



ProjectFlow A/S

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

Annual report 2023

The Annual General Meeting adopted the annual report on 19.01.2024

Karsten Ley Poulsen
Chairman of the General Meeting

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Entity details

Entity

ProjectFlow A/S
Vindegade 34, 1.
5000 Odense C

Business Registration No.: 26829798
Registered office: Odense
Financial year: 01.01.2023 - 31.12.2023

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 ProjectFlow A/S for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 19.01.2024

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 ProjectFlow A/S

Conclusion

We have performed an extended review of the financial statements of ProjectFlow A/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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, 19.01.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Gert Rasmussen

State Authorised Public Accountant
Identification No (MNE) mne35430

Management commentary

Primary activities

The primary activities of ProjectFlow A/S include marketing, sales, and the 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) in Denmark and, from 2023, in Norway as well. ProjectFlow 365 assists organizations in selecting the right projects and executing them effectively. ProjectFlow 365 enables the utilization of artificial intelligence (ChatGPT) to empower project and portfolio managers.

This enables our customers to realize their project gains sooner while also saving resources in connection with project execution.

Description of material changes in activities and finances

In 2023, we invested in the further development of ProjectFlow 365, a simple and scalable, cloud-based project management tool with close integration to Office 365 and third-party financial management systems. Our efforts in 2023 remained centered around the further development of ProjectFlow 365 in areas such as project management, resource management, and time registration, the latter being particularly significant due to new EU regulations regarding the registration of employee time usage. Simultaneously, we implemented an even closer integration with Microsoft Teams and Microsoft 365, which has gained widespread adoption within Danish organizations. Furthermore, we enabled the use of Artificial Intelligence (ChatGPT) in ProjectFlow 365 to assist project managers and portfolio managers in utilizing the tool, saving time and analyzing information.

We launched business operations in Norway in August 2023, prior to that with the implementation of the Norwegian language in our website, product, and all marketing material. Additionally, we actively engaged in several conferences during the year, conducted through market research, and implemented effective online advertising. We have surpassed our initial penetration plan due to earlier sales results than expected.

Our valued customers have shown great loyalty and willingness to contribute valuable suggestions for enhancing our product, with some of these suggestions being collected in connection with ProjectFlow user forums, four of which we successfully facilitated throughout the past year.

We achieved a significant increase in our subscription revenue (Annual Recurring Revenue – ARR) and delivered a large number of ProjectFlow 365 licenses to mid-sized and large Danish organizations while simultaneously carrying out efficiency optimizations. This positive performance has resulted in a favorable financial outcome, robust cash flow, and the highest level of liquid assets to date. In recognition of our shareholders' contributions, 10 of whom are also company employees, we made the decision to distribute extraordinary dividends in December 2023. Our annual results for 2023 are deemed satisfactory, and we remain committed to continued investments in product development, sales, and marketing endeavors.

ProjectFlow A/S anticipates a substantial growth in its subscription revenue (ARR) across Denmark and Norway. This metric will serve as a crucial indicator of the company's performance in 2024 and beyond, as we foster long-term partnerships with our clients. Increased ARR will translate into mutual benefits for both the company and its customers, ensuring enduring success for years to come.

Events after the balance sheet date

To date, no events have transpired subsequent to the balance sheet date that would materially impact the

evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		15,714,766	11,638,524
Staff costs	1	(9,224,451)	(8,351,778)
Depreciation, amortisation and impairment losses	2	(833,168)	(690,055)
Operating profit/loss		5,657,147	2,596,691
Other financial income		143,197	0
Other financial expenses		0	(36,609)
Profit/loss before tax		5,800,344	2,560,082
Tax on profit/loss for the year	3	(1,319,013)	(553,677)
Profit/loss for the year		4,481,331	2,006,405
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	2,006,405
Extraordinary dividend distributed in the financial year		5,500,000	0
Retained earnings		(1,018,669)	0
Proposed distribution of profit and loss		4,481,331	2,006,405

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	5	1,814,266	1,802,434
Intangible assets	4	1,814,266	1,802,434
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
Property, plant and equipment	6	0	0
Fixed assets		1,814,266	1,802,434
Trade receivables		5,927,751	4,183,427
Receivables from group enterprises		219,599	0
Other receivables		496,856	331,741
Income tax receivable		0	219,599
Prepayments		142,987	73,320
Receivables		6,787,193	4,808,087
Other investments		0	1,986,640
Other investments		0	1,986,640
Cash		4,201,857	4,716,447
Current assets		10,989,050	11,511,174
Assets		12,803,316	13,313,608

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		1,415,127	1,405,899
Retained earnings		354,520	1,382,417
Proposed dividend		0	2,006,405
Equity		2,269,647	5,294,721
Deferred tax		393,497	389,013
Provisions		393,497	389,013
Prepayments received from customers		6,563,524	5,818,165
Trade payables		245,302	134,352
Payables to group enterprises		0	239,903
Income tax payable		914,529	0
Other payables		2,416,817	1,437,454
Current liabilities other than provisions		10,140,172	7,629,874
Liabilities other than provisions		10,140,172	7,629,874
Equity and liabilities		12,803,316	13,313,608

Contingent liabilities

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Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK
Equity beginning of year	500,000	1,405,899	1,382,417	0	2,006,405
Ordinary dividend paid	0	0	0	0	(2,006,405)
Extraordinary dividend paid	0	0	0	(5,500,000)	0
Transfer to reserves	0	9,228	(9,228)	0	0
Profit/loss for the year	0	0	(1,018,669)	5,500,000	0
Equity end of year	500,000	1,415,127	354,520	0	0

	Total DKK
Equity beginning of year	5,294,721
Ordinary dividend paid	(2,006,405)
Extraordinary dividend paid	(5,500,000)
Transfer to reserves	0
Profit/loss for the year	4,481,331
Equity end of year	2,269,647

Notes

1 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	8,067,672	7,368,127
Pension costs	1,011,278	844,150
Other social security costs	145,501	139,501
	9,224,451	8,351,778
Average number of full-time employees	14	14

2 Depreciation, amortisation and impairment losses

	2023 DKK	2022 DKK
Amortisation of intangible assets	833,168	690,055
	833,168	690,055

3 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	1,314,529	550,401
Change in deferred tax	4,484	3,276
	1,319,013	553,677

4 Intangible assets

	Completed development projects DKK
Cost beginning of year	5,341,777
Additions	845,000
Cost end of year	6,186,777
Amortisation and impairment losses beginning of year	(3,539,343)
Amortisation for the year	(833,168)
Amortisation and impairment losses end of year	(4,372,511)
Carrying amount end of year	1,814,266

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 1,814,266. per 31.12.2023.

6 Property, plant and equipment

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

7 Contingent liabilities

A lease has been entered with a 6-month non-cancellation period.

The rent obligation amounts to approx. DKK 189 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 normal 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.