

Konsolidator signs letter of intent to open a sales office in Spain, covering Iberia

Today, Konsolidator has signed a non-binding Letter of Intent (LoI) to open a sales office in Madrid covering Spain and Portugal - the Iberian market. The office will be led by a Spanish country manager and his sales team, who have extensive experience selling financial consolidation software. The final agreement is expected to be finalized in March 2024, and the operation to commence on April 1, 2024.

The business plan outlines the staffing of 5-7 employees located in Madrid, covering all the sales and marketing activities in Spain and Portugal. The expansion to new geographical markets is part of Konsolidator's growth opportunities for 2024, as mentioned in the Annual Report 2023. The business plan for Iberia is built on the expectation that the annual recurring revenue will grow by more than DKK 2m per year after a 3-month start-up phase.

Furthermore, the agreement creates an opportunity for Konsolidator to start selling Konsolidator® in South America.

Final agreement expected in March 2024

The final agreement is expected to be finalized in March 2024, which includes a company established in Spain with Konsolidator A/S owning 60% and the remaining shares owned by local management. The potential investment will impact EBIT negatively in 2024 by DKK 1-2m. The operations and establishment of the subsidiary have a cash flow requirement of approximately DKK 1-2m in 2024 and will be included in the considerations of a capital increase during Q2 2024 as indicated in the Annual report for 2023.

Konsolidator expects that the operations of the new company will be cash flow positive after 2-3 years.

The agreement is part of Konsolidator's growth opportunities for 2024 and will not affect Konsolidator's ARR and revenue guidance for 2024. However, it is expected that the opportunity will impact ARR, revenue and EBIT positively when looking beyond 2024.

Claus Finderup Grove, CEO at Konsolidator comments: *"With this Letter of Intent, we partner up with people we know are highly skilled in financial consolidation together with a local presence in the Iberian region. This cooperation is an exciting growth possibility which eventually could be a door opener to the markets in South America."*

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About Konsolidator

Konsolidator A/S is a financial consolidation software company whose primary objective is to make Group CFOs around the world better through automated financial consolidation and reporting in the cloud. Created by CFOs and auditors and powered by innovative technology, Konsolidator removes the complexity of financial consolidation and enables the CFO to save time and gain actionable insights based on key performance data to become a vital part of strategic decision-making. Konsolidator was listed at Nasdaq First North Growth Market Denmark in 2019. Ticker Code: KONSOL