

Half-year report 2023

January 1 - June 30, 2023

Company announcement no 19-2023 August 10, 2023



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INVESTOR WEBINAR

On August 11, 2023, at 13.00 (CET) an investor webinar will be held. [Sign up here.](#)

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KEY FINANCIAL VALUE DRIVERS H1 2023

Increased revenue of 20% and lower costs has resulted in an improved EBIT loss for H1 2023 compared to H1 2022 of 51%. ARR increased by 20% for H1 2023 compared to 45% for H1 2022. The low net ARR growth in Q2 2023 impacted the SaaS metrics negatively for H1 2023.

Revenue
(DKK)

9.4m

H1 2022: DKK 7.8m

ARR
(DKK)

18.7m

H1 2022: DKK 15.6m

CAC/net ARR increase

56mth

H1 2022: 44 months

Churn

9.2%

H1 2022: 8.1%

EBIT loss
(DKK)

6.5m

H1 2022: DKK 13.3m

Growth in ARR

20%

H1 2022: 45%

Net ARR increase/
Cash burn

0.2x

H1 2022: 0.2x

Net retention

100index

H1 2022: 102 index

LETTER FROM THE CEO

LOW NET ARR GROWTH IMPACTS FINANCIALS AND SaaS METRICS

Net ARR in Q2 2023 only increased by DKK 0.1m reaching DKK 18.7m on June 30, 2023. On a year-on-year basis ARR increased by 20%. The net ARR growth in Q2 2023 did not live up to our expectations, and with the expected churn in H2 2023, we have lowered our expectations for 2023 and 2024.

The second quarter of 2023 has been tough. We have been extremely busy securing the necessary capital, developing new functionalities, and adapting the organization. As of June 30, 2023, we count 24 talented full-time employees, which can be compared to 38 full-time employees on June 30, 2022.

In June 2023 the directed share issue was finalized and in July 2023 the loan agreements were signed totaling net proceeds of DKK 33.3m securing positive equity and additional capital of DKK 6m compared to our original capital restructuring plans.

We are not satisfied with the net ARR growth in Q2 2023 of DKK 0.1m. The churn in Q2 2023 has been

high compared to Q2 2022 which together with a low sales conversion rate have impacted our net ARR growth negatively. However, we remain positive about the market potential for Konsolidator® as our pipeline remains strong and the sales conversion rate is expected to return to previous levels during H2 2023. Furthermore, we continue to invest in channel sales and sales to audit firms. Investments in our customer success team as well as product development are expected to improve churn and upsale to existing customers during 2024.

8 new customers in Q2 2023

In Q2 2023, we signed 8 new customers compared to 22 new customers in Q2 2022, and the net increase in

ARR totaled DKK 0.1m compared to DKK 1.3m in Q2 2022. It has been a difficult quarter for our sales department, having suffered from a less-than-optimal staffing situation. The problem is now resolved as the sales team is back to normal for the second half of 2023.

The staffing situation in H1 2023 caused a lower conversion rate of sales meetings turning into customers. We are still in line with expectations, as the net ARR increased by 20% (YoY) to DKK 18.7m on June 30, 2023. We are positive about H2 2023 and 2024 as the pipeline remains strong. During H2 2023 we expect our conversion rate will return to previous levels.



» We have spent a lot of management time on the capital restructuring process which now will be converted into hard core sales work. I am excited to be back talking to potential customers and we have an important task securing that our free trial customers become actual customers.

CLAUS FINDERUP GROVE
CEO

Net retention

During Q2 2023, the net retention was at index 100, corresponding to the upsale against downsale and churn on existing customers were equal. The annualized churn increased to 9.2% compared to 8.1% on June 30, 2022, but is still within expectations for 2023.

We have experienced an increase in churn in Q2 2023 which has impacted our net retention negatively for H1 2023 and the churn for the remaining financial year is also impacting our net ARR and net retention negatively. The increased inflation and a stronger cost focus from especially smaller customers have increased churn. Furthermore, we have been lacking resources in our customer success department, which now have been solved. We expect this will reduce churn in 2024 and onwards.

Utilizing emerging technologies - OpenAI

To ensure Konsolidator® remains competitive, our engineering department continuously works on different improvements and updates. In June 2023, we were very proud to announce the release of an AI-powered mapping module, which reduces time significantly during the onboarding process. By utilizing emerging technologies like OpenAI, we can improve the user experience in Konsolidator®. These improvements will be a significant part toward self-onboarding and the free trial experience.

The share - new market maker agreement

Konsolidator has entered into a market maker agreement with Pareto Securities to promote liquidity in the Konsolidator shares. The agreement started on July 1, 2023, and will improve the spread between the bid and ask prices in the market as well as securing increased liquidity.

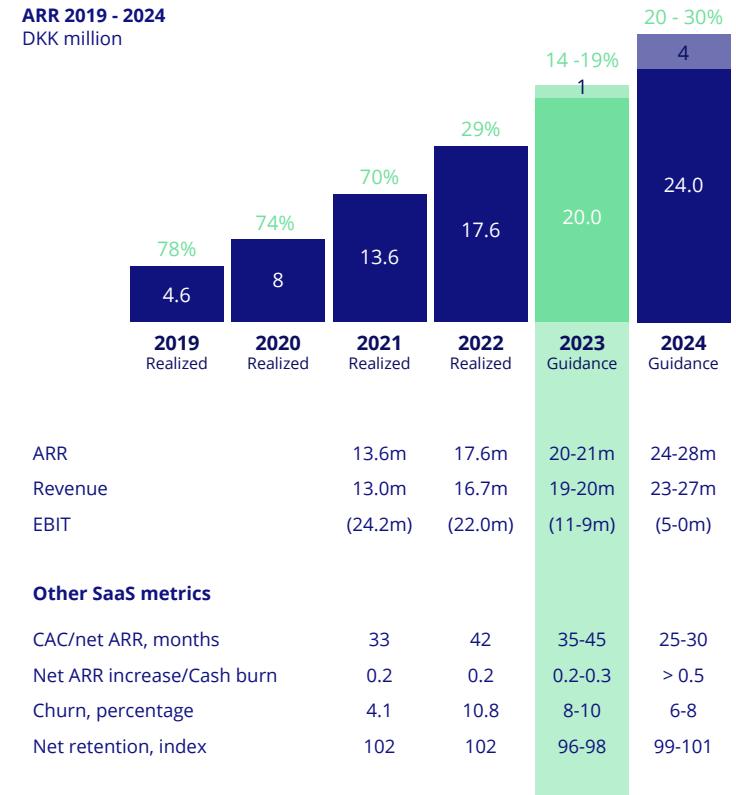
Expectations for 2023 and 2024

Expected churn in H2 2023 and low sales conversion rates in H1 2023 have led to a lowering of our expectations for 2023. The new guidance for 2023 and 2024 is reflected in the table, and further information can be found in company announcement no 18-2023.

The guidance for revenue remains unchanged for 2024. However, the cost base has been adjusted for 2024 and thus our guidance for EBIT has been lowered, as the additional capital raised in June 2023 enables us to invest in channel sales and sales to audit firms in 2024 and invest in product development.

Adjusted guidance

ARR 2019 - 2024
DKK million



SaaS METRICS H1 2023

SaaS METRICS IMPACTED BY TOUGH QUARTER

The Annual Recurring Revenue (ARR) growth was 20% (YoY) - totaling ARR of DKK 18.7m on June 30, 2023. Despite the growth is within the guidance, the SaaS metrics have been impacted by a significant decrease in net growth in ARR comparing H1 2022 to H1 2023.

	Q2 2023	Q2 2022	H1 2023	H1 2022	Outlook 2023
SaaS metrics					
ARR, DKK'000	18,718	15,557	18,718	15,557	20-21m
Net ARR increase, DKK'000	122	1,276	1,168	1,997	2.4-3.4m
CAC / net ARR increase, months	258	36	56	44	35-45
Net ARR increase / Cash burn, times	0.0	0.2	0.2	0.2	0.2-0.3
Churn LTM, percentage	9.2	8.1	9.2	8.1	8-10
Net retention from 1 Jan, index	100	102	100	102	96-98

ARR and growth

ARR increased to DKK 18.7m on June 30, 2023 – equaling a growth of 20% compared to DKK 15.6m on June 30, 2022.

The ARR net increase in Q2 2023 was only DKK 0.1m compared to DKK 1.3m for Q2 2022. For H1 2023 the ARR net increase was DKK 1.2m compared to DKK 2.0m for H1 2022. In H1 2023 Konsolidator signed 18 new customers compared to 38 new customers in H1 2022.

The low net ARR growth is due to lower-than-expected new sales as the sales conversion rate dropped in Q2 2023. With the churn in Q2 2023 the net ARR growth only totaled DKK 0.1m. The sales conversion rate is expected to be back to previous levels during H2 2023. However, the impact of the lower sales conversion rate in Q2 2023 and an increase in churn for H2 2023 mean that the guidance on ARR for 2023 has been adjusted.

CAC divided by net increase in ARR

For H1 2023 CAC/net ARR was 56 months compared to 44 months in H1 2022. For Q2 2023 CAC/net ARR was calculated to 258 months, compared to 36 months in Q2 2022.

ARR is calculated as the net increase in ARR why churn also impacted this SaaS metric. If the metric had been calculated with only new sales it would have been 68 months rather than 258 months.

Net increase in ARR divided by cash burn

The net increase in ARR was DKK 0.1m in Q2 2023 and has been generated at a cash cost of DKK 3.2m, equaling 0.0 times, compared to 0.2 times in Q2 2022. For H1 2023, this metric equals 0.2 times, which is the same on June 30, 2022.

Annualized churn

The annualized churn increased to 9.2% on June 30, 2023, compared to 8.1% on June 30, 2022. Churn has improved from 10.8% on December 31, 2022. The ARR churn for Q2 2023 compared to Q2 2022 has increased. The increase in churn was impacted by a stronger cost focus from especially smaller customers. Furthermore, the attention to current customers have not been ideal, which also impacted churn negatively.

Net retention

The net retention summarized to 100 has been influenced by a higher churn in Q2 2023 than expected, compared to 102 on June 30, 2022. The metric expresses how the recurring revenue from existing customers has developed including both up-sale and churn.

Outlook 2023 and 2024

The guidance for ARR has been adjusted for 2023 and 2024 which also impacts other SaaS metrics. The new guidance is presented in the CEO letter.

FINANCIAL REVIEW H1 2023

SECURING POSITIVE EQUITY

During Q2 2023, the capital injection was finalized securing positive equity. Revenue increased by 20% to DKK 9.4m in H1 2023 and EBIT amounted to a loss of DKK 6.5m compared to a loss of DKK 13.3m last year.

Revenue

For Q2 2023, revenue totaled DKK 4.7m compared to DKK 4.1m for Q2 2022. In the first six months of 2023, the revenue totaled DKK 9.4m compared to DKK 7.8m, which is an increase of 20%. Revenue from subscription fees has increased by 31% compared to the same period last year.

Onboarding and consultancy fees have decreased by 28% compared to H1 2022. This relates to fewer onboardings and less employees performing consultancy work compared to the same period last year. Konsolidator expects to expand the team during H2 2023.

EBIT

EBIT in Q2 2023 summarized to DKK 3.6m compared to DKK 6.7m in Q2 2022. The implemented cost savings are now fully reflected in the numbers. The earnings for the first six months improved by 51% from a loss of DKK 13.3 in 2022 compared to a loss of DKK 6.5m in 2023. The primary reason for the improvement was fewer employees and general cost reduction compared to 2022 as the full-time equivalents (FTE) have decreased from 38 to 24.

Staff costs

Staff costs for Q2 2023 amounted to DKK 5.2m compared to DKK 7.6m in Q2 2022. For the first six months of 2023 the staff costs amounted to DKK 10.2m compared to DKK 14.7m, a cost reduction of 30%. Included in the staff costs are share-based payments which do not have a cash effect.

In May 2023, Konsolidator announced a new warrant program to the employees of the company. The cost to share-based payment programs amounted to DKK 0,9m for H1 2023 compared to DKK 1.1m for the corresponding period for 2022.

External expenses

External expenses amounted to DKK 2.2m in Q2 2023 compared to DKK 2.4m in Q2 2022. For the first six months of 2023 the external expenses decreased from DKK 4.9m in 2022 to DKK 3.7m in 2023, corresponding to 23% compared to H1 2022. The expenses related to Konsolidator's ordinary activities, such as premises, office supplies, marketing costs, consultancy costs, listing costs, etc.

DKK'000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Income statement				
Revenue	4,735	4,056	9,392	7,804
Contribution	4,503	3,820	8,799	7,386
External expenses	(2,213)	(2,384)	(3,742)	(4,883)
Staff costs	(5,198)	(7,638)	(10,218)	(14,698)
EBITDA	(2,908)	(6,202)	(5,161)	(12,182)
EBIT	(3,589)	(6,748)	(6,509)	(13,257)
EBIT before share-based payments	(3,081)	(6,192)	(5,569)	(12,110)
Financial items (net)	(1,012)	(1,073)	(2,013)	(2,084)
Profit/loss for the period	(4,571)	(7,572)	(8,312)	(14,711)
Cash Flow				
Cash flow from operating activities	(3,052)	(4,969)	(4,974)	(10,373)
Cash flow from investing activities	(357)	(1,166)	(1,362)	(2,848)
Cash flow from financing activities	16,344	3,785	17,962	3,646
Net cash flow for the period	12,934	(2,350)	11,626	(9,575)
Balance Sheet				
Intangible assets			13,596	12,630
Cash and cash equivalents			13,091	7,563
Total assets			33,310	28,235
Equity			2,029	(4,662)
Bank loan			-	-
Other key figures and ratios				
Number of employees at the end of the period			21	34
Average number of employees			24	38
Contribution margin			94%	95%
Equity ratio			6%	(17%)
Earnings per share (in DKK)			(0.45)	(0.94)
Earnings per share, diluted (in DKK)			(0.41)	(0.84)

Financial items

Financial items summarized to DKK 1.0m for Q2 2023, which is at the same level as Q2 2022. The financial items for H1 2023 amounted to DKK 2.0m compared to DKK 2.1m last year. The costs are related to interest and other borrowing costs on the convertible loan, entered in September 2021.

Loss for the period

The loss for Q2 2023 was DKK 4.6m compared to a loss of DKK 7.6m in Q2 2022. For the full period, the loss amounted to DKK 8.3m compared to DKK 14.7m in 2022. The improvement of 43% related to both increased revenue and a lower cost base.

Cash flow

Net cash flow for the first six months of 2023 included the net-proceeds from the capital increase of DKK 18.3m leading to a positive cash flow of DKK 11.6m compared to negative DKK 9.6m for the same period in 2022.

Cash flow from operating activities was negative by DKK 5.0m in the first six months of 2023 compared to a negative cash flow for the same period in 2022 of DKK 10.4m. Part of the improved cash flow from operating activities has been the improved EBIT and prepayments from customers related to onboarding and consultancy work as well as signing customers with an annual subscription payment instead of a quarterly.

Cash flow from investing activities for the first six months of 2023 amounted to a negative DKK 1.4m

compared to DKK 2.8m in 2022. Investing activities relate to capitalized development costs and the decrease in investing activities related to a smaller engineering team than previously, due to staff reductions.

Cash flow from financing activities for the first six months in 2023 amounted to positive DKK 18.0m, which related to proceeds from the capital increase of DKK 18.3m. In the same period in 2022, the cash flow from financing activities amounted to DKK 3.6m also relating to proceeds from the capital increase.

Assets

Total assets increased from DKK 22.0m on December 31, 2022, to DKK 33.3m on June 30, 2023, which primarily was related to the capital increase during June 2023.

Intangible assets

The intangible assets mainly relate to development costs incurred developing Konsolidator®. The development costs include capitalized salary costs and costs from external consultants. Completed development projects and development projects in progress amounted to DKK 13.4m on June 30, 2023, compared to DKK 12.8m on December 31, 2022.

Capital structure

In Q2, Konsolidator finalized a share issue totaling DKK 21m. The capital restructuring included a directed issue totaling DKK 18.5m and conversion of debts to shares of DKK 2.5m, which strengthened Konsolidator's capital base and reestablished the equity.

On June 30, 2023, the equity amounted to DKK 2.0m compared to a negative equity of DKK 11.4m on December 31, 2022.

Events after the reporting date

According to company announcement no 17-2023, Konsolidator signed loan agreements which finalized the capital restructuring with the repayment of the convertible loan.

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



» We have successfully finalized our capital restructuring and we can now focus on executing our growth strategy and creating shareholder value.

JACK SKOV
CFO

FINANCIAL STATEMENTS

INCOME STATEMENT

DKK'000	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Revenue	2	4,735	4,056	9,392	7,804
Variable costs		(232)	(236)	(593)	(418)
Contribution		4,503	3,820	8,799	7,386
External expenses		(2,213)	(2,384)	(3,742)	(4,883)
Staff costs		(5,198)	(7,638)	(10,218)	(14,698)
Other operating income		-	-	-	13
Earnings before interest, tax, depreciation and amortization (EBITDA)		(2,908)	(6,202)	(5,161)	(12,182)
Depreciation, amortization and impairment losses		(681)	(546)	(1,348)	(1,075)
Earnings before interest and tax (EBIT)		(3,589)	(6,748)	(6,509)	(13,257)
Financial income		10	37	24	62
Financial expenses		(1,022)	(1,110)	(2,037)	(2,146)
Profit/loss for the period		(4,601)	(7,821)	(8,522)	(15,341)
Corporation tax for the period		30	249	210	630
Profit/loss for the period		(4,571)	(7,572)	(8,312)	(14,711)
<i>Items that will subsequently be reclassified to the income statement:</i>					
Exchange rate adjustments during the period		(3)	49	(3)	49
Other comprehensive income for the period, net of tax		(3)	49	(3)	49
Total comprehensive income for the period		(4,574)	(7,523)	(8,315)	(14,662)
<i>Profit/loss for the period attributable to:</i>					
Shareholders of Konsolidator A/S		(4,574)	(7,523)	(8,315)	(14,662)

CASH FLOW STATEMENT

DKK'000	Note	YTD 2023	YTD 2022
Earnings before interest and tax (EBIT)		(6,509)	(13,257)
Depreciation, amortization and impairment losses reversed		1,348	1,075
Share-based payments reversed		939	1,147
Changes in working capital		(152)	1,824
Cash flows from primary activities		(4,374)	(9,211)
Financial income received		24	113
Financial costs paid		(627)	(1,259)
Income taxes paid/received		3	(16)
Cash flow from operating activities		(4,974)	(10,373)
Payments for intangible assets		(1,309)	(2,692)
Proceeds from disposal of property, plant and equipment		16	-
Payments for property, plant and equipment		(23)	(93)
Changes in other non-current assets		(46)	(63)
Cash flow from investing activities		(1,362)	(2,848)
Proceeds from borrowings		-	17
Lease payments		(392)	(322)
Proceeds from capital increase		18,341	3,944
Changes in other non-current liabilities		12	7
Cash flow from financing activities		17,961	3,646
Net cash flow for the period		11,625	(9,575)
Cash and cash equivalents at the beginning of the period		1,465	17,150
Net cash flow for the period		11,625	(9,575)
Exchange rate adjustments on cash and cash equivalents		1	(12)
Cash and cash equivalents at the end of the period		13,091	7,563

BALANCE SHEET

DKK'000	Note	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
ASSETS				
Completed development projects		12,324	8,880	11,152
Patents, licenses and other rights		106	312	209
Developing projects in progress		1,097	3,369	1,682
Customer lists		69	69	105
Intangible assets		13,596	12,630	13,148
Fixtures and fittings, other plant and equipment		505	740	632
Property, plant and equipment		505	740	632
Rental of premises		2,231	2,582	2,584
Right of use assets		2,231	2,582	2,584
Deferred tax assets		1,213	1,246	1,213
Other receivables		488	451	441
Financial assets		1,701	1,697	1,654
Total non-current assets		18,033	17,649	18,018
Accounts receivable		238	485	794
Work in Progress		63	287	73
Tax receivables		1,294	1,495	1,089
Other receivables		144	82	70
Prepayments		447	674	503
Receivables		2,186	3,023	2,529
Cash and cash equivalents		13,091	7,563	1,465
Total current assets		15,277	10,586	3,994
Total assets		33,310	28,235	22,012

DKK'000	Note	30 Jun. 2023	30 Jun. 2022	31 Dec. 2022
EQUITY AND LIABILITIES				
Share capital		819	631	645
Reserves		6,017	4,954	6,205
Retained earnings		(4,807)	(10,247)	(18,285)
Equity		2,029	(4,662)	(11,435)
Lease liabilities		1,773	2,249	2,159
Other liabilities		1,293	1,332	1,280
Convertible loan		-	22,887	-
Non-current liabilities		3,066	26,468	3,439
Lease liabilities		755	659	736
Convertible loan		22,182	-	23,782
Bank loan		-	17	-
Prepayments from customers		357	242	549
Accounts payable		1,909	1,929	2,089
Corporation tax		-	6	-
Other liabilities		2,323	3,514	2,162
Deferred income		689	62	690
Current liabilities		28,215	6,429	30,008
Total liabilities		31,281	32,897	33,447
Total equity and liabilities		33,310	28,235	22,012

STATEMENT OF CHANGES IN EQUITY

DKK'000	Reserves					Total reserves	Retained earnings	Total equity
	Share capital	Share premium	Share-based payment	Exchange rate adjustments	Financial instrument			
Equity January 1, 2023	645	-	3,981	59	2,165	6,205	(18,285)	(11,435)
Profit/loss for the period	-	-	-	-	-	-	(8,312)	(8,312)
Other comprehensive income	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	(3)	-	(3)	(8,312)	(8,315)
<i>Transactions with shareholders</i>								
Capital increase	153	18,347	-	-	-	-	-	18,500
Costs regarding capital increase	-	(160)	-	-	-	-	-	(160)
Conversion of debt	21	2,479	-	-	(1,124)	(1,124)	1,124	2,500
Transfer to retained earnings	-	(20,666)	-	-	-	-	20,666	-
Share-based payments	-	-	1,001	-	-	1,001	-	1,001
Warrant programs terminated	-	-	(63)	-	-	(63)	-	(63)
Total transactions with shareholders	174	-	938	-	(1,124)	(186)	21,790	21,778
Equity June 30, 2023	819	-	4,919	56	1,041	6,016	(4,807)	2,028

STATEMENT OF CHANGES IN EQUITY (continued)

DKK'000	Reserves					Total reserves	Retained earnings	Total equity
	Share capital	Share premium	Share-based payment	Exchange rate adjustments	Financial instrument			
Equity January 1, 2022	618	-	2,064	(41)	2,165	4,188	103	4,909
Profit/loss for the period	-	-	-	-	-	-	(14,711)	(14,711)
Other comprehensive income	-	-	-	49	-	49	-	49
Total comprehensive income for the period	-	-	-	49	-	49	(14,711)	(14,662)
<i>Transactions with shareholders</i>								
Capital increase	8	2,942	-	-	-	-	-	2,950
Warrant programs exercised	5	1,464	(430)	-	-	(430)	-	1,039
Costs regarding capital increase	-	(45)	-	-	-	-	-	(45)
Transfer to retained earnings	-	(4,361)	-	-	-	-	4,361	-
Share-based payments	-	-	1,282	-	-	1,282	-	1,282
Warrant programs terminated	-	-	(135)	-	-	(135)	-	(135)
Total transactions with shareholders	13	-	717	-	-	717	4,361	5,091
Equity June 30, 2022	631	-	2,781	8	2,165	4,954	(10,247)	(4,662)

NOTES

Note 1. Significant accounting policies

1.1 Basis of preparation

The consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended December 31, 2022, for Konsolidator A/S.

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

Note 2. Revenue

DKK'000	YTD 2023	YTD 2022
Subscription fees	8,328	6,333
Onboarding and consulting fees	1,064	1,471
	9,392	7,804

Note 3. 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 recognised as an expense and allocated over the vesting period with the corresponding effect as a reserve in equity. Previous programs are described in the annual report 2022. During second quarter of 2023 a new program was introduced for all employees.

Employee warrant program May 2023

All employees were awarded warrants in May 2023. As the warrants are vesting over time Konsolidator wants to ensure the retention of key employees. In the employee warrant program of May 10, 2023, the 375,000 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 interim financial report.

The first exercise window starts after the announcement of the annual report for the financial year 2023. The warrants will automatically expire May 10, 2028. The fair value of the warrants issues 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:

Employees warrant program	May 2023
Average share price (DKK)	6.55
Expected volatility rate (% p.a.)	72.11
Risk-free interest rate (% p.a.)	2.52
Expected warrant life (no. of years)	5
Exercise price (DKK)	6.07
Fair value of warrants (DKK'000)	1,125,521

Number of warrants	Board of Directors	Management	Employees	Total
Outstanding warrants January 1, 2023	381,945	250,000	367,227	999,172
Granted	-	-	375,000	375,000
Exercised	-	-	-	-
Cancelled	-	-	(36,971)	(36,971)
Outstanding warrants June 30, 2023	381,945	250,000	705,256	1,337,201

The total vested warrants at June 30, 2023 summarize to 680,911 of the outstanding warrants of 1,337,201.

NOTES

Note 4. Earnings per share

	YTD 2023	YTD 2022
Number of outstanding shares at the end of the period	16.116.675	15,454,546
Average number of outstanding shares	20,475,327	15,777,462
Earnings per share (in DKK)	(0.45)	(0.94)
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Number of outstanding shares at the end of the period, diluted	18,115,847	17,422,155
Average number of outstanding shares, diluted	22,293,641	17,561,169
Earnings per share, diluted (in DKK)	(0.41)	(0.84)

Note 5. 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 is as presented in the Income statement.

Note 6. Key figures and financial ratios

Other ratios are calculated in accordance with the Danish Finance Society "Recommendations & Financial Ratios." Earnings per share (EPS) and diluted earnings per share are calculated in accordance with IAS 33.

Equity ratio	$\frac{\text{Equity}}{\text{Total equity and liabilities}}$
Contribution margin	$\frac{\text{Contribution}}{\text{Revenue}}$
EPS	$\frac{\text{Net Profit}}{\text{Average outstanding shares}}$
EPS diluted	$\frac{\text{Net Profit}}{\text{Average outstanding shares + diluted shares}}$

Note 7. SaaS metrics

SaaS metrics are consistent with the description in annual report 2022 page 68, and are calculated as below:

Net ARR increase/Cash burn	$\frac{\text{Period end ARR} - \text{Beginning period ARR}}{\text{Net cash flow for the period} - \text{Cash flow from financing activities}}$
Net retention	$\frac{\text{ARR} + \text{Upgrades} - \text{Downgrades} - \text{Churn}}{\text{Beginning period ARR}}$
Churn	$\frac{\text{ARR lost over last twelve month}}{\text{Average ARR for the last twelve months}}$
CAC/net increase ARR	$\frac{\text{Customer acquisition costs for the period}}{\text{Net ARR increase}}$

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT

Today, the Board of Directors and Management have considered and approved the interim financial report of Konsolidator for the first six months of 2023.

The interim financial report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

In our opinion, the consolidated interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at June 30, 2023 and of the Group's operations and the consolidated cash flows for the first six months of 2023.

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

Copenhagen, August 10, 2023

MANAGEMENT

Claus Finderup Grove
CEO

Jack Skov
CFO

BOARD OF DIRECTORS

Jesper Eigen Møller
Chairman

Karin Cecilia Hultén

Thomas Bo á Porta

Claus Jul Christiansen

Peter Gath

COMPANY INFORMATION

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Established

August 24, 2014

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For more information,
please visit our website

www.konsolidator.com

Or follow us



About this report:

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