

## Konsolidator announces new strategy and outlook for 2022-2024

Konsolidator announces a new strategy, **Unfolding the potential**, for the period 2022-2024. Focusing on a more efficient customer acquisition approach, Konsolidator introduced a new pricing model by January 1, 2022 including Free-onboarding and will introduce, Self-onboarding and Free trials during 2022. The new strategy is anchored in a prioritized focus on improving profitability by a tighter cost focus, which impacts the Annual Recurring Revenue (ARR) growth rate. Konsolidator expects an ARR between DKK 37-55m 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.

### Improving important SaaS metrics

The new strategy is expected to improve Konsolidator's profitability and important Software as a Service (SaaS) metrics. Konsolidator estimates an annually 40-60% ARR growth over the three year strategy period compared to previously announced ARR growth of 70-90%. In 2024 Konsolidator expects an ARR in the level of 37-55m up from DKK 13.6m in 2021.

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 customer

In 2022, Konsolidator will guide on ARR and report on the above SaaS metrics.

### Unfolding the potential

Konsolidator's new three year strategy, *Unfolding the potential*, is built on a country Independent plug-and-play software, fully digitalized sales and onboarding proces, and the potential to use piggybacking with cloud ERP systems, referral partners, and auditors as a strategy to enter markets without sales representatives. In H1 2022 Free-onboarding and Self-onboarding will be introduced followed up by Free trial in H2 2022.

The drivers for the strategy are anchored in mega-trends in finance leading to an expansion in the total addressable market. Konsolidator resonates well with global providers of cloud ERP software and with the upcoming Self-onboarding and Free trial, the total addressable market will expand beyond the current key markets in Scandinavia, UK and DACH to all English speaking countries.

### Free-onboarding and Self-onboarding secure competitiveness

Konsolidator also introduces free-onboarding and self-onboarding during the first half of 2022 to extend the Konsolidator® software to a larger target group by reducing onboarding cost and time.

Self-onboarding is yet another step towards growing globally without bottlenecks as it breaks down the barriers of time differences that will otherwise interfere with or prolong the onboarding process.

In Q1 2022, onboarding is offered as online training, but already by Q2 2022, the onboarding converts to fully self-served onboarding, supported by a help center, video tutorials, live and on-demand webinars, replacing the traditional 1:1 onboarding with a one-to-many approach.

Enabling customers to onboard Konsolidator® for free is a way of gaining market shares in the lower customer segment. The customers in this segment are more sensitive towards price and onboarding time and would otherwise be likely to continue their consolidation in Excel. The addressable market will remain the same in Scandinavia, UK and DACH but customers are expected to convert at a higher and faster rate.

Self-onboarding will also increase the profitability as Konsolidator can grow with improved economy of scale.

### Free trial will increase conversion rates

Konsolidator implements a Free trial opportunity during H2, 2022 enabling potential customers to experience the software first-hand before committing. This initiative is expected to increase conversion rates by letting users of cloud ERP systems try out Konsolidator® in a free trial period and testing with their own data.

Reducing complexity in financial consolidation continues to be the core of Konsolidator, with a constant focus on simplifying the user experience to keep the software intuitive and simple. Thus the customers will be able to get started without the assistance of Konsolidator support.

### Free trials also resonates with the growing trend of ERP integration

With the combination of Free trials and the growing trend of cloud ERP systems, like the anglosaxian systems such as Xero, Sage and Quickbooks, Konsolidator taps into a country independent market that resonates well with 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 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.

Building integrations to global cloud ERP systems like Xero, QuickBooks, Sage and Microsoft Business Central is key for Konsolidator to accommodate the demands of both small and large groups, reach a global customer base, and simplify the consolidation process. Further, it gives Konsolidator the possibility to have other sales channels in the cloud ERP systems.

### Launching a new pricing model supports a higher ARR

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

The purpose of pricing Konsolidator® after the customers' group revenue is to set a lower price for smaller groups, which together with Free trial and Self-onboarding makes it possible to attract this market segment. Added services such as IFRS16 software, Business intelligence, IFRS reporting, are key to the new pricing model and will be included over time, generating higher value for customers and grow the net retention rate.

### Unfolding Konsolidator's potential by 2024 and beyond

Combining the current direct personal sales approach, supported by digital marketing and local sales organizations in the core markets, Scandinavia, UK, and DACH with a more efficient approach to the

customer acquisition process as well as the onboarding process, Konsolidator expects to reach an ARR between DKK 37-55m (ARR 2021: DKK 13.6m), corresponding to an annual growth of 40-60 % by the end of 2024. The number of customers is expected to be in the range of 600-900 customers by the end of 2024.

The Konsolidator strategy can be illustrated as follows:

	2019-2021		2022-2024	
	Direct Personal sales		Direct Personal sales	Virtual sales/onboarding
ARR	From 2.6m to 13.6m <i>428% growth</i>		37m - 55m <i>175-310% growth (40-60% annually)</i>	
Number of customers	From 53 to 224 <i>323% growth</i>		600 - 900 customers <i>175-310% growth (40-60% annually)</i>	
Market	Scandinavia, UK, DACH	Scandinavia, UK, DACH	Global	
Sales channels	Company lists Digital campaigns	Digital campaigns Global Audit firms Referral partners	Cloud ERP systems Local Audit firms Referral partners	
Sales meetings	One-to-One	One-to-One	One-to-many / Virtual <i>(no personal contact)</i>	
Onboarding	One-to-One	One-to-One	One-to-many / Virtual <i>Webinars, Video, Tutorials</i>	
<b>Product roll out:</b>				
• Free onboarding	-		1 <sup>st</sup> January 2022	
• Self onboarding	-		Q2 2022	
• Free trials	-		H2 2022	
• ERP integrations	Business Central		Q1 2022: Xero, Sage, QuickBooks	

## Annual report 2021

The Annual Report 2021 will be released on February 9, 2022 including operational, financial and SaaS metrics for 2021.

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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