



Financial Statement Bulletin 2023

LeadDesk Plc Financial Statement Bulletin 1/1–31/12/2023

Unofficial translation of the company announcement published on 27 February 2024, 9.05 am. In case the document differs from the original, the Finnish version prevails.

Satisfactory growth with good profitability

Figures in parentheses refer to the equivalent period in the previous year unless otherwise stated. Figures presented in this press release are unaudited.

January–December 2023

- Revenue EUR 29,358 (28,084) thousand, growth 4.5%
- Revenue growth EUR 2,372 thousand, 8.4% on a comparable currency basis
- Annual recurring revenue contract base EUR 25,424 (23,402) thousand, growth 8.6%*
- Annual recurring revenue contract base growth on a comparable currency basis 9.4%*
- EBITDA EUR 3,865 (3,301) thousand, 13.2% (11.8%) of revenue
- EBIT EUR -1,090 (-1,543) thousand, -3.7% (-5.5%) of revenue
- Result for the period EUR -1,685 (-1,782) thousand
- Operating cash flow EUR 3,281 (1,678) thousand
- Earnings per share EUR -0.31 (-0.33)

July–December 2023

- Revenue EUR 14,884 (14,320) thousand, growth 3.9%
- Revenue growth EUR 1,104 thousand, 7.7% on a comparable currency basis
- Annual recurring revenue contract base EUR 25,424 (24,933*) thousand, growth 2.0%**
- EBITDA EUR 2,046 (1,953) thousand, 13.7% (13.6%) of revenue

Key figures, Group

in thousands €	10-12/ 2023	10-12/ 2022	7-12/ 2023	7-12/ 2022	2023	2022
Revenue	7,548	7,308	14,884	14,320	29,358	28,084
Revenue growth, %	3.3%	9.4%	3.9%	14.1%	4.5%	14.3%
Revenue with comparable currencies	7,865	7,386	15,495	14,391	30,456	28,084
Revenue growth with comparable currencies, %	6.5%	0.0%	7.7%	0.0%	8.4%	0.0%
Annual Recurring Revenue (ARR)	25,424	23,402	25,424	23,402	25,424	23,402
Annual Recurring Revenue (ARR) growth, %	8.6%	0.0%	8.6%	0.0%	8.6%	0.0%
Annual Recurring Revenue (ARR) with comparable currencies	25,905	23,689	25,905	23,689	25,905	23,689
Annual Recurring Revenue (ARR) growth with comparable currencies, %	9.4%	0.0%	9.4%	0.0%	9.4%	0.0%
EBITDA, % of Revenue	12.6%	13.1%	13.7%	13.6%	13.2%	11.8%
EBIT, % of Revenue	-2.1%	-3.7%	-2.6%	-3.5%	-3.7%	-5.5%
Return on Equity (ROE), %	-12.0%	-6.8%	-10.8%	-6.6%	-10.1%	-9.8%
Return on Invested Capital (ROI), %	-0.5%	-0.7%	-1.3%	-1.4%	-3.5%	-5.1%
Equity ratio, %	53.6%	56.3%	53.6%	56.3%	53.6%	56.3%
Net gearing ratio, %	33.4%	30.9%	33.4%	30.9%	33.4%	30.9%
Earnings per Share	-0.09	-0.06	-0.16	-0.11	-0.31	-0.33
Earnings per Share (diluted)	-0.09	-0.06	-0.16	-0.11	-0.31	-0.33
Headcount at the end of reporting period	184	170	184	170	184	170

* According to the company's previous calculation method, the value of the annual recurring revenue contract base was calculated by converting contracts in currencies other than euros into euros at the exchange rate of the month when the contract was added to the contract base or when existing contracts were modified. The company has decided to change the calculation method so that the entire contract base value is converted into euros using the currency exchange rates at the reporting date. The comparable key figures have been calculated by converting the figure of the reporting period into euros using the average price of the previous financial period. For clarity, in the table section, the company presents the impact of exchange rates on the annual recurring revenue contract base.

** Calculated with the new calculation method and compared to 30 June 2023.

Outlook for 2024

In 2024, the company expects 5–15% annual revenue growth on a comparable currency basis and 10–15% profitability as measured by EBITDA margin. The outlook does not consider the impact of significant acquisitions on revenue or profitability.

CEO Olli Nokso-Koivisto:

"In 2023, revenue on a comparable currency basis grew 8.4%, and the annual recurring revenue contract base grew by 9.4%. We grew in all operating countries, with the strongest growth in continental European countries. Absolute growth remained highest in our largest market Nordics, especially in Norway and Finland. Considering the prevailing uncertainties in the market, I am quite pleased with our growth.

Towards the end of the year, sales to Enterprise customers picked up while market demand in the SME segment remained lower in the second half. Despite ongoing customers caution, the push to modernise and streamline processes for large customers drove a sales increase towards the end of the year. In early December, we won a four-year contract worth EUR 1.4 million with the Norwegian Directorate of Immigration, and at the end of the year, we announced a three-year contract worth EUR 0.7 million with a Nordic telecom operator.

Both wins speak to LeadDesk's competitiveness and strengthen our position as a leading company in our industry in Europe. We believe that in the challenging market environment of 2023, we have gained market share from our competitors. In Finland, our position was strengthened by the acquisition of Länsilinkki Oy, enabling us to offer a more competitive service package to our customers. The integration was successfully completed in the last quarter. We continue to evaluate other potential acquisition targets and are ready to move quickly when the right opportunity arises on favourable terms.

Our EBITDA margin improved to 13.2% (11.8%) of revenue for the financial period 2023, supported by our efforts to improve operational efficiency. This has required significant effort from our personnel, who have done a fantastic job with the deliveries. The cost impacts of the wage inflation that hit early in the year were mitigated by swiftly implemented price increases. For the full year, our EBITDA ultimately aligned with our original guidance, and I am pleased with that.

At the beginning of 2023, we decided to invest heavily in AI services, and this remains a key focus area for us this year. Towards the end of 2023, we further increased our investments in related product development. We believe we are in a better position than our local smaller competitors regarding the AI revolution. For demanding large enterprises, we can offer truly localised solutions that adhere to language, culture, and regulatory requirements, and we can pass on these lessons to small and medium-sized enterprises by enabling them to streamline their operations with AI.

Our goal is to rapidly introduce new AI applications to our customers, and we have continued this effort in the second half of the year. One key prerequisite for the use of AI applications is that customers' call data is in text format. In the last quarter, we began and rapidly expanded the use of our AI Transcriber tool developed for this purpose. By the end of February, approximately 20% of our processed calls were automatically converted to text, and this percentage is growing rapidly. We believe that AI applications will continue to be a factor that strengthens LeadDesk's competitiveness in the future.

Market uncertainty has continued into the early part of the year. The uneven demand necessitates effective management of our business operations. Additionally, we must effectively allocate our workforce to capitalize on growth opportunities. We have a good ability to manage our profitability in all situations, but reaching the upper end of the growth guidance will require continued growth in the Enterprise segment and a turnaround in the SME market.

I want to thank our customers and our personnel for the past year. We have succeeded in growing profitably in a challenging market, which has required seamless cooperation. Additionally, I want to thank our shareholders for their ongoing support and trust.”

Financial review 1 January 2023–31 December 2023

LeadDesk is the leading company in cloud-based contact centre software in Europe. The efficiency enabled by the LeadDesk product and its new artificial intelligence features help LeadDesk’s customers provide a better customer experience and increase sales productivity. LeadDesk’s products are used by up to 20,000 customer service and sales professionals in Europe weekly.

Group financial performance and profitability

The revenue of the LeadDesk Group during the financial period was EUR 29,358 (28,084) thousand. Revenue increased by EUR 1,274 thousand or by 4.5%. When calculated using a comparable currency basis, revenue increased by EUR 2,372 thousand, or by 8.4%. Revenue increased in all countries compared to the previous year. The relative growth in revenue was strongest in Spain, Germany, and Denmark. Calculated in absolute local currencies the growth was strongest in Norway, Finland, and Spain. Compared to previous financial periods, fluctuations in exchange rates had a significant impact on revenue growth percentage. The impact of exchange rates was particularly pronounced in the operations in Sweden and Norway, which represented approximately 35% of the total Group revenue. Länsilinkki’s impact on the group revenue for the financial period was EUR 580 thousand (taking Group eliminations into account).

According to the company's previous calculation method, the value of the annual recurring revenue contract base was calculated by converting contracts in currencies other than euros into euros at the exchange rate of the month when the contract was added to the contract base or when existing contracts were modified. Calculated using the previous method, the annual recurring revenue contract base as of 31 December 2023, amounted to EUR 26,085 (24,300) thousand, the annual recurring revenue contract base growth was 7.3% (8.6%). The company has decided to change the calculation method so that the entire contract base value is converted into euros using the currency exchange rates at the reporting date. With the new calculation method, the annual recurring revenue contract base as of 31 December 2023, amounted to EUR 25,424 thousand, compared to EUR 23,402 thousand as of 31 December 2022, representing a growth of 8.6%. Calculated on a comparable currency basis the growth was 9.4%.

The company's annual recurring revenue in December 2023 totalled EUR 2,039 (1,915) thousand, with a growth of 6.5%.

Group EBITDA for the financial period was EUR 3,865 (3,301) thousand, representing 13.2% (11.8%) of revenue. EBITDA improved not only due to revenue growth but also as a result of profitability-enhancing measures. Compared to previous years, we have invested more in performance management and operational efficiency while continuing targeted additional recruitment. General cost control has also been tightened.

Group EBIT was EUR -1,090 (-1,523) thousand, representing -3.7% (-5.5%) of revenue. The group result before appropriations and taxes was EUR -1,535 (1,713) thousand, and the result for the financial period was EUR -1,685 (-1,782) thousand. Taxes for the financial period were higher than in previous financial periods due to the improved profitability of subsidiaries.

Group earnings per share were EUR -0.31 (-0.33). Taking share dilution into account, the earnings per share were EUR -0.31 (EUR -0.33).

Balance sheet, financing, and investments

The group balance sheet total on 31 December 2023 was EUR 31,940 (32,761) thousand. Group goodwill decreased during the financial period due to depreciation and was EUR 16,169 (18,079) thousand at the end of the year. The impact of Länsilinkki's acquisition on goodwill was EUR 492 thousand. Group equity was EUR 15,995 (17,370) thousand, and net debt at the end of the financial period was EUR 5,342 (5,376) thousand. The net gearing was 33.4% (30.9%), and the equity ratio was 53.6% (56.3%). The company has a EUR 1,000 thousand account limit, of which EUR 509 (16) thousand was in use as of 31 December 2023.

Cash reserves at the end of the financial period on 31 December 2023, amounted to EUR 2,236 (2,583) thousand. At the end of the financial period, the group had receivables of EUR 4,132 (2,892) thousand, and payables of EUR 1,131 (931) thousand.

Equity per share as of 31 December 2023, was EUR 2.93 (3.20). Considering share dilution, equity per share was EUR 2.90 (2.89).

Operating cash flow after interest and direct taxes was EUR 3,281 (1,678) thousand. The increase in operating cash flow compared to the previous year was influenced by the improvement in EBITDA and ordinary fluctuation in working capital, such as the temporary increase in accounts payable. Accounts receivable were at a higher level at the turn of the year compared to the previous year due to a one-time technical invoicing challenge.

Group investments in tangible and intangible assets amounted to EUR 2,956 (2,822) thousand. Of this, EUR 2,900 thousand was allocated to the development of the LeadDesk cloud service, equivalent to approximately 8.5% of the company's total costs (8.8%). In the latter half of the year, we decided to invest more heavily in the development of artificial intelligence features, which was reflected in the reallocation of resources during the financial period 2023. Investments were also influenced by the acquisition of Länsilinkki in June 2023, totalling EUR 684 thousand.

Cash flow from financing activities during the financial period was EUR -33 (-1,035) thousand. The positive impact on the cash flow from financing activities was due to the use of the account limit, a loan taken out in the summer for the acquisition, and changes made to the payment schedule of the existing loan.

Personnel, management, and administration

As of 31 December 2023, the group employed 184 (170) employees. The increase was due to the acquisition of Länsilinkki, which resulted in 11 employees joining LeadDesk.

Group management team as of 31 December 2023:

- Olli Nokso-Koivisto, CEO
- Kaisa Rönkkö, CFO (since 1 March 2023)
- Paul Stenbäck, VP of Corporate Development
- Saija Pouru, VP of Operations
- Kai Leppänen, VP of SME Sales (since 9 January 2023)
- Mika Matikainen, VP of ENT Sales
- Toni Laturi, VP of Product (until 26 January 2024)
- Jarno Tenni, VP of Engineering

The Board of Directors of LeadDesk Plc consists of five (5) members. Until the 2023 Annual General Meeting (AGM), the Board comprised Petri Niemi (Chairman), Eija Kuittinen, Petteri Poutiainen, Emma Storbacka, and Antti Hovila. Following the recommendations of the Nomination Committee, the AGM elected the

following five (5) members to the Board, effective 22 March 2023: Yrjö Närhinen (Chairman), Eija Kuittinen, Samu Konttinen, Emma Storbacka, and Antti Hovila.

Eija Kuittinen (Chairman) and Petri Niemi served as members of LeadDesk's Audit Committee until the 2023 AGM, after which Eija Kuittinen (Chairman) and Yrjö Närhinen assumed these roles.

In the March 2022 AGM, it was decided to establish a Nomination Committee for shareholders. The Nomination Committee, which began its work in the fall of 2022, consisted of four members as each of the company's four largest shareholders is entitled to nominate one member. The largest shareholders were determined based on ownership information, and Lauri Pukkinen, Erik Sprinchorn, Juha Takala, and Olli Sirkiä were elected as members of the Nomination Committee. In the fall of 2023, Lauri Pukkinen, Eirik Hjelmeland, Erik Sprinchorn, and Tuomas Virtala were elected to the Nomination Committee.

Changes in the company's group structure during the financial period

LeadDesk Plc acquired the entire share capital of Länsilinkki Oy on 30 June 2023. Länsilinkki Oy has been reported as part of the consolidated balance sheet as of 30 June 2023. Concerning the result, Länsilinkki Oy has been consolidated into the group's results from 1 July. The integration of Länsilinkki was successfully completed during the last quarter of the year.

LeadDesk Solutions Oy and GetJenny Oy were merged into the parent company LeadDesk Plc on 31 December 2023.

Annual General Meeting

The Annual General Meeting (AGM) of LeadDesk Plc was held in Helsinki on 22 March 2023. The AGM approved the financial statements for the year 2022 and granted discharge from liability to the members of the Board of Directors and the CEO for the financial period 2022. The AGM decided, upon the proposal of the Board of Directors, that no dividend be paid from the distributable equity for the financial period 2022.

The AGM decided to set the number of Board members at five. Emma Storbacka, Antti Hovila, and Eija Kuittinen were re-elected as members of the Board, and Yrjö Närhinen and Samu Konttinen were elected as new members.

The monthly remuneration for the members of the Board is as follows: EUR 3,000 for the Chairman of the Board and EUR 1,500 for each Board member. Travel expenses for the Board members are reimbursed according to the company's travel policy. In addition, the Chairman of the Audit Committee receives a meeting fee of EUR 1,000 per meeting, and each member receives EUR 500 per meeting.

KPMG Oy Ab, Authorized Public Accountants, was elected as the company's Auditor, with Authorized Public Accountant Miika Karkulahti as the principally responsible auditor. The auditor's fee is determined based on a reasonable invoice approved by the company.

The AGM authorized the Board to decide the purchase of a maximum of 544,248 of the company's own shares in one or more lots. The maximum number of shares to be purchased corresponds to approximately 10% of all shares of the company at the time of the AGM. However, a decision to purchase own shares shall not be made in such a way that the total number of own shares held by the company and its subsidiaries would exceed one-tenth of all shares. Own shares may only be purchased with unrestricted equity. The shares may be purchased other than in proportion to the shareholdings of the shareholders in a public trading arranged by Nasdaq Helsinki Ltd at the market price prevailing at the time of purchase or otherwise at a price determined on the market. The own shares purchased by the company may be held by the company, cancelled, or transferred further. The Board decides on other matters related to the purchase of own shares. The authorization revokes any previously unused authorizations granted by the company's shareholders to decide on the purchase of their own shares. The authorization is valid until the end of the next AGM, however, until 30 June 2024, at the latest.

The Board was authorized to decide on a share issue and the issuance of shares against payment as well as on the issuance of option rights and other special rights entitling to shares under Chapter 10, section 1 of the

Finnish Companies Act, in one or more lots either against payment or for free. The total number of shares to be issued, including shares to be received based on special rights, may be a maximum of 544,248 shares, which corresponds to approximately 10% of the total number of the company's shares currently outstanding. The Board may decide to issue either new shares or shares held by the company. The authorization entitles the Board to decide on all terms related to the share issue and the granting of special rights to shares, including deviating from the shareholders' pre-emptive subscription rights. The authorization is valid until the end of the next AGM, however, until 30 June 2024, at the latest. The authorization revokes any previously unused authorizations regarding share issues and the granting of special rights entitling to shares.

The AGM decided to incentivise the Chairman of the Board by offering, through a directed share issue, LeadDesk's new shares worth up to EUR 200,000, provided that the subscription price does not fall below the volume-weighted average price of LeadDesk's shares on Nasdaq Helsinki Ltd during the last 30 days before the start of the subscription period. In addition, it was decided that if the Chairman of the Board subscribes for new shares by 1 May 2023, up to two (2) special rights entitling to shares (option rights) will be granted to the Chairman for each new share subscribed for under the above maximum amount from the 2023 option program.

The AGM decided that each member of the Board would be granted one (1) option right from the 2023 option program for each LeadDesk share purchased by the member between the AGM of 2023 and 25 September 2023. The maximum total number of options that the Board members could receive in this way was 7,500 option rights. If the number of shares purchased by the members exceeds the maximum number entitling them to options, the option rights will be distributed in proportion to the purchases so that the total number does not exceed 7,500 option rights.

The Board was authorized to decide on the detailed terms of the aforementioned option programs, provided that the exercise price for the 2023 option program is at least the price on the day of publication of the 2023 option program, the subscription period for the shares to be subscribed for with the options may begin no earlier than 1 May 2026, and the right to subscribe must be conditional on the option holder's employment with the company and conditional on the shares that were the basis for granting the option rights still being owned by the option holder when the subscription period for the shares with the options begins.

The AGM decided, according to the proposal of the Board, to amend Section 7 of the company's Articles of Association so that, at the discretion of the Board, the AGM may be held entirely without a physical meeting place (remote meeting). In addition, the Articles of Association were decided, according to the proposal of the Board, to be supplemented with new Sections 10 (notification of changes in ownership) and 11 (obligation to make a tender offer).

Proposal of the Board of Directors on the disposal of profit

At the end of the financial period 2023, the distributable equity of the Group's parent company amounted to EUR 15,144,450.99. The Board of LeadDesk Plc proposes to the AGM that no dividend be distributed for the financial period 2023. The Board considers that the distributable equity of the Group's parent company will be used to support the company's future growth.

Related party transactions

By the decision of the AGM held on 22 March 2023, the Chairman of the Board subscribed for 18,132 new shares in a directed share issue. The shares subscribed for in the directed share issue were registered in the trade register on 31 July 2023.

Shares and shareholders

As of 31 December 2023, the total number of shares registered in LeadDesk Plc's trade register was 5,479,049 (5,442,484) shares, the average for the financial period was 5,461,084 (5,424,483) shares, and in the half-year period 1 July 2023 to 31 December 2023, an average of 5,476,051 (5,437,480) shares. Taking into account the dilution effect, there were a total of 5,538,774 (6,026,044) shares as of 31 December 2023. The company's market capitalization at the end of the financial period was EUR 38,901,248 (44,084,120).

During the financial period, 18,433 new shares were subscribed with option rights. Additionally, during the financial period, a directed share issue of 18,132 shares was carried out for the Chairman of the Board. The subscription price of EUR 353,123.96 was recorded in equity. As of the end of the financial period, the company did not hold any of its own shares.

The company has one class of shares, and all shares have the same voting rights as well as rights to dividends and the company's assets. As of 31 December 2023, the ownership percentage of shares for the members of the Board of Directors, the CEO, and their close family members was 4.67%, equivalent to 255,705 shares, and 15.64% from options.

At the end of the financial period, there were 2,685 (as of 31 December 2022: 2,749) shareholders. The proportion of nominee-registered ownership was 34.85% (as of 31 December 2022: 28.89%) of the share capital. The ten largest shareholders of LeadDesk Plc as of 31 December 2023 are presented in the following table. The ten largest shareholders collectively held 72.36% of the total number of shares.

Shareholders 31 December 2023	Shares	Shares, % of total
1. Skandinaviska Enskilda Banken AB*	1,413,179	25.79
2. Pukkinen Lauri Juhani	660,994	12.06
3. Danske Bank A/S*	461,962	8.43
4. OP Fin Small Cap	411,432	7.51
5. O Nokso-Koivisto Oy	221,890	4.05
6. Keskinäinen Työeläkevakuutusyhtiö Varma	170,000	3.10
7. Eläkevakuutusyhtiö Veritas	169,000	3.08
8. Sirkiä Olli Heikki	160,394	2.93
9. Keskinäinen Työeläkevakuutusyhtiö Elo	160,000	2.92
10. Sijoitusrahasto S-Pankki Fenno Equity	135,728	2.48

* Nominee registered shareholder

Trading on the Nasdaq First North Growth Market Finland marketplace 1/1-31/12/2023

	Trading volume	Trading value (€)	Highest share price (€)	Lowest share price (€)	Average share price (€)	Latest share price (€)
LEADD	1,769,216	15,326,477	11.65	5.60	8.49	7.10

	31 Dec 2023	31 Dec 2022
Market value (€)	38,901,248	44,084,120
No of Shareholders	2,685	2,749

Board authorizations

The company's Board is authorized to issue 544,248 shares in a share issue and to repurchase 544,248 treasury shares. The authorizations are valid until the conclusion of the next AGM, however, no later than 30 June 2024.

Option plans

The company has offered its employees stock option plans as part of its incentive and commitment plan. The company has seven option plans, and as of 31 December 2023 there were a total of 813,305 unexercised options. Each option entitles the holder to subscribe for one new share. During the financial period, a total of 18,433 options were exercised.

On 23 March 2023, the company's Board established the 2023 option plan, which includes a total of 150,000 options. The options of the company's 2022 option plan were allocated to executives on 6 June 2023, as announced, totalling 30,000 shares.

The quantities of shares to be subscribed with option rights and the subscription prices are detailed in the following table.

Option programs 31 December 2023

Option-plan	Total amount	Unsubscribed	Subscription price, EUR per share	Subscription period
2017	137,225	59,725	0.004	15.2.2019-31.12.2027
2019	36,350	0	0.004	15.2.2019-31.12.2025
2019B	204,659	157,580	7.5	1.1.2022-1.1.2025
2020	150,000	146,000	9.52	1.1.2023-31.12.2026
2021	150,000	150,000	21.9	1.1.2024-31.12.2026
2022	150,000	150,000	6	1.1.2025-31.12.2027
2023	150,000	150,000	10.95	1.5.2026-31.12.2028

Significant short-term risks and uncertainties

Macroeconomic uncertainty may affect LeadDesk's financial outlook. Slowing economic growth could weaken product demand, and inflation growth could create cost pressures. Rising interest rates and stock market volatility could increase loan costs and potentially hinder new financing. Additionally, the company has significant business operations in Sweden, Norway, and Denmark, and the depreciation of their currencies against the euro could further weaken the company's revenue growth when calculated in euros.

While the company does not have direct customers in Ukraine, the ongoing conflict there may indirectly impact its growth. The company has one large-scale customer, whose significant end customer is a Ukrainian company. Furthermore, changes in the energy sector, especially in the gas market, may continue to affect the usage of LeadDesk systems by the company's energy sector end customers.

The growth of the enterprise customer segment is an essential part of the company's long-term growth strategy. The successful implementation of new customer projects and maintaining product competitiveness are crucial for the strategy's realization. General uncertainty in the global economy may delay software procurement decisions. Additionally, the success of acquisitions and related integration work is significant for LeadDesk's growth.

Rapidly evolving data privacy and communication regulations in Europe may bring unexpected risks to LeadDesk's operating environment. Furthermore, strong consolidation in some markets may lead to short-term aggressive price competition. LeadDesk aims to prepare for rapid market changes and respond appropriately to each market's requirements.

Risks related to information security and service providers' IT systems are still seen as one of the most significant factors affecting the Group's business. LeadDesk continues to invest in systems with high reliability and information security and strives to ensure the high quality of the services it purchases through external audits.

Global pandemics like the COVID-19 pandemic may have direct and indirect effects on LeadDesk's business, and the risk of employee illness may also increase. Pandemics may also cause business and bankruptcy risks for the Group's customers, which, in turn, could affect the Group's business and cash position. Government-imposed mobility restrictions may also hinder LeadDesk's business operations.

Events after the reporting period

There were no significant events after the reporting period.

Financial reporting in 2024

The company will release the following financial releases, which will also be available on the company's website https://investors.leaddesk.com/en/investors/reports_and_presentations:

- Financial Statements and Report by the Board of Directors 2023: 27 February 2024
- Business Review January–March 2024: 24 April 2024
- Half Year Review January–June 2024: 15 August 2024
- Business Review January–September 2024: 25 October 2024

Additionally, the company will release an invitation for the Annual General Meeting, which will be held on 20 March 2024.

Results briefing

LeadDesk will organise a virtual briefing for investors, media, and analysts on 27 February 2024 at 11:00 am. The company has released the invitation with instructions for signing up on 16 February 2024.

LeadDesk Plc
Board of Directors

More information

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LeadDesk Plc in brief

LeadDesk is a leading European provider of cloud-based contact centre software. The LeadDesk cloud service, powered by artificial intelligence, improves customer experience and sales productivity. Over 20,000 customer service and sales professionals work more efficiently with LeadDesk weekly. In 2023, the Group's revenue was EUR 29.4 million, most of which came from outside Finland. The Group has offices in eight European countries. LeadDesk Plc's shares are traded on the Nasdaq First North Finland marketplace under the ticker LEADD. www.leaddesk.com

TABLES 1/1–31/12/2023

Accounting principles for the reporting period

The figures for the review period are unaudited. The figures have been prepared in accordance with the Finnish Accounting Standards (FAS). The numbers presented in the text section have been rounded from the exact numbers.

Consolidated Income Statement (FAS)

in thousands €	1.10.- 31.12.2023	1.10.- 31.12.2022	1.7.- 31.12.2023	1.7.- 31.12.2022	1.1.- 31.12.2023	1.1.- 31.12.2022
Revenue	7,548	7,308	14,884	14,320	29,358	28,084
Other operating income	11	72	18	91	60	102
Materials and services	0	0	0	0	0	0
Purchases during the financial year	-1,830	-1,596	-3,548	-3,445	-6,700	-6,836
External services	-289	-216	-551	-489	-985	-889
Materials and services total	-2,118	-1,812	-4,099	-3,934	-7,685	-7,725
Personnel expenses	0	0	0	0	0	0
Wages and salaries	-2,506	-2,391	-4,812	-4,402	-9,460	-9,064
Social security costs	-578	-567	-1,109	-1,122	-2,365	-2,220
Personnel expenses total	-3,085	-2,958	-5,922	-5,524	-11,825	-11,283
Depreciations and amortizations	0	0	0	0	0	0
Goodwill depreciations	-560	-564	-1,136	-1,127	-2,263	-2,254
Other depreciations	-548	-661	-1,296	-1,328	-2,692	-2,589
Depreciations and amortizations total	-1,108	-1,225	-2,432	-2,455	-4,955	-4,843
Other operating expenses	-1,405	-1,654	-2,835	-3,001	-6,043	-5,878
EBIT	-157	-269	-385	-503	-1,090	-1,543
Finance expenses and income	0	0	0	0	0	0
Finance income	39	68	71	149	241	172
Finance expenses	-275	-53	-463	-201	-686	-342
Finance expenses and income total	-236	15	-392	-52	-445	-170
Profit (loss) before appropriations and tax	-393	-254	-777	-555	-1,535	-1,713
Appropriations	0	20	0	0	0	0
Appropriations total	0	20	0	0	0	0
Income tax	-107	-75	-108	-31	-149	-69
Profit (loss) for the financial year	-500	-309	-885	-586	-1,685	-1,782

Earnings per share

in thousands €	1.10.- 31.12.2023	1.10.- 31.12.2022	1.7.- 31.12.2023	1.7.- 31.12.2022	1.1.- 31.12.2023	1.1.- 31.12.2022
Earnings per share	-0.09	-0.06	-0.16	-0.11	-0.31	-0.33
Earnings per share (diluted)	-0.09	-0.06	-0.16	-0.11	-0.31	-0.33

EBITDA

in thousands €	1.10.- 31.12.2023	1.10.- 31.12.2022	1.7.- 31.12.2023	1.7.- 31.12.2022	1.1.- 31.12.2023	1.1.- 31.12.2022
Operating income (loss) (EBIT)	-157	-269	-385	-503	-1,090	-1,543
Goodwill depreciations	560	564	1,136	1,127	2,263	2,254
Depreciations according to plan	548	661	1,296	1,328	2,692	2,589
EBITDA	951	956	2,046	1,953	3,865	3,301

Annual Recurring Revenue (ARR)

in thousands €	31.12.2023	31.12.2022	Growth	Growth %
Annual recurring revenue with the old model	26,085	24,300	1,785	7.3%
Impact of the calculation model change	-661	-611	0	0.0%
Annual recurring revenue with the new model	25,424	23,402	2,022	8.6%
Impact of currency conversions to comparable currencies	481	287	0	0.0%
Annual recurring revenue with new model and comparable currencies	25,905	23,689	2,216	9.4%

According to the company's previous calculation method, the value of the annual recurring revenue contract base was calculated by converting contracts in currencies other than euros into euros at the exchange rate of the month when the contract was added to the contract base or when existing contracts were modified. The company has decided to change the calculation method so that the entire contract base value is converted into euros using the currency exchange rates at the reporting date. The comparable key figures have been calculated by converting the figure of the reporting period into euros using the average price of the previous financial period. For clarity, the company presents the impact of exchange rates on the annual recurring revenue contract base.

Consolidated Balance Sheet (FAS)

in thousands €	31.12.2023	31.12.2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	5	13
Goodwill	16,169	18,079
Other capitalized long-term expenses	6,598	6,399
Intangible assets total	22,771	24,491
Tangible assets		
Buildings	12	0
Machinery and equipment	104	117
Advance payments and constructions in progress	55	0
Tangible assets total	172	117
Participating interests	874	874
Investments total	874	874
Non-current assets total	23,816	25,482
Current assets		
Long-term receivables		
Other receivables	92	82
Long-term receivables	92	82
Short-term receivables		
Accounts receivables	4,132	2,892
Loan receivables	1	0
Other receivables	207	117
Prepayments and accrued income	1,456	1,605
Short-term receivables total	5,796	4,614
Receivables total	5,888	4,695
Cash in hand and at bank	2,236	2,583
Current assets total	8,123	7,279
ASSETS TOTAL	31,940	32,761

Consolidated Balance Sheet (FAS)

in thousands €	31.12.2023	31.12.2022
EQUITY AND LIABILITIES		
Equity		
Share capital	80	80
Reserve for invested non-restricted equity	24,658	24,320
Retained earnings (loss)	-6,975	-5,193
Conversions difference	-84	-55
Profit (loss) for the financial year	-1,685	-1,782
Equity total	15,995	17,370
Taxation-based reserves	0	200
Liabilities		
Long-term liabilities		
Loans form credit institutions	5,445	5,866
Deferred tax liabilities	39	0
Long-term liabilities total	5,484	5,866
Short-term liabilities		
Loans from credit institutions	2,133	2,093
Advances received	2,076	1,927
Accounts payables	1,131	931
Other liabilities	1,416	1,414
Accruals and deffered income	3,705	2,960
Short-term liabilities total	10,460	9,325
Liabilities total	15,945	15,191
LIABILITIES TOTAL	31,940	32,761

Consolidated Cash Flow Statement (FAS)

in thousands €	1.7.- 31.12.2023	1.7.- 31.12.2022	1.1.- 31.12.2023	1.1.- 31.12.2022
Operating Activities				
Profit (loss) before appropriations and tax	-777	-555	-1,535	-1,713
Adjustments for:	0	0	0	0
Depreciations	2,432	2,455	4,955	4,843
Unrealized currency profit and loss	-213	-38	-60	-51
Other income and expenses without payments	404	206	719	448
Finance expenses and income	392	91	445	222
Cash flow before changes in working capital	2,237	2,159	4,523	3,749
Changes in working capital				
Change in short-term receivables	1,638	397	-1,294	-1,262
Change in short-term liabilities	-1,971	-922	614	-585
Cash flow before finance expenses/income and tax	1,905	1,633	3,844	1,902
Paid interest and other financing costs from operations	-179	-44	-386	-207
Received interest income from operations	0	-7	3	2
Paid direct taxes	-178	67	-178	-20
Cashflow from Operations (A)	1,546	1,649	3,281	1,678
Investing Activities				
Acquisition of fixed assets and intangible assets	-1,604	-1,426	-2,956	-2,822
Sale (+)/acquisition (-) of shares in subsidiaries less cash at the time of sale/acquisition	-32	0	-684	-1,479
Investments in other investments	0	-69	0	-69
Cash flow from Investments (B)	-1,636	-1,495	-3,640	-4,370
Financing Activities:				
Additions to equity	0	0	338	353
Long-term receivables increase (-)/decrease (+)	0	0	0	16
Withdrawals of short-term loans from credit institutions	534	0	534	0
Repayments of long-term loans from credit institutions	-856	-663	-1,873	-1,338
Withdrawals of long-term loans from credit institutions	0	0	968	0
Repayments of short-term capital loans	0	-30	0	-66
Cash Flow from Financing (C)	-322	-693	-33	-1,035
Net Change in Cash and Cash Equivalents (A+B+C)	-411	-539	-391	-3,726
Cash and cash equivalents - beginning of period	2,543	3,148	2,583	6,382
Effect of foreign currency rate changes on cash and equivalents	104	-26	44	-73
Cash and cash equivalents - End of period	2,235	2,853	2,236	2,583

Changes in Consolidated Equity

in thousands €	7-12/2023	7-12/2022	2023	2022
RESTRICTED CAPITAL				
Share capital - Beginning of period	80	80	80	80
Share capital - End of period	80	80	80	80
RESTRICTED EQUITY TOTAL	80	80	80	80
UNRESTRICTED EQUITY CAPITAL				
Reserve for invested non-restricted equity - Beginning of period	24,658	24,320	24,320	23,967
Investments in reserve for invested non-restricted equity	0	0	338	353
Reserve for invested non-restricted equity - End of period	24,658	24,320	24,658	24,320
Retained earnings (loss) - Beginning of period	-7,775	-6,390	-6,975	-5,193
Retained earnings (loss) - End of period	-7,775	-6,390	-6,975	-5,193
Net result for the financial period	-885	-585	-1,685	-1,782
Conversion difference - beginning of period	-250	-14	-55	73
Conversion difference change	166	-41	-29	-128
Conversion difference - end of period	-84	-55	-84	-55
NON-RESTRICTED EQUITY TOTAL	15,915	17,290	15,915	17,290
EQUITY TOTAL	15,995	17,370	15,995	17,370

Off-Balance sheet liabilities

in thousands €	31.12.2023	31.12.2022
Rental liabilities		
Due in the next year	769	616
Due later	288	250
Total	1,057	866
Leasing liabilities		
Due in the next year	9	3
Due later	0	1
Total	9	4
Other liabilities and obligations		
Security deposits	116	111
Bank guarantees	30	30
Total	141	141
Loans form credit institutions	7,578	7,959
Issued business mortgages	11,500	10,800

Calculation of Key Figures

EBITDA	=	EBIT + Depreciations and amortizations	
EBIT	=	Revenue + Other operating income - Materials and services - Personnel expenses - Other operating expenses - Depreciations and amortizations	
Return on Invested Capital (ROI), %	=	Profit before taxes and appropriations + Interest and other financing expenses	x 100
		Total Equity and Liabilities – Interest-free liabilities (average)	
Return on Equity (ROE), %	=	Profit before taxes and appropriations - Taxes	x 100
		Equity (average)	
Net Gearing Ratio, %	=	Interest bearing liabilities – Cash and cash equivalents	x 100
		Equity	
Equity Ratio, %	=	Equity	x 100
		Total assets – Advances received	
Earnings per Share (EPS)	=	Net result	
		Average number of shares (excluding treasury shares)	
Equity per Share	=	Equity	
		Average number of shares	