oneflow

Interim Report

January–March 2023

The period in summary

January–March 2023

- Net sales increased 50% to MSEK 21.7 (14.5). Share of Net sales outside Sweden increased to 28% (22) with paying users in 32 countries.
- EBIT was MSEK -23.5 (-11.0), with an EBIT margin of -108% (-75).
- Basic earnings per share amounted to SEK -0.91 (-0.64) and diluted to SEK -0.91 (-0.64).
- Total ARR YoY increased 52% to MSEK 99.6 (65.7).
- Net New ARR for the first quarter increased 4% to MSEK 9.0 (8.6).
- Total cash and cash equivalents amounted to MSEK 188,035 (24,296).

Net sales
21.7
MSEK

Net sales
50%
growth

Total ARR
99.6
MSEK

Total ARR
52%
growth

(MSEK)	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20
Net sales	21.7	20.4	17.8	16.5	14.5	12.8	11.6	10.3	8.8	8.0
Net sales growth (%)	49.5	58.8	53.4	59.2	64.5	60.3	74.9	65.7	54.3	58.3
Recurring revenues	20.8	19.1	17.1	15.9	13.8	12.5	11.1	9.9	8.4	7.5
Gross margin (%)	93.7	94.1	94.5	94.5	94.8	96.4	96.4	96.3	96.5	96.2
EBITDA	-17.3	-18.8	-11.8	-8.7	-6.7	-5.0	-3.2	-4.3	-5.0	-4.3
EBITDA margin (%)	-79.6	-92.2	-66.4	-52.7	-46.1	-39.2	-27.6	-41.8	-56.9	-53.6
EBIT	-23.5	-24.4	-17.0	-13.4	-11.0	-8.9	-6.7	-7.1	-7.6	-6.5
EBIT margin (%)	-108.2	-120.0	-95.6	-81.3	-75.4	-70.0	-57.6	-69.1	-85.5	-80.9
ARR, Annual Recurring Revenue	99.6	90.6	80.5	74.7	65.7	57.1	50.1	45.1	38.1	32.8
ARR growth (%)	51.6	58.7	60.6	65.6	72.5	74.0	80.5	78.3	65.8	55.7
NNARR, Net New ARR	9.0	10.1	5.8	9.0	8.6	7.0	5.0	7.0	5.3	5.1
NNARR growth (%)	4.3	45.1	15.3	28.0	63.6	38.2	102.9	201.9	177.0	82.7

For definition of key ratios, see pages 26-29.

CEO's comments

Executing according to plan in a turbulent market

Our total ARR increased 52% year-over-year to MSEK 99.6, representing an increase of MSEK 9.0 during the first quarter. Considering a turbulent market with a degree of uncertainty, we have executed well in our way to reach our long term objectives.

The third quarter of last year showed early signs of a souring climate, recession came with full force during the fourth quarter, and the sentiment continued to be tough in the first quarter of this year with the same magnitude as the previous quarter, not more, not less. While we're executing according to plan, we feel the impact of market delays.

We are gaining traction in sales from our newly established subsidiaries in France, the Netherlands and the UK. We continue to invest in our global expansion, currently counting customers in 32 countries, and share of sales outside Sweden at 28% in the first quarter.

Churn has been higher than usual during the last two quarters, but we don‘t lose more to competition. However, the churn has declined somewhat during the past few months, and we believe that the worst is over, and the churn will gradually decline and finally stabilize.

In times when companies put greater focus on cost reductions, Oneflow is strongly positioned to offer a critical product, sold at a low cost with a high return-on-investment, to automate contract workflows from creation to archive. Our platform integrations and scalability further reduce operational costs while maximizing the investments companies already made in their existing systems.

Our solid balance sheet means that we have the financial strength to go full force even during the storm. The current recession is painful for most companies, but to us, it's also an opportunity. This, combined with a highly competent team, very strong company culture, a scalable product that's top notch in the market space delivering to the most demanding customers, put Oneflow on a rock solid position.

Considering the global financial situation, we believe in a somewhat more cautious expansion approach until the economy has shown clear signs of recovery. We therefore adjust our financial targets to an ARR of MSEK 600 by the end of 2027, and an EBIT margin of 20% in the same year. While the future is hard to predict, we will never jeopardize our strong financial position.

Say contract, think Oneflow!

Anders Hamnes
CEO & Founder

Product highlights

Product highlights during the quarter

- We introduced our new feature **AI Assist**, which is currently in beta, to help our users speed up the contract generation process by leveraging OpenAI GPT technology inside the Oneflow platform. Users can use AI Assist to improve their contract content and instantly get inspiration for writing specific clauses.
- We launched **folders** management to make it faster and easier for our users to automate the organization of their Oneflow contracts. Besides adding tags, users can sort and categorize their contracts in a familiar, preferred way i.e. using folders. This organizational tool will save our customers time when locating documents, as well as manage risk to ensure no existing contracts are misplaced.
- We added new **formatting** capabilities to allow users to further customize the branding of their contracts. Users can now change the text font, size and color as a default across the contract. This additional functionality will help our customers build brand identity and elevate the appearance of professionalism in their contracts.

Product highlights after the end of the quarter

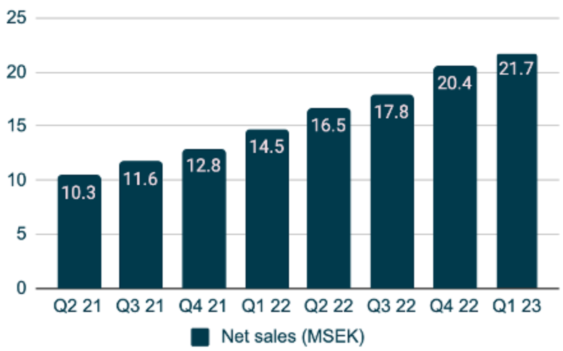
- We expanded the capabilities of our **Hubspot integration** for improved data consistency, ease of use, and insight tracking. This improvement makes us the first contract solution on Hubspot to introduce a “2-way sync” feature, which auto-populates data to and from Hubspot to the contract. This speeds up admin time for the user when creating a contract, and improves data consistency with final contract data synced back to Hubspot. Users can also now stay increasingly up to date with expanded Oneflow contract updates appearing within Hubspot’s activity timeline.
- We’ve enhanced our **Pipedrive Integration** to support custom data fields. This feature provides users with the time-saving flexibility of transferring Pipedrive data into Oneflow contracts, including custom data fields created in Pipedrive.
- We've expanded our **AI Assist** capabilities to speed up the content generation process in other areas than the contract itself. This includes composing email invitation messages, reminder notes, and more.

Oneflow in summary

For definition of key ratios presented below, see pages 26-29.

Net sales

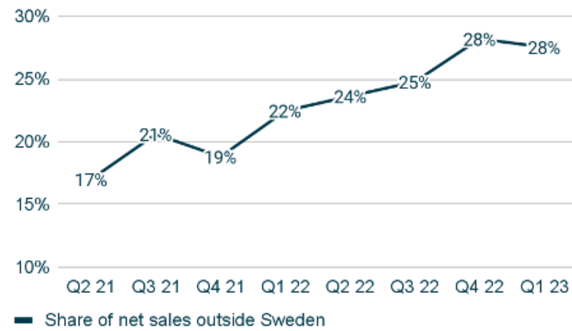
Net sales in the first quarter was MSEK 21.7 (14.5), representing a growth of 50% (64) compared to the first quarter last year.



Software related recurring revenues represented 96% (95) of Net sales during the first quarter. Other revenues are professional services.

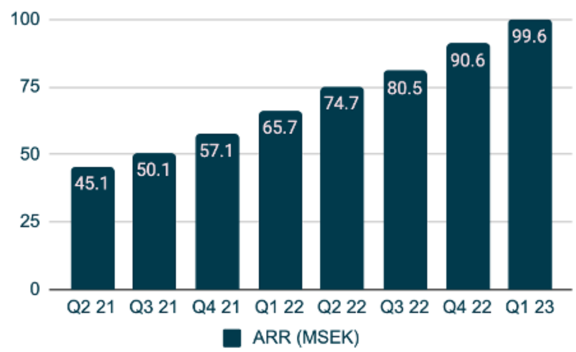
Oneflow is an "ARR first" company, and one-off professional services are only sold when we believe it will ease the customer onboarding and adoption, without compromising the ARR. The ARR/Net sales ratio was at a healthy and strong 131% (134) level for the first quarter, demonstrating that we don't trade 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 first quarter, ending at 28% (22). We currently have paying users in 32 (26) countries.

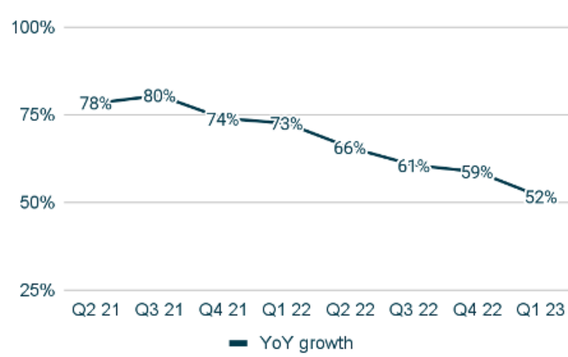


ARR

Total ARR (Annual Recurring Revenue) ended this quarter at MSEK 99.6 (65.7), a growth of 52% compared to the previous year.

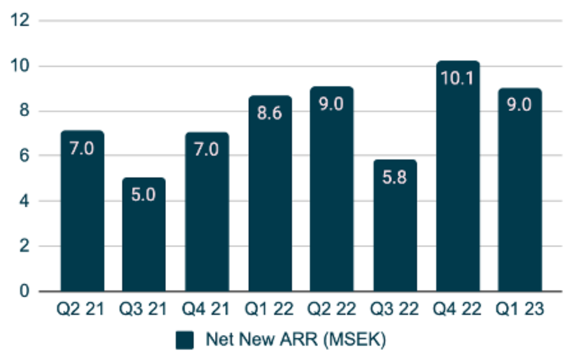


The ARR growth has always been high, and we expect to continue maintaining strong growth going forward. The higher growth rate between Q2 and Q4 2021 (see graph below) is mainly related to slightly weaker sales one year earlier when the pandemic started.

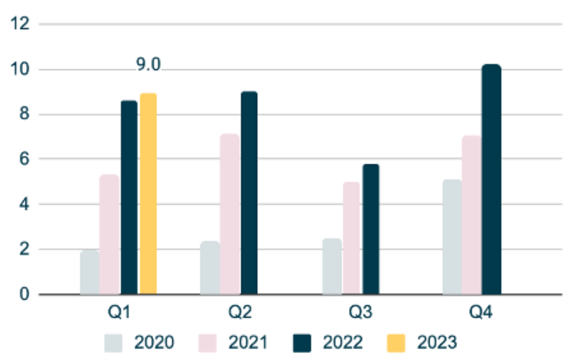


Net New ARR closed at MSEK 9.0 (8.6) for the first quarter, up 4.3% since the same quarter last year.

Net New ARR was slightly below our internal predictions. This is related to the current economic situation. Sales cycles were longer than usual and the churn (including downgrades) were higher compared to previous quarters. We expect the churn rate to improve again as the "weaker licenses" have been cleaned out (we saw the same pattern in the beginning of the pandemic).

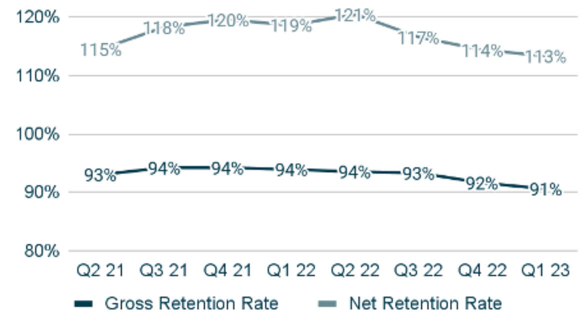


Due to seasonal variations, the second and fourth quarters are usually the strongest in software, with the third quarter being the weakest, and the first quarter somewhere "in between".



Revenue retention

Gross Retention Rate was 91% (94) for the first quarter of 2023. Gross Retention Rate includes churn and downgrades, but not expansion sales.

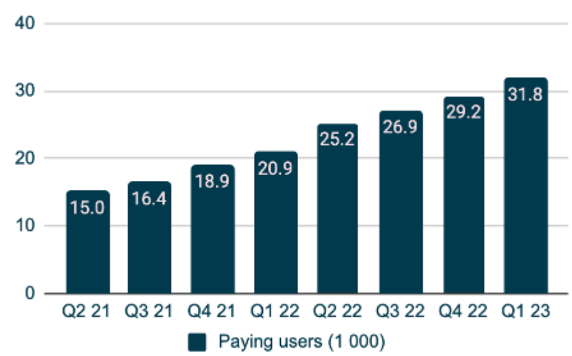


Net Retention Rate ended the first quarter at 113% (119). Net Retention Rate includes churn, downgrades and expansion sales.

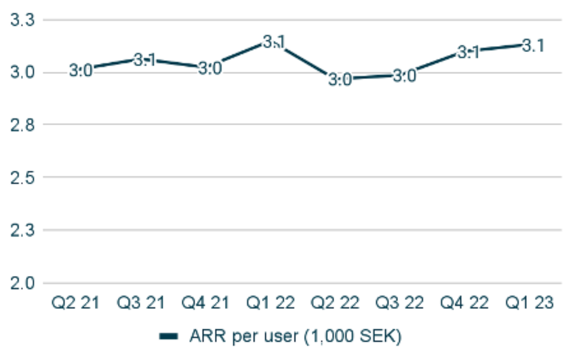
Again, we see no indications of factors causing the declining numbers other than the economic situation at the moment. Churn is higher than usual, and expansion sales is lower. We expect the Net Retention Rate to pick up again as soon as the underlying market fundamentals improve.

Users

Number of paying users was 31.8k (20.9k) at the end of the quarter, up 52% since the same quarter previous year.



Average ARR per (paying) user was TSEK 3.1 (3.1) by the end of the quarter.

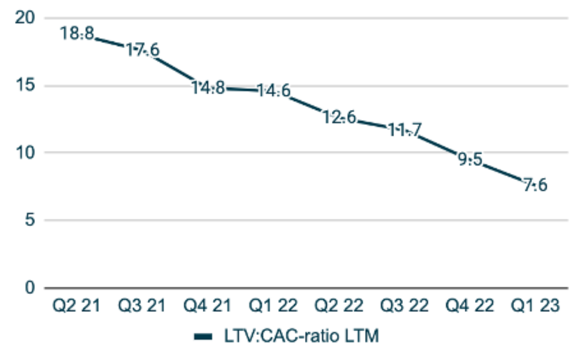


LTV:CAC

The LTV:CAC-ratio LTM (Lifetime Value divided by Customer Acquisition Cost, Last Twelve Months) ended the first quarter at 7.6, down from 14.6 the first quarter a year earlier. For every Swedish crown (SEK) we invest in new sales, we get almost eight Swedish crowns (SEK) back.

The downward trend is as expected and planned, and mainly related to our expansion into new markets. We opened subsidiaries in the UK, France and the Netherlands in 2022, and this is associated with relatively high costs. The teams in these offices are still under onboarding, and their sales contribution has been limited up until now. This was also as expected and according to plan. 2023 will be the year for bringing our new teams up to speed, and start to deliver sales. We have already closed several large deals during the first quarter outside the Nordics.

Although a small increase in the customer lifetime value (LTV) during the first quarter, the negative impact from the CAC pulled the LTV:CAC ratio slightly down.

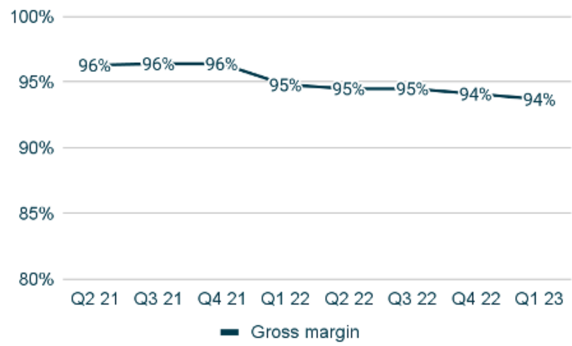


Calculating the LTV, we have for simplicity reasons not included any growth assumptions in the average revenue per account going forward. This is of course not correct, since the Net Retention Rate always has been and is expected to remain positive and strong going forward. The LTV would have been significantly 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.

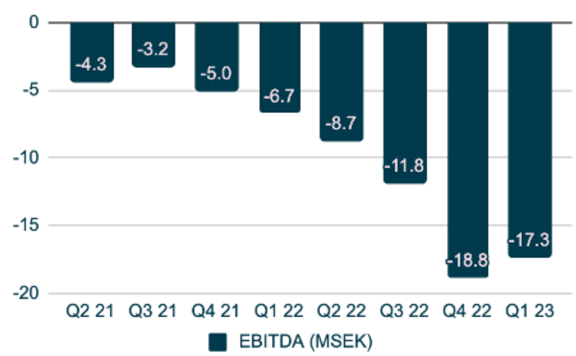
Gross margin

Gross margin was 94% for the first quarter of 2023, down a little from 95% during the same quarter last year. The largest cost of service sold related expense is sales commission to partners. A cost which has increased in percentage as the company has established several new strategic collaborations. Hosting related expenses are also included in the cost of service sold.



EBITDA

During the first quarter EBITDA amounted to MSEK -17.3 (-6.7), corresponding to an EBITDA margin of -80% (-46).



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

Increased costs mainly consist of higher employee costs with an average of 161 employees during the first quarter compared to 101 during the first quarter last year. This is completely in line with the company's plan to invest in both product development and in new markets.

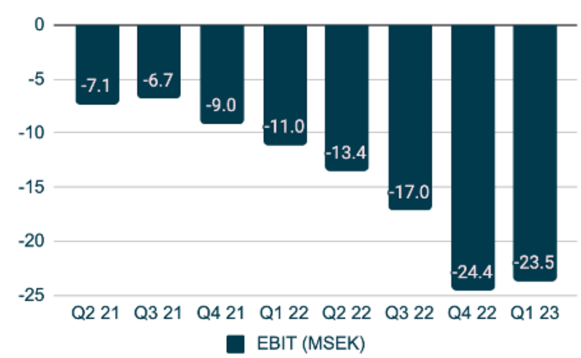
The increase in operating expenses compared to the corresponding period last year is largely explained by the company establishing new offices in the UK, France and the Netherlands. The largest part of these operating costs consists of employee costs.

Other costs have also increased due to the company's new establishments. This has contributed to higher costs and affected EBITDA.

EBIT

Operating income during the first quarter, EBIT, amounted to MSEK -23.5 (-11), corresponding to an EBIT margin of 108% (-75).

Except for cost increases described above, depreciation increased compared to the same period last year. This is a result of increased investments in capitalized development work due to the company's strategic decision to focus on product development.



Cash flow and investments

During the first quarter cash flow from current operations amounted to MSEK -9.4 (-1.2). The change from previous year is mainly explained by the lower operating profit but is also positively affected by changes in working capital of MSEK 7.9 (5.0). The operating profit was positively affected mainly by advance payments from customers.

First quarter investments in tangible non-current assets amounted to MSEK 0.5 (0.3), excluding right-to-use assets. Investments in intangible non-current assets amounted to MSEK 12.1 (7.8) and consisted of capitalization of development costs relating to the technical platform. Investments in financial non-current assets amounted to MSEK -0.1 (-) and consisted of deposits for new offices in new markets outside the Nordics.

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

In the first quarter, depreciation of capitalized development costs amounted to MSEK 4.4 (2.8) and amortization of right-to-use assets amounted to MSEK 1.4 (1.3).

Equity and liabilities

The Group's equity amounted to MSEK 208.2 at the end of the first quarter, compared to MSEK 230.6 at the end of 2022.

The Group's interest-bearing liabilities excluding leasing amounted to MSEK 0 at the end of the period, which was the same as the end of 2022. A total of MSEK 0 (0.3) of the Group's interest-bearing liabilities were repaid during the quarter. No new liabilities were added during the quarter. Cash and cash equivalents amounted to MSEK 188.0 at the end of the period compared with MSEK 211.7 at the end of 2022. The Group's net debt was positive and amounted to MSEK 182.1 (-19.8).

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 Oneflow's website.

Financial goals

Growth

Increase ARR to MSEK 600 by the end of the financial year 2027.

Profitability

Achieve an EBIT margin of 20% by the end of the financial year 2027 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 170 employees (108) at the end of the first quarter 2023, of which 108 were employed by the parent company. The average number of employees was 161 (101) during the first quarter.

On top of that the company had a team of 21 (8) developers in Sri Lanka by the end the first quarter 2023. 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 31 March 2023, Oneflow AB owns 100% of the shares in all subsidiaries. Operating income in the parent company during the first quarter of 2023 amounted to MSEK -24.1 (-11.2). Cash and cash equivalents amounted to MSEK 185.9 (24.0) and borrowings MSEK 0 (32.4). As of 31 March 2023, restricted equity includes funds for development expenditure of MSEK 66.8 (40.9).

Other events during the reporting period

In January, a new CFO was hired. No other material or important events have taken place after the reporting period not already reflected in the report.

Other events after the reporting period

No significant events have occurred after the reporting period.

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

- 11 Aug 2023: Interim Report Q2 2023
- 10 Nov 2023: Interim Report Q3 2023
- 16 Feb 2024: Year-end Report 2023

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, 12 May 2023

Anders Hamnes
CEO & Founder

Additional information can be obtained from:

Anders Hamnes, CEO
anders.hamnes@oneflow.com

Natalie Jelveh, CFO
natalie.jelveh@oneflow.com

This Interim Report has not been reviewed by the company's auditors.

The Interim Report has been published in both English and Swedish.

Key ratios for the Group

	Q1 2023	Q1 2022	2022	2021
Financial key ratios defined according to IFRS				
Net sales (MSEK)	21.7	14.5	69.1	43.6
EBIT (MSEK)	-23.5	-11.0	−65.8	−30.3
EBIT margin (%)	-108.2	-75.4	−95.1	−69.6
Earnings per share, non-diluted (SEK)	-0.91	-0.64	−2.89	−1.70
Earnings per share, diluted (SEK)	-0.91	-0.64	−2.89	−1.70
Alternative financial key ratios				
Net sales growth (%)	49.5	64.5	58.60	63.90
Recurring revenues	20.8	13.8	65.90	41.90
Gross profit (MSEK)	20.4	13.8	65.30	42.00
Gross margin (%)	93.7	94.8	94.40	96.40
EBITDA (MSEK)	-17.3	-6.7	−46.0	−17.6
EBITDA margin (%)	-79.6	-46.1	−66.5	−40.3
Average number of employees (RTM)	161	101.0	122.0	83.0
Number of employees, end of period	170	108.0	155.0	105.0
Alternative operational key ratios				
ARR, Annual Recurring Revenue (MSEK)	99.6	65.7	90.6	57.1
ARR growth (%)	51.6	72.5	58.7	74.0
ARR / Net sales (%)	130.5	133.5	131.1	131.0
NNARR, Net New ARR (MSEK)	9.0	8.6	33.5	24.3
NNARR growth (%)	4.3	63.6	38.0	106.6
Paying users (in thousands)	31.8	20.9	29.2	18.9
ARPU, Annual Revenue Per User (TSEK)	3.1	3.1	3.1	3.0
GRR, Gross Retention Rate (%)	90.6	93.9	93.1	93.4
NRR, Net Retention Rate (%)	113.3	118.6	117.5	115.8
LTV:CAC-ratio LTM	7.6	14.6	12.1	17.3

For definition of key ratios, see pages 26-29.

Consolidated income statement in summary

(TSEK)	Note	Q1 2023	Q1 2022	2022
Net sales	4	21,749	14,545	69,126
Capitalized development work by own employees	7	9,037	6,793	27,526
Other revenues		97	20	53
Gross income		**30,883**	**21,358**	**96,705**
Operating expenses				
Compensation to employees		-38,054	-23,447	-107,338
Depreciation		-6,229	-4,264	-19,796
Other expenses		-10,139	-4,616	-35,321
Total operating expenses		**-54,422**	**-32,327**	**-162,455**
Operating income		**-23,539**	**-10,969**	**-65,750**
Financial expenses		876	-787	-1,369
Income after financial net		**-22,663**	**-11,756**	**-67,119**
Taxes		-96	-18	-173
Net income		**-22,759**	**-11,774**	**-67,292**
Net income attributed to:				
Shareholders of the Parent Company		-22,759	-11,774	-67,292
		-22,759	**-11,774**	**-67,292**
Earnings per share, based on income attributed to shareholders of the Parent during the year (SEK / share)				
Earnings per share				
Earnings per share, non-diluted		-0.91	-0.64	-2.89
Earnings per share, diluted		-0.91	-0.64	-2.89

Consolidated statement of other comprehensive income

(TSEK)	Note	Q1 2023	Q1 2022	2022
Net income		**-22,759**	**-11,774**	**-67,292**
Items that may be reclassified to the income statement:				
Translation adjustments		-54	28	46
Other comprehensive income for the period, net of tax		-54	28	46
Comprehensive income for the period		**-22,813**	**-11,746**	**-67,246**
Comprehensive income for the period attributed to:				
The shareholders of the Parent Company		-22,813	-11,746	-67,246

Consolidated balance sheet in summary

(TSEK)	Note	Q1 2023	Q1 2022	2022
ASSETS				
Capitalized development cost	7	66,567	40,532	58,882
Other intangible non-current assets	7	279	339	338
Right-of-use assets		8,722	13,607	10,151
Tangible non-current assets		2,979	2,029	2,831
Other financial non-current assets		2,015	1,000	1,914
Total non-current assets		**80,562**	**57,507**	**74,116**
Trade receivables		13,059	9,967	15,385
Current contract assets		355	189	363
Current tax assets		262	275	453
Other current receivables		2,092	499	1,360
Prepaid expenses and accrued income		9,461	6,582	6,481
Cash and cash equivalents		188,035	24,296	211,651
Total current assets		**213,264**	**41,808**	**235,693**
Total assets		**293,826**	**99,315**	**309,809**
EQUITY AND LIABILITIES				
Net income attributed to Shareholders of the Parent Company		208,192	616	230,607
Total equity		**208,192**	**616**	**230,607**
LIABILITIES				
Non-current liabilities				
Interest-bearing non-current liabilities		-	1,236	-
Non-current leasing liabilities		2,356	7,681	4,491
Deferred tax liabilities		167	178	167
Total non-current liabilities		**2,523**	**9,095**	**4,658**

(TSEK)	Note	Q1 2023	Q1 2022	2022
Current liabilities				
Interest-bearing current liabilities		-	31,167	-
Current leasing liabilities		5,559	5,063	4,851
Trade payables		5,257	2,993	5,365
Current contract liabilities		50,063	33,943	44,260
Other current liabilities		9,371	7,266	9,712
Accrued expenses and deferred income		12,861	9,172	10,356
Total current liabilities		**83,111**	**89,604**	**74,544**
Total equity and liabilities		**293,826**	**99,315**	**309,809**

Consolidated statement of changes in equity

(TSEK)	Note	Share capital	Additional paid-in capital	Retained earnings	Total equity
		Attributable to the Parent Company's shareholders			
Opening balance January 1, 2023		**754**	**349,904**	**-120,051**	**230,607**
Net income for the period				-22,759	-22,759
Other comprehensive income for the period				-54	-54
Total comprehensive income		**754**	**349,904**	**-142,864**	**207,794**
Transactions with owners					
Share-based payment			398		398
Total transactions with owners		**-**	**398**	**-**	**398**
Closing balance Mars 31, 2023		**754**	**350,302**	**-142,864**	**208,192**
Opening balance January 1, 2022		**366**	**64,121**	**-52,621**	**11,866**
Net income for the period				-11,774	-11,774
Other comprehensive income for the period				28	28
Total comprehensive income		**366**	**64,121**	**-64,367**	**120**
Transactions with owners					
Share-based payment			496		496
Bonus issue		183		-183	-
Total transactions with owners		**183**	**496**	**-183**	**496**
Closing balance Mars 31, 2022		**549**	**64,617**	**-64,550**	**616**
Opening balance January 1, 2022		**366**	**64,121**	**-52,621**	**11,866**
Net income for the period				-67,292	-67,292
Other comprehensive income for the year				45	45
Total comprehensive income		**366**	**64,121**	**-119,868**	**-55,381**

		Attributable to the Parent Company's shareholders			
(TSEK)	Note	Share capital	Additional paid-in capital	Retained earnings	Total equity
Transactions with owners					
Bonus issue		183		-183	-
Share issue		205	307,171		307,376
Costs related to Share issue			-23,950		-23,950
Share-based payment			2,562		2,562
Total transactions with owners		**388**	**285,783**	**-183**	**285,988**
Closing balance December 31, 2022		**754**	**349,904**	**-120,051**	**230,607**

Consolidated cash flow analysis

(TSEK)	Not	Q1 2023	Q1 2022	2022
Cash flow from current operations				
Operating income		-23,539	-10,969	-65,750
Adjustments for non-cash items		6,627	4,762	22,358
Interest received		91	5	742
Interest paid		-3	-43	-1,480
Taxes paid		-433	46	-307
Cash flow from operating activities before changes in working capital		**-17,257**	**-6,199**	**-44,437**
Cash flow from changes in working capital		**7,906**	**5,038**	**15,544**
Cash flow from current operations		**-9,351**	**-1,161**	**-28,893**
Cash flow from investing activities				
Investment in intangible non-current assets		-12,090	-7,791	-36,664
Investment in tangible non-current assets		-484	-278	-1,893
Investment in financial non-current assets		-101	-	-914
Cash flow from investing activities		**-12,675**	**-8,069**	**-39,471**
Cash flow from financing activities				
Share issue		-	-	307,376
Costs for Share issue		-	-	-23,950
Amortization of leasing liabilities		-1,545	-1,402	-5,946
Amortization of borrowings		-	-292	-32,695
Cash flow from financing activities		**-1,545**	**-1,694**	**244,785**
Net cash flow		**-23,571**	**-10,924**	**176,421**
Net change in cash flow				
Cash and cash equivalents, beginning of the period		211,651	35,212	35,212
Exchange rate changes on cash		-45	8	18
Cash and cash equivalents, end of period		**188,035**	**24,296**	**211,651**

Parent company income statement in summary

(TSEK)	Note	Q1 2023	Q1 2022	2022
Net sales	4	21,665	14,466	68,810
Capitalized development work by own employees	7	9,037	6,793	27,526
Other income		97	20	53
Gross income		**30,799**	**21,279**	**96,389**
Operating expenses				
Compensation to employees		-30,097	-21,423	-92,474
Depreciation		-4,759	-2,973	-14,263
Other expenses		-20,023	-8,072	-56,734
Total operating expenses		**-54,879**	**-32,468**	**-163,471**
Operating income		**-24,080**	**-11,189**	**-67,082**
Financial expenses		996	-609	-1,478
Income after financial net		**-23,084**	**-11,798**	**-68,560**
Income before taxes		**-23,084**	**-11,798**	**-68,560**
Taxes		-12	-8	-37
Net income for the period		**-23,096**	**-11,806**	**-68,597**

Parent company statement of other comprehensive income

(TSEK)	Not	Q1 2023	Q1 2022	2022
Net income		**-23,096**	**-11,806**	**-68,597**
Other comprehensive income				
Other comprehensive income for the period, net of tax				
Comprehensive income for the period		**-23,096**	**-11,806**	**-68,597**
Comprehensive income for the period attributed to:				
The shareholders of the Parent Company		**-23,096**	**-11,806**	**-68,597**

Parent company balance sheet in summary

(TSEK)	Note	Q1 2023	Q1 2022	2022
ASSETS				
Non-current assets				
Intangible non-current assets	7	66,567	40,531	58,882
Other intangible non-current assets	7	279	339	338
Tangible non-current assets		2,628	1,976	2,547
Shares in subsidiaries		45	33	45
Other financial non-current assets		1,166	1,000	1,164
Total non-current assets		**70,685**	**43,879**	**62,976**
Current assets				
Trade receivables		13,059	9,867	15,385
Current tax assets		452	319	615
Other current assets		1,594	671	551
Prepaid expenses and accrued income		9,643	7,843	7,473
Cash and cash equivalent		185,910	24,014	210,072
Total current assets		**210,658**	**42,714**	**234,096**
Total assets		**281,343**	**86,593**	**297,072**
EQUITY AND LIABILITIES				
Equity		207,500	735	230,193
Total equity		**207,500**	**735**	**230,193**
LIABILITIES				
Non-current liabilities				
Interest-bearing non-current liabilities		-	1,236	-
Total non-current liabilities		**-**	**1,236**	**-**
Current liabilities				
Current Interest-bearing liabilities		-	31,167	-
Account payables		4,468	2,502	4,881
Current liabilities group companies		-	1,790	388
Other current liabilities		8,623	7,119	9,073
Accrued expenses and deferred income		60,752	42,044	52,537
Total current liabilities		**73,843**	**84,622**	**66,879**
Total equity and liabilities		**281,343**	**86,593**	**297,072**

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 December the Group had offices in Sweden, Norway, Finland, the UK, the Netherlands and France where Oneflow AB, through its wholly-owned subsidiaries and branches, constitutes the primary operating activities.

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 2023 have not had any material impact on the consolidated report as of 31 March 2023. The Group applies the same accounting policies as those in the annual report as of 31 December 2022.

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 2022.

The outbreak of war in Ukraine has drastically changed the external environment. Oneflow's operations have very limited exposure to Ukraine and Russia but are exposed to the effects of the war in the form of a deteriorating macroeconomic situation with rising inflation and interest rates and reduced economic growth. As Oneflow has no collateral, the company is not directly affected by rising interest rates, but can be indirectly affected if customers or suppliers suffer. Apart from the risk that the Group could be affected with higher costs, there is a risk that the demand for the company's products will decline which may have a negative impact on the company's operations and growth opportunities.

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. From the first quarter of 2022, the company 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

		Group			Parent company	
(TSEK)	**Q1 2023**	**Q1 2022**	**2022**	**Q1 2023**	**Q1 2022**	**2022**
Subscription revenue	20,793	13,848	65,865	20,793	13,848	65,865
Other	956	697	3,261	872	618	2,945
Total net sales	**21,749**	**14,545**	**69,126**	**21,665**	**14,466**	**68,810**

Oneflow sells software through long-term subscription agreements that are invoiced in advance, mainly annually but also monthly, which means a high proportion of recurring revenue. During the first quarter of 2022, subscription revenues accounted for 95.6% (95.2) of the company's total revenues. One-off revenues mainly relate to one-off services in the form of customer-specific consulting services, such as the creation of individual templates or export of data.

Revenue Sweden and other countries

		Group			Parent company	
(TSEK)	**Q1 2023**	**Q1 2022**	**2022**	**Q1 2023**	**Q1 2022**	**2022**
Sweden	15,756	11,277	51,818	15,756	11,277	51,818
Norway	2,927	1,907	9,362	2,843	1,828	9,362
Other countries	3,066	1,361	7,946	3,066	1,361	7,630
Total net sales	**21,749**	**14,545**	**69,126**	**21,665**	**14,466**	**68,810**

Current contract balances

Information on receivables, contractual assets and contractual liabilities from contracts with customers is summarized below.

	Group			Parent company		
(TSEK)	**Q1 2023**	**Q1 2022**	**2022**	**Q1 2023**	**Q1 2022**	**2022**
Current contract assets	355	189	363	355	189	363
Current leasing liabilities	50,063	33,943	44,260	50,063	33,943	44,260

Contract assets primarily relate to the group's right to compensation for work performed but not invoiced at the balance sheet date. There are no write-downs in contract assets as of 31 March 2023. Contract assets are transferred to receivables when the rights become unconditional. This usually happens when the group issues an invoice. Contractual liabilities mainly refer to the advanced payments received from customers, prepaid income in the form of already sold right of use, for which income is recognized over time. The TSEK 44,260 reported as contractual debt at the beginning of the period will be recognized as revenue in 2023, and the TSEK 50,063 reported as contractual debt by the end of 31 Mars refers to revenue that will be reported over a 12-month period starting on April 1, 2023.

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	**Q1 2023**	**Q1 2022**	**2022**
Net income attributed to Shareholders of the Parent Company, TSEK	-22,759	-11,747	-67,247
Weighted average number of ordinary shares outstanding, after bonus issue, pcs	25,142,528	18,311,955	23,298,299
Earnings per share, non-diluted, SEK	**-0.91**	**-0.64**	**-2.89**

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	Q1 2023	Q1 2022	2022
Net income attributed to Shareholders of the Parent Company, TSEK	-22,759	-11,747	-67,247
Weighted average number of ordinary shares outstanding, after bonus issue, pcs	25,142,528	18,311,955	23,298,299
Earnings per share, diluted, SEK	**-0.91**	**-0.64**	**-2.89**

The Group has three employee stock option programmes described in the company's Annual Report for 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 853,450 shares, representing a potential dilution of 3.28% of shares and votes. For all of the stock option programs, the market share price exceeds the subscription price.

6. Related-party transactions

In addition to the customary remuneration (salary, fees, and other benefits) to the CEO, senior executives and the Board of Directors, 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 non-current assets

Intangible non-current assets consist of capitalized development costs and a newly developed website. Capitalized development costs per 31 March 2023 amounted to MSEK 66.8 (40.9) whereof the website amounted to MSEK 0.3 (0.3). Intangible assets are amortized over five years, except for the website, which is amortized over three years. Any need for impairment is tested yearly. The impairment testing carried out at year-end showed no need for impairment.

(TSEK)	Q1 2023	Q1 2022	2022
The Group Company [1]			
Balance			
Investments	110,764	69,799	98,674
Accumulated Depreciation	-43,918	-28,928	-39,454
Closing Balance	**66,846**	**40,871**	**59,220**
Opening balance	59,220	35,859	35,859
Investments	12,090	7,789	36,664
Depreciation	-4,464	-2,777	-13,303
Closing Balance	**66,846**	**40,871**	**59,220**

1) The Group Company and the Parent Company are the same

Continuous development of the product has taken place during the quarter in the form of, among other things, a new AI Assist function, functionality for better management of folder structure and expanded layout options.

Definitions of key ratios

Definitions of alternative financial key ratios

Key ratio	Definition	Purpose
Net sales growth, %	The periods net sales calculated in relation to the corresponding period last year, expressed as a percentage.	The company believes that this key ratio is relevant since it permits comparisons of growth rates between different periods.
Recurring revenues	Contractually tied subscription revenue that is renewed automatically.	Revenue that will renew automatically without any cost of acquisition.
Gross profit [1]	Net sales less cost of services sold.	Net profit is used for purposes such as demonstrating the company's efficiency in production and calculating the gross margin.
Gross margin, %	Gross profit as a percentage of net sales.	A key ratio that shows the relationship between the cost of the products and revenue from sales.
EBIT margin, %	Operating income as a percentage of net sales.	The EBIT margin provides a picture of the earnings that were generated by operating activities.
EBITDA	EBITDA (earnings before interest, taxes, depreciation and amortization) is operating income before depreciation, amortization and impairment.	EBITDA provides an overall view of profit that is generated by operations, which is useful for showing the underlying earning capacity of the business.
EBITDA margin, %	EBITDA as a percentage of net sales.	A measure of profitability used by investors, analysts and company management to evaluate the company's profitability.

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)	Q1 2023	Q1 2022	2022
Net sales, same period previous year	14,545	8,844	43,583
Net sales, period	21,749	14,545	69,126
Organic growth in net sales (%)	**49.5**	**64.5**	**58.6**

Reconciliation gross profit and gross margin (TSEK)	Q1 2023	Q1 2022	2022
Net sales, period	21,749	14,545	69,126
Cost of services	-1,374	-758	-3,850
Gross profit	**20,375**	**13,787**	**65,276**
Gross margin (%)	**93.7**	**94.8**	**94.4**

Reconciliation EBITDA and EBITDA margin (TSEK)	Q1 2023	Q1 2022	2022
Net sales, period	21,749	14,545	69,126
Operating income	-23,539	-10,969	-65,750
Depreciation	6,229	4,264	19,796
EBITDA	**-17,310**	**-6,705**	**-45,954**
EBITDA margin (%)	**-79.6**	**-46.1**	**-66.5**

Definitions of alternative operational key ratios

Key ratio	Definition	Purpose
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.	ARR is a measurement of the revenue that is expected to be repetitive over the coming 12 months, and facilitates comparison with other companies in the industry.
Growth in ARR, %	Annual growth in ARR calculated in relation to the preceding year, expressed as a percentage.	The company believes that this performance measure is relevant since it permits comparisons of growth rates between different periods.
ARR/Net sales, %	ARR on the last date of a twelve-month period as a percentage of net sales during the corresponding period.	This measure indicates how large a share of the company's net sales are recurrent at the end of the period, expressed as a percentage.
Net New ARR (NNARR)	The net change in ARR between two periods.	NNARR shows the growth in ARR between different periods.
Growth in NNARR, %	The change, as a percentage, in NNARR during one period in relation to the preceding period.	The company believes that this performance measure is relevant since it permits comparisons of growth rates between different periods.
Paying users	Defined as all paying users among Oneflow's existing customers.	A measure for assessing the growth in the number of users employing Oneflow's services.
Average Revenue Per User (ARPU)	ARR per user. Defined as ARR divided by the number of paying users.	Indicates average price performance for the company's products per user.
Churn	Churn is the ARR value of the subscriptions that are canceled, not renewed or downgraded during a given period of time.	Shows the company's capacity for retaining revenue from existing customers between periods.
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 that were customers 12 months earlier, excluding expansion revenue, divided by the total ARR from 12 months earlier. GRR therefore does not take into account cross sales and added sales (expansion revenue), only loss of revenue from existing customers.	Shows the company's capacity for retaining revenue from existing customers between periods.
Net retention rate (NRR), %	NRR is defined as the ARR of existing customers at a specific point in time that were customers 12 months earlier divided by the total ARR from 12 months	Shows the company's capacity for retaining and expanding revenue from existing customers between periods.

	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.	Indicates the company's inherent profitability for a new customer over time, and whether it is economically justifiable to make investments related to the acquisition of new customers.

Oneflow in brief

Contract experts

Oneflow is one of the leading SaaS contract automation providers in 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.

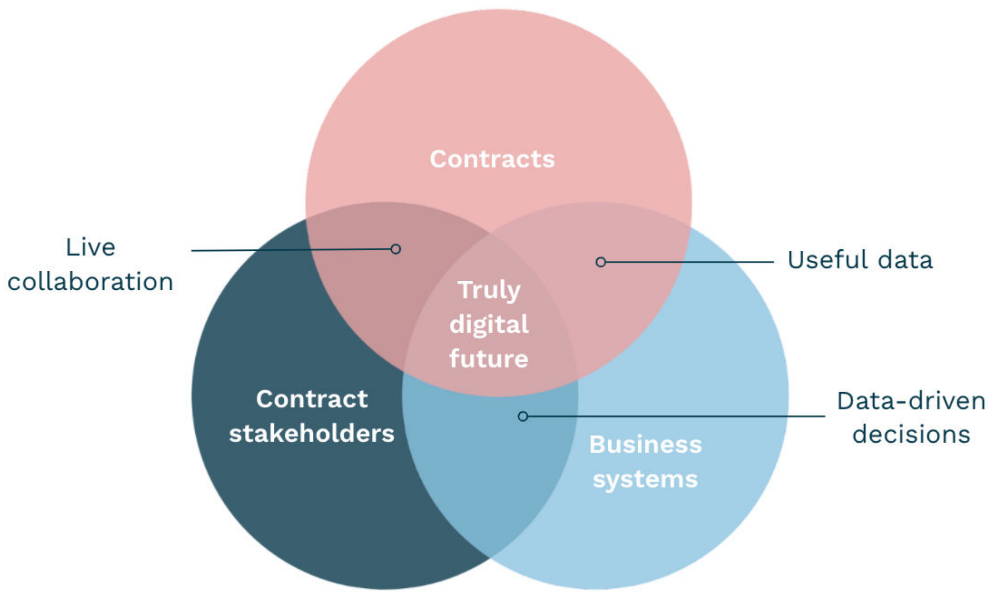
In Oneflow's world of flow, contracts are effortless, admin is non-existent, and progress is made at the tap of a button. Processes are faster, decisions are smarter, and deals are quicker. It's where everything is smooth and surprisingly delightful. An experience so good, it feels like magic.

... 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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11 Aug 2023	Interim Report Q2 2023
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16 Feb 2024	Year-end Report 2023

Oneflow AB
Corporate identity no: 556903-2989
oneflow.com | +46 8 517 297 70
Gävlegatan 12 A | 113 30 Stockholm | Sweden