



FlowIT A/S

Vindegade 34, 1.
5000 Odense C
CVR No. 26829798

Annual report 2022

The Annual General Meeting adopted the
annual report on 06.02.2023

Karsten Ley Poulsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Notes	12
Accounting policies	14

Entity details

Entity

FlowIT A/S

Vindegade 34, 1.

5000 Odense C

Business Registration No.: 26829798

Registered office: Odense

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Mogens Nielsen

Frank Lynge Schou-Jensen

Karsten Ley Poulsen

Executive Board

Karsten Ley Poulsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of FlowIT A/S 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations 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.

Odense, 06.02.2023

Executive Board

Karsten Ley Poulsen

Board of Directors

Mogens Nielsen

Frank Lynge Schou-Jensen

Karsten Ley Poulsen

Independent auditor's extended review report

To the shareholders of FlowIT A/S

Conclusion

We have performed an extended review of the financial statements of FlowIT A/S 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review 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 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.

Odense, 06.02.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Gert Rasmussen

State Authorised Public Accountant
Identification No (MNE) mne35430

Marco Mosegaard Brøndsted

State Authorised Public Accountant
Identification No (MNE) mne49081

Management commentary

Primary activities

The primary activities of FlowIT are marketing, sale and delivery of solutions for project and portfolio management as well as resource management and time recording based on our SaaS platform (Software as a Service) ProjectFlow 365, which helps organizations to select the right projects and execute them effectively. This enables our customers to realize their project gains sooner while also saving resources in connection with the project execution.

In 2022 we invested in the further development of ProjectFlow 365, which is a simple and scalable, cloud-based project management tool with close integration to Office 365 and third-party financial management systems.

Description of material changes in activities and finances

Following the changes to the company's ownership in 2021, 2022 was the first full accounting year with the many new employee shareholders, composed of 10 employees and Chairman of the Board Mogens Hafstrøm Nielsen's company. This has been beneficial to the company. Both our shareholders and our other employees have delivered an outstanding performance throughout the year.

In 2022 our efforts were once again centered around the further development of ProjectFlow 365 within such areas as portfolio management, resource management, time registration and social features. Simultaneously, we have implemented an even closer integration with Microsoft Teams and Microsoft 365, which has gained considerable ground within Danish organizations.

Social functions for supporting collaboration, resource management and time registration in ProjectFlow 365 have especially played a part in elevating ProjectFlow 365 significantly. This means that we are able to help our customers even better to ensure that execution of the prioritized project portfolio is realistic within the employee capacity that is available for development.

We have implemented a new marketing strategy as announced in last year's annual review. One important element has been a new visual identity (website, etc.) which puts ProjectFlow 365 in focus rather than the company behind – FlowIT. This marketing strategy has contributed significantly to our business. Our existing customers have been very loyal and willing to contribute with suggestions for improvement of our product. Some of these suggestions are collected in connection with ProjectFlow user forums, of which we held four in the past year. One user forum was held as an in-person event in connection with FlowIT's 20th anniversary.

We have experienced a 50% increase in our subscription revenue (Annual Recurring Revenue – ARR) and have delivered a large number of ProjectFlow 365 to mid-sized and large Danish organizations while simultaneously carrying out efficiency optimizations. This means that we have a positive result, cash flow and the greatest amount of liquid assets to date.

Our annual result for 2022 is satisfactory, and in 2023 we will continue to invest in product development, sales and marketing.

We expect to see an increase in our subscription revenue (ARR), which will be an important key indicator for FlowIT in 2023 and going forward. This is important because we typically engage in long-running collaborations with our customers, and an increased subscription revenue will therefore typically benefit the company and our

customers for many good years to come.

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.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		11,638,524	10,590,777
Staff costs	1	(8,351,778)	(8,083,026)
Depreciation, amortisation and impairment losses	2	(690,055)	(565,992)
Operating profit/loss		2,596,691	1,941,759
Other financial income		0	2,443
Other financial expenses		(36,609)	(6,783)
Profit/loss before tax		2,560,082	1,937,419
Tax on profit/loss for the year	3	(553,677)	(381,563)
Profit/loss for the year		2,006,405	1,555,856
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		2,006,405	500,000
Retained earnings		0	1,055,856
Proposed distribution of profit and loss		2,006,405	1,555,856

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	5	1,802,434	1,798,939
Intangible assets	4	1,802,434	1,798,939
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
Property, plant and equipment	6	0	0
Fixed assets		1,802,434	1,798,939
Trade receivables		4,183,427	3,752,719
Other receivables		331,741	3,508,433
Income tax receivable		219,599	0
Prepayments		73,320	1,609
Receivables		4,808,087	7,262,761
Other investments		1,986,640	0
Other investments		1,986,640	0
Cash		4,716,447	1,498,849
Current assets		11,511,174	8,761,610
Assets		13,313,608	10,560,549

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		1,405,899	1,403,172
Retained earnings		1,382,417	1,385,143
Proposed dividend		2,006,405	500,000
Equity		5,294,721	3,788,315
Deferred tax		389,013	385,737
Provisions		389,013	385,737
Prepayments received from customers		5,818,165	4,430,082
Trade payables		134,352	77,283
Payables to group enterprises		239,903	0
Income tax payable		0	239,903
Other payables		1,437,454	1,639,229
Current liabilities other than provisions		7,629,874	6,386,497
Liabilities other than provisions		7,629,874	6,386,497
Equity and liabilities		13,313,608	10,560,549
Fair value information	7		
Contingent liabilities	8		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	1,403,172	1,385,144	500,000	3,788,316
Ordinary dividend paid	0	0	0	(500,000)	(500,000)
Transfer to reserves	0	2,727	(2,727)	0	0
Profit/loss for the year	0	0	0	2,006,405	2,006,405
Equity end of year	500,000	1,405,899	1,382,417	2,006,405	5,294,721

Notes

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	7,368,127	7,194,042
Pension costs	844,150	741,773
Other social security costs	139,501	147,211
	8,351,778	8,083,026
Average number of full-time employees	14	14

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	690,055	563,952
Depreciation of property, plant and equipment	0	2,040
	690,055	565,992

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	550,401	239,903
Change in deferred tax	3,276	141,660
	553,677	381,563

4 Intangible assets

	Completed development projects DKK
Cost beginning of year	4,648,227
Additions	693,550
Cost end of year	5,341,777
Amortisation and impairment losses beginning of year	(2,849,288)
Amortisation for the year	(690,055)
Amortisation and impairment losses end of year	(3,539,343)
Carrying amount end of year	1,802,434

5 Development projects

Development projects is related to the development of new products. Prior to the initiation of the projects there

is prepared calculations which show that the projects are expected to result in increased turnover and earnings. Completed development projects amount to DKK 1,802,434. per 31.12.2022.

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	917,879	552,501
Cost end of year	917,879	552,501
Depreciation and impairment losses beginning of year	(917,879)	(552,501)
Depreciation and impairment losses end of year	(917,879)	(552,501)
Carrying amount end of year	0	0

7 Fair value information

	Other investments DKK
Fair value end of year	1,986,640
Unrealised fair value adjustments recognised in the income statement	(14,172)

8 Contingent liabilities

A lease has been entered with a 5-month non-cancellation period.
The rent obligation amounts to approx. DKK 188 thousand.

The Entity participates in a Danish joint taxation arrangement where Viso holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to 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.**

development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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.

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. If the useful life cannot

be estimated reliably, it is fixed at 10 years. 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 3-5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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	5
Leasehold improvements	5

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.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.