KONSOLIDATOR®

Company reg. 36078383

FINANCIAL CONSOLIDATION & REPORTING MADE SIMPLE

ANNUAL REPORT 2021

Our mission is to enable group finance professionals and audit firms worldwide to deliver fast and accurate business insights.

We do that through intuitive cloud software that automates consolidation and reporting quickly and transparently.

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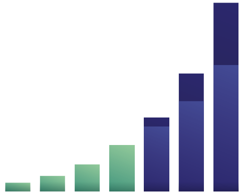

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MANAGEMENT REVIEW

FINANCIAL STATEMENTS

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.

KONSOLIDATOR AT A GLANCE

With cloud technology, Konsolidator has made it possible for smaller groups to use software, which was previously only available to large enterprises, that automates the complex consolidation process and speeds up the financial reporting process to become more competitive.

Konsolidator is a Software as a Service (SaaS) provider with an international, price-competitive product and a scalable business model. By offering a standardized cloud tool for financial consolidation, Konsolidator aims to disrupt a market of outdated software technology and manual Excel calculations.

Konsolidator® is developed in the cloud, sold and onboarded online, accessed through a web browser, and purchased on a subscription basis. This makes it easy to implement and differentiates the solution from competitors, developed with on-premise technology and dependent on consultants.

COLLECT DATA
Konsolidator® collects data by importing trial balances from ERP systems and KPIs.

PREPARE FIGURES
Konsolidator® automates the financial consolidation by handling all calculations automatically and preparing journals.

PRESENT INSIGHTS
Customers export the consolidated figures from Konsolidator® back to their preferred reporting system.

Countries
18
↑50%
2020: 12

Customers
224
↑62%
2020: 138

Employees
36
↑13%
2020: 32

FINANCIAL HIGHLIGHTS AND SAAS METRICS 2021

Revenue
mDKK

13m

2020: mDKK 7.5

EBIT
mDKK

(24.2)

2020: mDKK (15.2)

Net cash flow
mDKK

(1.5)

2020: mDKK 12.1

Annual recurring revenue
mDKK

13.6

2020: mDKK 8.0

Annual recurring revenue growth

70%

2020: 74%

Churn

4.1%

2020: 1.1%

For definitions on SaaS metrics and calculations, please refer to page 74.

SOFTWARE AS A SERVICE (SAAS)
Software as a Service (SaaS) is a way of delivering applications over the internet – as a service. Instead of installing and maintaining software, the software is accessed via the internet, freeing yourself from complex software and hardware management.

SaaS applications are sometimes called web-based software, on-demand software, or hosted software. Whatever the name, SaaS applications run on a SaaS provider's servers. The provider manages access to the application, including security, availability, and performance.

IT IS ALL ABOUT GROWTH

In 2021 we accelerated our growth, established our business in the UK market and built the foundation for scaling the Konsolidator platform as the next chapter in our internationalization. Our foundation is strong as we embark on our new three-year strategy *Unfolding the potential*.

ACCELERATING GROWTH

2021 was yet another year of accelerated growth. We delivered an ARR growth of 70%, in line with expectations. We have strengthened our growth platform during the year with the establishment of our UK business, moving to a new headquarters in Copenhagen, engaging a new Chief Technology Officer (CTO), and recruiting additional employees. The outlook for 2022 looks bright, and we are excited to deliver even more value to our existing and new customers.

Strong inflow of new customers

Konsolidator is a growth company with a multi-stranded growth strategy. In 2021, we added 94 new customers, including an audit client.

In total, Konsolidator had 224 customers by the end of 2021, and the global potential is immense due to having a standardized and country independent solution that is sold and onboarded online.

Our international footprint also expanded in 2021 with the addition of new customers from Canada, Belgium, United Arab Emirates, and 15 more countries. We strengthened our partner network with an experienced sales force in Ireland. By the end of 2021, Konsolidator had activities in 18 countries.

Well-established UK office

The UK market is a high-priority market where Konsolidator® resonates well due to the high level of cloud adoption and the widespread usage of leading cloud ERP systems like Xero, Sage, and QuickBooks. In January 2021, Lianne Gatti was hired as new Country Manager delivering a satisfying result of 80% growth. Throughout the year, we have invested in brand awareness – both for the direct UK market as well as the audit segment.

Improving value creation for customers

We are committed to “making CFOs better” by accelerating the consolidation process, enabling them to gain time for financial analysis and actionable insights.

At a strategy review in Q3 2021, management decided to engage broader in the consolidation process from ERP system to final reporting to further improve customer value creation.

By focusing on the entire value chain, we ensure that customers will save more time, generate deeper financial insights, and further reduce risk of errors – in a cost-efficient way. Return on investment for our customers is within the first year.

Strengthening the internal teams

To be the preferred choice takes an ongoing focus on product development. In Q1 2021, we reorganized the development department and hired a new CTO, Olov Lindqvist. Adjustments to the Konsolidator platform have made it more scalable – an improvement that was supported by our new development team in Poland.

In 2021, we welcomed 5 skilled employees and by the end of the year, Konsolidator had a total of 36 employees or “Konsolidators” as we are often called.

On February 1, 2021, we inaugurated our new headquarters near Copenhagen to ensure better working conditions for our employees, including adequate meeting rooms for online sales and onboarding meetings.

“2021 has been an exciting year of growth regarding customers, markets, and employees. We have seen an increased demand for our software because organizations are focusing more on digital transformation. Our new strategy *Unfolding the potential* will make it easier for customers to move on to a standardized consolidation software, and will enable us to reach even smaller groups.”

CLAUS FINDERUP GROVE
CEO

New capital covers investments until Q3 2022
A convertible loan of DKK 25 million was issued on September 1, 2021, where we received net proceeds of DKK 23.6 million. The Board of Directors assesses the capital structure on an ongoing basis and will at all times ensure sufficient capital for the company's continued growth plans.

The Board of Directors has been strengthened by a new member, Cecilia Hultén, who has an extensive background in the capital markets. In addition, another board member will be recruited following Michael Moesgaard's departure from the board in the fall of 2021.

The growth will continue
In 2021, we achieved the goals outlined for the year, which prove the commercial possibilities, and not least, the strength of our business model.

We generally believe that the COVID-19 pandemic will have a positive impact in the longer term. We have experienced a high degree of digital curiosity and acceptance of online sales meetings and onboarding processes.

As we have a solid pipeline in all markets, including a growing interest in the Konsolidator Audit solution, we believe that strong growth will continue in the years to come.

In January 2022, we launched our three-year strategy, *Unfolding the potential*, that includes a new price model, along with the introduction of self-onboarding in Q2 2022. This means that we are most likely the first consolidation tool, which offers self-onboarding. We believe this will position Konsolidator favourably in the market. *Unfolding the potential* is about balanced growth, where we estimate an annual growth between 40-60% in ARR and revenue, and at the same time improve important financial SaaS metrics.

Without our committed employees, our customers, and our loyal shareholders, it would not have been possible to build such a robust Konsolidator growth platform. We thank you for the trust and promise to keep you closely updated in the future.

"Introducing a new price model and self-onboarding in 2022 is the next strategic step towards scaling Konsolidator's platform internationally, reaching new market potential, and maximizing revenue."

SØREN ELMANN INGERSLEV
Chairman of the Board

Søren Elmann Ingerslev, Chairman (left), and Claus Finderup Grove, CEO (right)

70%
in ARR growth in 2021

KEY EVENTS IN 2021

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January
Konsolidator adopts the International Financial Reporting Standards (IFRS).

February
Konsolidator moves into a new and bigger office in Copenhagen, Denmark.

BEIERHOLM

March
Konsolidator signs the first CaaS (Consolidation as a Service) partner agreement with Beierholm Hobro.

April
Konsolidator hires a new CTO, Olov Lindqvist.

Cecilia Hultén is elected to the Board of Directors.

July
Konsolidator signs a sales partner in Ireland.

August
Konsolidator signs a convertible loan agreement with Formue Nord, where Konsolidator receives net proceeds of DKK 23.6 million for further market expansion and growth.

September
Konsolidator attends the two first live trade shows since Covid-19: Accounting Summit in Berlin and Accountex Summit North 2021 in Manchester.

October
Konsolidator expands the development team with three Polish software developers.

November
Konsolidator releases the first two cloud ERP integrations.

A Konsolidator customer case

AUTOROLA GROUP

When digital transformation reaches the finance function, and cloud becomes a vital part of the overall business strategy.

Autorola

Autorola Group is a global leader in online remarketing and automotive IT solutions for professional used cars and fleet management. The Group is headquartered in Denmark, has subsidiaries in 19 countries across Europe, Latin America, and Asia-Pacific, and employs approximately 500 employees.

Autorola Group became a Konsolidator customer in 2017.

Previously Autorola Group worked with a different consolidation system that could not integrate with their ERP system, making their consolidation processes heavy and time-consuming. The Group wanted to avoid lengthy implementations of new software. They replaced their former solution with Konsolidator® because of its simplicity and supported their international growth and the Group's general focus on digital transformation.

REPORTED GAINS:

- Independence of external consultants and support
- Simple and easy processes
- Achieved 75% time saving on monthly reporting drafts
- Quality assurance, transparency, and documentation
- Reduced consolidation time to ½ a day
- Transparent and efficient processes where everything is logged

"Since using Konsolidator we have seen resource-savings of 2-3 days for each month-end close. The process is fast and transparent because we have a uniform method for handling the month-end close and translating exchange rates. In addition, the software is easy to access online without local installations making it more flexible for us to work with."

PETER BISGAARD
Group CFO
Autorola Group

AUTOROLA

UNFOLDING THE POTENTIAL

With a new three-year strategy, *Unfolding the potential*, for the period 2022-2024, that includes self-onboarding and free trial, Konsolidator expects to reach an ARR between DKK 37m-55m by the end of 2024, corresponding to annual growth of 40-60%.

STRATEGY 2022-2024

Konsolidator presented a strategy at the initial public offering in May 2019. The strategy period ended at the end of 2021. In January 2022, Konsolidator announced the new strategy, *Unfolding the potential*, for 2022-2024 which includes self-onboarding, and free trial. The strategy builds on the foundation that was laid in the previous strategy period from 2019-2021.

Since Konsolidator was listed on Nasdaq in 2019, Konsolidator has focused intensely on building brand awareness and selling Konsolidator® through direct personal online sales in the primary markets Denmark, Sweden, DACH and UKI. In the same period Konsolidator converted onboarding of new customers from physical meetings to online meetings to optimize the full customer journey. Adding self-onboarding is the next step in optimizing and scaling the onboarding.

In the strategy period from 2019-2021 Konsolidator reached a total of 224 customer and an ARR of DKK 13.6m. With the new three-year strategy, Konsolidator focuses on increasing customer value to expand the market further and reach between 600-900 customers by the end of 2024 through new sales channels.

The new strategy is anchored in a prioritized focus on improving profitability by a tighter cost focus, which impacts the annual recurring revenue growth rate. Konsolidator expects an ARR between DKK 37m-55m by the end of 2024, corresponding to an annual growth of 40-60%, which is an adjustment from previously announced 57m by the end of 2023.

The drivers for the strategy are anchored in mega-trends in finance, such as cloud integrations to customers ERP systems and artificial intelligence which will eliminate manual processes in the onboarding and enable customers to easily self-onboard. This will lead to an expansion in the total addressable market since customers no longer require assistance from Konsolidator's onboarding team.

IMPROVING IMPORTANT SAAS METRICS

Over the three-year strategy period Konsolidator aims to improve these important SaaS metrics:

- New ARR/Cash burn – Cash spent for new ARR
- Customer Acquisition Cost (CAC)/ARR – Sales and marketing cost spent for new ARR
- Net retention – Upsale to existing customers in 2022

Konsolidator will guide on ARR and report on the above SaaS metrics.

LAUNCHING A NEW PRICE MODEL SUPPORTS A HIGHER ARR

Konsolidator released a new price model on January 1, 2022. The price model is a three-tiered model with Starter, Standard, and Superior pricing packages and self-onboarding. The price model segments the prices of the Konsolidator® software in a matrix of revenue, functionality, and added services.

Expecting

40-60%

in annual ARR growth in 2022-2024

The purpose of pricing Konsolidator® after the customers' revenue is to set a lower price for smaller groups, which together with free trial and self-onboarding, makes it possible to penetrate this market segment even further. Added services such as IFRS 16 Software, Business Intelligence and reporting templates, are key to the new price model and will be included over time, generating higher value to customers, and growing the net retention rate.

NEW FUNCTIONALITY FOR LARGER GROUPS

Konsolidator will continue to invest in functionality that suits larger companies. This includes purchase price allocation (PPA) and advanced intercompany eliminations for very complex consolidation. The new functionality enables Konsolidator to attract larger groups that seek simplicity and a cloud consolidation software.

INCREASING SALES THROUGH NEW CHANNELS

The direct personal sales approach, which is supported by digital marketing and local sales organizations in the core markets, will be supported by new global sales channels through partnerships with cloud ERP systems. Besides these partnerships, a focus on referral partners and audit firms will enable market entry without sales representatives, which will result in a more efficient customer acquisition approach.

FREE TRIAL WILL OPEN NEW SALES PIPELINES

Konsolidator implements free trial during H2 2022, enabling potential customers to experience the software first-hand before committing. This initiative is expected to open up new sales pipelines as potential customers can try Konsolidator® without a pre-sales process. With the combination of digital marketing and video tutorials, introducing free trial will make it possible to engage interest and potential customers without physical sales meetings.

FREE TRIALS RESONATE WITH THE GROWING TREND OF ERP INTEGRATION

With the combination of free trials and the growing trend of cloud ERP systems, like the Anglo-Saxon systems such as Xero, Sage, and QuickBooks, Konsolidator enters a global market of the English-speaking countries.

Integration between cloud products is a growing trend in finance, and Konsolidator aims to become an attractive add-on to customers' existing cloud ERP systems. With an integration, customers can automatically connect their financial data from their ERP system to Konsolidator® and thereby improve data accessibility, data quality, and productivity in the consolidation process.

Developing integrations to global cloud ERP systems like Xero, QuickBooks, Sage, and Microsoft Business Central are key for Konsolidator to accommodate the demands of both small and large groups, reach a global customer base, and simplify the consolidation process.

The Konsolidator strategy can be illustrated as follows:

	2019-2021	**2022-2024**	
	Personal contact	Personal contact	Virtual contact
ARR	From DKK 2.6m to 13.6m 428% growth	DKK 37m - 55m 175-310% growth	
Number of customers	From 53 to 224 323% growth	600 - 900 customers 175-310% growth	
Market	Nordics, UK, DACH	Nordics, UK, DACH	Global
Sales and marketing channels	Digital campaigns Outbound	Digital campaigns Outbound Global Audit firms	Digital campaigns Cloud ERP systems Referral partners
Sales meetings	One-to-One	One-to-One	One-to-Many / Virtual (reduced personal contact)
Onboarding	One-to-One	One-to-One	One-to-Many / Virtual (webinars, video, tutorials)
Product roll out:			
• Self-onboarding	-	Q2 2022	
• Free trials	-	H2 2022	
• ERP integrations	Two integrations	Q1 2022: Fortnox, Xero, Sage, QuickBooks	
• Adv. functionalities	MGS*, Tolerance	Adv. Intercompany, PPA, Performance	

*Multiple Group Structure

NEW SALES CHANNELS EXPAND THE GLOBAL REACH

Konsolidator expands the market globally and improves the international customer acquisition process by combining direct personal sales with virtual sales through channels like ERP systems, referral partners, and local audit firms.

MAIN MARKETS IN FOCUS

Konsolidator's main markets continue to be Nordics, the UK & Ireland, and DACH.

Nordics currently accounts for the majority of the current customers (79% in 2021) since the local sales organizations in Denmark and Sweden were the first to be established in 2016 and 2019. Developing the UK & Ireland (UKI) and DACH markets are the main focus for 2022-2024.

The UK office was established in 2021 and will be fully up and running during 2022 with a new office in St Albans, located 40km north of London. The DACH region will be serviced by a native German sales team located at the Headquarters in Denmark.

Both markets are expected to be profitable, measured on direct cost from 2022. UKI is an interesting market as it has a high level of digital maturity and adaption of digital tools. DACH is one of the biggest markets in Europe, and a marketplace dominated by Excel and older, legacy consolidation tools, why it continues to be a market to explore.

NEW CUSTOMER SEGMENTATION EXPANDS THE CURRENT MARKET

The new three-tiered price model is similar to the previous model. The core difference is how Konsolidator segments the customers based on revenue instead of the number of subsidiaries, as well as offering self-onboarding.

To gain market shares in the lower customer segment, Konsolidator is enabling customers to self-onboard. The customers in this segment are more sensitive towards price and onboarding time and would otherwise be likely to continue their consolidation in Excel.

USING CLOUD ERP INTEGRATIONS AS SALES CHANNELS

Since Konsolidator® is part of the group finance function ecosystem and integrates with the cloud ERP systems they use, Konsolidator aims to participate in strategic partnerships with ERP systems to use their platforms as sales channels. This initiative helps Konsolidator gain more customers quicker and at a lower cost.

Cloud ERP users are accustomed to using add-ons to support different business units and tasks. All ERP systems have marketplaces where users can search for add-ons. By listing Konsolidator® as a consolidation add-on in each marketplace, Konsolidator can reach a broader audience, increase market shares in the UK, DACH, and Nordics, and penetrate new markets where cloud ERP systems are also being used.

Konsolidator will use partnerships as a global market entry strategy in areas where ERP companies are well established. Currently, Konsolidator is developing integrations to Xero, Sage, QuickBooks, Fortnox and Exact.

Xero, Sage, and QuickBooks are all well established and growing in the UK and Ireland. Partnerships with these providers are expected to increase Konsolidator's market share in these regions.

Xero is regarded as the UK's number one cloud accountancy software provider for small business finance, supporting more than 3 million subscribers globally[1].

Sage supports larger businesses and operates in more than 20 countries, where Sage serves more than 2 million customers[2].

[1] www.xero.com/us, January, 2022
[2] www.strategy-business.com, How Sage Group is supporting resilience in small and medium-sized businesses, February 9, 2021

QuickBooks has more than 3.2 million subscribers in the US and 1.3 million outside theUS[3].

EXPANDING THE SALES PARTNER AND REFERRAL PARTNER CHANNEL

Konsolidator engaged a Head of Global Sales in April 2021 to build a partner strategy and an incentive program to drive sales partner processes and investigate how Konsolidator can develop in new markets in collaboration with partners.

As a result, Konsolidator now focuses on partner sales through referral partners and sales partners that carry out the entire sales cycle. Referral partners work as affiliates that help spread the word about Konsolidator to prospective customers around the world. In return, they earn a one-time referral fee of EUR 250 for every qualified lead to Konsolidator, and an additional EUR 2,500 for every referral that becomes a customer. Sales partners who carry out the full sales cycle earn a 50% share of the recurring revenue for every customer they sign.

Konsolidator has sales and referral partners in both main markets (Nordics, the UK & Ireland, and DACH) and RoW (Rest of the World). Sales and referral partners in direct markets will work closely with the local sales team for each direct market. Still, it is especially interesting to gain sales and referral partners in RoW to expand faster outside the main markets.

Examples of the types of businesses and people that are part of the Sales Partner Program are:

- Larger accounting and consulting companies
- Technology companies and consultants
- ERP solution resellers
- Consultants or companies with e-marketing knowledge
- Audit firms and accounting firms

Audit firms continue to be important and relevant for Konsolidator, with the global audit firms being especially relevant. Their relevance can be divided into three areas:

- An audit firm can become a user of Konsolidator Audit® and generate ARR.

- An audit firm can use Konsolidator to provide monthly or quarterly management reporting services to their clients. In this case, the audit firm can become a CaaS (Consolidation as a Service) customer to Konsolidator and generate ARR.

- An audit firm can become a strong ambassador for Konsolidator to groups among their clients and become an ambassador for Konsolidator Audit® to audit practices in other countries.

Besides strategic partnerships with cloud ERP providers, Konsolidator also aims to form partnerships with providers of audit software where integration to Silverfin has been developed.

"We launched our referral partner program in October 2021, and signed the first customer through a referral partner in December 2021. We expect to grow this channel substantially in 2022 to increase the volume of customers coming from this source."

JETTE THELIN
Head of Global Sales

Jette Thelin,
Head of Global Sales

[3] Intuit, press release, Intuit fourth-quarter revenue up 15 percent, full-year up 13 percent, August 22, 2019

SCALABILITY AND PERFORMANCE MATTERS

As Konsolidator is growing and expects to continue growing, scalability and software delivery performance become an important strategic area for the product development in addition to improving the data processing journey and enabling self-onboarding and free trial.

"2021 has been eventful, and the development setup is stronger than ever. Change is here to stay, and development will continue to improve in 2022 driving Konsolidator's continued growth journey."

OLOV LINDQVIST
CTO

Olov Lindqvist,
CTO

OPTIMIZATION OF THE USER JOURNEY

As an incorporated part of the new strategy, Konsolidator will broaden the focus beyond data processing. The newly adopted CPP approach, which stands for Collecting data (C), Preparing data (P) and Presenting data (P), represents the complete Konsolidator® solution — to optimize the entire user journey in the financial consolidation and reporting process.

Reducing complexity and increasing simplicity in financial consolidation continue to be the core of Konsolidator.

Strengthening the user experience and improving the technical development of the three levels of the data journey are a focal point on Konsolidator's development roadmap to continue to provide software that remains simple while offering advanced functionalities.

STRENGTHENING OF THE DEVELOPMENT CAPABILITIES

In 2021 Konsolidator strengthened the development team in Copenhagen significantly with senior developers and UX capabilities to increase the team's ability to deliver fast and high-quality software. A development team was established in Warsaw, Poland, and was fully operational in just 4 months. An expansion of the development team is expected in 2022 strengthening specific product areas.

The teams are continuously working on improving core capabilities driving software delivery performance. The organization is focusing on the key metrics of deployment frequency and lead time to significantly impact product quality and time-to-market, meaning how fast and often new updates are being released and how agile the processes can be.

THE DEVELOPMENT OF THE PRODUCT CONTINUES IN THESE THREE PATHS:

COLLECT DATA FOR CONSOLIDATION

- Developing integrations to cloud ERP systems to enable customers to easily integrate all relevant financial data. Integrations to Microsoft Business Central and Visma e-conomic were released in Q4 2021. Integrations to Xero, Sage, QuickBooks, Fortnox, and Exact will be released in Q1 2022.
- Adding more IFRS related information and KPIs to Konsolidator will make the consolidated IFRS reporting even faster and with a higher quality.
- Improving user experience through constantly improving the performance of the UI (User Interface).

PREPARE DATA (CONSOLIDATION)

- Adding gamification in the consolidation process to encourage users to a fast and user-friendly experience.
- Adding self-service support online through a help center.
- Adding more advanced functionality to larger groups with an Advanced intercompany module as well as a purchase price allocations module.
- Continuously improving software delivery performance.

PRESENT DATA (VISUALIZATION)

- Creating dashboards within Konsolidator® that can assist customers in the onboarding process, the consolidation process, and the financial controlling.
- Creating a Business Intelligence tool that can retrieve data from Konsolidator as well as the cloud ERP systems.
- Improving the API to Excel and PowerBI.

THREE STRATEGIC DEVELOPMENT ASPECTS:

Around the CPP approach, there are three other strategic aspects where the development team is deeply involved:

Self-onboarding
In Q2 2022, the onboarding converts from online training to fully self-service onboarding, supported by a help center, video tutorials, live and on-demand webinars, replacing the 1:1 onboarding with a one-to-many approach.

Self-onboarding is supported by a combination of user experience uplifts and machine learning and will enable Konsolidator® to become the first product that offers fast and intuitive self-onboarding. In addition, a simpler onboarding process is expected to result in a higher and faster customer conversion rate.

Self-onboarding will enable users of cloud ERP systems to try Konsolidator® in a free trial period. Gamification and machine learning will be adopted in the onboarding process to accommodate free trial.

Customer analytics
Konsolidator's customers store increasingly more data in Konsolidator®. By knowing exactly when and for how long a specific user is working in Konsolidator®, Konsolidator can improve functionalities and user experience by analysing customers' user journey.

Compliance
Konsolidator engages with Microsoft Azure which stores the financial data in the cloud. It is important that the customers' data at all time is secured, and therefore Konsolidator finds data security as a top priority.

A Konsolidator customer case

ZEALAND PHARMA

When regulatory compliance requirements, complex consolidation challenges, and correct numbers do not match with Excel consolidation.

Zealand Pharma

is a Danish biotechnology company dual-listed in Denmark and the US.

The company was founded in 1998 and focuses on discovering, designing, and developing innovative peptide-based medicines and has a portfolio of medicines and product candidates, including license collaborations with Boehringer Ingelheim. The Group has seven subsidiaries and employs more than 300 people in Denmark and the US.

The Group became a Konsolidator customer in 2020.

The Group used Excel for consolidation but found itself in a situation where the consolidated financial data had suddenly changed a few hours before the deadline. Because Zealand Pharma had done the consolidation in an 18-tab long Excel file, it was impossible to track who had edited it or what had been edited.

Formula changes, added notes, and extra columns or lines are common risks when using Excel for financial consolidation. It means a lot of time is spent checking errors, tracking data, and manually adjusting formulas.

As a listed company, Zealand Pharma could not tolerate the uncertainty and lack of transparency that Excel consolidation exposed. They needed a way of structuring their data to avoid the risk of manual errors and ensure compliance with the Sarbanes-Oxley Act (SOX) – a US law meant to protect investors from fraudulent accounting activities by corporations.

Today, they have been using Konsolidator® for two years.

REPORTED GAINS:

- Quality assurance, transparency, and documentation
- Compliance with the requirement of SOX
- Reduced consolidation time – from 5 to 2 working days
- Transparent and efficient processes where everything is logged
- Easy quarterly auditor approval

"We love that Konsolidator is a cloud software! I come from a job where I have worked intensively to optimize processes and security for customers, and you just do that better with an online system."

LYKKE RØMER
Director, Finance,
Zealand Pharma

Outlook 2022

EXPECTING 40-60% GROWTH IN REVENUE AND ARR

Konsolidator expects an increase of 40-60% in ARR for 2022 corresponding to DKK 19m-22m. For 2022 improving profitability by a tighter cost focus will impact our previous guidance on ARR growth.

By reference to the recently published strategy *Unfolding the potential*, Konsolidator expects an ARR growth of 40-60% corresponding to DKK 37m-55m at the end of 2024. This is a change to previous guidance communicated in the annual report 2020. The change relates to an increased focus on Konsolidator's profitability and important SaaS metrics.

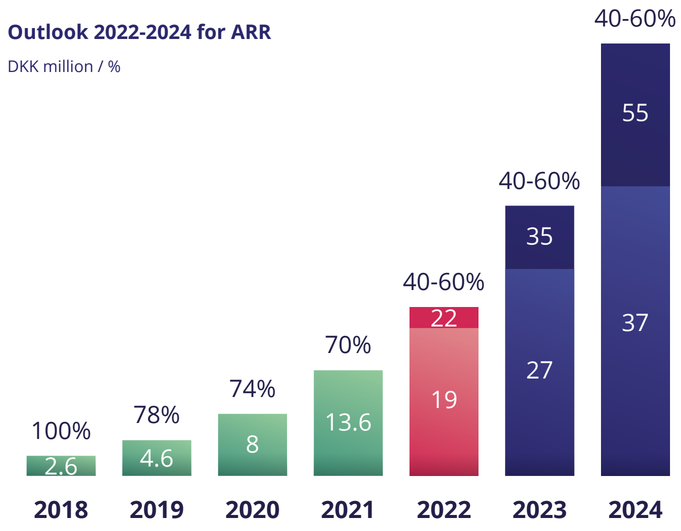
In 2021, Konsolidator realized revenue of DKK 13m and ARR of DKK 13.6m, corresponding to 72% revenue growth and 70% in ARR growth. Konsolidator's main goal is still growth in ARR. With a potential of being the global de facto standard consolidation tool for small and medium-sized companies, growth in ARR is the most important KPI. For the coming three years, Konsolidator will focus on improved profitability, which will be measured in the following SaaS metrics:

- New ARR/Cash burn
- Net Retention
- Churn
- CAC/ARR

OUTLOOK FOR 2022

Konsolidator expects the growth to continue in 2022 corresponding to a growth rate of 40-60% in revenue and ARR. Konsolidator expects revenue to be between DKK 18-21m, and ARR to be between DKK 19-22m at the end of 2022. Further, Konsolidator expects EBIT to be in the range of DKK (23-18m) in 2022.

Other relevant SaaS metrics as mentioned above will be expected to gradually improve during 2022 and going forward relating to the defined strategy including focus on a more efficient customer acquisition approach and improving profitability by a tighter cost focus.



2021 Realized	2022 Guidance	2023 Guidance	2024 Guidance
ARR DKK **13.6m**	**ARR** DKK **19-22m**	**ARR** DKK **27-35m**	**ARR** DKK **37-55m**
Revenue and ARR growth rate **70%**	**Revenue and ARR** growth rate **40-60%**	**Revenue and ARR** growth rate **40-60%**	**Revenue and ARR** growth rate **40-60%**
Revenue DKK **13m**	**Revenue** DKK **18-21m**	**Revenue** DKK **25-33m**	**Revenue** DKK **35-54m**
EBIT DKK **(24.2m)**	**EBIT** DKK **(23-18m)**	**EBIT** DKK **(18-11m)**	**EBIT** DKK **(5)-5m**

CONTINUED FOCUS ON DATA SECURITY AND GROWTH

Covid-19 has been a risk factor for the past two years. However, Konsolidator has not experienced significant negative effects from Covid-19. Konsolidator believes that with Covid-19, it has been easier to convert sales and onboarding meetings to online meetings.

RISK FRAMEWORK

Management is responsible for the ongoing risk management, including risk mapping, assessment of probabilities, and potential impacts as well as the introduction of mitigating measures. Management reports to the Board of Directors on risk management.

The risk factors and uncertainties mentioned below include the risks that Konsolidator's management currently considers to be significant, but these are not the only risk factors and uncertainties that Konsolidator is exposed to. There may be additional risk factors and uncertainties, including risks that Konsolidator is currently not aware of or which the management currently considers insignificant, that may arise or become material.

Management believes that there are no specific risks related to Konsolidator compared to what is normal for the industry and markets.

COVID-19

Konsolidator does not see Covid-19 as a critical risk issue due to high degree of digital curiosity and acceptance of online sales. As such, Konsolidator has not included this in the key risk factors.

SIGNIFICANT RISKS AND UNCERTAINTIES

DATA SECURITY

Management considers a data security breach as one of the highest risk factors due to the importance of the data Konsolidator stores and the increased risk of hacker attacks. Konsolidator engages with Microsoft Azure which stores the financial data in the cloud. This means that Konsolidator has a strong partner when it comes to IT safety with all different audit opinions on the IT safety of the data stored on Microsoft Azure's servers.

Konsolidator performs annual penetration tests and has an auditor to perform an ISAE 3402 certification on the data security of Konsolidator. This should assist Konsolidator to be aware of any security issues and mitigate those.

Konsolidator started working on the ISAE 3402 certification in 2021. The plan is to have a penetration test performed in Q1 2022 and have the ISAE certification done in Q3 2022.

CAPITAL STRUCTURE AND CONTINUED GROWTH

The Board of Directors and Management continuously work on optimizing the right capital structure as well as securing adequate funding for the continued growth and international expansion of Konsolidator. In order to be able to continue the growth and international expansion at the current rate, Konsolidator has to raise new capital before Q3 2022.

Konsolidator's current growth and product development are financed partly by revenue and capital injection. Konsolidator can finance its growth and internationalization by reducing expenses below revenue or by capital injection. However, reducing expenses below revenue will reduce the growth as well as internationalization negatively.

OTHER KEY RISK FACTORS	RISK DESCRIPTION	RISK MITIGATION
Professional skills and corporate culture	The employees remain the key drivers in everything at Konsolidator. The team is connected by one common purpose: To make CFOs better. The business is based on specialized expertise and innovation, failure to attract, develop, and retain the most skilled employees constitutes a risk to the company. The company has limited staff and is therefore dependent on the management and key personnel in the long term to manage the operations and implement upcoming plans for development. The key employees are currently on the company's executive board. If one or more key employees leave the company, this may have a negative impact on the Group's business, revenue, and development.	The values and the notion of work/life balance serve as strong tools for recruitment of talent as Konsolidator has found that talented people are happy to stay with a company that treats them with respect and focuses on work/life balance. Konsolidator focuses on creating a work/life balance in line with what employees are looking for. The recruitment process ensures that Konsolidator is attracting and getting the right professional and skilled people to work at Konsolidator. The team needs to cooperate and work together for the vision to be realized. Therefore, not only the professional but also the personal features are important when Konsolidator is hiring. Konsolidator conducts annual employee surveys in order to be aware of the employees' satisfaction.
Contractual and legal risk	Konsolidator believes that contractual risk and legal risk related to regulatory requirements are critical. Failure to meet or implement regulatory requirements in a timely fashion with respect to, for instance, data protection, confidentiality agreements, and fraud constitutes a risk.	Konsolidator has established contact with legal professionals that, together with marketing and business development operations, ensure a stage-gate approach when new contracts are made and when new regulations and compliance are being imposed.
Market regulation	The legislation regarding contacting customers is different from country to country and can be illegal if Konsolidator does not get permission to contact the potential customer. There is no personal sensitive information stored in Konsolidator®. Konsolidator® only stores a user name and company e-mail address of the user.	Konsolidator's business model is to market its product through LinkedIn campaigns, search engine optimization (SEO), and other online marketing. Through these campaigns the inbound marketing should in time generate a lot more customers than the outbound marketing. Further, when Konsolidator enters new countries the legislation in this regard will be part of the consideration before entering a new country.
Legislation	Market developments in consolidation can affect the demand for Konsolidator's product. A significant proportion of the groups that consolidate their accounts perform this consolidation, among other things, due to regulatory requirements for the presentation of consolidated financial statements. If legislation were to be amended to reduce the number of groups required to present consolidated financial statements, this could have a negative impact on the demand for consolidation systems and thus the market for Konsolidator's solution.	Konsolidator cannot impact legislators' decisions for presenting consolidated financial statements. However, Konsolidator can work on having satisfied customers. Konsolidator seeks customer feedback on the product and support once a year. The feedback enables Konsolidator to analyze the product value for the customers. Keeping a strong commitment to great customer support is one of the most important factors to avoid customer churn.

Other key risk factors are not listed in order of importance or probability in the table above

FINANCIAL PERFORMANCE

KONSOLIDATOR CONTINUES STRONG GROWTH IN Q4

Increased focus on current markets in Q4 including events, tradeshows and digital marketing have contributed to 25 new customers. Further, increased focus on developing Konsolidator has resulted in engaging three Polish software developers to support the development team.

CUSTOMER ACQUISITION

Konsolidator signed 25 new customers in Q4 2021 compared to 12 new customers in Q4 2020. There has been a positive development in all markets, especially in Sweden, which has shown great progress with 9 new customers in Q4 2021.

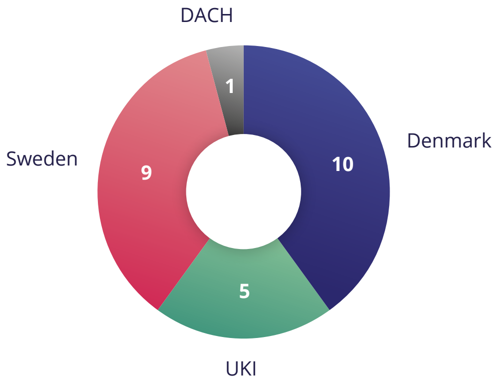
ORGANIZATION

Konsolidator hired 5 new employees in Q4 2021 bringing the total year-end number of employees to 36 compared to 32 employees the year before.

QUARTERLY REVIEW

Revenue increased in every quarter of 2021. The increase in revenue from quarter to quarter is due to both increases in subscriptions and onboarding and consulting fees. In Q1 2021, the hiring of a new CTO and other employees, and establishment of UK office in January has affected the costs this quarter.

Customers signed in Q4 by region



Further, one-off costs related to IFRS conversion were included in both Q1 and Q4 2021. In Q4 2021, the costs were higher than previous quarters due to events and tradeshows, increased marketing costs and consultancy fees. The changes in staff costs in Q4 2021 compared to other quarters are primarily due to hiring of new employees.

IFRS DKK thousand	Q4 2021	Q3 2021	Q2 2021	Q1 2021	*Q4 2020
Revenue	4,368	3,326	3,112	2,192	2,758
Variable costs	(192)	(188)	(139)	(120)	(195)
Contribution	**4,176**	**3,138**	**2,973**	**2,072**	**2,563**
External expenses	(2,882)	(1,706)	(1,950)	(2,407)	(1,850)
Staff costs	(7,094)	(5,813)	(7,148)	(5,570)	(5,261)
Other operating income	1	-	-	4	-
Other operating expenses	-	100	(400)	(7)	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	**(5,799)**	**(4,281)**	**(6,525)**	**(5,908)**	**(4,548)**
Depreciation, amortization and impairment losses	(473)	(442)	(415)	(313)	(169)
Earnings before interest and tax (EBIT)	**(6,272)**	**(4,723)**	**(6,940)**	**(6,221)**	**(4,717)**
Financial income	19	17	20	26	62
Financial expenses	(1,032)	(400)	(64)	(55)	(113)
Profit/loss before tax	**(7,285)**	**(5,106)**	**(6,984)**	**(6,250)**	**(4,768)**
Corporation tax for the year	242	178	160	279	238
Profit/loss for the year	**(7,043)**	**(4,928)**	**(6,824)**	**(5,971)**	**(4,530)**
Annual recurring revenue	13,560	11,983	10,717	9,202	7,958
Quarterly increase in annual recurring revenue	1,577	1,266	1,515	1,244	910
Quarterly increase in annual reccuring revenue in %	13%	12%	16%	16%	25%
New customers	25	25	25	19	12

**Refer to note 24 for IFRS conversion*

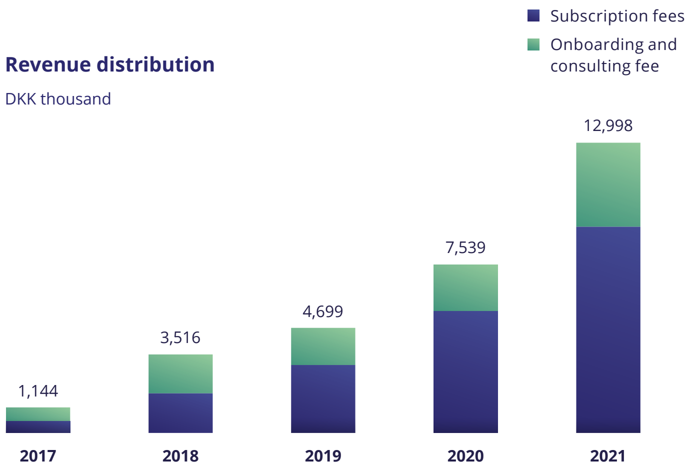
FINANCIAL HIGHLIGHTS AND KEY FIGURES

	IFRS	*IFRS	Local GAAP	Local GAAP	Local GAAP
DKK thousand	**2021**	**2020**	**2019**	**2018**	**2017**
Income statement					
Revenue	12,998	7,539	4,699	3,516	1,144
Contribution	12,359	7,209	4,552	3,393	1,039
Earnings before interest, tax, depreciation and amortization (EBITDA)	(22,513)	(14,740)	(9,428)	456	(1,284)
Earnings before interest and tax (EBIT)	(24,156)	(15,238)	(9,798)	124	(1,498)
Financial items (net)	(1,469)	(86)	(120)	(128)	(56)
Profit/loss for the year	(24,766)	(14,691)	(8,176)	4	(1,215)
Balance Sheet					
Intangible assets	10,612	7,669	4,849	3,114	2,405
Additions, property, plant and equipment	859	41	-	11	-
Cash and cash equivalents	17,150	18,707	6,572	-	-
Total assets	36,039	29,561	13,750	3,930	2,815
Equity	4,909	26,342	11,710	855	931
Cash Flow					
Cash flow from operating activities	(20,475)	(14,077)	(6,652)	479	295
Cash flow from investing activities	(4,931)	(3,431)	(2,188)	(1,077)	(1,318)
Cash flow from financing activities	23,872	29,604	17,531	(533)	1,686
Net cash flow for the year	(1,534)	12,096	8,691	(1,131)	663
Other key figures and ratios					
Annual recurring revenue	13,560	7,958	4,572	2,674	1,229
Increase in annual recurring revenue	70%	74%	71%	118%	318%
Number of employees at the end of the year	36	32	21	5	6
Average number of employees	34	23	14	5	6
Contribution margin	95%	96%	97%	97%	91%
Equity ratio	14%	89%	85%	22%	33%
Earnings per share (in DKK)	(1.60)	(0.98)	(0.56)	na	na
Earnings per share, diluted (in DKK)	(1.52)	(0.97)	(0.56)	na	na

*Refer to note 24 for IFRS conversion

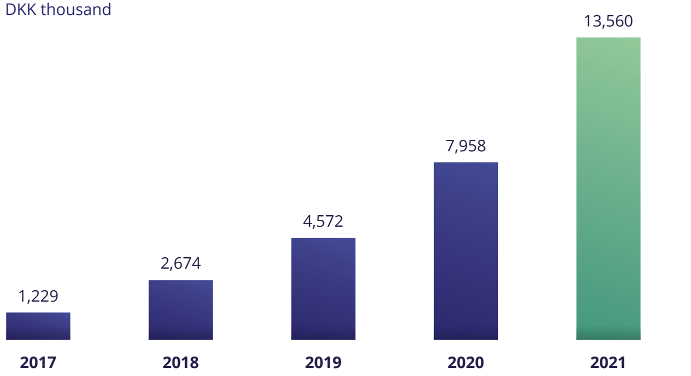
Revenue distribution

DKK thousand



Annual recurring revenue

DKK thousand



Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the CFA Danish Society Denmark.

70% INCREASE IN ARR

Annual recurring revenue amounts to DKK 13,560 thousand on December 31, 2021, an increase of 70% (YoY) compared to December 31, 2020, which is in line with Konsolidator's expectations of an increase of 70-90% at year-end (DKK 13.5-15m). This corresponds to an increase in revenue of 72% in 2021 compared to 60% in 2020.

INCOME STATEMENT

Revenue

The revenue comprises subscription fees, fees for onboarding customers, and consulting fees. The revenue increased to DKK 12,998 thousand (DKK 7,539 thousand) an increase of 72% (60%).

Expenses

Total operating expenses including staff costs amounted to DKK 34,877 thousand (DKK 21,949 thousand). The increase was primarily due to the increased costs in salary expenses which increased by DKK 10,142 thousand to DKK 25,625 thousand (DKK 15,483 thousand). The average number of employees has increased by 11 going from 23 employees in 2020 to 34 in 2021. The hiring of new staff to support Konsolidator's expansion increased the Group's salary expenses.

Other external costs increased to DKK 8,945 thousand (DKK 6,466 thousand) which was due to higher market focus, opening of the UK office as well as costs related to IFRS conversion, legal matters, and other external consultants. Further, on February 1, 2021, Konsolidator moved to a new office, which also has increased external expenses.

EBITDA

Earnings before interest, tax, depreciation, and amortization (EBITDA) was negative by DKK 22,513 thousand (DKK 14,740 thousand). The loss is impacted by new employees in Konsolidator to support the international expansion as well as supporting the development team.

PROFIT/LOSS FOR THE YEAR

The net loss for 2021 was DKK 24,766 thousand (DKK 14,691 thousand).

CASH FLOW

Net cash flow for the year was negative by DKK 1,534 thousand (positive DKK 12,096 thousand). Cash flow from operating activities was negative by DKK 20,475 thousand compared to negative cash flows in 2020 of DKK 14,077 thousand. The cash outflow during the year was mainly due to the increased costs for salaries to support the continued growth of Konsolidator.

Investing activities for the year amounted to DKK 4,931 thousand (DKK 3,431 thousand). The increase is due to the continuous improvement of the Konsolidator platform and investments in a new office.

The cash flow from financing activities for the year amounted to DKK 23,872 thousand (DKK 29,604 thousand) which came from the proceeds in the amount of DKK 23,625 thousand of the

HIGHLIGHTS
DECEMBER 31, 2021

ARR (DKK thousand)

13,560

Compared to DKK 7,958 thousand on December 31, 2020

Equity (DKK thousand)

4,909

Compared to DKK 26,342 thousand on December 31, 2020.

Cash and cash equivalents (DKK thousand)

17,150

compared to DKK 18,707 on December 31, 2020.

Jack Skov,
CFO

"In 2021, we invested heavily in our sales and product development to be able to grow the business even more in the future. Most importantly we established our business in the UK, invested in brand awareness and developed an even more scalable Konsolidator platform."

JACK SKOV
CFO

convertible loan. For further information refer to note 21.

ASSETS

Total assets amount to DKK 36,039 thousand (DKK 29,561 thousand). Of the total assets, cash and intangible assets are the primary assets. The increase in assets was due to changes in cash and cash equivalents and investments in the development of Konsolidator.

Intangible assets

The intangible assets relate to development costs incurred developing Konsolidator®, costs incurred applying for patents and development of a new website, and customer lists.

The development costs include capitalized salary costs and costs from external consultants. Development costs amounted to DKK 10,117 thousand (DKK 7,154 thousand) and include finished development projects as well as development projects in progress.

Patents, licenses, and other rights amounted to DKK 408 thousand (DKK 515 thousand), and customer lists amounted to DKK 87 thousand.

Cash and cash equivalents

As per December 31, 2021, cash and cash equivalents amounted to DKK 17,150 thousand (DKK 18,707 thousand).

EQUITY

As per December 31, 2021, total equity amounts to DKK 4,909 thousand (DKK 26,342 thousand). The changes in equity relate to the loss for the year of DKK 24,766 thousand. The equity ratio was 14% on December 31, 2021, compared to 89% on December 31, 2020.

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.

Unless otherwise stated, numbers are financials for 2021. Comparative numbers are for 2020 and shown in parentheses.

CORPORATE MATTERS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Konsolidator acknowledges its responsibility as a company both environmentally, socially, and economically by acting responsibly in all aspects while securing growth of the company. The company continues to report on key ESG metrics to provide a more holistic picture of the company's development.

In November 2021, Konsolidator was recognized as a Nasdaq ESG Transparency Partner for contributing to Nasdaq's ESG Data Portal, which provides objective and quantifiable metrics on environmental, social, and governance issues to the public as well as present and future investors.

ENVIRONMENTAL

The business activities of Konsolidator have minimal risk of environmental impact as they are almost exclusively online.

However, Konsolidator still takes an environmentally responsible approach to the way the business is run. By being a Microsoft Partner, Konsolidator supports Microsoft's mission of reaching "net zero" emissions, removing as much carbon as it emits each year, and accelerating energy savings[1].

By 2025, Microsoft will shift to a 100% renewable energy supply and the goal is to remove more carbon than Microsoft emits by 2030.

By providing cloud software supported by Microsoft Azure, Konsolidator also enables customers to reduce their CO_2 emissions compared to on-premise software. Cloud is helping reduce carbon dioxide emissions, potentially preventing more than one billion metric tons of CO_2 from 2021 through 2024[2].

[1] Microsoft, The carbon benefits of cloud computing, 2020

[2] International Data Corp. (IDC), 2021

In 2020, Konsolidator converted all sales meetings, onboarding meetings, and workshops from face-to-face meetings to online meetings as part of the strategy to build a more scalable and responsible business.

Konsolidator only adopts SaaS software for internal use and contributes in that way to the same as Konsolidator software does to reduce carbon dioxide emissions. Further, Konsolidator follows a "print as little as possible" policy in order to reduce waste.

SOCIAL

Employee engagement, diversity, and inclusion are the fundamental values that drive Konsolidator's focus on recruitment and retention.

The most valuable part of Konsolidator is the people. Their work determines the value that customers, partners, and investors experience. Therefore, the employees are the most significant competitive advantage for Konsolidator.

To support and strengthen the development of Konsolidator as a business and the development of the employees that drive the results, Konsolidator launched Konsolidator Academy in September 2021.

Konsolidator Academy

Konsolidator Academy consists of a talent program and continuing education program. Both initiatives will support and ensure that employees get the opportunity to grow and develop their skills and their career options.

In return, Konsolidator ensures that the right skills and knowledge are always represented internally in the company. Currently, 70% of the employees at Konsolidator have a master's degree.

Diversity

Research indicates that diversity enhances financial performance, creativity, and team productivity. Therefore, this has continued to be the focal point in the recruitment process in 2021, where Konsolidator hired 12 new employees.

Indicator	Unit	2021	2020	2019	2018
Number of employees					
Total	No of FTE	35	24	14	5
Female	No of FTE	12	8	4	0
Male	No of FTE	23	16	10	5
Boardmembers female	Number	1	0	0	0
Boardmembers male	Number	2	3	3	6
Employee turnover					
Employee turnover rate	Percentage	11.6%	4.2%	14.3%	0.0%
Employee satisfaction					
Working environment physical	Index 0-100	72	62	61	na
Working environment mental (harassment, bullying)	Index 0-100	80	90	88	na
Social capital (fairness, cooperation and trust)	Index 0-100	84	86	79	na
Loyalty and motivation	Index 0-100	82	88	80	na

Method of calculations from NASDAQ ESG

- **Number of employees:** Measured as full-time equivalents (FTE) + temporary staff, weighted with months of employment during the year.
- **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.
- **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.
- **Customer retention rate:** Number of customer 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.

The current employee mix reflects the gender diversity and reflects several different capabilities and 7 different nationalities, enabling Konsolidator to further sharpen the outlook and decisions.

Employee satisfaction

Every year in November Konsolidator runs an internal employee satisfaction survey that measures on physical and mental working environment, social capital, and loyalty and motivation. Overall, Konsolidator has a goal of achieving a score of 80 (10=not satisfactory, 50=room for improvement and 100 highly satisfied).

Since Konsolidator moved into a new headoffice in 2021 the physical working environment has improved, which was also the reason behind the move.

Konsolidator sees a drop in mental working environment from 90 in 2020 to 80 in 2021, which relates to fewer social events and activities, which primarily relates to Covid-19. Secondly, 2021 has been a year with significant growth, and hence made ongoing changes in core tasks and in the organizational setup.

CUSTOMER RETENTION

A key ESG figure is the Customer Retention Rate as an indicator of customer satisfaction. Every June, Konsolidator conducts a customer satisfaction survey to understand how customers experience the onboarding process, the product, and the support. The customer retention is calculated to 94% in 2021 (2020: 96%), meaning that out of every one hundred customers, 94 are retained.

NET PROMOTER SCORE

In addition, Konsolidator measures the Net Promoter Score (NPS), which 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. Customers rate the likelihood of recommending Konsolidator to a friend or colleague on a scale from 0-10.

The NPS score in 2021 was 11. It was based on 55 respondents.

In 2020 Konsolidator's NPS score was calculated to 50. The decrease in 2021 is due to two different challenges:

- Customer growth that caused bottlenecks in the onboarding process and thereby delays
- Technical issues regarding a release of new features

Konsolidator has a long-term goal of reaching a NPS of 50 which is achievable as performance, UI, UX, and the onboarding process will be significantly improved.

GOVERNANCE

Konsolidator focuses on good governance practices, including a two-tiered management structure consisting of a Board of Directors and Executive Management. The Board of Directors is responsible for the company's overall strategy. No founders are serving on the Board of Directors and thus the entire Board of Directors is seen as independent of the company.

Executive Management, which includes two of the founders of Konsolidator, has the responsibility of the daily operations and the overall responsibility to carry 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 a number of virtual meetings when needed.

Companies trust Konsolidator with their financial numbers. As a consequence, a high standard of ethics, trustworthiness, and data security are at the core of the company's culture. Customers and employees must recognize Konsolidator as a company with very high standards. This starts at the top. Konsolidator strives to be an attractive workplace for the employees and credibility is an important aspect of how good governance is perceived. Furthermore, Konsolidator's purpose is to help finance professionals excel in their functions. Konsolidator would be unable to fulfill this mission unless credibility and trust are associated with Konsolidator and are above the standard in the industry.

Konsolidator's governance model is based upon the recommendations issued by the Danish Committee on Corporate Governance. Konsolidator will, during the first six months of 2022, start preparing the necessary policies in order to comply with the recommendations.

Board of Directors

On the general meeting in April 2021, Cecilia Hultén was elected to the Board of Directors. Cecilia has a bachelor's degree from The Gothenburg School of Economics. She brings to the board extensive experience from working with investments and financing strategies and working with capital markets in the investment banking world.

In August 2021, Michael Moesgaard Andersen resigned from the Board of Directors. Michael has been a member of the board since 2016 with the intention to contribute to the growth of Konsolidator and was a key player in the successful IPO in 2019.

MANAGEMENT

	CLAUS FINDERUP GROVE	JACK SKOV
	Born in 1967. Founder and CEO. Claus is responsible for Sales, Marketing, and HR.	Born in 1969. Founder and CFO. Jack is responsible for Customer Experience and Finance.
Education	Cand.polit., University of Copenhagen. Management Education, Columbia University.	State Authorized Public Accountant. Cand.merc.aud., Copenhagen Business School.
Competencies	Claus has been working as a Financial Controller, Finance Director, and CFO for 20 years in small, medium, and large enterprises. He has been working with financial analytics, group accounting, financial reporting, training in consolidation software, financing, and M&A activities throughout his career. He has held the position of CFO for Copenship Group A/S and Netop Solution A/S and the position of Financial Director for Clipper Group and A.P. Moller Maersk Group. Claus Finderup Grove has worked in Denmark, Italy, Hong Kong, and Malaysia.	Jack has been working in finance and public accounting for 20 years. He has been working with consolidation, accounting, financing, and M&A activities throughout his career. He has served publicly and privately-owned groups when working in public accounting. He has held the position of CFO for Linderberg Group A/S and worked as a State Authorized Public Accountant at Deloitte.
Shareholdings	3,011,363 shares in Konsolidator A/S primarily through Team FG Invest ApS, and has 125,000 warrants in Konsolidator A/S.	2,886,363 shares in Konsolidator A/S through Ved Bækken ApS, and has 125,000 warrants in Konsolidator A/S.
Directorships	Managing Director: Konsolidator A/S	Board member: Linderberg Group A/S including subsidiaries


Jack Skov, CFO

Claus Finderup Grove, CEO

BOARD OF DIRECTORS

	SØREN ELMANN INGERSLEV, CHAIRMAN	**JESPER EIGEN MØLLER**	**KARIN CECILIA HULTÉN**
	Partner, Attorney-at-Law, Elmann Lawfirm, 51, male	Professional board member, 66, male	Entrepreneur, Investor and Non-Executive board member, 53, female
Education	Cand.jur., Aarhus University. LL.M., Exeter University. MBA, Copenhagen Business School.	Cand.merc, Copenhagen Business School.	BSc, Gothenburg School of Economics. Studies at MBA program, Stern School of Business, NYU. LEAD Certificate in Corporate Innovation, Stanford Graduate School of Business.
Competencies	Corporate matters, capital markets, mergers and acquisitions (M&A), investments, and international contracts.	Extensive management experience. Solid experience from board positions in listed and privately held companies. Competencies in sales, marketing, HR, communication, and strategic management.	Capital markets, financing and risk management, investment strategies, business strategy, leadership, sales, entrepreneurship, innovation, disruptive technologies, start-ups
Shareholdings	383,363 shares in Konsolidator A/S through Ingerslev ApS and has 125,000 warrants in Konsolidator A/S. Independent of the company	22,727 shares in Konsolidator A/S and has 125,000 warrants in Konsolidator A/S. Independent of the company	11,855 shares in Konsolidator A/S and has 125,000 warrants in Konsolidator A/S. Independent of the company
Directorships	**Chairman:** e-auto ApS, SameSystem A/S, ELMANN ADVOKATPARTNERSELSKAB, ELMANN KOMPLEMENTAR ADVOKATANPARTSSELSKAB, IMMUDEX ApS, A/S SECURE, JOHAN BRINCKER HOLDING I ApS, JOHAN BRINCKER HOLDING II ApS, Konsolidator A/S, Leapeo ApS, HARBOE & MARKER PARTNERSELSKAB, HVM Invest ApS, Biostrip ApS, Repfin ApS, Immumap Services ApS, Sign2Me ApS, Repop P/S, Repeat NH P/S, Repeat ÅB P/S, Repeat OD P/S, Repeat BA P/S, Netsolutions Holding ApS, NETSOLUTIONS ApS **Board member:** BONE'S RESTAURANTER A/S, BONE'S HOLDING A/S, HARBOEFONDEN, TømrerJack ApS, Ejendomsselskabet TIN TEN ApS	**Chairman:** Linkfire A/S, The Speedrecruiters Company A/S, Thornæs Destilleri ApS **Deputy chairman:** Brøndbyernes I.F Fodbold A/S, Industriens Fond **Board member:** KFI Erhvervsdrivende Fond, Konsolidator A/S, Fonden Ungdoms- bureauet	**Board member:** MEDCONNECT ApS, Konsolidator A/S, kompasbank a/s, CBio A/S, CIP Executive Search AB, nominated as a board member to Temenos AG

INCREASED FOCUS ON COMMUNICATION WITH SHAREHOLDERS

Konsolidator shareholders invest in the growing trends of global finance, where conversion to cloud-based financial software solutions are key drivers in the conversion. Recurring revenue and a scalable business model define the investment case.

SHARE DATA

Ticker code
KONSOL

Market place
Nasdaq First North Growth Market

Date of listing
May 10, 2019

ISIN Code
DK0061113511

Currency
DKK

No. of shares outstanding
15,454,546

Share price December 31, 2021
10.6

THE KONSOLIDATOR SHARE

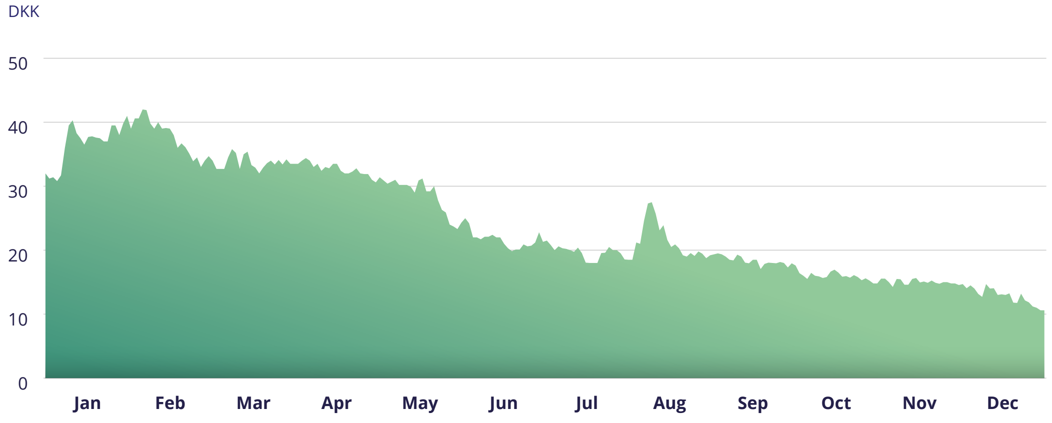
Konsolidator's share capital amounts to DKK 618,181.84 divided into 15,454,546 shares, each with a nominal value of DKK 0.04. Konsolidator has only one class of shares, and each share represents one vote.

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, 2021, was DKK 10.6, equal to a market capitalization of DKK 163.8m. The share price decreased by 67% in 2021. Since the initial share offering in May 2019, the Konsolidator share has increased by 20%.

The average daily trading volume was DKK 184,535 in 2021, compared to DKK 629,051 in 2020.

Share price development in 2021



SHAREHOLDER STRUCTURE

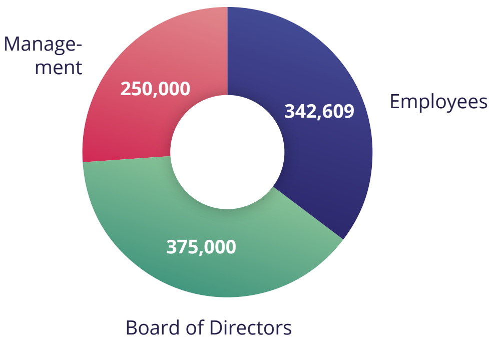
On December 31, 2021, Konsolidator had 1,599 registered shareholders.

The Board of Directors and Management held 40.9% of the Konsolidator shares as of December 31, 2021. The below table shows the shareholders in Konsolidator who have notified the company of an ownership of more than 5% as of December 31, 2021.

WARRANTS

In 2021, Konsolidator issued employee warrants with the rights to sign 270,000 shares or DKK 10,800 nominal value. The warrants were issued in May 2021, and the issue is vested annually over three years. The warrants were issued at a strike at DKK 31.09 per share.

Outstanding warrants as of December 31, 2021



Further, Konsolidator issued warrants with rights to sign 500,000 shares to Board of Directors and management. No warrants have been exercised at year-end. In total, Konsolidator has 967,609 outstanding warrants.

CONVERTIBLE LOAN

In September, Konsolidator and Formue Nord agreed to a convertible loan of DKK 25m paid by Formue Nord. Konsolidator paid a 5.5% commitment fee to Formue Nord, resulting in DKK 23.6 million in net proceeds to the company. The interest is 8% pro annum paid 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 loan is repayable in full on September 1, 2023.

The Loan provides a right, but not an obligation, for Formue Nord to convert the loan, in whole or in part, into shares in Konsolidator at a share price of 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 the event that Konsolidator will issue shares at a lower share price prior to the repayment or conversion of the loan, the share price at which Formue Nord may convert the loan into shares will be reduced accordingly, but only to a maximum of a nominal value of DKK 40,000.

DIVIDEND POLICY

Konsolidator has not paid any dividends, and no proposals on dividends will be submitted by the Board of Directors 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 not only in Denmark but also internationally. As part of the Investor Relations strategy Konsolidator has participated in investor events in Denmark and Sweden throughout the year.

In October 2021, Konsolidator signed a corporate research agreement with Skandinaviska Enskilda Banken AB (SEB). The reports from SEB can be found at SEB Research (https://konsolidator.com/investors/reports/).

In November 2021, Konsolidator entered an agreement with Investor Communities to distribute Konsolidator news in relevant social media channels.

Shareholders as of December 31, 2021

Shareholder	No. of shares 2021	%	No. of shares 2020	%
Andersen Advisory Group	3,502,204	22.66	3,488,636	22.57
Team FG Invest ApS	3,000,000	19.41	3,000,000	19.41
Ved Bækken ApS	2,886,363	18.68	2,886,363	18.68
LHP 2016 Holding ApS	2,875,000	18.60	2,875,000	18.60
Other	3,190,979	20.65	3,204,547	20.74
Total number of shares	**15,454,546**	**100**	**15,454,546**	**100**

COMPANY ANNOUNCEMENTS AND PRESS RELEASES

Konsolidator has issued 17 company announcements and 8 press releases during 2021. The most important company announcements are listed below:

Annual report 2021
no. 1-2021 – 9 February, 2021

Konsolidator hires new Chief Technology Officer
no. 2-2021 – 26 February, 2021

Interim financial report – Q1
no. 5-2021 – 27 April, 2021

Annual General Meeting
no. 6-2021 – 29 April, 2021

Convertible loan agreement entered
no. 8-2021 – 21 July, 2021

Interim financial report – H1
no. 9-2021 – 28 July, 2021

Interim financial report – Q3
no. 15-2021 – 27 October, 2021

At the investor site, https://konsolidator.com/investors/, a list of all company announcements and press releases during 2021 can be found.

FINANCIAL CALENDAR 2022

Annual report 2021
February 9, 2022

Annual General Meeting
March 24, 2022

Q1 2022 report
April 27, 2022

Q2 2022 report
August 10, 2022

Q3 2022 report
October 27, 2022

Annual report 2022
February 8, 2023

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

INVESTOR ENQUIRIES

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CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

DKK'000	Note	2021	2020
Revenue	5	12,998	7,539
Variable costs		(639)	(330)
Contribution		**12,359**	**7,209**
External expenses		(8,945)	(6,466)
Staff costs	6	(25,625)	(15,483)
Other operating income		5	-
Other operating expenses		(307)	-
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(22,513)**	**(14,740)**
Depreciation, amortization and impairment losses	8	(1,643)	(498)
Earnings before interest and tax (EBIT)		**(24,156)**	**(15,238)**
Financial income	9	82	62
Financial expenses	10	(1,551)	(148)
Profit/loss before tax		**(25,625)**	**(15,324)**
Corporation tax for the year	11	859	633
Profit/loss for the year		**(24,766)**	**(14,691)**
Items that will subsequently be reclassified to the income statement			
Exchange rate adjustments during the period		6	(47)
Other comprehensive income for the period, net of tax		**6**	**(47)**
Total comprehensive income for the period		**(24,760)**	**(14,738)**
Profit/loss for the period attributable to:			
Shareholders of Konsolidator A/S		**(24,760)**	**(14,738)**
Earnings per share (in DKK)	12	(1.60)	(0.98)
Earnings per share, diluted (in DKK)	12	(1.52)	(0.97)

CASH FLOW STATEMENT

DKK'000	Note	2021	2020
Profit/loss before financial items and tax (EBIT)		(24,156)	(15,238)
Depreciation, amortization and impairment losses reversed		1,643	498
Adjustment for other non-cash items		1,168	635
Changes in working capital		1,102	(260)
Cash flows from primary activities		**(20,243)**	**(14,365)**
Financial income received		45	62
Financial costs paid		(902)	(201)
Income taxes paid/received		625	427
Cash flow from operating activities		**(20,475)**	**(14,077)**
Payments for intangible assets		(3,874)	(3,312)
Proceeds from disposal of property, plant and equipment		15	-
Payments for property, plant and equipment		(859)	(41)
Changes in other non-current assets		(213)	(78)
Cash flow from investing activities		**(4,931)**	**(3,431)**
Proceeds from borrowings	21	23,625	-
Changes in lease liabilities	20	(317)	-
Proceeds from capital increase		-	28,735
Changes in other non-current liabilities		564	869
Cash flow from financing activities		**23,872**	**29,604**
Net cash flow for the year		**(1,534)**	**12,096**
Cash and cash equivalents at the beginning of the year		18,671	6,572
Net cash flow for the year		(1,534)	12,096
Exchange rate adjustments on cash and cash equivalents		13	3
Cash and cash equivalents at the end of the year		**17,150**	**18,671**

BALANCE SHEET

DKK'000	Note	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
ASSETS				
Completed development projects		8,797	4,597	2,625
Patents, licenses and other rights		408	515	188
Developing projects in progress		1,320	2,557	2,036
Customer lists		87	-	-
Intangible assets	**13**	**10,612**	**7,669**	**4,849**
Fixtures and fittings, other plant and equipment		738	44	9
Property, plant and equipment	**14**	**738**	**44**	**9**
Rental of premises		2,891	-	-
Right of use assets	**15**	**2,891**	**-**	**-**
Deferred tax assets	11	1.213	1,213	1,213
Other receivables		391	177	100
Financial assets		**1,604**	**1,390**	**1,313**
Total non-current assets		**15,845**	**9,103**	**6,171**
Accounts receivables	17	787	805	248
Work in progress	18	347	121	103
Tax receivables	11	883	644	436
Other receivables		100	11	10
Prepayments		927	170	210
Receivables		**3,044**	**1,751**	**1,007**
Cash and cash equivalents		**17,150**	**18,707**	**6,572**
Total current assets		**20,194**	**20,458**	**7,579**
Total assets		**36,039**	**29,561**	**13,750**

DKK'000	Note	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
EQUITY AND LIABILITIES				
Share capital		618	618	588
Share premium		-	-	19,312
Reserves		4,188	855	267
Retained earnings		103	24,869	(8,457)
Equity		**4,909**	**26,342**	**11,710**
Lease liabilities	20	2,583	-	-
Other liabilities	19	1,849	1,284	416
Convertible loan	21	22,025	-	-
Non-current liabilities		**26,457**	**1,284**	**416**
Lease liabilities	20	619	-	-
Bank debts		-	36	-
Prepayments from customers	18	227	121	61
Accounts payable		1,642	671	510
Corporation tax	11	7	1	-
Other liabilities	19	2,178	1,106	1,053
Deferred income		-	-	-
Current liabilities		**4,673**	**1,935**	**1,624**
Total liabilities		**31,130**	**3,219**	**2,040**
Total equity and liabilities		**36,039**	**29,561**	**13,750**

STATEMENT OF CHANGES IN EQUITY

			Reserves					
DKK'000	Share capital	Share premium	Reserve for share-based payment	Reserve for exchange rate adjustments	Reserve for financial instrument	Total reserves	Retained earnings	Equity
Equity January 1, 2021 as previously reported	**618**	**-**	**-**	**(47)**	**-**	**(47)**	**25,771**	**26,342**
First time adoption of IFRS	-	-	902	-	-	902	(902)	-
Equity January 1, 2021	**618**	**-**	**902**	**(47)**	**-**	**855**	**24,869**	**26,342**
Profit/loss for the year	-	-	-	-	-	-	(24,766)	(24,766)
Other comprehensive income	-	-	-	6	-	6	-	6
Total comprehensive income for the period	**-**	**-**	**-**	**6**	**-**	**6**	**(24,766)**	**(24,760)**
Transactions with shareholders								
Share-based payments	-	-	1,197	-	-	1,197	-	1,197
Warrant programs terminated	-	-	(35)	-	-	(35)	-	(35)
Adjustment for financial instrument	-	-	-	-	2,165	2,165	-	2,165
Total transactions with shareholders	**-**	**-**	**1,162**	**-**	**2,165**	**3,327**	**-**	**3,327**
Equity December 31, 2021	**618**	**-**	**2,064**	**(41)**	**2,165**	**4,188**	**103**	**4,909**
Equity January 1, 2020 as previously reported	**588**	**19,312**	**-**	**-**	**-**	**-**	**(8,190)**	**11,710**
First time adoption of IFRS	-	-	267	-	-	267	(267)	-
Equity January 1, 2020	**588**	**19,312**	**267**	**-**	**-**	**267**	**(8,457)**	**11,710**
Profit/loss for the year	-	-	-	-	-	-	(14,691)	(14,691)
Other comprehensive income	-	-	-	(47)	-	(47)	-	(47)
Total comprehensive income for the period	**-**	**-**	**-**	**(47)**	**-**	**(47)**	**(14,691)**	**(14,738)**
Transactions with shareholders								
Share-based payments	-	-	635	-	-	635	-	635
Capital increase	30	29,595	-	-	-	-	-	29,625
Costs regarding capital increase	-	(890)	-	-	-	-	-	(890)
Transfer to retained earnings	-	(48,017)	-	-	-	-	48,017	-
Total transactions with shareholders	**30**	**(19,312)**	**635**	**-**	**-**	**635**	**48,017**	**29,370**
Equity December 31, 2020	**618**	**-**	**902**	**(47)**	**-**	**855**	**24,869**	**26,342**

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 additional Danish disclosure requirements for companies listed on Nasdaq First North Growth Market and further requirements in the Danish Financial Statements Act.

For all periods up to and including the year ended December 31, 2020, the Group prepared its financial statements in accordance with the Danish Financial Statements Act (DK GAAP). From January 1, 2021 the Group has prepared the Consolidated Financial Statements in accordance with IFRS. Refer to note 2 for information on how the Group adopted IFRS for comparative numbers of 2020.

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 require 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 from below-mentioned accounting policies.

Equity

The reserve for share-based payments comprises fair value of the issued warrants. Refer to note 7 for description of the valuation model.

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

The reserve for financial instruments relates to the convertible loan agreement.

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.

NOTES

Note 1 - Basis of preparation (continued)

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.

Consolidation principles

The Consolidated Financial Statements comprise the Parent Company, Konsolidator A/S, and subsidiaries 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 of 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 recognised 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 cash

NOTES

Note 2 - First-time adoption of IFRS

The Group has prepared the consolidated financial statements in accordance with IFRS applicable from January 1, 2021. The effect of the first-time adoption of IFRS has been described in previous quarterly reporting of 2021 beginning from January 1, 2021. In preparing the consolidated financial statements, the Group's opening statement of financial position was prepared on January 1, 2020, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its DK GAAP consolidated financial statements, including the statement of financial position on January 1, 2020, and the consolidated financial statements as of, and for, the period ended December 31, 2020.

2.1 COMMENTARY ON CHANGES IN ACCOUNTING POLICIES

Share-based payments

Under the previous GAAP, the Group was not obligated to recognize share-based payments to the profit/loss statement. IFRS requires the fair value of the warrants to be determined using an appropriate pricing model recognized over the vesting period. An additional expense of DKK 635 thousand has been recognized in profit or loss for the period ended December 31, 2020. Share-based payments with fair value totalling DKK 267 thousand, which were granted before and still vesting on January 1, 2020, have been recognized as a separate component of equity against retained earnings on January 1, 2020. For full table of the IFRS impact refer to note 24.

Leases

Under the previous GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS and during 2020, the Group was only engaged in short-term lease agreements, and leases of low-value assets. As a result, the Group did not recognize any adjustments to the financial statements on January 1, 2020 nor December 31, 2020.

Statement of cash flows

Under the previous GAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognizes lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. As mentioned, no changes related to leases have been applied to the transition date nor during 2020.

Note 3 - Critical accounting estimates and judgements

The preparation of Konsolidator's financial statements requires Management to make judgements, 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 judgements 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.

NOTES

Note 4 - 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 5 - Revenue

DKK'000	2021	2020
Subscription fees	9,235	5,465
Onboarding and consulting fees	3,763	2,074
	12,998	**7,539**

§ 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 cloud-based 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.

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). Konsolidator assists customers with the onboarding of Konsolidator. 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 120 thousand (2020: DKK 61 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 18.

! CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The recognition of revenue is to some extent impacted by management estimates and judgement for work in progress in relation to determining stage of completion and expected profitability of the individual projects, and hence, revenue recognized in subsequent years may be impacted by changes in estimates to the revenue recognized in previous years. Revenue recognized from contract work in progress in 2021 and 2020 has not been impacted by any significant changes to the revenue recognized in previous years.

NOTES

Note 6 - Staff costs

DKK'000	2021	2020
Wages and salaries	24,286	16,105
Share-based payments	1,161	635
Pensions	1,578	761
Other social security costs	725	354
Other staff costs	399	195
	28,149	**18,050**
Capitalized wages and salaries	(2,524)	(2,567)
	25,625	**15,483**
Average number of employees	34	23
Number of employees at year end	36	32

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	2021	2020
Wages and salaries, Management	3,574	3,800
Pensions, Management	173	72
Compensation, Board of Directors	83	100

§ 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.

Note 7 - Share-based payments

Konsolidator operates with equity-settled share-based compensations 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 three warrant programs aimed to 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 and May 2021. 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 financial 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 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 2021	Jun. 2020
Average share price (DKK)	24	34.6-46.5
Expected volatility rate (% p.a.)	51.1	36.8
Risk-free interest rate (% p.a.)	(0.37)	(0.55)
Expected warrant life (no. of years)	5	5
Exercise price (DKK)	31.09	47.12
Fair value of warrants (DKK'000)	1,661	1,329

NOTES

Note 7 - Share-based payments (continued)

WARRANT PROGRAM 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. 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, 2028 and 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:

Board member warrant program	Dec. 2021	May 2019
Average share price (DKK)	14.08	8.8
Expected volatility rate (% p.a.)	53.4	35.0
Risk-free interest rate (% p.a.)	(0.37)	0.02
Expected warrant life (no. of years)	5	10
Exercise price (DKK)	14.08	8.8
Fair value of warrants (DKK'000)	1,278	455

WARRANT PROGRAM FOR MANAGEMENT

The management 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:

Management warrant program	Dec. 2021
Average share price (DKK)	14.08
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

None of the warrants from the programs have been exercised. The total vested warrants on December 31, 2021, summarize to 170,161 of the outstanding warrants of 967,609. Outstanding warrants can be specified as follows:

Number of warrants	Board of Directors	Mana-gement	Employees	Total
Outstanding warrants a January 1, 2019	-	-	-	-
Granted	125,000	-	-	125,000
Exercised	-	-	-	-
Cancelled	-	-	-	-
Outstanding warrants a December 31, 2019	**125,000**	**-**	**-**	**125,000**
Granted	-	-	125,000	125,000
Exercised	-	-	-	-
Cancelled	-	-	-	-
Outstanding warrants a December 31, 2020	**125,000**	**-**	**125,000**	**250,000**
Granted	250,000	250,000	270,000	770,000
Exercised	-	-	-	-
Cancelled	-	-	(52,391)	(52,391)
Outstanding warrants a December 31, 2021	**375,000**	**250,000**	**342,609**	**967,609**

NOTES

Note 7 - Share-based payments (continued)

	Weighted average exercise price (DKK)	Vesting period	Exercise period	Total
Warrant granted April 2, 2019	8.80	April 2019 - March 2022	April 2020 - December 2028	125,000
Warrant granted June 12, 2020	47.12	July 2020 - December 2024	March 2021 - April 2025	112,289
Warrant granted June 12, 2021	31.09	June 2021 - May 2024	June 2021 - May 2024	230.,320
Warrant granted December 8, 2021	14.08	January 2022 - December 2024	January 2023 - December 2026	500,000
				967,609

Outstanding warrants	**2021**	**2020**
Average remaining life in years	4.9	6.1
Exercise price	8.8 to 47.12	8.8 to 47.12

§ 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.

NOTES

Note 8 - Depreciation, amortization and impairment losses

DKK'000	2021	2020
Completed development projects	689	387
Patents, licenses and other rights	222	105
Customer lists	21	-
Other fixtures and fittings, tools and equipment	143	6
Rental of premises (right of use assets)	568	-
	1,643	**498**

§ 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.

Note 9 - Financial income

DKK'000	2021	2020
Interest income	3	-
Gain on foreign exchange	79	62
	82	**62**

§ ACCOUNTING POLICIES

Other 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.

NOTES

Note 10 - Financial expenses

DKK'000	2021	2020
Interest expense	122	114
Interest expense on lease agreements	60	-
Interest expense on convertible loan agreement	1,022	-
Borrowing costs	207	-
Loss on foreign exchange	89	4
Other financial expenses	51	30
	1,551	**148**

For information on financial risk, please refer to note 22 in the consolidated financial statement.

§ ACCOUNTING POLICIES

Other financial expenses comprise interest expenses, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Note 11 - Income taxes

DKK'000	2021	2020
Current tax for the year	859	633
	859	**633**
Tax calculated as 22% of profit/loss before tax	(5,638)	(3,371)
Non-taxable income and non-deductible expenses	656	446
Tax loss carried forward - write down	5,841	3,558
Effective tax	**859**	**633**
Effective tax rate for the year (%)	(3.35%)	(4.13%)

NOTES

Note 11 - Income taxes (continued)

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

DKK'000	2021	2020
Deferred tax (asset)	1,213	1,213
	1,213	**1,213**
Deferred tax specified:		
Intangible assets	(2,335)	(1,687)
Fixtures and fittings, other plant and equipment	(160)	(3)
Right of use assets	68	-
Convertible loan	57	-
Prepayments	(169)	(25)
Tax loss carried forward	10,985	5,787
Tax loss carried forward - write down	(7,233)	(2,859)
	1,213	**1,213**

§ 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 JUDGEMENTS

As per December 31, 2021, the net deferred tax asset amounts to DKK 1,213 thousand with no adjustments in the deferred tax asset from 2020, whereas the deferred tax asset relates to tax losses carried forward. 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 3-5 years and the possibility to utilize the deferred tax assets to be offset against positive taxable income in each jurisdiction.

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.

NOTES

Note 12 – Earnings per share

On December 31, 2021 the share capital consisted of 15,454,546 shares with a nominal value of DKK 0.04 (2020: 15,454,546). The shares are not divided into classes and carry no right to fixed income.

DKK'000	2021	2020
Profit/loss for the year	(24,766)	(14,691)
Number of outstanding shares at the end of the period	15,454,546	15,454,546
Avarage number of outstanding shares	15,454,546	15,079,546
Earnings per share (in DKK)	(1.60)	(0,98)
Number of outstanding shares at the end of the period, diluted	16,922,155	15,704,546
Avarage number of outstanding shares, diluted	16,313.351	15.267,046
Earnings per share, diluted (in DKK)	(1.52)	(0.97)

§ 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 warrants that have a potential dilutive effect. Warrants that have a dilutive effect are treated as shares from the date they are issued.

Note 13 - Intangible assets

DKK'000	Completed development projects	Patents, licenses and other rights	Developing projects in progress	Customer lists	Total 2021
Cost at the beginning of the year	5,722	861	2,557	-	9,140
Transfers from/(to) other items	4,772	-	(4,772)	-	-
Additions during the year	117	115	3,535	108	3,875
Cost at the end of the year	**10,611**	**976**	**1,320**	**108**	**13,015**
Amortization at the beginning of the year	(1,125)	(346)	-	-	(1,471)
Amortization for the year	(689)	(222)	-	(21)	(932)
Amortization and impairment losses at the end of the year	**(1,814)**	**(568)**	**-**	**(21)**	**(2,403)**
Carrying amount at the end of year	**8,797**	**408**	**1,320**	**87**	**10,612**

NOTES

Note 13 - Intangible assets (continued)

DKK'000	Completed development projects	Patents, licenses and other rights	Developing projects in progress	Total 2020
Cost at the beginning of the year	3,363	429	2,036	5,828
Transfers from/(to) other items	2,331	-	(2,331)	-
Additions during the year	28	432	2,852	3,312
Cost at the end of the year	**5,722**	**861**	**2,557**	**9,140**
Amortization at the beginning of the year	(738)	(241)	-	(979)
Amortization for the year	(387)	(105)	-	(492)
Amortization and impairment losses at the end of the year	**(1,125)**	**(346)**	**-**	**(1,471)**
Carrying amount at the end of year	**4,597**	**515**	**2,557**	**7,669**

§ 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 recognised 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 derecognised 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.

Development projects

Development projects on an individual project are recognised 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

NOTES

Note 13 - Intangible assets (continued)

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.

Patents, acquired intellectual property rights and other immaterial assets

Konsolidator has patents pending on certain parts of Konsolidator. Costs regarding the patent's application process are recognized at cost. The amortization period used is 5 years. 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 JUDGEMENTS

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 14 - Property, plant and equipment

DKK'000	2021 Fixtures and fittings, other plant and equipment
Cost at the beginning of the year	52
Additions during the year	859
Disposals during the year	(25)
Cost at the end of the year	**886**
Depreciation at the beginning of the year	(8)
Depreciation for the year	(143)
Amortization reversed during the year	3
Depreciation and impairment losses at the end of the year	**(148)**
Carrying amount at the end of year	**738**

DKK'000	2020 Fixtures and fittings, other plant and equipment
Cost at the beginning of the year	11
Additions during the year	41
Cost at the end of the year	**52**
Depreciation at the beginning of the year	(2)
Depreciation for the year	(6)
Depreciation and impairment losses at the end of the year	**(8)**
Carrying amount at the end of year	**44**

§ 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 15 - Right of use assets

DKK'000	Rental of premises
Cost at the beginning of the year	-
Additions during the year	3,459
Cost at the end of the year	**3,459**
Depreciation at the beginning of the year	-
Depreciation for the year	(568)
Depreciation and impairment losses at the end of the year	**(568)**
Carrying amount at the end of year	**2,891**

For information about short-term and low value leases expensed during 2021 and comparative figures, and information about future cash out flow for all lease contracts refer to note 20. 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 recognises 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 recognised, 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.

Note 16 - 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 17 - Accounts receivable

DKK'000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Accounts receivable gross	1,033	805	248
Writedowns	(246)	-	-
	787	**805**	**248**

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.

NOTES

Note 17 - Accounts receivable (continued)

Aging of receivables that are not impaired:

	2021	Aged overdue amounts				
	Balance	Not due	1-31 days	32-62 days	63-92 days	After 92 days
Accounts receivables	1,033	626	75	45	142	145
Accounts receivables excl. expected credit loss	**1,033**	**626**	**75**	**45**	**142**	**145**
Expected credit loss	(246)	0	0	(45)	(64)	(137)
Total accounts receivables	**787**	**626**	**75**	**0**	**78**	**8**

§ 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 accounts 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 22 about financial risks.

Note 18 - Work in progress

DKK'000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Contract work in progress	120	-	42
Transferred to prepayments from customers	227	121	61
Total work in progress	**347**	**121**	**103**
Specified as follows:			
Work in progress (assets)	347	121	103
Prepayments from customers (liabilities)	(227)	(121)	(61)

§ 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 accounts 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.

NOTES

Note 18 - Work in progress (continued)

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 19 - Other liabilities

DKK’000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Employee liabilities	3,283	2,300	1,503
Liability to public authorities	650	66	(34)
Misc. current liabilities	94	24	-
Other liabilities	**4,027**	**2,390**	**1,469**
Non-current other liabilities	1,849	1,284	416
Current other liabilities	2,178	1,106	1,053
Other liabilities	**4,027**	**2,390**	**1,469**
No interests related to above have been recognised to the profit/loss statement.			
Future cash outflow for other liabilities will be according to below table:			
Within 1 year	2,178	1,106	1,053
Between 1-5 years	530	-	-
After 5 years	1,319	1,284	416
Total future cash outflow	**4,027**	**2,390**	**1,469**

§ ACCOUNTING POLICIES

Financial liabilities

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.

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.

NOTES

Note 20 - Lease liabilities

DKK'000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Lease liabilities at the beginning of the year	-	-	-
Additions during the year	3,459	-	-
Interests during the year	60	-	-
Repayments during the year	(317)	-	-
Lease liabilities	**3,202**	**-**	**-**
Non-current lease liabilities	2,583	-	-
Current lease liabilities	619	-	-
Lease liabilities	**3,202**	**-**	**-**
The following amounts have been recognized in the income statement:			
Depreciation for the period	568	-	-
Interests expense on lease liabilities	60	-	-
Rent on short-term and low value leases	414	680	347
Total amount recognized in the income statement	**1,042**	**680**	**347**
Future cash outflow for all lease contracts will be according to below table:			
Within 1 year	619	347	332
Between 1-5 years	2,583	2,787	-
After 5 years	-	462	-
Total future cash outflow	**3,202**	**3,596**	**332**

§ 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.

NOTES

Note 20 – Lease liabilities (continued)

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.

Note 21 – 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 the event that Konsolidator will issue shares at a lower share price prior to the repayment or conversion of the loan the share price at which Formue Nord may convert the loan into shares will be reduced accordingly.

The convertible loan is presented in the balance sheet as follows:

DKK'000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Convertible loan, addition during the year	25,000	-	-
Commitment fee	(1,375)	-	-
Proceeds from borrowings (cash flow)	**23,625**	**-**	**-**
Value of conversion rights (equity reserve)	(2,165)	-	-
Borrowing costs	207	-	-
Interest expense*	1,022	-	-
Interest paid	(664)	-	-
Convertible loan (non-current liability)	**22,025**	**-**	**-**

* Interest expense is calculated by applying the effective interest rate of 11.1% to the liability component

The initial fair value of the liability was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the loan. The remainder of the proceeds is allocated to the conversion option and recognized in shareholders' equity, net of income tax, and not subsequently remeasured.

NOTES

Note 22 – Financial risks

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.

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. Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements.

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 groups of receivables. Outstanding amount is written off when there is a significant risk of loss on accounts receivables.

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. Konsolidator has costs in SEK and GBP and receives its cash flows in these currencies and thus Konsolidator has opened bank accounts in SEK and GBP, minimizing the foreign currency risk. Since the exchange rate fluctuations in EUR is considered low Konsolidator has not opened a EUR bank account. Konsolidator has transactions in all the above currencies as well as USD. However, Konsolidator has only outgoing cash flow for USD. The foreign currency risk in general is considered very low due to the used currencies in trades.

Liquidity risk

Konsolidator ensures sufficient liquidity resources by liquidity management. On December 31, 2021, Konsolidator's cash and cash equivalents amounted to DKK 17.2 million. The cash reserve and expected cash flows for 2022 are considered to be adequate to meet the obligations of Konsolidator as they fall due. As Konsolidator's business model is to continue with the rapid growth new capital will be needed to accelerate Konsolidator's growth plans. It is also possible for Konsolidator to stop its growth plans and adjust the costs to be cash positive.

Note 23 – 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.

NOTES

Note 24 – IFRS Impact

By reference to note 2, below statements covers the IFRS conversion impact on the income statement and statement of comprehensive income including the IFRS conversion impact on statement of financial positions. Periods are mentioned in the statements.

DKK'000	Note	2020 Local GAAP	IFRS impact	2020 IFRS
Impact on income statement and statement of comprehensive income Oct. - Dec. 2020				
Revenue		2,758	-	2,758
Variable costs		(195)	-	(195)
Contribution		**2,563**	**-**	**2,563**
External expenses		(1,850)	-	(1,850)
Staff costs	2.2	(4,969)	(292)	(5,261)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(4,256)**	**(292)**	**(4,548)**
Depreciation, amortization and impairment losses		(169)	-	(169)
Earnings before interest and tax (EBIT)		**(4,425)**	**(292)**	**(4,717)**
Financial income		62	-	62
Financial expenses		(113)	-	(113)
Profit/loss before tax		**(4,476)**	**(292)**	**(4,768)**
Corporation tax for the year		238	-	238
Profit/loss for the year		**(4,238)**	**(292)**	**(4,530)**
Items that will subsequently be reclassified to the income statement				
Exchange rate adjustments during the year		-	(47)	(47)
Other comprehensive income for the year, net of tax		**-**	**(47)**	**(47)**
Total comprehensive income for the year		**(4,238)**	**(339)**	**(4,577)**

DKK'000	Note	2020 Local GAAP	IFRS impact	2020 IFRS
Impact on income statement and statement of comprehensive income Jan. - Dec. 2020				
Revenue		7,539	-	7,539
Variable costs		(330)	-	(330)
Contribution		**7,209**	**-**	**7,209**
External expenses		(6,466)	-	(6,466)
Staff costs	2.2	(14,848)	(635)	(15,483)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(14,105)**	**(635)**	**(14,740)**
Depreciation, amortization and impairment losses		(498)	-	(498)
Earnings before interest and tax (EBIT)		**(14,603)**	**(635)**	**(15,238)**
Financial income		62	-	62
Financial expenses		(148)	-	(148)
Profit/loss before tax		**(14,689)**	**(635)**	**(15,324)**
Corporation tax for the year		633	-	633
Profit/loss for the year		**(14,056)**	**(635)**	**(14,691)**
Items that will subsequently be reclassified to the income statement				
Exchange rate adjustments during the year		-	(47)	(47)
Other comprehensive income for the year, net of tax		**-**	**(47)**	**(47)**
Total comprehensive income for the year		**(14,056)**	**(682)**	**(14,738)**

NOTES

Note 24 – IFRS Impact (continued)

DKK'000	Note	31 Dec. 2020 Local GAAP	IFRS impact	31 Dec. 2020 IFRS
Impact on statement of financial position Jan. 1 2020 - Dec. 31 2020				
ASSETS				
Completed development projects		4,597	-	4,597
Patents, licenses and other rights		515	-	515
Developing projects in progress		2,557	-	2,557
Intangible assets		**7,669**	**-**	**7,669**
Fixtures and fittings, other plant and equipment		44	-	44
Property, plant and equipment		**44**	**-**	**44**
Deferred tax assets		1,213	-	1,213
Other receivables		177	-	177
Financial assets		**1,390**	**-**	**1,390**
Total non-current assets		**9,103**	**-**	**9,103**
Accounts receivables		805	-	805
Work in Progress		121	-	121
Tax receivables		644	-	644
Other receivables		11	-	11
Prepayments		170	-	170
Receivables		**1,751**	**-**	**1,751**
Cash and cash equivalents		**18,707**	**-**	**18,707**
Total current assets		**20,458**	**-**	**20,458**
Total assets		**29,561**	**-**	**29,561**

DKK'000	Note	31 Dec. 2020 Local GAAP	IFRS impact	31 Dec. 2020 IFRS
Impact on statement of financial position Jan. 1 2020 - Dec. 31 2020				
EQUITY AND LIABILITIES				
Share capital		618	-	618
Reserves	2.2	(47)	902	855
Retained earnings	2.2	25,771	(902)	24,869
Equity		**26,342**	**-**	**26,342**
Employee liabilities		1,284	-	1,284
Non-current liabilities		**1,284**	**-**	**1,284**
Bank loans		36	-	36
Prepayments from customers		121	-	121
Accounts payable		671	-	671
Corporation tax		1	-	1
Other liabilities		1,106	-	1,106
Current liabilities		**1,935**	**-**	**1,935**
Total liabilities		**3,219**	**-**	**3,219**
Total equity and liabilities		**29,561**	**-**	**29,561**

NOTES

Note 24 – IFRS Impact (continued)

DKK'000	Note	1 Jan. 2020 Local GAAP	IFRS impact	1 Jan. 2020 IFRS
Impact on statement of financial position January 1, 2020				
ASSETS				
Completed development projects		2,625	-	2,625
Patents, licenses and other rights		188	-	188
Developing projects in progress		2,036	-	2,036
Intangible assets		**4,849**	**-**	**4,849**
Fixtures and fittings, other plant and equipment		9	-	9
Property, plant and equipment		**9**	**-**	**9**
Deferred tax assets		1,213	-	1,213
Other receivables		100	-	100
Financial assets		**1,313**	**-**	**1,313**
Total non-current assets		**6,171**	**-**	**6,171**
Accounts receivables		248	-	248
Work in Progress		103	-	103
Tax receivables		436	-	436
Other receivables		10	-	10
Prepayments		210	-	210
Receivables		**1,007**	**-**	**1,007**
Cash and cash equivalents		**6,572**	**-**	**6,572**
Total current assets		**7,579**	**-**	**7,579**
Total assets		**13,750**	**-**	**13,750**

DKK'000	Note	1 Jan. 2020 Local GAAP	IFRS impact	1 Jan. 2020 IFRS
Impact on statement of financial position January 1, 2020				
EQUITY AND LIABILITIES				
Share capital		588	-	588
Share premium		19,312	-	19,312
Reserves	2.2	-	267	267
Retained earnings	2.2	(8,190)	(267)	(8,457)
Equity		**11,710**	**-**	**11,710**
Employee liabilities		416	-	416
Non-current liabilities		**416**	**-**	**416**
Prepayments from customers		61	-	61
Accounts payable		510	-	510
Other liabilities		1,053	-	1,053
Current liabilities		**1,624**	**-**	**1,624**
Total liabilities		**2,040**	**-**	**2,040**
Total equity and liabilities		**13,750**	**-**	**13,750**

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

DKK'000	Note	2021	2020
Revenue		12,998	7,003
Variable costs		(639)	(310)
Contribution		**12,359**	**6,693**
External expenses		(7,665)	(6,103)
Staff costs	3	(22,194)	(14,056)
Other operating income		5	-
Other operating expenses		(5,053)	(1,618)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(22,548)**	**(15,084)**
Depreciation, amortization and impairment losses		(1,643)	(498)
Earnings before interest and tax (EBIT)		**(24,191)**	**(15,582)**
Financial income	4	80	62
Financial expenses	5	(1,512)	(136)
Profit/loss before tax		**(25,623)**	**(15,656)**
Corporation tax for the year	6	865	634
Profit/loss for the year		**(24,758)**	**(15,022)**
Other comprehensive income for the period, net of tax		**-**	**-**
Total comprehensive income for the period		**(24,758)**	**(15,022)**
Profit/loss for the period attributable to:			
Shareholders of Konsolidator A/S		**(24,758)**	**(15,022)**

CASH FLOW STATEMENT

DKK'000	Note	2021	2020
Profit/loss before financial items and tax (EBIT)		(24,191)	(15,582)
Depreciation, amortization and impairment losses reversed		1,643	498
Adjustment for other non-cash items		1,168	635
Changes in working capital		957	113
Cash flows from primary activities		**(20,423)**	**(14,336)**
Financial income received		45	62
Financial costs paid		(888)	(188)
Income taxes paid/received		634	436
Cash flow from operating activities		**(20,632)**	**(14,026)**
Payments for intangible assets		(3,874)	(3,312)
Proceeds from disposal of property, plant and equipment		15	-
Payments for property, plant and equipment		(859)	(41)
Changes in other non-current assets		(213)	(78)
Cash flow from investing activities		**(4,931)**	**(3,431)**
Proceeds from borrowings		23,625	-
Changes in lease liabilities		(317)	-
Proceeds from capital increase		-	28,735
Changes in other non-current liabilities		563	870
Cash flow from financing activities		**23,871**	**29,605**
Net cash flow for the year		**(1,692)**	**12,148**
Cash and cash equivalents at the beginning of the year		18,381	6,233
Net cash flow for the year		(1,692)	12,148
Cash and cash equivalents at the end of the year		**16,689**	**18,381**

BALANCE SHEET

DKK'000	Note	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
ASSETS				
Completed development projects		8,797	4,597	2,625
Patents, licenses and other rights		408	515	188
Developing projects in progress		1,320	2,557	2,036
Customer lists		87	-	-
Intangible assets		**10,612**	**7,669**	**4,849**
Fixtures and fittings, other plant and equipment		738	44	9
Property, plant and equipment		**738**	**44**	**9**
Rental of premises		2,891	-	-
Right of use assets		**2,891**	**-**	**-**
Investments in subsidiaries	7	79	79	79
Deferred tax assets		1,213	1,213	1,213
Other receivables		390	177	100
Financial assets		**1,682**	**1,469**	**1,392**
Total non-current assets		**15,923**	**9,182**	**6,250**
Accounts receivables		787	799	248
Work in Progress		347	121	103
Intercompany receivables		106	218	442
Tax receivables	6	865	634	436
Other receivables		24	-	1
Prepayments		769	136	198
Receivables		**2,898**	**1,908**	**1,428**
Cash and cash equivalents		**16,689**	**18,417**	**6,233**
Total current assets		**19,587**	**20,325**	**7,661**
Total assets		**35,510**	**29,507**	**13,911**

DKK'000	Note	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Equity and liabilities				
Share capital		618	618	588
Share premium		-	-	19,312
Reserves		12,120	6,482	3,902
Retained earnings		(7,788)	19,281	(11,769)
Equity		**4,950**	**26,381**	**12,033**
Lease liabilities		2,583	-	-
Other liabilities	8	1,849	1,284	416
Convertible loan		22,025	-	-
Non-current liabilities		**26,457**	**1,284**	**416**
Lease liabilities		619	-	-
Bank debts		-	36	-
Prepayments from customers		227	121	61
Accounts payable		1,616	637	509
Intercompany liabilities		-	222	-
Other liabilities	8	1,641	826	892
Current liabilities		**4,103**	**1,842**	**1,462**
Total liabilities		**30,560**	**3,126**	**1,878**
Total equity and liabilities		**35,510**	**29,507**	**13,911**

STATEMENT OF CHANGES IN EQUITY

				Reserves					
DKK'000	**Share capital**	**Share premium**	**Reserve for development costs**	**Reserve for share-based payment**	**Reserve for exchange rate adjustments**	**Reserve for financial instrument**	**Total reserves**	**Retained earnings**	**Equity**
Equity January 1, 2021 as previously reported	618	-	5,580	-	-	-	5,580	20,183	26,381
First time adoption of IFRS	-	-	-	902	-	-	902	(902)	-
Equity January 1, 2021	**618**	**-**	**5,580**	**902**	**-**	**-**	**6,482**	**19,281**	**26,381**
Profit/loss for the year	-	-	-	-	-	-	-	(24,758)	(24,758)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Transfer to reserve for development costs, net of tax	-	-	2,311	-	-	-	2,311	(2,311)	-
Total comprehensive income for the period	**-**	**-**	**2,311**	**-**	**-**	**-**	**2,311**	**(27,069)**	**(24,758)**
Transactions with shareholders									
Share-based payments	-	-	-	1,197	-	-	1,197	-	1,197
Warrant programs terminated	-	-	-	(35)	-	-	(35)	-	(35)
Adjustment for financial instrument	-	-	-	-	-	2,165	2,165	-	2,165
Total transactions with shareholders	**-**	**-**	**-**	**1,162**	**-**	**2,165**	**3,327**	**-**	**3,327**
Equity December 31, 2021	**618**	**-**	**7,891**	**2,064**	**-**	**2,165**	**12,120**	**(7,788)**	**4,950**
Equity January 1, 2020 as previously reported	588	19,312	3,635	-	-	-	3,635	(11,502)	12,033
First time adoption of IFRS	-	-		267	-	-	267	(267)	-
Equity January 1, 2020	**588**	**19,312**	**3,635**	**267**	**-**	**-**	**3,902**	**(11,769)**	**12,033**
Profit/loss for the year	-	-	-	-	-	-	-	(15,022)	(15,022)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(15,022)**	**(15,022)**
Transactions with shareholders									
Share-based payments	-	-	-	635	-	-	635	-	635
Capital increase	30	29,595	-	-	-	-	-	-	29,625
Costs regarding capital increase	-	(890)	-	-	-	-	-	-	(890)
Transfer to reserve for development costs net of tax	-	-	1,945	-	-	-	1,945	(1,945)	-
Transfer to retained earnings	-	(48,017)	-	-	-	-	-	48,017	-
Total transactions with shareholders	**30**	**(19,312)**	**1,945**	**635**	**-**	**-**	**2,580**	**46,072**	**29,370**
Equity December 31, 2020	**618**	**-**	**5,580**	**902**	**-**	**-**	**6,482**	**19,281**	**26,381**

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 2021 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:

- First-time adoption of IFRS - Note 2
- Critical accounting estimates and judgements - Note 3
- Segment information - Note 4
- Revenue - Note 5
- Depreciation, amortization and impairment losses - Note 8
- Intangible assets - Note 13
- Property, plant and equipment - Note 14
- Right of use assets - Note 15
- Deferred tax assets - Note 11
- Accounts receivables - Note 17
- Work in progress - Note 18
- Lease liabilities - Note 20
- Convertible loan - Note 21
- Prepayments from customers - Note 18
- Financial risks - Note 22
- Events after the reporting date - Note 23

Note 3 – Staff costs

DKK'000	2021	2020
Wages and salaries	21,694	15,175
Share-based payments	1,161	635
Pensions	1,249	527
Other social security costs	218	90
Other staff costs	397	195
	24,719	**16,622**
Capitalized wages and salaries	(2,525)	(2,566)
Staff costs	**22,194**	**14,056**
Average number of employees	32	22

Key management compensation

For information regarding key management compensation, please refer to note 6 in the consolidated financial statements.

Share-based payments

For information regarding share-based payment, please refer to note 7 in the consolidated financial statements

NOTES

Note 4 - Financial income

DKK'000	2021	2020
Interest income	3	-
Gain on foreign exchange	77	62
	80	**62**

Note 5 - Financial expenses

DKK'000	2021	2020
Interest expense	123	114
Interest expense on lease agreements	60	-
Interest expense on convertible loan agreement	1,022	-
Borrowing costs	207	-
Loss on foreign exchange	57	4
Other financial expenses	43	18
	1,512	**136**

Note 6 - Income taxes

DKK'000	2021	2020
Current tax for the year	865	634
	865	**634**

For deferred tax assets, refer to note 11 in the Group's financial statements.

Note 7 – Investments in subsidiaries

DKK'000	2021	2020
Cost at the beginning of the year	79	79
Cost at the end of the year	**79**	**79**
Carrying amount at the end of the year	**79**	**79**

Name of subsidiary (In thousands)	Place of business	Owner-ship %	Currency	Profit/ loss	Equity
Konsolidator AB	Sweden	100%	SEK	-	52
Konsolidator Ltd	United Kingdom	100%	GBP	-	-

NOTES

Note 8 – Other liabilities

DKK'000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Employee liabilities	2,800	2,051	1,341
Liability to public authorities	650	59	(33)
Misc. current liabilities	40	-	-
Other liabilities	**3,490**	**2,110**	**1,308**
Non-current other liabilities	1,849	1,284	416
Current other liabilities	1,641	826	892
Other liabilities	**3,490**	**2,110**	**1,308**

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

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

DKK'000	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Within 1 year	1,641	826	892
Between 1-5 years	530	-	-
After 5 years	1,319	1,285	416
Total future cash outflow	**3,490**	**2,111**	**1,308**

NOTES

Note 9 – IFRS impact

By reference to note 2, below statements covers the IFRS conversion impact on the income statement and statement of comprehensive income including the IFRS conversion impact on statement of financial positions. Periods are mentioned in the statements.

DKK'000	Note	2020 Local GAAP	IFRS impact	2020 IFRS
Impact on income statement and statement of comprehensive income Jan. - Dec. 2020				
Revenue		7,608	-	7,608
Variable costs		(2,533)	-	(2,533)
Contribution		**5,075**	**-**	**5,075**
External expenses		(6,103)	-	(6,103)
Staff costs	2	(13,421)	(635)	(14,056)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(14,449)**	**(635)**	**(15,084)**
Depreciation, amortization and impairment losses		(498)	-	(498)
Earnings before interest and tax (EBIT)		**(14,947)**	**(635)**	**(15,582)**
Financial income		62	-	62
Financial expenses		(136)	-	(136)
Profit/loss before tax		**(15,021)**	**(635)**	**(15,656)**
Corporation tax for the year		634	-	634
Profit/loss for the year		**(14,387)**	**(635)**	**(15,022)**
Other comprehensive income for the year, net of tax		**-**	**-**	**-**
Total comprehensive income for the year		**(14,387)**	**(635)**	**(15,022)**

NOTES

Note 9 – IFRS impact (continued)

DKK'000	Note	31 Dec. 2020 Local GAAP	IFRS impact	31 Dec. 2020 IFRS
Impact on statement of financial position Jan. 1 2020 - Dec. 31 2020				
ASSETS				
Completed development projects		4,597	-	4,597
Patents, licenses and other rights		515	-	515
Developing projects in progress		2,557	-	2,557
Intangible assets		**7,669**	**-**	**7,669**
Fixtures and fittings, other plant and equipment		44	-	44
Property, plant and equipment		**44**	**-**	**44**
Investments in subsidiaries		79	-	79
Deferred tax assets		1,213	-	1,213
Other receivables		177	-	177
Financial assets		**1,469**	**-**	**1,469**
Total non-current assets		**9,182**	**-**	**9,182**
Accounts receivables		799	-	799
Work in Progress		121	-	121
Intercompany receivables		218	-	218
Tax receivables		634	-	634
Prepayments		136	-	136
Receivables		**1,908**	**-**	**1,908**
Cash and cash equivalents		**18,417**	**-**	**18,417**
Total current assets		**20,325**	**-**	**20,325**
Total assets		**29,507**	**-**	**29,507**

DKK'000	Note	31 Dec. 2020 Local GAAP	IFRS impact	31 Dec. 2020 IFRS
Impact on statement of financial position Jan. 1 2020 - Dec. 31 2020				
EQUITY AND LIABILITIES				
Share capital		618	-	618
Share premium		-	-	-
Reserves	2	5,580	902	6,482
Retained earnings	2	20,183	(902)	19,281
Equity		**26,381**	**-**	**26,381**
Employee liabilities		1,284	-	1,284
Non-current liabilities		**1,284**	**-**	**1,284**
Bank loans		36	-	36
Prepayments from customers		121	-	121
Accounts payable		637	-	637
Intercompany liabilities		222	-	222
Other liabilities		826	-	826
Current liabilities		**1,842**	**-**	**1,842**
Total liabilities		**3,126**	**-**	**3,126**
Total equity and liabilities		**29,507**	**-**	**29,507**

NOTES

Note 9 – IFRS impact (continued)

DKK'000	Note	1 Jan. 2020 Local GAAP	IFRS impact	1 Jan. 2020 IFRS
Impact on statement of financial position January 1, 2020				
ASSETS				
Completed development projects		2,625	-	2,625
Patents, licenses and other rights		188	-	188
Developing projects in progress		2,036	-	2,036
Intangible assets		**4,849**	**-**	**4,849**
Fixtures and fittings, other plant and equipment		9	-	9
Property, plant and equipment		**9**	**-**	**9**
Investments in subsidiaries		79	-	79
Deferred tax assets		1,213	-	1,213
Other receivables		100	-	100
Financial assets		**1,392**	**-**	**1,392**
Total non-current assets		**6,250**	**-**	**6,250**
Accounts receivables		248	-	248
Work in Progress		103	-	103
Intercompany receivables		442	-	442
Tax receivables		436	-	436
Other receivables		1	-	1
Prepayments		198	-	198
Receivables		**1,428**	**-**	**1,428**
Cash and cash equivalents		**6,233**	**-**	**6,233**
Total current assets		**7,661**	**-**	**7,661**
Total assets		**13,911**	**-**	**13,911**

DKK'000	Note	1 Jan. 2020 Local GAAP	IFRS impact	1 Jan. 2020 IFRS
Impact on statement of financial position January 1, 2020				
EQUITY AND LIABILITIES				
Share capital		588	-	588
Share premium		18,862	-	18,862
Reserves	2	3,635	267	3,902
Retained earnings	2	(11,052)	(267)	(11,319)
Equity		**12,033**	**-**	**12,033**
Employee liabilities		416	-	416
Non-current liabilities		**416**	**-**	**416**
Prepayments from customers		61	-	61
Accounts payable		509	-	509
Other liabilities		892	-	892
Current liabilities		**1,462**	**-**	**1,462**
Total liabilities		**1,878**	**-**	**1,878**
Total equity and liabilities		**13,911**	**-**	**13,911**

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 2021.

The consolidated financial statements and the Parent Company 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, 2021, and of the Group's and Parent Company's operations and cash flows for the financial year 2021.

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, 2022

MANAGEMENT

Claus Finderup Grove CEO	Jack Skov CFO

BOARD OF DIRECTORS

Søren Elmann Ingerslev Chairman	Jesper Eigen Møller	Karin Cecilia Hultén

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 01.01.2021 - 31.12.2021, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting 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 31.12.2021, and of the results of their operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting 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 under the Danish Financial Statements Act.

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 requirements of the Danish Financial Statements Act. 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 International Financial Reporting 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, 9 February 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Claus Jorch Andersen
State-Authorised Public Accountant
Identification No (MNE) mne33712

Anders Theilgaard Iversen
State-Authorised Public Accountant
Identification No (MNE) mne47797

DEFINITIONS

ANNUAL RECURRING REVENUE (ARR)

Annual recurring revenue is a subscription economy metric that shows the money that comes in every year for the life of a subscription (or contract). More specifically, ARR is the value of the recurring revenue of a business' term 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.

CUSTOMER LIFETIME VALUE (CLTV)

Customer lifetime value is the value of the recurring profit streams of a given customer less the customer acquisition cost (CAC). The CLTV is calculated by multiplying the customers ARR by the contribution margin and then divide the number by the churn rate.

CHURN

Churn is a measure of the 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 subscription period ends. The amount is divided by the average of the ARR at the beginning of the period and the end of the period. At Konsolidator, all kinds of losses of customers are included, for example:

- The customer has gone bankrupt
- The customer has been acquired by another group
- The customer wants to use a different consolidation tool
- The customer goes back to Excel

CUSTOMER ACQUISITION COST (CAC)

This is the cost related to acquiring a customer. In other words, CAC refers to the resources and costs incurred to acquire an additional customer. At Konsolidator all costs for Marketing and Sales including staff costs are included in the Customer Acquisition Cost.

The CAC payback period is a statement in months, of the time to fully payback sales and marketing costs.

NET RETENTION

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

This churn metric gives a comprehensive view of positive as well as negative changes with respect to customer retention.

ENTERPRISE RESOURCE PLANNING (ERP)

Enterprise resource planning is defined as the ability to deliver an integrated suite of business applications.

ERP tools share a common process and data model, covering broad and deep operational end-to-end processes, such as those found in finance, HR, distribution, manufacturing, service and the supply chain.

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.

INITIAL PUBLIC OFFERING (IPO)

An initial public offering refers to the process of offering shares of a private corporation to the public in a new stock issuance. An IPO allows a company to raise capital from public investors.

COMPANY INFORMATION

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ESTABLISHED
August 24, 2014

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Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no.: 33 96 35 56

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Or follow us