

# FINANCIAL CONSOLIDATION MADE SIMPLE

ANNUAL REPORT 2023

Company reg. 36078383



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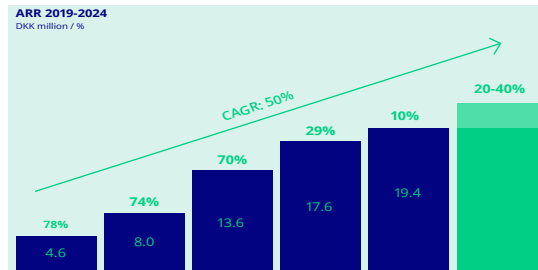


**Optimistic about  
2024**

7

**Outlook 2024**

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## About this report

This report contains forward-looking statements which are based on the current expectations of the Management of Konsolidator. All statements regarding the future are subject to inherent risks and uncertainties that could cause the Company's actual results to differ substantially from what has been expressed or implied in such statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

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## MEET NICHOLAS LØJMAND-KINES

Nicholas is Konsolidator's first Audit & Channel Manager dedicated to exploring and building new partnerships and channels. With the appointment of Nicholas, Konsolidator continues its goal to become the preferred consolidation tool for the Audit segment and strives to become the preferred add-on tool to the Microsoft D365 Business Central segment.

In the second half of 2023, Konsolidator has seen a positive partnership development based on this approach. The company expects this development to continue, and new customers will come through this channel in 2024.

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# INTRODUCTION

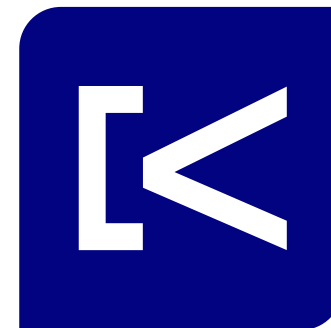
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The logo for Konsolidator, featuring a stylized 'K' icon followed by the word 'KONSOLIDATOR' in a bold, sans-serif font.

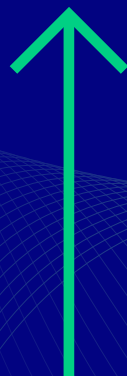
NEXT-GEN SOFTWARE FOR  
FINANCIAL CONSOLIDATION



**Mission:** We make CFOs better



**Vision:** The preferred financial consolidation tool for SMEs, globally



# KONSOLIDATOR AT A GLANCE

**Konsolidator simplifies financial consolidation with software that standardizes the process, eliminates errors, and automates calculations.**

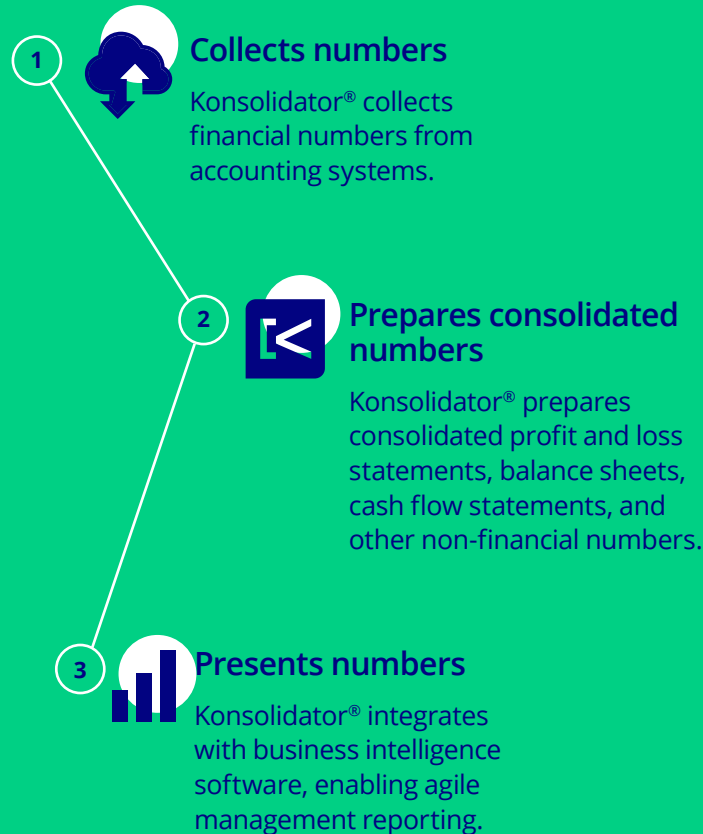
Using the software, finance professionals accelerate and improve their financial consolidation process and analyze financial trends within their corporate group to improve strategic decision-making.

Konsolidator is a technological pioneer in financial consolidation with a specialized niche solution that empowers finance departments to deliver high-performance reporting with a low dependency on consultants. By offering a standardized and scalable cloud application for financial consolidation that connects to other applications used by finance professionals, Konsolidator aims to be the preferred financial consolidation tool for SMEs, globally. An app designed to address complex consolidation challenges with auditor-level precision

Konsolidator® is developed in the cloud, promoted, sold, and onboarded online, accessed through a web browser, and purchased on a subscription basis. As a result, it is easy for customers to onboard, which differentiates the solution from competitors, developed with on-premise technology.

## Konsolidator's value offering

*from closing the books to presenting the numbers*



Countries

22

Customers

262

Employees at year-end

24

# KEY FINANCIAL VALUE DRIVERS 2023

January - December 2023

Revenue  
(DKK)

19.2<sub>m</sub>

2022: DKK 16.7m

ARR  
(DKK)

19.4<sub>m</sub>

2022: DKK 17.6m

CAC/ARR

42<sub>mth</sub>

2022: 42 months

Churn

10.9%

2022: 10.8%

EBIT loss  
(DKK)

10.7<sub>m</sub>

2022: DKK 22.0m

Growth in ARR

10%

2022: 29%

ARR increase/Cash burn

0.2<sub>x</sub>

2022: 0.2x

Net retention

94<sub>index</sub>

2022: 102 index

Refer to page 73 for definitions on SaaS metrics

## LETTER FROM THE CHAIR AND CEO

# OPTIMISTIC ABOUT 2024

**What a year! The first half of 2023 was defined by strengthening the capital structure, decreasing sales conversion rates, solving the onboarding churn, and improving the stability of our product. The second half of 2023 was defined by cementing the strategy “Unfolding the potential”, fighting another setback in churn, and getting back to “We make CFOs better” by adding new features to our product.**

2023 has been yet another extraordinary year in the Konsolidator journey. It was a year that, in many ways, did not live up to our expectations due to low sales conversion rates and a high churn. But also a year where we secured funding of DKK 34 million and restructured our capital base.

Ending 2023 on a positive note with a sales conversion rate of 25% in Q4 2023, having answers to fight churn, new product features ready to be released, and new growth opportunities leave the organization and us with renewed optimism going into 2024 – the final year of our strategy period.

## A market highly affected by macroeconomic uncertainties

Macroeconomic uncertainties, increasing inflation, and the war in Ukraine affected Konsolidator in 2023, and we continued to experience high churn.

In H1 2023, churn occurred primarily during customer onboarding, this is almost eliminated today. However, H2 2023 showed a new type of churn, stemming from smaller groups experiencing a tough year financially and going back to spreadsheets, as well as larger groups seeing good business opportunities by being involved in M&A activities.

We have commenced initiatives that involve more dialogue with customers, which is expected to improve churn. It is too early to measure the effects, but we are confident that a closer relationship with our customers will improve the churn and increase loyalty.

## First half: Before the capital increase

Entering 2023, our sales pipeline looked very promising, and we adjusted our guidance upward accordingly. However, two main reasons made the sales conversion rate drop to a level we have not experienced before. One reason being longer sales cycles because of market uncertainty, and another the unforeseen high staff turnover among sales representatives. Additionally, the onboarding churn we experienced in 2022 carried over to 2023.

On June 1, 2023, we finally ended our 2 years of trying to attract further growth capital, securing a total financing of DKK 34 million. We have spent much time raising capital, restructuring the cost base by laying off employees, closing offices, and constantly finding ways to cut costs further without jeopardizing the growth too much. Raising the necessary capital gave us time back to focus on what matters – growing the company. With the funding secured, management and the board could start by realigning the strategy and focus on execution.

» With the capital raise, a realigned strategy, a good Q4 2023, and many new growth opportunities we are ready to take on 2024. We have left the hard times behind and with the positive energy in the office, we believe we have a strong foundation to succeed in 2024.

Claus Finderup Grove  
CEO



## Second half: After the capital increase

After the capital raise, we saw a company and a team with renewed energy, which the results of Q4 2023 reflect. This was despite challenges such as low sales conversion rate and increased churn continuing into Q3 2023 and ending the year with a low increase in ARR of DKK 1.8 million – a 10% increase.

In Q3 2023 we spent time anchoring the realigned strategy in the organization. And during Q4 2023, the sales conversion rate increased to 25%, which is higher than previous levels. Moreover, our software engineers developed three new integrations to Exact, PowerOffice, and Microsoft's Finance & Operations and have finalized a large development project improving our intercompany module.

# 34

Million DKK in gross proceeds  
from investors and loan  
providers

We are still experiencing a high churn, which is the reason for only increasing ARR by DKK 0.6 million in the fourth quarter of 2023. Actions have been taken to mitigate the churn, but we will not see financial effects until the second half of 2024.

### "We make CFOs better" is still making sense

Our entire foundation is built upon the sentence: "We make CFOs better". It is our DNA and we strongly believe that it frames everything we do and why we go to work every day.

Our product has been optimized to become a more stable, secure, and scalable software. We are constantly focusing on making sure our customer's data is secure and getting the ISAE 3402 assurance report on IT general controls was a milestone.

We honestly believe that we have the best niche product for financial consolidation and reporting, always looking at quality before quantity. By keeping it simple to use, we give finance reliable consolidation within a secure data environment.

With Konsolidator® anchored into an organization with finance professionals, new customers can feel safe that they are in good hands by buying Konsolidator®.

### Introducing a data warehouse solution

During Q1, 2024, we are launching a data warehouse solution – building and providing a Business Intelligence solution to customers to handle their

financial data more easily, so they are able to drill down to transactional data.

Adding a BI solution for larger groups to visualize large amounts of financial data gives us another unique selling point. This is a great example of the growth opportunities coming in 2024 and emphasizes Konsolidator's purpose - "We make CFOs better."

### New growth opportunities are taking shape

Konsolidator® is built on proper accounting and simplicity, which can create value in related business segments, new geographical markets, and synergy in M&A situations. All are strategic opportunities we continuously evaluate and are ready to follow through and, if required, raise the needed capital.

We are entering 2024 with the direct sales engine at a good place and many new promising growth opportunities in our partner channel. Despite the nervous market sentiment due to the geopolitical situation, we believe we have left the hard times behind in Konsolidator's journey and can be optimistic about 2024. A 2024 that marks the 10th anniversary of Konsolidator.

We want to thank our new shareholders and loan providers for believing in Konsolidator, and the continued support of our loyal shareholders. Also a special thanks to our dedicated employees for keeping up their spirits in trying times.

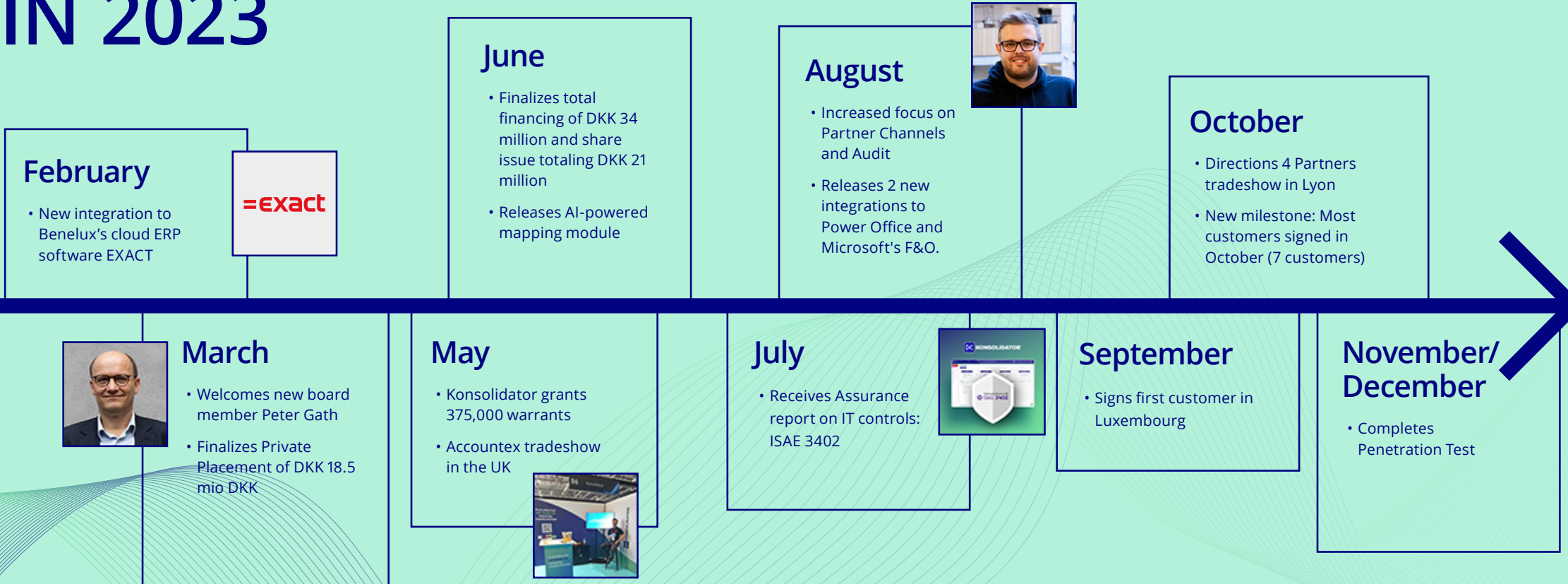
» As we embark on 2024, we see great opportunities to leverage the Konsolidator solution in both defined sweet spots and related business areas. The Board of Directors continuously evaluate these opportunities to secure adequate resources and funding.

Jesper Eigen Møller  
Chairman





# KEY EVENTS IN 2023





## MEET JACK SKOV

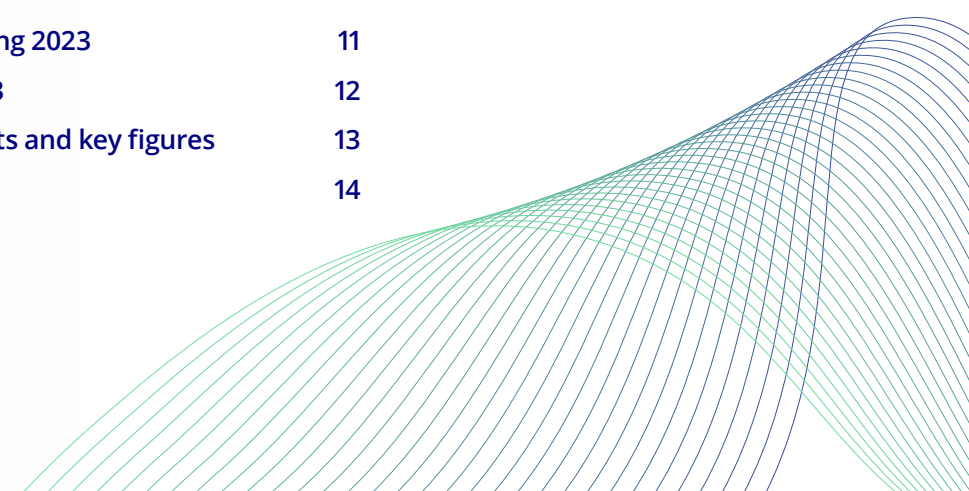
Jack is Konsolidator's CFO and co-founder, managing the Customer Support and Finance team. With the appointment of 2 new people in the customer success team, Konsolidator works towards an even better customer-centric approach with higher NPS and lower churn.

By the end of Q2, 2023, Konsolidator could see the positive effects of the action plan started in October 2022, focusing on better anchoring with a shorter onboarding and resources to maintain an ongoing dialogue with customers.

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# FINANCIAL PERFORMANCE

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## QUARTERLY REPORTING 2023

# Q4 2023 WAS A GOOD QUARTER

Konsolidator leaves 2023 with an optimistic mindset. The first three quarters of 2023 were challenging, but Q4 2023 was a good quarter on several levels, which bodes well for 2024. The EBIT loss for Q4 2023 was DKK 2.4m compared to an EBIT loss of DKK 4.9m in Q4 2022, an improvement of 52 %.

### Q4 highlights

Konsolidator signed 14 new customers in Q4 2023 compared to 16 in Q4 2022. During Q4 2023, Konsolidator sub-let part of its office premises for 6 months, which is another cost cutting initiative.

Total revenue in Q4 2023 amounted to DKK 4.9m, with DKK 4.3m in subscription fees and DKK 0.6m in onboarding and consulting fees. Compared to Q4 2022, Konsolidator saw a decrease of 23% in onboarding and consulting fees related to fewer staff. The subscription fees have increased compared to Q4 2022, where the increase was DKK 0.4m - an increase of 10.5%.

The staff costs summarized to DKK 4.9m in Q4 2023, a decrease compared to DKK 5.4m in Q4 2022. The decrease is due to the average number of employees decreasing from 32 to 24 at the end of 2023. The external expenses for Q4 2023 amounted

to DKK 1.4m, compared to DKK 2.6 in Q4 2022. The decrease comes from the constant focus on cost where primarily the use of advisors and consultants have declined.

The EBIT loss for Q4 2023 amounted to DKK 2.4m compared to an EBIT loss of DKK 4.9m in Q4 2022, an improvement of 52%.

Cash flow from operating activities was negative by DKK 1.3m in Q4 2023, compared to the negative cash flows in Q4 2022 of DKK 2.9m - an improvement of DKK 1.6m. The improvement resulted from further cost reductions during 2023 and an increase in the contribution margin. Cash flow from investing activities in Q4 2023 was negative by DKK 0.8m compared to a DKK 0.9m in Q4 2022. Net cash flow for Q4 2023 was negative by DKK 2.3m compared to negative net cash flow for Q4 2022 of DKK 1.4m. In Q4 2022, Konsolidator received DKK 3m in capital increase compared to no increase in Q4 2023.

DKK '000	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
<b>Income statement - Highlights</b>					
Subscription fees	4,324	4,360	4,276	4,052	3,910
Onboarding and consulting fees	596	497	459	605	633
Revenue	4,920	4,857	4,735	4,657	4,543
Contribution	4,606	4,441	4,503	4,295	4,228
Staff costs	(4,931)	(4,074)	(5,198)	(5,019)	(5,360)
External expenses	(1,414)	(1,507)	(2,213)	(1,529)	(2,560)
Total staff costs and external expenses	(6,345)	(5,581)	(7,411)	(6,548)	(7,920)
EBITDA	(1,681)	(1,140)	(2,908)	(2,253)	(3,693)
EBIT before share-based payments	(1,910)	(1,376)	(3,081)	(2,488)	(4,529)
EBIT	(2,360)	(1,853)	(3,589)	(2,920)	(4,883)
Financial items (net)	(697)	(1,080)	(1,012)	(1,002)	(1,013)
Profit/loss for the period	(977)	(2,896)	(4,571)	(3,741)	(5,686)
<b>Cash flow - Highlights</b>					
Cash flow from operating activities	(1,327)	(1,013)	(3,052)	(1,921)	(2,897)
Cash flow from investing activities	(790)	(314)	(357)	(1,005)	(936)
Cash flow from financing activities	(190)	(7,625)	16,344	1,618	2,456
Net cash flow for the period	(2,306)	(8,951)	12,934	(1,308)	(1,376)

\* Quarterly reporting has not been audited. Financial numbers follow accounting policies as mentioned in the Consolidated Financial Statements, pages 41-62.

## SAAS METRICS 2023

# DESPITE A TOUGH YEAR IN SAAS METRICS...

...in Q4 2023, the sales conversion rate returned to normal, showing a net growth in the Annual Recurring Revenue (ARR) of DKK 0.6m. The net increase was impacted by large sales in new ARR but negatively affected by a high churn. The ARR growth was 10% in 2023 - totaling an ARR of DKK 19.4m on December 31, 2023, which was below our target of DKK 20-21m. For the entire year, ARR was negatively impacted by churn and a low sales conversion rate for the first 9 months of 2023.

2023 did not live up to expectations, as the sales conversion rate dropped during the first 9 months of 2023, and churn increased. Thus, the low net increase in ARR impacted all SaaS metrics. However, during Q4 2023, the sales conversion rate increased to 25%, higher than previous levels.

### ARR and growth

ARR increased to DKK 19.4m on December 31, 2023, compared to DKK 17.6m on December 31, 2022 – an increase of DKK 1.8m for 2023. The net increase in Q4 2023 was DKK 0.6m, resulting from a large increase in gross sales, which was eliminated by a high churn. The

increase is lower than Q4 2022, which totaled a net increase of DKK 1.0m.

In 2023, churn has impacted the ARR growth. The churn was higher than expected in 2023 due to the termination of inactive customers and a higher-than-normal onboarding churn. During the first half of 2023, a new onboarding process was implemented, which resulted in lower onboarding churn in the second half of 2023.

### CAC divided by net increase in ARR

The Customer Acquisition Cost (CAC) divided by the net increase in ARR was calculated to 49 months for Q4 2023. The CAC over net increase in ARR for the year ended at 65, which is not satisfactory. ARR is calculated as the net increase in ARR, explaining why churn also impacted this SaaS metric. If the metric had been calculated with only the new ARR, it would have been 26 months for Q4 2023 and 42 months for YTD 2023. The target for this metric is 15-20 months, meaning the cost of acquiring a customer is paid in less than two years.

### Net increase in ARR divided by cash burn

For 2023, the net increase in ARR of DKK 1.8m was generated by a cash cost of DKK 9.8m summarizing to 0.2 compared to 0.2 in 2022. The net increase in ARR was DKK 0.6m in Q4 2023, generated by a cash cost of DKK 2.1m, equaling 0.3 times. At the end of 2023, this metric improved, which is expected to continue during 2024 following the effects of the expected reduction in churn, which has a negative impact on this metric. The metric measured on new sales was at 0.5 in Q4

2023, which is at a satisfactory level. It is expected that the metric will continue to improve in 2024.

### Churn

The annualized churn ended at 10.9% on December 31, 2023, compared to 10.8% on December 31, 2022. The churn in 2023 was unacceptably high and was expected to be between 8-10% for 2023. Besides onboarding churn, the churn in 2023 came from smaller customers experiencing a tough year financially as inflation rose and from larger groups involved in M&A activities. A focused effort on standardizing the onboarding process improved the onboarding churn in the second half of 2023; it is expected to stay at the same low level throughout 2024. The churn related to inflation and M&A activities is more difficult to control. However, initiatives have been initiated, and churn is expected to slow down during 2024.

### Net retention

Konsolidator experienced a decrease in net retention in 2023 due to the high churn. The net retention in 2023 amounted to index 94, compared to 102 in 2022. The increase in upsale came from partnerships, customers expanding their use of Konsolidator, and price increases.

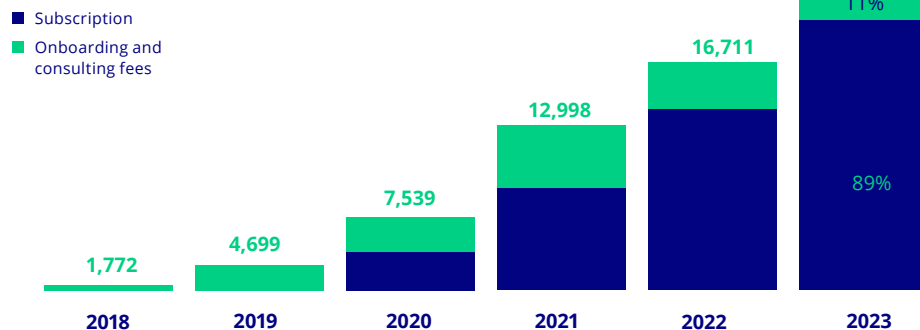
The metric expresses how the recurring revenue with existing customers developed during 2023. As the churn is expected to improve in 2024 and the upsale-initiatives to continue, the net retention is expected to improve in 2024.

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	YTD 2023	YTD 2022
<b>SaaS metrics</b>						
ARR, DKK '000	19,351	18,745	18,718	18,596	19,351	17,550
Net ARR increase, DKK '000	606	27	122	1,046	1,801	3,990
CAC/Net ARR increase, months	49	846	258	32	65	42
Net ARR increase/Cash burn, times	0.3	0	0	0.3	0.2	0.2
Churn LTM, percentage	10.9	8,5	9.2	8.4	10.9	10.8
Net retention from 1 Jan, index	94	97	100	102	94	102
Customers signed	14	8	8	10	40	69

# FINANCIAL HIGHLIGHTS AND KEY FIGURES

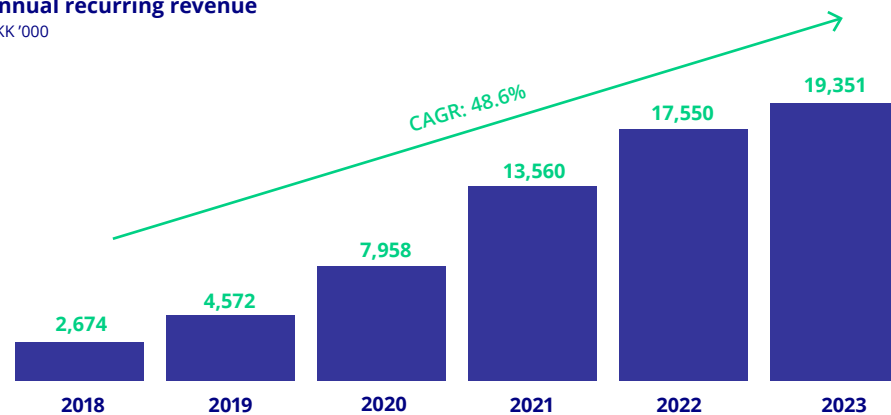
## Revenue distribution

DKK '000



## Annual recurring revenue

DKK '000



DKK '000	IFRS 2023	IFRS 2022	IFRS 2021	Local GAAP 2020	Local GAAP 2019
<b>Income statement</b>					
Revenue	19,169	16,711	12,998	7,539	4,699
Contribution	17,846	15,779	12,359	7,209	4,552
EBITDA	(7,982)	(19,191)	(22,513)	(14,740)	(9,428)
EBIT before share-based payments	(8,856)	(19,671)	(22,995)	(14,602)	(9,798)
EBIT	(10,722)	(22,018)	(24,156)	(15,238)	(9,798)
Financial items (net)	(3,791)	(4,200)	(1,469)	(86)	(120)
Profit/loss for the year	(12,185)	(25,186)	(24,766)	(14,691)	(8,176)
<b>Balance Sheet</b>					
Intangible assets	13,809	13,148	10,612	7,669	4,849
Additions, property, plant, and equipment	45	165	859	41	-
Cash and cash equivalents	1,833	1,465	17,150	18,707	6,572
Total assets	23,909	22,012	36,039	29,561	13,750
Equity	1,321	(11,435)	4,909	26,342	11,710
<b>Cash Flow</b>					
Cash flow from operating activities	(7,314)	(16,651)	(20,475)	(14,077)	(6,652)
Cash flow from investing activities	(2,466)	(4,692)	(4,931)	(3,431)	(2,188)
Cash flow from financing activities	10,148	5,674	23,872	29,604	17,531
Net cash flow for the year	368	(15,669)	(1,534)	12,096	8,691
<b>Other key figures and ratios</b>					
Annual recurring revenue	19,351	17,550	13,560	7,958	4,572
Increase in annual recurring revenue	10%	29%	70%	74%	71%
Number of employees at the end of the year	24	24	36	32	21
Average number of employees	24	32	34	23	14
Contribution margin	93%	94%	95%	96%	97%
Equity ratio	6%	(52%)	14%	89%	85%
Earnings per share (in DKK)	(0,67)	(1,60)	(1,60)	(0,98)	(0,56)
Earnings per share, diluted (in DKK)	(0,62)	(1,42)	(1,52)	(0,97)	(0,56)

## FINANCIAL REVIEW 2023

# STRENGTHENING THE CAPITAL STRUCTURE

**In 2023, Konsolidator recognized revenue of DKK 19.2m - an increase of 15%. The EBIT loss improved significantly, with a loss of DKK 10.7m in 2023, up from a loss of DKK 22m in 2022. The capital base was strengthened significantly in 2023, receiving net proceeds of DKK 33.4m to repay the convertible loan entered in 2021 and finance operations.**

## Revenue

For 2023, revenue increased to DKK 19.2 m compared to DKK 16.7m for 2022. The improvement of 15% was in line with the adjusted expectations of DKK 19-21m from August, 2023.

The subscription fees have increased during 2023, going from DKK 13.9 in 2022 to DKK 17m in 2023. The increase is the effects of customers signed during 2022 having a full year impact on the revenue. In 2023, we reached 262 customers, which was an increase of only 3 customers from 2022. The low increase was due to a high churn in 2023 and low sales conversion rate in the first 9 months of 2023.

The onboarding and consultancy fees have decreased from DKK 2.8m in 2022 to DKK 2.1m in 2023. The fewer onboardings and fewer resources performing consultancy work have been the reason for the decrease.

## EBIT

EBIT loss summarized to DKK 10.7m in 2023 compared to a loss of DKK 22m in 2022. Besides the improvement in contribution margin, the improvement in the EBIT loss is the full-year effects of the cost restructuring back in Q1 2022, where Konsolidator to adjust cost base dismissed 7 employees and has continued the cost focus since then. The EBIT loss before share-based payments has been improved from DKK 19.7m to DKK 8.9m.

## Staff costs

Staff costs for 2023 amounted to DKK 19.2m compared to DKK 25.6m in 2022. A continued adjustment of the cost base has been a focus in 2023, as the average number of employees has been reduced from 32 in 2022 to 24 in 2023. The share-based payments amounted to DKK 1.9m in 2023 compared to DKK 2.3m in 2022. The share-based payments have no cash flow effects.

## External expenses

External expenses amounted to DKK 6.7m in 2023 compared to DKK 9.3m in 2022. The decrease of 28% is apparent on all sides of the business, as the entire organization has been very cost-focused.

## Financial items

Financial items remain the same at a cost of DKK 3.8m for 2023 compared to DKK 4.2m in 2022. In July, Konsolidator entered two new loan agreements with 2L Kapital A/S and Denmark's Export and Investment Fund (EIFO). Konsolidator issued warrants to both loan providers as part of the loan agreements. Part of the financial costs is derived from the amortization of the costs from issuing the warrants. This has no cash flow effect.

## Loss for the year

The loss for 2023 was DKK 12.2m compared to a loss of DKK 25.2m in 2022. The loss for 2023 has been positively impacted by a change in deferred taxes of DKK 2m as Konsolidator expects to be able to use tax losses carried forward within the next 4 years.

## Highlights December 31, 2023

Revenue  
DKK

19.2m

2022: DKK 16.7m

EBIT loss before share-  
based payments  
DKK

8.9m

2022: DKK 19.7m

Employees at year-end  
Head-count

24

2022: 24

## Cash flow

Net cash flow for 2023 was positive by DKK 0.4m, compared to a negative cash flow of DKK 15.7m for 2022. The difference is due to the capital increase in June, 2023.

Cash flow from operating activities was negative by DKK 7.3m in 2023 compared to negative cash flows in 2022 of DKK 16.7m. The improvement of 56% in cash flow from operating activities comes primarily from the improved income statement.

Cash flow from investing activities in 2023 amounted to a negative DKK 2.5m compared to DKK 4.7m in 2023. Investing activities relate to capitalized development costs.

Cash flow from financing activities in 2023 amounted to a positive DKK 10.1m, compared to DKK 5.7m in positive cash flows in 2022. During 2023, Konsolidator received capital amounting to DKK 18.3m from a direct issue of shares, compared to DKK 6.4m in 2022. In 2023, Konsolidator entered two loan agreements totaling net proceeds of DKK 15.1m and repaid the remaining convertible loan of DKK 22.5m after a conversion of DKK 2.5m to equity.

## Assets

Total assets amounted to DKK 23.9m on December 31, 2023, compared to DKK 22m on December 31, 2022. Cash and cash equivalents amounted to DKK 1.8m on December 31, 2023. The company has a credit line of

DKK 2m which means that the company has cash and credit facilities of DKK 3.8m at year end.

## Intangible assets

The intangible assets mainly relate to the development costs incurred in developing Konsolidator®. The development costs include capitalized salary costs and costs from external consultants. Completed development projects and development projects in progress amounted to DKK 13.7m on December 31, 2023, compared to DKK 12.8m on December 31, 2022. Development projects begin amortization when completed.

## Credit institutions and other loans

Konsolidator has entered into loan agreements with 2L Kapital A/S and Denmark's Export and Investment Fund (EIFO) and received 15.1m in net proceeds. The loans run for 6 years with the first two years being without repayment. As part of the loan agreements, Konsolidator has issued 482,565 warrants and issued a company charge to the two lenders as collateral. The valuation of the warrants was calculated to be DKK 2.2m. The amount has increased the equity at signing and will be expensed as a financial cost over the 6 years.

The loans are classified as long-term liabilities.

## Equity

On December 31, 2023, the equity was positive by DKK 1.3m compared to a negative equity of DKK 11,4m on December 31, 2022. The equity increased during 2023 by DKK 21m from the issue of new shares.

## Accounting estimates and judgments

The deferred tax assets amounted to 3.2m at December 31, 2023. Konsolidator has capitalized an additional DKK 2m in deferred tax asset compared to year end 2022.

The deferred tax assets have been recognized based on expected earnings for the next 4 years. The company is expected, however with uncertainty, to utilize the deferred tax assets to be offset against positive taxable income.

## Events after the reporting date

No significant events that materially affect the assessment of the Group's operating loss or financial position have occurred between the reporting date and the publication of this annual report.

» **Another eventful year. Going into 2023, we were focused on attracting new capital and we are very pleased that we managed to increase our equity with DKK 21 million and secure loan facilities for another DKK 15 million. Our strict cost focus throughout the year came with a price as sales dropped, but fortunately we returned to normal sales in Q4 2023 and expect an interesting 2024.**

JACK SKOV  
CFO

# STRATEGY AND OUTLOOK

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**Boozt**

HOLMRIS B8

**NORDEN**



**CARL HANSEN & SØN**  
PASSIONATE CRAFTSMANSHIP

  
**AARSLEFF**



**minto**



## THE STRATEGY AND BUSINESS MODEL

# CEMENTING THE STRATEGY

**Konsolidator's strategy continues to be scalable international growth with a standardized product to the SME market sold through direct sales and partners. With the capital increase in the spring, the focus for Konsolidator could again shift towards one overall goal – Profitable growth.**

### Unfolding the potential

Our three-year growth strategy, "Unfolding the potential, 2022-2024," is based on an international roll-out with standardized country-independent software, online promotion and sales, easy onboarding, free trials, integrations to cloud accounting systems, product add-ons, and extended partner distribution channel, dividing the sales channels up into one-to-one (direct sales) and one-to-many (partners, audit, etc.).

At the beginning of Q1 2023, Konsolidator's pipeline looked promising, but converting the pipeline into customers took longer than expected, combined with

a high churn. Thus, Konsolidator had, throughout 2023, gradually increased its focus on sales through new partnerships, which can unfold a larger sales potential than the direct sales channel.

### Cementing the strategy

Securing enough capital for future growth and profitability was preeminent in H1 2023. With the capital raise in June 2023, the board and management could start focusing on cementing the strategy in the organization. The initial impact could be seen in Q4 2023 with higher sales conversion rates and new sales partner agreements.

In the second half of 2023 our operational focus has especially been on sales channels, dividing potential markets into Direct and Sales-partner sales to achieve scalable international growth.

The three main areas that continues to be the turning point for our strategic choices and the road to reaching effective global growth are:

- **Revenue generation** - Becoming profitable with a low CAC
- **Innovative products** - Continue to optimize and be the leader in consolidation software
- **Customer centricity** – NPS, high customer retention, and loyalty

As Konsolidator enters the last year of the three-year growth strategy "Unfolding the Potential", the focus continues to be on achieving a high scalable growth through partner sales, although adjusted to the turmoil from the previous two years. By the end of 2024, Konsolidator expects an ARR between DKK 24-28m.

To realize its global potential, Konsolidator will be focusing on:

- Konsolidator® for SMEs in countries that have adopted cloud technology.
- Konsolidator Audit® for audit firms and consultants

### Continuous growth with cloud accounting systems

In line with the increased global adaptation to cloud accounting systems, Konsolidator has developed another 3 integrations for some of the most widespread solutions: Microsoft Finance&Operations, Exact Online, and Power Office. Adding the entire portfolio up to 9 integrations, and more to come.

These integrations lift the customer value of Konsolidator® tremendously as the entire process of uploading data to Konsolidator is automatized, and the risk of errors in the upload process is reduced to zero. It further validates the value of Konsolidator as an easy-to-use and specialized niche software.

In 2022, Konsolidator released free trials for all integrations, where users of cloud accounting systems could rapidly integrate their data sources with Konsolidator and test the software as a proof of concept before committing to a subscription. During 2023, this process has been further focused on primarily targeting Xero customers and perfecting the process.

### Retaining customers and reducing churn

Reducing churn continues to be a key focus area. In 2023, Konsolidator hired two new employees to manage and retain existing customers. However, the high onboarding churn from 2022 carried into H1, 2023. By the end of Q2, 2023, Konsolidator could

see the positive effects of the action plan started in October 2022, focusing on better anchoring within groups with a shorter onboarding period and maintaining an ongoing dialogue with customers. As a result, the onboarding churn has significantly decreased.

In H2, 2023, Konsolidator experienced a new high churn, mainly from smaller groups, due to the following:

- **Cost cutting:** Global inflation has caused small groups to be focused on cost efficiency, going back to Excel.
- **M&A:** Small groups that have either ceased operation or have been acquired by larger groups.

Konsolidator has looked into its product offering towards smaller groups in response to the new learnings. In 2023 this included an increased focus on developing “the present part” of Konsolidator, which means improving the visual features and reporting. Furthermore, in Q1 2024, Konsolidator will present a product offering better suited for small groups in size and price.

### Unfolding the partner channel

As with the entire strategy, 2023 has been a year for better targeting specific markets. The Partner Sales channels have become a strategic focus as this channel holds significant growth potential. In 2023, Konsolidator began exploring the possibility of growing through partnerships with Dynamics 365 partners and consultants who deliver and implement software solutions for the same client base as Konsolidator. This means that Konsolidator strengthened the organization with a new employee in charge of the partner channel dedicated to exploring and building partnerships with a detailed list of Dynamics partners. In the second half of 2023, Konsolidator has seen a positive development based on this approach, with the addition of Dynamics 365 partners. The company expects this development to continue, and new customers will come through this channel in 2024.

To support and improve Konsolidator's channel sales and to give customers a defined team that supports them, Konsolidator has taken a more team-based approach in the physical organization, with cross-functional teams established for each sales channel.

Additionally, Konsolidator has built a referral partner program with 40 international sales partners. Furthermore, Konsolidator continues its relationship with other applications and vendors to increase the software's stickiness and value and has joined webinars with other vendors where the company can tap into different cloud-ready segments.

### Embarking on 2024

With the strengthening of the capital base in 2023, the focus has shifted to cementing the strategy, and all employees know how they contribute to the strategy, reaching the overall goal of profitable growth during 2024. The means of achieving this is:

- A strong direct sales channel; however, it has limited growth potential.
- A strong focus on establishing partnerships with Dynamics 365 partners with the expectation of increasing the growth rates significantly.
- A strong focus on free trials with existing cloud-based accounting systems, making Konsolidator available through marketplaces.
- A strong focus on the product to ensure that the value for customers will be improved, thus limiting churn.

» We have become more focused and targeted in our pursuit of scalable growth leveraging changes in the market where groups are more ready to use cloud products. As a niche product born in the cloud, we work well with other cloud-based products.

**Christian Weber**  
Head of Sales





## THE MARKET

# SCALABLE MARKET GROWTH

Achieving scalable international market growth continues to be the overall goal of the company's go-to-market strategy, as Konsolidator remains a standardized software to be sold globally without modifications. By centralizing the sales departments in Denmark and continuing to be country-independent, the end of 2023 showed that it is possible to grow using this approach.

### **Improved processes to support a global market**

Focusing on effective and scalable international market growth, built on a more efficient customer acquisition approach, has been the key driver through 2023. With the centralized sales department,

2023 showed a more effective cross-functional collaboration, where the company improved and streamlined the internal sales process, opening more emerging markets and resulting in a 2023 focused on more explicit market prioritization and a differentiated media strategy for various market

clusters. The results showed during Q4 2023, where the net ARR increase over cash spent decreased and the CAC over net ARR decreased. These metrics are expected to improve further during 2024.

Konsolidator's primary market still consists of SMEs deriving from spreadsheet consolidation and wanting faster, error-free, audit-compliant consolidation and reporting. However, the market can be further divided into:

- One-to-One: Direct sales to SMEs, auditors seeking more digitalized processes
- One-to-many: Partnerships via, e.g., software, advisory, and auditor partners.

### Direct sales: increased focus on long-term growth

Keeping an eye on market trends enables the balancing of efforts in Konsolidator's home markets to work more account-based, capturing demand and focusing on customer conversion while building awareness and demand in emerging markets. This approach ensures better short-term harvesting in mature markets while building awareness and long-term growth in less mature markets.

Going into 2024, Konsolidator continues to expand on a centralized sales approach to optimize internal processes between sales and marketing and to grow the short- and long-term business.

### Partner Sales

The Partner Sales channel remains an essential strategic focus as this channel holds significant growth potential for Konsolidator. In 2023, new initiatives have been set in place to utilize this market better and achieve higher growth rates via piggybacking. Konsolidator further strengthened the organization by hiring an employee in charge of the Partner channel. In addition, developing a more structured and defined go-to-market approach for this channel and more marketing investments in this area will leverage the foundation needed to deliver growth via this channel in 2024. Already in 2023, Konsolidator has seen a positive development based on this new approach, with the addition of 8 new Microsoft partners. To support and improve channel sales, the company has taken a more team-based approach and established cross-functional teams for each sales channel to work more efficiently and give customers a defined team that supports them.

Konsolidator expects this development to continue in 2024 and expects to see new customers coming through this channel in 2024.

### Cloud accounting systems – Easy to integrate

Konsolidator is a strong fit with most cloud accounting systems and their customer markets and, therefore, continues to focus highly on this segment. This segment is already in the cloud and ready for digitalization, so the conversation rate is higher.

Konsolidator remains focused on building relationships through strategic partnerships to ensure a presence in all relevant cloud accounting systems and provide potential customers with integration into their cloud accounting system. Showcasing how easy it is to integrate with other software adds to the value proposition for customers. Integrating with cloud accounting software.

Furthermore, Konsolidator markets and sells its software to the global audience of users of cloud accounting systems, which cost-effectively supports the penetration of new markets.

One of the cloud-based accounting systems is Dynamics 365 – Business Central, which Konsolidator integrates extremely well and is growing at a high rate. Having partners implementing Business Central, Konsolidator works toward being the preferred consolidation tool for these customers.

### Efficient growth through free trial

In 2023, Konsolidator gained more customers through a free trial and with a high conversion rate, underlying a need to continue with this offering. As a free trial offers a great opportunity for customers to get a taste of Konsolidator, the customer journey from free trial to a buying customers is shortened.

Going into 2024, Konsolidator continues to focus on making free 'offers' more cost-effective and giving the best customer experience by simplifying

and improving the self-onboarding journey for this customer segment.

The free trial market is typically the customers that use accounting systems such as Xero, QuickBooks, Visma e-conomic, etc. Being on the marketplace for those accounting systems opens up a pipeline for more free trials, as the customers in this market need to have a free trial. Konsolidator's focus has been on Xero customers until now and will continue in 2024.

## Konsolidator is used in different ways globally:

- **Konsolidator®**  
For SMEs who do their own consolidation or when an audit firm is a group and require internal consolidation and reporting.
- **CaaS Partners**  
A CaaS partner is an audit firm or consultant that provides monthly closing services and use Konsolidator® for consolidation, reporting and financial data warehouse.
- **Sales and/or onboarding partners**  
Sell and/or onboard Konsolidator® for clients in their own portfolio.
- **Konsolidator Audit®**  
For auditors who do the annual consolidation and reporting for their clients.

## THE PRODUCT

# CONTINUES TO MAKE CFOs BETTER

Konsolidator simplifies financial consolidation & reporting for group CFOs with a scalable product. To deliver best practices within consolidation, the product development in 2023 continuously aligns with the customer value approach: Collect, Prepare, and Present (CPP) to ensure a high standard of code and architecture quality.

## CPP: optimizing the entire user journey

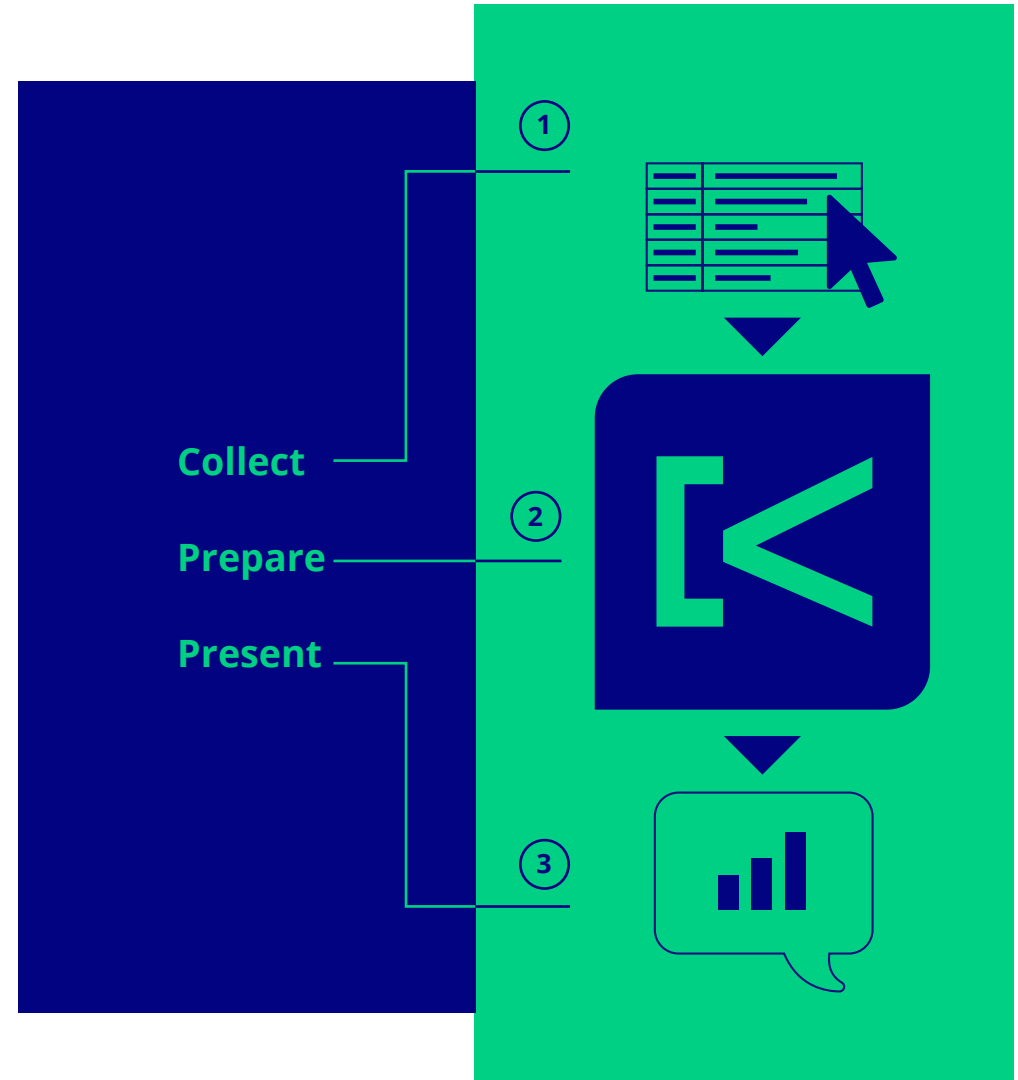
During 2023, developing and optimizing Konsolidator® has, among other things, included new integrations to cloud ERP systems, creating a faster, and more intuitive onboarding process. Further, a constant focus on improving the user interface (UI) has been part of the development team's emphasis in 2023.

The entire user journey for Konsolidator's customers starts when they close the books in their accounting or ERP system - collect, prepare, and present:



### Collect

The collection of data from any accounting or ERP system to Konsolidator is the most important aspect for many of Konsolidator's customers as this is where the time to value is often the most significant. In 2023, Konsolidator released three new integrations to cloud accounting systems: Exact, Microsoft F&O, and PowerOffice. The total integration portfolio is at 9 and will continue to increase during 2024. Further, an improved integration with Dynamics 365–Business Central is expected in 2024.





### Prepare

The preparation of the consolidated numbers is the core of Konsolidator's software. During 2023, Konsolidator focused on better software performance, scalability, and future-proofing the software. One release was a new AI-based mapping module, reducing a time-heavy task and further simplifying and improving the user journey. During 2024, an improved intercompany elimination module will be released where customers will be able to better identify any errors or mistakes during the reconciliation process.



### Present

The presentation of the consolidated numbers has been optimized via a new API, providing better performance and more information available for reporting. Visualization of large amounts of financial data is evolving vastly with the increased interest in Business Intelligence (BI). Further, in response to learnings from smaller groups churning, Konsolidator has looked into its product offering. Thus, in 2023 this included an increased focus on developing "the present part" of Konsolidator, which means improving the visual features and reporting. Konsolidator will invest more in this area in 2024 to the benefit of all customers. Additionally, in Q1 2024, Konsolidator will present a product offering better suited for small groups in size and price.

## Compliance and Security

At the beginning of 2023, Konsolidator's software's code and architecture quality were assessed by an IT consultancy firm, showcasing a software that is ready to scale, serious about its quality and has a strong team of developers behind it.

Furthermore, in 2023, Konsolidator received type 2 of ISAE 3402 (International Standard on Assurance Engagements).

Konsolidator's focus on security can also be seen with the release of API keys, an extended safety opportunity for users using Single Sign-On (SSO), and the penetration test compiled by an international audit firm during Q4 2023.

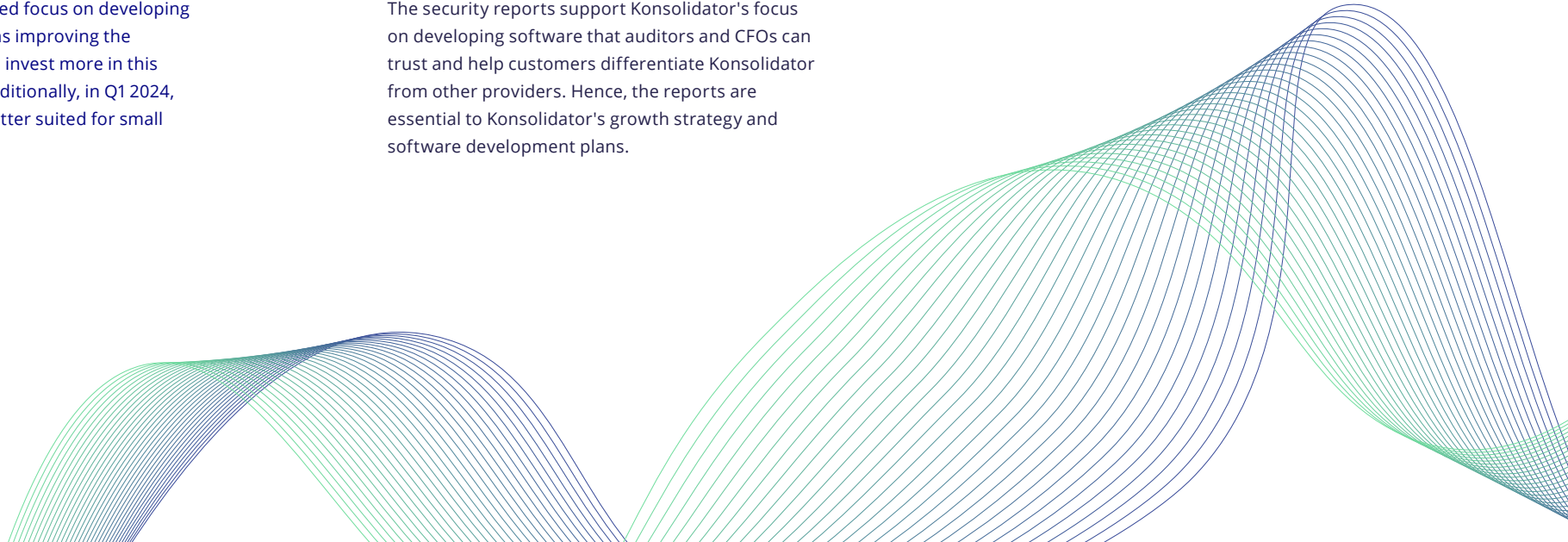
The security reports support Konsolidator's focus on developing software that auditors and CFOs can trust and help customers differentiate Konsolidator from other providers. Hence, the reports are essential to Konsolidator's growth strategy and software development plans.

## Opening 2024 with improved intercompany module

Konsolidator expects to strengthen the software's value to existing and potential customers by releasing the following two modules in Q1 2024:

- Improved intercompany: Konsolidator, has further improved the existing intercompany module by adding more complex functionality for larger groups.
- Data warehouse : adding a BI solution for larger groups to visualize large amounts of financial data.

With the above-mentioned process around the onboarding, Konsolidator is also strengthening the process by developing a better user experience (UX) and improved user interface (UI).



## CUSTOMER CASE

# BLUE POWER PARTNERS

Blue Power Partners has gone from 0 to 300 employees in just 6 years and from a Danish company to a worldwide company with multiple currencies and a highly complex structure with both subsidiaries and branches. As a fast-growing company, it needed to transform its entire reporting process to ensure one entry, one output.

In today's fast-paced business environment, financial data management can be a challenging task, especially when dealing with:

- complex structures,
- multiple currencies
- various trial balances

The company simply needed to enhance its group reporting process.

Blue Power Partners began a free trial of Konsolidator to test its features and benefits in the hopes of putting an end to their Excel consolidation. During the trial, they created group accounts, tried the system, and saw rapid improvements in crucial areas:

## Reporting time

Blue Power Partners cut down financial consolidation time from days to hours, freeing up their team for essential tasks and enhancing process control.

## Compliance and Audit Trails

Konsolidator offers a full view of past financial adjustments and consolidations, ensuring compliance with regulations, simplifying audits, and reducing errors.

## Simplicity

"One input, one output" summarizes Blue Power Partners' simplified consolidation process with Konsolidator. They enter data into a single template, and it generates a unified output, eliminating the need for handling multiple Excel sheets, trial balances, and currencies.

## Integration with ERP System

Blue Power Partners uses Business Cexntral, which integrates with Konsolidator. They sync their trial balances to Konsolidator and make data processing as simple as can be.

**» I would recommend Konsolidator every day. Of course, if you have two or three companies, yes, Excel could manage that. But if you have more than 2-3 companies, I would definitely recommend you use Konsolidator. I don't have to manage all the different Excel sheets, trial balances, and currencies. It is just easing out everything.**

**MAI EJSTRUP JENSEN**  
Finance Controller

## BLUE POWER PARTNERS

Developing Renewable Energy

Blue Power Partners is a global consultancy and project development company with a dedicated focus on developing renewable energy. Blue Power Partners delivers services within Solar, Onshore Wind, Offshore Wind, Power-to-X and Storage.

**Founded:** 2016 in Aalborg, Denmark  
**Industry:** Renewables & Environment, Consultancy  
**People:** 300+  
**Company structure:** Subsidiaries and Branches  
**Reporting challenges:** Currencies, Compliance, & Complexity

## OUTLOOK 2024

# NEW SALES IMPACTING 2024 POSITIVELY

Continuing the strategy for 2022-2024, "Unfolding the potential" Konsolidator expects an increase in ARR of DKK 24-28m and revenue of DKK 23-27m for 2024. The EBIT loss for 2024 is expected to be between DKK 0-5m. During 2024, Konsolidator will release new calculations for its SaaS Metrics, separating new sales from churn.

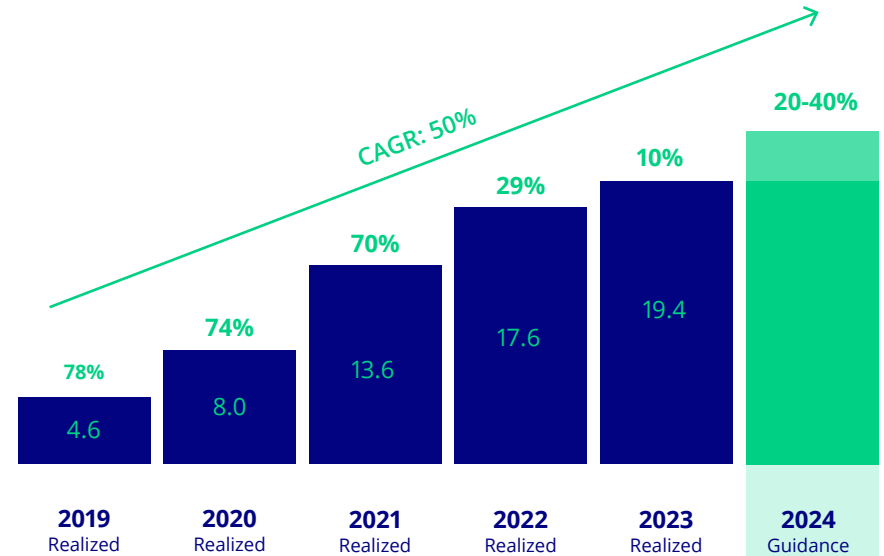
In the annual report for 2022, the ARR outlook for 2023 was between DKK 21-23m, and the revenue outlook was between DKK 20-22m. The outlook for EBIT in the annual report for 2022 was projected at a loss of DKK (5-8m). In August 2023, the outlook was changed to ARR between DKK 20-21m, revenue DKK 19-20m, and EBIT loss of DKK 9-11m, before the release of the H1 interim report.

In 2023, Konsolidator's ARR of DKK was 19.4m, just below expectations. Konsolidator realized revenue of DKK 19.2m and an EBIT loss of DKK 10.7m, which both were within expectations from revised guidance in August 2023.

Konsolidator expects an annual recurring revenue of DKK 24-28m at the end of 2024. In 2024, Konsolidator expects the revenue to be between DKK 23-27m, and an EBIT loss between DKK 0-5m.

## ARR 2019-2024

DKK million / %



	2019	2020	2021	2022	2023	2024
<b>Revenue and ARR</b> Growth rate			70%	29%	10%	20-40%
<b>ARR</b> DKK			13.6m	17.6m	19.4m	24-28m
<b>Revenue</b> DKK			13.0m	16.7m	19.2m	23-27m
<b>EBIT loss</b> DKK			(24.2m)	(22.0m)	(10.7m)	(0-5m)



### Assumptions for 2024 financial outlook

The outlook is based on the assumptions described below, which reflect the expected growth in ARR and revenue.

The growth in ARR and revenue will come from:

- **Direct sales to SMEs** – sales conversion rates are expected to be at the same levels as Q4 2023
- **Partners and Auditors** – signing more partners to sell Konsolidator®
- **Consultancy and onboarding** – extra employees are hired
- **New sales opportunities:** materilizing

The marketing and sales efforts will mainly be focused on SMEs in known markets, such as the Nordics and the UK. The rest of the world is primarily served by sales partners and inbound requests.

The high onboarding churn has been eliminated, and the full effects will materialize in 2024, as stated in the 2022 annual report. Further, it is expected that churn from smaller groups will be lower in 2024. The onboarding and consultancy services are based on hourly invoicing, and by adding two new members

to the team, it is expected that revenue will increase from this area.

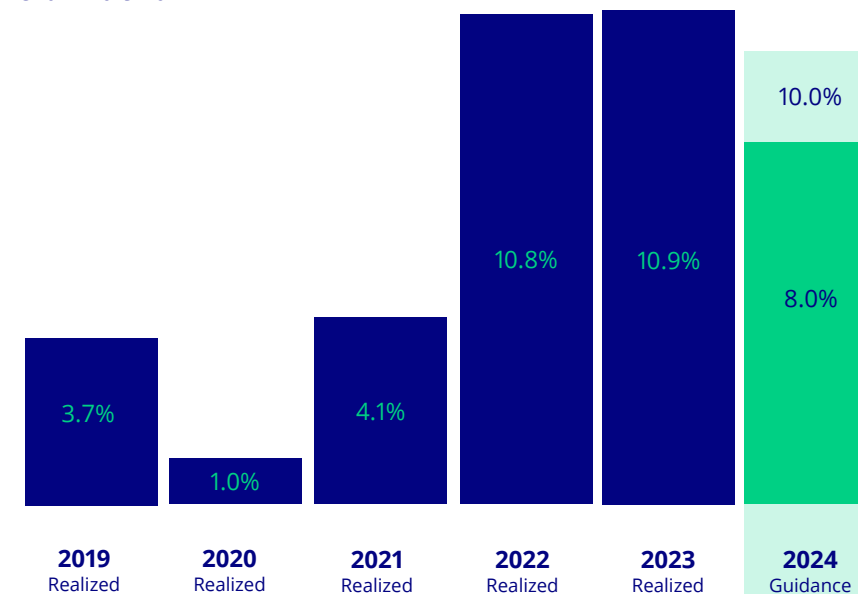
### Other SaaS metrics

Besides ARR and ARR growth, Konsolidator has during 2023 reported on SaaS metrics and will continue to do so. In 2024, Konsolidator will change the calculation on how the metrics are calculated. This means that in 2024, Konsolidator will not use the net increase in ARR, which is impacted both by sales and churn. Konsolidator will for 2024 use new sales to ARR instead of net increase in ARR. Konsolidator will release the new calculated SaaS metrics when releasing the first quarter reporting on May 8, 2024 as well.

Konsolidator is working towards improving the SaaS metrics. The long-term targets using new calculations methods are:

- CAC / ARR – 18-24 months
- ARR increase / Cash burn – Positive
- Churn – annual churn of 5%
- Net retention - index 105

Churn 2019-2024



### Other SaaS metrics

Metric	2019 Realized	2020 Realized	2021 Realized	2022 Realized	2023 Realized	2024 Guidance
<b>CAC/net ARR increase</b> months			33	42	65	25-30
<b>Net ARR increase/Cash burn</b> times			0.2	0.2	0.2	0.5
<b>Churn</b> percentage			4.1	10.8	10.9	8-10
<b>Net retention</b> index			102	102	94	99-101

RISK MANAGEMENT

# ACTIVE RISK MANAGEMENT

During 2023, Konsolidator reduced the financial risk level by securing the needed capital for both its operations and its repayment of the convertible loan as it came due. Konsolidator has adapted the organization and its cost base to the future ahead as Konsolidator still sees geopolitical uncertainty and customers going through difficult financial times.

**Risk framework**

Management is responsible for the ongoing risk assessment, including mapping and introducing mitigating measures. Management reports to the Board of Directors on risk management. In 2022, a security team was established to follow up on Konsolidator's general Information Security Policy, which includes several policies and actions. These policies and processes have been audited by an audit firm, which gave an unqualified opinion in June 2023. The team meets quarterly to evaluate, prepare, and react to risk factors.

Management identifies no specific risks related to Konsolidator compared to what is normal for the industry and market.

**Financing the operations**

The Board of Directors and Management continuously work on securing adequate funding for Konsolidator.

In 2023, Konsolidator secured further funding in the amount of DKK 33.4m to be able to repay the convertible loan and finance 2023 operations.

On December 31, 2023 Management considers the liquidity position to be sufficient

to finance operations for 2024 based on the financial outlook for 2024 and on existing cash and credit facilities.

**Financing growth 2024**

Entering 2024 with the direct sales engine at a good place and many new promising growth opportunities coming from the partner channel, new business segments, and M&A situations.

All strategic opportunities are continuously evaluated and Konsolidator is ready to follow through and, if required, raise the needed capital.

Konsolidator's information security policy



Other key risk factors are not listed in order of importance or probability in the table below. The table includes Management's review of the current risks apart from the two most significant risks mentioned on the previous page. There may be additional risk factors and uncertainties, including risks that Konsolidator is currently unaware of or which the Management considers insignificant at present.

Other key risk factors	Risk description	Risk mitigation
<b>Data security</b>	Management considers a data security breach one of the key risk factors due to the importance of the data Konsolidator® stores and the increased risk of hacker attacks.	<ul style="list-style-type: none"> <li>• The security team performs quarterly risk assessment meetings where risks are assessed and acted upon.</li> <li>• Konsolidator uses Microsoft Azure as distributor to store the financial data in the cloud. As Azure is a strong partner in IT safety, Konsolidator's data is securely stored on Microsoft Azure's servers.</li> <li>• Konsolidator performs penetration tests by an authorized auditing company.</li> <li>• Konsolidator has an ISAE 3402 certification on data security, which is performed annually. The latest audit opinion is from June 2023.</li> </ul>
<b>Microsoft Azure</b>	Konsolidator stores own data and all our customers' data in Microsoft Azure cloud. Konsolidator is dependent on the running of Microsoft Azure and is able to mitigate hack attacks.	<ul style="list-style-type: none"> <li>• Konsolidator has programmed infinitive code in order to set up new servers at a different cloud provider in a timely manner.</li> </ul>
<b>Professional skills and corporate culture</b>	The business is based on specialized expertise where innovation and failure to attract, develop, and retain the most skilled employees constitutes a risk as this may have a negative impact on the Group's business, revenue, and development.	<ul style="list-style-type: none"> <li>• The flexible work environment in Konsolidator serves as a strong tool for the recruitment of talent to Konsolidator.</li> <li>• Warrant programs have been issued to employees to ensure retention.</li> <li>• The recruitment process ensures that Konsolidator is attracting and getting the right professional and skilled people with the right fit for the team.</li> <li>• Konsolidator conducts annual employee surveys to be aware of the employees' satisfaction.</li> <li>• Konsolidator continuously works on creating a great work environment for its employees.</li> </ul>
<b>Contractual and legal risk</b>	Failure to meet or implement regulatory requirements in due course with respect to, for instance, data protection, confidentiality agreements, and fraud constitutes a risk.	<ul style="list-style-type: none"> <li>• Konsolidator has established contact with legal professionals that, together with the marketing and sales department, ensure a stage-gate approach when new contracts are made, and new regulations and compliance are being imposed.</li> </ul>
<b>Legislation</b>	Market developments in consolidation can affect the demand for Konsolidator's product. Changes in legislation related to the requirement of presenting consolidated financial statements can also impact the demand for consolidation systems.	<ul style="list-style-type: none"> <li>• Konsolidator cannot impact legislators' decisions for presenting consolidated financial statements. However, Konsolidator can work on having satisfied customers.</li> <li>• Konsolidator seeks customer feedback on the product and support after every customer has been onboarded and once a year. The feedback enables Konsolidator to analyze the product value for the customers.</li> <li>• Keeping a strong commitment to great customer support is one of the most important factors in avoiding customer churn.</li> </ul>

## MEET THE KONSOLIDATOR CREW

In December 2023, Konsolidator ran the yearly internal employee satisfaction survey that measures the physical and mental working environment, social capital, loyalty, and motivation. The satisfaction ratings have stabilized at a high level. Konsolidator has managed to maintain a strong culture with a high level of trust and motivation for the challenges ahead.

In 2023, Konsolidator introduced eNPS for its staff, and the Konsolidator's staff association team has made an annual wheel for 2024 to further focus on employee engagement.

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Konsolidator continues to report on key ESG metrics to provide a more holistic picture of the company's development and responsibility through non-financial factors, which have become increasingly important for investors and other outside stakeholders.



## Environmental

Konsolidator's business activities have a minimal environmental impact as no physical production is involved, operations are office-based, and the software is built in the cloud and sold online. However, Konsolidator still takes an environmentally responsible approach to run the business.

As a Microsoft Partner, Konsolidator supports Microsoft's mission<sup>1</sup> of reaching net zero emissions, removing as much carbon as they emit each year and accelerating energy savings. By 2025, Microsoft will

shift to a 100% renewable energy supply, and the goal is to remove more carbon than Microsoft emits by 2030.

Sales and onboarding meetings are virtual, and by this, travel is minimized even with customers in 22 countries.

## Social

2023 has been a stable year regarding employee retention. We have reduced employee churn from 27% in 2022 to 12% in 2023, with the highest churn in the sales team.

The organizational changes in 2022 have led Konsolidator to focus even more on standardization to ensure consistency within work processes. By making the training of new staff faster, Konsolidator is less dependent on specialized profiles that can be difficult to recruit. This work has continued into 2023 with success.

In addition, Konsolidator began to amend the business' design for the future by introducing an Extended Leadership Forum to support management on strategic issues and to involve key staff members

in reflections about the future, thereby helping the business anchor decisions. The forum has been very successful in 2023 and will continue into 2024.

## Employee satisfaction

In December 2023, Konsolidator ran the yearly internal employee satisfaction survey that measures the physical and mental working environment, social capital, loyalty, and motivation. The satisfaction ratings have stabilized at a high level. Konsolidator has managed to maintain a strong culture with a high level of trust and motivation for the challenges ahead.

<sup>1</sup> Microsoft, 'Corporate Social Responsibility', *Sustainability Journey, Our Commitments*, 2020, url: [www.microsoft.com/en-us/corporate-responsibility/sustainability-journey](http://www.microsoft.com/en-us/corporate-responsibility/sustainability-journey) (accessed 26 January 2023)

Konsolidator has introduced eNPS for its staff, resulting in an overall score of 16, which Konsolidator considers 'good'. However, this indicator suggests some of its staff are uncertain about the future despite relatively strong employee survey numbers. As the company aims to get an eNPS score of over 30 within the next 2 years, it will continue to work on the culture. Supporting this goal, Konsolidator's staff association team has made an annual wheel for 2024, focusing on employee engagement.

### Customer retention

A key ESG figure is the Customer Retention Rate as an indicator of customer satisfaction. Every year, Konsolidator conducts a customer satisfaction survey to understand how customers experience the onboarding process, the product, and the support.

Customer retention is calculated to be 86% in 2023 (2022: 84%), meaning that out of every hundred customers, 86 are retained. Customer retention of 86 is not satisfactory for Konsolidator. The low retention in H1, 2023 has been due to the slow onboarding process, and in H2, 2023, due to a high churn from smaller groups affected by inflation. In 2023,

Konsolidator further streamlined the onboarding process and identified new value offerings to smaller groups, which will show its effect in 2024.

### NPS

Konsolidator measures the Net Promoter Score (NPS) each year. NPS is a loyalty and satisfaction metric that rates customers' experience with a brand and their likelihood of recommending it.

The NPS is measured on a scale from minus 100 to plus 100.

Konsolidator's NPS score was 19 in 2023 compared to 14 in 2022.

Konsolidator has a short-term goal of reaching an NPS of 50, which is achievable by focusing on a more straightforward and intuitive user journey, faster performance, and fast self-onboarding. An NPS score of 19 is far from satisfactory for Konsolidator, and the customer success team is doing everything to improve this.

### Governance

Konsolidator focuses on good governance practices, including a two-tiered management structure consisting of a Board of Directors and Management. The Board of Directors is responsible for the company's overall strategy. The entire Board of Directors is seen as independent of the company.

Management, which includes two of the founders of Konsolidator, is responsible for carrying out the strategy approved by the Board of Directors. The Board of Directors and Management work closely together and have approximately six formal meetings during the year, plus virtual meetings when needed.

Companies trust Konsolidator® with their financial numbers. Consequently, a high standard of ethics, trustworthiness, and data security are at the core of the company's culture. Customers and employees must

Indicator	Unit	2023	2022	2021	2020	2019
<b>Number of employees</b>						
Total	No of FTE	24	32	34	24	14
Female	No of FTE	9	13	12	8	4
Male	No of FTE	15	19	22	16	10
Board members female	Number	1	1	1	0	0
Board members male	Number	4	3	2	3	3
<b>Employee turnover</b>						
Employee turnover rate	Percentage	12.0%	27.0%	11.6%	4.2%	14.3%
<b>Employee satisfaction</b>						
Working environment physical	Index 0-100	82	81	72	62	61
Working environment mental	Index 0-100	91	91	80	90	88
Social capital (fairness, cooperation and trust)	Index 0-100	88	87	84	86	79
Loyalty and motivation	Index 0-100	85	84	82	88	80
eNPS	Index (100)-100	16	-	-	-	-

recognize Konsolidator as a company with very high standards.

### Recommendation on corporate governance for listed growth companies

In December 2022, the Association of Listed Danish Growth Companies issued its corporate governance recommendations. The recommendations are to ensure trust in the companies from shareholders, investors, and other stakeholders, thus ensuring long-term value creation.

The recommendations have been prepared under comply or explain principles published on the company's website. Within the four sections, Konsolidator has identified the most important ones for Konsolidator and commented on those in the annual report as follows:

#### Recommendation no 1.1 - Equity story

Konsolidator publishes the company's equity story and strategy through the annual report and announcements on the investor website. In this annual report, the strategy can be found in the chapters The Strategy and Business Model, The Market, and The Product.

#### Recommendation no 1.7 - Outlook for the coming year

Konsolidator has prepared an Outlook 2024 section in this annual report.

#### Recommendation 2.6 - Cash flow outlook

The Board of Directors and Management continuously work on securing adequate funding for continued growth. Konsolidator has, throughout the annual report for 2023, explained the company's current cash flow situation.

#### Recommendation 3.6 - Management and Board of Directors compensation

The information is published in the annual report in the chapter Shareholder Information in the notes for staff costs.

#### Recommendation 4.1 - Risk management

Konsolidator has, according to the Risk Management section in the annual report, implemented a risk framework where quarterly meetings are held, and risks discussed.

#### Board of Directors

At the general meeting in March 2023, Peter Gath was elected to the Board of Directors. Peter is a State-Authorized Public Accountant and has 20 years of experience as a partner from EY and KPMG. Peter holds multiple board member positions including in the listed company: Brødrene A&O Johansen A/S.



## Method of calculations from Nasdaq ESG

### Employee satisfaction

Employee score via 50 questions with ranges between 1 (not satisfied) and 10 (very satisfied). Results were measured on the total score for each of the three areas and split across departments. The survey is conducted every year in November/December.

### Employee turnover rate

Number of FTEs that have left the company during the year divided by the number of FTEs at the end of the year.

### Customer retention rate

Number of customers at the end of the year minus number of new customers during the year divided by number of customers at the beginning of the year.

### Number of employees

Measured as full-time equivalents (FTE) + temporary staff, weighted with months of employment during the year.

# MANAGEMENT



## CLAUS FINDERUP GROVE

Founder and CEO  
Born in 1967  
Claus is responsible for Sales, Marketing, IR and HR



## JACK SKOV

Founder and CFO  
Born in 1969  
Jack is responsible for Customer Experience, Finance, and Product Operations and Engineering

<b>Education</b>	Master of Science in Economics, University of Copenhagen. Management Education, Columbia University.	State Authorized Public Accountant. Master of Science in Business Economics and Auditing, Copenhagen Business School.
<b>Competencies</b>	<p>Claus has worked in finance for 20 years and held positions as Finance Director, CFO and Financial Controller in small, medium, and large enterprises.</p> <p>Claus has extensive experience in:</p> <ul style="list-style-type: none"> <li>• Management and leadership</li> <li>• Strategic management</li> <li>• Financial analytics</li> <li>• Business intelligence</li> <li>• M&amp;A activities</li> </ul> <p>Earlier positions include CFO for Copenship Group A/S and Netop Solution A/S and Financial Director for Clipper Group and A.P. Moller Maersk Group. Additionally, Claus Finderup Grove brings finance experience from Denmark, Italy, Hong Kong, and Malaysia.</p>	<p>Jack has worked in finance and public accounting for 20 years and has served publicly and privately- owned groups during his time in public accounting.</p> <p>Jack has extensive experience in:</p> <ul style="list-style-type: none"> <li>• Consolidation accounting</li> <li>• Group accounting</li> <li>• Financial reporting</li> <li>• Financing</li> <li>• M&amp;A activities</li> <li>• Customer engagement</li> <li>• Project management</li> </ul> <p>Earlier positions include CFO for Linderberg Group A/S and State Authorized Public Accountant at Deloitte.</p>
<b>Shareholdings</b>	3,513,179 shares in Konsolidator A/S primarily through Team FG Invest ApS and has 125,000 warrants in Konsolidator A/S.	2,973,073 shares in Konsolidator A/S through Ved Bækken ApS, and has 125,000 warrants in Konsolidator A/S.
<b>Directorships</b>	Managing Director: Konsolidator A/S Board member: FBV (The Association of Listed Danish Growth Companies)	Board member: Linderberg Group A/S, including subsidiaries



# BOARD OF DIRECTORS



**Jesper Eigen Møller**  
Chairman  
Born in 1956



**Karin Cecilia Hultén**  
Entrepreneur, Investor and Non-Executive board member  
Born in 1968



**Thomas á Porta**  
CEO at Formpipe Software A/S and board member  
Born in 1968



**Claus Jul Christiansen**  
CEO at WorkPoint A/S, board member and Advisor  
Born in 1966



**Peter Gath**  
Director at Strategia Finans ApS, CFO at St. Jørgen Holding, board member, and Adjunct professor  
Born in 1965

<b>Education</b>	Master of Science in Economics and Business administration, Copenhagen Business School.	BSc, Gothenburg School of Economics. 2nd year of the MBA program, NYU. LEAD Certificate, Stanford Graduate School of Business. MIT Future Commerce: Entrepreneurship & Fintech	MBA (Copenhagen Business School), B.Sc. Mechanical & Industrial Engineering (Technical University of Denmark)	Diploma Program in Business Admin. (HD at Copenhagen Business School), Board Leadership Program (Copenhagen Business School), MITS Diploma Program (Scandinavian International Management Institute (SIMI), Copenhagen Business School)	State Authorized Public Accountant. Master's degree, Auditing (Copenhagen Business School)
<b>Competencies</b>	Extensive management experience. Solid experience from board positions in listed and privately held companies. Competencies in sales, marketing, HR, communication, and strategic management.	Competencies within capital markets, financing and risk management, investment strategies, business strategy, leadership, sales, entrepreneurship, innovation, disruptive technologies, and start-ups.	Extensive management experience as CEO. Competencies within business strategy, business development, growth and scale-up, value chain optimization, leadership, and culture.	Extensive leadership, CEO and international experience from 26 years at Microsoft, Commercial sales and partner eco-systems, business strategy, technology innovation, culture & organizational transformation.	Competencies within the audit industry, the market, and industry regulations as a Chartered Accountant, Adjunct Professor at Copenhagen Business School (CBS), and former Chairman of the Danish Institute of Public Accountants (FSR – danske revisorer).
<b>Shareholdings</b>	140,782 shares in Konsolidator A/S and has 6,945 warrants in Konsolidator A/S. <i>Independent of the company</i>	93,582 shares in Konsolidator A/S and has 125,000 warrants in Konsolidator A/S. <i>Independent of the company</i>	76,000 shares in Konsolidator A/S and has 125,000 warrants in Konsolidator A/S. <i>Independent of the company</i>	125,000 warrants in Konsolidator A/S. <i>Independent of the company</i>	269,821 shares in Konsolidator A/S held privately or through his wholly owned company Strategia Finans ApS. <i>Independent of the company</i>
<b>Directorships</b>	<b>Chairman:</b> Linkfire A/S, Thornnæs Destilleri ApS  <b>Board member:</b> KFI Erhvervsdrivende Fond	<b>Board member:</b> kompasbank A/S, CBio A/S, Temenos AG, CIP Executive Search AB	<b>Board member:</b> Formpipe Software A/S, Formpipe Lasernet A/S	<b>Board member:</b> Unit IT A/S, Acies A/S	<b>Chairman:</b> FSR's studie- & understøttelsesfond, Johannes Hages Hus <b>Deputy chairman of the audit committee and Board member:</b> Brdr. A&O Johansen A/S <b>Board member:</b> AO Invest A/S, Milde Fonden, Lyn Milde A/S,

## SHAREHOLDER INFORMATION

# BUILDING SHAREHOLDER CONFIDENCE

The need for capital has shaped the share price development in 2023. To ensure the best possible liquidity, Konsolidator entered a market maker agreement as of July 1, 2023.

## The Konsolidator share

Konsolidator's nominal share capital amounted to DKK 819,013.08 at the end of 2023, compared to a nominal capital of DKK 644,667 at the end of 2022. The number of shares amounted to 20,475,327, an increase of 4,358,652 shares during the year. The increase corresponds to the completed share issue adding DKK 21 million to the company's equity.

Konsolidator has only one class of shares, and each share represents one vote.

The Konsolidator share (ISIN code DK0061113511) is listed on Nasdaq First North Growth Market Denmark under the symbol KONSOL and classified under ICB code 1010, Technology.

The share price on December 31, 2023, was DKK 4.16, equal to a market capitalization of DKK 85.2m. The share price decreased by 43% in 2023. The

Konsolidator share has decreased by 53% since the initial share offering in May 2019 at DKK 8.8.

The average daily trading volume was 10,509 shares in 2023, compared to 6,268 shares in 2022.

## Shareholder structure

On December 31, 2023, Konsolidator had 1,286 registered shareholders compared to 1,447 registered shareholders on December 31, 2022.

The Board of Directors and Management held 34.51% of the Konsolidator shares as of December 31, 2023. The table below shows the shareholders in Konsolidator who have notified the company of more than 5% ownership as of December 31, 2023, and Board of Directors' shareholdings. The table also shows the total diluted shares outstanding.

## Share data

<b>Ticker code</b> KONSOL	<b>Date of listing</b> May 10, 2019	<b>Currency</b> DKK
<b>Market place</b> Nasdaq First North Growth Market	<b>IPO listing price</b> DKK 8.8	<b>No. of shares outstanding</b> 20,475,327
	<b>ISIN code</b> DK0061113511	<b>Share price December 31, 2023</b> DKK 4.16

## Share price development in 2023

DKK





## Warrants

In 2023, Konsolidator issued warrants to its employees and two loan providers. The 365,000 warrants issued to the employees in May 2023 were issued at a strike at DKK 6.07 per share. The vesting period is 3 years, and the warrants have to be exercised within five years.

In 2023, Konsolidator entered loan agreements with 2L Kapital A/S and EIFO, where Konsolidator received a loan amount of DKK 15.5 million. As part of the loan

agreements, Konsolidator issued 482,565 warrants with no vesting period. The warrants were issued at a strike at DKK 6.18 per share and have to be exercised within ten years.

Konsolidator has 1,801,152 outstanding warrants.

## Convertible loan

The convertible loan agreement entered September 2021 with Formue Nord was repaid in July 2023.

The loan totaled DKK 25 million, and before the

repayment, Formue Nord converted DKK 2.5 million to equity. The remaining part, DKK 22.5 million, was repaid.

## Dividend policy

Konsolidator has not paid any dividends, and the Board of Directors will not submit any proposals on dividends until the company has achieved long-term profitability.

## Communication with shareholders

Konsolidator aims to provide correct and relevant information to all shareholders and the capital market. As an international company, Konsolidator aims to communicate with shareholders in Denmark and internationally. Konsolidator has participated in investor events in Denmark and Sweden as part of the Investor Relations strategy.

## Capital increase

Going into 2023, Konsolidator needed to secure further funding. During 2023, Konsolidator secured funding of DKK 34 million, corresponding to a direct share issue of DKK 18.5 million and loans of DKK 15.5 million. The net proceeds for the funding were DKK 33.4 million. Of the funding, DKK 22.5 was used for repayment of the convertible loan, thus securing DKK 10.9 million for financing the operations.

## Shareholders as of December 31, 2022

Shareholder	No. of shares 2023	%	No. of shares 2022	%
Team FG Invest ApS	3,501,816	17.10	2,982,929	18.51
Andersen Advisory Group	3,488,363	17.04	3,488,363	21.64
Ved Bækken ApS	2,973,073	14.52	2,869,292	17.80
LHP 2016 Holding ApS	2,723,021	13.30	2,844,469	17.65
Prolab Holding A/S	1,556,662	7.60	0	0.00
Roin Holding ApS	1,269,633	6.20	0	0.00
Board of Directors	580,185	0.28	226,971	1.41
Others	4,382,574	23.96	3,704,651	22.99
<b>Total number of shares</b>	<b>20,475,327</b>	<b>100</b>	<b>16,116,675</b>	<b>100</b>

## Warrant and convertible loan

Convertible loan	0	1,000,000
Warrants	1,801,152	967,609
<b>Total warrants and convertible loan outstanding</b>	<b>1,801,152</b>	<b>1,967,609</b>
<b>Total diluted shares outstanding</b>	<b>22,276,479</b>	<b>18,084,284</b>

## Company announcements and press releases

Konsolidator has issued 23 company announcements, and 5 press releases during 2023. The most important company announcements are listed below:

### **Konsolidator realized 29% growth in Annual Recurring Revenue in 2022**

No. 1-2023 - January 10, 2023

### **Annual Report 2023**

No. 3-2023 - February 09, 2023

### **Annual General Meeting**

No. 7-2023 - March 23, 2023

### **Interim Financial Report - Q1**

No. 10-2023 - May 04, 2023

### **Konsolidator finalizes total financing of DKK 34 million**

No.12-2023 - June 01, 2023

### **Konsolidator Enters market maker agreement with Pareto Securities AB**

No. 16-2023 - June 29, 2023

### **Konsolidator lowers expectations for 2023 and 2024**

No. 18-2023 - August 08, 2023

### **Interim Financial Report for the period January 1 to June 30, 2023**

No. 19-2023 - August 10, 2023

### **Interim Financial Report for the period January 1 to September 30, 2023**

No. 21-2023 - November 02, 2023

## Financial calendar 2024

### **Annual report 2024**

February 9, 2024

### **Annual general meeting\***

March 19, 2024

### **Q1 2024 report**

May 8, 2024

### **Q2 2024 report**

**August 22, 2024**

### **Q3 2024 report**

November 7, 2024

\* The annual general meeting will take place at 15:00 at Konsolidator A/S, Vandtårnsvej 83A, 2860 Søborg, Denmark.

## Investor inquiries

### **Claus Finderup Grove, CEO**

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### **Jack Skov, CFO**

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### **Certified Adviser**

Grant Thornton

Jesper Skaarup Vestergaard

Phone +45 3527 5011

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# CONSOLIDATED FINANCIAL STATEMENTS

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## INCOME STATEMENT

DKK '000	Note	2023	2022
Revenue	4	19,169	16,711
Variable costs		(1,323)	(932)
<b>Contribution</b>		<b>17,846</b>	<b>15,779</b>
External expenses		(6,663)	(9,338)
Staff costs	5	(19,222)	(25,644)
Other operating income		57	12
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(7,982)</b>	<b>(19,191)</b>
Depreciation, amortization and impairment losses	7	(2,740)	(2,827)
<b>Earnings before interest and tax (EBIT)</b>		<b>(10,722)</b>	<b>(22,018)</b>
Financial income	8	133	192
Financial expenses	9	(3,924)	(4,392)
<b>Profit/loss before tax</b>		<b>(14,513)</b>	<b>(26,218)</b>
Corporation tax for the year	10	2,328	1,032
<b>Profit/loss for the year</b>		<b>(12,185)</b>	<b>(25,186)</b>
Items that will subsequently be reclassified to the income statement			
Exchange rate adjustments during the period		(2)	100
<b>Other comprehensive income for the period, net of tax</b>		<b>(2)</b>	<b>100</b>
<b>Total comprehensive income for the period</b>		<b>(12,187)</b>	<b>(25,086)</b>
<i>Profit/loss for the period attributable to:</i>			
<b>Shareholders of Konsolidator A/S</b>		<b>(12,187)</b>	<b>(25,086)</b>
Earnings per share (in DKK)	11	(0,67)	(1,60)
Earnings per share, diluted (in DKK)	11	(0,62)	(1,42)

## CASH FLOW STATEMENT

DKK '000	Note	2023	2022
Earnings before interests and tax (EBIT)		(10,722)	(22,018)
Depreciation, amortization and impairment losses reversed		2,734	2,827
Share-based payments reversed		1,866	2,347
Changes in working capital	22	(557)	1,662
<b>Cash flows from primary activities</b>		<b>(6,679)</b>	<b>(15,182)</b>
Financial income received		133	151
Financial costs paid		(1,855)	(2,436)
Income taxes paid/received		1,087	816
<b>Cash flow from operating activities</b>		<b>(7,314)</b>	<b>(16,651)</b>
Payments for intangible assets		(2,442)	(4,471)
Proceeds from disposal of property, plant and equipment		22	-
Payments for property, plant and equipment		(44)	(167)
Changes in other non-current assets		(2)	(54)
<b>Cash flow from investing activities</b>		<b>(2,466)</b>	<b>(4,692)</b>
Proceeds from borrowings	21	15,066	-
Changes in lease liabilities	19	(784)	(674)
Proceeds from capital increase		18,341	6,395
Repayment of borrowings	20	(22,500)	-
Changes in other non-current liabilities		25	(47)
<b>Cash flow from financing activities</b>		<b>10,148</b>	<b>5,674</b>
<b>Net cash flow for the year</b>		<b>368</b>	<b>(15,669)</b>
Cash and cash equivalents at the beginning of the year		1,465	17,150
Net cash flow for the year		368	(15,669)
Exchange rate adjustments on cash and cash equivalents		-	(16)
<b>Cash and cash equivalents at the end of the year</b>		<b>1,833</b>	<b>1,465</b>

# BALANCE SHEET

at 31 December

DKK '000	Note	2023	2022
<b>ASSETS</b>			
Completed development projects		12,473	11,152
Patents, licenses and other rights		57	209
Development projects in progress		1,246	1,682
Customer lists		33	105
<b>Intangible assets</b>	12	<b>13,809</b>	<b>13,148</b>
Fixtures and fittings, other plant and equipment		407	632
<b>Property, plant and equipment</b>	13	<b>407</b>	<b>632</b>
Rental of premises		2,218	2,584
<b>Right of use assets</b>	14	<b>2,218</b>	<b>2,584</b>
Deferred tax assets	10	3,213	1,213
Other receivables		445	441
<b>Financial assets</b>		<b>3,658</b>	<b>1,654</b>
<b>Total non-current assets</b>		<b>20,092</b>	<b>18,018</b>
Accounts receivables	16	1,193	794
Work in progress	17	34	73
Tax receivables	10	328	1,089
Other receivables		73	70
Prepayments		356	503
<b>Receivables</b>		<b>1,984</b>	<b>2,529</b>
<b>Cash and cash equivalents</b>		<b>1,833</b>	<b>1,465</b>
<b>Total current assets</b>		<b>3,817</b>	<b>3,994</b>
<b>Total assets</b>		<b>23,909</b>	<b>22,012</b>

DKK '000	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
Share capital		819	645
Reserves		8,141	6,205
Retained earnings		(7,639)	(18,285)
<b>Equity</b>		<b>1,321</b>	<b>(11,435)</b>
Lease liabilities	19	1,861	2,159
Credit institutions	21	6,236	-
Other loans	21	6,834	-
Other liabilities	18	1,306	1,280
<b>Non-current liabilities</b>		<b>16,237</b>	<b>3,439</b>
Lease liabilities	19	636	736
Convertible loan	20	-	23,782
Prepayments from customers	17	396	549
Accounts payable		980	2,089
Other liabilities	18	2,918	2,162
Deferred income		1,421	690
<b>Current liabilities</b>		<b>6,351</b>	<b>30,008</b>
<b>Total liabilities</b>		<b>22,588</b>	<b>33,447</b>
<b>Total equity and liabilities</b>		<b>23,909</b>	<b>22,012</b>

# STATEMENT OF CHANGES IN EQUITY

DKK '000	Share capital	Share premium	Reserves			Total reserves	Retained earnings	Equity
			Share-based payment	Exchange rate adjustments	Financial instrument			
<b>Equity January 1, 2023</b>	<b>645</b>	-	<b>3,981</b>	<b>59</b>	<b>2,165</b>	<b>6,205</b>	<b>(18,285)</b>	<b>(11,435)</b>
Profit/loss for the year	-	-	-	-	-	-	(12,185)	(12,185)
Other comprehensive income	-	-	-	(2)	-	(2)	-	(2)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(2)</b>	-	<b>(2)</b>	<b>(12,185)</b>	<b>(12,187)</b>
<i>Transactions with shareholders</i>								
Capital increase	153	18,347	-	-	-	-	-	18,500
Costs regarding capital increase	-	(160)	-	-	-	-	-	(160)
Conversion of debt	21	2,479	-	-	(2,165)	(2,165)	2,165	2,500
Transfer to retained earnings	-	(20,666)	-	-	-	-	20,666	-
Share-based payments	-	-	1,930	-	-	1,930	-	1,930
Warrant programs terminated	-	-	(63)	-	-	(63)	-	(63)
Financial instrument adjustment, warrants issued	-	-	-	-	2,236	2,236	-	2,236
<b>Total transactions with shareholders</b>	<b>174</b>	-	<b>1,867</b>	-	<b>71</b>	<b>1,938</b>	<b>22,831</b>	<b>24,943</b>
<b>Equity December 31, 2023</b>	<b>819</b>	-	<b>5,848</b>	<b>57</b>	<b>2,236</b>	<b>8,141</b>	<b>(7,639)</b>	<b>1,321</b>
<b>Equity January 1, 2022</b>	<b>618</b>	-	<b>2,064</b>	<b>(41)</b>	<b>2,165</b>	<b>4,188</b>	<b>103</b>	<b>4,909</b>
Profit/loss for the year	-	-	-	-	-	-	(25,186)	(25,186)
Other comprehensive income	-	-	-	100	-	-	-	100
<b>Total comprehensive income for the period</b>	-	-	-	<b>100</b>	-	-	<b>(25,186)</b>	<b>(25,086)</b>
<i>Transactions with shareholders</i>								
Capital increase	22	5,928	-	-	-	-	-	5,950
Warrant programs exercised	5	1,034	(430)	-	-	(430)	430	1,039
Costs regarding capital increase	-	(594)	-	-	-	-	-	(594)
Transfer to retained earnings	-	(6,368)	-	-	-	-	6,368	-
Share-based payments	-	-	2,897	-	-	2,897	-	2,897
Warrant programs terminated	-	-	(550)	-	-	(550)	-	(550)
<b>Total transactions with shareholders</b>	-	-	<b>1,917</b>	-	-	<b>1,917</b>	<b>6,798</b>	<b>8,742</b>
<b>Equity December 31, 2022</b>	<b>645</b>	-	<b>3,981</b>	<b>59</b>	<b>2,165</b>	<b>6,205</b>	<b>(18,285)</b>	<b>(11,435)</b>



# NOTES

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# NOTES

## Note 1 – Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional Danish disclosure requirements for companies listed on Nasdaq First North Growth Market and further requirements in the Danish Financial Statements Act, class B.

The consolidated financial statements are presented in DKK, and all values are rounded to the nearest thousand (DKK '000) except when otherwise indicated.

New and amended IFRS standards not yet effective are not expected to have any material impact on the consolidated financial statements for the Group.

### 1.1 Recognition and measurement

Assets are recognized in the balance sheet when it is probable that as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost, except when IFRS explicitly requires the use of fair value. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the annual report's presentation and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

### 1.2 Accounting policies

The Group's accounting policies are described in the related notes to the Consolidated Financial Statements except the below-mentioned accounting policies.

#### Equity

The reserve for share-based payments comprises the fair value of the issued warrants for employees, management, and board members. Refer to note 7 for a description of the valuation model.

The reserve for currency translation comprises foreign exchange differences arising from the translation of financial statements of foreign enterprises from their functional currencies to the Group's presentation currency (DKK).

The reserve for financial instruments relates to the warrants issued regarding the new loans from EIFO and 2L Kapital A/S obtained during 2023.

#### Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing, and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and income taxes paid. Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and fixed asset investments as well as purchase, development, improvement, and sale, etc., of intangible assets and property, plant, and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, inception of finance leases, installments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash.

# NOTES

## Note 1 – Basis of preparation (continued)

### Consolidation principles

The Consolidated Financial Statements comprise the Parent Company, Konsolidator A/S, and subsidiary in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends, and accounts, as well as realized and unrealized profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date is recognized in the income statement as financial income or financial expenses.

Exchange differences arising from the translation of foreign subsidiaries' equity at the beginning of the year to the balance sheet date and the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries that are considered part of the total investment in the subsidiary in question are classified directly as equity.

### Variable costs

Variable costs comprise cost directly linked to revenue in the financial year measured at cost which is primarily server costs to Microsoft Azure.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, such as expenses for premises, stationery, and office supplies, marketing costs, consultancy costs, listing costs etc. This item also includes write-downs of receivables recognized in current assets. Lease of premises is now recognized as a depreciation of right of use asset and interests relating to IFRS 16.

### Other receivables

Other receivables generally arise from transactions outside the usual operating activities of the Group.

Collateral is not normally obtained. The non-current other receivables consist of deposits and are due and payable on a long-term agreement.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank accounts.

### Deferred income

Deferred revenue is money received in advance for subscription fees that are concerning the coming period.

# NOTES

## Note 2 – Critical accounting estimates and judgments

The preparation of Konsolidator's Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgments based on several factors in the given circumstances.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are comprising valuation of development projects and deferred tax assets, which is described to the related notes.

## Note 3 – Segment information

Konsolidator is organized in only one operating segment including results of the business at a consolidated level. The costs related to the main nature of the business are not attributable to any specific geographical segment, revenue stream or customer type. The consolidated operating segment are as presented in the Income statement.

## Note 4 – Revenue

DKK '000	2023	2022
Subscription fees	17,012	13,904
Onboarding and consulting fees	2,157	2,807
	<b>19,169</b>	<b>16,711</b>

### § Accounting policies

#### Revenue from contracts with customers

Revenue is recognized net of VAT, duties, and sales discounts and is measured at fair value of the consideration fixed.

#### Revenue from SaaS (Software as a Service)

Konsolidator sells SaaS (Software as a Service) by hosting the software and related services as cloudbased services. The software is not installed on the customer's own servers but on cloud servers that Konsolidator manages. The customer continuously receives this service, which includes license, support, and maintenance, during the term of the agreement and is recognized linearly over the contract period. The control is transferred to the customer continuously during the term of the agreement.

# NOTES

## Note 4 – Revenue (continued)

### Revenue from onboarding and consulting services

Konsolidator sells services relating to setting up Konsolidator which are provided on a regular basis (consultancy) or as a fixed price agreement (onboarding). Revenue from onboarding is on a fixed price agreement, and the revenue is recognized by a percentage of the services which have been delivered compared to the total services calculated from historical data. Revenue from consultancy is where hours are delivered on a regular basis and is recognized when the worked hours have been delivered.

### Revenue recognized

Revenue recognized in the financial year that was included in the prepayments from customers at the beginning of the year amounts to DKK 396 thousand (2022: DKK 549 thousand). There was no revenue recognized in the reporting period related to performance obligations satisfied in previous periods such as changes in transaction prices. For policies related to work in progress and prepayments from customers refer to note 17.

## Note 5 – Staff costs

DKK '000	2023	2022
Wages and salaries	17,040	23,282
Share-based payments	1,866	2,347
Pensions	1,243	1,629
Other social security costs	184	689
Other staff costs	391	351
	<b>20,724</b>	<b>28,298</b>
Capitalized wages and salaries	(1,502)	(2,654)
	<b>19,222</b>	<b>25,644</b>
Average number of employees	24	32
Number of employees at year-end	24	24

### Key Management compensation

Key Management consists of Executive Board and Board of Directors, as well as other Key Management. The compensation paid or payables to Key Management for employee services is shown below:

DKK '000	2023	2022
Wages and salaries, Executive Board & other Key Management	2,708	3,760
Pensions, Executive Board & other Key Management	202	298
Compensation, Board of Directors	288	275
Share-based payments, Key Management	617	1,173

## § Accounting policies

Staff costs comprise salaries and wages including share-based payments and cash bonus arrangements, as well as social security contributions, pension contributions, etc. for the Group's staff.

# NOTES

## Note 6 – Share-based payments

Konsolidator operates with equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of warrants is recognized as an expense and allocated over the vesting period with the corresponding effect as a reserve in equity. The Group has introduced warrant programs aimed at employees, Management and board members, which will be described in this note.

### Warrant programs for employees

In appreciation of the efforts of employees during the start-up of Konsolidator the employees were awarded warrants in June 2020, May 2021, June 2022, and May 2023. As the warrants are vesting over time, Konsolidator also wants to ensure the retention of key employees. Under the employee warrant programs the warrants granted upon signing of the agreement are vested over three years from signing. The warrants may only be exercised in a period of four weeks starting after the day the announcement of the company's annual report and quarterly reports. The first exercise window starts after the announcement of the annual report for the year of the granted warrants. The warrants will automatically expire after five years. The fair value of the warrants is measured at calculated market price at the grant date based on Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

Employee warrant program	May 2023	June 2022	May 2021	June 2020
Share price at issue (DKK)	6.55	11.4	24	34-46.5
Expected volatility rate (% p.a.)	72.11	61.16	51.1	36.8
Risk-free interest rate (% p.a.)	2.52	1.7	(0.37)	(0.55)
Expected warrant life (no. of years)	5	5	5	5
Exercise price (DKK)	6.07	13.09	31.09	47.12
Fair value of warrants (DKK '000)	1,125	1,092	1,661	1,329

### Warrant program for Executive Board

The Executive Board was granted 250,000 warrants in December 2021. Upon signing of the agreement, the warrants are vested over a three-year period. The warrants may only be exercised in a period of four weeks starting after the day the announcement of the company's annual report, quarterly reports, and half-year report. The first exercise window starts after the announcement of the annual report for the year of the granted warrants. The warrants will automatically expire by December 31, 2026. The fair value of the warrants issued is measured at calculated market price at the grant date based on Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

Executive Board warrant program	Dec. 2021
Average share price (DKK)	12.7
Expected volatility rate (% p.a.)	53.4
Risk-free interest rate (% p.a.)	(0.37)
Expected warrant life (no. of years)	5
Exercise price (DKK)	14.08
Fair value of warrants (DKK '000)	1,278

# NOTES

## Note 6 – Share-based payments (continued)

### Warrant programs for board members

Before Konsolidator's initial public offering in May 2019, board member Jesper Eigen Møller was granted 125,000 warrants as of April 2, 2019. Further, in December 2021 250,000 warrants were granted to two board members, and in June 2022 250,000 warrants were granted to two board members. Upon signing of the agreement, the warrants are vested over a three-year period. The warrants may only be exercised for a period of four weeks starting after the day of the announcement of the company's annual report and quarterly reports. The first exercise window starts after the announcement of the annual report for the year of the granted warrants. The warrants will automatically expire by December 31, 2026, June 30, 2027, and December 31, 2028. The fair value of the warrants issued is measured at calculated market price at the grant date based on Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

<b>Board of Directors warrant program</b>	<b>Jun. 2022</b>	<b>Dec. 2021</b>	<b>Apr. 2019</b>
Average share price (DKK)	11.4	12.7	8.8
Expected volatility rate (% p.a.)	61.16	53.4	35.0
Risk-free interest rate (% p.a.)	1.7	(0.37)	0.02
Expected warrant life (no. of years)	5	5	10
Exercise price (DKK)	13.09	14.08	8.8
Fair value of warrants (DKK '000)	1,365	1,278	455

### Warrant program for credit institutions and other loans

As part of the loan agreements signed on July 7 2023 with EIFO and 2L Kapital A/S 482,565 warrants were granted. The warrants may only be exercised in a period of two weeks starting after the warrant owner has informed the company of its intention to exercise the warrants. The warrants will automatically expire after 10 years. The fair value of the warrants issued is measured at the calculated market price at the grant date based on Black & Scholes option pricing model. The exercise price was DKK 6.18 per share. The calculation is based on the following assumptions at the grant date.

<b>Warrant program</b>	<b>July 2023</b>
Average share price (DKK)	6.05
Expected volatility rate (% p.a.)	73.75
Risk-free interest rate (% p.a.)	2.55
Expected warrant life (no. of years)	10
Exercise price (DKK)	6.18
Fair value of warrants (DKK '000)	2,236

# NOTES

## Note 6 – Share-based payments (continued)

The total vested warrants on December 31, 2023, summarizes to 564,400 out of the outstanding warrants of 1,801,152. Outstanding warrants can be specified as follows:

Number of warrants	Board of Directors	Executive Board	Employees	Loans	Total
<b>Outstanding warrants on January 1, 2019</b>					
Granted	125,000	-	-	-	125,000
Exercised	-	-	-	-	-
Cancelled	-	-	-	-	-
<b>Outstanding warrants on January 1, 2020</b>					
Granted	125,000	-	-	-	125,000
Exercised	-	-	-	-	-
Cancelled	-	-	-	-	-
<b>Outstanding warrants on December 31, 2020</b>					
Granted	250,000	250,000	270,000	-	70,000
Exercised	-	-	-	-	-
Cancelled	-	-	(52,391)	-	(52,391)
<b>Outstanding warrants on December 31, 2021</b>					
Granted	250,000	-	200,000	-	450,000
Exercised	(118,055)	-	-	-	(118,055)
Cancelled	(125,000)	-	(175,382)	-	(300,382)
<b>Outstanding warrants on December 31, 2022</b>					
Granted	381,945	250,000	367,227	-	999,172
Exercised	-	-	375,000	482,565	857,565
Cancelled	-	-	-	-	-
Cancelled	-	-	(55,585)	-	(55,585)
<b>Outstanding warrants on December 31, 2023</b>					
	381,945	250,000	686,642	482,565	1,801,152

	Weighted average exercise price (DKK)	Vesting period	Exercise period	Total
Warrants granted April 2, 2019	8.80	April 2019 - March 2022	April 2020 - December 2028	6,945
Warrants granted June 12, 2020	47.12	July 2020 - December 2024	March 2021 - April 2025	92,455
Warrants granted May 7, 2021	31.09	June 2021 - May 2024	June 2022 - April 2026	110,854
Warrants granted December 8, 2021	14.08	January 2022 - December 2024	January 2023 - December 2026	375,000
Warrants granted June 16, 2022	13.09	July 2022 - June 2025	June 2024 - June 2028	368,333
Warrants granted May 10, 2023	6.07	June 2023 - May 2026	June 2024 - May 2026	365,000
Warrants granted July 7, 2023	6.18	No vesting periode	July 2023 - July 2033	482,565
<b>Outstanding warrants</b>			<b>2023</b>	<b>2022</b>
Average remaining life in years			5	3.9
Exercise price			6.07 - 47.12	8.8 to 47.12



# NOTES

## Note 6 – Share-based payments (continued)

### § Accounting policies

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Warrants granted on July 7, 2023, are granted as part of the loan agreements with EIFO and 2L Kapital A/S. The cost is recognized as a part of the loan and amortized over time in financial expenses. The cost of an equity-settled transaction is determined by the fair value at the date when the grant is made using an appropriate valuation model.

## Note 7 – Depreciation, amortization and impairment losses

DKK '000	2023	2022
Completed development projects	1,527	1,140
Patents, licenses and other rights	176	214
Development projects in progress, impairment loss	6	526
Customer lists	72	54
Other fixtures and fittings, tools and equipment	254	273
Rental of premises (right of use assets)	705	620
	<b>2,740</b>	<b>2,827</b>

### § Accounting policies

Depreciation, amortization, and impairment losses relating to equipment and intangible assets comprise depreciation, amortization and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant, and equipment.

# NOTES

## Note 8 – Financial income

DKK '000	2023	2022
Interest income	19	1
Gain on foreign exchange	112	191
Other financial income	2	-
	<b>133</b>	<b>192</b>

### § Accounting policies

Financial income comprises interest income, including interest income on receivables from net capital or exchange gains on securities, payables and transactions in foreign currencies, and amortization of financial assets as well as tax relief under the Danish Tax Prepayment Scheme, etc.

## Note 9 – Financial expenses

DKK '000	2023	2022
Interest expense	46	69
Interest expense on lease agreements	48	56
Interest expense on loan agreements	2,151	3,083
Borrowing costs and warrant costs	1,459	674
Loss on foreign exchange	136	436
Other financial expenses	84	74
	<b>3,924</b>	<b>4,392</b>

For information on financial risk, please refer to note 24 in the consolidated financial statement.

### § Accounting policies

Financial expenses comprise interest expenses, borrowing costs and loss on foreign exchange. Borrowing costs includes share-based payments on loans.

## Note 10 – Income taxes

DKK '000	2023	2022
Current tax for the year	328	1,029
Deferred tax for the year	2,000	-
Adjustments recognised for tax from prior periods	-	3
	<b>2,328</b>	<b>1,032</b>
Tax calculated as 22% of profit/loss before tax	3,193	5,768
Non-taxable income and non-deductible expenses	(232)	(510)
Tax credit, 8x	328	1,029
Changes to previous years	0	(3)
Temporary differences	(961)	(5,252)
<b>Effective tax</b>	<b>2,328</b>	<b>1,032</b>
Effective tax rate for the year (%)	(16,04%)	(3,94%)

Deferred tax is recognized in the statement of financial position as follows:

DKK '000	2023	2022
Deferred tax asset	3,213	1,213
	<b>3,213</b>	<b>1,213</b>
Deferred tax asset specified:		
Intangible assets	(3,038)	(2,893)
Fixtures and fittings, other plant and equipment	(90)	(139)
Right of use assets	61	68
Other accrued costs	0	96
Convertible loan	0	34
Loans	5	-
Prepayments	(78)	(98)
Tax loss carried forward	18,778	15,584
Tax loss carried forward - write down	(12,425)	(11,439)
	<b>3,213</b>	<b>1,213</b>

# NOTES

## Note 10 – Income taxes (Continued)

### § Accounting policies

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in other comprehensive income and equity by the portion attributable to entries recognized directly in other comprehensive income and equity.

Current tax payable and current tax receivable are recognized in the statement of financial position, calculated as tax on taxable income for the year in each jurisdiction. The calculation of current tax is prepared with current tax rates and rules applicable at the balance sheet date.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognized in the statement of the financial position at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets to be set off against future positive taxable income. At each balance sheet date, it is considered whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

It is possible under the Danish tax jurisdiction to apply for payment of the tax value of any development cost contributing to the company's loss. Konsolidator has applied and received money using the rule under the Danish tax jurisdiction.

### ! Critical accounting estimates and judgments

As per December 31, 2023, the net deferred tax asset amounts to DKK 3,213 thousand. The deferred tax assets have been set off against provisions in the same legal tax entity and jurisdiction. The tax losses can be carried forward indefinitely. The deferred tax assets have been recognized based on expected earnings for the next 4 years and the possibility to utilize the deferred tax assets to be offset against positive taxable income in each jurisdiction. There is an uncertainty that the tax losses carried forward can be utilized.

The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on business plans and budgets for the Group.

### Tax credit

Tax receivables recognized in the balance sheet as the total amount of DKK 328 relate to the use of the tax credit scheme under section 8x of the Danish Tax Assessment Act, whereby the company can be paid the tax value of tax losses deriving from costs for research and development.

After reviewing the criteria for using the scheme, it is the management's opinion that the company is entitled to use the scheme. The recognition has been made based on this assessment. Whether the criteria for applying the scheme are met is based on a discretionary review. Consequently, there may be a risk that the tax authorities assess that the criteria are unmet. If that happens, the receivable will have to be reversed in whole or part via the income statement in subsequent financial years.

## Note 11 – Earnings per share

On December 31, 2023 the share capital consisted of 20,475,327 shares with a nominal value of DKK 0.04 (2022: 16,116,675). The shares are not divided into classes and carry no right to fixed income.

	2023	2022
Profit/loss for the year (in TDKK)	(12,185)	(25,186)
Number of outstanding shares at the end of the period	16,116,675	16,116,675
Average number of outstanding shares	20,475,327	15,785,611
Earnings per share (in DKK)	(0,67)	(1,60)
Average number of outstanding shares, diluted	22,276,479	18,115,847
Number of outstanding shares at the end of the period, diluted	19,680,382	17,769,001
Earnings per share, diluted (in DKK)	(0,62)	(1,42)

### § Accounting policies

Earnings per share is calculated by dividing the majority shareholders share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

# NOTES

## Note 12 – Intangible assets

DKK '000	Completed development projects	Patents, licenses and other rights	Development projects in progress	Customer lists	2023
Cost at the beginning of the year	14,106	991	2,208	180	17,485
Transfers from/(to) other items	2,848	-	(2,848)	-	-
Additions during the year	-	24	2,418	-	2,442
Disposals during the year	-	-	(6)	-	(6)
<b>Cost at the end of the year</b>	<b>16,954</b>	<b>1,015</b>	<b>1,772</b>	<b>180</b>	<b>19,921</b>
Amortization and impairment losses at the beginning of the year	(2,954)	(782)	(526)	(75)	(4,337)
Amortization and impairment for the year	(1,527)	(176)	-	(72)	(1,775)
<b>Amortization and impairment losses at the end of the year</b>	<b>(4,481)</b>	<b>(958)</b>	<b>(526)</b>	<b>(147)</b>	<b>(6,112)</b>
<b>Carrying amount at the end of year</b>	<b>12,473</b>	<b>57</b>	<b>1,246</b>	<b>33</b>	<b>13,809</b>

DKK '000	Completed development projects	Patents licenses and other rights	Development projects in progress	Customer lists	2022
Cost at the beginning of the year	10,611	976	1,319	108	13,014
Transfers from/(to) other items	3,481	-	(3,481)	-	-
Additions during the year	14	15	4,370	72	4,471
<b>Cost at the end of the year</b>	<b>14,106</b>	<b>991</b>	<b>2,208</b>	<b>180</b>	<b>17,485</b>
Amortization and impairment losses at the beginning of the year	(1,814)	(568)	-	(21)	(2,403)
Amortization and impairment for the year	(1,140)	(214)	(526)	(54)	(1,934)
<b>Amortization and impairment losses at the end of the year</b>	<b>(2,954)</b>	<b>(782)</b>	<b>(526)</b>	<b>(75)</b>	<b>(4,337)</b>
<b>Carrying amount at the end of year</b>	<b>11,152</b>	<b>209</b>	<b>1,682</b>	<b>105</b>	<b>13,148</b>

## § Accounting policies

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets in Konsolidator comprise completed development projects, development projects in progress, patents, and acquired intellectual property rights.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Intangible assets, including development projects in progress, are tested for impairment at least on a yearly basis, or if indications of impairment exist. Intangible assets are written down to their recoverable amount if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognized in the income statement.

# NOTES

## Note 12 – Intangible assets (continued)

### Development projects

Development projects on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development projects as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. The cost of development projects comprise costs such as salaries and amortization that are directly and indirectly attributable to the development projects. Other development costs are recognized as costs in the income statement as incurred. Development projects in progress are transferred to completed development projects when finished and amortization starts.

Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. If the useful life cannot be estimated reliably, it is fixed at 10 years. During the period of development, the asset is tested for impairment annually.

### Acquired intellectual property rights and other immaterial assets

Intellectual property rights acquired are measured at cost less accumulated amortization. The amortization period used is 3-5 years. Other immaterial assets comprise software, programs etc., which is measured at cost less accumulated amortization with a useful life of 3-5 years.

### Customer lists

Customer lists consist of acquired customers from third parties. Customer lists are measured at cost less accumulated amortization and impairment losses.

Cost comprises the acquisition price of the contracts and amortized through the period of the contracts.

### Impairment of non-financial assets

Impairment of non-financial assets covers disclosures relating to both intangible assets and property, plant, and equipment.

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## Critical accounting estimates and judgments

Development projects consist of both completed development projects and development projects in progress. Completed development projects are amortized over their useful lives. Completed development projects and development projects in progress are assessed for impairment whenever there is an indication that the development asset may be impaired and at least once a year. The amortization period for completed development projects are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement as amortization. The estimated values of intangible assets are based on Management estimates and assumptions and are by nature subject to uncertainty.

# NOTES

## Note 13 – Property, plant and equipment

DKK '000	Fixtures and fittings, other plant and equipment
Cost at the beginning of the year	1,051
Effect of exchange rate adjustments	1
Additions during the year	45
Disposals the year	(99)
Cost at the end of the year	998
Depreciation at the beginning of the year	(419)
Effect of exchange rate adjustments	(1)
Depreciation for the year	(254)
Amorization reversed during the year	83
<b>Depreciation and impairment losses at the end of the year</b>	<b>(591)</b>
<b>Carrying amount at the end of year, 2023</b>	<b>407</b>

DKK '000	Fixtures and fittings, other plant and equipment
Cost at the beginning of the year	886
Additions during the year	165
<b>Cost at the end of the year</b>	<b>1,051</b>
Depreciation at the beginning of the year	(148)
Effect of exchange rate adjustments	2
Depreciation for the year	(273)
<b>Depreciation and impairment losses at the end of the year</b>	<b>(419)</b>
<b>Carrying amount at the end of year, 2022</b>	<b>632</b>

### § Accounting policies

Other fixtures and fittings, tools, and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment: 3-5 years

Estimated useful lives and residual values are reassessed annually. Items of other fixtures and fittings, tools, and equipment are written down to the lower of recoverable amount and carrying amount.

# NOTES

## Note 14 – Right of use assets

DKK '000	Rental of premises
Cost at the beginning of the year	3,772
Additions during the year	339
<b>Cost at the end of the year</b>	<b>4,111</b>
Depreciation at the beginning of the year	(1,188)
Depreciation for the year	(705)
<b>Depreciation and impairment losses at the end of the year</b>	<b>(1,893)</b>
<b>Carrying amount at the end of year, 2023</b>	<b>2,218</b>

DKK '000	Rental of premises
Cost at the beginning of the year	3,459
Additions during the year	313
<b>Cost at the end of the year</b>	<b>3,772</b>
Depreciation at the beginning of the year	(568)
Depreciation for the year	(620)
<b>Depreciation and impairment losses at the end of the year</b>	<b>(1,188)</b>
<b>Carrying amount at the end of year, 2022</b>	<b>2,584</b>

For information about short-term and low value leases expensed during 2022 and comparative figures, and information about future cash flows for all lease contracts refer to note 19. The company is not significantly exposed to extension and termination options, which can have an impact on the future lease payments.

## § Accounting policies

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Rental of premises: 5-6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

# NOTES

## Note 15 – Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## Note 16 – Accounts receivable

DKK '000	2023	2022
Accounts receivable gross	1,268	1,075
Writedowns	(75)	(281)
	<b>1,193</b>	<b>794</b>

No provision for impairment has been made as the Group's customers are primarily customers with limited credit risk, and the Group has a history of limited registered losses. The Group has assessed their expected credit loss on an individual level, and has deemed their expected loss immaterial, for which reason there has not been made a matrix for expected credit loss on groups of receivables.

Aging of receivables:

DKK '000	2023	Aged overdue amounts				
	Balance	Not due	1-31 days	32-62 days	63-92 days	After 92 days
Accounts receivables	1,268	156	596	185	193	138
<b>Accounts receivables excl. expected credit loss</b>	<b>1,268</b>	<b>156</b>	<b>596</b>	<b>185</b>	<b>193</b>	<b>138</b>
Expected credit loss	(75)	0	0	0	(10)	(65)
<b>Total accounts receivables</b>	<b>1,193</b>	<b>156</b>	<b>596</b>	<b>185</b>	<b>183</b>	<b>73</b>

## § Accounting policies

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Payment terms and conditions vary by contract type and region and typically require payment within 21 to 30 days and are therefore classified as current. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 24 about financial risks.



# NOTES

## Note 17 – Work in progress

DKK '000	2023	2022
Contract work in progress	(362)	(476)
Transferred to prepayments from customers	396	549
<b>Total work in progress</b>	<b>34</b>	<b>73</b>
<b>Specified as follows:</b>		
Work in progress (assets)	34	73
Prepayments from customers (liabilities)	396	(549)

### § Accounting policies

Work in progress is initially recognised for revenue earned from onboarding and consulting services because the receipt of consideration is conditional on successful completion of the onboarding or consulting service. Upon completion of the service and acceptance by the customer, the amount recognised as work in progress is reclassified to trade receivables.

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realizable value. Each contract in progress is recognized in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative

Work in progress is subject to impairment assessment.

A contract liability (prepayment from customers) is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

## Note 18 – Other liabilities

DKK '000	2023	2022
Employee liabilities	2,938	2,801
Liability to public authorities	720	641
Misc. current liabilities	566	-
<b>Other liabilities</b>	<b>4,224</b>	<b>3,442</b>
Non-current other liabilities	1,306	1,280
Current other liabilities	2,918	2,162
<b>Other liabilities</b>	<b>4,224</b>	<b>3,442</b>

No interests related to above have been recognized to the profit/loss statement. Future cash flows for other liabilities will be according to below table:

Within 1 year	2,918	2,162
Between 1-5 years	-	-
After 5 years	1,306	1,280
<b>Total future cash flows</b>	<b>4,224</b>	<b>3,442</b>

# NOTES

## Note 18 – Other liabilities (continued)

### § Accounting policies

#### Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, and borrowings, or as payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, convertible loans and borrowings including bank overdrafts.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

## Note 19 – Lease liabilities

DKK '000	2023	2022
Lease liabilities at the beginning of the year	2,895	3,201
Additions during the year	338	312
Interests during the year	48	56
Repayments during the year	(784)	(674)
<b>Lease liabilities at the end of the year</b>	<b>2,497</b>	<b>2,895</b>
Non-current lease liabilities	1,861	2,159
Current lease liabilities	636	736
<b>Lease liabilities</b>	<b>2,497</b>	<b>2,895</b>

The following amounts have been recognized in the income statement:

Depreciation for the period	705	620
Interests expense on lease liabilities	48	56
Rent on short-term agreements	292	560
<b>Total amount recognized in the income statement</b>	<b>1,045</b>	<b>1,236</b>

Future cash flows for all lease contracts will be according to below table:

Within 1 year	636	736
Between 1-5 years	1,861	2,159
After 5 years	0	-
<b>Total future cash flows</b>	<b>2,497</b>	<b>2,895</b>

# NOTES

## Note 19 – Lease liabilities (continued)

### § Accounting policies

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery, premises and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# NOTES

## Note 20 – Convertible loan

On September 1, 2021, Konsolidator issued 1,000,000 convertible notes for DKK 25 million. The notes are convertible into ordinary shares at the option of the holder, Formue Nord, or repayable on September 1, 2023. The convertible loan agreement was settled with a 5.5% commitment fee, resulting in DKK 23.6 million in net proceeds to the company. The interest is 8% pro annum and is payable quarterly. Konsolidator has the right to repay the loan at any time upon 14 days' notice. In this event Formue Nord may choose to receive cash repayment or convert into shares. The share price is settled to DKK 25 per share. Consequently, if the full loan amount of DKK 25 million is converted into shares in Konsolidator at this share price, 1 million new shares will be issued, corresponding to a nominal value of DKK 40,000. In June 2023, Formue Nord decided to convert DKK 2.5 million of the debt into shares. Konsolidator issued 518,887 new shares, corresponding to a nominal value of DKK 20,755.48 at a share price of 4.818. In July 2023, Konsolidator repaid the remaining loan of DKK 22.5 million.

The convertible loans are presented in the balance sheet as follows:

DKK '000	2023	2022
Convertible loan	-	-
Commitment fee	-	-
<b>Proceeds from borrowings (cash flow)</b>	<b>-</b>	<b>-</b>
Convertible loan at the beginning of the year	23,782	22,025
Conversion of debt to equity	(2,500)	-
Repayment of debt	(22,500)	-
Borrowing costs	1,218	674
Interest expense	1,065	3,083
Interest paid	(1,065)	(2,000)
<b>Convertible loan at the end of the year</b>	<b>-</b>	<b>23,782</b>
Non-current convertible loan (between 1-5 years)	-	23,782
Current convertible loan (within 1 year)	-	-
<b>Convertible loan</b>	<b>-</b>	<b>23,782</b>

## Note 21 - Loans and financial instrument

On July 7, 2023, Konsolidator entered loan agreements with 2L Kapital A/S and EIFO in the amount of DKK 15.5 million presented in the balance sheet as other loans and credit institutions. At the same time and as part of the loan payment, Konsolidator issued 482,565 warrants to 2L Kapital A/S and EIFO. The loans have been reflected as credit institutions and other loans in the balance sheet under non-current liabilities. The loans are to be repaid over a six year period, starting from September 2025, with the first 2 years being without repayment. The interest is paid quarterly and is based on Cibor 3 plus a margin. The fair value of the warrants has been reflected in the equity as a reserve for financial instruments in the amount of DKK 2.2m. The loans are recognized at amortized costs (net of transaction costs and fair value of the warrants) until repayment. The warrants are recognized as an equity component and measured under IFRS 13 for the calculation of fair value measurement. The fair value of the warrants is measured using Black & Scholes option pricing model. For calculation of the fair value, see note 6, Share-based payment. The initial fair value of the liabilities was determined using a market interest rate for an equivalent bond at the issue date. The liability is subsequently recognized on an amortized cost basis. The remainder of the proceeds is allocated to the warrants and recognized in shareholders' equity, net of income tax, and not subsequently remeasured.

DKK '000	2023
Credit institutions	7,500
Other loans	8,000
Borrowing costs	(434)
<b>Proceeds from borrowings (cash flow)</b>	<b>15,066</b>
Value of conversion rights (equity reserve)	(2,236)
Borrowing costs	240
Interest expense	1,086
Interest paid	(520)
<b>Loans at the end of the year</b>	<b>13,636</b>
Credit institutions, non-current	6,236
Other loans, non-current	6,834
Accrued interest payable, current	566
<b>Borrowings</b>	<b>13,636</b>
Non-current (After 5 years)	1,103
Non-current loans (between 1-5 years)	11,967
<b>Credit institutions and other loans</b>	<b>13,070</b>

# NOTES

## Note 22 – Changes in working capital

DKK '000	2023	2022
Changes in accounts receivables	(399)	(7)
Changes in other receivables	184	721
Changes in accounts payable	(1,676)	456
Changes in other payables	604	492
Changes in deferred income	730	-
<b>Changes in working capital</b>	<b>(557)</b>	<b>1,662</b>

## Note 23 – Company Charge

The company has issued a company charge (virksomhedspant) on 15,500,000 to the two loan providers EIFO and 2L Kapital A/S.

The company charge covers all assets including goodwill.

## Note 24 – Financial risks

### Financial risk management

Due to the nature of its operations, investments, and financing, Konsolidator is exposed to several financial risks. It is company policy to operate with a low risk profile, so that foreign currency risk, interest rate risk and credit risk only occur in commercial relations. The scope and nature of the financial instruments appear from the income statement and statement of financial position in accordance with the accounting policies applied.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Konsolidator issues invoices in DKK, GBP, SEK, and EUR and thus the risk of foreign currencies relates only to these currencies. In Q4 2022, Konsolidator closed the operations in London and Sweden and therefore the risk for SEK and GBP have increased due to fewer costs in these currencies. Konsolidator receives subscription payments in GBP and SEK. Konsolidator has transactions in all the above currencies as well as USD. However, Konsolidator has only payments in USD. The foreign currency risk in general is considered low due to the used currencies in trades.

### Interest rate risk

As Konsolidator has loans with a variable interest rate (Cibor3), Konsolidator is exposed to an interest rate risk. The loans are repaid in full after 6 years and repayments start in Q3 2025. If interest increases with 1 percentage point the interest expense will increase by DKK 0.2m.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards Konsolidator, leading to a financial loss. Konsolidator is exposed to credit risk primarily related to its accounts receivables. The Group's customers are primarily customers with limited credit risk, and the Group has a history of limited registered losses. The Group has assessed their expected credit loss on an individual level, and has deemed their expected loss immaterial, for which reason there has not been made a matrix for expected credit loss on

# NOTES

## Note 24 – Financial risks (continued)

### Liquidity risk

Konsolidator ensures sufficient liquidity resources by liquidity management. On December 2023, Konsolidator's cash and cash equivalents amounted to DKK 3.8 million including a DKK 2 million credit line. Konsolidator has over the past couple of years reduced costs in order to be able to reach cash flow positive.

### Capital management

Konsolidator manages its capital to ensure that it will be able to continue as a going concern while maximizing the growth in ARR through the optimization of the debt and equity balances. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the company and shareholders' best interests. During 2023 Konsolidator increased equity of DKK 21 million and entered a loan agreement of DKK 15,5 million and repaid the remaining convertible loan of DKK 22.5 million

### Financial risk management

Due to the nature of its operations, investments, and financing, Konsolidator is exposed to several financial risks. It is company policy to operate with a low risk profile, so that currency risk, interest rate risk and credit risk only occur in commercial relations. The scope and nature of the financial instruments appear from the income statement and statement of financial position in accordance with the accounting policies applied.

## Note 25 – Events after the reporting date

No significant events have occurred between the reporting date and the publication of this annual report that have not already been included and adequately disclosed in the annual report and that materially affect the assessment of the Group's operating loss or financial position.

## HQ in Denmark

Konsolidator's headquarters is in Søborg, Denmark. With the centralized sales department in Denmark, 2023 showed a more effective cross-functional collaboration, where the company improved and streamlined the internal sales process, opening more emerging markets and resulting in 2023 focused on more explicit market prioritization and a differentiated media strategy for various markets.

The end of 2023 showed that it is possible to grow using this approach.

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## INCOME STATEMENT

DKK '000	Note	2023	2022
Revenue		19,169	16,711
Variable costs		(1,324)	(932)
<b>Contribution</b>		<b>17,845</b>	<b>15,779</b>
External expenses		(6,548)	(8,175)
Staff costs	3	(19,219)	(22,765)
Other operating income		57	12
Other operating expenses		(120)	(3,977)
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(7,985)</b>	<b>(19,126)</b>
Depreciation, amortization and impairment losses	4	(2,740)	(2,760)
<b>Earnings before interest and tax (EBIT)</b>		<b>(10,725)</b>	<b>(21,886)</b>
Financial income	5	133	151
Financial expenses	6	(3,904)	(4,381)
<b>Profit/loss before tax</b>		<b>(14,496)</b>	<b>(26,116)</b>
Corporation tax for the year	7	2,328	1,029
<b>Profit/loss for the year</b>		<b>(12,168)</b>	<b>(25,087)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>(12,168)</b>	<b>(25,087)</b>
Profit/loss for the period attributable to:			
<b>Shareholders of Konsolidator A/S</b>		<b>(12,168)</b>	<b>(25,087)</b>

## CASH FLOW STATEMENT

DKK '000	Note	2023	2022
Earnings before interests and tax (EBIT)		(10,725)	(21,886)
Depreciation, amortization and impairment losses reversed		2,734	2,760
Share-based payments reversed		1,866	2,347
Changes in working capital		(404)	1,753
<b>Cash flows from primary activities</b>		<b>(6,529)</b>	<b>(15,026)</b>
Financial income received		133	151
Financial costs paid		(1,827)	(2,420)
Income taxes paid/received		1,029	865
<b>Cash flow from operating activities</b>		<b>(7,194)</b>	<b>(16,430)</b>
Payments for intangible assets		(2,442)	(4,471)
Proceeds from disposal of property, plant and equipment		22	-
Payments for property, plant and equipment		(45)	(100)
Changes in other non-current assets		(45)	(9)
<b>Cash flow from investing activities</b>		<b>(2,510)</b>	<b>(4,580)</b>
Proceeds from borrowings	21	15,066	-
Changes in lease liabilities	20	(784)	(674)
Proceeds from capital increase		18,341	6,395
Repayment of borrowings		(22,500)	-
Changes in other non-current liabilities		26	(45)
<b>Cash flow from financing activities</b>		<b>10,149</b>	<b>5,676</b>
<b>Net cash flow for the year</b>		<b>445</b>	<b>(15,334)</b>
Cash and cash equivalents at the beginning of the year		1,355	16,689
Net cash flow for the year		445	(15,334)
<b>Cash and cash equivalents at the end of the year</b>		<b>1,800</b>	<b>1,355</b>



# BALANCE SHEET

at 31 December

DKK '000	Note	2023	2022
<b>ASSETS</b>			
Completed development projects		12,473	11,152
Patents, licenses and other rights		57	209
Development projects in progress		1,246	1,682
Customer lists		33	105
<b>Intangible assets</b>		<b>13,809</b>	<b>13,148</b>
Fixtures and fittings, other plant and equipment		407	632
<b>Property, plant and equipment</b>		<b>407</b>	<b>632</b>
Rental of premises		2,218	2,584
<b>Right of use assets</b>		<b>2,218</b>	<b>2,584</b>
Investments in subsidiaries	8	79	79
Deferred tax assets		3,213	1,213
Other receivables		445	399
<b>Financial assets</b>		<b>3,737</b>	<b>1,691</b>
<b>Total non-current assets</b>		<b>20,171</b>	<b>18,055</b>
Accounts receivables		1,193	794
Work in Progress		34	73
Intercompany receivables		13	37
Tax receivables		328	1,029
Other receivables		41	40
Prepayments		353	447
<b>Receivables</b>		<b>1,962</b>	<b>2,420</b>
<b>Cash and cash equivalents</b>		<b>1,800</b>	<b>1,355</b>
<b>Total current assets</b>		<b>3,762</b>	<b>3,775</b>
<b>Total assets</b>		<b>23,933</b>	<b>21,830</b>

DKK '000	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
Share capital		819	645
Reserves		18,784	16,157
Retained earnings		(18,224)	(28,197)
<b>Equity</b>		<b>1,379</b>	<b>(11,395)</b>
Credit institutions		6,236	-
Other loans		6,834	-
Lease liabilities		1,861	2,159
Other liabilities	9	1,306	1,280
<b>Non-current liabilities</b>		<b>16,237</b>	<b>3,439</b>
Lease liabilities		636	736
Convertible loan		-	23,782
Prepayments from customers		396	549
Accounts payable		941	1,948
Other liabilities	9	2,923	2,081
Deferred income		1,421	690
<b>Current liabilities</b>		<b>6,317</b>	<b>29,786</b>
<b>Total liabilities</b>		<b>22,554</b>	<b>33,225</b>
<b>Total equity and liabilities</b>		<b>23,933</b>	<b>21,830</b>

# STATEMENT OF CHANGES IN EQUITY

DKK '000	Share capital	Share premium	Reserves				Retained earnings	Equity
			Development costs	Share-based payment	Financial instrument	Total reserves		
<b>Equity January 1, 2023</b>	<b>645</b>	<b>-</b>	<b>10,011</b>	<b>3,981</b>	<b>2,165</b>	<b>16,157</b>	<b>(28,197)</b>	<b>(11,395)</b>
Profit/loss for the year	-	-	-	-	-	-	(12,168)	(12,168)
Transfer to reserve for development cost	-	-	884	-	-	884	(884)	-
Tax adjusted for development cost	-	-	(194)	-	-	(194)	194	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>(12,858)</b>	<b>(12,168)</b>
<i>Transactions with shareholders</i>								
Capital increase	153	18,347	-	-	-	-	-	18,500
Costs regarding capital increase	-	(160)	-	-	-	-	-	(160)
Conversion of debt	21	2,479	-	-	(2,165)	(2,165)	2,165	2,500
Transfer to retained earnings	-	(20,666)	-	-	-	-	20,666	-
Share-based payments	-	-	-	1,929	-	1,929	-	1,929
Warrant programs terminated	-	-	-	(63)	-	(63)	-	(63)
Adjustment for financial instrument	-	-	-	-	2,236	2,236	-	2,236
<b>Total transactions with shareholders</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>1,866</b>	<b>71</b>	<b>1,937</b>	<b>22,831</b>	<b>24,942</b>
<b>Equity December 31, 2023</b>	<b>819</b>	<b>-</b>	<b>10,701</b>	<b>5,847</b>	<b>2,236</b>	<b>18,784</b>	<b>(18,224)</b>	<b>1,379</b>
<b>Equity January 1, 2022</b>	<b>618</b>	<b>-</b>	<b>7,891</b>	<b>2,064</b>	<b>2,165</b>	<b>12,120</b>	<b>(7,788)</b>	<b>4,950</b>
Profit/loss for the year	-	-	-	-	-	-	(25,087)	(25,087)
Transfer to reserve for development costs	-	-	2,718	-	-	2,718	(2,718)	-
Tax on development costs	-	-	(598)	-	-	(598)	598	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,120</b>	<b>-</b>	<b>-</b>	<b>2,120</b>	<b>(27,207)</b>	<b>(25,087)</b>
<i>Transactions with shareholders</i>								
Capital increase	22	5,928	-	-	-	-	-	5,950
Warrant programs exercised	5	1,034	-	(430)	-	(430)	430	1,039
Costs regarding capital increase	-	(594)	-	-	-	-	-	(594)
Transfer to retained earnings	-	(6,368)	-	-	-	-	6,368	-
Share-based payments	-	-	-	2,897	-	2,897	-	2,897
Warrant programs terminated	-	-	-	(550)	-	(550)	-	(550)
<b>Total transactions with shareholders</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>1,917</b>	<b>2,165</b>	<b>1,917</b>	<b>6,798</b>	<b>8,742</b>
<b>Equity December 31, 2022</b>	<b>645</b>	<b>-</b>	<b>10,011</b>	<b>3,981</b>	<b>2,165</b>	<b>16,157</b>	<b>(28,197)</b>	<b>(11,395)</b>

# NOTES

## Note 1 – Basis of preparation

In supplement to the accounting policies provided by the Group consolidated financial statements, the following accounting policies were applied to the Parent Company's financial statements. The Parent Company Financial Statements for 2023 are presented in DKK.

### § Investments in subsidiaries

Investments in subsidiaries are measured at cost. Investments are written down to recoverable amount if this is lower than the carrying amount.

## Note 2 – References to Group notes

As no difference appears between the Parent Company's financial statements and the Group Company's financial statements for the following notes, refer to the Group's notes for below:

- Critical accounting estimates and judgments - Note 3
- Segment information - Note 4
- Revenue - Note 5
- Income taxes - Note 11
- Intangible assets - Note 13
- Property, plant and equipment - Note 14
- Right of use assets - Note 15
- Accounts receivables - Note 17
- Work in progress and Prepayments from customers - Note 18
- Lease liabilities - Note 20
- Convertible loan - Note 21
- Loans and financial instrument - Note 22
- Financial risks - Note 23
- Events after the reporting date - Note 24

## Note 3 – Staff costs

DKK '000	2023	2022
Wages and salaries	17,040	21,084
Share-based payments	1,866	2,347
Pensions	1,243	1,420
Other social security costs	181	221
Other staff costs	391	347
	<b>20,721</b>	<b>25,419</b>
Capitalized wages and salaries	(1,502)	(2,654)
<b>Staff costs</b>	<b>19,219</b>	<b>22,765</b>
Average number of employees	24	32

### Key Management compensation

For information regarding Key Management compensation, please refer to note 5 in the consolidated financial statements.

### Share-based payments

For information regarding share-based payment, please refer to note 6 in the consolidated financial statements.

# NOTES

## Note 4 – Depreciation, amortization and impairment losses

DKK '000	2023	2022
Completed development projects	1,527	1,140
Patents, licenses and other rights	176	214
Development projects in progress, impairment loss	6	526
Customer lists	72	54
Other fixtures and fittings, tools and equipment	254	206
Rental of premises (ROU assets)	705	620
	<b>2,740</b>	<b>2,760</b>

## Note 5 – Financial income

DKK '000	2023	2022
Interest income	19	1
Gain on foreign exchange	112	150
Other financial income	2	-
	<b>133</b>	<b>151</b>

## Note 6 – Financial expenses

DKK '000	2023	2022
Interest expense	44	68
Interest expense on lease agreements	48	56
Interest expense on loan agreements	2,151	3,083
Borrowing costs and warrant costs	1,459	674
Loss on foreign exchange	136	436
Other financial expenses	66	64
	<b>3,904</b>	<b>4,381</b>

## Note 7 – Income taxes

DKK '000	2023	2022
Current tax for the year	328	1,029
Deferred tax for the year	2,000	-
	<b>2,328</b>	<b>1,029</b>

For deferred tax assets, refer to note 10 in the Group's financial statements.

# NOTES

## Note 8 – Investments in subsidiaries

DKK '000	2023	2022
Cost at the beginning of the year	79	79
<b>Cost at the end of the year</b>	<b>79</b>	<b>79</b>

Name of subsidiary (In thousands)	Place of business	Owner- ship %	Currency	Profit/ loss	Equity
Konsolidator AB (under liquidation)	Sweden	100%	SEK	-	-
Konsolidator Ltd	United Kingdom	100%	GBP	0	0

## Note 9 – Other liabilities

DKK '000	2023	2022
Employee liabilities	2,938	2,720
Liability to public authorities	725	641
Misc. current liabilities	566	-
<b>Other liabilities</b>	<b>4,229</b>	<b>3,361</b>
Non-current other liabilities	1,306	1,280
Current other liabilities	2,923	2,081
<b>Other liabilities</b>	<b>4,229</b>	<b>3,361</b>

No interests related to above have been recognized through the profit/loss statement.

Future cash outflow for other liabilities will be according to below table:

DKK '000	2023	2022
Within 1 year	2,923	2,081
After 5 years	1,306	1,280
<b>Total future cash outflow</b>	<b>4,229</b>	<b>3,361</b>

# STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT ON THE ANNUAL REPORT

Today, the Board of Directors and Management have considered and approved the Annual Report of Konsolidator A/S for the year 2023.

The consolidated financial statements and the Parent Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's review has been prepared in accordance with the Danish Financial Statement Act.

In our opinion, the consolidated financial statements and the financial statements of the Parent Company give a true and fair view of the financial position on December 31, 2023, and of the Group's and Parent Company's operations and cash flows for the financial year 2023.

We believe that the management commentary includes a true and fair review of the affairs and conditions of the Group and the Parent Company referred to therein.

We recommend the Annual Report to be adopted at the Annual General Meeting.

Copenhagen, February 9, 2024

## Management

Claus Finderup Grove  
CEO

Jack Skov  
CFO

## Board of Directors

Jesper Eigen Møller  
Chairman

Karin Cecilia Hultén

Thomas á Porta

Claus Jul Christiansen

Peter Gath

# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Konsolidator A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Konsolidator A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023, and of the results of their operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover

the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the information required by relevant law and regulations. We did not identify any material misstatement of the management commentary.

## Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 09.02.2024

#### Deloitte

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

#### Claus Jorch Andersen

State-Authorised Public Accountant  
Identification No (MNE) mne33712

#### Arif Aygar

State Authorised Public Accountant  
Identification No (MNE) mne50634



# DEFINITIONS

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## Annual recurring revenue (ARR)

Annual recurring revenue is a subscription economy metric that shows the annual received fee for the lifetime of a subscription (or contract). More specifically, ARR is the value of the recurring revenue of a business' subscriptions normalized for a 12-month period. ARR is not the same as a measure of recognized revenue in the profit/loss statement.

There are no defined rules for what to include in the ARR. At Konsolidator, the ARR includes the subscription amount when the contract is signed. When a customer terminates the contract, the subscription fee is excluded from the ARR when the termination period is over and the customer does not pay any subscription. The ARR also increases when the subscription is upgraded or when add-ons are sold.

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## Lifetime value (LTV)

Lifetime value is the value of the recurring profit streams of all customers. The CLTV is calculated by multiplying the ARR by the contribution margin and then dividing the number by the churn rate.

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## Churn

Churn is a measure of lost revenue and is typically expressed as a rate or a ratio. It can also be expressed as a whole number. There is no universal definition for churn. At Konsolidator, we express churn as a ratio of ARR for the last twelve months. The churn ratio is calculated by the loss of ARR when the subscription period ends. The amount is divided by the average ARR at the beginning the amount is divided by the average of the ARR be the beginning of the period and at the end of the period.

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## Customer acquisition cost (CAC)

Customer Acquisition Cost (CAC) is the cost of acquiring a new customer; it covers the entire sales and marketing department for a given period. It includes all direct costs regarding the sales and marketing activities, such as salaries, software, recruitment costs, etc.

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## Net retention

Net retention is the percentage of recurring revenue retained from existing customers in a defined period, including expansion revenue, downgrades, and cancels.

Net retention gives a comprehensive view of positive and negative changes concerning customer retention.

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## Key performance indicator (KPI)

KPI stands for key performance indicator, a quantifiable measure of performance over time for a specific objective. KPIs provide targets for teams to measure performance, milestones to gauge progress, and insights that help people across the organization make better decisions.

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## **Konsolidator A/S**

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

CVR no. 36 07 83 83

## **Subsidiaries**

Konsolidator Ltd.  
50-60 Station Rd.  
CB1 2JH Cambridgeshire England, United Kingdom

Konsolidator AB (under liquidation)  
c/o Advokatfirman Lindmark Welinder AB  
Kungsgatan 2c  
223 50 Lund, Sweden

## **Established**

August 24, 2014

## **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
CVR no.: 33 96 35 56

For more information,  
please visit our website

[konsolidator.com](http://konsolidator.com)

Or follow us

