oneflow

Interim Report

January–September 2022

The period in summary

July–September 2022

- Net sales increased 53% to MSEK 17.8 (11.6). Share of Net sales outside Sweden increased to 25% (21) with paying users in 29 countries.
- EBIT was MSEK -17.0 (-6.7), with an EBIT margin of -95.6% (-57.6).
- Basic earnings per share amounted to SEK -0.68 (-0.39) and diluted to SEK -0.68 (-0.39).
- Total ARR YoY increased 61% to MSEK 80.5 (50.1). Net New ARR for the third quarter increased 15% to MSEK 5.8 (5.0).
- Opened offices in the Netherlands and France during September.

January–September 2022

- Net sales increased 59% to MSEK 48.8 (30.8). Share of Net sales outside Sweden increased to 24% (18) with paying users in 29 countries.
- EBIT was MSEK -41.3 (-21.4), with an EBIT margin of -84.7% (-69.4).
- Basic earnings per share amounted to SEK –1.91 (-1.19) and diluted to SEK -1.91 (-1.19).
- Net New ARR for the first nine months increased 35% to MSEK 23.4 (17.3).
- Opened offices in the UK in May and in the Netherlands and France during September.
- On 8 April 2022 Oneflow successfully got listed on First North, and raised a total of MSEK 290 including the over-allotment.

Net sales **17.8** MSEK

Net sales **53%** growth

Total ARR **80.5** MSEK

Total ARR **61%** growth

(MSEK)	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20
Net sales	17.8	16.5	14.5	12.8	11.6	10.3	8.8	8.0	6.6
Net sales growth (%)	53.4	59.2	64.5	60.3	74.9	65.7	54.3	58.3	50.8
Recurring revenues	17.1	15.9	13.8	12.4	11.2	9.9	8.4	7.5	6.3
Gross margin (%)	94.5	94.5	94.8	96.4	96.4	96.3	96.5	96.2	95.1
EBITDA	-11.8	-8.7	-6.7	-5.0	-3.2	-4.3	-5.0	-4.3	-2.2
EBITDA margin (%)	-66.4	-52.7	-46.1	-39.2	-27.6	-41.8	-56.9	-53.6	-32.8
EBIT	-17.0	-13.4	-11.0	-8.9	-6.7	-7.1	-7.6	-6.5	-4.2
EBIT margin (%)	-95.6	-81.3	-75.4	-70.0	-57.6	-69.1	-85.5	-80.9	-63.3
ARR, Annual Recurring Revenue	80.5	74.7	65.7	57.1	50.1	45.1	38.1	32.8	27.8
ARR growth (%)	60.6	65.6	72.5	74.0	80.5	78.3	65.8	55.7	51.7
NNARR, Net New ARR	5.8	9.0	8.6	7.0	5.0	7.0	5.3	5.1	2.5
NNARR growth (%)	15.3	28.0	63.6	38.2	102.9	201.9	177.0	82.7	125.6

For definition of key ratios, see pages 26-28.

CEO's comments

Focus on European expansion

Our ARR increased with MSEK 5.8, ending at a total of MSEK 80.5 this quarter, representing a year-over-year growth of 61%. Although it came in slightly below our internal goals in terms of new sales, it was still a very good quarter.

It's always been challenging to make good sales projections for the third quarter. The quarter is very short due to the holiday season. To make a good quarter, we need a few larger deals in the mix. Larger deals have longer sales cycles than smaller ones, and it is hard to predict which larger deals get closed during the very short third quarter window of only 5-6 weeks.

From an operational point of view, the third quarter has been characterized by our European expansion. In May this year we opened an office in the UK, and during the first week of September we opened offices in France and the Netherlands. In new markets where our brand is unknown, and our teams are new, it will take time before Oneflow is fully established. The development is in line with our plans, and we are very satisfied with our performance so far. We have done some great hires, and are very excited about the next year.

Churn has always been low at Oneflow, and despite the tragic war in Ukraine and global recession, churn remained low during the third quarter and in line with previous quarters. However, we might see a slight impact on churn going forward due to the global recession.

On the other hand, new sales will benefit from the very strong return-on-investment in automation by deploying contract management software. With layoffs and downscaling comes the need for being cost-effective and digitalizing the manual, resource-heavy processes. In a potentially more challenging general economic environment, companies will have to put more focus on productivity.

Oneflow is very well-positioned to help our customers to streamline all processes involving contracts. We are not slowing down! But, despite our hunger for growth, we will never compromise our strong financial position and strive to make sound long-term business decisions. We maintain our medium term financial target to increase ARR to at least MSEK 600 by the end of the financial year 2026, and achieve an EBIT margin of at least 20% in that same year.

Say contract, think Oneflow!

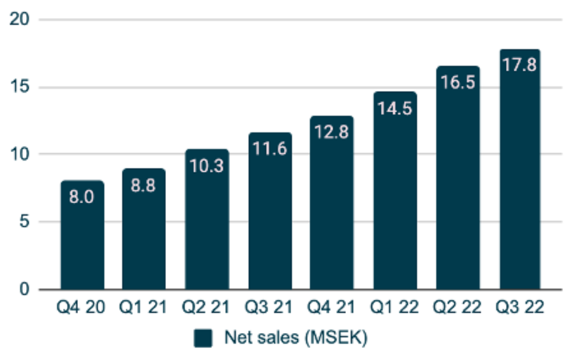
Anders Hamnes
CEO & Founder

Oneflow in summary

Net sales

Net sales in the third quarter was MSEK 17.8 (11.6), representing a growth of 53% (75) compared to the third quarter last year.

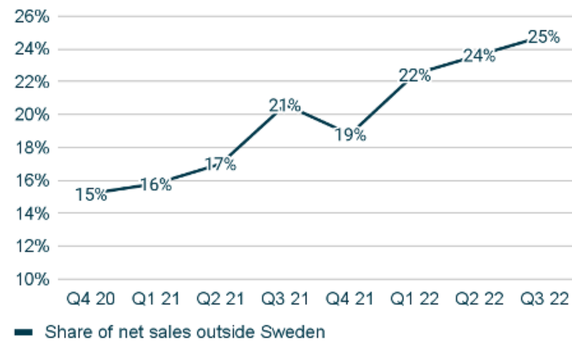
Net sales during the first nine months was MSEK 48.8 (30.8), representing a growth of 59% (66) compared to the same period last year.



Software related recurring revenues represented 96% (95) of Net sales during the third quarter. During the first nine months, software related recurring revenues represented 96% (95). Other revenues are professional services.

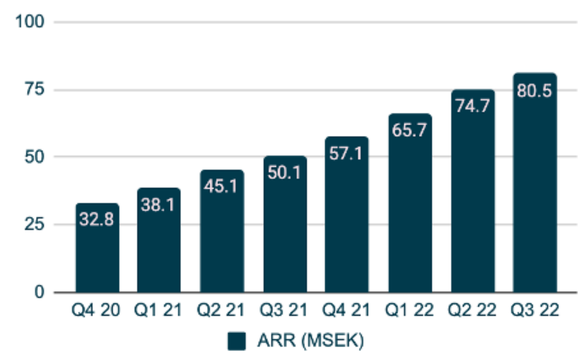
Oneflow is an "ARR first" company, and one-off professional services are only sold when we believe it will ease the customer onboarding and adoption, without compromising the ARR. The ARR/Net sales ratio was at a healthy and strong 131% (129) level for the third quarter, demonstrating that we don't trade quick wins for long-term profitability, and that we have an intuitive and self-serve product platform where professional services are not strictly needed to onboard new customers. Scalability is central in our business model.

Globalization is another main focus area. The share of Net sales outside of Sweden continued to grow during the third quarter, ending at 25% (21). The share of Net sales outside Sweden during the first nine months was 24% (18). We currently have paying users in 29 countries.

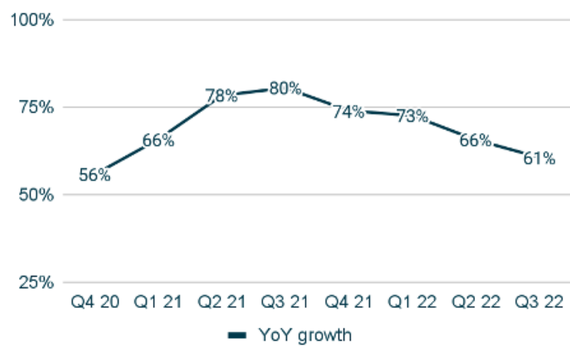


ARR

Total ARR (Annual Recurring Revenue) ended the quarter at MSEK 80.5 (50.1), a growth of 61% compared to the third quarter last year.



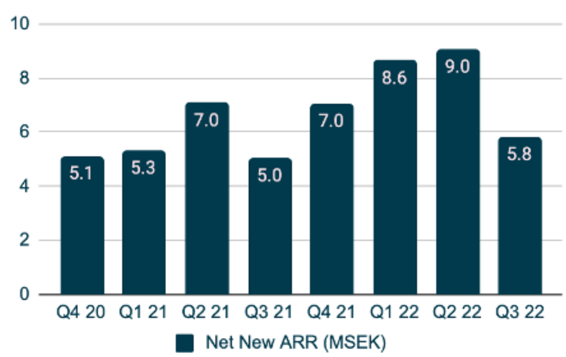
The ARR growth has always been high, and we expect to continue maintaining strong growth going forward. The higher growth rate between Q2 and Q4 2021 (see graph) is mainly related to slightly weaker sales one year earlier when the pandemic started.



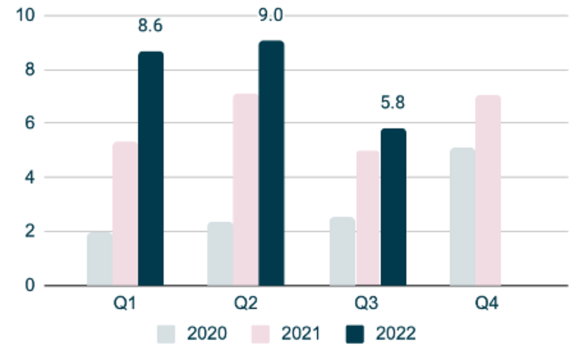
Net New ARR closed at MSEK 5.8 (5.0) for the third quarter, up 15% since the same quarter last year.

The third quarter is very short due to the holiday season. To make a good quarter, we need a few larger deals in the mix. Larger deals have longer sales cycles than smaller ones, and it is hard to predict which larger deals get closed during the very short third quarter window of only 5-6 weeks. For these reasons the third quarter came in slightly below our internal goals.

Net New ARR amounted to MSEK 23.4 (17.3) during the first nine months, an increase of 35% compared to the corresponding period last year.

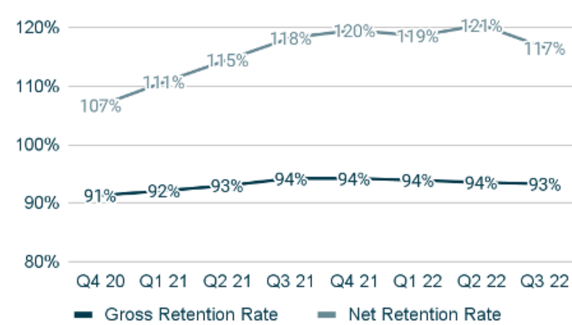


Due to seasonal variations, the second and fourth quarters are usually the strongest in software, with the third quarter being the weakest, and the first quarter somewhere "in between".



Revenue retention

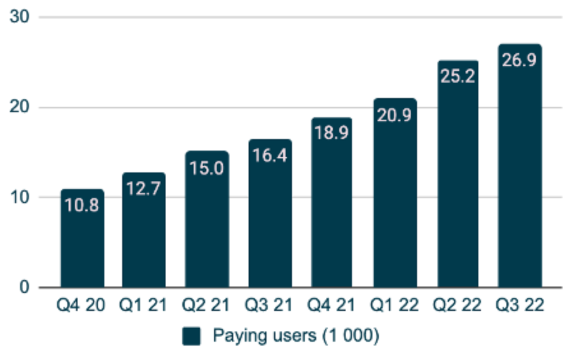
Gross Retention Rate was 93% (94) for the third quarter of 2022, and the average rate for the first nine months of the year was 94% (93). Some churn is inevitable due to normal and healthy market dynamics, and we are already close to levels where further improvements may be challenging. Gross Retention Rate includes churn and downgrades, but not expansion sales.



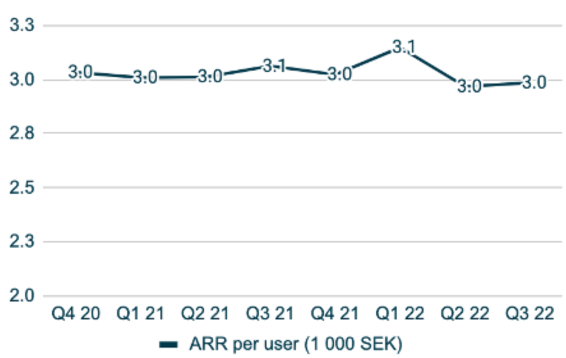
Net Retention Rate ended the third quarter at 117% (118), demonstrating a strong sales growth within the existing customers base, driven by increased usage of digital contracts across the customers' organizations. The average rate for the first nine months of the year was 119% (115). Net Retention Rate includes churn, downgrades and expansion sales.

Users

Number of paying users was 26.9k (16.4k) at the end of the third quarter, up 65% since the third quarter last year (excluding freemium users or counterparty users).



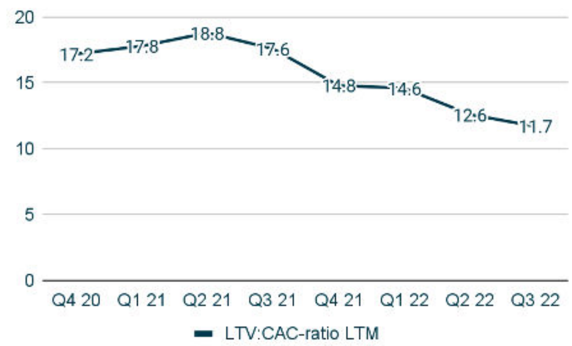
Average ARR per (paying) user was TSEK 3.0 (3.1) during the third quarter, down almost 3% since the same quarter last year. Average ARR per user was TSEK 3.0 (3.0) during the first nine months of 2022, only marginally up compared to the corresponding period last year.



We increased our prices quite a lot at the end of the third quarter this year, and before that we have not done any noteworthy price changes for years. We therefore expect our ARR per user to increase going forward.

LTV:CAC

The LTV:CAC-ratio LTM (Last Twelve Months) ended the third quarter at 11.7, down from 17.6 the third quarter a year earlier, but still very strong. For every SEK we invest in new sales, we get SEK 12 back. The LTV:CAC-ratio was 13.0 during the first nine months of the year, down from 18.1 compared to the corresponding period last year. The downward trend is related to our expansion into new markets.

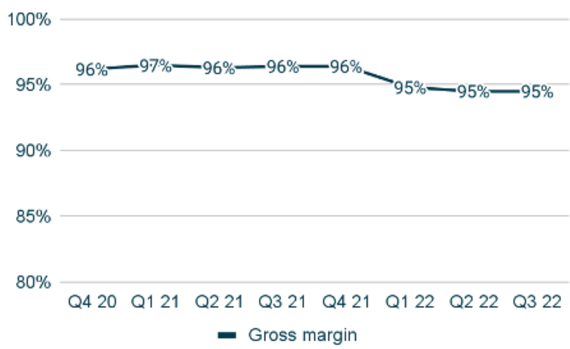


Calculating the Lifetime Value (LTV), we have for simplicity reasons not included any growth assumptions in the average revenue per account going forward. This is of course not correct, since the Net Retention Rate always has been and is expected to remain positive and strong going forward. The LTV would have been significantly higher if we included this element into the formula. However, to be conservative and also not to over complicate the calculations, we decided to stick with the simpler version.

Customer Acquisition Cost (CAC) includes sales and marketing related expenses divided by the number of new customers.

Gross margin

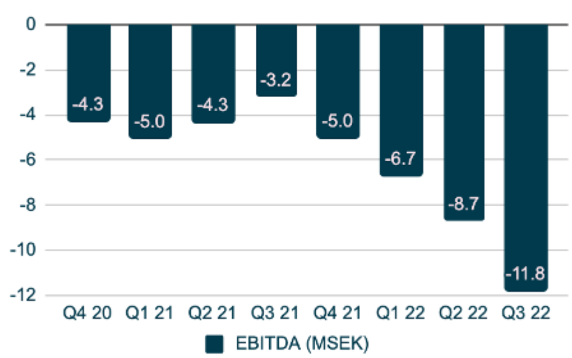
Gross margin was 94.5% for the third quarter of 2022, down a little from 96.4% during the same quarter last year. Gross margin for the first nine months of 2022 was 94.6%, a slight decline compared to 96.4% in the corresponding period last year. The largest cost of service sold related expense is sales commission to partners. Hosting related expenses are also included in the cost of service sold.



EBITDA

During the third quarter, EBITDA amounted to MSEK -11.8 (-3.2), corresponding to an EBITDA margin of -66% (-28).

EBITDA for the first nine months amounted to MSEK -27.2 (-12.6), corresponding to an EBITDA margin of -56% (-41).



The company has a heavy focus on product development, and our goal is to take a position as global thought leader of digital contract handling.

Increased costs mainly consist of higher employee costs with an average of 130 employees during the third quarter compared to 85 during the third quarter last year. This is completely in line with the company's plan to invest in both product development and in new markets.

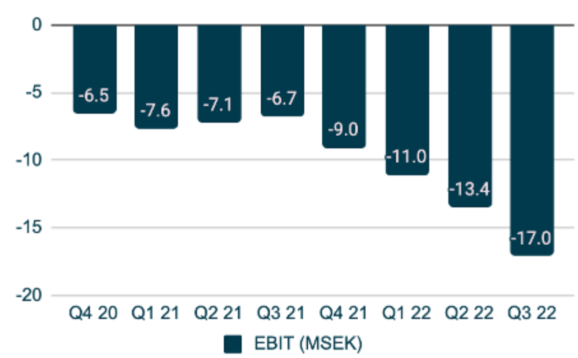
During the third quarter, teams in France and the Netherlands were established, and in May a team in the UK was up and running. This has furthermore entailed higher costs and had an impact on the EBITDA .

EBIT

Operating income during the third quarter, EBIT, amounted to MSEK -17.0 (-6.7), corresponding to an EBIT margin of -96% (-58).

Operating income during the first nine months, EBIT, amounted to MSEK -41.3 (-21.4), corresponding to an EBIT margin of -85% (-69).

Except for cost increases described above, depreciation increased compared to the same period last year as a result of increased investments in capitalized development work due to a heavy focus on product development.



Cash flow and investments

During the third quarter cash flow from current operations amounted to MSEK -12.7 (-6.5).

During the first nine months cash flow from current operations amounted to -17.8 (-8.5) Changes compared to previous year is due to lower operating income, but is also positively affected by advance payments from customers.

During the third quarter investments in tangible non-current assets amounted to MSEK -0.7 (-0.7), excluding right-to-use assets. Investments in intangible non-current assets amounted to MSEK -9.5 (-6.0) and consisted of capitalization of development costs relating to the technical platform. Investments in financial non-current assets amounted to MSEK -0.1 (-1.0) and consisted of deposits for new offices in new markets outside Nordic.

During the first nine months investments in tangible non-current assets amounted to MSEK -1.6 (-1.1), excluding right-to-use assets.

Investments in intangible non-current assets, consisting of capitalization of development costs relating to the technical platform, amounted to MSEK -26.0 (-15.6) during the same period. Investments in financial non-current assets was MSEK -0.6 (-1.0) and consisted of deposits for new offices in new markets outside Nordic.

In the third quarter, depreciation of capitalized development costs amounted to MSEK -3.1 (-1.9) and amortization of right-to-use assets amounted to MSEK -1.4 (-0.5) .

During the first nine months, depreciation of capitalized development costs amounted to MSEK -5.9 (-3.7) and amortization of right-to-use assets amounted to MSEK -2.9 (-1.0) .

Equity and liabilities

The Group's equity amounted to MSEK 254.0 (20.6) by the end of the third quarter.

During the third quarter cash flow from financing activities amounted to MSEK -1.5 (-1.7).

During the first nine months cash flow from financing activities amounted to MSEK 246.4 (-3.0). On 8 April 2022 Oneflow got listed on First North, and raised a total of MSEK 290.

The Group's interest-bearing liabilities excluding lease amounted to MSEK 0.0 (3.0) at the end of the period. A total of MSEK 32.4 (0.2) of the Group's interest bearing liabilities have been repaid during the first nine months. No new liabilities were added during the quarter. New lease agreements in subsidiaries are all short-term agreements. Cash and cash equivalents amounted to MSEK 235.6 (9.2) at the end of the period. The Group's net debt amounted to MSEK -226.4 (-4.4).

Oneflow AB's share

Oneflow AB is listed on Nasdaq First North Premier Growth Market, trading under the ticker "ONEF". Total number of shares issued was 25,142,528 at the end of the period. The company does not own any of its own shares.

For Ownership, see Onflow's website.

Financial goals

Growth

Increase ARR to at least MSEK 600 by the end of the financial year 2026.

Profitability

Achieve an EBIT margin of at least 20 percent by the end of the financial year 2026 while maintaining a strong focus on growth.

Dividend policy

The Board of Directors of Oneflow does not intend to propose any dividends in the foreseeable future, but instead strives to reinvest cash flows in growth initiatives.

Employees

The Group had 145 employees (91) at the end of the third quarter. The average number of employees was 130 (85) during the third quarter. During the first nine months the average number of employees was 114 (79).

On top of that the company had a team of 16 (5) developers in Sri Lanka by the end of the third quarter. From a legal standpoint these are consultants. However, they are considered and treated as any other Oneflow employee, and the consultant model is to mitigate administrative tasks.

Parent company

Operations in Sweden are conducted in the parent company, Oneflow AB. As of September 30, 2022, Oneflow AB owns 100% of the shares in all subsidiaries. Operating profit in the parent company during the third quarter 2022 amounted to MSEK -18.4 (-7.0). Operating profit during the first nine months 2022 amounted to MSEK -43.2 (-21.5). Cash and cash equivalents amounted to MSEK 234.5 (9.1) and borrowings MSEK 0 (3).

Other events during the reporting period

During the second and third quarter Oneflow opened subsidiaries in the UK, France and in the Netherlands. The office in the UK was up and running with a team in May, and the offices in France and the Netherlands were up and running with teams during the first week of September.

We do not expect a significant contribution to our ARR growth from the three new subsidiaries outside of the Nordics before 2023.

No other material or important events have taken place during the reporting period not already reflected in the report.

Other events after the reporting period

No other material or important events have taken place after the reporting period not already reflected in the report.

Forward-looking information

This report may contain forward-looking information based on management's current expectations. Although management believes the expectations expressed in such forward-looking information are reasonable, there are no assurances that these expectations will be correct. Consequently, future outcomes may vary considerably compared to the forward-looking information due to, among other things, changed market conditions for Oneflow's products and more general changes to economic, market and competitive conditions, changes to regulatory requirements or other policy measures and exchange rate fluctuations.

Upcoming reporting dates

- 17 Feb 2023: Year End Report 2022
- 12 May 2023: Interim Report Q1 2023
- 12 May 2023: Annual General Meeting

The CEO certifies that the interim report, to the best of their knowledge, provides a fair overview of the parent company's and the group's operations, financial position and results and describes the material risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 11 November 2022

Anders Hamnes
CEO & Founder

Additional information can be obtained from:

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This Interim Report has been reviewed by the company's auditors.

The Interim Report has been published in both English and Swedish. This is an unaudited translation of the Swedish interim report. Should there be any disparities between the Swedish and the English version, the Swedish version shall prevail.

Consolidated income statement in summary

(TSEK)	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net sales	4	17,767	11,581	48,766	30,761	43,583
Other revenues		-	5	20	27	35
Gross income		**17,767**	**11,586**	**48,786**	**30,788**	**43,618**
Operating expenses						
Compensation to employees		-26,058	-16,135	-73,804	-47,118	-66,365
Capitalized development work by own employees		6,271	4,760	19,863	13,081	18,392
Depreciation		-5,192	-3,470	-14,151	-8,820	-12,765
Other expenses		-9,774	-3,416	-22,022	-9,312	-13,221
Total operating expenses		**-34,753**	**-18,261**	**-90,114**	**-52,169**	**-73,959**
Operating income		**-16,986**	**-6,675**	**-41,328**	**-21,381**	**-30,341**
Financial net		-153	-165	-1,831	-347	-580
Income after financial net		**-17,139**	**-6,840**	**-43,159**	**-21,728**	**-30,921**
Taxes		-56	-190	-112	-103	-183
Net income		**-17,195**	**-7,030**	**-43,271**	**-21,831**	**-31,104**
Net income attributed to:						
Shareholders of the Parent Company		-17,195	-7,030	-43,271	-21,831	-31,104
Other Information						
Earnings per share, non-diluted (SEK)		-0.68	-0.39	-1.91	-1.19	-1.70
Earnings per share, diluted (SEK)		-0.68	-0.39	-1.91	-1.19	-1.70

Consolidated statement of other comprehensive income

(TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net income	**-17,195**	**-7,030**	**-43,271**	**-21,831**	**-31,104**
Other comprehensive income					
Items that may be reclassified to the income statement:					
Translation adjustments	16	-35	31	-23	-14
Other comprehensive income for the period, net of tax	16	-35	31	-23	-14
Comprehensive income for the period	**-17,179**	**-7,065**	**-43,240**	**-21,854**	**-31,118**
Comprehensive income for the period attributed to:					
The shareholders of the Parent Company	**-17,179**	**-7,065**	**-43,240**	**-21,854**	**-31,118**

Consolidated balance sheet in summary

(TSEK)	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Capitalized development cost	52,035	31,044	35,285
Other non-tangible non-current assets	397	632	574
Right-of-use assets	11,581	16,173	14,890
Tangible non-current assets	2,896	1,801	1,955
Other financial non-current assets	1,583	1,130	1,000
Total non-current assets	**68,492**	**50,780**	**53,704**
Trade receivables	11,768	13,149	9,281
Current contract assets	2,670	273	31
Current tax assets	400	376	332
Other current receivables	849	676	293
Prepaid expenses and accrued income	5,575	3,002	3,902
Cash and cash equivalents	235,617	9,232	35,212
Total current assets	**256,879**	**26,708**	**49,051**
Total assets	**325,371**	**77,488**	**102,755**
EQUITY AND LIABILITIES	253,933	20,632	11,866
Total equity	**253,933**	**20,632**	**11,866**
LIABILITIES			
Non-current liabilities			
Interest-bearing non-current liabilities	-	1,819	1,528
Non-current leasing liabilities	5,765	10,244	9,164
Deferred tax liabilities	171	205	190
Total non-current liabilities	**5,936**	**12,268**	**10,882**

(TSEK)	2022-09-30	2021-09-30	2021-12-31
Current liabilities			
Interest-bearing current liabilities	-	1,185	31,167
Current leasing liabilities	4,988	4,937	4,807
Trade payables	6,565	1,793	2,596
Current contract liabilities	36,650	22,484	27,808
Other current liabilities	9,462	8,929	7,788
Accrued expenses and deferred income	7,837	5,260	5,841
Total current liabilities	**65,502**	**44,588**	**80,007**
Total equity and liabilities	**325,371**	**77,488**	**102,755**

Consolidated statement of changes in equity

(TSEK)	Attributable to the Parent Company's shareholders			
	Share capital	Additional paid-in capital	Retained earnings	Total equity
Opening balance January 1, 2022 according to adopted balance sheet	**366**	**64,121**	**-52,621**	**11,866**
Net income for the period			-43,271	-43,271
Other comprehensive income for the year			31	31
Total comprehensive income	**366**	**64,121**	**-95,861**	**-31,374**
Transactions with owners				
Share-based payment	-	1,881	-	1,881
Bonus issue	183	-	-183	-
Share issue	205	307,171	-	307,376
Costs related to Share issue	-	-23,950	-	-23,950
Total transactions with owners	**388**	**285,102**	**-183**	**285,307**
Closing balance September 30, 2022	**754**	**349,223**	**-96,044**	**253,933**
Opening balance January 1, 2021 according to adopted balance sheet	**366**	**61,861**	**-21,503**	**40,724**
Net income for the period			-31,104	-31,104
Other comprehensive income for the year			-14	-14
Total comprehensive income	**366**	**61,861**	**-52,621**	**9,606**
Transactions with owners				
Premium for stock options	-	134	-	134
Share-based payment	-	2,126	-	2,126
Total transactions with owners	**-**	**2,260**	**-**	**2,260**
Closing balance December 31, 2021	**366**	**64,121**	**-52,621**	**11,866**
Opening balance January 1, 2021 according to adopted balance sheet	**366**	**61,861**	**-21,503**	**40,724**
Net income for the period			-21,831	-21,831
Other comprehensive income for the year			-23	-23
Total comprehensive income	**366**	**61,861**	**-43,357**	**18,870**

(TSEK)	Attributable to the Parent Company's shareholders			
	Share capital	Additional paid-in capital	Retained earnings	Total equity
Transactions with owners				
Premium for stock options	-	134	-	134
Share-based payment	-	1,628	-	1,628
Total transactions with owners	-	**1,762**	-	**1,762**
Closing balance September 30, 2021	**366**	**63,623**	**-43,357**	**20,632**

Consolidated cash flow analysis

(TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Cash flow from current operations					
Operating income	-16,986	-6,675	-41,328	-21,381	-30,341
Adjustments for non-cash items	6,080	3,907	16,032	10,447	14,891
Interest received	-	10	138	19	19
Interest paid	-	-51	-1,476	-150	-196
Taxes paid	-101	-62	-156	-196	-334
Cash flow from operating activities before changes in working capital	**-11,007**	**-2,871**	**-26,790**	**-11,261**	**-15,961**
Cash flow from changes in working capital	**-1,668**	**-3,669**	**8,986**	**2,803**	**12,009**
Cash flow from current operations	**-12,675**	**-6,540**	**-17,804**	**-8,458**	**-3,952**
Cash flow from investing activities					
Investment in intangible non-current assets	-9,454	-6,047	-25,979	-15,573	-22,222
Investment in tangible non-current assets	-669	-669	-1,643	-1,120	-1,473
Sales of tangible non-current assets	-	4	-	4	17
Investment in financial non-current assets	-95	-1,000	-583	-1,000	-1,000
Sales of financial non-current assets	-	-	-	-	124
Cash flow from investing activities	**-10,218**	**-7,712**	**-28,205**	**-17,689**	**-24,554**
Cash flow from financing activities					
Share issue	-	-	307,376	-	-
Costs for Share issue	-	-	-23,950	-	-
Premium for stock options	-	-	-	-	134
Proceeds from borrowings	-	-	-	134	30,000
Amortization of leasing liabilities	-1,501	-1,395	-4,354	-2,433	-3,836
Amortization of borrowings	-	-345	-32,695	-758	-1,067
Cash flow from financing activities	**-1,501**	**-1,740**	**246,377**	**-3,057**	**25,231**
Net cash flow	**-24,394**	**-15,992**	**200,368**	**-29,204**	**-3,275**
Net change in cash flow					
Cash and cash equivalents, beginning of the period	259,984	25,200	35,212	38,429	38,429
Exchange rate changes on cash	27	24	37	7	58
Cash and cash equivalents, end of period	**235,617**	**9,232**	**235,617**	**9,232**	**35,212**

Parent company income statement in summary

(TSEK)	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net sales	4	17,688	11,428	48,529	30,574	43,349
Capitalized development work by own employees		6,271	4,760	19,863	13,081	18,392
Other income		-	5	20	27	35
Gross income		**23,959**	**16,193**	**68,412**	**43,682**	**61,776**
Operating expenses						
Compensation to employees		-21,817	-14,216	-65,389	-42,776	-59,970
Depreciation		-3,750	-2,371	-10,076	-6,354	-9,005
Other expenses		-16,809	-6,566	-36,187	-16,096	-23,523
Total operating expenses		**-42,376**	**-23,153**	**-111,652**	**-65,226**	**-92,498**
Operating income		**-18,417**	**-6,960**	**-43,240**	**-21,544**	**-30,722**
Financial items		-	-10	-1,335	-89	-142
Income after financial items		**-18,417**	**-6,970**	**-44,575**	**-21,633**	**-30,864**
Taxes		-9	-	-26	-	-24
Net income for the period		**-18,426**	**-6,970**	**-44,601**	**-21,633**	**-30,888**

Parent company statement of other comprehensive income

(TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net income	**-18,426**	**-6,970**	**-44,601**	**-21,633**	**-30,888**
Other comprehensive income					
Items that may be reclassified to the income statement:					
Translation adjustments					
Other comprehensive income for the period, net of tax					
Comprehensive income for the period	**-18,426**	**-6,970**	**-44,601**	**-21,633**	**-30,888**
Comprehensive income for the period attributed to:					
The shareholders of the Parent Company	**-18,426**	**-6,970**	**-44,601**	**-21,633**	**-30,888**

Parent company balance sheet in summary

(TSEK)	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Non-current assets			
Intangible non-current assets	52,432	31,676	35,859
Tangible non-current assets	2,704	1,732	1,896
Shares in subsidiaries	45	33	33
Other financial non-current assets	1,161	1,000	1,000
Total non-current assets	**56,342**	**34,441**	**38,788**
Current assets			
Trade receivables	11,768	12,855	9,024
Current contract assets	2,506	273	30
Current tax assets	527	376	404
Other current assets	378	912	277
Prepaid expenses and accrued income	6,178	4,291	5,292
Cash and cash equivalent	234,507	9,051	34,757
Total current assets	**255,864**	**27,758**	**49,784**
Total assets	**312,206**	**62,199**	**88,572**
EQUITY AND LIABILITIES			
Restricted equity			
Equity	253,817	20,791	12,044
Total equity	**253,817**	**20,791**	**12,044**
LIABILITIES			
Non-current liabilities			
Interest-bearing non-current liabilities	-	1,819	1,528
Total non-current liabilities	**-**	**1,819**	**1,528**

(TSEK)	2022-09-30	2021-09-30	2021-12-31
Current liabilities			
Current Interest-bearing liabilities	-	1,185	31,167
Account payables	5,759	1,589	2,425
Current contract liabilities	36,571	22,402	27,808
Current liabilities group companies	176	698	989
Other current liabilities	8,976	8,957	7,601
Accrued expenses and deferred income	6,907	4,758	5,010
Total current liabilities	**58,389**	**39,589**	**75,000**
Total equity and liabilities	**312,206**	**62,199**	**88,572**

Notes

1. General information

Oneflow AB (publ) (the “Parent Company”) and its subsidiaries (together the “Group”) are a software company that develops, sells and implements user-friendly digital systems for contract management. In September the Group had offices in Sweden, Norway, Finland, the UK, the Netherlands and France where Oneflow AB primarily conducts its business operations through its wholly owned subsidiaries.

The Parent Company is a limited company registered in Sweden, corporate registration number 556903-2989, with its head office in Stockholm. The address of the main office is Gävlegatan 12 A, SE 113-30 Stockholm, Sweden.

2. Accounting policies

Oneflow prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. New items in reporting standards that entered force on 1 January 2022 have not had any material impact on the consolidated report as of 30 September 2022. The Group applies the same accounting policies as those in the annual report as of 31 December 2021.

The Parent Company prepares its report in according to RFR 2 Accounting for Legal Entities as well as the Swedish Annual Accounts Act, and applies the same accounting policies and measurement methods as in the latest annual report.

Estimates and assessments

Preparing reports according to IFRS requires the use of a number of key estimates for reporting purposes. Moreover, it requires management to make certain assessments in conjunction with the application of the Group’s accounting policies. Estimates and assumptions are based on historical experience and are reviewed regularly. The actual outcome may deviate from these estimates and assessments.

3. Financial risk management

3.1 Financial risk factors

Through its activities, the Group is exposed to both business-related and financial risks. These risks have been described in detail in the company’s Annual Report for 2021.

The uncertainty in the world following the war in Ukraine, the subsequent energy crisis and higher inflation in large parts of the world affect the Group with higher costs. The global recession may also have an impact on the investment plans of Oneflow's current and prospective customers, with a decreased demand as a possible consequence.

In troubled times, it is natural for smaller currencies, such as the Swedish krona (SEK), to weaken against the US dollar and euro. When the global situation stabilizes, we will probably see a strengthening of the SEK. The currency effects may affect the company's results.

The COVID-19 pandemic in 2020 and 2021 caused a downturn in economic activity, which impacted the activity of our operations even though the impact was minor. In the first quarter of 2022, the company has noted increased activity in the market after the restrictions were largely removed.

The board and management follow the development of events in Ukraine and the changed security policy situation in other parts of the world to evaluate and proactively manage potential risks and opportunities.

4. Revenue

(TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
The Group Company					
Subscription revenue	17,084	11,067	46,739	29,358	41,921
One-time fees	683	514	2,027	1,403	1,662
Net sales	**17,767**	**11,581**	**48,766**	**30,761**	**43,583**
Parent Company					
Subscription revenue	17,084	11,033	46,739	29,324	41,921
One-time fees	604	395	1,790	1,250	1,428
Net sales	**17,688**	**11,428**	**48,529**	**30,574**	**43,349**

(TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
The Group Company					
Sweden	13,362	9,194	37,203	25,217	35,817
Other countries	4,405	2,387	11,563	5,544	7,766
Net sales	**17,767**	**11,581**	**48,766**	**30,761**	**43,583**
Parent Company					
Sweden	13,362	9,194	37,203	25,217	35,817
Other countries	4,326	2,234	11,326	5,356	7,532
Net sales	**17,688**	**11,428**	**48,529**	**30,573**	**43,349**

5. Earnings per share

Non-diluted

Earnings per share before dilution is calculated by dividing the earnings attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding.

Non diluted	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net income attributed to Shareholders of the Parent Company, TSEK	-17,179	-7,065	-43,240	-21,854	-31,118
Weighted average number of ordinary shares outstanding, prior to bonus issue, pcs	5,028,505	3,662,391	4,535,360	3,661,072	3,661,399
Earnings per share, before bonus issue in February 2022-02, SEK		**-1,92**		**-5,97**	**-8,50**
Weighted average number of ordinary shares outstanding, after bonus issue, pcs	25,142,528	18,311,955	22,676,800	18,305,360	18,306,995
Earnings per share, non-diluted, SEK [1]	**-0.68**	**-0.39**	**-1.91**	**-1.19**	**-1.70**

1) For comparative purposes, the number of shares has been recalculated with the effect of the completed bonus issue in February 2022

Diluted

For calculation of earnings per share after dilution, the weighted average number of shares outstanding is adjusted for the dilution effect of all potential ordinary shares. Since the Group has posted negative earnings, potential ordinary shares do not give rise to dilution.

Diluted	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net income attributed to Shareholders of the Parent Company, TSEK	-17,179	-7,065	-43,240	-21,854	-31,118
Weighted average number of ordinary shares outstanding, prior to bonus issue, pcs	5,028,505	3,662,391	4,535,360	3,661,072	3,661,399
Earnings per share, before bonus issue in February 2022-02, SEK		**-1,92**		**-5,97**	**-8,50**
Weighted average number of ordinary shares outstanding, after bonus issue, pcs	25,142,528	18,311,955	22,676,800	18,305,360	18,306,995
Earnings per share, diluted, SEK [1]	**-0.68**	**-0.39**	**-1.91**	**-1.19**	**-1.70**

1) For comparative purposes, the number of shares has been recalculated with the effect of the completed bonus issue in February 2022

The Group has three employee stock option programmes described in the company's Annual Report for 2021 and the interim report for Q1 2022. Provided that all warrants for all outstanding incentive plans are exercised to subscribe for shares, this will result in an increase of a total of 929,450 shares, representing a potential dilution of 3.56% of shares and votes. For all of the stock option programs, the market share price exceeds the subscription price.

6. Related-party transactions

Apart from the shareholder loan (bridge loan) as of 31 December 2021 described in Note 29 of the Annual Report, where related parties provided a bridge loan totalling MSEK 19.5, no material transactions with related parties took place that have materially impacted the Group's earnings or financial position.

Where applicable, transactions with related parties have been on market terms.

7. Intangible fixed assets

Intangible assets are amortized over five years. Any need for impairment is tested yearly. The impairment testing carried out at year-end showed no need for impairment.

Capitalized production costs

Operating costs pertaining to development of the technical platform were reduced by MSEK 6.3 (4.8) in the third quarter of 2022. Operating costs for the first nine months 2022 were reduced by MSEK 19.9 (13.1).

Key ratios for the Group

	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Financial key ratios defined according to IFRS					
Net sales (MSEK)	17.8	11.6	48.8	30.7	43.6
EBIT (MSEK)	-17.0	-6.7	-41.3	-21.4	-30.3
EBIT margin (%)	-95.6	-57.6	-84.7	-69.4	-69.6
Earnings per share, non-diluted (SEK)	-0.68	-0.39	-1.91	-1.19	-1.70
Earnings per share, diluted (SEK)	-0.68	-0.39	-1.91	-1.19	-1.70
Alternative financial key ratios					
Net sales growth (%)	53.4	74.8	58.5	65.5	63.9
Recurring revenues	17,1	11,1	46,7	29,3	41,9
Gross profit (MSEK)	16.8	11.2	46.1	29.7	42.0
Gross margin (%)	94.5	96.4	94.6	96.4	96.4
EBITDA (MSEK)	-11.8	-3.2	-27.2	-12.5	-17.6
EBITDA margin (%)	-66.4	-27.7	-55.7	-40.8	-40.3
Average number of employees (RTM)	130	85	114	79	83
Number of employees, end of period	145	91	145	91	105
Alternative operational key ratios					
ARR, Annual Recurring Revenue (MSEK)	80.5	50.1	80.5	50.1	57.1
ARR growth (%)	60.6	80.5	60.6	80.5	74.0
ARR / Net sales (%)	130.6	129.3	130.6	129.3	131.0
NNARR, Net New ARR (MSEK)	5.8	5.0	23.4	17.3	24.3
NNARR growth (%)	15.3	102.9	35.1	158.4	106.6
Paying users (in thousands)	26.9	16.4	26.9	16.4	18.9
ARPU, Annual Revenue Per User (TSEK)	3.0	3.1	3.0	3.1	3.0
GRR, Gross Retention Rate (%)	93.3	94.2	93.6	93.1	94.2
NRR, Net Retention Rate (%)	116.6	118.3	118.6	114.5	119.6
LTV:CAC-ratio LTM	11.7	17.6	13.0	18.1	14.8

For definition of key ratios, see pages 26-28.

Definitions of key ratios

Definitions of alternative financial key ratios

Key ratio	Definition
Growth in net sales, %	The periods net sales calculated in relation to the corresponding period last year, expressed as a percentage.
Gross profit [1)]	Net sales less cost of services sold.
Gross margin, %	Gross profit as a percentage of net sales.
EBIT	EBIT consists of earnings for the year less financial costs and income taxes, meaning the operating profit that is presented in profit and loss.
EBIT margin, %	Operating profit as a percentage of net sales.
EBITDA	EBITDA (earnings before interest, taxes, depreciation and amortization) is operating profit before depreciation, amortization and impairment.
EBITDA margin, %	EBITDA as a percentage of net sales.

1) Direct variable costs that arise in the delivery of services are recognized in Cost of services sold. These costs consist of factors such as storage in server rooms, variable costs for signing agreements and commissions for partners who supply the company's services. The item does not include depreciations, amortizations or personnel costs.

Reconciliation tables for alternative financial key ratios

Reconciliation growth in net sales (TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net sales, same period previous year	11,580	6,623	30,761	18,591	26,591
Net sales, period	17,767	11,581	48,766	30,761	43,583
Organic growth in net sales (%)	**53.4**	**74.9**	**58.5**	**65.5**	**63.9**

Reconciliation gross profit and gross margin (TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net sales, period	17,767	11,581	48,766	30,761	43,583
Cost of services	-985	-419	-2,641	-1,111	-1,578
Gross profit	**16,782**	**11,162**	**46,125**	**29,650**	**42,005**
Gross margin (%)	**94.5**	**96.4**	**94.6**	**96.4**	**96.4**

Reconciliation EBITDA and EBITDA margin (TSEK)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Net sales, period	17,767	11,581	48,766	30,761	43,583
Operating income	-16,986	-6,675	-41,328	-21,381	-30,341
Depreciation	5,192	3,470	14,151	8,820	12,765
EBITDA	**-11,794**	**-3,205**	**-27,177**	**-12,561**	**-17,576**
EBITDA margin (%)	**-66.4**	**-27.7**	**-55.7**	**-40.8**	**-40.3**

Definitions of alternative operational key ratios

Key ratio	Definition
Annualized recurring revenue (ARR)	ARR is defined as the 12-months value of contractual recurring revenue. These revenue streams are invoiced and distributed across 12 months, for which reason the ARR may be higher than the figure for net sales.
Growth in ARR, %	Annual growth in ARR calculated in relation to the preceding year, expressed as a percentage.
ARR/Net sales, %	ARR on the last date of a twelve-month period as a percentage of net sales during the corresponding period.
Net New ARR (NNARR)	The net change in ARR between two periods.
Growth in NNARR, %	The change, as a percentage, in NNARR during one period in relation to the preceding period.
Paying users	Defined as all paying users among Oneflow's existing customers.
Average Revenue Per User (ARPU)	ARR per user. Defined as ARR divided by the number of paying users.
Churn	Churn is the ARR value of the subscriptions that are canceled, not renewed or downgraded during a given period of time.
Gross retention rate (GRR), %	GRR shows the proportion of customer loss, and is defined as the ARR of existing customers at a specific point in time divided by the ARR of the same customers, excluding expansion revenue, from 12 months earlier. GRR therefore does not take into account cross sales and added sales, only loss of revenue from existing customers.
Net retention rate (NRR), %	NRR is defined as the ARR of existing customers at a specific point in time divided by the ARR of the same customers from 12 months earlier. NRR takes into account expansion revenue, which entails cross sales and added sales to existing customers, and loss of revenue from existing customers.
LTV:CAC ratio, x	The lifetime value of the customer is calculated by dividing ARR for the period by the number of customers, multiplying the result by the estimated length of the customer relationship as calculated from the customer loss for the period, and then multiplying that result by the gross margin for the period. The cost of acquiring customers is calculated by dividing the cost of acquiring new customers in sales and marketing by the number of new customers that were added for the period. The calculation of customer lifetime value does not include future expansion sales.

Grant Thornton

Auditor´s review report

To the Board of Directors of Oneflow AB (publ)
Company registration number 556903-2989

Introduction

We have reviewed the condensed accompanying balance sheet of Oneflow AB (publ) as of September 30, 2022 and the related statements of income, changes in equity and cash flows for the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as at September 30, 2022, and of its financial performance and its cash flows for the nine-month period then ended, in accordance with IAS34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company

Stockholm, November 11, 2022
Grant Thornton Sweden AB

Daniel Forsgren
Authorized Public Accountant

Oneflow in brief

Contract experts

Oneflow is one of the leading SaaS contract automation providers on the Nordic market. We help organizations grow faster with less risks, better workflows, smarter decisions that lead to quicker deals.

Oneflow develops, sells and implements an end-to-end platform for all contracts with a simple, easy-to-use tool with broad data usage capabilities. The platform is equally loved and trusted by enterprise teams and startups for its ability to keep work flowing, overcoming everyday's friction and the complexity of a contract process.

Everything that Oneflow does hinges on its value proposition: Oneflow saves time and money by tearing down the silos in communication, manual processes, and between systems.

We aspire to take the pain out of working with contracts - and make it secure and delightful. In addition to making significant savings, Oneflow users have experienced more creative freedom at work, leading to more happiness in life.

Our sustainable business model

Oneflow offers a SaaS application with a subscription-based pricing model without any big investments upfront. Pricing plans are based on the features included in the plan, the number of users, and value-added services.

Oneflow's go-to-market strategy is a combination of direct sales, inbound sales, partner sales, self-service sales and viral sales (product led growth). A large chunk of revenue comes from upselling and cross-selling because Oneflow can be used in all departments. The platform has features that help businesses to structure their contracts and workspaces according to their departments, entities, and so on.

This means that for every new customer, we have the potential to increase user volume. Our customers often find additional use cases for Oneflow once they start using the platform.

Our mission and vision

Oneflow's mission is to "move business from friction to flow, creating a world where people can be their best". Our vision is to become synonymous with contracts, hence "Say contract, think Oneflow".

Go-to-market strategies

Continued innovation and self-service growth

Since inception, Oneflow set out to transform the way that contracts are written, signed, and managed by reinventing the workflow rather than simply recreating the analog process in a digital space. It was never our intention to create an e-signing tool. E-signing is a commodity.

We believe that contracts contain information that defines a business. Contracts are assets, liabilities and obligations. Our goal is to build a superior end-to-end product that leads the innovation to define the future of contracts.

Self-service product led growth is a key aspect to our organic growth plan. Contracts are at the heart of any business and we believe that anyone across the globe should be able to easily buy Oneflow within a few steps on their own.

Marketing and network sales

Say contract, think Oneflow! Oneflow believes that brand drives demand. We believe in creating positive experiences with contracts for the users to increase the word-of-mouth and generating referrals for our brand and product.

We constantly improve the counterparty experience, enabling counterparties to instantly sign up to Oneflow and showcasing our unique value proposition to guests during their brief visit. Both strategies have high virality potential contributing to what we call "network sales".

While we increase growth from our organic channels, we will continue to scale growth through performance marketing and paid media as long it returns a positive ROI.

Sales and partnerships

Our sales strategy is to land, expand and extend. Oneflow is not only a sales or HR tool. It's designed for contracts, for the entire organization. Our primary strategy is to "get in early", then expand usage in volume and in other departments or entities.

With partnerships, our goal is to increase partner sales. Our strategy is to focus and penetrate into our strategic commercial and technical partners' organization as well as ecosystems while building a strong and highly engaged partner community.

New market expansion

In order to meet the increasing global demand for cloud-based applications that support automation of essential tasks such as the contracting process, Oneflow will enter into new markets through a mix of partnerships and marketing strategies. Offices will be set up with local sales teams combined with Nordic staff to help establish the Oneflow culture.

The magic of flow

Our world is undergoing a huge digital transformation. But contracts are stuck in the dark ages: a frustrating mess of legacy systems, paper, and PDFs.

We imagined a better contract workflow. One free from friction that flows seamlessly. Where contracts are effortless, free from admin, and progress made at the tap of a button. So we built just that, making contracts smarter and an experience so delightful, it feels like magic.

From friction to flow...

From friction to flow is the core organizing thought that positions Oneflow as the brand that helps move businesses from a world of legacy systems, frustration and distraction, to one full of focus, energy, freedom and control.

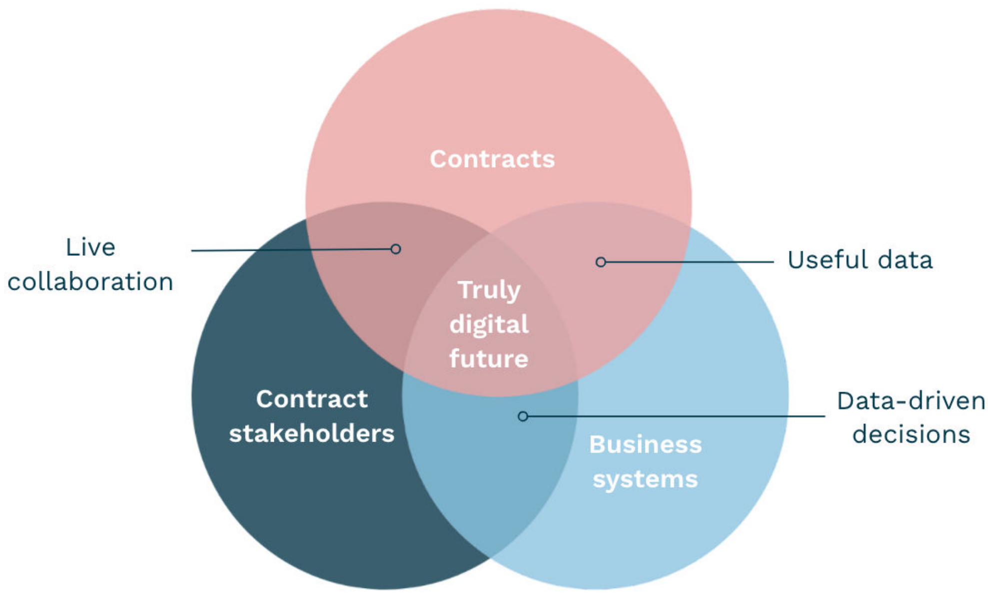
In Oneflow's world of flow, contracts are effortless, admin is non-existent, and progress is made at the tap of a button. Processes are faster, decisions are smarter, and deals are quicker. It's where everything is smooth and surprisingly delightful. An experience so good, it feels like magic.

... and a truly digital future

Move from printed papers, handwritten signatures and physical archives to truly digital contracts that are secure and data-driven — breaking down the silos of communications, processes and systems — ultimately giving you the freedom to focus on what matters most and be your best.

Trusted and loved by the most demanding customers

Our customers range from the largest global enterprises to sole proprietorships, across industries, around the world. They include DHL, Bravida, Tele2, Northvolt, ManpowerGroup, Budbee, and more on our website.



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17 February 2023	Year-end Report 2022
12 May 2023	Interim Report Q1 2023
12 May 2023	Annual General Meeting

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