

# 2022

Annual report

**FLEXIBLE  
LEARNING  
IN AN  
ONLINE  
WORLD**



**FLOW** SPARKS®

# IN BRIEF

8.5

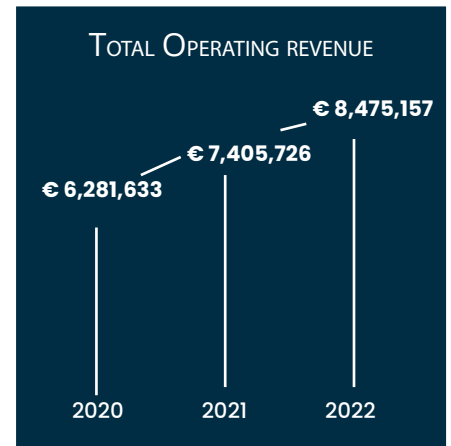
mill  
Total operating  
revenue

22.5

percent  
EBITDA

58.4

percent  
Revenue from SaaS  
Licenses vs. total  
operating  
revenue



## ABOUT FLOWSPARKS

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

**FLOWSPARKS** is a flexible learning platform that includes both an Authoring Tool and a LMS (Learning Management System). This allows us to offer our customers flexibility and autonomy in 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 provides users with all the necessary elements for creating interactive digital training courses. The authoring tool is filled with so-called Learning Formats, Smart Templates, and Smart Programs. These are predefined templates that support users with the didactic, graphical and technical aspects of building online training courses. For every possible learning objective, one of these templates offers the perfect solution. **FLOWSPARKS** also contains all LMS functionalities that are focused on the distribution, reporting and general management of users.

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

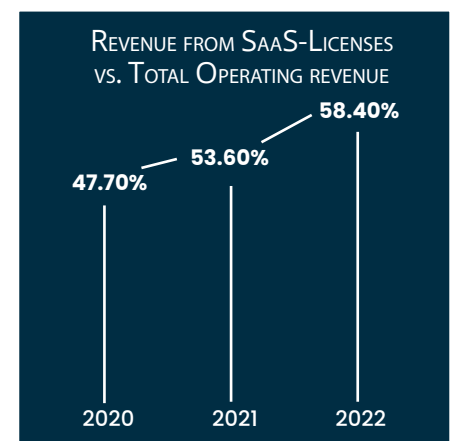
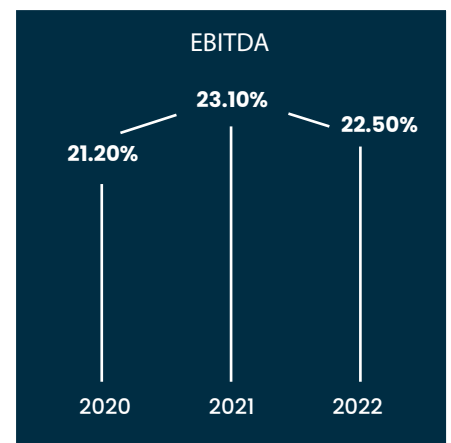
We operate internationally from our headquarters in Ghent (Belgium) our offices in Antwerp (Belgium) and Eindhoven (the Netherlands).

[www.flowsparks.com](http://www.flowsparks.com)

HEADQUARTERS: GHENT, BELGIUM

NUMBER OF EMPLOYEES: 60 (as at 31/12/2022)

STOCK MARKET: EURONEXT BRUSSELS





# **PART 1**

## **TABLE OF CONTENTS:**

- 4 A WORD FROM THE CHAIRMAN**
- 6 BUSINESS HIGHLIGHTS 2022**
- 7 BUSINESS CONCEPT & STRATEGY**
- 9 VISION & MISSION**
- 11 OUR GLOBAL SAAS LEARNING SOLUTION**
- 14 OUR USPS**
- 15 UNIQUE MARKET POSITION**
- 17 WHY CUSTOMERS CHOOSE US**
- 20 FEEL THE SPARK**
- 24 SAAS KEY FIGURES**
- 28 MEET THE FLOWSPARKS FAMILY**

# A WORD FROM THE CHAIRMAN

**FLOWSPARKS** has never been in better shape.

Our SaaS solution is being rolled out internationally in new regions. There is a strong focus on the commercial and product-related expansion of our company and our cash flow is still growing. Our capital structure remains rock solid. We can therefore present this annual report to our customers, employees and stockholders with our heads held high.

The strategy of **FLOWSPARKS** is bearing fruit.

Over the past few years, we have been able to sort out the scalability of our organization. In 2022, the greatest efforts went into the accelerated international roll out of our product. In addition to Europe, we are now focusing on the UK and the US. The strengthening of our internationally and digitally supported sales team and the expansion of a high-quality partner network are central to this. This takes time, effort and sometimes a defocus from short-term growth, but we are beginning to reap the benefits. After the Benelux, Germany, Switzerland and France, our first large customers in Scandinavia are operational. Through our partner network, we have realized the first sales successes in England and the United States. In the meantime **FLOWSPARKS** has 742,000 users in 159 countries.



Why this international interest in our company? **FLOWSPARKS** focuses on larger or multinational companies and organizations that want to target a wide range of employees and users in their own company-specific way. In a fast, digitalizing corporate environment where distributed work is becoming the norm, all organizations face a similar challenge: safeguarding knowledge and competences, propagating a connecting corporate culture, the need for company-specific talent development processes, etc. **FLOWSPARKS** offers the perfect answer to this, because the content expert can build his or her own knowledge transfer.

Every day, our customers see that we listen to their feedback and that we continue to actively invest in our product. Our **FLOWSPARKS** product is continuously being enriched whereby AI (artificial intelligence) is certainly in the picture. In 2022, **FLOWSPARKS** realized a seamless integration with the translation robots DeepL and Google Translate, so that e-Learning can be translated into as many languages as required on the platform, at the touch of a button. Among other things, work is also being done on an AI-driven 'asset library'. We want to be technologically ahead of the field, however the basic philosophy of **FLOWSPARKS** always remains central: 'everyone must be able to create e-Learning'.

All this taken together makes our market position unique. The success that we once again enjoyed in 2022 confirms this.

Recurring operating revenue grew by 27%. License revenues for existing customers grew by 8%, while new customers accounted for an 18.5% growth in license revenues. We thank all our customers for the trust that they place in us. Without them, our organization was not the vibrant community it is today.

Of course, this vibrant community also has everything to do with the more than 60 enthusiastic employees who are the daily face of **FLOWSPARKS**. All our colleagues share expertise and passion together with a healthy dose of joie de vivre. Knowledge transfer cannot take place without generosity and warmth. Our partners should also be mentioned here. They too share that DNA. I thank them all for their day-to-day commitment and ambition to work with us on this human growth story.

Finally, what also characterizes **FLOWSPARKS** as a fast-growing SaaS company are our financial parameters. I invite you to take note of our consolidated figures. Strong growth in recurring operating revenues and continued investment has not prevented us from closing 2022 with an EBITDA margin of 22.5%. Our cash generation and the strong levels of solvency and liquidity are important guarantees which mean that customers, employees and stockholders alike can step into our story with confidence.

What are the expectations for the current year? Despite the slowing economy, we face 2023 with confidence. We expect a more than 30% growth in recurring operating revenue. This year we should exceed the ten million euro revenue mark. We continue to focus actively on new investments in people and resources in order to build a sustainable and exponential growth story. Our (R)EBITDA margin should however remain above 15%.

On behalf of the Board of Directors and the management, I would like to thank you once again for your active involvement in our exciting and successful **FLOWSPARKS** adventure.

**PAUL DE SCHRIJVER**  
**CHAIRMAN OF THE BOARD OF DIRECTORS**

# BUSINESS HIGHLIGHTS 2022

**FLOWSPARKS** takes big steps in 2022 towards further internationalization. Following the successful launch of the **FLOWSPARKS Suite** in the Netherlands and Germany, and other countries, we have broadened our horizons and are active in the UK, US, South Africa and the Nordics, among others.

## January

The year begins with the welcoming of some new **FLOWSPARKS** customers: Dé Nova, Trixxo and t'Veer.

## February

Nationale Politie Nederland becomes a customer of **FLOWSPARKS**.

## March

Start of international partnership with GuyKat (US/UK).

We welcome Shoeby, VDR Fashion Group, Psyche, Newco, KNRB and iText as new customers.

## April

The **FLOWSPARKS** family expands with, among others: Univercells, Trivium Packaging, Soudal and Johnson & Johnson as new customers.

With a barista stand, we play to our strengths at the VOV fair in Mechelen and give visitors a taste of what e-Learning can mean for their organization.

We take part in the Voka Innovation Playground.

## May

The month of May is dedicated to events. With GuyKat, we are going to Learning Technologies in London.

The Belgian **DegustatieDag** is a fact. Arvesta and Etex come to speak at the Bonneterie in Aalst.

We visit ATD Orlando in the US to conclude potential US partnerships.

In the Netherlands, we run a 'Design Thinking' workshop for a Dutch professional association for Learning & Development Professionals: Develhub.

We had a stand at the HR Innov & Tech Day. In Germany, we participate in Learntec with our partner Mauth.CC.

Groep Maatwerk, Optima T, VECTOR Partners, Louis Widmer and Credendo sign up as new customers.

## June

We host an international webinar with our customers Bridgestone and Atos.

In the Netherlands, our Customer Success Coaches organize the 'Get In The Flow VIP event'. A physical event together with a livestream of our international webinar.

We close June in the Dutch city of Den Bosch with a stand at the Annual Congress for Industrial Safety.

CNUE, Itineris, CEBAM, Dstny, Accent Group and Hessing Supervers become customers.

## July & August

The integration of translation robots DeepL and Google Translate is a fact! At the touch of a button, the **FLOWSPARKS** authors can easily and immediately translate their e-Learning in the platform.

## September

We sponsor Blue For Charity, a bike ride organized by our customer Nationale Politie Nederland, with **FLOWSPARKS** cycling outfits and polo shirts. The proceeds from the bike ride go to the Wensambulance Foundation.

The next Belgian **DegustatieDag** takes place at Brewery Haeseveld with Scottish keynote speaker Keith Quinn (Digital Learning Design & L&D Consultant) and guest speakers Luminus and Mensura.

We also welcome new customers: Hamilton Bright Training, Skill-full and Ineos O&P.

## October

In October, **FLOWSPARKS** is back in the awards. We scoop the 'Fall G2 Leader Badges' in the 'Course Authoring Software' category.

The first Dutch 'A Taste of Learning' takes place at the training facilities of our customer PSV Eindhoven, who also acts as guest speaker together with Praxis.

We conclude a new partnership with Ceed Learning (South Africa).

**FLOWSPARKS** has a stand at DevLearn in Las Vegas together with partner GuyKat.

We open our second office in Belgium in MeetDistrict Antwerp and welcome Telenet, AHOLD Delhaize, House of HR and CRAS, among others, as new customers.

## November

Some new names are added to the customer file: Sweco, Abbott Diagnostics, JSR Micro, Vibe Group Netherlands, XXL All Sports United and Varo.

We conclude a partnership with Cornerstone and visit the Cornerstone Partner Summit in London.

In the Netherlands, we organize a webinar for HR Tech Review.

## December

In December we are prizewinners again. **FLOWSPARKS** wins the 'Winter Leader Badge' at G2 for Course Authoring Software. On top of that, we receive a nomination for the Belgian Channel Awards for 'Most Innovative Vendor'.

We also launch our own awards. For the first time our Belgian customers can nominate themselves for the **FLOWSPARKS** Awards.

We close the year with Gorilla, Securitas, Pfizer, VDL Roeselare, AGC Automotive, Zoetis, Grant Thornton as new **FLOWSPARKS** customers.

next»  
learning

DEGUSTATIEDAG

Get in the  
FLOW VIP develhub

learning  
technologies

LEARNTEC

atd22  
ORLANDO  
MAY 15-18

JAARCONGRES  
INDUSTRIËLE  
VEILIGHEID

DEGUSTATIEDAG

A Taste of Learning

DL

cornerstone

HR innov & tech day 2022

April

May

June

September

October

November

# BUSINESS CONCEPT & STRATEGY

## FLEXIBLE LEARNING IN AN ONLINE WORLD

Discover the boundless possibilities of flexible learning with **FLOWSPARKS**. As pioneer in the area of online e-Learning solutions, we offer the innovative SaaS platform **FLOWSPARKS**. What is this? First of all, it is a powerful, didactically underpinned authoring tool that gives our customers the freedom and flexibility to work independently with the best technology. Furthermore, **FLOWSPARKS** includes a flexible Learning Management System (LMS) for the distribution, reporting and administration of e-Learning. But that is just the beginning of what we have to offer.

In a time when in general service provision is increasingly being withdrawn, we at **FLOWSPARKS** remain committed to providing excellent service. Our Customer Success Coaches are always there, to guide and support customers at every step. With our didactically based Smart Templates, Learning Formats and Smart Programs, together with countless integrations and links, we enable each company to develop multilingual state-of-the-art e-Learning that looks just as good on every device.

At **FLOWSPARKS** we believe that learning does not have to be limited by borders or devices. With our solution, everyone can learn in a flexible manner, wherever and whenever they want to. Join the **FLOWSPARKS** family and discover the freedom to learn in today's digital world.

## A SAAS-FIRST ORGANIZATION

We transformed into a SaaS (Software as a Service) company by focusing on the development of a software solution that can be used on any device, anywhere, at any time. Our goal is to make **FLOWSPARKS** a digital e-Learning platform that constantly evolves and responds to the needs of our customers, now and in the future.

Over the past six years, we have seen this strategy endorsed by the large number of prospects and existing customers who have switched from traditional services to our **FLOWSPARKS** solution. In 2022, we achieved 58.4% of our revenue from SaaS licenses. An increase compared to 2021 (53.6%). We also expect this upward trend to continue in the years to come.

With this shift, we also created the space for our experts to focus even more on the further development and improvement of our successful product so that we can continue to be the front runner in the market tomorrow.

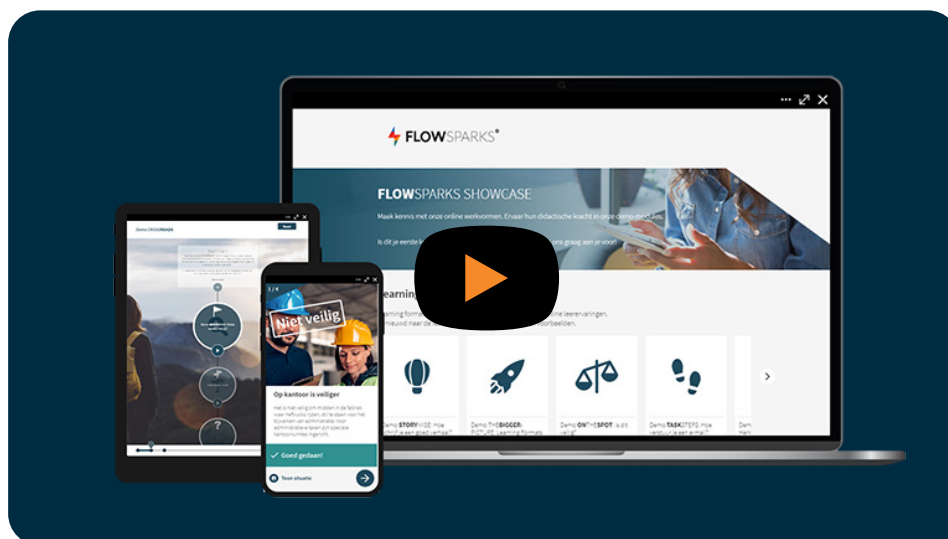


## FLOWSPARKS: THE NEW STANDARD IN E-LEARNING

Since January 2021, **FLOWSPARKS** has focused fully on the international marketing of the flexible digital learning suite and e-Learning services, and this has paid off. After Germany, we have also entered into partnerships in the United Kingdom, the United States, South Africa and the Nordics. In doing so, we remain committed to delivering high quality e-Learning solutions and premium support to our customers all over the world.

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

Watch an introduction video about **FLOWSPARKS** [here](https://bit.ly/35sOBB9):  
(<https://bit.ly/35sOBB9>)





# VISION & MISSION

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

Making life simpler for our customers is the central idea at **FLOWSPARKS**. After all, 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. In contrast to the general trend among digital businesses that are reducing their service provision, we are committed to supporting our customers in their e-Learning development. Our Customer Success Coaches play an important role in this.

Companies deserve full flexibility and autonomy in creating and sharing knowledge, information and interaction with their employees. **FLOWSPARKS** therefore helps in the realization of a high-quality and rapid digital transformation. As a SaaS company, we also deliver our high-performance software in a secure manner. This ensures that our customers do not have to worry about keeping their own software and/or IT infrastructure up and running or updated.



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

**Courage:** We disrupt the digital learning market by offering companies flexibility and autonomy in e-learning creation instead of keeping this privilege to ourselves. We see this as the future and very much desired in the world of digitalization.



**Humanity:** By offering easy-to-use software, we want our users to feel proud and satisfied. We give them the possibility to develop attractive digital training courses without having to know the didactics themselves. That is how we take a load off their shoulders.



**Quality:** To help make our customers Learning & Development heroes, we have put together 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 guide where necessary. Together with our partners, we create the best learning paths for every need.



**Ambition:** We have a strong desire to improve and to this end we strive to deliver the best solutions for our customers. We insist on constantly renewing our software and services in accordance with the (new) requirements of the market.



**Elasticity:** With a flat internal company structure, there is an elastic collaboration between colleagues, which allows us to change gear quickly and flexibly. Moreover, a sense of responsibility of the employees is paramount because we believe that internal autonomy also gives strength.



**Personal service:** Supporting our customers is very important to us. This is why we are bucking the general trend among our competitor's to 'withdraw services' by, among other things, deploying our Customer Success Coaches to support the development of e-Learning for our customers. Our Customer Success Coaches are the driving force behind our support model.



# OUR GLOBAL SAAS LEARNING SOLUTION

## GET ACQUAINTED WITH THE FLOWSPARKS SUITE

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

The **FLOWSPARKS** Group has years of experience in developing digital learning modules. This vision has led to the creation of a fully-fledged **FLOWSPARKS** Suite. 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 tools you need to create an optimal digital learning experience. Or choose FastPass for those who are looking for a smooth registration of visitors or other special target groups. Furthermore, we guarantee optimal support for every customer.

## FLOWSPARKS AUTHORIZING TOOL

The Authoring Tool is the heart of **FLOWSPARKS** and provides users with all the means necessary to create highly effective digital training. This is done using 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 think about the didactic or technical aspects. Moreover, everything looks perfect graphically on every device.

In the Authoring tool you have:

- **Learning Formats**

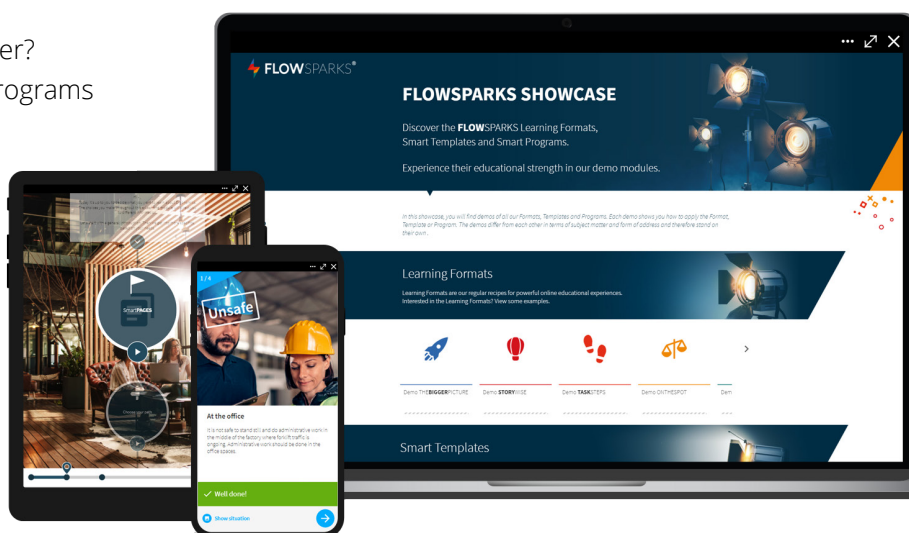
Learning Formats are our fixed recipes for powerful e-Learning. A Learning Format focuses on one work form with a specific didactic approach, a purposeful application and a fixed structure. The use of a Learning Format ensures focus, perception and learning efficiency. Thanks to our many years of experience in developing e-Learning, we know exactly which work forms and designs work best online. This experience can be seen in the Learning Formats.

- **Smart Templates**

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

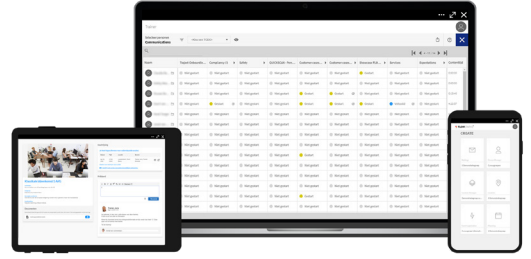
- **Smart Programs**

Is your e-Learning part of something bigger?  
Then present it in that way. With Smart Programs combine your Learning Formats and Smart Templates or existing SCORM modules into a fully fledged online program. Add videos, reference works and/or a certificate to make your program complete.



## FLOWSPARKS LMS

The distributing, reporting and administration of your digital modules is done via the Learning Management System (LMS). The **FLOWSPARKS** LMS is intuitive and user-friendly, with clear tracking and reporting functionalities. The LMS gives you access to an incredible amount of data that provides more insight into the progress of the team. We guarantee and realize the connectivity of our Authoring Tool with our **FLOWSPARKS-LMS** and various other LMS systems, in accordance with the standards.



## FLOWSPARKS FASTPASS

With FastPass, we offer a solution where the complexity of an LMS is not necessary or when no LMS is available for the target group.

For access to the site of an organization, visitors are sometimes required to be aware of specific safety measures, the building floor plan or other directives. When individuals or large groups show up at the entrance, a rapid registration and consumption of the required module is assured. And in sectors like the chemical industry or manufacturing, you often need to have evidence that each visitor or contractor has acquainted themselves with the site regulations. Thanks to **FLOWSPARKS** FastPass, visitors can read the safety regulations on their telephone, enter their details and not waste time creating a profile. It automatically generates a log as the evidence.

Not all employees, let alone visitors, have a business e-mail address or a device. By choosing alternative methods of registration, they can still have access to e-learning content. Use a personnel number, license plate, company name or define some other data so that people can register themselves quickly and easily.

## SERVICES FOR E-LEARNING

In addition to offering the **FLOWSPARKS** Suite, we guarantee an excellent service in the design and development of e-Learning and anyone can come to us for advice on digital learning. With this guarantee, we have chosen strategically to go against the generally prevailing trend in recent years of **'withdrawing services'**. A customer, whether it wants to work independently or prefers to rely on our expertise, can come to us with any digital learning challenge.

Thanks to our proactive and flexible approach, our customers no longer perceive us as just a supplier, but rather as a real partner and facilitator of their autonomy in the development of digital learning content. Thanks to our own software platform, we can also achieve higher efficiency here within our own e-Learning development team.

- **Development of digital learning paths**

We offer our customers the opportunity to develop their digital learning path together with our seasoned e-Learning professionals. Our service is flexible and we always look for a match that conforms to the expectations of our customer. For example, some customers opt for total outsourcing where our **FLOWSPARKS** professionals work out everything down to the last detail. Others choose to develop as much as possible themselves in the **FLOWSPARKS** Suite and rely solely on our professional feedback.

Most customers opt for something in between a co-creation approach. Together with the customer, we form a project team where the emphasis is not only on striving to develop an impactful end product. Sharing knowledge and insights about 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 opts for the **FLOWSPARKS** Suite, it is 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 finer points about designing and developing digital learning materials, but also brings a great deal of functional and technical expertise about the **FLOWSPARKS** Suite with him or her. Thanks to the many 'best practices', this Customer Success Coach is also the ideal ally in getting the **FLOWSPARKS** Suite up and running within the organization as quickly as possible.

At the start of the accompaniment phase, the needs of each customer are paramount and the Customer Success Coaches act flexibly so that a personalized approach is possible. Thanks to the experience they possess, they are able to quickly familiarize themselves with the existing structures, systems and learning culture of the customer. Thus, the advice and consultancy provided by each Customer Success Coach is purposeful. They facilitate the customer in making optimum use of the **FLOWSPARKS** Suite. The support of our Customer Success Coaches also answers the learning needs and independence of the organization so that the building of the training phases can be accelerated.

They accompany the customer throughout their entire phase, guiding the technical implementation, training the authors and remaining on standby to offer project-based support when this is 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 whereby we support our customers in integrating our tool flawlessly on other platforms or company-specific systems. Furthermore, each user can make use of the extended help function in the tool itself (built-in manuals) at any time. And if the participant still cannot figure things out, further assistance is available via the helpdesk. The efficient ticketing system ensures that all questions are handled with the correct priority and that more complex questions are directed to the customer's Customer Success Coach. He or she, with their knowledge of the customer context, can take the request for help further.

- **Digitalization of basic questions**

Employees are mobile. Unfortunately for our customers, this means that with the departure of an employee a great deal of knowledge about the use of **FLOWSPARKS** is also lost. In the past, this meant that our coaches had to return to train the concepts again via a workshop. To help resolve this problem, in 2021, we created a digital basic training course so that new authors can learn to master our Authoring Tool via self-study. This self-study course includes an in-depth look at the main functions of our Authoring Tool, a step-by-step demonstration in order to be able put the tool into use and some useful tips and tricks for new authors.

(Of course, this course was created entirely with **FLOWSPARKS** Templates, in particular with **TASKSTEPS**, a format that is perfect for explaining software.) Because these repetitive tasks are no longer activities for our coaches, they can focus even more on advising our customers on 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 around e-Learning and digital training. For the first time in the world of e-Learning development, the customer takes control. A progressive vision that rivals, even today, do not dare to venture towards.

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

Other factors that differentiate us from the competition:

## Time saving and fast

Everything happens online. The development and learning environment for author and user is available everywhere and at all times. Save time creating digital modules, work together more easily and give access to new employees in just a few clicks.



## Anyone can develop e-Learning

Employees go from passive users to active contributors to knowledge exchange within their organization. By placing employees at the wheel of e-Learning creation, you also encourage engagement and loyalty.

## Built-in didactic templates

The brains of the didactician are 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 an online module that achieves the proposed learning objective, is responsive and technically underpinned.



## Integrations

Simple connection to various systems such as webshops, 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.

## Multilingualism as it should be

**FLOWSPARKS** offers several options for translations. You can now rely on automatic translations by connecting to a DeepL API account or by using Google's Translation AI (e.g. Google Translate).

## Adaptive design, perfect on any device

Intuitive and responsive design for both authors and end users. In this way, we guarantee an optimal user experience and consistency in look and feel on every device.

## Personal support

Our Success Coaches are the driving force behind the support model of **FLOWSPARKS**. This is reflected in the G2 badges that we have been awarded, including those for Best Support and Easiest To Do Business With.

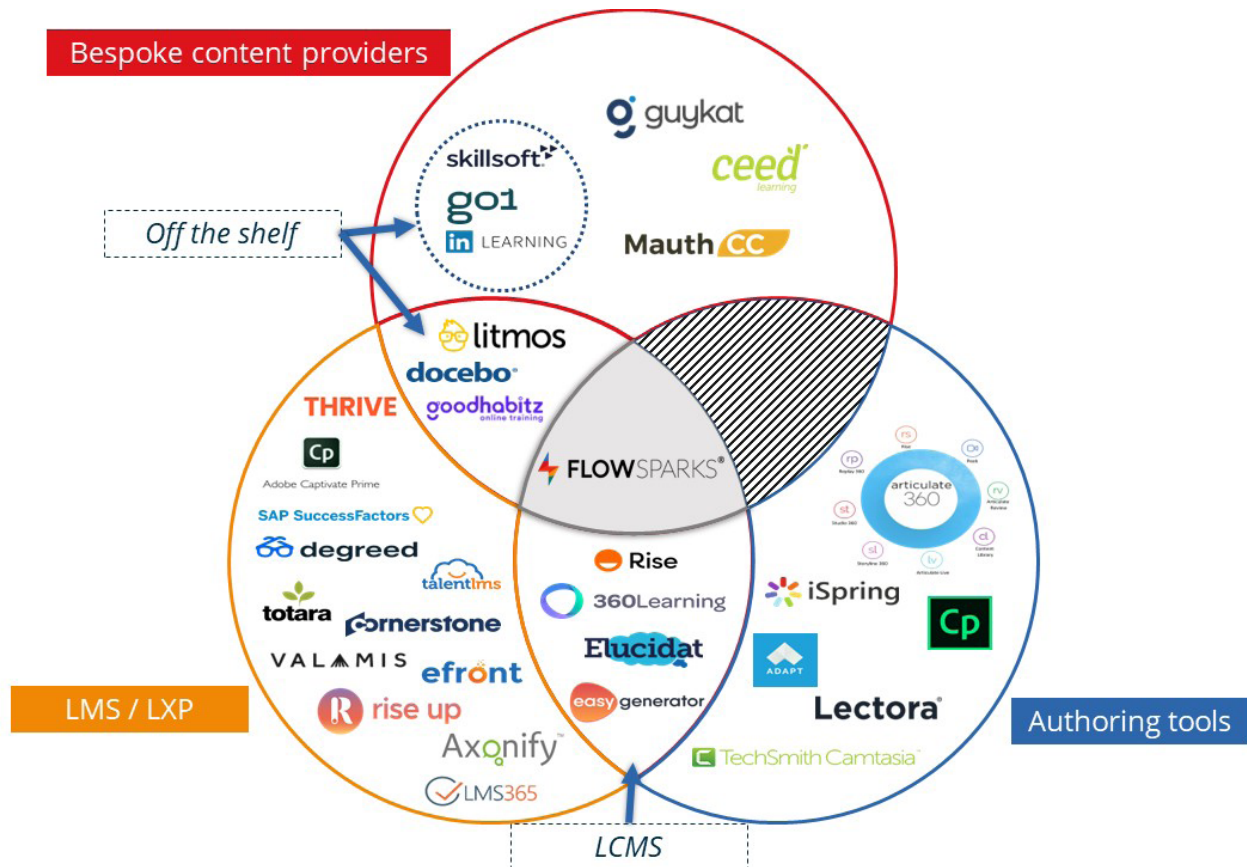
## Innovation and improvement

**FLOWSPARKS** is a future-proof online learning environment that is continually adapting and improving with regard to security issues, big data and features. The system is driven organically by new ideas from the customer, but also by market trends and best practices. In this way, new insights come about that lead to new features.



# UNIQUE MARKET POSITION

The competition for our flexible SaaS solution **FLOWSPARKS** can be divided into several categories. The diagram 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 tailored to that specific customer using an Authoring Tool. They retain full control, which means that changes to the course each time require the customer to go back to the original supplier (even if small changes are involved). The biggest advantage of this method of working is that the customer can call on didactic expertise. The disadvantages are the long lead time, the low flexibility and the high cost of the bespoke content.

- **LMS/LXP (Learning Management System/ Learning Experience Platform)**

An LMS/LXP is used to distribute, report and manage digital training for a LMS/LXP. The focus here is on managing course content and on reporting progress/completion. You can see this as an overarching framework around the course content, as it were an empty box of users with no content.

- **Authoring Tools**

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

- **LCMS (Learning Content Management System)**

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

- **Off-the-shelf**

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

**FLOWSPARKS TRANSCENDS THIS CATEGORIZATION IN TERMS OF TECHNOLOGY AND SERVICES, AND SUCCEEDS IN COMBINING DIDACTICS, CONTENT CREATION AND ANALYSIS IN A UNIQUE WAY.**





# WHY CUSTOMERS CHOOSE US

Since the launch in 2017, numerous customers have cast an eye on **FLOWSPARKS**. Given the international business structure of these customers, **FLOWSPARKS** has now made its mark in more than 159 countries.

The **FLOWSPARKS**-SaaS solution is not linked to a specific sector, activity or (learning) culture. The market potential is enormous. The universal deployability within companies, departments, sectors and organizations is reflected in our customer portfolio. Abbott, Accent Group, AGC Automotive Europe, AGO Jobs & HR, Ahold Delhaize Group, Alken-Maes, AMC, Aperam, Atos, Balta, Bank J. Van Breda & C°, BASF, Basketball Flanders, Beaulieu International Group, Belfius, BNP Paribas Fortis, bpost, Bridgestone, Boss Paints, Carrefour, CEBAM, CNUE, Credendo, Crelan, DAF Trucks, De Bijenkorf, Dé Bijenkorf, Dé Nova, Dstny, Eastman, Ebpracticenet, Engie, Etex Group, Euroclear, European Committee of the Regions, ExxonMobil, Fluxys, GoodHabitZ, Gorilla, Grant Thornton Belgium, Greenyard, Groep Maatwerk, Hamilton Bright Training, Hessing Supervers, House of HR, Ineos, Itineris, Johnson & Johnson, JSR Micro Belgium, KNRB, KPN, Louis Widmer, Luminus, Manpower, Mediq, Mensura, Mohawk Industries, Mondi, Natra, Nederlandse Loterij, Olympia Uitzendbureau, OptimaT, Pfizer, Philips, Proximus, PSV, OneMed, Overstock, Picanol, Politie Nederland, PostNL, PSA Antwerp, Randstad, Recticel, Securitas, Skillfull, Soudal, Sport Vlaanderen, Suez, Sweco, Telenet, Teva, Toshiba Tec, Trivium Packaging, Univercells, VDL Roeselare, Vector Partners, 't Veer, Vibe Group, Vlaamse Stichting Verkeerskunde, Vinçotte, VPK Packaging, Wolters Kluwer, XXL, X2O, Zoetis ... among others chose and continue resolutely to choose **FLOWSPARKS**.

Within this broad spectrum of organizations worldwide, **FLOWSPARKS** is used for the most diverse applications. Examples include digital learning questions around Sales & Marketing, Safety, Compliance, Production, etc.

The **FLOWSPARKS** success story is inextricably linked to the experiences of our customers. Over the years, the platform has grown with our customers via the repeated addition of features that were based on their learning needs. Thus we consider it important to be close to our customers and to maintain close contacts with them right 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 2022)*

In the meantime, many customers have become proud ambassadors of **FLOWSPARKS**. They promote **FLOWSPARKS** to their professional colleagues inside and outside of their companies. They are prepared to share the added value of **FLOWSPARKS** to their company/organization with others. This is done via statements in the written and/or digital press (at their own initiative) or as guest speaker at events. We are grateful to them for this. Below, we include an anthology of some customer testimonials:



'At XXL, online training is becoming increasingly important. We create most of our content ourselves, and offer more than 1,000 online courses on our learning platform. To increase user engagement, our goal is to deliver more dynamic and fascinating content. That's why we chose **FLOWSPARKS** as our new authoring tool. They have a strong didactic approach and offer many templates for different learning requirements.'

**Jon Harald Espolin Johnson - SVP Training & Development at XXL Sports & Villmark (Nordics)**



'We opted for **FLOWSPARKS** because they are the perfect partner for rolling out an international, multilingual e-Learning strategy.'

**Tine Van Acker - Senior Manager Audit & Assurance at Grant Thornton**



'Our trainers find it very convenient to use their smartphones to provide extra support for training on and off the pitch with the Learning Format **SMARTVIDEO** from **FLOWSPARKS**. Because although you can write down how a ball should move, a video still captures the imagination more than words.'

**Mitch van Gellekom, content developer at PSV Eindhoven**



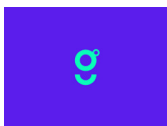
'In the modern digital world, sharing knowledge within a large organization with multiple locations is something that goes without saying. However, the existing learning solutions are often only designed for specialized L&D staff. With **FLOWSPARKS**, it is different. Creating or adapting e-Learning solutions does not require expertise as an instructional designer. This means that at Bridgestone we can focus on what really matters - the content.'

**Ozge Urek Yilmaz - L&D Manager, Bridgestone**



'I find the responsiveness of **FLOWSPARKS** very useful. The e-Learning looks good on every mobile device. People who scan a QR code with their tablet at a specific type of pump in our plant immediately receive training in **FLOWSPARKS** about that specific pump. And because you can also easily adapt the training courses live, 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 at a high tempo each month. With the help of the didactic formats, we don't waste time on design and structure and can easily offer everything in multiple languages.'

**Maarten Franken - CEO, GoodHabitZ**



'With **FLOWSPARKS**, we offer some of our mandatory compliance training courses as an adaptive learning path. In this way, we have reduced the average lead 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**



'With the coming of **FLOWSPARKS**, blended learning, digital learning combined with classroom courses is now the starting point for all our training courses. All tailored to the customer's needs.'

**Rudy Moons - Program and project manager at Wolters Kluwer**



'**FLOWSPARKS** also enables you, as a less experienced instructional designer, to quickly make beautiful e-Learning products. Each template has a clear purpose. That makes it easy to make choices. A reasonably extensive reporting is possible. By adding a few house styles, each e-Learning clearly has the stamp of your company.'

**Tiffany Motton - Learning Architect at Mensura**



'What I love about **FLOWSPARKS** is the use of Smart Programs and Smart Templates with which you can go wild creatively. The support of the Success Coaches is a true pleasure; thanks to their support, you can build all aspects of your own e-Learning. The tutorials are also extremely practical. I can use them to learn to master all the tools myself.'

**Corentin Snauwaert - HR Business Partner L&D at Veolia BELUX**



'When we introduce the Etex Group in schools to young people who are about to graduate, we don't get the question 'What are we going to earn?' or 'How many holidays do we get?' but rather 'What can we learn if we go to work for you?' Then we are 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. It may seem difficult at first because, after all, it is a computer system. But once you have mastered the basic techniques, you can actually start playing with them. It's also easy to explain. The user-friendliness of **FLOWSPARKS** gives the other departments a certain autonomy in creating modules themselves.'

**Sven Joris - Learning & Development Advisor, BNP Paribas Fortis**



'It is important to us that our Telenet employees are at the wheel of their own development. A tool that is as 'data driven' and as extremely flexible as **FLOWSPARKS** is therefore a must. We have employees at the head office, but also in our stores, in the support centers, we work with external partners, etc. They must be able to use the tool 'any place any time'. After all, many employees do not have the opportunity to set a whole hour aside to take a digital learning module, but they do have time between two customers or two phone calls.'

**Duncan D'hondt - Functional and business analyst, Telenet**



Our training courses are much more varied than previously because it is easy to switch between different Learning Formats. Thanks to **FLOWSPARKS**, we are now testing the new acquired knowledge through practical exercises. That's a big plus because we didn't have good testing possibilities before. Participants now undergo digital training at their own pace, followed by a 'short test or a live Q&A with the trainer'. This allows us to certify employees who have completed the onboarding process via the authoring tool. That is quite useful for our helpdesk staff, for example, since they are distributed in call centers all over Europe.'

**Tom Vanhoyland - Knowledge & Learning Trainer at Luminus**



'**FLOWSPARKS** is based on the principle of user-generated content. We notice that this leads to cooperation across the different silos, because everyone now uses the same tool and can see each other's work. And that's fun to see, much more fun than doing it all yourself. Didactically, we at Proximus have never evolved as quickly as in the last five years. Accountability and ownership are increasing, and it gives me room to grow as well.'

**Jan Neels - Digital Learning Specialist at Proximus**

# FEEL THE SPARK

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





## INTERNATIONAL RECOGNITION VIA AWARDS

### BRANDON HALL AWARDS

A few months back, we had the honor of collecting the gold 'Brandon Hall Award' in person in Florida, West Palm Beach. **FLOWSPARKS** won this award in the category 'Best Advance in Content Authoring Technology'.



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 is 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 requirement does this product meet?
-  Measurable results: What are the benefits that customers can expect as a result of using this product?

'Technology has never been as crucial for 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 as they make important decisions about how to use technology to drive their people strategies.'

'Suppliers of HCM solutions must be experts and visionaries in technology, but they must also have the capacity to anticipate the diverse needs of employers in their efforts to adapt to ongoing changes,' 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 understanding and creativity from our winners and that's been great to see.'

### G2 BADGES

In 2022, we won nine Fall badges at G2, including for 'Best Support', 'Easiest To Do Business With', 'Leader Course Authoring Software' and 'High Performer & Leader' within different categories. G2 is known worldwide for its review platform. Their rankings are based on truthful software buyers, so that potential buyers know which partners they can trust for a potential collaboration. We extended these badges at the end of 2022 with nine Winter badges. Read all reviews [here](#) about **FLOWSPARKS**.





### DEGUSTATIEDAGEN (BELGIUM)

In May, the **DegustatieDag** took place at De Bonneterie (Aalst). Arvesta (AVEVE) and Etex Group shared their own experiences via fascinating practical cases. We also received Jeroen Naudts, researcher at Artevelde university college, author, trainer and advisor in strategic communication, who came to talk about how L&D is the secret weapon in the 'war for talent'.

The **DegustatieDag** yearned for a repeat, and so a second edition came to be in September at the beautiful location of Brouwerij Haeseveld in Destelbergen. International keynote speaker Keith Quinn, from Scotland, kicked off the second edition with a session on how to make a difference with the designing of a course. Our customers Mensura and Luminus shared their best practices at this event.



Bonneterie (Aalst)



Brouwerij Haeseveld (Destelbergen)

### A TASTE OF LEARNING (NETHERLANDS)

In the Netherlands, we also organized a live event in Eindhoven in order to inspire customers and prospects:

'A Taste of Learning'. Visitors were given a taste of what e-Learning can offer them, as well as practical cases from the Dutch football team PSV and DIY chain Praxis (Maxeda).



PSV Campus De Herdgang (Eindhoven)



PSV Campus De Herdgang (Eindhoven)

### GET IN THE FLOW WEBINAR (INTERNATIONAL)

Online events also remain relevant post-COVID. In February we launched the 'Get In The Flow' webinar with Balta. During this webinar, Daisy Corteville, Communication & Development Expert, shared her experiences developing digital learning programs at Balta. She showed how she built a learning hub that meets the needs of the business.



In June we organized another webinar, this time with partners Atos and Bridgestone. Both organizations are experienced with digital learning and recently they have undergone a content creation (r)evolution.



## GET IN THE FLOW VIP EVENT (THE NETHERLANDS)



We organized a physical 'Get In The Flow' for a few customers in the Netherlands. At the invitation of our sales team, some of our Dutch customers and prospects were given an extra treat at an exclusive VIP event. Here we also shared the livestream of Keith Quinn, who gave a session about 'How Do You Know If You're Making A Difference? – Designing for behaviour change'.



## PARTICIPATION AT LEADING LEARNING EVENTS



As a company, it is also extremely important to network and to know what is going on in an ever-changing market. This is why **FLOWSPARKS** was present at numerous trade fairs and conferences, at home and abroad:



 **NEXT LEARNING**   
In April, we attended the physical edition of Next Learning in Den Bosch (Netherlands), the annual meeting place for everyone involved with (e-)Learning and training. The following themes were discussed: learning in the flow of work, upskilling & reskilling, data & evaluation and blend your design.



 **VOV FAIR**   
The VOV Fair is Belgium's largest L&D Fair. Four days of workshops, presentations and networking opportunities. The 2022 fair was dedicated to 'The Future of L&D'. We went to Mechelen with a barista stand and convinced potential new customers with the perfect (learning) blend.

 **LEARNING TECHNOLOGIES**   
In May, together with our new partner GuyKat, we shared a stand at Learning Technologies in London. The leading trade fair for organization learning and the technology used to support learning at work.

 **DEVELHUB**   
In the Netherlands, we were a guest at DevelHub. Here, **FLOWSPARKS** facilitated a session around DesignThinking. Develhub is the independent platform that focuses on the connection and professionalization of everyone who is structurally engaged in learning and development from individuals, across teams to organizations.

 **LEARNTEC**   
Together with Mauth.CC, we had a stand at Learntec Germany. At Europe's largest event for digital education at school, university and work, national and international exhibitors presented the latest technologies around digital learning and working.

 **HRTECH**   
In October 2022, **FLOWSPARKS** was present for the second time at HRTECH.be, a two-day event that wants to support the HR professional in the digital transformation of HR. At HRTECH.be, HR tech solutions, innovations and insights come together with the aim of making a leap forward in the digital acceleration within HR.

 **DEVLEARN**   
In Las Vegas, we introduced **FLOWSPARKS** to the American public together with partner GuyKat. At DevLearn Conference & Expo, we shared a stand with GuyKat and provided two days of live sessions on, among other things, Active Learning, Gamification, MultiLingual e-Learning Courses, Adaptive Learning, etc.

## BRANDING & CORPORATE IDENTITY

In 2022, we continued to build on the **FLOWSPARKS** brand. Thanks to numerous initiatives, we literally leave a SPARK behind wherever we go:

- Our customer, Politie Nederland, set up a charity a few years ago: Blue4Charity. To raise money, each year they organize a bike ride benefit. **FLOWSPARKS** sponsored this benefit by donating cycling outfits and polo shirts. Together with Bioracer, we helped to design some personalized cycling clothing. The proceeds from the bike ride went to Stichting Wensambulance.
- Not only did we design cycling clothing, we also expanded our assortment of **FLOWSPARKS** branded goodies with **FLOWSPARKS** socks, polo shirts, smartphone covers and T-shirts.
- And we did not let Santa just pass by either. The celebration of Santa was accompanied by the handing out of personalized cakesicles to colleagues.
- For the first time, we organized the **FLOWSPARKS** Awards in Belgium. Our customers could put themselves forward for nomination for the jury and public awards. The winners did not go home empty-handed. They received the 3D-printed award that could glitter in their trophy cabinet. Seven **FLOWSPARKS** fans from the very start were honored with an Early Adoptor Award.



# SAAS KEY FIGURES

## Disclaimer

The consolidated financial information that you can find in part 2 of our annual report is based on **local GAAP** (Generally Accepted Accounting Principles) and has been audited by our statutory auditor. See also the included accounting principles.

The following key figures have been prepared for purely internal performance measurement and monitoring purposes that are specifically related to SaaS models. The amounts cannot be directly derived from the consolidated financial data as recorded in the financial accounting, nor have they been audited by the statutory auditor. They are based on internal customer analysis, according to the company's own terminology and methodology, which are explained in a general manner below, but they are not defined by or otherwise based on local GAAP. The purpose of disclosing these key figures is purely illustrative, and in particular to reflect the evolution of certain ratios that capture the dynamics of the company's revenue, in terms of general magnitude, calculated according to the company's own insights and normalizations. Notwithstanding the fact that the company has acted to the best of its ability in compiling these key figures, while striving for a maximum consistency in application compared to previous financial years, in the light of the foregoing and in particular the illustrative nature and purposes of these indicators, their accuracy and completeness cannot be guaranteed. These key figures are therefore provided on an 'as is' basis, without any guarantee, explicit or implicit, in the broadest sense, as to, without limitation, their suitability for any purpose for which a third party might use them.



## METHODOLOGY AND DEFINITIONS

This analysis only concerns the actual SaaS services of the **FLOWSPARKS** Suite and OIS. This customer analysis has been prepared on the basis of the license revenue (subscription) per customer.

It contains the changes between the recurring actual license revenue at the end of the year between 2019 - 2022 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) for the years 2019 - 2021 and, for 2022, from the Salesforce database in which all sales and invoices are registered. The data contain a unique number provided by the system, contract values (total) and contract dates (start and end dates of the licenses).

For any broken months, the contract dates are shifted to full months:

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

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

The calculated amount for 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 arrive at an annual amount (the ARR).

Using the ARRs per customer, the analysis is carried out and the following values familiar to the SaaS market are calculated: '**Upsell**', '**Downsell**', '**New Clients**' and '**Churn**'.

The '**Upsell**' and '**Downsell**' are, in addition to the up- and downgrades of packages (depending on the different variables used in the pricing), partly caused by a variable settlement based on the actual use. These values are



calculated by comparing the ARR per customer over two consecutive years.

**Churn** is the ARR per customer from the previous year for the customers who have stopped working with the company and who therefore have no ARR for the reporting year (e.g. if a customer provided €10k of ARR in 2021, but stops as a customer in the course of 2022, then the Churn in 2022 is €10k.)

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 'Downsell' and plus the 'Upsell'.

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

**Renewal Rate** is calculated as follows:  $(\text{'ARR' (beginning of year)} + \text{'Churn'} + \text{'Downsell'} + \text{'Upsell'}) / \text{ARR (beginning of year)}$

**Churn Rate** is calculated as follows:  $\text{'Churn'} / \text{'ARR' (beginning of year)}$

**New Client Rate** is calculated as follows:  $\text{'New Clients'} / \text{'ARR' (beginning of year)}$

**ARR growth** is the percentage deviation of the **ARR** at the end of a year in relation to the beginning of that year.

Various customer-specific adjustments have been made for the years 2019 - 2021 to account for data errors (such as adjusted dates, adjusted duration of contracts or adjusted amounts) in the BAS system (in order to align the ARR with the underlying commercial contract that is in force).



## SAAS KEY FIGURES OVERVIEW

'ARR' Analysis				
in thousands	2019	2020	2021	2022
'ARR' beginning of year	€ 1,106	€ 1,830	€ 2,775	€ 3,856
'Churn'	-€ 11	-€ 27	-€ 34	-€ 108
'Downsell' and 'Upsell'	€ 225	€ 392	€ 490	€ 401
'NRRR'	€ 1,320	€ 2,195	€ 3,231	€ 4,149
'New clients'	€ 510	€ 580	€ 591	€ 715
<b>'ARR' end of year</b>	<b>€ 1,830</b>	<b>€ 2,775</b>	<b>€ 3,822</b>	<b>€ 4,864</b>

• 1 start value differs because of changing source (Salesforce), date export 28-3-2023

'ARR' analysis key figures in %				
%	2019	2020	2021	2022
'Renewal Rate'	119.3%	119.9%	116.4%	107.6%
'Churn Rate'	-1.0%	-1.5%	-1.2%	-2.8%

'New Client Rate'	46.1%	31.7%	21.3%	18.5%
'ARR Growth'	65.5%	51.6%	37.7%	27.3%

It can be concluded that **FLOWSPARKS** shows strong performance in terms of revenue retention and (net) revenue expansion. This also applies to customer retention and the inflow of new customers.

## MONTHLY RECURRING REVENUE

In addition to the above customer analysis based on 'ARR', we also measure license revenue across the durations of the license that apply. 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 start month is always the first month.

This Monthly Recurring Revenue is calculated using data from our CRM system (Salesforce) and is available for the years 2021 and 2022.

The **Monthly Recurring Revenue** for the months in 2021 and 2022 are as follows:

Monthly Recurring Revenue		
	2021	2022
January	€ 245,481	€ 332,431
February	€ 251,779	€ 340,392
March	€ 270,377	€ 343,873
April	€ 273,856	€ 345,909
May	€ 281,698	€ 352,386
June	€ 281,077	€ 355,361
July	€ 282,497	€ 355,066
August	€ 284,435	€ 357,252
September	€ 290,361	€ 364,926
October	€ 294,039	€ 376,579
November	€ 302,840	€ 389,602
December	€ 322,571	€ 405,332
<b>Total</b>	<b>€ 3,381,011</b>	<b>€ 4,321,131</b>

## FLOWSPARKS USAGE

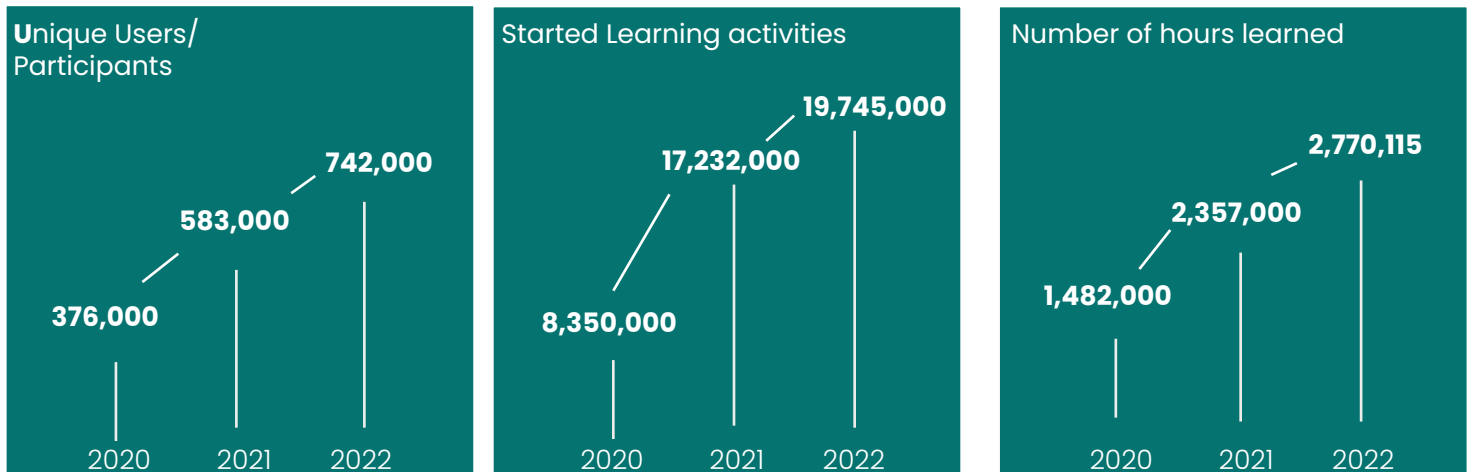
Besides the financial key figures, it is also important for us to track how many unique participants are using our **FLOWSPARKS** Suite and how intensively. The user data can be derived from our own **FLOWSPARKS** database. These data do not include our customer GoodhabitZ (with the users of their own customers that are excluded from this calculation).

Users are the effective logged in unique users, i.e. a user who goes through different learning modules or logs in several times during the reporting period is only logged as one user.

Learning activities are separate components within a given training course.

Hours learned is the number of hours effectively spent on a learning activity.

The following evolution can be derived from these data:



There is consistent and significant growth in the number of unique users/participants, the number of learning activities started and the number of hours learned during the years 2020, 2021 and 2022. This growth is particularly marked in the period from 2020 to 2021 when there was a significant increase in the number of learning activities and hours learned. This can be attributed to the global roll-out of digital training courses and (mandatory) compliance training courses using **FLOWSPARKS** by a number of very large customers.

The global pandemic also led to an enormous urgency to roll out digital training internationally. This urgency slowed in 2022, which also led to a slower but still consistent growth in started learning activities and number of hours learned. The **FLOWSPARKS** Suite provides a solution that is flexible, accessible, and scalable, whereby organizations are able to continue to educate and train their employees worldwide.

# MEET THE FLOWSPARKS FAMILY

## BOARD OF DIRECTORS

The Board of Directors is made up of the following members:

- ⚡ Paul De Schrijver, Chairman  
Current position and previous experience: CFO Inetum Realdolmen, Corporate VP ADP, Allen & Overy
- ⚡ Guy Herregodts Consulting BV represented by Guy Herregodts, Managing Director  
Previous experience: Various international Senior Executive functions including Real Software (Vice President Sales & Marketing), Omega Pharma (Vice President OmegaSoft), Fase-IT (CEO), Cable & Wireless (Vice President Europe & Managing Director Benelux), Online Internet (CEO), ADP Dealer Services (Vice President Europe & Managing Director Benelux) and Turbodata (General Manager Benelux)
- ⚡ Debofin NV, represented by Mr Guido Declercq

## MANAGEMENT TEAM: LEADERSHIP

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

- ⚡ Guy Herregodts Consulting BV, represented by Guy Herregodts, CEO
- ⚡ 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 functions including Real Software (VP Sales & Marketing), Omega Pharma (VP OmegaSoft), Fase-IT (CEO), Cable & Wireless (VP Europe & Managing Director Benelux), Online Internet (CEO), ADP Dealer Services (VP Europe & Managing Director Benelux) and Turbodata (General Manager Benelux)

Our latest financial results and KPIs confirm once again that our strategic decision in 2017 to cannibalize our former 'traditional e-Learning market' was the right one. Over 58.4% of our total group sales in 2022 are recurring, while the remaining 41.6% are additional support services that are directly related to our recurring **FLOWSPARKS** sales. This strengthens our position as market leader and enables us to continue our growth story without concern in these turbulent times after international crises such as the COVID-19 pandemic and the subsequent economic shocks.

Our growth is stimulated by the growing number of new customers who have joined us in the past year. It is also partly due to the fact that many existing customers have started to use our software solution even more intensively within their organization. This has led to an upward trend in recent years in the ratio of recurring revenue to total group revenue. This upward trend will continue in the coming years, partly through the further digitalization of our supporting additional services.

We refuse resolutely to follow the general trend of **'withdrawing services'**. Our customer success coaches remain the driving force behind our support model, as demonstrated by the numerous G2 badges we have received from satisfied reviewers.

With **FLOWSPARKS**, we offer our customers a unique solution which puts them in control and allows them to benefit from the flexibility, speed of production and autonomy. Our SaaS solution is universally deployable within a broad spectrum of organizations worldwide

and can be used for a variety of applications, such as digital learning questions regarding Sales & Marketing, Production, Safety and Compliance.

In order to realize our international growth ambitions, we have rolled our scalability plan further out over the past year. We increased both the depth as well as the number of employees in our organization. In 2023, we will continue to invest in this and to work actively on innovative solutions and services. In response to the growing use of **FLOWSPARKS** in an international context, we have further extended the language possibilities in **FLOWSPARKS**, including an automatic translation option through an integration with DeepL and Google Translate. This is also a first step in the 'smart' deployment of artificial intelligence.

In 2022, we commissioned a strategic investigation conducted by acknowledged specialist parties in order to map out our position and proposition within the market. On the basis of these data, we are taking better informed decisions for the future.

Finally, I would like to thank all customers, partners and employees for their contribution in helping us to realize our dream: It has to be and will be/become so simple that any employee of a customer who can work with a smartphone or social media, can create quality e-Learning courses or digital training themselves.



# Frank Verbinnen

## Chief Technical Officer

### Experience:

Various roles within **FLOWSPARKS** since 2013

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

**FLOWSPARKS** continues to evolve in 2022 with, among other things, a major refresh of the Content Manager. On the one hand, in the color use and design, and on the other, an improvement in the user-friendliness. This refresh is a start to the optimization of the Content Manager, whereby the aim is to enable content creators to develop faster and more efficiently in **FLOWSPARKS**. Apart from the Content Manager, several other widgets are already using the new design. This is the first major step in the redesign project. Other improvements and updates will follow later.

Furthermore, the integration of DeepL and Google Translate must not go unmentioned. Since the summer, it has been possible for end-users to translate their e-Learning into any language at the touch of a button. This is an innovation that is highly appreciated by our customers.

Over the past year, we have also been working towards closer cooperation between the various departments. We can continue to innovate the tool in a structural way thanks to the setting up of an innovation work group within the company.

Operations, coaching and technics are all represented in the work group.

This makes it possible to valorize the questions and to realize a structured roadmap for the software.

**FLOWSPARKS** has been around since 2017. We are now five years further down the road and boy has the tool evolved in that time. We look a have a more modern look and we have built further on the user-friendliness of the software. Both in the back-end and in the front-end. We have also made a nice leap forward in terms of scalability. There are no less than 740,000 users with no single setbacks We should be proud of that.

There are exciting times ahead. The next few years will be dominated by new technologies, such as AI, for which we will also find applications at **FLOWSPARKS**. The roadmap already has a number of items planned, such as the 'asset library' support, which will use AI.

We are not standing still with our product, but equally we do not want to lose touch with our philosophy. Thus it is and remains important to stay true to it.



# Edwin de Groot

## Chief Financial Officer

### Experience:

**FLOWSPARKS:** CFO since 2006

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

In 2022, **FLOWSPARKS** continues to develop and investing in growth is still the order of the day. We have been recruiting new colleagues for the Sales, Marketing, Success Coaching and Software Development teams. This translates into an increase in personnel costs which in 2022 amount to € 4,225,221 compared to € 3,475,497 in 2021.

This financial year, the company commissioned a strategic study by acknowledged specialist parties in order to map out the company's position and its proposition within the market. On the basis of these data, the company can take better informed decisions regarding the future. This research is of lasting service to the company and has been capitalized as an intangible asset. The depreciation period is set to three years.

**FLOWSPARKS** as a product is taking an ever greater share in the product portfolio. The share of license revenues in the total revenue has grown to 58% of total revenue (2021: 54%). Furthermore, we have achieved a growth in license revenues of 24.5% compared to the previous year. With this, the organization proves that it is on the right track.

Total revenue in 2022 experienced a substantial growth of 14.4% and amounts to € 8,475,157. The EBITDA margin in 2022 is a healthy 22.5% (2021: 23.1%). This shows that, even with the investments in growth and quality, the company has been able to maintain its margins. Of course, with the SaaS license revenue as main pillar.

If we were to divide the recurring revenue over the months within the license periods, we can say that the month of December 2022 shows 26% higher sales than the month of December 2021. The so-called 'ARR' (Annual Recurring Revenue) shows an increase of 27.3% compared to 2021. The customer base of recurring revenues has consequently expanded again substantially in 2022.

**FLOWSPARKS** has a strong financial position. Besides the 22.5% EBITDA, the consolidated solvency of 69.1% reflects the good financial stability. At the end of 2022, interest-bearing debts amounted to € 380,000. For cash and cash equivalents, there is a balance of € 3,391,736.

The customer portfolio is very diverse, which means we have a balanced customer portfolio. Furthermore, we can state that bad debts on our invoices year on year is zero. We are welcoming more and more customers from outside our own country and are attending international conferences. This endorses the international ambition of the company.

In the past year, more than 740,000 (2021: 580,000) users logged into the system. Together they have started more than 19.7 million (2021: 17.1 million) learning activities and have learned for a total of over 2.7 million hours (2021: 2.3 million). This proves that, for our customers, **FLOWSPARKS** is a system recognized for developing and distributing learning activities.



# Cédric Herregodts

## Chief Commercial Officer

### Experience:

Various roles within **FLOWSPARKS** since 2012

Cantillana: International Product Manager

University of Ghent: Master's degree in Civil Engineering in Commercial

System Techniques and Operational Research

In 2022, we built further on the professionalization and scalability of the sales organization for both direct and indirect sales.

**FLOWSPARKS** further expanded the sales team in Belgium and a Team Lead was recruited for the growing international Business Development Representatives team. Both in the Netherlands and in Belgium, we established a Customer Success Management team dedicated 100% to our existing customers and we recruited new Account Executives who focus mainly on acquiring new customers, also internationally. Our young potentials also received opportunities to develop. For example, in 2022 we produced a plan so that our Business Development Representatives can grow towards becoming Account Executives.

At **FLOWSPARKS** everything revolves around 'Flexible Learning in an Online World' (**FLOW**), but we also focus on flexibility in the real world, also for our employees. This is why we opened a new office in the MeetDistrict in Antwerp in October. Not only does this hub offer the possibility of allowing sales teams to operate internationally from different offices, it also creates a **FLOWSPARKS** hub for our colleagues from the Antwerp region.

In commercial terms, 2022 was an exciting and international year, in which we welcomed new customers including Accent Group, Credendo, Grant Thornton, Louis Widmer, Hessing Supervers, Pfizer, Shoeby, Soudal, Sweco, Telenet and XXL.

Our partner network has not been idle either. We entered into new collaborations with GuyKat, Ceed

Learning and Cornerstone, among others. GuyKat, based in the United Kingdom and also active in the United States, accompanied us to DevLearn in Las Vegas, where we got further confirmation that **FLOWSPARKS** truly offers a unique solution. Our Channel Director also visited the ATD Fair in Orlando to meet potential new partners and prospects. So it seems that we are slowly but surely living our 'American Dream'.

As well as becoming a partner, GuyKat soon struck its first deal. With this, the pharmaceutical company Zoetis has become part of the growing **FLOWSPARKS** family.

In short, 2022 was a crazy and above all international year for our sales organization. We have welcomed many new customers and colleagues. But, above all, it was a year in which I literally enjoyed going that extra mile to put **FLOWSPARKS** on the map internationally. I look back on 2022 with great satisfaction and cannot help but look forward enthusiastically to 2023!

I would like to end by thanking our partners, colleagues and, last but not least, our customers. Thank you for the trust, the pleasant cooperation and let's SPARK the world together!





# Christophe Jacobs

## Chief Customer Success Officer

### Experience:

Various roles within **FLOWSPARKS** since 2011

University of Ghent: Master of Education

Artevelde University College: Bachelor of Social Work

Our Customer Success Coaches play an indisputable role in the roll out and deepening of our B2B relationships. That is why we continue to invest in the Customer Success team. For example, a number of profile shifts have taken place, which created additional capacity in the team of coaches. We are also focusing on their further professionalization. This year, the focus has been on acquiring a more in-depth knowledge of the ever-widening landscape of digital learning. As a result, our coaches are able to respond even more effectively to the existing learning needs of our customers, in addition to tackling more technical issues. By making use of the expanded internal **FLOWSPARKS** training program, our coaches were able to follow a series of (mandatory) training courses to help them broaden their knowledge even further (practice what you preach).

Over the past year, new learning requirements from our customers also came onto our radar. We noticed an increasing demand for additional support beyond the purely functional expansion of digital training courses. Consider, for example, the promotion of a digital training course or support in preparing a battery of test questions.

In 2022, we also concluded a number of strategic partnerships. In May we joined forces with GuyKat, which operates in the UK and US. In June, we closed a deal with European company Cornerstone. In September, we partnered with Talent Sandbox and Vector Partners from the UK. Finally, we have recently been working with Ceed Learning, who is active in

South Africa. With these partnerships, we are gaining more insight into what is going on internationally in our increasingly innovative sector. And thanks to these insights, we can rightly say that our product is still innovative didactically, functionally and technically. Although other authoring tools also try to go further with certain techniques, our focus on the educational aspect of digital learning still remains our greatest asset. Couple this with sticking to our philosophy of making effective digital training as accessible as possible through our authors and you can clearly see why we have a consistently successful product.

At a time when waves of new trends are heading our way, we will continue to stick to the central idea behind our product in 2023: **Flexible Learning in an Online World**!. With this in mind, new trends can be explored as opportunities and whether/how they can add value to our product. Think here of topics such as: AI, BigData, VR, gamification, etc.



# Yannick Mattheessens

## Chief Marketing Officer

### Experience:

**FLOWSPARKS:** CMO since 2021

Lansweeper: Marketing Manager,

Artexis Easyfairs: Head of Digital Benelux

Plantijn University College Antwerp: Bachelor in Communication

The past year has been an extremely dynamic one for **FLOWSPARKS**, in which we have focused primarily on further internationalization. We launched new initiatives, entered new markets and enhanced existing programs. We were present at leading events in the US, UK and Europe. In addition to these world-renowned events, the **DegustatieDagen** have experienced constant growth and evolution. This year, we welcomed more than 150 visitors per edition. The positive reactions we received were heart-warming.

In addition to the growth of the **DegustatieDagen**, we also successfully launched 'A Taste of Learning' in the Netherlands. We were able to welcome 80 participants to the training facilities of PSV Eindhoven. This expansion of our events was a major milestone in 2022. We plan to expand the 'A Taste of Learning' format further in new markets.

But the branding of **FLOWSPARKS** goes much further than only events. We have also worked hard to internationalize and professionalize our website. We have created new, inviting landing pages where prospective customers can take a look at the philosophy of **FLOWSPARKS**. We regularly update our website with blog posts, press releases, product news, webinars and upcoming events.

We are also focusing on the power of social media. We provide weekly updates on LinkedIn and have expanded to other channels such as Instagram, Facebook and TikTok. In this way, we continue to expand our **FLOWSPARKS** community worldwide.

We are excited to see the enthusiasm and engagement of our **FLOWSPARKS** community. This was confirmed by the first edition of the **FLOWSPARKS** Awards. Belgian customers had the opportunity to nominate themselves for the public and jury prize. After the online voting, the winner of the Public Award was announced and this led to a lot of traffic to our website. We received a total of 23 entries, twelve of which were selected. In total, more than 2,000 people cast their vote for their favorite use case and no fewer than 160 people attended the ceremony at our **DegustatieDag**. 'GOED' won the Public Award, while Groep Maatwerk won the Jury Prize.

Furthermore, we ourselves received many awards in 2022. We won nine badges at G2, including 'Best Support', 'Easiest to do Business With' and 'High Performer & Leader' in different categories. G2 is known worldwide for its review platform and its rankings are based on the truthful reviews of software buyers. This helps potential customers to select reliable partners for possible collaborations.

With these successes in mind, we look confidently to the future of **FLOWSPARKS**. We continue to build both our online and offline international community. Knowledge sharing, inspiration and connection are core values which are central for future **FLOWSPARKS** certified authors. We focus on sharing knowledge and expertise worldwide.

## EMPLOYEES

Belgium: Ghent – 33 employees

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 grow. This culture is built into the structure of our company.

Over the past six years, we have transformed our business model and our activities into a true SaaS business and have moved away from the traditional e-Learning business model. At a time when COVID-19 accelerated the digital shift, we already had the technology and organizational structure in place to offer our employees and customers stability, despite the uncertainty that the pandemic brought with it.

The success of **FLOWSPARKS** is linked directly to our employees. From developers and sellers to coaches and administrative support staff; they make the difference. We also invest in a targeted manner in initiatives around recruitment, retention, development and progression within our workforce.

### EXTENSIVE ONBOARDING AND TRAINING

**FLOWSPARKS** is constantly looking for passionate, talented and innovative people who want to think about and contribute to the success of tomorrow.

**FLOWSPARKS** operates an inclusive recruitment policy in this regard. All forms of discrimination are forbidden. Each applicant undergoes the same assessment process, with capabilities and motivation being the key criteria when deciding whether to hire someone. We also offer young talent the opportunity to gain a first work experience with us, with a view to further progression within our company over time.

Our comprehensive onboarding program offers the best possible start for new people in their careers at **FLOWSPARKS**. In this, 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 them training courses.

### MODERN FACILITIES FOCUSED ON COLLABORATING

Within **FLOWSPARKS**, the pandemic also led to a new way of working (and collaboration) with, among other things, a rise in working remotely. In this, our focus has always remained on flexibility towards our employees, without compromising the continuity of operations. This has enabled us to maintain productivity throughout the COVID period.

**FLOWSPARKS** aims to create an environment focused on learning, collaboration and innovation. To support this, we have continued to invest in our physical offices. In addition to our offices in Ghent (BE) and Eindhoven (NL), in October 2022, we opened a new one in MeetDistrict Antwerp (BE). From this hub, the various teams meet at one central location on a regular basis.

## CORPORATE SOCIAL RESPONSIBILITY

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

### As employer:

- the health, safety and welfare of our people;
- the involvement and development of our employees;
- the pursuit of a diverse employee population and inclusive workplace.

### As company:

- the protection of the interests of stakeholders and the creation of long-term sustainable value;
- an effective and transparent management, control and guaranteeing of activities at all levels;
- the monitoring of ethical standards and sustainability throughout the company and our supply chain.

### Towards the environment & our surroundings:

- increasing the understanding regarding our environmental and climate risks and opportunities;
- when choosing company cars, we actively look at CO2 emissions and promote (semi-)electric driving
- measuring and reducing the impact of our supply chain; and embedding positive environmental behavior in our culture.



In 2022, as a company, we took several initiatives that emphasize our commitment to Corporate Social Responsibility and sustainability:

- We deliberately chose a co-working space in all our offices (Ghent, Antwerp and Eindhoven) that sets great store on sustainability. Our employees choose their own base of operations and do not have to travel as far from home. Optimal accessibility via public transport was also an important factor in our choice of current offices.
- Our servers are hosted by the North C data center group, which aims to be fully CO2-neutral by 2030.
- We encourage an optimal work-life balance by permitting our employees to work from home.
- We have contributed to Socks for Charity by donating **FLOWSPARKS** socks to VZW Habbekrats, a Ghent-based organization dedicated to helping children and young people in need.
- For our notebooks, we collaborated with Ryhove from Ghent, a customizing company committed to the United Nations Sustainable Development Goals.
- We have supported the YOUCA action day, an organization for young people that raises awareness of societal challenges, and we help them in their commitment to a sustainable and just society.
- For our corporate clothing, we are working from now on with the ecological brand, Sunday, which focuses on reducing, reusing and recycling materials.
- We are proud to welcome Groep Maatwerk into the **FLOWSPARKS** family. Their commitment to adapted work for people with a disadvantage on the labor market was crowned with the awarding of the jury prize at the **FLOWSPARKS** Awards.
- Finally, as an Easter gift for our colleagues, we have opted for Tony Chocolonely chocolate, a fair trade brand committed to fair trade in the cocoa chain.





## PART 2

### TABLE OF CONTENTS:

<b>39</b>	<b>INFORMATION FOR THE STOCKHOLDER</b>
39	FLOWSPARKS NV ON THE STOCK EXCHANGE
39	VALUE OF THE STOCK IN 2022
39	CAPITAL
40	INVESTOR RELATIONS
40	ADDITIONAL INFORMATION
40	DIVIDEND
40	GOOD GOVERNANCE
<b>41</b>	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>
41	EXPLANATORY NOTES WITH THE CONSOLIDATED FINANCIAL STATEMENTS
43	CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2020, 2021 AND 2022
45	CONSOLIDATED INCOME STATEMENT FOR 2020, 2021 AND 2022
46	CONSOLIDATED ASSETS FLOW TABLE FOR 2020, 2021 AND 2022
47	ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS
48	AUDITOR'S REPORT TO THE GENERAL MEETING OF STOCKHOLDERS OF FLOWSPARKS NV

# 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: FLSP
- ⚡ Market segment: Euronext Brussel, Free Market
- ⚡ Date of introduction: August 23, 2006
- ⚡ Introduction price: EUR 6.50
- ⚡ Number of shares: 2,155,053

## VALUE OF THE STOCK IN 2022

- ⚡ Highest price of the financial year: EUR 23.00
- ⚡ Lowest price for the financial year: EUR 18.00
- ⚡ Price on the last day of trading: EUR 23.00
- ⚡ Market capitalization on the last day of trading: **49,566,219 EUR**



## CAPITAL

All stock enjoys the same corporate rights.

The authorized capital stock is fully paid up.

## INVESTOR RELATIONS

**FLOWSPARKS** NV belongs to the first wave of Belgian companies listed on the Euronext Free Market launched at the end of 2005.

The main purpose of that initiative is to create a platform to allow the financing of dynamic SMEs.

The Investor Relations manager and – where appropriate – the other members of management can always be contacted for additional information following the publication of press releases.

The annual report, press releases and other information can be downloaded from our website: [www.flowsparks.com](http://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 with regard to a number of relevant key figures.

## ADDITIONAL INFORMATION

Edwin de Groot

CFO **FLOWSPARKS** NV

Tel: +31 6 21 88 30 23

Mail: [investorrelations@flowsparks.com](mailto:investorrelations@flowsparks.com)

## DIVIDEND

The Board of Directors will propose to the General Meeting that no dividend be paid for the 2022 financial year.

## GOOD GOVERNANCE

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

**FLOWSPARKS** NV also advocates a proper compliance with the so-called 'corporate governance' principles and thus applies them in the day-to-day decision-making process.



# CONSOLIDATED FINANCIAL STATEMENTS

The **FLOWSPARKS** Group is not required by law to prepare and publish consolidated accounts. The consolidated accounts have been prepared in accordance with the principles set out in the accompanying auditor's report.

All group companies close their annual accounts as at December 31 of each year. The consolidation accounts included were prepared as at December 31, 2020, December 31, 2021 and December 31, 2022. FSR Beheer B.V. c.s. are all 100% subsidiaries.

The full consolidation method was applied.

The accounting principles applicable to the consolidated financial statements are the same as those that apply for the non-consolidated financial statements of **FLOWSPARKS** NV. An exception is the valuation of the consolidation difference/goodwill. Here the philosophy of impairment is followed and accordingly no systematic depreciation in % is applied.

An audit report on the consolidated financial statements 2022 was prepared by Vandelanotte Bedrijfsrevisoren.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

In 2021, the **FLOWSPARKS** Group realized a turnover (i.e. consolidated operating revenue) of EUR 7,405,726. In 2022, a turnover (i.e. consolidated operating revenue) of EUR 8,475,157 was realized. An increase of 14.4% compared to 2021.

The increase is mainly attributable to the revenue from recurring **FLOWSPARKS** licenses.

In 2022, significant investments were again made in the context of the internationalization and the scalability exercise. With this, **FLOWSPARKS** has created the situation where it can grow further in the future. Here, the costs have certainly come before the benefits. In this light, the organization has also invested in the professionalization and expansion of the workforce.

With this purposeful recruitment and training of new employees within the context of international growth and scalability (mainly within sales and supporting services), wage costs rose in absolute figures from EUR 3,475,497 in 2021 to EUR 4,225,221 in 2022.

Personnel costs amounted to 49.85% of the consolidated operating revenue in 2022 and 46.39% of operating revenue in 2021. This indicates the effect of the expansion of new employees.

The **FLOWSPARKS** Group pursues the ongoing strategy in order to align the workforce with market demand and the associated volumes. Today, the number of **FLOWSPARKS** employees has risen to 60 people.

In 2022, the **FLOWSPARKS** Group achieved an operating result before depreciation, interest and income taxes (EBITDA) after extraordinary income and expenses of EUR 1,905,922. This represents a significant increase compared to 2021, when an operating result before depreciation (EBITDA) after extraordinary income and expenses of EUR 1,707,668 was realized. This increase was attributable mainly to the sustained growth of recurring license sales with the remark that this year, as stated above, there have also been significant investments in scalability and international growth.

Trade receivables rose slightly from EUR 2,786,957 in 2021 to EUR 2,792,899 in 2022. The cause is the growth in the operating revenue and the high invoicing in the last quarter of the year. The almost non-existent history of bad debts proves year after year the remarkable quality of the customer portfolio of the **FLOWSPARKS** Group.

Trade payables increased from EUR 263,021 in 2021 to EUR 374,735 in 2022.

The organization's policy is to invoice licenses and projects as soon as possible. Often per phase/milestone and smaller projects as much as possible in advance. On a consolidated basis, this results in a negative net position of orders in progress of EUR 1,229,451.

These aforementioned positions emphasize the focus that is placed in the organization on working capital management and cash flow management.

At the end of the financial year, the financial debts consisted only of a current credit facility at KBC Bank. The available cash and cash equivalents exceeded this debt at the end of 2022.

In 2022, cash and cash equivalents rose by EUR 484,987. This was paired, in 2022, with a net fall in the financing debt of EUR 240,000. At the end of 2022, cash and cash equivalents amounted to EUR 3,391,736. It can be concluded that the company has achieved a strong operational cash flow in 2022 and that it has once again strengthened its liquidity.

## CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2020, 2021 AND 2022

EUR	2020	2021	2022
<b>ACTIVA</b>			
<b>FIXED ASSETS</b>	<b>4,050,320</b>	<b>4,132,410</b>	<b>4,477,238</b>
<b>I. Foundation expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II. Intangible fixed assets</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,322,317</b>
A. Consolidation difference/goodwill	4,000,000	4,000,000	4,000,000
B. Strategic Research	0	0	322.317
<b>III. Tangible fixed assets</b>	<b>38,896</b>	<b>77,115</b>	<b>87,455</b>
A. Land and building	0	0	0
B. Installation, machinery and equipment	36,365	74,221	85,313
C. Furniture	1,435	1,700	1,078
D. Leasing and similar rights	0	0	0
E. Other tangible assets	1,096	1,194	1,064
F. Assets under construction and advance payments	0	0	0
<b>IV. Financial fixed assets</b>	<b>11,424</b>	<b>55,295</b>	<b>67,466</b>
<b>CURRENT ASSETS</b>	<b>4,491,201</b>	<b>5,767,510</b>	<b>6,316,814</b>
<b>V. Receivables due after more than 1 year</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI. Stock and orders in progress</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII. Receivables due within 1 year</b>	<b>1,711,392</b>	<b>2,786,957</b>	<b>2,792,899</b>
A. Trade receivables	1,711,392	2,786,957	2,792,899
B. Other receivables	0	0	0
<b>VIII. Cash investments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX. Cash and cash equivalents</b>	<b>2,639,941</b>	<b>2,906,749</b>	<b>3,391,736</b>
<b>X. Accruals and deferrals</b>	<b>139,868</b>	<b>73,804</b>	<b>132,179</b>
<b>TOTAL ASSETS</b>	<b>8,541,521</b>	<b>9,899,920</b>	<b>10,794,052</b>

EUR	2020	2021	2022
<b>LIABILITIES</b>			
<b>EQUITY</b>	<b>4,766,269</b>	<b>6,095,815</b>	<b>7,460,668</b>
<b>I. Capital</b>	<b>1,507,645</b>	<b>1,507,645</b>	<b>1,507,645</b>
A. Subscribed capital	1,507,645	1,507,645	1,507,645
B. Uncalled capital	0	0	0
<b>II. Issue premiums</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III. Revaluation reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. Reserves</b>	<b>136,979</b>	<b>150,765</b>	<b>150,765</b>
<b>V. Profit (loss) carried forward</b>	<b>2,021,619</b>	<b>3,107,864</b>	<b>4,437,405</b>
<b>Profit (loss) of third parties</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit current financial year</b>	<b>1,100,026</b>	<b>1,329,541</b>	<b>1,364,853</b>
<b>Interests of third parties</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI. Capital grants</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII. Provisions and deferred taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEBTS</b>	<b>3,775,252</b>	<b>3,804,105</b>	<b>3,333,384</b>
<b>VIII. Debts payable after more than one year</b>	<b>620,000</b>	<b>380,000</b>	<b>140,000</b>
A. Financial debts	620,000	380,000	140,000
B. Trade payables	0	0	0
C. Advance payments received on orders	0	0	0
D. Other debts	0	0	0
<b>IX. Debts payable within one year</b>	<b>2,700,946</b>	<b>3,214,619</b>	<b>2,847,963</b>
A. Debts > 1 year, due < 1 year	351,390	240,000	240,000
B. Financial debts	0	0	0
C. Trade payables	304,752	263,021	374,735
D. Advance payments received on orders	1,415,344	1,785,482	1,229,461
E. Taxes, Remuneration and social security debts	629,460	926,116	1,003,767
F. Other debts	0	0	0
<b>X. Accruals and deferrals</b>	<b>454,306</b>	<b>209,486</b>	<b>345,421</b>
<b>TOTAL LIABILITIES</b>	<b>8,541,521</b>	<b>9,899,920</b>	<b>10,794,052</b>

## CONSOLIDATED INCOME STATEMENT FOR 2020, 2021 AND 2022

EUR	2020	2021	2022
<b>I. Operating income</b>	<b>6,281,633</b>	<b>7,405,726</b>	<b>8,475,157</b>
A. Turnover	6,549,335	7,773,863	7,919,137
B. Orders in progress increase (decrease)	-279,964	-370,138	556,020
C. Produced fixed assets	0	0	0
D. Other operational income	12,262	2,001	0
<b>II. Operating costs</b>	<b>-4,968,781</b>	<b>-5,724,373</b>	<b>-6,691,885</b>
A. Trade goods, raw material and consumables	-223,477	-368,872	-337,965
B. Services and miscellaneous goods	-1,693,342	-1,858,358	-2,062,024
C. Remuneration, social security charges and pensions	-3,037,544	-3,475,497	-4,225,221
D. R&D Grants	2,816	3,607	4,696
E. Depreciations and impairment on fixed assets	-17,234	-20,253	-71,371
Intangible – Tangible	-17,234	-20,253	-71,371
Depreciation goodwill	0	0	0
F. Impairment on stock & trade receivables	0	-5,000	0
G. Provision for risks and charges	0	0	0
H. Other operating costs	0	0	0
<b>III. Operating result</b>	<b>1,312,852</b>	<b>1,681,353</b>	<b>1,783,272</b>
<b>IV. Financial income</b>	<b>20,052</b>	<b>304</b>	<b>31</b>
<b>V. Financial charges</b>	<b>-30,535</b>	<b>-28,452</b>	<b>-24,890</b>
<b>VI. Result from ordinary business activities</b>	<b>1,302,369</b>	<b>1,653,205</b>	<b>1,758,413</b>
<b>VII. Extraordinary income</b>	<b>0</b>	<b>7,008</b>	<b>51,279</b>
<b>VIII. Extraordinary costs</b>	<b>0</b>	<b>-946</b>	<b>0</b>
Other extraordinary costs	0	-946	0
<b>IX. Result for the financial year before taxes</b>	<b>1,302,369</b>	<b>1,659,267</b>	<b>1,809,692</b>
<b>X. Income taxes</b>	<b>-202,343</b>	<b>-329,726</b>	<b>-444,839</b>
<b>XI. Net result for the financial year</b>	<b>1,100,026</b>	<b>1,329,541</b>	<b>1,364,853</b>

## CONSOLIDATED ASSETS FLOW TABLE FOR 2020, 2021 EN 2022

EUR	2020	2021	2022
<b>NET CASH FLOW</b>			
Net result for the financial year	1,100,026	1,329,541	1,364,853
Depreciation and impairment on fixed assets	17,234	20,253	71,371
Correction depreciation on goodwill	0	0	0
Impairment on stock & trade receivables	0	0	0
Provision for risk and charges	0	0	0
<b>Cash flow (a)</b>	<b>1,117,260</b>	<b>1,349,794</b>	<b>1,436,224</b>
<b>CHANGES IN OPERATING CAPITAL</b>			
<b>Changes in current assets (*)</b>	<b>12,268</b>	<b>1,009,501</b>	<b>64,317</b>
Receivables due after more than 1 year	0	0	0
Stock and orders in progress	0	0	0
Receivables due within 1 year	-80,616	1,075,565	5,942
Cash investments	0	0	0
Accruals and deferrals	92,884	-66,064	58,375
<b>Changes in short-term debts (#)</b>	<b>551,951</b>	<b>380,243</b>	<b>-230,721</b>
Trade payables	101,096	-41,731	111,714
Advanced payments received on orders	279,964	370,138	-556,021
Taxes, Remuneration and social security debts	-20,403	296,656	77,651
Other debts	0	0	0
Accruals and deferrals	191,294	-244,820	135,935
<b>Changes in operating capital = (*) - (#) = (b)</b>	<b>-539,683</b>	<b>629,258</b>	<b>295,038</b>
Net investments in intangible fixed assets	0	0	359,437
Net investments in tangible fixed assets	16,825	58,472	44,591
Net investments in goodwill	0	0	0
Net investments in financial fixed assets	0	43,866	12,171
Assets in acquired subsidiaries	0	0	0
<b>Net investments in fixed assets (c)</b>	<b>16,825</b>	<b>102,338</b>	<b>416,199</b>
Change in equity/ issue premiums	-19,856	0	0
Capital increase/ conversion	0	0	0
New Loans/ loan extensions	155,000	0	0
Repayment of loans	-413,721	-351,390	-240,000
Cash credits straight loans	-200,000	0	0
Paid dividends FSR beheer / share third parties	0	0	0
<b>Changes in financing (d)</b>	<b>-478,577</b>	<b>-351,390</b>	<b>-240,000</b>
Opening cash (f)	1,478,400	2,639,941	2,906,749
Change in liquid assets = (a) - (b) - (c) + (d) = (e)	1,161,541	266,808	484,987
<b>Closing cash = (e) + (f)</b>	<b>2,639,941</b>	<b>2,906,749</b>	<b>3,391,736</b>

## ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated subsidiaries

EUR	2020	2021	2022
Name	U&I LEARNING BV	U&I LEARNING BV	U&I LEARNING BV
Method used	full consolidation	full consolidation	full consolidation
% of the capital owned	100%	100%	100%
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 the capital owned	100%	100%	100%

### EBITDA

EBITDA as % of operating revenue			
	2020	2021	2022
EBITDA	1,330,086	1,707,668	1,905,922
% operating revenue	21,2%	23,1%	22,5%

### Operating revenue breakdown

SaaS License Revenue			
	2020	2021	2022
SaaS Licenses (local GAAP)	2,997,166	3,971,894	4,945,662
growth	41,5%	32,5%	24,5%
e-Learning Services	3,284,467	3,433,832	3,529,495
growth	-11,5%	4,5%	2,8%

Note: The e-Learning services performed are predominantly performed using the **FLOWSPARKS** Suite as tooling.

## REPORT OF THE AUDITOR TO THE GENERAL MEETING OF SHAREHOLDERS OF FLOWSPARKS NV

REPORT OF THE AUDITOR TO THE GENERAL MEETING  
OF THE COMPANY  
FLOW SPARKS NV  
OTTERGEMSESTEENWEG-ZUID 808 BUS B545  
9000 GENT  
COMPANY NUMBER 0460.563.918

WITH REGARD TO THE FINANCIAL STATEMENTS  
OF THE FINANCIAL YEAR CLOSED ON DECEMBER 31 2022

We have audited the accompanying consolidated internal financial statements of **FLOWSPARKS NV**, that consist of a balance sheet, P&L account and capital flow statement for the financial years closed on 12/31/2020, 12/31/2021 and 12/31/2022, as well as an overview of a number of important 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 scheme as provided for in the Royal Decree of April 29 2019 implementing the Companies and Associations Code, but in its own presentation form. This own presentation form incorporates a number of specific accounting and presentation principles that are stated in the notes to the consolidated internal financial statements.

This financial statement is part of an activities and financial report for the 2022 financial year that is made public.

### RESPONSIBILITY OF THE MANAGEMENT BODY FOR THE FINANCIAL STATEMENTS

The management body is responsible for the preparation and the true and fair presentation of this financial statements in accordance with the requirements of the financial reporting system that are relevant for the preparation of such financial statements, as well as for the implementation of the internal control that the management body deems necessary for the preparation of the financial statements that do not contain any material misstatement whether due to fraud or error.

### RESPONSIBILITY OF THE AUDITOR

It is our responsibility to express an opinion about the financial statements based on our audit. We have conducted our audit in accordance with international auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit in order to obtain a reasonable assurance about whether the financial statements do not contain a material misstatement.

An audit involves carrying out activities in order to obtain audit information about the figures and explanations set out in the financial statements. The selected activities depend on the judgment applied by the auditor, including its assessment of the risks of a material misstatement in the financial statements whether due to fraud or error.



In making those risk assessments aimed at designing auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, the auditor considers internal control relevant to the entity's preparation and the true and fair presentation of the financial statement. An audit also includes an evaluation of the appropriateness of the accounting policies used and the reasonableness of the estimates made by management, if any, as well as an evaluation of the overall presentation of the financial statements.

We believe that the audit information we have obtained is sufficient and suitable as a basis for our audit opinion.

#### **OPINION**

In our opinion, the financial statements are a true and fair presentation, in all material respects, of the financial position of the **FLOWSPARKS** group as at December 31, 2022, in conformity with those requirements of the financial reporting system that are relevant for the preparation of such financial statements.

Kortrijk, May 5, 2023

Vandelanotte Bedrijfsrevisoren CVBA

Statutory Auditor

Represented by

*Nikolas Vandelanotte*

Registered auditor



**Ghent, HQ**

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