platform is well-suited to meet these needs.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		2.224.445	3.375.442
Staff expenses	2	-16.404.977	-8.259.423
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-7.651.926	-4.716.321
Other operating expenses		-48.896	0
Profit/loss before financial income and expenses		-21.881.354	-9.600.302
Financial income	3	849.900	63.468
Financial expenses	4	-59.904	-257.479
Profit/loss before tax		-21.091.358	-9.794.313
Tax on profit/loss for the year	5	2.976.362	1.624.168
Net profit/loss for the year		-18.114.996	-8.170.145

Distribution of profit

Proposed distribution of profit

Retained earnings		-18.114.996	-8.170.145
		-18.114.996	-8.170.145

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		14.018.971	9.781.332
Development projects in progress		770.623	0
Intangible assets	6	14.789.594	9.781.332
Other fixtures and fittings, tools and equipment		964.077	102.453
Leasehold improvements		60.465	48.896
Property, plant and equipment	7	1.024.542	151.349
Investments in subsidiaries	8	199.204	199.204
Deposits		712.077	67.000
Fixed asset investments		911.281	266.204
Fixed assets		16.725.417	10.198.885
Trade receivables		4.206.140	1.277.382
Receivables from group enterprises		6.961.499	1.039.994
Other receivables		342.753	15.623
Corporation tax		2.969.337	1.263.607
Prepayments		549.789	39.033
Receivables		15.029.518	3.635.639
Cash at bank and in hand		33.557.018	762.123
Currents assets		48.586.536	4.397.762
Assets		65.311.953	14.596.647

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		899.157	645.834
Reserve for development costs		11.535.883	6.897.985
Retained earnings		41.759.546	-320.265
Equity	9	54.194.586	7.223.554
Other payables		772.207	0
Long-term debt	10	772.207	0
Credit institutions		0	71.509
Trade payables		151.388	625.478
Payables to group enterprises		0	102.083
Payables to associates		0	4.793
Other payables	10	1.208.679	1.912.740
Deferred income		8.985.093	4.656.490
Short-term debt		10.345.160	7.373.093
Debt		11.117.367	7.373.093
Liabilities and equity		65.311.953	14.596.647
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	11		
Accounting Policies	12		

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	645.834	0	6.897.985	-320.265	7.223.554
Cash capital increase	253.323	64.832.705	0	0	65.086.028
Development costs for the year	0	0	9.730.516	-9.730.516	0
Depreciation, amortisation and impairment for the year	0	0	-5.092.618	5.092.618	0
Net profit/loss for the year	0	0	0	-18.114.996	-18.114.996
Transfer from share premium account	0	-64.832.705	0	64.832.705	0
Equity at 31 December	899.157	0	11.535.883	41.759.546	54.194.586

Notes to the Financial Statements

1 Subsequent events

The Company still expects growth for 2020 in-line with 2019 growth rates. While the COVID-19 outbreak had an initial negative impact from short-term budget freezes from customers, the need for software tools for productivity increase and risk mitigation has been trending positively. The Company's automation platform is well-suited to meet these needs.

	2019 DKK	2018 DKK
2 Staff expenses		
Wages and salaries	16.051.135	8.173.344
Pensions	180.269	0
Other social security expenses	143.287	77.453
Other staff expenses	30.286	8.626
	16.404.977	8.259.423
Average number of employees	21	10

3 Financial income

Other financial income	118.739	505
Exchange adjustments	650.032	676
Exchange gains	81.129	62.287
	849.900	63.468

4 Financial expenses

Interest paid to associates	0	157.100
Other financial expenses	10.354	18.657
Exchange adjustments, expenses	21.227	0
Exchange loss	28.323	81.722
	59.904	257.479

Notes to the Financial Statements

	2019	2018
	DKK	DKK
5 Tax on profit/loss for the year		
Current tax for the year	-2.969.337	-1.263.607
Deferred tax for the year	0	-469.456
Adjustment of tax concerning previous years	-7.025	108.895
	-2.976.362	-1.624.168

6 Intangible assets

	Completed development projects	Development projects in progress	Total
	DKK	DKK	DKK
Cost at 1 January	17.188.446	0	17.188.446
Additions for the year	0	12.475.021	12.475.021
Transfers for the year	11.704.398	-11.704.398	0
Cost at 31 December	28.892.844	770.623	29.663.467
Impairment losses and amortisation at 1 January	7.407.114	0	7.407.114
Amortisation for the year	7.466.759	0	7.466.759
Impairment losses and amortisation at 31 December	14.873.873	0	14.873.873
Carrying amount at 31 December	14.018.971	770.623	14.789.594
Amortised over	<u>3 years</u>		

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.

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 January	163.969	66.257	230.226
Additions for the year	1.042.951	64.306	1.107.257
Disposals for the year	0	-66.257	-66.257
Cost at 31 December	<u>1.206.920</u>	<u>64.306</u>	<u>1.271.226</u>
Impairment losses and depreciation at 1 January	61.516	17.361	78.877
Depreciation for the year	181.327	3.841	185.168
Reversal of impairment and depreciation of sold assets	0	-17.361	-17.361
Impairment losses and depreciation at 31 December	<u>242.843</u>	<u>3.841</u>	<u>246.684</u>
Carrying amount at 31 December	<u>964.077</u>	<u>60.465</u>	<u>1.024.542</u>
Depreciated over	<u>3-5 years</u>	<u>5 years</u>	

8 Investments in subsidiaries

	2019 DKK	2018 DKK
Cost at 1 January	<u>199.204</u>	<u>199.204</u>
Cost at 31 December	<u>199.204</u>	<u>199.204</u>
Value adjustments at 1 January	<u>0</u>	<u>0</u>
Value adjustments at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>199.204</u>	<u>199.204</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
LEAPWORK India Pvt Ltd.	Delhi, Indien	199.204	100%
LEAPWORK LLC	San Francisco, USA	0	100%

Notes to the Financial Statements

9 Equity

The share capital consists of 899,157 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2019	2018	2017	2016
	DKK	DKK	DKK	DKK
Share capital at 1 January	645.834	606.062	500.000	500.000
Capital increase	253.323	39.772	106.062	0
Capital decrease	0	0	0	0
Share capital at 31 December	899.157	645.834	606.062	500.000

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019	2018
	DKK	DKK
Other payables		
Between 1 and 5 years	772.207	0
Long-term part	772.207	0
Other short-term payables	1.208.679	1.912.740
	1.980.886	1.912.740

11 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has entered into rental commitments amounting to DKK 4.649.024 in the non-cancellable period.

LEAPWORK A/S has provided a guarantee for the payment of a lease agreement between Dutch lease and LEAPWORK the Netherlands BV.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of LEAPWORK A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the Company.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

12 Accounting Policies (continued)

Balance Sheet

Intangible assets

Development costs comprise costs which are directly or indirectly attributable to the Company's development activities.

Development costs that are clearly defined and identifiable and in respect of which a potential future market or development opportunity in the enterprise can be demonstrated are recognised as intangible assets if sufficient certainty exists that the value in use of future earnings can cover payroll expenses, selling costs and administrative expenses as well as the development costs.

Development costs that do not qualify for recognition in the balance sheet are recognised as costs in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or impairment loss and the recoverable amount. Amortisation is calculated on a straight-line basis over the expected useful life of three years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Notes to the Financial Statements

12 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

12 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.