

2021

ANNUAL REPORT

**FLEXIBLE
LEARNING
IN AN
ONLINE
WORLD**



FLOWSPARKS®

SHORT PRESENTATION

7.4

million
Total operating
income

23.1

percentage
EBITDA

53.6

percentage
Revenues from
license sales
compared to total
operating income

ABOUT FLOWSPARKS

FLOWSPARKS stands for FLOW. Flexible Learning in an Online World. As a disruptive market leader in e-Learning, **FLOWSPARKS** wants to help existing and new customers take the next steps towards digital knowledge transfer.

FLOWSPARKS is a flexible learning platform that includes both an Authoring tool and an LMS (Learning Management System). In this way, we offer our customers flexibility and autonomy when creating digital training courses. Customers have complete control over the creation, distribution and maintenance of their online training. The Authoring tool is the heart of **FLOWSPARKS** and gives users all the required elements to create interactive digital training. The Authoring tool is filled with so-called Learning Formats, Smart Templates, and Smart Programs. These are predefined templates that support users in the didactic, graphic and technical aspects of building online training. For each possible learning objective, one of these templates offers the perfect solution. **FLOWSPARKS** also contains all LMS functionalities focused on the distribution, reporting and general management of users.

In addition, **FLOWSPARKS** provides e-Learning services and we assist customers in the development of online learning programs.

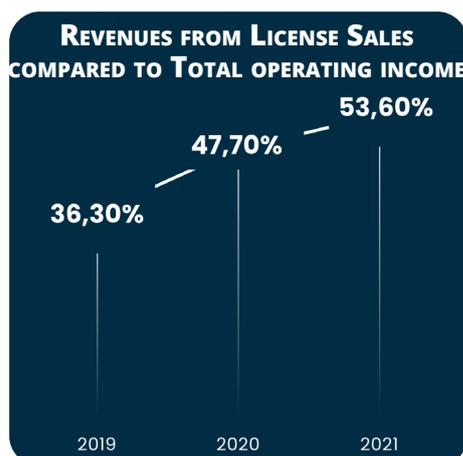
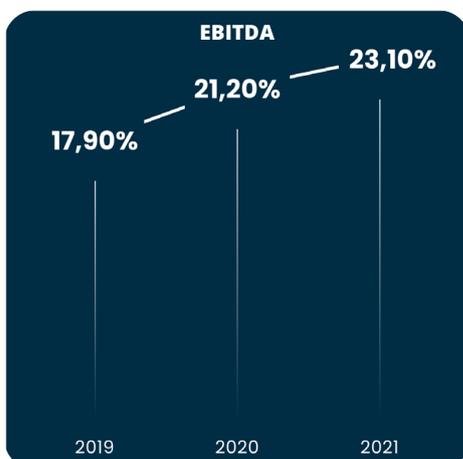
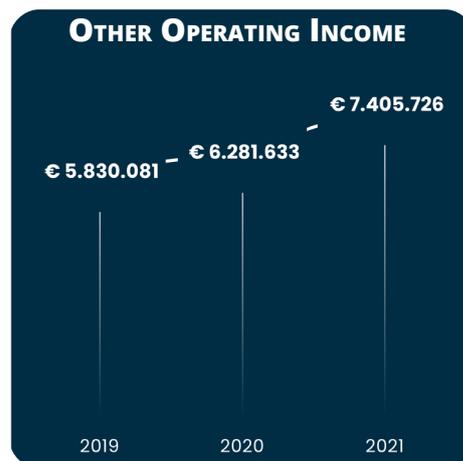
We operate from our head office in Ghent (Belgium), our office in Eindhoven (the Netherlands) and via our international partner network.

www.flowsparks.com

HEAD OFFICE: **GHENT, BELGIUM**

NUMBER OF EMPLOYEES: **56 (on 12/31/2021)**

STOCK MARKET: **EURONEXT BRUSSELS**





PART 1

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FOREWORD BY THE CHAIRMAN

I am extremely excited and proud of all that **FLOWSPARKS** has achieved over the past year for its customers, its employees, its stockholders and more generally the community.

Our digital learning platform allows employees from all parts of an organization to share knowledge and build training courses quickly and efficiently using automated didactic templates. This contributes to employee satisfaction, the interconnectedness and the strengthening of a company culture, in an increasingly distributed working environment. Both the number of new users and the intensity of the use of our platform are significantly on the rise.

We have once again delivered extremely good results in 2021, with exceptional growth of our ARR ('Annual Recurring Revenue') of 38% and EBITDA growth to 23%. Our company has never been more financially robust with a large Net Cash position. Our market leadership is driven by the disruptive business model of our **FLOWSPARKS** product and the enthusiasm and innovative approach of our employees.



These strong results should not lead us to forget that the fiscal year 2021 was primarily focused on making our group further scalable. We have invested heavily in the further development of our software, in our service (as shown, among other things, by our ISO27001 certification), in the automation of our sales processes, the expansion of an international marketing machine and the strengthening of our partner network management. Of course, this was done together with strengthening our management and the expansion of our sales, marketing, service and development team. We knew that these investment and change processes would have a slightly dampening impact on our growth and profitability, but more than ever, **FLOWSPARKS** is now present as a professional and internationally scalable organization.

The strengthening of international scalability was already noticeable in 2021. For example, we have welcomed many new and, more than before, larger multinationals as customers. This should benefit the Net Revenue Renewal ratio, which currently stands at 116%, in the future. In addition to the natural growth of our existing customers, the automation and expansion of our sales force should also benefit the ARR of new customers (today 21%). The extremely low 'churn' (1%) and the increase in learning activities per user also show that customer satisfaction remains high. Starting this year, we are giving our investors more insight into a number of key indicators that put the recurring growth in sales and user satisfaction in perspective. You will find these further in this report.

In addition to the international recognition we receive from our customers, our success has also materialized in a number of awards; among others in Belgium (Game Changer of the Year Award), Germany (Comenius EDUmedia Award) and especially the United States (Brandon Hall Gold Award in Content Authoring Technology). The collaboration with GuyKat announced earlier this year also marks a further breakthrough in the UK and US market.

**“
Our target market is huge and we
are well positioned in the
global e-Learning market.**

What should the future bring us? We expect to increase our recurring sales further by more than 40%. Our target is total sales of around € 9 million with at least a double-digit Ebitda percentage considering the costs and investments that will continue to be rolled out further this year. Despite the uncertain macroeconomic environment, the world continues to accelerate and investments in digital transformation have never been so high. Our target market is huge and with our **FLOWSPARKS** platform we are well positioned to further expand our position in the global e-Learning market. We are only at the beginning of an exciting adventure, but all parameters point in the right direction.

On behalf of our entire team, we would like to thank you for your continued trust and are delighted that you are taking this wonderful journey together with us.

PAUL DE SCHRIJVER
CHAIRMAN OF THE BOARD OF DIRECTORS

BUSINESS HIGHLIGHTS 2021

JANUARY

U&I Learning undergoes a transformation process including name change. The group continues under the name **FLOWSPARKS**: the new brand of an innovative SaaS Suite with global allures.

Boskalis, among others, opts for **FLOWSPARKS**.

FEBRUARY

We welcome among others the Etex Group, pharmaceutical company Teva and Zahnärztekammer Westfalen-Lippe as new customers.

MARCH

FLOWSPARKS wins an HR Excellence Award as 'HR Game Changer of the Year'.

Jonas Maerschand is appointed as the new Sales Manager Belgium, the start of an optimized sales organization.

Atos starts with the **FLOWSPARKS** package. We also conclude agreements with, among others, Feenstra and the X2O / Overstock Group.

APRIL

FLOWSPARKS relocates its headquarters to MeetDistrict in the Ghelamco Arena (Ghent), a dynamic working environment and melting pot of high-tech companies.

Touring and Trivium Packa, among others, joined forces with **FLOWSPARKS**.

MAY

FLOWSPARKS officially meets the requirements of the European and International standard ISO/IEC 27001:2013 and ISO/IEC 27001:2017 for setting up, implementing, maintaining and continuously

improving an information security management system in the context of the organization for the design, development and support of a learning platform with an authoring tool and a learning management system.

In view of the growth ambitions, Yannick Mattheessens joins the management team. From now on, marketing is disconnected from the sales organization.

The CRM software platform Salesforce is being put into use with a view to further growth and internationalization.

Among others, we welcome Randstad as a new customer.

JUNE

FLOWSPARKS is playing the card of digital marketing, which is immediately apparent on a new website. This website will play a critical role in generating leads to support the sales department.

We conclude agreements with, among others, Engie, Mediq Denmark, MS-Liga Vlaanderen and Wit-Gele Kruis.

JULY

FLOWSPARKS receives international recognition and wins a Comenius Award.

Beaulieu International Group, Arvesta, ASAP.be, Jaga and Milcobel, among others, are all going for **FLOWSPARKS**.

To support our sales organization, we are strengthening our team with 2 Business Development Representatives.

AUGUST

Among others, we welcome Asker Healthcare Group as a new customer.

After a successful start with Salesforce, we now also use the marketing automation tool Pardot.

SEPTEMBER

Entiretec, Impermo and Vivaldis Interim are just some of our new customers.

OCTOBER

A new COVID wave is on; **FLOWSPARKS** is once again playing the card of digital events in the form of webinars.

Picanol opts for our FastPass concept and Sweco also becomes a customer.

NOVEMBER

The commercial success continues. We sign license agreements with, among others, PSV, Rituals and Abbott Medical.

DECEMBER

FLOWSPARKS is granted the coveted golden Brandon Hall Group award in the category Best Advance in Content Authoring Technology, a technological and functional recognition globally.

Vincent Blommaert starts as Global Channel Director with a view to our further international expansion.

With the end of the year in sight, we have a good selection of leads to capitalize on. Among others, we welcome Axa Verzekeringen, Bechtle, Manpower and the European Committee of the Regions as new customers.

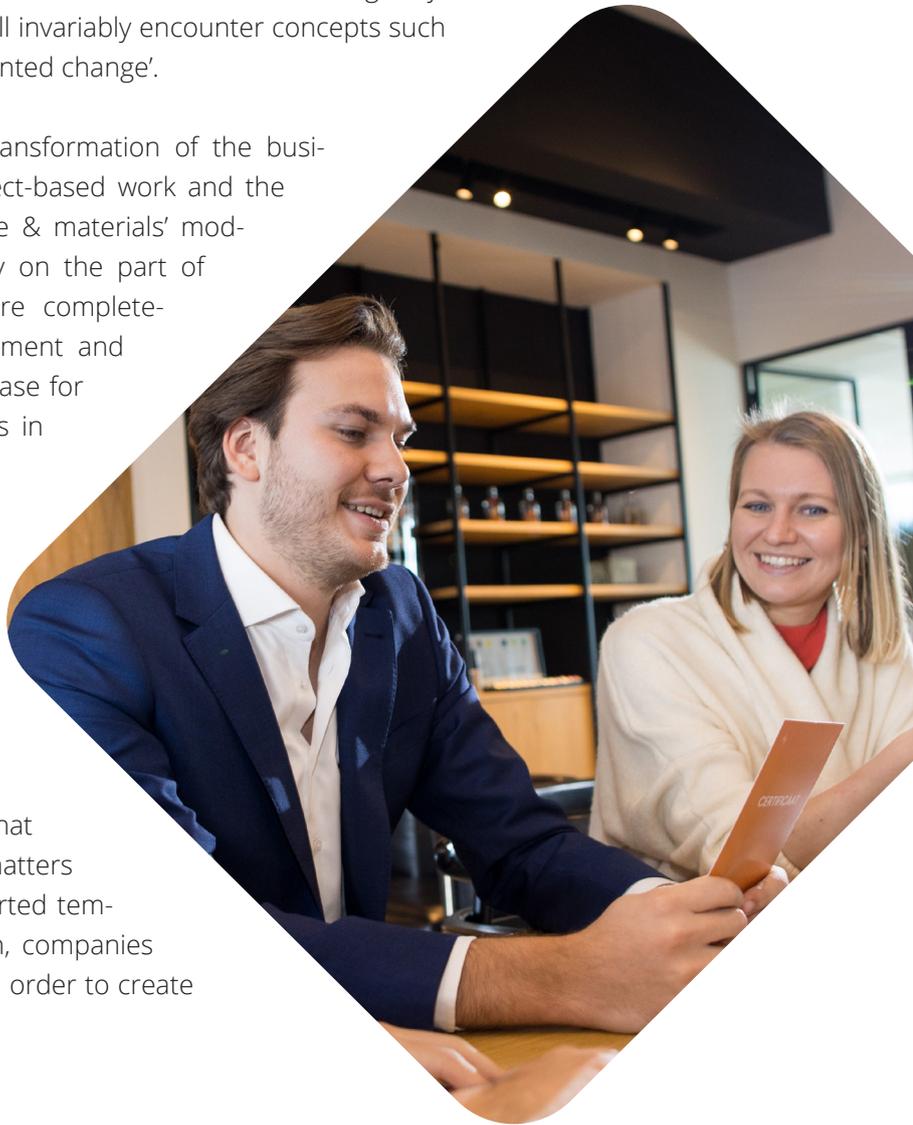
BUSINESS CONCEPT & STRATEGY

THE POWER OF CHANGE

The **FLOWSPARKS** Group, formerly known as the U&I Learning Group, represents more than 25 years of e-Learning expertise and services. Since the foundation in 1997, the company has grown to become an established name in the world of customized e-Learning. Anyone who goes through the story of these 25 years will invariably encounter concepts such as 'innovation', 'showing courage' and 'future-oriented change'.

It was this mindset that led to a complete transformation of the business model in 2017. After many years of project-based work and the subsequent billing in accordance with the 'time & materials' model, we detected a growing need for autonomy on the part of the customer. Until then, our customers were completely dependent on our experts for the development and management of digital training. This is still the case for the majority of today's e-Learning organizations in 2022.

Based on the idea that making e-Learning should be easy for everyone, we developed a ground-breaking solution in which our customers were given autonomy over the entire creation and optimization process of their digital training courses. In this way **FLOWSPARKS** was created, a flexible digital learning suite that gives companies the option to focus on what matters most: the content. Thanks to didactically supported templates with an attractive and responsive design, companies can activate their own 'subject matter experts' in order to create digital modules easily themselves.



THE EVOLUTION TOWARDS A SAAS-FIRST ORGANIZATION

At the same time, we began our transformation into a SaaS (Software as a Service) company by committing to building a software solution that would work in any location, at any time, on any device. We set an ambitious goal to turn **FLOWSPARKS** into a future-proof digital e-Learning platform that would grow in line with the needs of our customers.

Over the past five years, we have seen this strategy endorsed by the large number of customers who have switched from our traditional services to the **FLOWSPARKS** solution. In 2021, we already achieved 54% of our sales from the sale of **FLOWSPARKS** licenses.

This is an increase of 6% compared to the previous year. We see this further increasing trend also continuing in 2022.

As a result of this shift, we also created the opportunity for our experts to focus even more on further developing and improving our successful product so that we continue to be the frontrunner in our market also tomorrow.

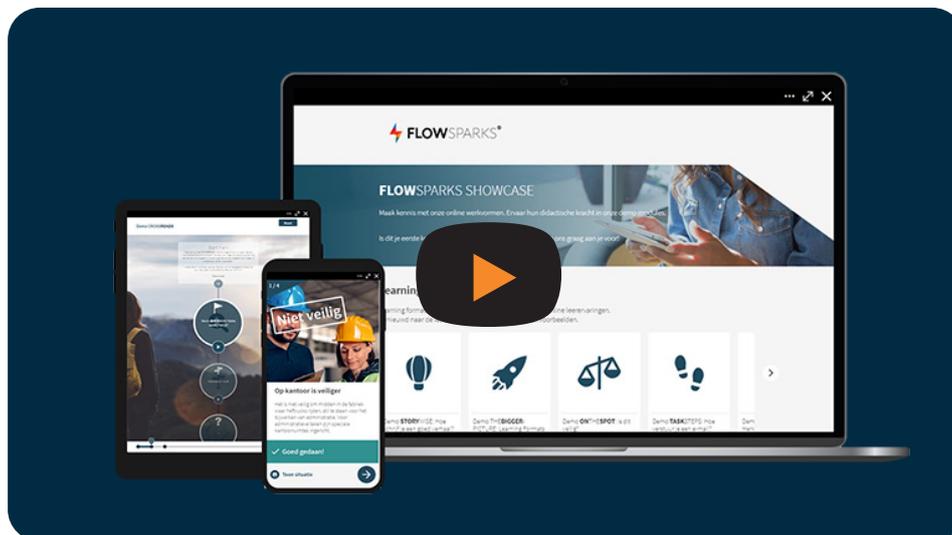
A NEW STANDARD

In only a few years **FLOWSPARKS** has become the standard within the e-Learning platforms and the absolute market leader in Belgium and the Netherlands. In January 2021, we also made our transformation visible to the outside world by officially converting the company 'U&I Learning' into **FLOWSPARKS**. Since then, the Group has been warranting the marketing of the flexible digital learning suite and the e-Learning services from its head office in Belgium (**FLOWSPARKS** NV) and in the Netherlands (**FLOWSPARKS** Nederland B.V.).

The success of **FLOWSPARKS** not only put us on the map as a company, but also resulted in a healthy financial organization.

Watch an introduction video about **FLOWSPARKS** [here](#):

(<https://bit.ly/2SK04Jw>)



VISION & MISSION

Everyone must be able to create, edit, manage and distribute high-quality digital training quickly with the best possible accessibility in any language and on any device.

Making life simpler for our customers is the core idea at **FLOWSPARKS**. Finally, it is the experiences of our customers that determine the success of **FLOWSPARKS**. We want to be known for an e-Learning solution that is easy, simple and intuitive to use, and that removes unnecessary complexity.

Companies deserve full flexibility and autonomy in creating and sharing knowledge, information and interaction with their employees. In this way, **FLOWSPARKS** is helping to realize a high-quality and rapid digital transformation. As a SaaS company, we also deliver our high performance software securely. This ensures that our customers do not have to worry about running or updating their own software and/or infrastructure.



The **FLOWSPARKS** 'core beliefs' enable us to realize this vision:

Courage: We are disrupting the digital learning market by offering companies flexibility and autonomy in e-Learning creation instead of keeping this privilege for ourselves. We see this as the future and being highly sought after in the world of digitization.



Humanity: By offering easy to use software, we want our users to feel proud and satisfied. We give them the opportunity to develop attractive digital training without them being required to personally have knowledge of didactics. In this way, we take a burden off their shoulders.



Quality: To make our customers Learning & Development heroes, we have assembled a team of Customer Success Coaches. They pass on their magic to our users so that they can flourish in their jobs.



Equality: At **FLOWSPARKS**, we treat our customers as partners by giving them control over the creation of the content. We watch from the sidelines and give guidance where necessary. Together with our partners, we create the best learning processes for every need.



Ambition: We have a strong desire to improve and deliver the best solutions for our customers. We make a point of continually renewing our software and services in accordance with the (future) needs of the market.



Resilience: With a flat internal company structure, there is robust collaboration between colleagues that allows us to shift gears quickly and flexibly. Furthermore, the sense of responsibility of the employees is paramount, because we believe that internal autonomy also gives strength.



OUR GLOBAL SAAS LEARNING SOLUTION

MEET THE FLOWSPARKS SUITE

With **FLOWSPARKS** we create FLOW: 'Flexible Learning in an Online World'.

The **FLOWSPARKS** Group has many years of experience in the development of digital learning modules. From this vision, a full-fledged **FLOWSPARKS** Suite has come into being. You can easily develop interactive e-Learning by combining the Learning Formats, Smart Templates and Smart Programs in the **FLOWSPARKS** Authoring Tool. Link this to our extensive Learning Management System (LMS) and you have all the means you need to create the best possible digital learning experience. Or choose FastPass for those looking for smooth registration of visitors or other special target groups. Furthermore, we warrant the best possible support for every customer.

FLOWSPARKS AUTHORIZING TOOL

The Authoring Tool is the heart of **FLOWSPARKS** and gives users all the means they need to create highly effective digital training. This is achieved with the help of the implemented Learning Formats, Smart Templates and Smart Programs. For each potential learning objective, one of these templates offers the perfect solution. These templates have been developed in such a way that, as a user, you do not have to dwell on the didactic or technical aspects. Moreover, the graphics look perfect on any device.

In the authoring tool you have:

- **Learning Formats**

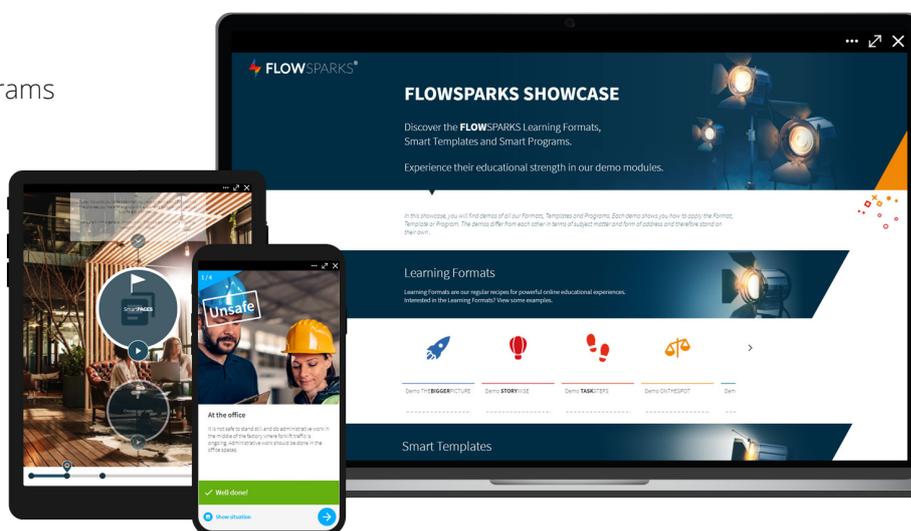
Learning Formats are our fixed recipes for powerful e-Learning. A Learning Format focused on one working method with a specific didactic approach, a targeted application and a fixed structure. Using a Learning Format ensures focus, perception and return on education. Thanks to our many years of experience in developing e-Learning, we know exactly which working methods and designs work best online. This experience is reflected in the Learning Formats.

- **Smart Templates**

With Smart Templates, you develop modules that you can deploy for different learning objectives. Unlike the Learning Formats, the Smart Templates give you much more structural freedom. There are templates for magazines, interactive videos, evaluations and questionnaires, 360 degree experiences and tests.

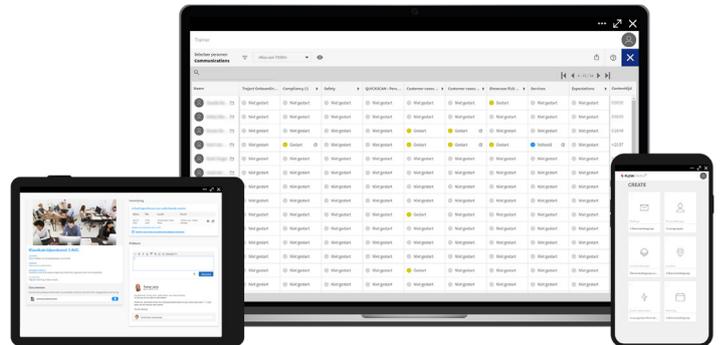
- **Smart Programs**

Is your e-Learning part of a whole?
Then present it as such. With Smart Programs you combine your Learning Formats and Smart Templates or existing SCORM modules to a full-fledged online program. Add videos, reference works and/or a certificate to make your program complete.



FLOWSPARKS LMS

The distribution, reporting and administration of your digital modules take place via the Learning Management System (LMS). The **FLOWSPARKS LMS** is intuitive and user-friendly, with clear tracking and reporting functionalities. With the LMS, you get access to an incredible amount of data that give you more insight into the progress of the team. We warrant and construct the connectivity of our Authoring tool with our **FLOWSPARKS LMS**, as well as various other LMS systems, in accordance with the standards.



FLOWSPARKS FASTPASS

The former Safety Platform was renamed FastPass. This is because the functionality of this application cannot be solely attributed to safety-related situations or subjects. With FastPass, we offer a solution when the complexity of a LMS is not necessary or when no LMS is available for the target group.

FLOWSPARKS FastPass is the ideal solution for organizations that want to test knowledge without requiring an extensive profile of the target group. It originated from the need to lower the registration threshold. It can be seen as a compact and fast version of a Learning Management System. As with the LMS, FastPass ensures the distribution, reporting and administration of digital modules, but with faster registration options and clear reporting.

This means that, as an organization, you have all essential functionalities at your disposal so that you can offer the necessary training on the spot without a lot of paperwork. Participants do not need an extensive profile, not even an email address. This plug-and-play solution can be deployed according to the needs of each organization.

SERVICES FOR E-LEARNING

In addition to offering the **FLOWSPARKS Suite**, we still warrant excellent service in the design and development of e-Learning and everyone can come to us for advice about digital learning. Thanks to our own software platform, we can also achieve higher efficiency in these aspects within our own e-Learning development team. Whether customers want to work independently or prefer to rely on our expertise, they can come to us with any digital learning challenge.

Thanks to our proactive and flexible approach, our customers no longer perceive us merely as a supplier, but as a true partner and facilitator of their autonomy in the development of digital learning content.

- **Development of digital learning processes**

We offer our customers the opportunity to work out their digital learning process together with our seasoned e-Learning professionals. Our provision of service is flexible and we always look for a match in conformity with the expectations of our customers. For example, some customers opt for total outsourcing, with our **FLOWSPARKS** professionals working everything out in detail. Others choose to do as much of the work as possible themselves using the **FLOWSPARKS Suite** and only count on us for our professional feedback.

However, most customers opt for something in between, a co-creation approach. Together with the customer, we form a project team in which we do not just aim for an end product full of impact. Sharing knowledge about and insight into this process is at least as important. For each new project we develop in co-creation, we empower our customers so that they gain even more ownership of the digital learning within their organization.

- **Customer Success Coaches**

When a customer chooses the **FLOWSPARKS** Suite, that customer will be assisted by an experienced and customer-oriented guide, our highly valued Customer Success Coach. This person is the direct line between the person responsible at the customer's end and **FLOWSPARKS**.

This seasoned e-Learning professional not only knows the intricacies of designing and developing digital learning materials, but also brings a great deal of functional and technical expertise about the **FLOWSPARKS** Suite. Furthermore, thanks to the many 'best practices', this Customer Success Coach is also the ideal ally to get the **FLOWSPARKS** Suite deployed quickly within the organization.

At the start of the coaching process, the needs of each customer are paramount, and the Customer Success Coaches are flexible with the result that a personalized approach is always possible. Thanks to the experience they have, they can quickly familiarize themselves with the existing structures, systems and learning culture of the customer. For example, the advice and consultancy provided by each of the Customer Success Coaches is targeted. They facilitate the customer in making the best possible use of the **FLOWSPARKS** Suite. The support of our Customer Success Coaches also meets the learning needs and the independence of the organization in order to accelerate the construction of training processes.

They accompany the customer throughout the entire process, guiding the technical implementation, training the authors and remaining on stand-by to provide project-based support when necessary.

- **Support**

We attach great importance to customer support. The **FLOWSPARKS** Suite is not just a software license that you purchase online. We pride ourselves on our technical support, supporting our customers to integrate our tool flawlessly with other platforms or company-specific systems. In addition, every user can personally consult the extensive help function in the tool at any time (built-in manuals). And if the participant can still not find a solution, he or she can receive further assistance through the help desk. The efficient ticketing system ensures that all questions are handled with the right priority and that more complex questions are addressed to the Customer Success Coach. The Customer Success Coach can take up the request for help from the perspective of the customer.

NEW: the **FLOWSPARKS** basic training

Employees are mobile. Unfortunately for our customers this means that with the departure of an employee a lot of knowledge about the use of **FLOWSPARKS** is also lost. In the past, this meant that our coaches had to go on site to learn the basics again via a workshop. In 2021 we have therefore made a digital basic training course so that new authors can use independent study to familiarize themselves with our Authoring Tool. This independent study course contains an in-depth look at the main functions of our Authoring Tool, a step-by-step demonstration to put the tool into use and useful tips and tricks for new authors. (Of course, this training course was created entirely with **FLOWSPARKS** templates, in particular with '**TASKSTEPS**', a format that is perfect for explaining software.) By eliminating these repetitive tasks from our coaches, they can focus even more on advising our customers regarding their learning challenges.

OUR USPs

FLOWSPARKS is an innovative and disruptive software application that creates unprecedented added value for the customer. The functionalities break radically with the traditional business model of e-Learning and digital training. For the first time in the world of e-Learning development, the customer can take control. A progressive vision that competing colleagues even today still do not dare to venture into.

No other learning platform comes close to what **FLOWSPARKS** has to offer in terms of built-in instructional design, our largest USP. All other systems focus on technology (with didactic 'technologies' such as a question or a clickable image) or social functions, but ignore the didactic aspect.

Other factors that distinguish us from the competition:

Time-saving and fast

Everything happens online. The development and learning environment for the author and user is available anytime, anywhere. Save time when creating digital modules, collaborate more smoothly and give access to new employees in just a few mouse clicks.



Anyone can develop e-Learning

Employees go from passive users to being active contributors to knowledge sharing within their organization. By putting employees at the steering wheel of e-Learning creation, you furthermore stimulate involvement and loyalty.

Built-in didactic templates

The brains of the didactician are embedded in the system. There is a template with a built-in didactic structure for each learning objective. This allows the author to focus on the content. The result is a responsive and technically underpinned online module that achieves the first and foremost learning objective.



Integrations

Simple connection to different systems such as online stores, HR systems, Apps, etc. This is done through our own API, but also with all kinds of standard integrations such as SCORM and LTI and systems such as: Cornerstone, SuccessFactors, TalentLMS, Totara, LMS365, Docebo, Chamillo, Moodle, Oracle, etc.

Adaptive design, perfect on any device

Intuitive and responsive design for both authors and end users. This ensures the best possible user experience and consistency in terms of look & feel on every device.

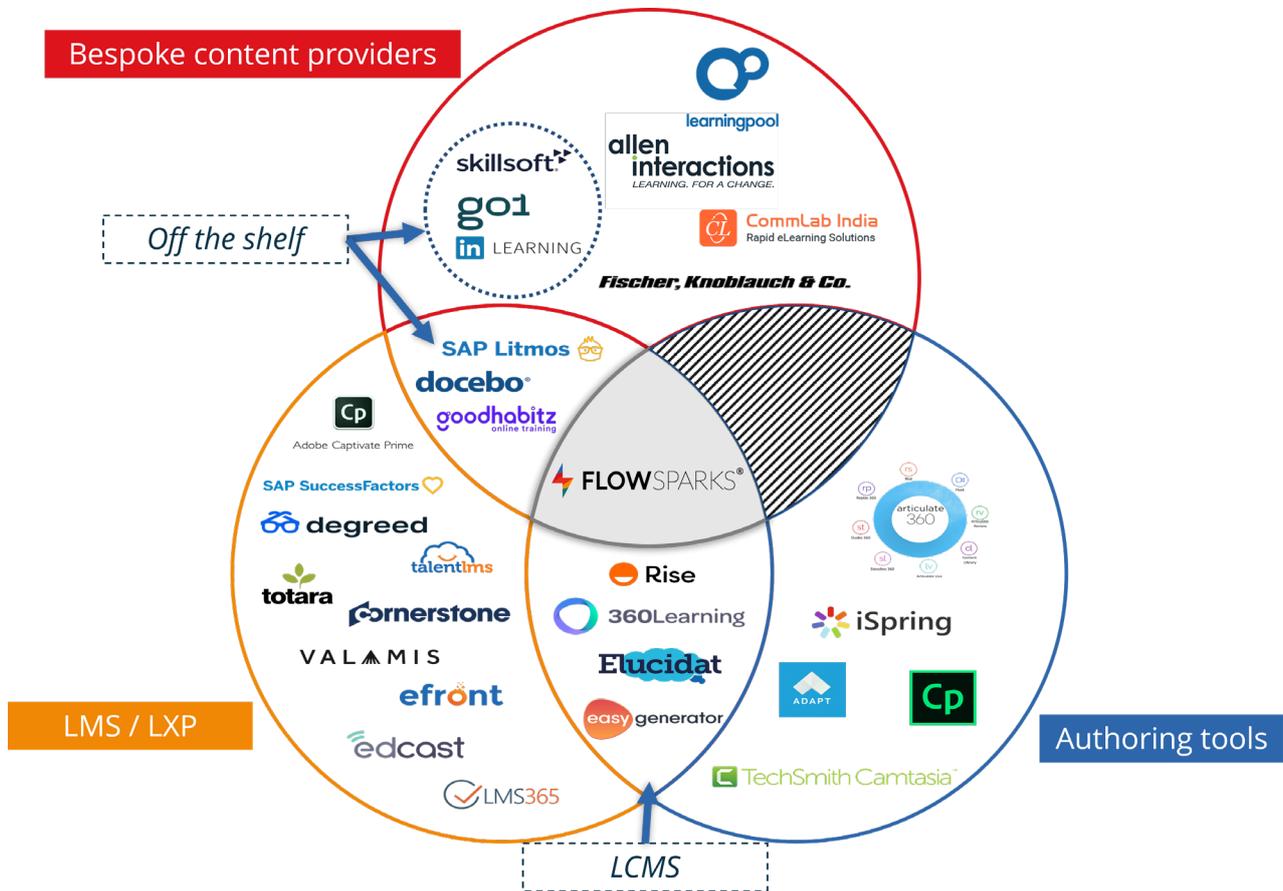
Innovation and improvement

FLOWSPARKS is a future-proof online learning environment that continuously adapts and improves in terms of security issues, big data and features. The system is organically driven by new ideas from the customer, but also by market trends and best practices. This continually creates new insights that lead to new features.



UNIQUE MARKET POSITION

The competition of **FLOWSPARKS** NV and its flexible SaaS solution **FLOWSPARKS** can be divided into various categories. The image below illustrates our unique position in the market:



- **Bespoke Content Providers (Traditional e-Learning providers)**

Traditional e-Learning providers analyze customer source material, create a storyboard, and develop the e-Learning course tailor-made for that specific customer using an Authoring Tool. They retain full control, which means that changing the course provided requires the customer to go back to the original provider every time (even if small changes are involved). The greatest advantage of this way of working is that the customer can call on didactic expertise, the disadvantages are the long turnaround time, the low flexibility and the high cost of tailor-made content.

- **LMS / LXP**

A LMS/LXP is used to distribute, report and manage digital training. The emphasis is on managing course content and reporting on progress/completion. You can see this as an overarching framework around the course content, as it were, an empty box of users without content.

- **Authoring Tools**

There are many software tools with which you can produce e-Learning content and remove the technical hassle of coding your course. Some have a low learning curve and others are harder to learn. However, the focus of any Authoring tool is on removing technical challenges as much as possible.

- **LCMS**

A LCMS enables you to distribute, report on and manage training. Users can also create course content on the platform. However, we usually see that the creative process is rather limited (because the emphasis is on the LMS part within the system) or is a one-trick pony (always the same output, with the same approach).

- **Off the shelf**

Some traditional providers have diversified their offer and created ready-made courses to sell to several interested parties. Instead of starting from the source material of one specific customer, they select a subject that is relevant to several organizations and conduct their own analysis, storyboard, and development. These e-Learning modules are either sold as individual courses that can be integrated into other organizations' LMS/LXP; or the off-the-shelf providers have built a platform around that content that also includes distribution, reporting, and general user management.

FLOWSPARKS EXCEEDS THIS CLASSIFICATION BOTH IN TERMS OF TECHNOLOGY AND SERVICES AND SUCCEEDS IN COMBINING DIDACTICS, CONTENT CREATION AND ANALYSIS IN A UNIQUE WAY.



WHY CUSTOMERS CHOOSE US

Since its launch in 2017, numerous customers have taken a look at **FLOWSPARKS**. Given the international business structure of these customers, **FLOWSPARKS** has already made its mark in more than 150 countries.

The **FLOWSPARKS** SaaS solution is also not tied to a specific sector, activity or (learning) culture. The market potential is universal deployability within companies, departments, sectors and organizations, which is reflected in our customer portfolio. Among others, Abbott, AGO Jobs & HR, Ahold Delhaize Group, Alken-Maes, AMC, Aperam, Atos, Balta, Bank J. Van Breda & C°, BASF, Beaulieu International Group, Belfius, BNP Paribas Fortis, bpost, Bridgestone, Boss Paints, Carrefour, Crelan, DAF Trucks, De Bijenkorf, Eastman, Engie, Etex Group, Euroclear, European Committee of the Regions, ExxonMobil, Fluxys, GoodHabitZ, Greenyard, Ineos, Johnson & Johnson, KPN, Luminus, Manpower, Mediq, Mensura, Mohawk Industries, Mondi, Nederlandse Loterij, Natra, Olympia Uitzendbureau, Philips, Proximus, PSV, OneMed, Overstock, Politie Nederland, Picanol, PostNL, PSA Antwerp, Randstad, Recticel, Rituals, Securitas, Sport Vlaanderen, Suez, Sweco, Teva, Tom & Co, Toshiba Tec, Vlaamse Stichting Verkeerskunde, Vinçotte, VPK Packaging, Wolters Kluwer, X2O, and more have opted for and resolutely continue to opt for **FLOWSPARKS**.

Within this broad spectrum of organizations globally, **FLOWSPARKS** is used for the widest variety of applications. Just think of the digital learning questions regarding Sales & Marketing, Safety, Compliance, Production, etc.

The **FLOWSPARKS** success story is inextricably linked to our customers' experiences. The platform has grown with our customers over the years by continuously adding features based on their learning needs. We therefore consider it important to be close to our customers and to maintain close contacts with them from the very first introduction. The feedback we receive from our customers is unanimously positive and encourages our team to go above and beyond every day.



(figures refer to the situation at the end of December 2021)

In the meantime, many customers have developed into proud ambassadors of **FLOWSPARKS**. They promote **FLOWSPARKS** to their colleagues both within and outside their company. They are willing to share the added value of **FLOWSPARKS** in their company/organization with others. They do this by mentioning it in the written and/or digital press (on their own initiative), or when they are guest speakers at events. We are of course immensely grateful to them for that. Below you can find an overview of some customer testimonials:



'With **FLOWSPARKS**, we offer some of our mandatory compliance training courses as an adaptive learning process. In this way, we have reduced the average completion time per user per course from 50 to 30 minutes for a target group of 110,000 employees!'

Marcel Gmelich Meijling – Global Head L&D Operation, Atos



'**FLOWSPARKS** gives us complete control over the creation of e-Learning. **FLOWSPARKS** gives us the opportunity to develop in-house online training courses that also work perfectly on a telephone. With a wide variety of Learning Formats, we have the opportunity to create a diverse range of learning for our employees.'

Patricia Tang – Global Learning Manager, Rituals



'When we introduce the Etex Group in schools to young people who are about to graduate, they don't ask 'What will we earn?' or 'How much leave do we get?' but 'What can we learn if we start working for you?' It makes us really happy to be able to show them our video training courses in **FLOWSPARKS**.'

Patrick Cornelissen – Training Coordinator, Etex Group



'**FLOWSPARKS** has a short learning curve. At first it can seem difficult because it is a computer system after all, but once you have mastered the basic techniques, you can really start to play with it. It is also easy to explain. The user-friendliness of **FLOWSPARKS** gives the other departments a certain degree of autonomy to create their own modules.'

Sven Joris – Learning & Development Advisor, BNP Paribas Fortis



'**FLOWSPARKS** does what it promises. You have complete control, there is full flexibility to give it our own house style, and we can easily create our own content without having to call on technical talent.'

Evelyne Van Vosselen – HR Director Leadership and Organizational Development, Bridgestone



'**FLOWSPARKS** is a user-friendly e-Learning tool. This is true for both the developer and the course participant. The result is an always professional-looking, didactically solid and attractive e-Learning that fits the learning and other needs of this time.'

Olga Timmer-Kool – Manager Marketing Development and DAF Academy, DAF



'I find the responsiveness of **FLOWSPARKS** very useful. The e-Learning looks good on any mobile device. People in our plant who scan a QR code for a particular type of pump using their tablet, immediately receive training in **FLOWSPARKS** about that specific pump. And because you can also easily adjust the training in real time, you can be sure that you are always viewing the most recent version.'

Gunther Vanacker – Training Coordinator Ghent, Eastman



'Thanks to **FLOWSPARKS**, we are able to develop our new GoodHabitz training courses each month at a rapid pace. With the help of the didactic formats, we don't waste any time on design and structure and can easily offer everything in several languages.'

Maarten Franken – CEO, GoodHabitz

FEEL THE SPARK

We are proud of **FLOWSPARKS** as a company and as a platform. We also like to promote this, which is why we try to get the SPARK carried over to our target audience through various channels.

INTERNATIONAL RECOGNITION THROUGH AWARDS

HR EXCELLENCE AWARDS

In March 2021, **FLOWSPARKS** emerged as the winner at the HR Excellence Awards in the HR Game Changer of the Year category. In order to win this award, nominees had to explain their 'game-changing nature' and above all substantiate it with well-founded explanations and specific examples. To this end, we worked on our client success story at BNP Paribas Fortis, where no fewer than 60 modules for digital learning were launched in less than nine months.

The jury praised **FLOWSPARKS** for:

-  *Very innovative e-Learning solution with didactically supported templates*
-  *Gives clients full flexibility and autonomy to create effective e-Learning*
-  *Outstanding user-friendliness coupled with a wide range of applications*
-  *Interaction, multilingualism and contents*



Read more [here](#) about **FLOWSPARKS** as HR Game Changer of the Year.

COMENIUS EDMEDIA AWARDS

Our first foreign award also followed a few months later. **FLOWSPARKS** was awarded a Comenius EduMedia Medal in July 2021. The Comenius EduMedia Competition has been promoting excellent software-based educational media with a focus on didactics, content and design since 1995. Both inside and outside Europe. The award application came about in collaboration with partner Mauth.CC (Germany). Mauth.CC is an e-Learning development agency and an official reseller of **FLOWSPARKS** since 2020.



'We have customers in over 150 countries. This European award proves once again the unique and innovative character of our product.'

Cédric Herregodts, Chief Commercial Officer at **FLOWSPARKS**

Read more about our Comenius Award [here](#).

BRANDON HALL AWARDS

The icing on the cake came in December 2021 when **FLOWSPARKS** won the coveted golden Brandon Hall Group award in the Best Advance in Content Authoring Technology category.

A panel of experienced, independent senior industry experts and Brandon Hall Group senior analysts and executives evaluated the submissions based on the following criteria:

- ⚡ Product: What was the product's breakthrough innovation?
- ⚡ Unique distinguishing factors: What makes the product unique and how does it differ from any competing products?
- ⚡ Value proposition: Which problem does the product solve and/or which need does this product provide for?
- ⚡ Measurable results: What are the benefits that customers can expect due to the use of this product?



'Technology has never been as crucial to success in human capital management as it is today. We were excited to see so many new innovations, but especially excited about the future of work,' said Brandon Hall Group Chief Operating Officer and award program chief Rachel Cooke. 'Thanks to the numerous innovations of our Excellence in Technology winners, organizations have a wide range of attractive options when making important decisions about how to use technology to conduct their people strategies.'

'Suppliers of HCM solutions must be experts and visionaries in the field of technology, but they must also have the ability to anticipate the various needs of employers in their efforts to adapt to continuous change', said Mike Cooke, CEO of the Brandon Hall Group. 'This requires a mix of curiosity, empathy and flexibility that is difficult to achieve. We've seen an extraordinary level of insight and creativity from our winners and that was great to see.'

Read more about our prestigious Brandon Hall Award [here](#).

INNOV8HR AWARD

Just before this annual report was published, **FLOWSPARKS** was a prizewinner once again. The client success story at Proximus was appreciated by HRMInfo/BizInfo and therefore granted an award. **FLOWSPARKS** succeeds Decathlon with this and was also able to present the winning case at the HR Innov&Tech Event in May 2022.

FLOWSPARKS EVENTS

Throughout 2021, successive COVID waves once again put a spanner in the works of our physical events. Once again, we were forced to switch to a digital alternative in the form of webinars. These were divided into 3 categories where the 'Get in the Flow' webinars are entirely focused on customer cases and the 'Best Practice' webinars and 'Feature Updates' are filled out by the **FLOWSPARKS** experts.

The following themes were discussed:

-  Online On-boarding
-  Kickstart 2021
-  Corporate Change
-  e-Learning with Impact
-  Gamification
-  Online Skill Training
-  User Generated e-Learning
-  FastPass

Through these 8 digital meetings, we reached more than 1,000 L&D professionals. Moreover, the webinars remain available 'on demand' given their unwavering relevance. We are also planning a series of webinars throughout 2022, combined with a few physical events. The best of both worlds combined so to speak...

PARTICIPATION IN LEADING LEARNING EVENTS

As with the internal events, many external organizations were also affected by the corona restrictions. It was therefore important to make maximum use of these few networking moments. **FLOWSPARKS** was thus present at:

HR LIVE

For many years now, the largest annual market for staff & organization in the Netherlands. With more than 1,000 attendees and 80+ workshops, the event promises inspiration and innovation every year. Just like other years, **FLOWSPARKS** was also present with a much-appreciated workshop.

VOV PITSTOP

VOV learning network organizes instructive Pitstops several times a year, focused on practice, research and policy. In June 2021, we participated in the VOV Pitstop on learning culture and how to connect L&D to your company's strategic goals.

HRTECH

In October 2021, **FLOWSPARKS** was present for the first time at HRTECH.be, a two-day event that aims to support the HR professional in the digital transformation of HR. HR tech solutions, innovations and insights come together at HRTECH.be with the goal of making a leap forward in digital acceleration within HR. A place to learn from each other, to learn inspiring examples and where all relevant companies meet and can network. HRTECH.be is 'connecting the dots between HR and technology' and offers a place to learn from experienced leaders, to be informed about new developments and solutions within HR.

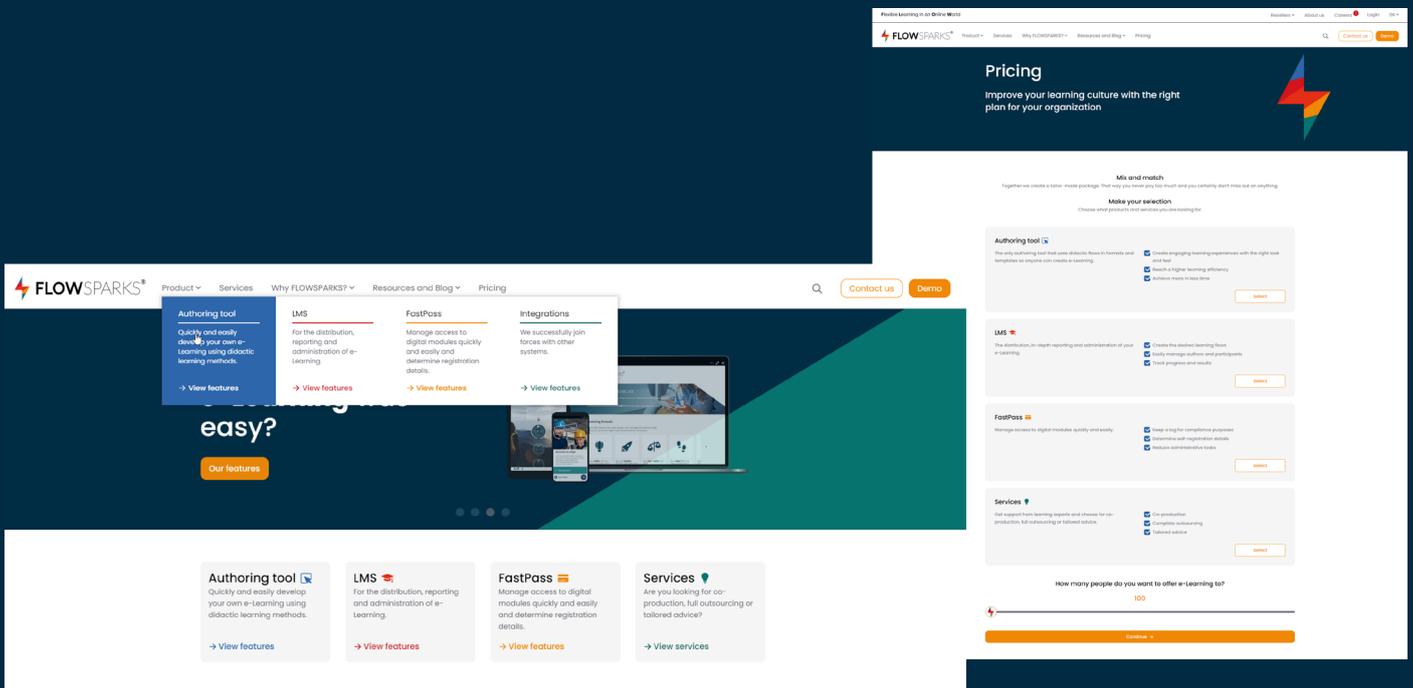
NEXT LEARNING

In September, we attended the corona-proof edition of Next Learning in Den Bosch (the Netherlands), the annual meeting place for everyone involved in (e-)Learning and training. Themes of the day were Data & Digital fitness, Agile design & development, Work & Learning and Up-skilling & Re-skilling!

BRANDING & CORPORATE IDENTITY

The re-profiling into a young, trendy and dynamic company started in the summer of 2020. In 2021, we took full advantage of a modern but above all consistent corporate identity as part of our renewed marketing organization.

- For example, on January 21, 2021 we changed our name from U&I Learning NV to **FLOWSPARKS** NV.
- In June 2021 a new trendy and attractive website was launched. The product suite is presented here in a clear manner, the menu structure has become more conveniently arranged and almost every page contains 'call-to-actions' (for example, request a demo). Lead forms have also been provided linked to our new sales tools such as Salesforce & Pardot.
- A SEO & Advertising manager was recruited in the summer of 2021 with the intention of intensifying online visibility and organic traffic to our website, together with a thorough analysis of our online traffic.
- From now on, we are literally giving our company a face by putting our young people increasingly at the forefront of all our external communications.
- We also relocated our head office on April 1, 2021 to our new offices in the young, trendy cluster of start-up/scale-up (IT) companies MeetDistrict (Ghelamco Arena) in Ghent.
- A range of new branded items ensures that we can also literally leave a SPARK behind wherever we go.



SAAS KEY INDICATORS

Disclaimer

The consolidated financial data provided in part 2 of our annual report are based on local GAAP and audited by our statutory auditor. See also the included valuation rules.

The following key indicators have been drawn up solely for internal performance measurement and monitoring purposes specifically related to SaaS models. The amounts cannot be directly derived from the consolidated financial data as included in the financial account, nor were they audited by the statutory auditor. They are based on internal customer analysis, according to the company's own terminology and methodology, which are generally explained below but not defined by or otherwise based on local GAAP. The purpose of disclosing these key indicators is solely illustrative, and in particular to reflect the evolution of specific ratios that map out the dynamics of the company's sales, in terms of general extent, calculated according to the company's own insights and standardizations. Notwithstanding the fact that the company has acted to the best of its ability in drawing up these key indicators, while also striving to achieve a consistent application as much as possible compared to previous fiscal years, the accuracy and completeness of these key indicators cannot be warranted in view of the foregoing and in particular the illustrative nature and purposes of these key indicators. These key indicators are therefore notified on an 'as is' basis, without any warranty, express or implied, in the broadest sense, with regard to, without limitation, their suitability for any purpose for which a third party would use them.



METHODOLOGY AND DEFINITIONS

The present analysis only concerns the **current** SaaS services of the **FLOWSPARKS** Suite and OIS. This customers analysis is drawn up based on the license revenue (subscription) per customer.

This analysis contains the movements between the recurring current license revenue at the end of the year between 2018–2021 based on 12 x Monthly license amount of December (hereinafter referred to as 'ARR' or 'Annual Recurring Revenue').

These data have been extracted from our Company Administration System (BAS) in which all sales and bills are recorded. The data contain a unique number provided by the system, contract values (total) and contract dates (license start and end dates).

The contract dates are shifted to full months in case of incomplete months:

- Before and on the 15th day, the contract date is shifted to the 1st day of the month;
- From the 16th day, the contract date is shifted to the first day of the next month.

The contract revenue is distributed evenly over the months in which the subscription is active to calculate a monthly amount.

The calculated amount of December is used to calculate the annual ARR amount. The ARRs reflect a snapshot of the month of December, which has been multiplied by 12 to reach an annual amount (the ARR).

Based on the ARR per client, the analysis is conducted and the following values known in the SaaS market are calculated: 'Up-sell', 'Down-sell', 'New Clients' and 'Churn'.

In addition to upgrades and downgrades of packages (depending on the various variables used in the pricing), the 'Up-sell' and 'Down-sell' are also caused by variable settlement based on actual use. These values are calculated by comparing the ARR per customer for two consecutive years.

Churn is the ARR per customer of the previous year, of the customers who have stopped working with the company and thus do not have an ARR in the current year (for example, when a customer provided €10k ARR in 2020, but stops as a customer in the course of 2021, then the churn is €10k in 2021.)

The 'Net Revenue Retention Rate' is calculated based on the ARR at the beginning of the year (end value of last year), minus the 'churn' and 'down-sell' and plus the 'up-sell'.

The 'New Clients' are added to this to calculate the total ARR at the end of the year. The amount of New Clients is calculated as the ARR that year generated by customers who did not have an ARR the previous year.

'Renewal Rate' is calculated as follows: ('ARR' (beginning of year) + 'Churn' + 'Down-sell' + 'Up-sell') / ARR (beginning of year).

'Churn Rate' is calculated as follows: 'Churn' / 'ARR' (beginning of year).

'New Client Rate' is calculated as follows: 'New Clients' / 'ARR' (beginning of year).

'ARR growth' is the derogation in percentage terms from the ARR at the end of a year in relation to the beginning of that year.

Various customer-specific adjustments have been made to take into account data errors (such as adjusted dates, adjusted duration of contracts or adjusted amounts) in the Company Administration System (BAS) (to align the ARR with the underlying commercial contract in force).

SAAS KEY INDICATORS OVERVIEW

'ARR' Analysis			
in thousands	2019	2020	2021
'ARR' beginning of year	€1,106	€1,830	€2,776
'Churn'	-€11	-€27	-€34
'Down-sell'	-€39	-€62	-€66
'Up-sell'	€264	€454	€556
'NRRR'	€1,320	€2,196	€3,231
'New clients'	€510	€580	€591
'ARR' End of year	€1,830	€2,776	€3,822

• Total ARRs at year end may differ due to rounding

'ARR' analysis of key indicators in %			
%	2019	2020	2021
'Renewal Rate'	119.4%	120.0%	116.4%
'Churn Rate'	-1.0%	-1.5%	-1.2%
'New Client Rate'	46.1%	31.7%	21.3%
'ARR Growth'	65.5%	51.7%	37.7%

It can be concluded that **FLOWSPARKS** shows strong performance in terms of maintaining sales and (net) expansion of sales. This also applies to retaining customers and bringing in new customers.

MONTHLY RECURRING REVENUE

In addition to the above customer analysis based on 'ARR', we also measure the license revenues divided over the applicable maturities. For durations that do not start on the first day of the month, the license amounts are divided proportionally over the months in which the starting month is always the 1st month.

This 'Monthly Recurring Revenue' is calculated from our CRM system (Salesforce) and is available for the year 2021.

The 'Monthly Recurring Revenue' for the months in 2021 is as follows:

'Monthly Recurring Revenue'	
2021	
January	€245,481
February	€251,779
March	€270,377
April	€273,856
May	€281,698
June	€281,077
July	€282,497
August	€284,435
September	€290,361
October	€294,039
November	€302,840
December	€322,571
Total	€3.381,011



FLOWSPARKS USAGE

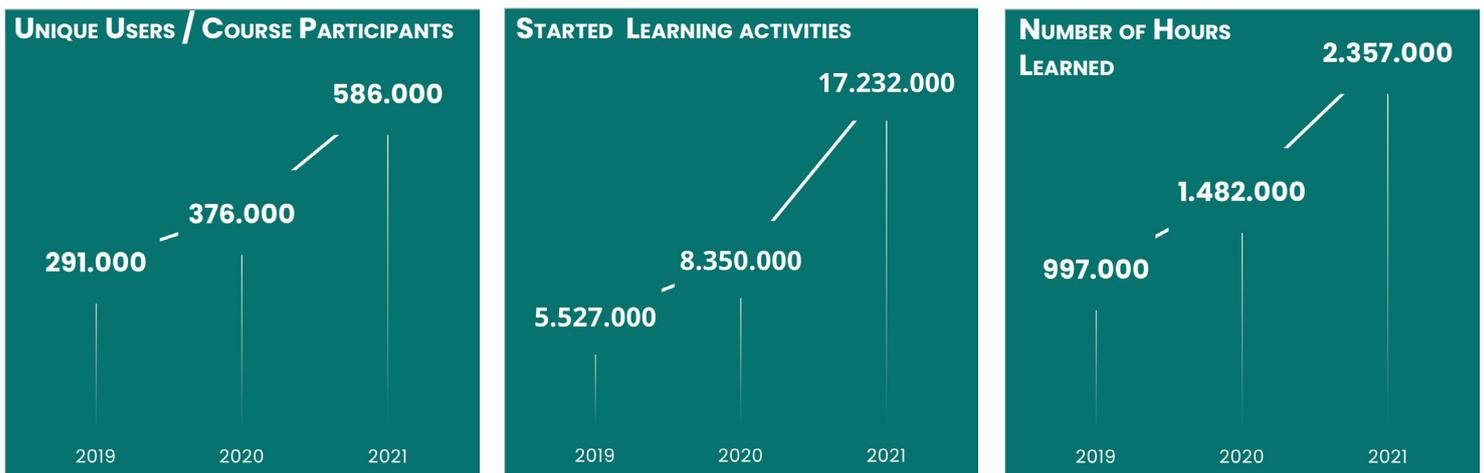
In addition to financial key indicators, it is also important for us to follow how many unique course participants use our **FLOWSPARKS** suite and how intensively. We can derive user data from our own **FLOWSPARKS** database. These data do not include our client Goodhabitiz (with the users of their own customers who are kept out of this calculation).

Users are the effectively logged-in unique users, in other words a user who attends different courses or logs in several times during the reporting period is only logged in as one user.

Learning activities are separate components within a given course.

Hours learned are the number of hours actually spent on a learning activity.

The following evolution can be deduced from these data:



These analyses show that the number of users is increasing considerably, but also that the effective use of the tool continues to increase considerably, both in learning activities and in hours of active tooling use. This indicates the quality of the learning modules built in **FLOWSPARKS** and the intensity with which the built modules are followed.

MEET THE FLOWSPARKS FAMILY

BOARD OF DIRECTORS

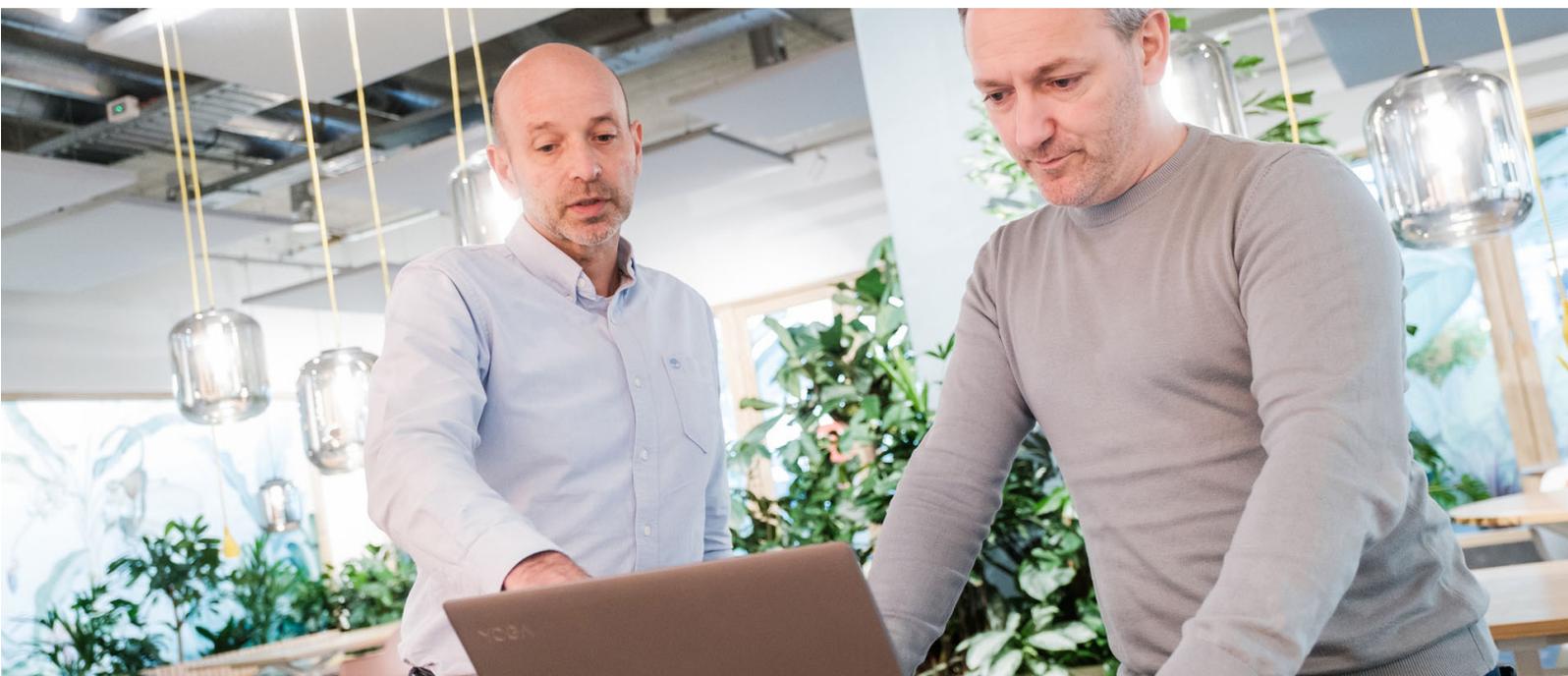
The Board of Directors consists of the following members:

-  Paul De Schrijver, Chairman
Current position and previous experience: CFO Realdolmen, Corporate VP ADP, Allen & Overy
-  Guy Herregodts Consulting BV, represented by Guy Herregodts, CEO
Previous experience: Various international Senior Executive positions including at Real Software (Vice President Sales & Marketing), Omega Pharma (Vice President OmegaSoft), Fase-IT (CEO), Cable & Wireless (Vice President Benelux), Online Internet (CEO), ADP Dealer Services (Vice President Benelux) and Turbodata (General Manager Benelux)
-  Debofin NV, represented by Niko Keters, All-round Financial expert
Previous experience: Executive member at large bank both at branch level (retail & business) and registered office level (business & corporate), Financial expert on special projects at leading accounting group

MANAGEMENT TEAM: LEADERSHIP

The management team underwent effective expansion in 2021 in view of the stated growth ambitions. The team currently consists of:

-  Guy Herregodts Consulting BV, represented by Guy Herregodts, Chief Executive Officer
-  Edwin de Groot, Chief Financial Officer
-  Frank Verbinnen, Chief Technical Officer
-  Cédric Herregodts, Chief Commercial Officer
-  Christophe Jacobs, Chief Customer Success Officer
-  Yannick Mattheessens, Chief Marketing Officer





Guy Herregodts

Chief Executive Officer

Experience:

FLOWSPARKS: CEO since 2008

Various international Senior Executive positions including at Real Software (VP Sales & Marketing), Omega Pharma (VP OmegaSoft), Fase-IT (CEO), Cable & Wireless (VP Benelux), Online Internet (CEO), ADP Dealer Services (VP Benelux) and Turbodata (General Manager Benelux)

In an interview with the business magazine 'Trends', an article entitled 'We kannibaliseren onze eigen markt' (We cannibalize our own market) was published on October 18, 2018. (The full article can be found here: <https://go.flowsparks.com/trends-kanni-en>). Our financial results & KPIs today clearly show that at that time we made the right choice to cannibalize our former 'traditional e-Learning market'. In 2021, 54% of our total group sales is already recurring. The remaining 46% are additional support services that are directly related to these recurring **FLOWSPARKS** sales. In the current international crisis atmosphere (corona, war, inflation, etc.), we are also strongly armed and have our homework cut out in order to continue our growth story without any concern. It is clear that the increasing trend in recent years of the part of recurring sales in relation to the total group sales will continue in the coming years. This is not only through the growth of new customers and the expansion of existing customers, but also through efforts to further digitize our supporting additional services.

Many new customers joined us during 2021 and many existing customers have started to use our software solution even more intensively within their organization. We are also pleased that, as fervent **FLOWSPARKS** ambassadors, they spontaneously present themselves as speakers at (sometimes our own) events to convince their competing colleagues of our innovative product and our disruptive business model within the traditional e-Learning world.

With **FLOWSPARKS**, the customer takes control of the management. This flexibility, speed of production and autonomy are and remain unique in the world of classic e-Learning. With **FLOWSPARKS**, the time when e-Learning only depended on project-based delivery is a distant memory. Our SaaS solution is also not tied to a specific sector, activity or (learning) culture and can be deployed universally across a wide range of organizations, companies, departments, etc. globally.

FLOWSPARKS can also be used for the most diverse applications. Examples include digital learning questions about Sales & Marketing, Production, Safety, Compliance, etc.

The year 2021 is characterized by our accelerated roll-out of our scalability plan to accelerate growth and achieve our international global growth ambitions. We have strengthened our organization both in depth and in number of employees, and we will continue to further invest in this in 2022. We also continue to actively work on our innovative solution and provision of service, as is evident, among other things, from our ISO 27001 certification.

I would like to thank all customers, partners and employees for helping me realize my dream of 'It must become so simple that for a customer, every employee who can work with a smartphone or with Facebook can personally create high-quality e-Learning courses or digital training'.



Frank Verbinnen

Chief Technical Officer

Experience:

Various roles within **FLOWSPARKS** since 2013

Various international technology management positions including at Corilus Medical Software (R&D Manager) and Online Internet/Cable & Wireless (IT Manager Benelux)

2021 was a year full of emotions, positive energy, adrenaline and pride; the crowning glory of years of focus, professionalism and hard work.

FLOWSPARKS has been internationally recognized on several occasions as a world-class top product. From now on, the whole team realizes: **FLOWSPARKS** is a global product! We may, can and must believe it, we have developed a gem!

The year 2021 kicked off brilliantly with an event that makes me personally very proud: Atos, the global organization with more than 100,000 employees, selects **FLOWSPARKS** for functional, technical and innovative excellence to replace their Mc Graw Hill e-Learning platform. **FLOWSPARKS** clearly wins the battle with flying colors later on; both functionally and technically our product appears to be head and shoulders above the competition.

In May 2021 we hear that **FLOWSPARKS** officially meets the requirements of the European and International standard ISO/IEC 27001:2013 - EN ISO/IEC 27001:2017 for the setting up, implementation, maintenance and continuous improvement of an information security management system in the context of the organization for the design, development and support of a learning platform with an Authoring tool and a learning management system. Obtaining the ISO27001 certificate gives us confirmation of what we already secretly realize: we know what we are doing, this is our activity!

The recognition we received through winning the Comenius EduMedia Award (July 2021) and the Brandon Hall Gold Award for Best Advance in Content Authoring Technology (December 2021), is the icing on the cake. From now on, we are playing at the very highest level.

In 2021, these overwhelming successes have made our development team even more enthusiastic and tempted us to step up again to help **FLOWSPARKS** grow and excel even more as a product and therefore prepare it for the future.

A future full of technical and innovative challenges that we continually set ourselves. For example, the first foundations were laid to allow the product to follow the most recent technological innovations and to enable new integrations/functionalities such as automatic translations supported by artificial intelligence, preparations for an even more intuitive and intelligent UI experience, faster integration with 3rd party platforms, etc.

You've read it here: our technical plans for the future are rather challenging and spectacular, so a further expansion of our ever-expanding professional development team is more important than ever. 2022 here we come!



Edwin de Groot

Chief Financial Officer

Experience:

FLOWSPARKS: CFO since 2006

FSR: e-Learning business acquired by U&I-Learning in 2006, certified accountant and worked at PWC, KPMG and BDO Accountants

2021 for **FLOWSPARKS** was all about investing in growth. Both in quantity and quality. This is particularly characteristic of recruitment within the Sales, Marketing, Success Coaching and Software Development team, which has translated into an increase in personnel costs. These amount in 2021 to: €3,475,497. (2020: €3,037,544).

Logically, in addition to this focus on growth, **FLOWSPARKS** also continues to innovate. This mainly takes place in two areas, namely: Didactic innovation (including Learning Formats) and software innovation (participation in the development of the disruptive e-Learning platform **FLOWSPARKS** based on the most recent technologies). It remains the policy that the associated costs (in particular personnel costs) are processed in the year itself and not entered as research and development.

FLOWSPARKS, as a product, takes an ever greater share in the product portfolio. The share of license revenues in the total sales has grown to 54% of the total sales (2020: 48%).

The total sales in 2021 had a substantial growth of 17.8% and amount to €7,405,726. The (R)EBITDA margin in 2021 amounts to a healthy 23.1% (2020: 21.2%). It can be noticed that despite the investments, the company has been able to improve its margins. The recurring SaaS sales are the foundation of this.

If the recurring sales are divided over the months within the license periods, it can be stated that the month

of December 2021 shows 30% higher sales than the starting month of January 2021.

FLOWSPARKS shows impressive financial key indicators. In addition to the 23% (R)EBITDA, the consolidated solvency of 58.6% expresses the financial stability well. **FLOWSPARKS** has worked in recent years to pay off its financial debts. At the end of 2021, the interest-bearing debts amount to €620,000. The immediately available cash at bank and in hand has a balance of €2,906,749. This favorable liquid position is partly caused by the fact that the company notes a substantially negative working capital due to accurate and fast billing and intensive follow-up.

FLOWSPARKS works for a large diversity of customers from all kinds of branches. This results in a well-balanced customer base. In addition, we can conclude that the irrecoverability of our bills is virtually nil year on year.

In 2021, more than 580,000 users logged into the system. Together they have started more than 17.2 million learning activities and learned over 2.3 million hours in total! The use has increased by 50% compared to 2020.

All this results in 2021 in a good result and a healthy financial basis for further expansion in the future.



Cédric Herregodts

Chief Commercial Officer

Experience:

Various roles within **FLOWSPARKS** since 2012

Cantillana: International Product Manager

Ghent University: Master of Civil Engineering Business

System Technologies and Operational Research

In 2021, the focus was on making the sales organization more professional and scalable, both for direct and for indirect sales.

The ultimate goal was to set up a sales organization that can generate a predictable influx of new customers and can scale up quickly. An exercise that could only succeed if we dared to radically transform our existing sales organization.

Once we started to classify the sales process into successive stages of prospecting, closing and customer relationship management - where each stage presents specific challenges and therefore requires adjusted competences - it became even more important to have the right people in the right place.

Despite the current 'war for talent', we see that recruiting new sales profiles is now easier. While we used to need all-round sales, we can now search in a targeted manner for profiles with a specific focus. I am proud that we are also having Young Potentials join us, without (or with little) experience, and can guide them through their first experiences (prospecting and qualification) within sales. I am pleased to see even more of these young colleagues subsequently develop further within **FLOWSPARKS**.

The 'FLOW' in **FLOWSPARKS** stands for 'Flexible Learning in an Online World', but we also want flexibility to be central in the real world, including for our employees. Our membership at MeetDistrict offers our employees the opportunity to organize work better (close to home, close to public transport, etc.).

Partly as a result of this, we are no longer tied to a geographic region when recruiting and we reach more candidates, which means we can be more selective.

Our people are our greatest asset and we are happy to support them with the right tools. Looking to the future, we implemented Salesforce (1 CRM for all sales, in Belgium, the Netherlands and indirectly) and Outreach (sequencing tool for BDRs), among others. Both tools have been operational since May 2021.

We have already seen results at the end of 2021: **FLOWSPARKS** has now also been able to reach prospects (national & international) that previously seemed unreachable (for example Shoeby, Accent group, Soudal, iText Group, Itineris, Credendo, Ineos Styrolution, Univercells, etc.). Hopefully to be continued!

In short, 2021 was an exciting year for our sales organization. A year when I also learned a lot and gained many new experiences. Changes are not always easy and require a lot of energy. In addition, the Covid pandemic caused us to organize ourselves and our work differently. In the midst of all this, we have nevertheless succeeded in taking **FLOWSPARKS** to a higher level. I would therefore like to end with a word of thanks to our partners and colleagues and, of course, never to be forgotten, our customers: thank you for the trust, the pleasant collaboration and let's SPARK the future together!



Christophe Jacobs

Chief Customer Success Officer

Experience:

Various roles within **FLOWSPARKS** since 2011

Ghent University: Master of Education

Artevelde University College: Bachelor of Social Work

Over the past year, we have experienced again how much our customers value our problem-solving and pragmatic approach to support them in meeting their learning needs. This is due for a large part to the focused team of Customer Success Coaches and Project Creators in our organization. The willingness to really listen to our customers, our proactive mindset and our drive not to stop before we actually get there are part of a fundamental basic attitude that we value highly.

In 2021, we also succeeded in further refining our recruitment process for new Success Coaches. In view of the 'war for talent', we continue to invest in offering comprehensive on-the-job training to organically expand our pool of potential customer success coaches. We give people the opportunity to develop in the role of Customer Success Coach by first giving them extensive experience as a Project Creator before moving to Customer Success Coach. In this way, every new customer success coach brings a great deal of experience in his or her role that can be used to support our customers.

We also took successful initiatives to make the role of a Customer Success Coach more scalable:

1. We are proud of our newly developed 'basic course **FLOWSPARKS**': this lets new authors make their own authoring tool through independent study. This independent study course includes an in-depth look at the most important functions of our authoring tool, a step-by-step demonstration to put the tool into use

and useful tips and tricks for new authors. By eliminating these repetitive tasks from our coaches, they can focus even more on advising our customers regarding their learning challenges.

2. We have also developed a methodology for authors at our customers' locations so that they can structure the analysis phase of the development cycle for their new digital learning projects. For example, authors are more guided in creating new digital training courses and do not always have to rely on the expertise of a customer success coach to conduct an analysis. This means that more content can be created with less time in the development cycle, so that our coaches can make more use of their advice and feedback skills in this process.

3. We have formalized the process for functionally implementing a **FLOWSPARKS** portal. We have pooled the expertise and knowledge of all team members to define the most optimal way for our customers to work functionally with their **FLOWSPARKS** portal. This reduces time lost and frees up time to support more customers.

Together with my team, I look forward to helping more customers navigate the exciting world of **FLOWSPARKS**. All it takes is one SPARK...



Yannick Mattheessens

Chief Marketing Officer

Experience:

FLOWSPARKS: CMO since 2021

Lansweeper: Marketing Manager,

Artexis Easyfairs: Head of Digital Benelux

Plantijn University College of Antwerp: Bachelor in Communication

As a result of our successful rebranding, we continued to further market **FLOWSPARKS** in the market as an enterprise e-Learning software suite with supporting e-Learning services during 2021. After the launch of the new flowsparks.com website, we redirected the dated UNI Learning website page by page to the correct **FLOWSPARKS** pages. To say a final farewell to UNI-learning, we gave all the marketing material, and also the offices a makeover with **FLOWSPARKS** posters, cards, doormats, neon lighting, roll-up banners, beach flags, ballpoint pens, printing, etc.

Technological progress was central in 2021: we laid the foundations of a top-notch scalable marketing machine. The new website is linked to a state-of-the-art B2B marketing automation platform from Salesforce (Pardot). A score is calculated for a user's profile based on the interaction that he or she has with **FLOWSPARKS**. If this score is high enough and there are enough buying signals, the profile is forwarded to Salesforce where it can be contacted by one of our Account Executives. This way our sales get insight into how different people interact with the flowsparks.com website.

To boost growth, a SEO & Advertising Manager joined the marketing team. Due to the further optimization of the website and the launch of various online advertising campaigns, the number of website visitors has doubled and many interesting companies have already found the route to **FLOWSPARKS**.

2021 was also the year in which **FLOWSPARKS** received several awards: as Best Advance in Content Authoring Technology at Brandon Hall (USA), winner of a Comenius EduMedia Medal (Europe) and as 'Best HR Game Changer of the Year' at the HR Excellence Awards. These 3 awards are an important recognition for **FLOWSPARKS** as a software product on an international level.

EMPLOYEES

Belgium: Ghent – 29 employees at the end of 2021 (36 in the meantime)

The Netherlands: Eindhoven – 27 employees

At **FLOWSPARKS**, we believe in a culture of innovation, creativity and collaboration and have created an environment in which our people can develop. This culture is built into the structure of our company.

Over the past five years, we have turned our business model and operations into a true SaaS company and have moved away from the traditional e-Learning business model. At a time when COVID-19 has accelerated the digital shift, we already had the technology and organizational structure to offer our employees and customers stability, despite the uncertainty brought about by the pandemic.

The success of **FLOWSPARKS** is directly linked to our employees. From developers and vendors to coaches and administrative support staff, they make the difference. We therefore invest in targeted initiatives regarding the recruitment, retention, development and progress of talent within our workforce.

EXTENSIVE ON-BOARDING AND TRAINING

FLOWSPARKS is continuously looking for passionate, talented and innovative people who want to contribute to the success of tomorrow.

FLOWSPARKS applies an inclusive recruitment policy in this regard. All forms of discrimination are prohibited. Each job applicant undergoes the same assessment process, with capabilities and motivation being the most important criteria when deciding to hire someone. We also offer young talent the opportunity to gain initial work experience with us, with a view to further advancement in our company after some time.

Our comprehensive on-boarding program offers the best possible start for new people in their careers at **FLOWSPARKS**. To this end, we combine e-Learning modules with live training sessions and on-the-job training. We also offer our employees the opportunity to develop additional technical and professional skills by offering training courses.

MODERN FACILITIES FOR COLLABORATION

COVID-19 also provided a new way of working (and collaborating) within **FLOWSPARKS**, including an increase in working remotely. In doing so, our focus always remains on flexibility towards employees, without compromising the continuity of operations. This has enabled us to maintain productivity throughout the pandemic.

FLOWSPARKS aims to create an environment focused on learning, collaboration and innovation. To support this, we have continued to invest in our physical offices. For example, in April 2021 we relocated to MeetDistrict in the Ghelamco Arena in Ghent, an environment that reflects our progressive product and values. Both **FLOWSPARKS** and MeetDistrict operate with the aim of breaking through the standards of their own market. An area of overlap that immediately provided the right dynamic.

CORPORATE SOCIAL RESPONSIBILITY

As an international player, we recognize that we have a significant impact on individuals and society as a whole. We assume these responsibilities towards our stakeholders, among other things by focusing on the following points:

As employer:

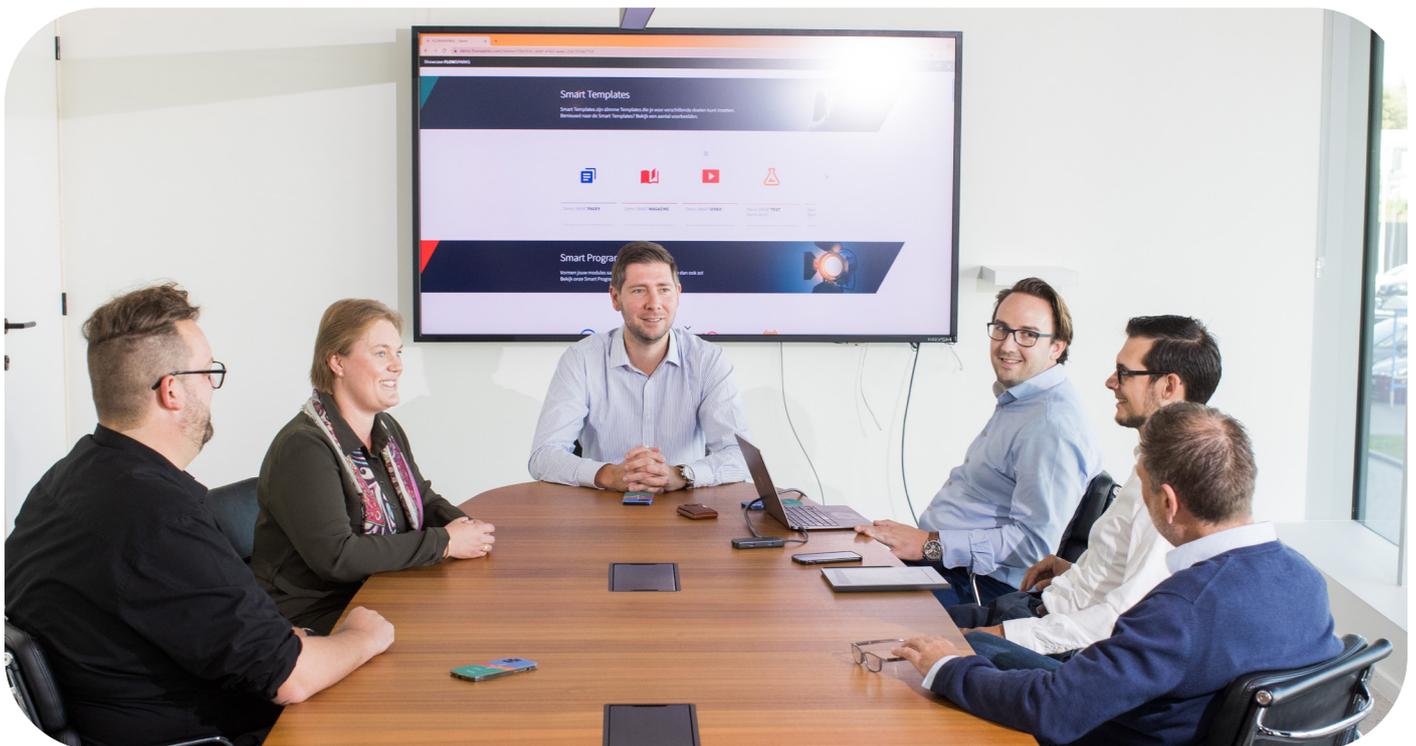
- the health, safety and well-being of our people;
- employee engagement and development;
- aiming for a diverse employee population and an inclusive workplace.

As a company:

- protecting the interests of stakeholders and creating long-term sustainable value;
- effective and transparent management, control and safeguarding of activities at all levels;
- ethical standards and sustainability throughout the company and our supply chain.

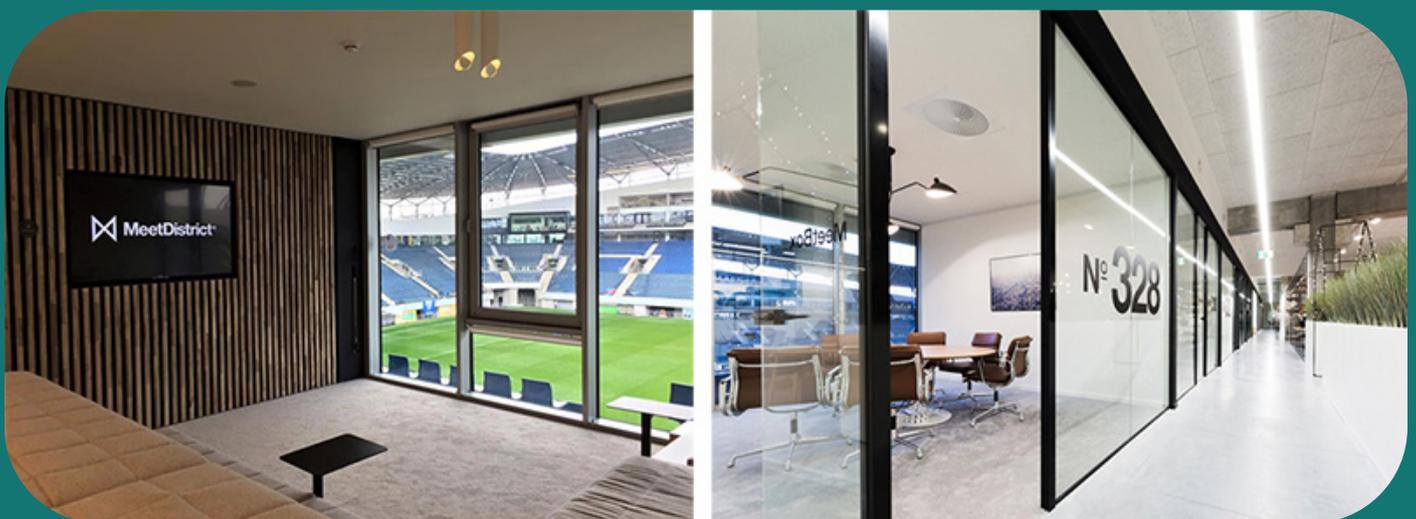
Towards the environment & our environment:

- increasing our insight into environmental and climate risks and opportunities;
- reducing business travel, and therefore reducing our emissions and carbon;
- measuring and reducing the impact of our supply chain; and embedding positive environmental behavior in our culture.



We took the following initiatives throughout 2021:

- Just before we relocated to the new **FLOWSPARKS** offices, we donated our entire office equipment and supplies to some local schools. For example, a load of supplies went to Mariakerke. From office chairs, cabinets, tables and ring binders to plates, cutlery and glasses. With a population of 750 students, all these things need speedy replacements. Some supplies went directly to the students. School supplies were made available to families on lower incomes, for example.
- The stock of ICT material was donated to schools in Wallonia.
- We deliberately chose a co-working space (in Ghent and Antwerp) that prioritizes sustainability. Our employees choose their own operating base and do not have to travel so far from home. The optimal accessibility by public transport was also an important factor in our choice of the current offices.
- If desired, our employees can work from home to achieve an optimal work-life balance.
- Since its inception, MeetDistrict has invested heavily in air quality. After all, clean air is essential for the physical and mental health of every employee. In addition to air quality, light, sound, relaxation and concentration possibilities contribute to a healthy working environment for our employees.
- In 2021 we started the greening of our vehicle fleet. For example, in the Netherlands we deployed 2 fully electric cars (which corresponds to 20% of the vehicle fleet) and 3 energy label-B cars that operate 10 to 20% more efficiently than an average car.
- To promote the 'paperless office' principle for our employees, we provided them with a Remarkable Tablet.
- We sponsored campaigns and healthy lifestyle groups, making us a proud partner in a youth basketball team in Bruges and we sponsored a young snowboard star who represented the Netherlands at international competitions. We also sponsored the complete cycling equipment for the charity cycling tour of the Dutch Police. (<http://blue4charity.nl/home>)
- The MS Liga was also able to count on our contribution. And during the pandemic, we gave big discounts to hospitals so that nurses could be trained more quickly (the Netherlands).





PART 2

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INFORMATION FOR THE STOCKHOLDER

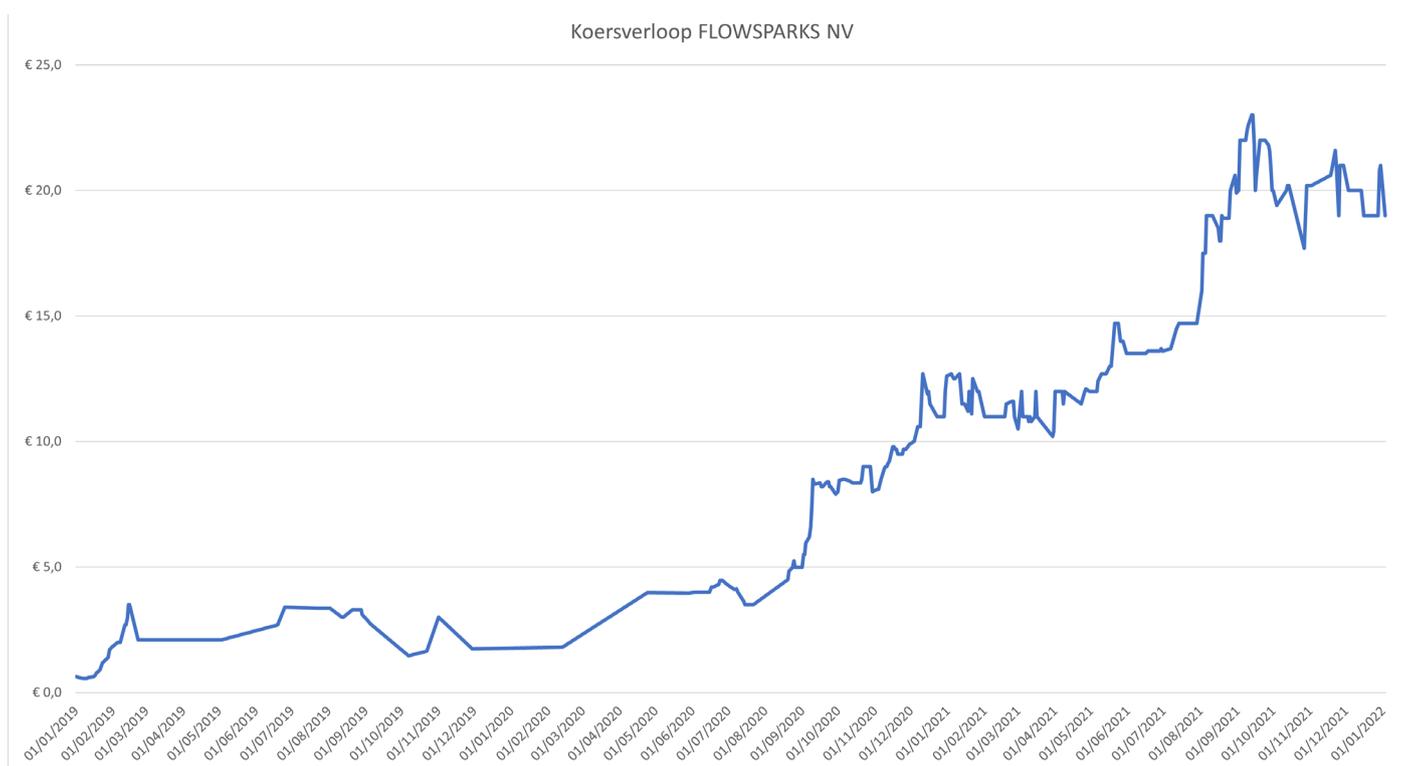
The **FLOWSPARKS** NV stock has been listed on the Free Market of Euronext Brussels since August 23, 2006.

FLOWSPARKS NV ON THE STOCK EXCHANGE

- ⚡ ISIN Code: BE0003847648
- ⚡ Symbol: UNI
- ⚡ Market segment: Euronext Brussels, Free Market
- ⚡ Date of introduction: August 23, 2006
- ⚡ Introduction price: EUR 6.50
- ⚡ Number of shares: 2,155,053

VALUE OF THE STOCK IN 2021

- ⚡ Highest price during the fiscal year: EUR 23.00
- ⚡ Lowest price during the fiscal year: EUR 10.20
- ⚡ Price on the last stock exchange day: EUR 20.80
- ⚡ Stock market capitalization on the last stock exchange day: **EUR 44,825,102**



CAPITAL

All stocks enjoy the same ownership rights.

The authorized capital stock is fully paid up.

INVESTOR RELATIONS

FLOWSPARKS NV is among the first Belgian companies listed on the Free Market of Euronext which was launched at the end of 2005.

The main purpose of this initiative was to create a platform to allow the financing of dynamic SMEs.

The person responsible for 'Investor Relations' and – as appropriate – the other members of the management are always available for supplementary information following the publication of press releases.

The annual report, the press releases and other information can be downloaded from our website: www.flowsparks.com

The annual report is also available at the company's registered office.

KPI

As part of our further professionalization, **FLOWSPARKS** also reports transparently in this report on a number of relevant key indicators.

ADDITIONAL INFORMATION

Edwin de Groot

CFO **FLOWSPARKS** NV

Tel.: +31 6 21 88 30 23

Email: investorrelations@flowsparks.com

DIVIDEND

The Board of Directors will propose to the General Meeting that no dividend be distributed for the 2021 financial year.

GOOD GOVERNANCE

FLOWSPARKS NV attaches great importance to providing clear information to its stakeholders (stockholders, partners, customers, suppliers, staff and other interested parties).

FLOWSPARKS NV is also a supporter of proper compliance with the so-called 'corporate governance' principles and applies these in its day-to-day decision-making process.

CONSOLIDATED FINANCIAL STATEMENTS

The **FLOWSPARKS** Group is not legally required to draw up and publish consolidated accounts. The consolidated accounts have been drawn up in accordance with the principles set out in the accompanying report of the company auditor.

All group companies balance their financial statements on December 31 of each year. The included consolidated accounts were drawn up on December 31, 2019, December 31, 2020 and December 31, 2021. FSR Beheer B.V. et al. are all 100% subsidiary companies.

The full consolidation method was applied.

The valuation rules applicable to the consolidated financial statements are the same as those applicable to the separate financial statements of **FLOWSPARKS** NV. With the exception of the valuation of the consolidation difference/goodwill. Here the philosophy of impairment is followed and therefore no systematic depreciation is applied in %.

An auditor's report was drawn up by Vandelanotte Bedrijfsrevisoren regarding the consolidated financial statements for 2021.

EXPLANATORY NOTES WITH THE CONSOLIDATED FINANCIAL STATEMENTS

The following discussion and analysis should be read together with the consolidated financial statements.

In 2020, the **FLOWSPARKS** Group realized a turnover (i.e. consolidated operating income) of EUR 6,281,633. In 2021, a turnover (i.e. consolidated operating income) of EUR 7,405,726 was achieved. This is an increase of 17.9% compared to 2020.

The increase is mainly attributable to the turnover for recurring **FLOWSPARKS** licenses.

In 2021, significant investments were made in premium software and tooling and its implementation. This is in the context of internationalization and the scalability exercise. The organization has thereby created a situation so that it can continue to grow in the future. The costs have certainly gone before the benefits here. In this light, the organization has also invested in professionalizing and expanding the workforce.

Due to this targeted recruitment and training of new employees within the framework of international growth and scalability (mainly within sales and support services), wage costs increased in absolute figures from EUR 3,037,544 in 2020 to EUR 3,475,497 in 2021.

Personnel costs amounted to 46.93% of consolidated operating income in 2021 and 48.36% of operating income in 2020. Here, the effect of the increasing recurring operating income is clearly observable because this is relatively less labor-intensive.

The **FLOWSPARKS** Group is pursuing an ongoing strategy of aligning its workforce with market demand and the associated volumes. The number of **FLOWSPARKS** employees increased to 56 employees in 2021 (to date +60 employees).

In 2021, the **FLOWSPARKS** Group achieved an operating result before depreciation, interest and income taxes (EBITDA) and after extraordinary income and expenses of EUR 1,707,668. This represents a significant rise compared to 2020, when the operating result before depreciation (EBITDA) and after extraordinary income and expenses was EUR 1,330,086. This increase was mainly due to the continued growth of recurring license sales, noting that, as written above, significant investments in scalability and international growth have also taken place this year.

The trade receivables increased from EUR 1,711,392 in 2020 to EUR 2,786,957 in 2021. The cause is the growth of the operating income and high billing in the last quarter of the year. The almost non-existent history of doubtful debts proves year after year the remarkable quality of the **FLOWSPARKS** Group's customer portfolio.

The trade payables decreased from EUR 304,752 in 2020 to EUR 263,021 in 2021.

The organization's policy is to bill licenses and projects as quickly as possible. Often per phase/milestone and, for smaller projects, as much as possible in advance. Consolidated, this leads to a negative net position of orders in progress of EUR 1,785,482.

These above-mentioned positions emphasize the organization's focus on working capital management and cash flow management.

At the end of the fiscal year, the financial debts consisted only of a current credit facility with KBC Bank. The available cash and cash equivalents exceeded this debt at year-end of 2021.

In 2021, cash and cash equivalents rose by EUR 266,808. This was also accompanied, in 2021, by a net fall in the financing debt of EUR 351,390. At the end of 2021, cash and cash equivalents amounted to EUR 2,906,749.

It can be concluded that the company realized a strong operational cash flow in 2021 and that it has strengthened its liquidity once again.

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019, 2020 AND 2021

EUR	2019	2020	2021
ACTIVA			
FIXED ASSETS	4.050.729	4.050.320	4.132.410
I. Foundation expenses	0	0	0
II. Intangible fixed assets	0	0	0
Consolidation difference/ goodwill	4.000.000	4.000.000	4.000.000
III. Tangible fixed assets	39.305	38.896	77.115
A. Land and building	0	0	0
B. Installation, machinery and equipment	35.415	36.365	74.221
C. Furniture	1.804	1.435	1.700
D. Leasing and similar rights	0	0	0
E. Other tangible assets	2.086	1.096	1.194
F. Assets under construction and advanced payments	0	0	0
IV. Financial fixed assets	11.424	11.424	55.295
CURRENT ASSETS	3.317.392	4.491.201	5.767.510
V. Receivables due after more than 1 year	0	0	0
VI. Stock and orders in progress	0	0	0
VII. Receivables due within 1 year	1.792.008	1.711.392	2.786.957
A. Trade receivables	1.792.008	1.711.392	2.786.957
B. Other receivables	0	0	0
VIII. Cash Investments	0	0	0
IX. Cash and cash equivalents	1.478.400	2.639.941	2.906.749
X. Accruals and deferrals	46.984	139.868	73.804
TOTAL ASSETS	7.368.121	8.541.521	9.899.920

EUR	2019	2020	2021
LIABILITIES			
EQUITY	3.686.099	4.766.269	6.095.815
I. Capital	1.507.645	1.507.645	1.507.645
A. Subscribed capital	1.507.645	1.507.645	1.507.645
B. Uncalled capital	0	0	0
II. Issue premiums	0	0	0
III. Revaluation reserves	0	0	0
IV. Reserves	92.972	136.979	150.765
V. Profit (Loss) carried forward	1.297.861	2.021.619	3.107.864
Profit (Loss) of third parties	0	0	0
Profit current financial year	787.621	1.100.026	1.329.541
Interest of third parties	0	0	0
VI. Capital grants	0	0	0
VII. Provision and deferred taxes	0	0	0
DEBTS	3.682.022	3.775.252	3.804.105
VIII. Debts payable after more than one year	860.000	620.000	380.000
A. Financial debts	860.000	620.000	380.000
B. Trade payables	0	0	0
C. Advance payments received on orders	0	0	0
D. Other debts	0	0	0
IX. Debts payable within one year	2.559.010	2.700.946	3.214.619
A. Debts > 1 year, due < 1 year	370.111	351.390	240.000
B. Financial debts	200.000	0	0
C. Trade payables	203.656	304.752	263.021
D. Advance payments received on orders	1.135.380	1.415.344	1.785.482
E. Taxes, Remuneration and social security debts	649.863	629.460	926.116
F. Other debts	0	0	0
X. Accruals and deferrals	263.012	454.306	209.486
TOTAL LIABILITIES	7.368.121	8.541.521	9.899.920

CONSOLIDATED INCOME STATEMENT FOR 2019, 2020 AND 2021

EUR	2019	2020	2021
I. Operating income	5.830.081	6.281.633	7.405.726
A. Turnover	5.967.016	6.549.335	7.773.863
B. Orders in progress increase (decrease)	-145.201	-279.964	-370.138
C. Produced fixed assets	0	0	0
D. Other operational income	8.266	12.262	2.001
II. Operating costs	-4.803.239	-4.968.781	-5.724.373
A. Trade goods, raw material and consumables	-249.733	-223.477	-368.872
B. Services and miscellaneous goods	-1.407.813	-1.693.342	-1.858.358
C. Remuneration, social security charges and pensions	-3.128.037	-3.037.544	-3.475.497
D. R&D grants	5.673	2.816	3.607
E. Depreciation and impairment on fixed assets	-23.329	-17.234	-20.253
Intangible - Tangible	-23.329	-17.234	-20.253
Depreciation goodwill	0	0	0
F. Impairment on stock & trade receivables	0	0	-5.000
G. Provision for risks and charges	0	0	0
H. Other operating costs	0	0	0
III. Operating result	1.026.842	1.312.852	1.681.353
IV. Financial income	81	20.052	304
V. Financial charges	-96.444	-30.535	-28.452
VI. Result from ordinary business activities	930.479	1.302.369	1.653.205
VII. Extraordinary income	1.655	0	7.008
VIII. Extraordinary costs	-11.013	0	-946
Other extraordinary costs	-11.013	0	-946
Impairment on inventory and orders in progress	0	0	0
Impairment on depreciation goodwill	0	0	0
IX. Result for the financial year before taxes	921.121	1.302.369	1.659.267
X. Income taxes	-133.500	-202.343	-329.726
XI. Net result for the financial year	787.621	1.100.026	1.329.541

CONSOLIDATED ASSETS FLOW TABLE FOR 2019, 2020 AND 2021

EUR	2019	2020	2021
NET CASH FLOW			
Net result for the financial year	787.621	1.100.026	1.329.541
Depreciation and impairment on fixed assets	23.329	17.234	20.253
Correction depreciation on goodwill	0	0	0
Impairment on stock & trade receivables	0	0	0
Provision for risk and charges	0	0	0
Cashflow (a)	810.950	1.117.260	1.349.794
CHANGES IN OPERATING CAPITAL			
Changes in current assets (*)	-63.625	12.268	1.009.501
Receivables due after more than 1 year	0	0	0
Stock and orders in progress	0	0	0
Receivables due within 1 year	-71.367	-80.616	1.075.565
Cash investments	0	0	0
Accruals and deferrals	7.742	92.884	-66.064
Changes in short-term debts (#)	-80.608	551.951	380.243
Trade payables	-131.462	101.096	-41.731
Advanced payments received on orders	145.199	279.964	370.138
Taxes, Remuneration and social security debts	-34.225	-20.403	296.656
Other debts	0	0	0
Accruals and deferrals	-60.120	191.294	-244.820
Changes in operating capital = (*) - (#) = (b)	16.983	-539.683	629.258
Net investments in intangible fixed assets	0	0	0
Net investments in tangible fixed assets	21.571	16.825	58.472
Net investments in goodwill	0	0	0
Net investments in financial fixed assets	4.687	0	43.866
Assets in acquired subsidiaries	0	0	0
Net investments in fixed assets (c)	26.258	16.825	102.338
Change in equity/ issue premiums	0	-19.856	0
Capital increase/ conversion	200.004	0	0
New loans/ loan extensions	1.365.000	155.000	0
Repayment of loans	-2.326.214	-413.721	-351.390
Cash credits straight loans	0	-200.000	0
Paid dividend FSR beheer BV/share third parties	0	0	0
Changes in financing (d)	-761.210	-478.577	-351.390
Opening cash (f)	1.471.901	1.478.400	2.639.941
Change in liquid assets = (a) - (b) - (c) + (d) = (e)	6.499	1.161.541	266.808
Closing cash = (e) + (f)	1.478.400	2.639.941	2.906.749

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated subsidiary companies

EUR	2019	2020	2021
Name	U&I LEARNING BV	U&I LEARNING BV	U&I LEARNING BV
Method used	full consolidation	full consolidation	full consolidation
% of capital owned	100%	liquidation	liquidation
Name	FSR Beheer BV c.s.	FSR Beheer BV c.s.	FSR Beheer BV c.s.
Method used	full consolidation	full consolidation	full consolidation
% of capital owned	100%	100%	100%

AUDITOR'S REPORT TO THE GENERAL MEETING OF STOCKHOLDERS OF FLOWSPARKS NV

AUDITOR'S REPORT TO THE GENERAL MEETING
OF THE COMPANY
FLOWSPARKS NV
OTTERGEMSESTEENWEG-ZUID 808 BUS B545
9000 GHENT
COMPANY NUMBER 0460.563.918

ABOUT THE FINANCIAL STATEMENT OF THE FISCAL YEAR CLOSED ON DECEMBER 31, 2021

We have audited the accompanying consolidated internal annual accounts of **FLOWSPARKS NV**, which consist of a balance sheet, income statement and capital flows statement for the financial years closed on 12/31/2019, 12/31/2020 and 12/31/2021, as well as a summary of a number of significant accounting principles used for the financial reporting and a number of other explanatory notes (together "the financial statement").

Since there is no statutory consolidation obligation, this financial statement is not presented in the statutory form as provided for in the Royal Decree of April 29, 2019 implementing the Companies and Associations Code, but in its own presentation. This own presentation incorporates a number of specific valuation and presentation principles that are included in the explanatory notes with the consolidated internal financial statements.

This financial statement is part of an activities and financial report for the fiscal year 2021 that is made public.

RESPONSIBILITY OF THE ADMINISTRATIVE BODY FOR THE FINANCIAL STATEMENT

The administrative body is responsible for the drawing up and the faithful representation of this financial statement in accordance with the requirements of the financial reporting system which are relevant for the drawing up of such a financial statement, as well as for implementing such internal control that the administrative body deems necessary to enable the drawing up of the financial statement that is free from material inaccuracies resulting from fraud or errors.

RESPONSIBILITY OF THE AUDITOR

It is our responsibility to express an opinion regarding the financial statement on the basis of our audit. We conducted our audit in accordance with international auditing standards. Those standards require that we comply with ethical regulations and that we plan and conduct the audit in order to obtain reasonable certainty regarding the question of whether the financial statement does not contain material inaccuracies.

An audit consists of the work to obtain audit evidence with regard to the amounts included in the financial statement and the explanatory notes. The procedures selected depend on the auditor's judgment, including his assessment of the risks of material misstatement in the financial statement whether due to fraud or error.

In making those risk assessments, the auditor focuses on the setting up of auditing activities, which are suitable under the given circumstances, but which are not focused on expressing an opinion regarding the effectiveness of the internal control of the entity, the auditor takes the internal control into consideration, which is relevant to the drawing

up and faithful representation by the entity of the financial statement. An audit also includes an evaluation of the suitability of the principles used for the financial reporting and of the reasonableness of the estimates made by the management, if any, as well as an evaluation of the entire presentation of the financial statement.

We believe that the audit evidence that we obtained is sufficient and suitable to provide the basis for our audit opinion.

OPINION

In our opinion, the financial statement provides a faithful representation, in all material respects, of the financial position of the **FLOWSPARKS** group as at December 31, 2021, in accordance with those requirements of the financial reporting system which are relevant for the drawing up of such a financial statement.

Kortrijk, May 10, 2022

Vandelanotte Bedrijfsrevisoren CVBA

Statutory auditor

Represented by

Nikolas Vandelanotte

Company auditor



Ghent, HQ

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