



Financial Statement 2020

LeadDesk Plc FINANCIAL STATEMENT 1 Jan –31 Dec 2020

LeadDesk Oyj, Unofficial translation of press release 18 February 2021, 10:05 am. In case the document differs from the original, the Finnish version prevails.

Outstanding year for LeadDesk as the Nordic's leading contact center software vendor, over 45% ARR growth

Figures in parenthesis refer to the equivalent period in the previous year, unless otherwise stated. (Unaudited)

July-December 2020

- Revenue EUR 7,588 (6,233) thousand, growth 21.7%
- Comparable revenue EUR 7,588 (5,612*) thousand, growth 35.2%
- EBITDA 1,064 (2,707) thousand, 14.0% (43.4%) of revenue
- EBIT 310 (2,109) thousand, 4.1% (33.8%) of revenue
- The company announced three acquisitions: Nordcom, Capricode Systems and Loxyssoft, which was the first international acquisition

January–December 2020

- Revenue EUR 13,799 (12,355) thousand, growth 11.7%
- Comparable revenue 13,799 (10,670*) thousand, growth 29.3%
- Annual recurring revenue contract base EUR 12,027 (8,264) thousand, growth 45.5%
- EBITDA EUR 1,687 (3,422) thousand, 12.2% (27.7%) of revenue
- EBIT EUR 301 (2,214) thousand, 2.2% (17.9%) of revenue
- Comparable EBIT EUR 301 (187*) thousand, growth 60.6%
- Profit/loss for the period EUR 204 (758**) thousand
- Cash flow from operations EUR 2,418 (1,708) thousand
- LeadDesk already serves more than 1,000 customers

* Adjusted with the sale of the subsidiary Leadventure Ltd. Adjustments itemized in the table below.

** Profit/loss for the period includes the non-recurring costs of the IPO and the profit from the sale of Leadventure Ltd. Adjustments itemized in the table.

Outlook for 2021

The company will maintain strong revenue growth and continue operating profitably.

Key figures, group

EUR thousand	7-12/2020	7-12/2019	2020	2019
Revenue	7,588	6,233	13,799	12,355
Revenue growth, %	21.7%	6.1%	11.7%	12.0%
Comparable revenue*	7,588	5,612	13,799	10,670
Comparable revenue growth, %	35.2%	6.3%	29.3%	16.8%
Annual recurring revenue contract base	12,027	8,264	12,027	8,264
Annual recurring revenue contract base growth, %	45.5%	13.4%	45.5%	13.4%
EBITDA, % of revenue	14.0%	43.4%	12.2%	27.7%
EBIT, % of revenue	4.1%	33.8%	2.2%	17.9%
Return on Equity (ROE), %	7.3%	30.3%	2.4%	18.3%
Return on Investment (ROI), %	7.3%	25.8%	3.3%	40.8%
Equity ratio, %	71.6%	72.3%	71.6%	72.3%
Net gearing, %	-47.2%	-63.9%	-47.2%	-63.9%
Earnings per share	0.07	0.41	0.04	0.17
Earnings per share (incl. dilutive effect)	0.06	0.39	0.04	0.16
Personnel at the end of the period	116	82	116	82

*Figures from the period are adjusted to exclude the divested subsidiary Leadventure Ltd.

CEO Olli Nokso-Koivisto:

"2020 was an excellent year for us. We reached our financial and strategic goals. Our organic growth was strong, we broadened our offering and executed impressive acquisitions to hasten our growth. I'm super happy and proud of our entire organisation.

We are tenaciously progressing with our growth strategy

We are an international technology company. During 2020, we strengthened our position as the trusted SaaS partner for larger enterprise customers and public institutions in Europe. Despite the Covid-19 pandemic, our annual recurring contract base grew by 45% and our international operations accounted for 52% of our licensing revenue.

During the second half of 2020, we published three acquisitions, which firmly support our growth strategy.

The Nordcom acquisition complemented our offering with more comprehensive solutions. The acquisition was an important, strategic investment into the Enterprise customer segment. Our competitiveness in providing solutions to larger enterprises and public institutions strengthened. With the acquisition, we expanded our offering to versatile mobile services, Teams integrations and virtual SIM cards. Nordcom is reported as part of the LeadDesk group from 1 July 2020 onwards.

The Capricode Systems acquisition further hastened our growth in the public institutions and Enterprise segments. At the same time, we affirmed our position in industries critical to the functioning of our society. Our skills in offering tailored customer services grew considerably. Capricode Systems is reported as part of the LeadDesk group from 1 October 2020 onwards.

The significantly larger Loxyssoft acquisition will strengthen our position and organisation in the Nordics. The acquisition further increased our ability to serve European Enterprise customers. The acquisition was made public in November 2020 and carried out in January 2021. This is our first international acquisition as a listed company. Loxyssoft will be reported as part of the LeadDesk group from 1 January 2021 onwards.

Cooperation is key to integrating the organisations

Each acquisition is unique. However, all acquisitions demand careful planning and nimble execution. In our industry, the integration that follows an acquisition takes on average around six months. The time is spent strengthening customer contacts, building shared processes and unifying the offering. By working together and fostering our company culture, we will build and even stronger offering for existing and potential customers alike.

Market disruption accelerates our strong international growth

The future of our industry is in cloud services. The Covid-19 pandemic has accelerated organisations' transition to cloud services. The increasing popularity of remote work brought us new customers and supported our strong growth. Thanks to our SaaS business model, LeadDesk is a scalable, flexible and cost-efficient cloud service that perfectly supports remote work. In 2020, our customer base exceeded 1,000 customers for the first time. Our customer base now includes industry-leading companies, such as Doctors Without Borders, Rainmaker, Taksi Helsinki and Telenor Sverige.

Our next steps are aligned to support our growth

We are a growth company. Already at this stage of growth journey, we have reached an excellent position in Sweden, the Netherlands, Germany, Norway, Denmark and Spain. It is our goal to diversify and strengthen our foothold also in France and Italy in the coming years. We have taken an active role in the consolidation trend of our industry. The think globally – act locally principle has proven effective. We will continue adhering to the same principle.

Super strong team and culture guarantee our success

Our strong company culture has supported us with the challenges of the Covid-19 pandemic, with our strong growth and with our acquisition integrations. Together, we have carried our responsibilities outstandingly well. As a concrete example of our unique culture, last spring we increased transparency and openness by inviting

everyone to join the management team's weekly remote meetings. Fairness, equality and the opportunity to utilize one's own strengths are in our core. This brings us competitive advantage in recruiting the best talent to our team.

Together, we have come through an exceptional year. A big thank you to LeadDesk's super active and flexible team. Thank you also to our customers and partners for trusting us. We will continue onwards, stronger and more diverse. We will support you in developing your operations as your trusted SaaS partner in the future as well. Finally, I want to thank our shareholders. We will continue to execute on our strategy, and it is our goal to develop favorable shareholder value.

The Impact of the Covid-19 Pandemic and the Actions so far

LeadDesk offers a cloud-based solution for high volume customer services centers and sales. As a modern cloud solution, LeadDesk's software is not tied to any premises but enables remote work from home for example. As the pandemic has evolved, the company has placed even more focus on product features that support remote use. Flexible solutions and remote work appear to maintain their significance for LeadDesk's customers beyond the acute phase of the pandemic. This trend is expected to support LeadDesk's growth in the long term.

As a responsible employer, during the spring of 2020, LeadDesk has encouraged all of its employees in all countries to work remotely, according to the instructions of their respective local authorities. In addition, each key staff member has been assigned two replacements. The company has prepared for the pandemic by securing its 24/7 operations and continuity, so that its customers, which include companies and public organisations vital to the functioning of society, secure their operating capabilities. The health and well-being of its customers, partners and employees are of utmost importance to LeadDesk, and the company takes any measures to prevent the spread of the disease very seriously. The tools at the company's disposal enable flexible and reliable remote work. For example, customer meetings were carried out primarily virtually during the spring. LeadDesk believes that the current preparations guarantee its' operating capabilities in the future as well.

So far, the impact of the pandemic on LeadDesk's business has been two-fold. On the one hand, the company's sales team has been successful. On the other hand, the company is not fully safe from macroeconomic phenomena and the significant shrinking of entire industries have impacted its customer base. The long-term recurring revenue contracts that the company's business is built on and their growth as measured in euros have guaranteed a steady revenue flow. As a result, the company's business has remained stable despite the negative effect on profitability that the pandemic caused. The main reason for diminishing profitability was the increase in payment defaults caused by the diminishing operations of some of LeadDesk's customers' operations. This also had a decreasing effect on the company's cash flow during the period. LeadDesk's financial position has remained strong throughout the period thanks to the funds secured from the IPO and the sale of Leadventure Ltd.

The largest risk that the corona pandemic places on LeadDesk's business is the weakening of the general economic situation around Europe, which could hurt its customers' business in the long term. LeadDesk is constantly analysing information about the market and the use of our software. This information is used to update the company's forecasts and plans.

Results briefing

LeadDesk will organise a virtual briefing for the media and analysts on 18 February 2021 at 12:00 am. The company has released the invitation with instructions for signing up on 27 January 2021.

More information

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LeadDesk in brief

LeadDesk is a fast growing and internationalizing software company, operating in the cloud-based software market in Europe. The company offers the LeadDesk cloud service for high volume sales and customer service and has grown to a leading cloud service vendor in sales and customer service in the Nordics. In 2020, the company's revenue was €13.8 million. The share of license revenue from outside of Finland was 52%. LeadDesk's shares are traded in the Nasdaq First North Finland market under the ticker LEADD. The company has offices in seven European countries. The LeadDesk cloud service is used by over 1000 customers across the world. www.leaddesk.com