



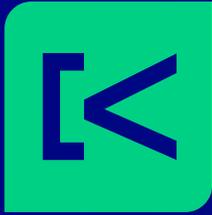
# FINANCIAL CONSOLIDATION MADE SIMPLE



**KONSOLIDATOR**<sup>®</sup>

Company reg. 36078383

ANNUAL REPORT 2022



**Mission:** We make CFOs and auditors better

**Vision:** To become the preferred financial consolidation tool globally

# CONTENTS

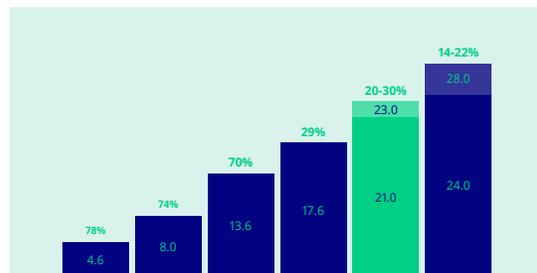


It is all about  
profitable growth

6  
→

## Outlook 2023

22  
→



### 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.

## MANAGEMENT REVIEW

### Introduction

- 4 Konsolidator at a glance
- 5 Key financial value drivers 2022
- 6 Letter from Chairman and CEO
- 8 Key events in 2022

### 9 Financial performance

- 10 Quarterly reporting 2022
- 11 SaaS metrics 2022
- 12 Financial highlights and key figures
- 13 Financial review 2022

### 15 Strategy and outlook

- 16 The strategy and business model
- 18 The market
- 20 The product
- 21 Customer case
- 22 Outlook 2023
- 24 Risk management

### 26 Corporate matters

- 27 Environmental, Social and Governance (ESG)
- 30 Management
- 31 Board of Directors
- 32 Shareholder information

## FINANCIAL STATEMENTS

### 35 Consolidated Financial Statements

- 36 Income statement
- 36 Cash flow statement
- 37 Balance sheet
- 38 Statement of changes in equity
- 39 Notes

### 58 Parent Company Financial Statements

- 59 Income statement
- 59 Cash flow statement
- 60 Balance sheet
- 61 Statement of changes in equity
- 62 Notes

### 65 Statements

- 65 Statement by the Board of Directors and Management on the annual report
- 66 Independent Auditor's report
- 68 Definitions
- 69 Company information

# KONSOLIDATOR AT A GLANCE

Konsolidator makes financial consolidation simple with software that standardizes the process, eliminates errors, and automates calculations. By using the software, finance professionals accelerate and improve their financial consolidation process, and analyze financial trends within their corporate group to improve strategic decision-making.

Konsolidator is a technological pioneer in the field of financial consolidation with a specialized niche solution that empowers finance departments to deliver high-performance reporting with a low dependency degree of consultants. By offering a standardized cloud application for financial consolidation that connects to other applications used by finance professionals, Konsolidator aims to disrupt a market of outdated software technology and manual Excel calculations.

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

## Countries

21  17%  
2021: 18

## Customers

259  16%  
2021: 224

## Employees at year-end

24  33%  
2021: 36



### Collect numbers

Konsolidator® collects financial numbers from accounting systems.



### Prepare consolidated numbers

Konsolidator® prepares consolidated profit and loss statement, balance sheet, cash flow statement, as well as other non-financial numbers.



### Present numbers

Konsolidator® integrates with business intelligence software enabling agile management reporting.



# KEY FINANCIAL VALUE DRIVERS 2022

January – December 2022

Revenue  
(DKK)

16.7<sub>m</sub>

2021: DKK 13.0m

ARR  
(DKK)

17.6<sub>m</sub>

2021: DKK 13.6m

CAC/ARR

42<sub>mth</sub>

2021: 33 months

Churn

10.8%

2021: 4.1%

EBIT loss  
(DKK)

22.0<sub>m</sub>

2021: DKK 24.2m

Growth in ARR

29%

2021: 70%

ARR increase/Cash burn

0.2<sub>x</sub>

2021: 0.2x

Net retention

102<sub>index</sub>

2021: 102 index

Refer to page 68 for definitions on SaaS metrics

## LETTER FROM THE CHAIRMAN AND CEO

# IT IS ALL ABOUT PROFITABLE GROWTH

**In 2022 we quickly responded to the changes in the market, particularly the capital markets. Going into 2023, we are in a good position to become profitable and cash flow positive within a foreseeable future. We still need to attract DKK 5m in equity capital and refinance our convertible loan of DKK 25m, but with an ARR growth rate of an estimated 20-30% in 2023 and an adjusted cost base, we believe we have a strong case.**

We were optimistic entering 2022; we had just delivered 70% ARR growth in 2021, strengthened the organization, and established our UK office. In January 2022, we announced our new three-year strategy *Unfolding the potential* with a more efficient customer acquisition approach. The goal was to develop an

easier customer onboarding to Konsolidator®, where integrations to marketplaces of cloud accounting systems became a central piece of the puzzle. As a result, free trial became an important feature when entering these global marketplaces.

## Changing market conditions

We were in for a surprise only a few months later. Macro-economic uncertainties, increasing inflation, and the war in Ukraine led to longer sales cycles in the beginning of 2022. On top of that, we experienced a significant increase in churn, primarily during the customer's onboarding.

We had to act. In March 2022, we eliminated 7 positions to reduce our cost base - going from 38 to 31 employees. As 2022 progressed, we reduced the cost base even further by closing our Stockholm and London offices, thereby centralizing our sales efforts. As a result, we were 24 employees at the end of 2022.

## Funding, capital structure and going concern

During 2022 we needed to secure funding for our operations. We raised DKK 7m in equity and secured a credit facility at the bank of DKK 2m.

We still need to secure further funding in 2023 in order to continue at the current growth level. However, with the reduced cost base and the expected increase in ARR, we need DKK 5m to secure enough operation capital, which we believe we will in 2023.

On September 1, 2023, the convertible loan of DKK 25m needs to be refinanced. Part of the refinancing is expected to come from a capital increase. The remaining part is expected to be repaid as a loan over a period, within the operating profit.



Jesper Eigen Møller  
Chairman



» **Even in a challenging year, we have been able to achieve results and progress. It requires a strong culture and great adaptability, and I am proud that we have this DNA in Konsolidator. We are now focusing on the many opportunities in 2023 and have high expectations for our new sales setup.**

**CLAUS FINDERUP GROVE**  
CEO

The Financial Statements are prepared after the assumptions, that the capital requirement and the refinancing will be solved, and therefore prepared on a going concern basis. However, material uncertainty exists to the Group's continued operations.

**Operating markets**

In 2022 we signed 69 new customers compared to 94 customers in 2021. However, we also lost 34 customers in 2022 compared to only 8 in 2021.

We have analyzed the reasons behind the much higher churn, and to accommodate this, we standardized the onboarding process even more.

As a result, we could see a decrease in Q4 2022 in churned customers during onboarding.

In 2022, we signed 51 customers in Denmark and the Nordics making them our most successful markets. The UK and Ireland (UKI) market remains a top priority with Q4 2022 being the best quarter ever. We signed 9 customers in the UKI during 2022. DACH is now part of Rest of the World (ROW).

We continued our focus on up-sale to existing customers in 2022. This ensured a growth of 13%, partly due to new partnership agreements with 2 cloud-based software tools: one for budget and planning and another for leasing assets (IFRS 16).

**The product**

For more than 8 years, we have continued our development of Konsolidator®, building a first-class consolidation and reporting system for our customers. Even with a reduced engineering department, we have come a long way. During 2022, we launched 6 integrations to cloud accounting systems and other important features to Konsolidator®.

With 259 customers, we have a proof of concept, and now we need to accommodate increased data and prepare Konsolidator® to become scalable and work with more users. As part of this process, we had software experts from an independent company to look at our software code. They concluded that our

software equals 30-man years of code, and the code is ready to scale.

Data security is our main focus because of our customer's sensitive financial data. In 2022, we received our first audit opinion (ISAE 3402) on our data security, which concluded that we continue to have a secure platform that customers can trust.

**Embarking on 2023**

Leaving 2022 with a reduced cost base, make us optimistic about the future. We will still face challenges in 2023, but the organization is in place to grow our annual recurring revenue between 20-30%. By reducing the cost base, profitability and a positive cash flow are not that far ahead.

Konsolidator Audit® has come off to a good start in 2023, with our current audit customers going live at the end of 2022. We are looking forward to investigating this sales channel even further during 2023.

The potential for Konsolidator to grow globally continues, and the capital risk has been reduced in line with higher revenue and lower cost.

We want to thank our loyal shareholders for their support in a rough year on the capital markets. A special thanks to all our committed employees for understanding the situation and walking the extra mile.



» **The board will continue assisting in harnessing the strategy execution with a strong focus on driving value creation and securing that Konsolidator becomes a profitable and cash-generating business.**

**JESPER EIGEN MØLLER**  
Chairman

# KEY EVENTS IN 2022

## January

- New strategy *Unfolding the potential* and outlook for 2022-2024 announced

## February

- Integrations to leading accounting systems – Xero, Sage, Quickbooks, Fortnox

## April

- Release of free trial
- Secured equity funding of DKK 4m

## May

- Accountex tradeshow in the UK
- Partnership with Leasify offering software for leasing assets
- Strategic partnership with Visma e-conomic

## September

- Partnership with Phocas offering software for budget and planning
- Secured equity funding of DKK 3m and credit facility of DKK 2m

## October

- Release of single sign-on (SSO)
- Listing on the Xero marketplace

## December

- New chairman, Jesper Eigen Møller

## March

- Initiating cost base reductions
- Two new board members - Claus Jul Christiansen and Thomas á Porta



## June

- Warrant program for employees and board members

## August

- New hire – Head of Marketing, Morten Rosenberg

## July

- ISAE 3402 certificate

## November

- Promotion - Head of Sales, Christian Weber



# FINANCIAL PERFORMANCE

10



Quarterly reporting  
2022

11



SaaS metrics 2022

12



Financial highlights  
and key figures

13



Financial review

## QUARTERLY REPORTING 2022

# COST INITIATIVES VISIBLE IN Q4 2022

The last quarter of 2022 included centralizing the sales team in Copenhagen by closing the offices in Stockholm and London. The EBIT loss was DKK 4.9m compared to an EBIT loss of DKK 6.3m in Q4 2021.

## Q4 highlights

Konsolidator signed 16 new customers in Q4 2022 compared to 25 customers in Q4 2021. As part of further cost reductions, Konsolidator reorganized the sales resources in Copenhagen, by closing the offices in Stockholm and London.

Total revenue in Q4 2022 amounted to DKK 4.5m with DKK 3.9m in subscription fees and DKK 0.6m in onboarding and consulting fees. Compared to Q4 2021, Konsolidator saw a decrease of 60% in onboarding and consulting fees related to fewer staff. The subscription fees have increased every quarter in 2022 and compared to Q4 2021 the increase was DKK 1.1m - an increase of 41%.

The staff costs summarized to DKK 5.4m in Q4 2022 a decreased in every quarter in 2022 and compared to Q4 2021 a decrease of DKK 1.7m. The external expenses for Q4 2022 amounted to DKK 2.6m, which is a decrease of DKK 0.3m compared to Q4 2021.

The increase shown in Q4 2022 compared to Q3 2022 is primarily due to one-off costs. Total staff costs and external expenses in Q4 2022 have decreased 21% compared to Q4 2021.

The EBIT loss for Q4 2022 amounted to DKK 4.9m compared to an EBIT loss of DKK 6.3m in Q4 2021, which is an improvement of 22%.

Cash flow from operating activities was negative by DKK 2.9m in Q4 2022, compared to the negative cash flows in Q4 2021 of DKK 6.3m - an improvement of DKK 3.4m. The improvement was a result of the cost base reduction announced in Q1 2022. Cash flow from financing activities amounted to DKK 2.5m, where the capital increase from Q3 2022 of DKK 3m was received. Net cash flow for Q4 2022 was negative by DKK 1.4m compared to negative net cash flow for Q4 2021 of DKK 7.6m.

DKK'000	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Income statement - Highlights</b>					
Subscription fees	3,910	3,661	3,295	3,038	2,768
Onboarding and consulting fees	633	703	761	710	1,602
Revenue	4,543	4,364	4,056	3,748	4,368
Contribution	4,228	4,165	3,820	3,566	4,176
Staff costs	(5,360)	(5,586)	(7,638)	(7,060)	(7,094)
External expenses	(2,560)	(1,895)	(2,384)	(2,499)	(2,882)
Total staff costs and external expenses	(7,920)	(7,481)	(10,022)	(9,559)	(9,976)
EBITDA	(3,693)	(3,316)	(6,202)	(5,980)	(5,799)
EBIT before share-based payments	(4,529)	(3,032)	(6,192)	(5,918)	(5,961)
EBIT	(4,883)	(3,878)	(6,748)	(6,509)	(6,272)
Financial items (net)	(1,013)	(1,104)	(1,073)	(1,010)	(1,013)
Profit/loss for the year	(5,686)	(4,790)	(7,572)	(7,138)	(7,043)
<b>Cash flow - Highlights</b>					
Cash flow from operating activities	(2,897)	(3,378)	(4,969)	(5,404)	(6,325)
Cash flow from investing activities	(936)	(908)	(1,166)	(1,682)	(1,131)
Cash flow from financing activities	2,456	(431)	3,785	(139)	(174)
Net cash flow for the year	(1,376)	(4,718)	(2,350)	(7,225)	(7,630)

\* Quarterly reporting has not been audited. Financial numbers are following accounting polices as mentioned in the Consolidated Financial Statements page 35-39.

## SAAS METRICS 2022

# CONTINUED FOCUS ON SAAS METRICS

The Annual Recurring Revenue (ARR) growth is 29% - totalling an ARR of DKK 17.6m on December 31, 2022. In 2022, the ARR was positively impacted by up-sale to existing customers. However, churn negatively impacted the net retention.

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	YTD 2022	YTD 2021
<b>SaaS metrics</b>						
ARR, DKK'000	17,550	16,591	15,557	14,280	17,550	13,560
Growth in ARR, DKK'000	959	1,034	1,276	721	3,990	5,602
CAC/ARR, months	43	36	36	60	42	33
ARR increase/Cash burn, times	0.3	0.2	0.2	0.1	0.2	0.2
Churn, percentage	10.8	9.7	8.1	7.7	10.8	4.1
Net retention from 1 Jan, index	102	102	102	101	102	102
<b>Customers signed</b>						
Nordics excl. Denmark	9	7	13	5	34	32
Denmark	3	4	5	5	17	35
UKI	4	2	1	2	9	12
Rest of the world	-	3	3	3	9	15

### ARR and growth

ARR increased to DKK 17.6m on December 31, 2022, compared to DKK 13.6m on December 31, 2021. The increase in Q4 2022 was DKK 1.0m compared to DKK 1.0m for Q3 2022, which means a total increase in ARR for 2022 of DKK 4.0m. Churn and a reduced sales team have impacted the ARR growth in 2022.

### CAC divided by ARR

The Customer Acquisition Cost (CAC) divided by ARR has been calculated to 43 months for Q4 2022, compared to 36 months in Q3 2022, and 33 months in 2021. This metric is expected to improve towards 20 months during the strategy period 2022-2024, which means that the cost of acquiring a customer is paid back in less than two years.

### ARR increase divided by cash burn

The net increase in ARR by DKK 1.0m in Q4 2022 has been generated by a cash cost of DKK 3.8m, equalling 0.3 times, compared to 0.2 times in Q3 2022. For 2022, the net increase in ARR of DKK 4.0m has been generated by a cash cost of DKK 21.3m summarizing to 0.2 compared to 0.2 in 2021. During 2022, this metric has improved, which is expected to continue during 2023 following the effects of the cost reduction in 2022 and a reduced churn.

### Churn

The annualized churn increased to 10.8% on December 31, 2022, compared to 4.1% on December 31, 2021. Churn is up from 9.7% on September 30, 2022. The increase in churn is primarily connected to the onboarding process. A less standardized onboarding combined with the effects of a decision to try self-onboarding have resulted in an increase in onboarding churn. During 2022, Konsolidator focused on standardizing the onboarding process even more, as well as improving the user experience in Konsolidator®. The changes have already shown effects in the onboarding churn, and will expect to improve during 2023 and 2024.

### Net retention

Konsolidator has experienced an increase in net retention due to price increases and a continued focus on up-sale to existing customers. The net retention is unchanged in Q4 2022 and amounts to index 102, which was the same in 2021, where Konsolidator started initiatives for up-sales to existing customers. The increase in up-sale comes from partnerships, customers expanding their use of Konsolidator, and price increases. The metric expresses how the recurring revenue with existing customers has developed during 2022.

# FINANCIAL HIGHLIGHTS AND KEY FIGURES

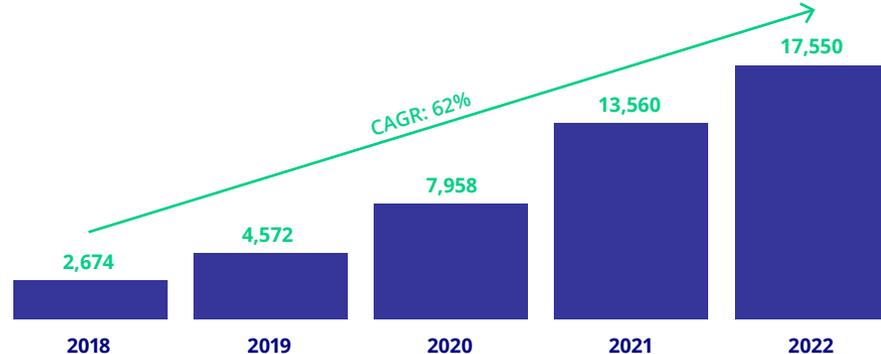
## Revenue distribution

DKK'000



## Annual recurring revenue

DKK'000



DKK'000	IFRS 2022	IFRS 2021	IFRS 2020	Local GAAP 2019	Local GAAP 2018
<b>Income statement</b>					
Revenue	16,711	12,998	7,539	4,699	3,516
Contribution	15,779	12,359	7,209	4,552	3,393
EBITDA	(19,191)	(22,513)	(14,740)	(9,428)	456
EBIT before share-based payments	(19,671)	(22,995)	(14,602)	(9,798)	124
EBIT	(22,018)	(24,156)	(15,238)	(9,798)	124
Financial items (net)	(4,200)	(1,469)	(86)	(120)	(128)
Profit/loss for the year	(25,186)	(24,766)	(14,691)	(8,176)	4
<b>Balance Sheet</b>					
Intangible assets	13,148	10,612	7,669	4,849	3,114
Additions, property, plant, and equipment	165	859	41	-	11
Cash and cash equivalents	1,465	17,150	18,707	6,572	-
Total assets	22,012	36,039	29,561	13,750	3,930
Equity	(11,435)	4,909	26,342	11,710	855
<b>Cash Flow</b>					
Cash flow from operating activities	(16,651)	(20,475)	(14,077)	(6,652)	479
Cash flow from investing activities	(4,692)	(4,931)	(3,431)	(2,188)	(1,077)
Cash flow from financing activities	5,674	23,872	29,604	17,531	(533)
Net cash flow for the year	(15,669)	(1,534)	12,096	8,691	(1,131)
<b>Other key figures and ratios</b>					
Annual recurring revenue	17,550	13,560	7,958	4,572	2,674
Increase in annual recurring revenue	29%	70%	74%	71%	118%
Number of employees at the end of the year	24	36	32	21	5
Average number of employees	32	34	23	14	5
Contribution margin	94%	95%	96%	97%	97%
Equity ratio	(52%)	14%	89%	85%	22%
Earnings per share (in DKK)	(1,60)	(1,60)	(0,98)	(0,56)	na
Earnings per share, diluted (in DKK)	(1,42)	(1,52)	(0,97)	(0,56)	na

FINANCIAL REVIEW 2022

# ADJUSTING THE BUSINESS

In 2022, Konsolidator recognized revenue of DKK 16.7m - an increase of 29%. Konsolidator has continuously adjusted the cost base throughout the year to respond to the current market situation. In 2023, Konsolidator is seeking funding for its operations of DKK 5m and a refinancing solution on the convertible loan.

**Revenue**

For 2022, revenue increased to DKK 16.7m compared to DKK 13.0m for 2021. The improvement of 29% was in line with expectations. The increased churn, fewer onboardings and less resources performing consultancy work, and lower ARR growth have affected the revenue growth compared to previous years.

**EBIT**

EBIT loss summarized to DKK 22.0m in 2022 compared to a loss of DKK 24.2m in 2021. At the end of Q1 2022 Konsolidator eliminated 7 positions.

This caused concern among some employees, who resigned in Q2 and Q3. These were not all replaced but were a part of further cost reductions. In Q3, Konsolidator closed the offices in Stockholm and London to centralize all sales resources in Denmark. All these measures and a tighter cost focus have improved EBIT in 2022. As the cost base remains unchanged in forthcoming years, EBIT is expected to improve in line with revenue growth.

**Staff costs**

Staff costs for 2022 amounted to DKK 25.6m, which is unchanged compared to 2021. Adjusting the cost base

has been the main focus in 2022, where 36 employees in the beginning of the year was reduced to 24 at the end of the year. The average number of employees in 2022 is 32 compared to 34 in 2021. The difference in staff costs per average employee relates primarily to the share-based payments of DKK 2.3m in 2022 compared to DKK 1.2m in 2021.

**External expenses**

External expenses amounted to DKK 9.3m in 2022 compared to DKK 8.9m in 2021. The effect of the cost reduction at the end of Q1 2022 was seen in the second half of 2022. The expenses were related to Konsolidator’s ordinary activities, such as premises,

office supplies, marketing costs, consultancy costs, listing costs, etc.

**Financial items**

Financial items have increased to a cost of DKK 4.2m for 2022 compared to a cost of DKK 1.5m in 2021. The increase covered costs related to interest and other borrowing costs on the convertible loan, entered in September 2021.

**Loss for the year**

The loss for 2022 was DKK 25.2m compared to a loss of DKK 24.8m in 2021. The difference was mainly due to the increased financing costs.

## Highlights

December 31, 2022

Revenue  
DKK

16.7m

2021: DKK 13.0m

EBIT loss before share-based payments  
DKK

19.7m

2021: DKK 23.0m

Employees at year-end  
Headcount

24

2021: 36

### Cash flow

Net cash flow for 2022 was negative by DKK 15.7m, compared to a negative cash flow of DKK 1.5m for 2021.

Cash flow from operating activities was negative by DKK 16.7m in 2022 compared to negative cash flows in 2021 of DKK 20.5m. Part of improving the cash flow from operating activities has been invoicing the onboarding and consultancy work in advance. This has resulted in a decrease of work in progress and an increase in prepayments from customers of DKK 0.6m.

Cash flow from investing activities in 2022 amounted to a negative DKK 4.7m compared to DKK 4.9m in 2022. Investing activities relate to capitalized development costs.

Cash flow from financing activities in 2022 amounted to a positive DKK 5.7m, compared to DKK 23.9m in positive cash flows in 2021. During 2022, Konsolidator received capital amounting to DKK 7m from two direct issues of shares, compared to 2021 where Konsolidator received proceeds from the convertible loan.

### Assets

Total assets fell from DKK 36.0m on December 31, 2021, to DKK 22.0m on December 31, 2022. Cash and cash equivalents amounted to DKK 1.5m on December 31, 2022, compared to DKK 17.2m in 2021.

### 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 12.8m on December 31, 2022, compared to DKK 10.1m on December 31, 2021. Development projects begin amortization when completed.

### Equity

On December 31, 2022, the equity was negative by DKK 11.4m compared to a positive equity of DKK 4.9m on December 31, 2021.

The company has lost more than 50% of the share capital and consequently is covered by §119 of the Danish Companies Act. The company's Board of Directors and Management held an extraordinary general meeting on October 25, 2022, related to handling the company's loss of share capital.

### Going concern

The Board of Directors and Management continuously work on securing adequate funding for the continued growth and international expansion of Konsolidator.

With the current capital situation, Konsolidator must find new capital to continue the current organization. If not, Konsolidator must reduce costs even further. Konsolidator seeks to raise DKK 5m in further equity to secure the cash flow for the operations for 2023.

The convertible loan of DKK 25m is classified as a current liability since the agreement ends on September 1, 2023. Konsolidator is in active dialogue with SaaS loan providers for refinancing the convertible loan as the loan most likely will not be converted into shares.

The Financial Statements are prepared after the assumptions, that the capital requirement and the refinancing will be solved, and therefore prepared on a going concern basis. However, material uncertainty exists to the Group's continued operations.

### Events after the reporting date

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



**» 2022 has been an eventful year in many ways. We have adapted to the current capital market situation by a tighter cost focus and cost reductions during the year to improve our cash flow. We believe we can raise enough equity capital to secure our cash flow and refinance the convertible loan on September 2023.**

**JACK SKOV**  
CFO

# STRATEGY AND OUTLOOK

16



The strategy and  
business model

18



The market

20



The product

21



Customer case  
- The Goat Agency

22



Outlook 2023

24



Risk management

## THE STRATEGY AND BUSINESS MODEL

# EXECUTING THE STRATEGY

Konsolidator continues to focusing on growth through sales to the SME market and through partners, auditors and consultants. Integrations to cloud accounting systems, add-ons, and a simplified onboarding journey are vital components to successfully executing the strategy.

### Unfolding the potential

In January 2022, Konsolidator presented the growth strategy *Unfolding the potential*, covering the three-year period of 2022-2024. The strategy remains at its core, but the revenue growth is expected to be lower due to less resources.

Throughout the year, Konsolidator gradually adjusted the execution of the strategy, and the financial expectations for the strategy period as reducing resources in sales and engineering departments were necessary.

The revised strategy means lower topline growth and a stricter focus on profitable geographic markets or

markets where profitability can be reached within 12 months.

By the end of 2023, Konsolidator expects an ARR between DKK 21-23m, corresponding to an annual growth of 20-30%. Konsolidator expects ARR between DKK 24-28m by the end of 2024.

The growth strategy is based on an international roll-out with standardized country-independent software, online promotion and sales, easy onboarding, free trials, integrations to cloud accounting systems, product add-ons, and an extended partner distribution channel.

To realize the global potential, Konsolidator will continue to focus on growth and divide the growth strategy into selling Konsolidator as:

- Konsolidator® for SMEs (Small and Medium-sized Enterprises). A segment of English-speaking countries that has adopted cloud technology.
- Konsolidator Audit® for audit firms and consultants

### Continuous growth with global adaption of cloud accounting systems

In line with the increased global adaption to cloud accounting systems, Konsolidator has developed 6 integrations for some of the most widespread solutions: Xero, Sage, QuickBooks, Fortnox, Microsoft Business Central and Visma e-conomic. More integrations will continue to be added with Exact and F&O expected to be next in line.

These integrations lift the customer value of Konsolidator tremendously as the entire process of uploading data to Konsolidator is automatized and the risk of errors in the upload process is reduced to almost zero.

Further, Konsolidator released a new price edition in April 2022 for users of cloud accounting systems making Konsolidator attractive as a price-competitive consolidation tool with fast onboarding. In addition to the ordinary digital marketing to customers, Konsolidator is promoted on marketplaces (app stores) for cloud accounting systems.

Konsolidator released free trials for all integrations, where users of cloud accounting systems could rapidly integrate their data sources with Konsolidator and test the software as a proof of concept before committing to a subscription.

### Improving the onboarding process to increase customer satisfaction and reduce churn

Konsolidator saw an increase in churn in 2022, mainly during the onboarding process. The Customer Experience team have thoroughly analyzed the causes and made adequate adjustments. The main issue was the high growth in 2021 together with the reduction of resources in the Onboarding and Consultancy team.

The adjustments are centralized around easing and shortening the onboarding process, where an improvement of the onboarding process has already been seen for new customers.

### Increasing sales through the partner channels

Konsolidator has built a referral partner program with 40 international partners. In combination with the direct sales approach, Konsolidator continues to establish an international and cost-effective sales channel through partners in cloud accounting systems by getting listed on market places (app stores), and selling Konsolidator® through customers' current cloud accounting systems.

In October 2022, Konsolidator got listed on the Xero app store and is now present at Xero, Microsoft Business Central, Visma e-economic, and expects to be on Fortnox in 2023.

**Add-on app**

An essential part of Konsolidator’s strategy is to provide value-added applications on top of Konsolidator to address different customer needs without changing the software’s core and expand the total addressable market.

The core of Konsolidator is financial consolidation and reporting. In this category, the software is best-of-breed, meaning it is designed for this exact purpose and performs specialized functions better than a suite solution that offers a broad system to handle many various tasks. Konsolidator’s strategy is to give customers a best-of-breed solution in all business areas and increase the features and abilities of Konsolidator with integrations and add-ons. In 2022 Konsolidator signed partnership agreements with two cloud-based software companies. This makes it possible to increase customer value by adding a budget and planning add-on and a leasing management add-on.

**Up-sale**

During 2022 Konsolidator increased its sales to existing customers to improve net retention. Up-sale comes from add-ons, integrations to cloud accounting systems, and security features, like Single Sign On (SSO).

In November 2022, Konsolidator launched a marketplace for their customers that contains an add-on catalog and a selection of recommended partners in specific business areas. The platform serves as a channel to sell and increase digital consultancy services.

**Sales excellence**

Konsolidator started building a framework for sales excellence in August 2022 to standardize sales operations. Creating an ideal operating model for the sales process, and developing the sales team to improve the communication of the customer value creation will in return lower the Customer Acquisition Cost (CAC).

As part of the sales excellence framework, Konsolidator initiated a sales academy with the aim to standardize the sales processing order to

- Motivate staff to learn and develop through best practices sales training
- Increase daily productivity
- Create a framework for a higher meeting to customer conversions
- Shorten the time to value for new employees
- Transparency in the sales process for better feedback
- Transparency in the internal promotion process



» We are designing a sales academy that creates a common and consistent language for our sales team to better understand the customer value and efficiently achieve long-term growth and revenue goals.

**CHRISTIAN WEBER**  
Head of Sales



## THE MARKET

# GROWING THROUGH PARTNERS

Konsolidator combines internal sales resources with strategic partnerships with referral partners, audit firms, and marketplaces (app stores) to give Konsolidator more exposure globally.

### **Centralizing and standardizing sales for the main markets**

Konsolidator's software is standardized and can be sold internationally without any modifications. Konsolidator divides the market globally into different regions. The main markets where Konsolidator

focuses its sales efforts and resources are the Nordics and the UK & Ireland. DACH has become part of the segment RoW (rest of the world) and continues to be an interesting market. Sales activities within this market is developed through partner sales and inbound requests. RoW includes countries that are

not referred to in a direct sales approach but consist of inbound customer requests and the sales partner channel.

For each of the main markets, Konsolidator has dedicated sales resources that oversee the overall sales objectives and is responsible for business development and revenue growth. Each market attracts leads and customers through paid advertising online through LinkedIn and Google, personalized campaigns, and data-driven sales nurturing.

In Q4 2022, Konsolidator reorganized to gather all sales resources in Copenhagen and closed the local offices in Stockholm and London to reduce costs. Covid-19 has also changed the nature of sales from physical meetings to virtual meetings. When all sales staff are in the same office and closer to the rest of the business, it creates a common foundation for more effective cross-functional collaboration.

### Using marketplaces of cloud accounting systems as sales channels

An essential part of Konsolidator's partner strategy is to grow through relationships with others by building strategic partnerships with cloud accounting systems and getting listed on their marketplaces (app stores).

This way, Konsolidator markets and sells its software to the global audience of users of cloud accounting systems. In 2022, the Danish provider Visma e-conomic and the global provider Xero approved and

added Konsolidator to their internal marketplaces. All marketplaces serve as app recommendation platforms, making it easy for users to buy the right apps to run their businesses.

Getting approved by Xero and listed on their marketplace gives Konsolidator an additional sales channel to reach UK customers and other Anglo-Saxon Xero markets. Since being listed on the Xero marketplace, Konsolidator has received trial requests from the UK, Australia, and Canada.

In 2023, Konsolidator aims to be listed on all marketplace platforms for the remaining integrations Fortnox, Sage, and QuickBooks, and utilize these sales channels to create awareness, build trust, and cost-effectively penetrate new markets.

### Growing the referral partner channel

Since 2021, Konsolidator has been developing a sales channel through sales and referral partners to grow its network and build brand awareness in new markets at a low cost.

Referral partners act as affiliates in promoting Konsolidator® to potential customers globally. The program works especially well in distant areas such as South Africa, Middle East, and Oceania.

In 2022, Konsolidator expanded the referral partner channel and gained a more robust distribution network.

### Increasing audit sale

Konsolidator Audit® can add value to audit firm and consultants in different ways. Konsolidator sees an increased interest around the world from auditors and consultants to work smarter in the cloud. Through Konsolidator Audit® it is possible for auditors and consultants to deliver more value to their clients.

Konsolidator has three Konsolidator Audit® customers that have proven the software's value in audit practices. Konsolidator aims to use these references to grow the client base within the audit segment in 2023.

## Konsolidator Audit® is used in different ways by global and local audit firms and consultants within following products:

- Konsolidator Audit®**  
 For auditors who do the annual consolidation and reporting for their clients.
- Konsolidator®**  
 For internal consolidation when an audit firm is a group and require internal consolidation and reporting.
- CaaS Partners**  
 A CaaS partner is an audit firm or consultant that provides monthly closing services and use Konsolidator® for consolidation, reporting and financial data warehouse.
- Sales and/or onboarding partners**  
 Sale and/or onboard Konsolidator® for clients.
- Referral partners or ambassadors**  
 Recommending Konsolidator with or without a referral fee.

## THE PRODUCT

# IMPROVING THE USER JOURNEY

The three value streams of Konsolidator's software are collection of numbers, preparation of consolidated numbers, and presentation of numbers. By the CPP approach (collect, prepare, present), Konsolidator continues to optimize and strengthen each part of the user journey developing functionality that increases customer value.

### Optimizing the user journey

The core focus for the engineering department, that covers the development of the software, is on performance, user interface (UI), user experience (UX), data security, and improved visualization.

Reducing complexity and increasing simplicity in financial consolidation continue to be the core of Konsolidator. Konsolidator expects to strengthen the software significantly during 2023 by developing integrations to cloud accounting systems, creating a simpler and more intuitive onboarding process, increasing the software performance to calculate

faster, developing advanced intercompany module, and providing better visualization of numbers.

### New product releases in 2022

Besides preparing a new account uploading module, Konsolidator has also been able to release other product improvements.

### Integrations for cloud accounting systems

Konsolidator released four new integrations for cloud accounting systems such as Xero, Sage, QuickBooks, and Fortnox. More integrations will

continue to be added with Exact and F&O expected to be next in line.

### Free trial

Konsolidator released a free trial for its six integrations. With a free trial, cloud users of cloud accounting systems can integrate their financial data with Konsolidator and test the software with assistance from Konsolidator. Potential customers who do not operate on cloud accounting systems and, therefore, can not use integrations to synchronize their data can test Konsolidator in a demo environment with prepared data.

### Add-ons

Konsolidator entered partnership agreements with two cloud-based software companies. The agreements makes it possible for Konsolidator to increase customer value by offering budget and planning add-on and a leasing management add-on.

### Security

Konsolidator received an ISAE 3402 certificate related to internal security controls, which is an expression of the credibility linked to the software.

Konsolidator released the product feature Single Sign-On (SSO). This authentication method enables users to securely log in to multiple enterprise systems using just one username and password.

### Self-onboarding

Konsolidator released self-onboarding in January 2022 to scale the process, as self-onboarding should enable users to onboard the software themselves without any interference from Konsolidator. During a testing phase, Konsolidator found that self-onboarding was released prematurely and has ceased this offering at the current state. Together with above mentioned process around the onboarding process, Konsolidator is also strengthening the process by developing better user experience (UX), and improved user interface (UI). Whether fully self-onboarding is returning is yet to be decided but the free-trial offering will remain and continuously be improved.

## CUSTOMER CASE

# VISIBA CARE

Konsolidator eases the daily workload and enables strategic business decisions.

Visiba Care became a Konsolidator customer in 2021

Before, Visiba Care had difficulty streamlining data and standardizing reporting methods. Due to the different ERP systems within the group, it was hard pulling streamlined data from all subsidiaries. Today Konsolidator streamlines, structure, and store the group's financial data.

According to Visiba Cares' Group CFO, Konsolidator's true value is the 100% data control that the system gives the finance team. Furthermore, this enables them to answer any questions from management and the board.

## Reported Gains

- 75 % faster financial consolidation.
- Updated forecasts in 15 minutes.
- 100 % control of own data.
- Able to manage multiple ERP systems.
- Flexibility to scale when making acquisitions.
- All data combined into database.

**» For 20 years, I have worked as a finance professional, and I have always had a target I could not reach due to the lack of data control. But now, I have reached the target because we have full control of our data. That means I can answer whatever question I get from management and can present trustworthy reports build on reliable data.**

JON GUSTAFSSON  
CFO



Visiba care is an award-winning virtual healthcare platform that makes it easy for patients to get in touch with healthcare whenever needed. The company was founded in 2014 by four Swedish entrepreneurs.

Visiba Care is a group of 4 subsidiaries with customers in four different markets. Their platform is mainly used by large healthcare organizations.

OUTLOOK 2023

# DOUBLE DIGIT GROWTH AT LOWER COST BASE

Continuing the strategy 2022-2024, *Unfolding the potential*, Konsolidator expects an increase in ARR to DKK 21-23m and revenue of DKK 20-22m for 2023. The EBIT loss for 2023 is expected to be DKK 8-5m.

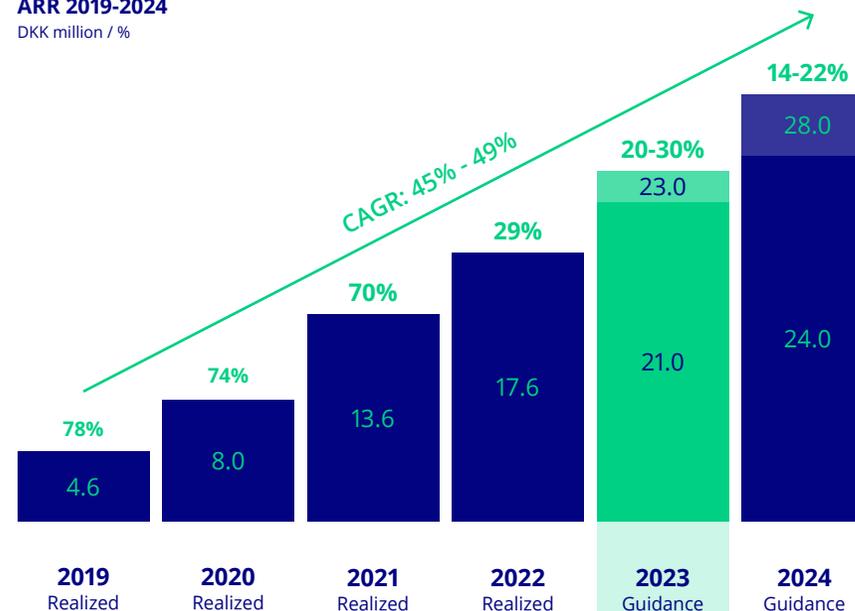
In the annual report for 2021 the ARR outlook for 2022 was between DKK 19-22m and revenue outlook between DKK 18-22m. The outlook for EBIT in the annual report for 2021 was projected at a loss of DKK (23-18m). During 2022 the outlook was changed, last following the release of the Q3 interim report.

In 2022, Konsolidator realized revenue of DKK 16.7m and ARR of DKK 17.6m, corresponding to 29% growth

in both revenue and ARR which was in line with expectations announced in the Q3 interim report. The EBIT loss of DKK 22m was also in line with expectations announced in the Q3 interim report.

Konsolidator expects an annual recurring revenue of DKK 21-23m at the end of 2023, corresponding to a growth rate of 20-30%. In 2023, Konsolidator expects the revenue to be between DKK 20-22m, and an EBIT loss between DKK 8-5m.

ARR 2019-2024  
DKK million / %



<b>Revenue and ARR</b> Growth rate	70%	29%	20-30%	14-22%
<b>ARR</b> DKK	13.6m	17.6m	21-23m	24-28m
<b>Revenue</b> DKK	13.0m	16.7m	20-22m	23-27m
<b>EBIT</b> DKK	(24.2m)	(22.0m)	(8-5m)	0-10m

### Assumptions for 2023 financial outlook

The outlook is based on the assumptions as described below, which reflects the expected growth of 20-30% in ARR and revenue.

The ARR growth of 20-30% will come from our primary markets:

- Denmark
- The Nordics excl. Denmark
- United Kingdom and Ireland
- Rest of the world

The marketing and sales efforts will mainly be focused on the first three markets. Rest of the world is primarily served by sales partners and inbound requests.

Customer Experience has analyzed the reasons behind the high onboarding churn and made adequate adjustments in order to ease and shorten the onboarding process. Customers have already embraced the improved process, but the full effect will not materialize until 2024. The onboarding and consultancy services are based on hourly invoicing, and it is expected that the Customer Experience team will be able to become profitable during 2023.

The product engineering team has been reduced to a level where it can support the company by maintaining the current code, improving performance, and introducing smaller new features. Larger development projects are postponed until financing can be achieved or outsourced.

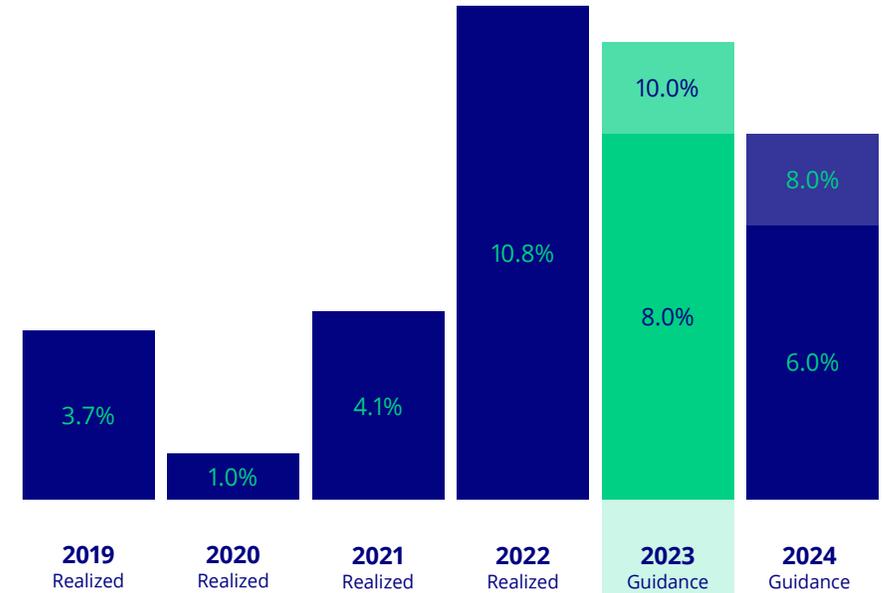
### Other SaaS metrics

Besides ARR and ARR growth, Konsolidator has during 2022 reported on SaaS metrics and will continue to do so. For 2023 Konsolidator will guide on:

- CAC / ARR
- ARR increase / Cash burn
- Churn
- Net retention

Konsolidator is working towards improved SaaS metrics and all four metrics above are expected to improve during 2024.

Churn 2019-2024



### Other SaaS metrics

Metric	2019 Realized	2020 Realized	2021 Realized	2022 Realized	2023 Guidance	2024 Guidance
<b>CAC/ARR</b> months			33	42	25-30	20-25
<b>ARR increase/Cash burn</b> times			0.2	0.2	0.4-0.6	positive cash flow
<b>Churn</b> percentage			4.1	10.8	8-10	6-8
<b>Net retention</b> index			102	102	100-102	102-104

RISK MANAGEMENT

# NAVIGATING IN UNCERTAIN TIMES

Financing the operations in 2023 and refinancing the convertible loan in September 2023 are the most significant risks Konsolidator will be facing in 2023. To partially mitigate these risks, Konsolidator has had to take necessary cost reductions to support the long-term value creation.

**Risk framework**

Management is responsible for the ongoing risk assessment, including mapping and introducing mitigating measures. Management reports to the Board of Directors on risk management. In 2022, a security team was established to follow up on Konsolidator's general Information Security Policy, which includes several policies and actions. These policies and processes have been audited externally, where Konsolidator received an audit opinion in July 2022 without any issues to report. The team meets ongoingly to evaluate, prepare, and react to risk factors.

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

**Financing the operations**

The Board of Directors and Management continuously work on securing adequate funding for the continued operations and growth of Konsolidator.

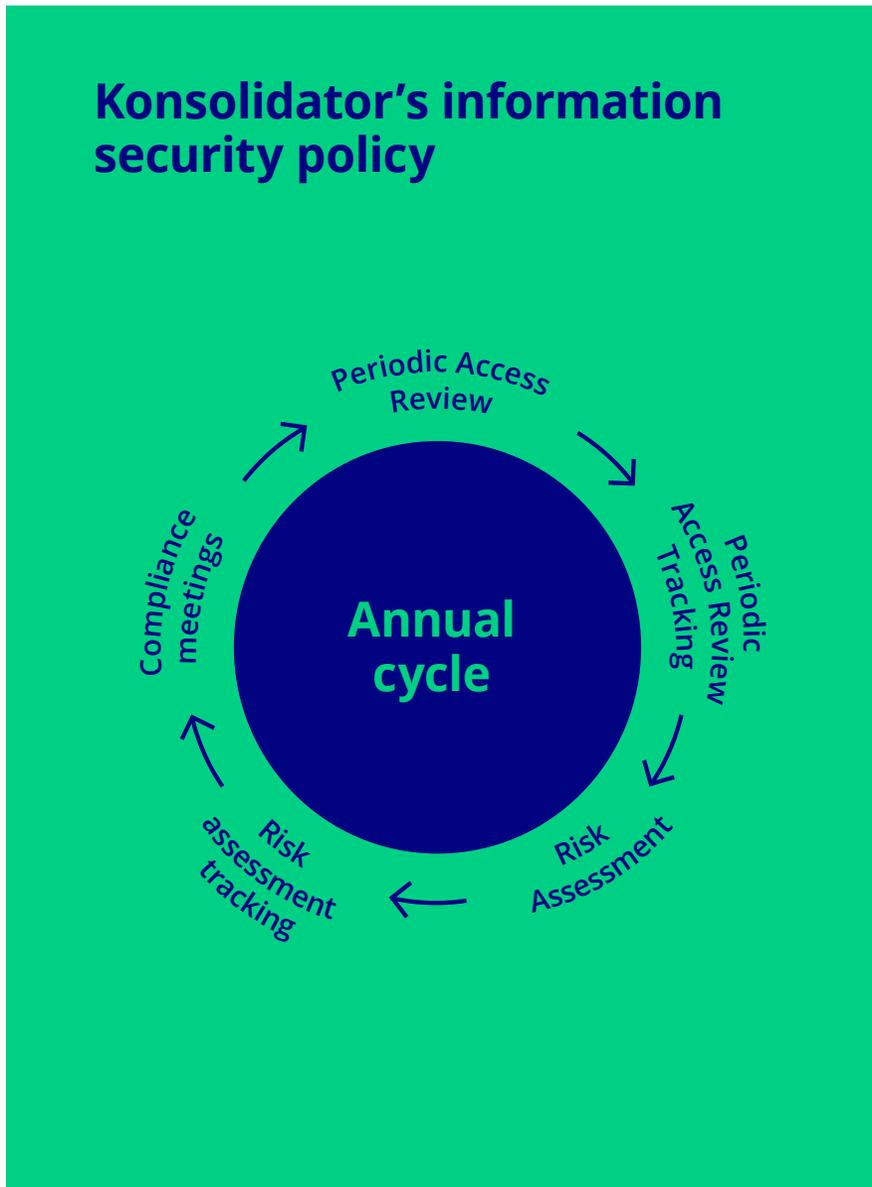
Konsolidator still needs to secure further funding in 2023 at the current growth level. However, with the reduced cost base and the expected increase in ARR, Konsolidator needs

DKK 5m to secure enough funding, which Konsolidator believes is possible in 2023.

**Convertible loan**

The convertible loan of DKK 25m is classified as a current liability since the agreement ends on September 1, 2023. Konsolidator is in active dialogue with SaaS loan providers for refinancing the convertible loan as the loan most likely will not be converted into shares.

Uncertainty related to the settlement of the convertible loan agreement exists as the refinancing is not final.



## Konsolidator's information security policy

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

Other key risk factors	Risk description	Risk mitigation
<b>Data security</b>	Management considers a data security breach one of the key risk factors due to the importance of the data Konsolidator® stores and the increased risk of hacker attacks.	<ul style="list-style-type: none"> <li>• The security team performs quarterly risk assessment meetings where risks are assessed and acted upon.</li> <li>• Konsolidator uses Microsoft Azure as distributor to store the financial data in the cloud. As Azure is a strong partner in IT safety with multiple audit opinions, Konsolidator's data is securely stored on Microsoft Azure's servers.</li> <li>• Konsolidator performs penetration tests regularly by an authorized auditing company.</li> <li>• Konsolidator has an ISAE 3402 certification on data security, which is performed annually.</li> </ul>
<b>Professional skills and corporate culture</b>	The business is based on specialized expertise where innovation and failure to attract, develop, and retain the most skilled employees constitutes a risk as this may have a negative impact on the Group's business, revenue, and development.	<ul style="list-style-type: none"> <li>• The flexible work environment in Konsolidator serves as a strong tool for the recruitment of talent to Konsolidator.</li> <li>• Warrant programs have been issued to employees to ensure retention.</li> <li>• With the Konsolidator Academy strategy, Konsolidator focuses on career development opportunities for the employees.</li> <li>• The recruitment process ensures that Konsolidator is attracting and getting the right professional and skilled people with the right fit for the team.</li> <li>• Konsolidator conducts annual employee surveys to be aware of the employees' satisfaction.</li> </ul>
<b>Contractual and legal risk</b>	Failure to meet or implement regulatory requirements in due course with respect to, for instance, data protection, confidentiality agreements, and fraud constitutes a risk.	<ul style="list-style-type: none"> <li>• Konsolidator has established contact with legal professionals that, together with the marketing and sales department, ensure a stage-gate approach when new contracts are made, and new regulations and compliance are being imposed.</li> </ul>
<b>Market regulation</b>	The legislation regarding contacting customers differs from country to country and it can be illegal if Konsolidator does not get permission to contact the potential customer.	<ul style="list-style-type: none"> <li>• Konsolidator's business model is to market its product through inbound marketing with only limited focus on outbound marketing.</li> <li>• When Konsolidator enters new countries, their legislation will be considered before further actions are taken.</li> <li>• There is no personal sensitive information stored in Konsolidator®. Konsolidator® only stores the username and company e-mail address of the user.</li> </ul>
<b>Legislation</b>	Market developments in consolidation can affect the demand for Konsolidator's product. Changes in legislation related to the requirement of presenting consolidated financial statements can also impact the demand for consolidation systems.	<ul style="list-style-type: none"> <li>• Konsolidator cannot impact legislators' decisions for presenting consolidated financial statements. However, Konsolidator can work on having satisfied customers.</li> <li>• Konsolidator seeks customer feedback on the product and support after every customer has been onboarded and once a year. The feedback enables Konsolidator to analyze the product value for the customers.</li> <li>• Keeping a strong commitment to great customer support is one of the most important factors in avoiding customer churn.</li> </ul>

# CORPORATE MATTERS

27



Environmental,  
Social and  
Governance (ESG)

30



Management

31



Board of Directors

32



Shareholder  
information

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Konsolidator continues to report on key ESG metrics to provide a more holistic picture of the company's development and responsibility through non-financial factors.



## Environmental

Konsolidator's business activities have a minimal environmental impact as no physical production is involved, operations are office-based, and the software is built in the cloud and sold online.

However, Konsolidator still takes an environmentally responsible approach to running the business.

As a Microsoft Partner, Konsolidator supports Microsoft's mission of reaching net zero emissions, removing as much carbon as they emit each year and

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

Sale and onboarding meetings are virtual and by then travel is minimized even with customers in 21 countries.

## Social

A consequence of the adjusted strategy and focus on profitability meant that Konsolidator reduced the number of staff by 7 in March 2022.

The uncertain and intense times following the cost reduction announcement led more employees to resign, causing an additional increase in the employee turnover rate. The employee turnover rate increased from 11.6% in 2021 to 27% in 2022.

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

In addition, Konsolidator began to amend the business' design for the future by introducing an Extended Leadership Forum to support management on strategic issues, thereby helping the business anchor decisions.

This forum includes a representative from every department, providing Konsolidator with greater cross-functional knowledge and allowing these employees to develop their career paths further.

## Employee satisfaction

In December 2022, Konsolidator ran the yearly internal employee satisfaction survey that measures the physical and mental working environment, social capital, loyalty, and motivation. Despite a year with high FTE churn and organizational changes, employee satisfaction ratings have gone up. Konsolidator has managed to maintain a strong culture with a high level of trust and motivation for the challenges ahead.

## Customer retention

A key ESG figure is the Customer Retention Rate as an indicator of customer satisfaction. Every year,

Konsolidator conducts a customer satisfaction survey to understand how customers experience the onboarding process, the product, and the support. Customer retention is calculated to be 84% in 2021 (2021: 94%), meaning that out of every hundred customers, 84 are retained. Customer retention of 84 is not satisfactory for Konsolidator. The primary reason for the low retention is that the onboarding process has been too long. During 2022 Konsolidator has standardized the onboarding process even further and identified changes to the software, making the onboarding easier for customers.

## NPS

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

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

Konsolidator's NPS score was 14 in 2022 compared to 11 in 2021.

Konsolidator has a short-term goal of reaching an NPS of 50, which is achievable by focusing on a simpler and more intuitive user journey, faster performance, and fast self-onboarding. An NPS score of 14 is far from satisfactory for Konsolidator, and the customer success team is doing everything to improve this.

## Governance

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

Management, which includes two of the founders of Konsolidator, has the 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 virtual meetings when needed.

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

Indicator	Unit	2022	2021	2020	2019	2018
<b>Number of employees</b>						
Total	No of FTE	32	34	24	14	5
Female	No of FTE	13	12	8	4	0
Male	No of FTE	19	22	16	10	5
Board members female	Number	1	1	0	0	0
Board members male	Number	3	2	3	3	6
<b>Employee turnover</b>						
Employee turnover rate	Percentage	27.0%	11.6%	4.2%	14.3%	0.0%
<b>Employee satisfaction</b>						
Working environment physical	Index 0-100	81	72	62	61	na
Working environment mental	Index 0-100	91	80	90	88	na
Social capital (fairness, cooperation and trust)	Index 0-100	87	84	86	79	na
Loyalty and motivation	Index 0-100	84	82	88	80	na



### Recommendation on corporate governance for listed growth companies

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

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

#### Recommendation no 1.1 - Equity story

Konsolidator publishes the company's equity story and strategy through the annual report and announcements on the investor website. In this annual report, the strategy can be found in the chapters *The strategy and business model*, *The market*, and *The product*.

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

Konsolidator has prepared an *Outlook 2023* section in this annual report.

#### Recommendation 2.6 - Cash flow outlook

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

growth. Konsolidator has, throughout the annual report for 2022, explained the company's current cash flow situation.

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

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

#### Recommendation 4.1 - Risk management

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

#### Board of Directors

At the general meeting in March 2022, Thomas á Porta and Claus Jul Christiansen were elected to the Board of Directors. Thomas has experience within scale-up businesses and efficient growth set-ups across the software value chain and is currently CEO at Formpipe Software A/S. Claus brings experience from executive leadership at Microsoft, as well as extensive experience in sales and partnering.

In December, Jesper Eigen Møller took over as Chairman of the Board since the previous chairman Søren Ingerslev was assuming the role of managing partner of Elmann Lawfirm, which requires more of his time.

## Method of calculations from Nasdaq ESG

### Employee satisfaction

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

### Employee turnover rate

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

### Customer retention rate

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

### Number of employees

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

# MANAGEMENT



## CLAUS FINDERUP GROVE

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



## JACK SKOV

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

<b>Education</b>	Master of Science in Economics, University of Copenhagen. Management Education, Columbia University.	State Authorized Public Accountant. Master of Science in Business Economics and Auditing, Copenhagen Business School.
<b>Competencies</b>	<p>Claus has worked in finance for 20 years and held positions as Finance Director, CFO and Financial Controller in small, medium, and large enterprises.</p> <p>Claus has extensive experience in:</p> <ul style="list-style-type: none"> <li>• Management and leadership</li> <li>• Strategic management</li> <li>• Financial analytics</li> <li>• Business intelligence</li> <li>• M&amp;A activities</li> </ul> <p>Earlier positions include CFO for Copenship Group A/S and Netop Solution A/S and Financial Director for Clipper Group and A.P. Moller Maersk Group. Additionally, Claus Finderup Grove brings finance experience from Denmark, Italy, Hong Kong, and Malaysia.</p>	<p>Jack has worked in finance and public accounting for 20 years and has served publicly and privately- owned groups during his time in public accounting.</p> <p>Jack has extensive experience in:</p> <ul style="list-style-type: none"> <li>• Consolidation accounting</li> <li>• Group accounting</li> <li>• Financial reporting</li> <li>• Financing</li> <li>• M&amp;A activities</li> <li>• Customer engagement</li> <li>• Project management</li> </ul> <p>Earlier positions include CFO for Linderberg Group A/S and State Authorized Public Accountant at Deloitte.</p>
<b>Shareholdings</b>	3,011,363 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.
<b>Directorships</b>	Managing Director: Konsolidator A/S Board member: FBV (The Association of Listed Danish Growth Companies)	Board member: Linderberg Group A/S, including subsidiaries

# BOARD OF DIRECTORS



**JESPER EIGEN MØLLER**

Chairman  
Born in 1956



**KARIN CECILIA HULTÉN**

Entrepreneur, Investor and  
Non-Executive board member  
Born in 1968



**THOMAS Á PORTA**

CEO at Formpipe Software  
A/S and board member  
Born in 1968



**CLAUS JUL CHRISTIANSEN**

CEO at WorkPoint A/S, board  
member and Advisor  
Born in 1966

**Education**

Master of Science in Economics and Business administration, Copenhagen Business School.

BSc, Gothenburg School of Economics. 2nd year of the MBA program, NYU. LEAD Certificate, Stanford Graduate School of Business. MIT Future Commerce: Entrepreneurship & Fintech

MBA (Copenhagen Business School), B.Sc. Mechanical & Industrial Engineering (Technical University of Denmark)

Diploma Program in Business Admin. (HD at Copenhagen Business School), Board Leadership Program (Copenhagen Business School), MITS Diploma Program (Scandinavian International Management Institute (SIMI), Copenhagen Business School)

**Competencies**

Extensive management experience. Solid experience from board positions in listed and privately held companies. Competencies in sales, marketing, HR, communication, and strategic management.

Competencies within capital markets, financing and risk management, investment strategies, business strategy, leadership, sales, entrepreneurship, innovation, disruptive technologies, and start-ups.

Extensive management experience as CEO. Competencies within business strategy, business development, growth and scale-up, value chain optimization, leadership, and culture.

Extensive leadership, CEO and international experience from 26 years at Microsoft, Commercial sales and partner eco-systems, business strategy, technology innovation, culture & organizational transformation.

**Shareholdings**

140,782 shares in Konsolidator A/S and has 6,945 warrants in Konsolidator A/S.

*Independent of the company*

72,618 shares in Konsolidator A/S and has 125,000 warrants in Konsolidator A/S.

*Independent of the company*

13,571 shares in Konsolidator A/S and has 125,000 warrants in Konsolidator A/S.

*Independent of the company*

125,000 warrants in Konsolidator A/S.

*Independent of the company*

**Directorships**

**Chairman:** Linkfire A/S, The Speedrecruiters Company A/S, Thornæs Destilleri ApS, Konsolidator A/S

**Board member:** KFI Erhvervsdrivende Fond, Fonden Ungdoms- bureauet

**Board member:** Kompasbank A/S, CBio A/S, Temenos AG, Konsolidator A/S, MEDCONNECT ApS, CIP Executive Search AB

**Board member:** Formpipe Software A/S, Formpipe Lasernet A/S, Konsolidator A/S

**Board member:** Unit IT A/S, Relesys A/S, Acies A/S, Konsolidator A/S

SHAREHOLDER INFORMATION

# COMMUNICATION WITH SHAREHOLDERS IN UNCERTAIN TIMES

Konsolidator's shareholders have gone through a tough 2022 with a falling share price and a decreasing daily trading volume. During 2022 Konsolidator had to adjust the outlook for the strategy period 2022-2024 to adapt to a global turmoil with the war in Ukraine and high inflation rates.

**The konsolidator share**

Konsolidator's share capital amounted to DKK 644,667 divided into 16,116,675 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, 2022, was DKK 7.3, equal to a market capitalization of DKK 117.7m. The share price decreased by 31% in 2022. The Konsolidator share has decreased by 17% since the initial share offering in May 2019 at DKK 8.8.

The average daily trading volume was DKK 121,582 in 2022, compared to DKK 184,535 in 2021.

## Share data

<b>Ticker code</b> KONSOL	<b>Date of listing</b> May 10, 2019	<b>Currency</b> DKK
<b>Market place</b> Nasdaq First North Growth Market	<b>IPO listing price</b> DKK 8.8	<b>No. of shares outstanding</b> 16,116,675
	<b>ISIN code</b> DK0061113511	<b>Share price December 31, 2022</b> DKK 7.3

Share price development in 2022

DKK





### Shareholder structure

On December 31, 2022, Konsolidator had 1,447 registered shareholders.

The Board of Directors and Management held 37.7% of the Konsolidator shares as of December 31, 2022.

The table below shows the shareholders in Konsolidator who have notified the company of ownership of more than 5% as of December 31, 2022, and Board of Directors shareholdings. The table also shows total diluted shares outstanding, which include convertible loan and warrant programs.

#### Shareholders as of December 31, 2022

Shareholder	No. of shares 2022	%	No. of shares 2021	%
Andersen Advisory Group	3,488,363	21.64	3,502,204	22.66
Team FG Invest ApS	2,982,929	18.51	3,000,000	19.41
Ved Bækken ApS	2,869,292	17.80	2,886,363	18.68
LHP 2016 Holding ApS	2,844,469	17.65	2,875,000	18.60
Board of Directors	226,971	1.41	422,945	2.74
Others	370,465	22.99	2,768,034	17.91
<b>Total number of shares</b>	<b>16,116,675</b>	<b>100</b>	<b>15,454,546</b>	<b>100</b>

#### WARRANTS AND CONVERTIBLE LOAN

Convertible loan	1,000,000		1,000,000	
Warrants	999,172		967,609	
<b>Total warrants and convertible loan outstanding</b>	<b>1,999,172</b>		<b>1,967,609</b>	
<b>Total diluted shares outstanding</b>	<b>18,115,847</b>		<b>17,422,155</b>	

### Warrants

118,055 of the vested warrants from the program issued in March 2019 have been exercised during 2022. The exercise price was DKK 8.8 per share.

In 2022, Konsolidator issued 250,000 warrants for the two new board members and 200,000 to the employees. The warrants were issued in June 2022, and the issue is vested annually over three years. The warrants were issued at a strike at DKK 13.09 per share.

Konsolidator has 999,172 outstanding warrants.

### Convertible loan

The convertible loan agreement entered September 2021 with Formue Nord needs to be paid 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 part, into shares in Konsolidator at a share price of DKK 25 per share. Konsolidator is looking into possibilities for refinancing the convertible loan if the loan will not be converted into shares.

### Dividend policy

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

### Communication with shareholders

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

### Capital requirement

Konsolidator needs to secure further funding in 2023 at the current growth level. However, with the reduced cost base and the expected increase in ARR, Konsolidator needs DKK 5m to secure enough funding, which Konsolidator believes is possible in 2023. In 2023, the convertible loan of DKK 25m needs to be refinanced if not converted into shares. The total capital requirement will preferably be raised through DKK 15m in equity capital and DKK 15-20m as a loan.

## Company announcements and press releases

Konsolidator has issued 19 company announcements, and 15 press releases during 2022. The most important company announcements are listed below:

### Annual report 2022

no 3-2022 – February 9, 2022

### Annual general meeting

no. 6-2022 – March 24, 2022

### Konsolidator reduces the cost base

no 7-2022 – April 28, 2022

### Interim financial report – Q1

no 8-2022 – April 27, 2022

### Directed issue and exercise of warrants

no 9-2022 – April 28, 2022

### Interim financial report – H1

no 13-2022 – August 10, 2022

### Directed issue and credit facility

no. 14-2022 – September 30, 2022

### Interim financial report – Q3

no. 17-2022 – October 25, 2022

### Extraordinary General Meeting

no. 18-2022 – October 25, 2022

## Financial calendar 2023

### Annual report 2022

February 8, 2023

### Annual general meeting\*

March 23, 2023

### Q1 2023 report

May 4, 2023

### Q2 2023 report

August 10, 2023

### Q3 2023 report

November 2, 2023

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

## Investor inquiries

### Claus Finderup Grove, CEO

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# CONSOLIDATED FINANCIAL STATEMENTS

36



Income  
statement

36



Cash flow  
statement

37



Balance sheet

38



Statement of  
changes in equity

39



Notes

## INCOME STATEMENT

DKK'000	Note	2022	2021
Revenue	5	16,711	12,998
Variable costs		(932)	(639)
<b>Contribution</b>		<b>15,779</b>	<b>12,359</b>
External expenses		(9,338)	(8,945)
Staff costs	6	(25,644)	(25,625)
Other operating income		12	5
Other operating expenses		-	(307)
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(19,191)</b>	<b>(22,513)</b>
Depreciation, amortization and impairment losses	8	(2,827)	(1,643)
<b>Earnings before interest and tax (EBIT)</b>		<b>(22,018)</b>	<b>(24,156)</b>
Financial income	9	192	82
Financial expenses	10	(4,392)	(1,551)
<b>Profit/loss before tax</b>		<b>(26,218)</b>	<b>(25,625)</b>
Corporation tax for the year	11	1,032	859
<b>Profit/loss for the year</b>		<b>(25,186)</b>	<b>(24,766)</b>
Items that will subsequently be reclassified to the income statement			
Exchange rate adjustments during the period		100	6
<b>Other comprehensive income for the period, net of tax</b>		<b>100</b>	<b>(47)</b>
<b>Total comprehensive income for the period</b>		<b>(25,086)</b>	<b>(24,760)</b>
<i>Profit/loss for the period attributable to:</i>			
<b>Shareholders of Konsolidator A/S</b>		<b>(25,086)</b>	<b>(24,760)</b>
Earnings per share (in DKK)	12	(1.60)	(1.60)
Earnings per share, diluted (in DKK)	12	(1.42)	(1.52)

## CASH FLOW STATEMENT

DKK'000	Note	2022	2021
Earnings before interests and tax (EBIT)		(22,018)	(24,156)
Depreciation, amortization and impairment losses reversed		2,827	1,643
Share-based payments reversed		2,347	1,168
Changes in working capital		1,662	1,102
<b>Cash flows from primary activities</b>		<b>(15,182)</b>	<b>(20,243)</b>
Financial income received		151	45
Financial costs paid		(2,436)	(902)
Income taxes paid/received		816	625
<b>Cash flow from operating activities</b>		<b>(16,651)</b>	<b>(20,475)</b>
Payments for intangible assets		(4,471)	(3,874)
Proceeds from disposal of property, plant and equipment		-	15
Payments for property, plant and equipment		(167)	(859)
Changes in other non-current assets		(54)	(213)
<b>Cash flow from investing activities</b>		<b>(4,692)</b>	<b>(4,931)</b>
Proceeds from borrowings	21	-	23,625
Changes in lease liabilities	20	(674)	(317)
Proceeds from capital increase		6,395	-
Changes in other non-current liabilities		(47)	564
<b>Cash flow from financing activities</b>		<b>5,674</b>	<b>23,872</b>
<b>Net cash flow for the year</b>		<b>(15,669)</b>	<b>(1,534)</b>
Cash and cash equivalents at the beginning of the year		17,150	18,671
Net cash flow for the year		(15,669)	(1,534)
Exchange rate adjustments on cash and cash equivalents		(16)	13
<b>Cash and cash equivalents at the end of the year</b>		<b>1,465</b>	<b>17,150</b>

# BALANCE SHEET

DKK'000	Note	31 Dec. 2022	31 Dec. 2021
<b>ASSETS</b>			
Completed development projects		11,152	8,797
Patents, licenses and other rights		209	408
Developing projects in progress		1,682	1,320
Customer lists		105	87
<b>Intangible assets</b>	13	<b>13,148</b>	<b>10,612</b>
Fixtures and fittings, other plant and equipment		632	738
<b>Property, plant and equipment</b>	14	<b>632</b>	<b>738</b>
Rental of premises		2,584	2,891
<b>Right of use assets</b>	15	<b>2,584</b>	<b>2,891</b>
Deferred tax assets	11	1,213	1,213
Other receivables		441	391
<b>Financial assets</b>		<b>1,654</b>	<b>1,604</b>
<b>Total non-current assets</b>		<b>18,018</b>	<b>15,845</b>
Accounts receivables	17	794	787
Work in progress	18	73	347
Tax receivables		1,089	883
Other receivables		70	100
Prepayments		503	927
<b>Receivables</b>		<b>2,529</b>	<b>3,044</b>
<b>Cash and cash equivalents</b>		<b>1,465</b>	<b>17,150</b>
<b>Total current assets</b>		<b>3,994</b>	<b>20,194</b>
<b>Total assets</b>		<b>22,012</b>	<b>36,039</b>

DKK'000	Note	31 Dec. 2022	31 Dec. 2021
<b>EQUITY AND LIABILITIES</b>			
Share capital		645	618
Reserves		6,205	4,188
Retained earnings		(18,285)	103
<b>Equity</b>		<b>(11,435)</b>	<b>4,909</b>
Lease liabilities	20	2,159	2,583
Other liabilities	19	1,280	1,849
Convertible loan	21	-	22,025
<b>Non-current liabilities</b>		<b>3,439</b>	<b>26,457</b>
Lease liabilities	20	736	619
Convertible loan	21	23,782	-
Prepayments from customers	18	549	227
Accounts payable		2,089	1,642
Corporation tax		-	7
Other liabilities	19	2,162	2,178
Deferred income		690	-
<b>Current liabilities</b>		<b>30,008</b>	<b>4,673</b>
<b>Total liabilities</b>		<b>33,447</b>	<b>31,130</b>
<b>Total equity and liabilities</b>		<b>22,012</b>	<b>36,039</b>

# STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Share premium	Reserves			Total reserves	Retained earnings	Equity
			Reserve for share-based payment	Reserve for exchange rate adjustments	Reserve for financial instrument			
<b>Equity January 1, 2022</b>	<b>618</b>	-	<b>2,064</b>	<b>(41)</b>	<b>2,165</b>	<b>4,188</b>	<b>103</b>	<b>4,909</b>
Profit/loss for the year	-	-	-	-	-	-	(25,186)	(25,186)
Other comprehensive income	-	-	-	100	-	100	-	100
<b>Total comprehensive income for the period</b>	-	-	-	<b>100</b>	-	<b>100</b>	<b>(25,186)</b>	<b>(25,086)</b>
<i>Transactions with shareholders</i>								
Capital increase	22	5,928	-	-	-	-	-	5,950
Warrant programs exercised	5	1,034	(430)	-	-	(430)	430	1,039
Costs regarding capital increase	-	(594)	-	-	-	-	-	(594)
Transfer to retained earnings	-	(6,368)	-	-	-	-	6,368	-
Share-based payments	-	-	2,897	-	-	2,897	-	2,897
Warrant programs terminated	-	-	(550)	-	-	(550)	-	(550)
<b>Total transactions with shareholders</b>	<b>27</b>	-	<b>1,917</b>	-	-	<b>1,917</b>	<b>6,798</b>	<b>8,742</b>
<b>Equity December 31, 2022</b>	<b>645</b>	-	<b>3,981</b>	<b>59</b>	<b>2,165</b>	<b>6,205</b>	<b>(18,285)</b>	<b>(11,435)</b>
<b>Equity January 1, 2021 as previously reported</b>	<b>618</b>	-	-	<b>(47)</b>	-	<b>(47)</b>	<b>25,771</b>	<b>26,342</b>
First time adoption of IFRS	-	-	902	-	-	902	(902)	-
<b>Equity January 1, 2021</b>	<b>618</b>	-	<b>902</b>	<b>(47)</b>	-	<b>855</b>	<b>24,869</b>	<b>26,342</b>
Profit/loss for the year	-	-	-	-	-	-	(24,766)	(24,766)
Other comprehensive income	-	-	-	6	-	6	-	6
<b>Total comprehensive income for the period</b>	-	-	-	<b>6</b>	-	<b>6</b>	<b>(24,766)</b>	<b>(24,760)</b>
<i>Transactions with shareholders</i>								
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
<b>Total transactions with shareholders</b>	-	-	<b>1,162</b>	-	<b>2,165</b>	<b>3,327</b>	-	<b>3,327</b>
<b>Equity December 31, 2021</b>	<b>618</b>	-	<b>2,064</b>	<b>(41)</b>	<b>2,165</b>	<b>4,188</b>	<b>103</b>	<b>4,909</b>

# 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.

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.

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

Cash and cash equivalents comprise cash.

# NOTES

## Note 1 – Basis of preparation (continued)

### Consolidation principles

The Consolidated Financial Statements comprise the Parent Company, Konsolidator A/S, and 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 recognized as a depreciation of right of use asset and interests relating to IFRS 16.

### Other receivables

Other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained. The non-current other receivables consist of deposits and are due and payable on a long-term agreement.

### Prepayments

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

### Cash and cash equivalents

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

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

### Deferred income

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

# NOTES

## Note 2 - Going concern

We still need to secure further funding in 2023 in order to continue at the current growth level. However, with the reduced cost base and the expected increase in ARR, we need DKK 5m to secure enough funding, which we believe we will in 2023.

On September 1, 2023, the convertible loan of DKK 25m needs to be refinanced. Part of the refinancing is expected to come from a capital increase. The remaining part is expected to be repaid as a loan over a period, within the operating profit.

The Financial Statements are prepared after the assumptions, that the capital requirement and the refinancing will be solved, and therefore prepared on a going concern basis. However, material uncertainty exists to the Group's continued operations.

## 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.

## 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	2022	2021
Subscription fees	13,904	9,235
Onboarding and consulting fees	2,807	3,763
	<b>16,711</b>	<b>12,998</b>

## § Accounting policies

### Revenue from contracts with customers

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

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

Konsolidator sells SaaS (Software as a Service) by hosting the software and related services as 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.

# NOTES

## Note 5 – Revenue (continued)

### Revenue from onboarding and consulting services

Konsolidator sells services relating to setting up Konsolidator which are provided on a regular basis (consultancy) or as a fixed price agreement (onboarding). 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 227 thousand (2021: DKK 120 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 2022 and 2021 has not been impacted by any significant changes to the revenue recognized in previous years.

## Note 6 – Staff costs

DKK'000	2022	2021
Wages and salaries	23,282	24,286
Share-based payments	2,347	1,161
Pensions	1,629	1,578
Other social security costs	689	725
Other staff costs	351	399
	<b>28,298</b>	<b>28,149</b>
Capitalized wages and salaries	(2,654)	(2,524)
	<b>25,644</b>	<b>25,625</b>
Average number of employees	32	34
Number of employees at year end	24	36

### 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	2022	2021
Wages and salaries, Management	3,760	3,574
Pensions, Management	298	173
Compensation, Board of Directors	275	183

## § Accounting policies

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

# NOTES

## Note 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 warrant programs aimed at employees, Management and board members, which will be described in this note.

### Warrant programs for employees

In appreciation of the efforts of employees during the start-up of Konsolidator the employees were awarded warrants in June 2020, May 2021, and June 2022. 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	June 2022	May 2021	June 2020
Average share price (DKK)	11.4	24	34.6-46.5
Expected volatility rate (% p.a.)	61.16	51.1	36.8
Risk-free interest rate (% p.a.)	1.7	(0.37)	(0.55)
Expected warrant life (no. of years)	5	5	5
Exercise price (DKK)	13.09	31.09	47.12
Fair value of warrants (DKK'000)	1,092	1,661	1,329

### 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, and in June 2022 250,000 warrants were granted to two board members. Upon signing of the agreement, the warrants are vested over a three-year period. The warrants may only be exercised 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, June 30, 2027, and December 31, 2028. The fair value of the warrants issued is measured at calculated market price at the grant date based on Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

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

# NOTES

## Note 7 – Share-based payments (continued)

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

118,055 of the vested warrants from the program issued in March 2019 have been exercised during 2022. The exercise price was DKK 8.8 per share. The total vested warrants on December 31, 2022, summarize to 153,823 of the outstanding warrants of 999,172. 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	-	-	-	-
Annulled	-	-	-	-
<b>Outstanding warrants a December 31, 2019</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>125,000</b>
Granted	-	-	125,000	125,000
Exercised	-	-	-	-
Annulled	-	-	-	-
<b>Outstanding warrants a December 31, 2020</b>	<b>125,000</b>	<b>-</b>	<b>125,000</b>	<b>250,000</b>
Granted	250,000	250,000	270,000	770,000
Exercised	-	-	-	-
Annulled	-	-	(52,391)	(52,391)
<b>Outstanding warrants a December 31, 2021</b>	<b>375,000</b>	<b>250,000</b>	<b>342,609</b>	<b>967,609</b>
Granted	250,000	-	200,000	450,000
Exercised	(118,055)	-	-	(118,055)
Annulled	(125,000)	-	(175,382)	(300,382)
<b>Outstanding warrants a December 31, 2022</b>	<b>381,945</b>	<b>250,000</b>	<b>367,227</b>	<b>999,172</b>

# NOTES

## Note 7 – Share-based payments (continued)

	Weighted average exercise price (DKK)	Vesting period	Exercise period	Total
Warrants granted April 2, 2019	8.80	April 2019 - March 2022	April 2020 - December 2028	6,945
Warrants granted June 12, 2020	47.12	July 2020 - December 2024	March 2021 - April 2025	94,333
Warrants granted May 7, 2021	31.09	June 2021 - May 2024	June 2022 - April 2026	127,894
Warrants granted December 8, 2021	14.08	January 2022 - December 2024	January 2023 - December 2026	375,000
Warrants granted June 16, 2022	13.09	July 2022 - June 2025	June 2023 - June 2027	395,000
				<b>999,172</b>
<b>Outstanding warrants</b>			<b>2022</b>	<b>2021</b>
Average remaining life in years			3.9	2.2
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	2022	2021
Completed development projects	1,140	689
Patents, licenses and other rights	214	222
Development projects in progress	526	-
Customer lists	54	21
Other fixtures and fittings, tools and equipment	273	143
Rental of premises (right of use assets)	620	568
	<b>2,827</b>	<b>1,643</b>

### § Accounting policies

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

## Note 9 – Financial income

DKK'000	2022	2021
Interest income	1	3
Gain on foreign exchange	191	79
	<b>192</b>	<b>82</b>

### § Accounting policies

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

## Note 10 – Financial expenses

DKK'000	2022	2021
Interest expense	69	122
Interest expense on lease agreements	56	60
Interest expense on convertible loan agreement	3,083	1,022
Borrowing costs	674	207
Loss on foreign exchange	436	89
Other financial expenses	74	51
	<b>4,392</b>	<b>1,551</b>

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

### § Accounting policies

Financial expenses comprise interest expenses, borrowing costs and loss on foreign exchange.

# NOTES

## Note 11 – Income taxes

DKK'000	2022	2021
Current tax for the year	1,029	859
Adjustments recognised for tax from prior periods	3	-
	<b>1,032</b>	<b>859</b>
Tax calculated as 22% of profit/loss before tax	(5,768)	(5,638)
Non-taxable income and non-deductible expenses	510	(203)
Tax credit received	1,029	859
Changes to previous years	3	-
Tax loss carried forward - write down	5,258	5,841
<b>Effective tax</b>	<b>1,032</b>	<b>859</b>
Effective tax rate for the year (%)	(3.94%)	(3.35%)

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

DKK'000	2022	2021
Deferred tax (asset)	1,213	1,213
	<b>1,213</b>	<b>1,213</b>
Deferred tax specified:		
Intangible assets	(2,893)	(2,335)
Fixtures and fittings, other plant and equipment	(139)	(160)
Right of use assets	68	68
Other accrued costs	96	-
Convertible loan	34	57
Prepayments	(98)	(169)
Tax loss carried forward	15,584	10,985
Tax loss carried forward - write down	(11,439)	(7,233)
	<b>1,213</b>	<b>1,213</b>

## § 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, 2022, the net deferred tax asset amounts to DKK 1,213 thousand with no adjustments in the deferred tax asset from 2021, 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, 2022 the share capital consisted of 16,116,675 shares with a nominal value of DKK 0.04 (2021: 15,454,546). The shares are not divided into classes and carry no right to fixed income.

DKK'000	2022	2021
Profit/loss for the year (in TDKK)	(25,186)	(24,766)
Number of outstanding shares at the end of the period	16,116,675	15,454,546
Average number of outstanding shares	15,785,611	15,454,546
Earnings per share (in DKK)	(1.60)	(1.60)
Number of outstanding shares at the end of the period, diluted	18,115,847	16,922,155
Average number of outstanding shares, diluted	17,769,001	16,313,351
Earnings per share, diluted (in DKK)	(1.42)	(1.52)

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

DKK'000	Completed development projects	Patents licenses and other rights	Developing projects progress in	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
<b>Cost at the end of the year</b>	<b>10,611</b>	<b>976</b>	<b>1,320</b>	<b>108</b>	<b>13,015</b>
Amortization at the beginning of the year	(1,125)	(346)	-	-	(1,471)
Amortization for the year	(689)	(222)	-	(21)	(932)
<b>Amortization and impairment losses at the end of the year</b>	<b>(1,814)</b>	<b>(568)</b>	<b>-</b>	<b>(21)</b>	<b>(2,403)</b>
<b>Carrying amount at the end of year</b>	<b>8,797</b>	<b>408</b>	<b>1,320</b>	<b>87</b>	<b>10,612</b>

# NOTES

## Note 13 – Intangible assets (continued)

### § Accounting policies

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

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

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

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

### Development projects

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

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

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

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

### 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.

# NOTES

## Note 13 – Intangible assets (continued)

### 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.

## Note 14 – Property, plant and equipment

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

Additions during the year are related to the Parent Company of TDKK 100 and TDKK 65 relate to the subsidiaries.

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

# NOTES

## Note 14 – Property, plant and equipment (continued)

### § 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.

## Note 15 – Right of use assets

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

DKK'000	Rental of premises 2021
Cost at the beginning of the year	-
Additions during the year	3,459
<b>Cost at the end of the year</b>	<b>3,459</b>
Depreciation at the beginning of the year	-
Depreciation for the year	(568)
<b>Depreciation and impairment losses at the end of the year</b>	<b>(568)</b>
<b>Carrying amount at the end of year</b>	<b>2,891</b>

For information about short-term and low value leases expensed during 2022 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.

# NOTES

## Note 15 – Right of use assets (continued)

### § Accounting policies

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

- Rental of premises: 5-6 years

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

## 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	2022	2021
Accounts receivable gross	1,075	1,033
Writedowns	(281)	(246)
	<b>794</b>	<b>787</b>

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:

DKK'000	2022					
	Balance	Not due	Aged overdue amounts			
			1-31 days	32-62 days	63-92 days	After 92 days
Accounts receivables	1,074	284	419	103	10	258
<b>Accounts receivables excl. expected credit loss</b>	<b>1,074</b>	<b>284</b>	<b>419</b>	<b>103</b>	<b>10</b>	<b>258</b>
Expected credit loss	(280)	0	0	(12)	(10)	(258)
<b>Total accounts receivables</b>	<b>794</b>	<b>284</b>	<b>419</b>	<b>91</b>	<b>0</b>	<b>0</b>

### § Accounting policies

A receivable is recognized 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. 2022	31 Dec. 2021
Contract work in progress	(476)	120
Transferred to prepayments from customers	549	227
<b>Total work in progress</b>	<b>73</b>	<b>347</b>
<b>Specified as follows:</b>		
Work in progress (assets)	73	347
Prepayments from customers (liabilities)	(549)	(227)

A contract liability (prepayment from customers) is recognized 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 recognized as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

### § Accounting policies

Work in progress is initially recognized 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 recognized 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 19 – Other liabilities

DKK'000	31 Dec. 2022	31 Dec. 2021
Employee liabilities	2,801	2,300
Liability to public authorities	641	66
Misc. current liabilities	-	24
<b>Other liabilities</b>	<b>3,442</b>	<b>2,390</b>
Non-current other liabilities	1,280	1,284
Current other liabilities	2,162	1,106
<b>Other liabilities</b>	<b>3,442</b>	<b>2,390</b>

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

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

Within 1 year	2,162	2,178
Between 1-5 years	-	530
After 5 years	1,280	1,319
<b>Total future cash outflow</b>	<b>3,442</b>	<b>4,027</b>

## § Accounting policies

### Financial liabilities

All financial liabilities are recognized 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 recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

## Note 20 – Lease liabilities

DKK'000	31 Dec. 2022	31 Dec. 2021
Lease liabilities at the beginning of the year	3,201	-
Additions during the year	312	3,459
Interests during the year	56	60
Repayments during the year	(674)	(317)
<b>Lease liabilities</b>	<b>2,895</b>	<b>3,202</b>
Non-current lease liabilities	2,159	2,583
Current lease liabilities	736	619
<b>Lease liabilities</b>	<b>2,895</b>	<b>3,202</b>

The following amounts have been recognized in the income statement:

Depreciation for the period	620	568
Interests expense on lease liabilities	56	60
Rent on short-term and low value leases	560	414
<b>Total amount recognized in the income statement</b>	<b>1,236</b>	<b>1,042</b>

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

Within 1 year	736	619
Between 1-5 years	2,159	2,583
After 5 years	-	-
<b>Total future cash outflow</b>	<b>2,895</b>	<b>3,202</b>

# NOTES

## Note 20 – Lease liabilities (continued)

### § Accounting policies

#### Leases

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

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes 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 recognizes 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 recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

# NOTES

## 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. 2022	31 Dec. 2021
Convertible loan	-	25,000
Commitment fee	-	(1,375)
<b>Proceeds from borrowings (cash flow)</b>	<b>-</b>	<b>23,625</b>
Convertible loan at the beginning of the year	22,025	-
Convertible loan additions during the year	-	23,625
Value of conversion rights (equity reserve)	-	(2,165)
Borrowing costs	674	207
Interest expense*	3,083	1,022
Interest paid	(2,000)	(664)
<b>Convertible loan at the end of the year</b>	<b>23,782</b>	<b>22,025</b>
Non-current convertible loan (between 1-5 years)	-	22,025
Current convertible loan (within 1 year)	23,782	-
<b>Convertible loan</b>	<b>23,782</b>	<b>22,025</b>

\* 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. In Q4 2022, Konsolidator closed the operations in London and Sweden and therefore the risk for SEK and GBP have increased due to fewer costs in these currencies. Konsolidator receives subscription payments in GBP and SEK. Konsolidator has 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, 2022, Konsolidator's cash and cash equivalents amounted to DKK 1.5m. 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. Konsolidator needs further cash during 2023 to be able to ensure enough liquidity. Refer to Note 2 - Going concern for further information.

## 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.

# PARENT COMPANY FINANCIAL STATEMENTS

59



Income  
statement

59



Cash flow  
statement

60



Balance sheet

61



Statement of  
changes in equity

62



Notes

## INCOME STATEMENT

DKK'000	Note	2022	2021
Revenue		16,711	12,998
Variable costs		(932)	(639)
<b>Contribution</b>		<b>15,779</b>	<b>12,359</b>
External expenses		(8,175)	(7,665)
Staff costs	3	(22,765)	(22,194)
Other operating income		12	5
Other operating expenses		(3,977)	(5,053)
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(19,126)</b>	<b>(22,548)</b>
Depreciation, amortization and impairment losses	4	(2,760)	(1,643)
<b>Earnings before interest and tax (EBIT)</b>		<b>(21,886)</b>	<b>(24,191)</b>
Financial income	5	151	80
Financial expenses	6	(4,381)	(1,512)
<b>Profit/loss before tax</b>		<b>(26,116)</b>	<b>(25,623)</b>
Corporation tax for the year	7	1,029	865
<b>Profit/loss for the year</b>		<b>(25,087)</b>	<b>(24,758)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>0</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(25,087)</b>	<b>(24,758)</b>
Profit/loss for the period attributable to:			
<b>Shareholders of Konsolidator A/S</b>		<b>(25,087)</b>	<b>(24,758)</b>

## CASH FLOW STATEMENT

DKK'000	Note	2022	2021
Earnings before interests and tax (EBIT)		(21,886)	(24,191)
Depreciation, amortization and impairment losses reversed		2,760	1,643
Share-based payments reversed		2,347	1,168
Changes in working capital		1,753	957
<b>Cash flows from primary activities</b>		<b>(15,026)</b>	<b>(20,423)</b>
Financial income received		151	45
Financial costs paid		(2,420)	(888)
Income taxes paid/received		865	634
<b>Cash flow from operating activities</b>		<b>(16,430)</b>	<b>(20,632)</b>
Payments for intangible assets		(4,471)	(3,874)
Proceeds from disposal of property, plant and equipment		-	15
Payments for property, plant and equipment		(100)	(859)
Changes in other non-current assets		(9)	(213)
<b>Cash flow from investing activities</b>		<b>(4,580)</b>	<b>(4,931)</b>
Proceeds from borrowings	21	-	23,625
Changes in lease liabilities	20	(674)	(317)
Proceeds from capital increase		6,395	-
Changes in other non-current liabilities		(45)	563
<b>Cash flow from financing activities</b>		<b>5,676</b>	<b>23,871</b>
<b>Net cash flow for the year</b>		<b>(15,334)</b>	<b>(1,692)</b>
Cash and cash equivalents at the beginning of the year		16,689	18,381
Net cash flow for the year		(15,334)	(1,692)
<b>Cash and cash equivalents at the end of the year</b>		<b>1,355</b>	<b>16,689</b>

# BALANCE SHEET

DKK'000	Note	31 Dec. 2022	31 Dec. 2021
<b>ASSETS</b>			
Completed development projects		11,152	8,797
Patents, licenses and other rights		209	408
Developing projects in progress		1,682	1,320
Customer lists		105	87
<b>Intangible assets</b>		<b>13,148</b>	<b>10,612</b>
Fixtures and fittings, other plant and equipment		632	738
<b>Property, plant and equipment</b>		<b>632</b>	<b>738</b>
Rental of premises		2,584	2,891
<b>Right of use assets</b>		<b>2,584</b>	<b>2,891</b>
Investments in subsidiaries	8	79	79
Deferred tax assets		1,213	1,213
Other receivables		399	390
<b>Financial assets</b>		<b>1,691</b>	<b>1,682</b>
<b>Total non-current assets</b>		<b>18,055</b>	<b>15,923</b>
Accounts receivables		794	787
Work in Progress		73	347
Intercompany receivables		37	106
Tax receivables		1,029	865
Other receivables		40	24
Prepayments		447	769
<b>Receivables</b>		<b>2,420</b>	<b>2,898</b>
<b>Cash and cash equivalents</b>		<b>1,355</b>	<b>16,689</b>
<b>Total current assets</b>		<b>3,775</b>	<b>19,587</b>
<b>Total assets</b>		<b>21,830</b>	<b>35,510</b>

DKK'000	Note	31 Dec. 2022	31 Dec. 2021
<b>EQUITY AND LIABILITIES</b>			
Share capital		645	618
Reserves		16,157	12,120
Retained earnings		(28,197)	(7,788)
<b>Equity</b>		<b>(11,395)</b>	<b>4,950</b>
Lease liabilities		2,159	2,583
Other liabilities	9	1,280	1,849
Convertible loan		-	22,025
<b>Non-current liabilities</b>		<b>3,439</b>	<b>26,457</b>
Lease liabilities		736	619
Convertible loan		23,782	-
Prepayments from customers		549	227
Accounts payable		1,948	1,616
Other liabilities		2,081	1,641
Deferred income	9	690	-
<b>Current liabilities</b>		<b>29,786</b>	<b>4,103</b>
<b>Total liabilities</b>		<b>33,225</b>	<b>30,560</b>
<b>Total equity and liabilities</b>		<b>21,830</b>	<b>35,510</b>

# STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Share premium	Reserves			Total reserves	Retained earnings	Equity
			Reserve for development costs	Reserve for share-based payment	Reserve for financial instrument			
<b>Equity January 1, 2022</b>	<b>618</b>	-	<b>7,891</b>	<b>2,064</b>	<b>2,165</b>	<b>12,120</b>	<b>(7,788)</b>	<b>4,950</b>
Profit/loss for the year	-	-	-	-	-	-	(25,087)	(25,087)
Transfer to reserve for development costs	-	-	2,718	-	-	2,718	(2,718)	-
Tax on development cost	-	-	(598)	-	-	(598)	598	-
<b>Total comprehensive income for the period</b>	-	-	<b>2,120</b>	-	-	<b>2,120</b>	<b>(27,207)</b>	<b>(25,087)</b>
<i>Transactions with shareholders</i>								
Capital increase	22	5,928	-	-	-	-	-	5,950
Warrant programs exercised	5	1,034	-	(430)	-	(430)	430	1,039
Costs regarding capital increase	-	(594)	-	-	-	-	-	(594)
Transfer to retained earnings	-	(6,368)	-	-	-	-	6,368	-
Share-based payments	-	-	-	2,897	-	2,897	-	2,897
Warrant programs terminated	-	-	-	(550)	-	(550)	-	(550)
<b>Total transactions with shareholders</b>	<b>27</b>	-	-	<b>1,917</b>	-	<b>1,917</b>	<b>6,798</b>	<b>8,742</b>
<b>Equity December 31, 2022</b>	<b>645</b>	-	<b>10,011</b>	<b>3,981</b>	<b>2,165</b>	<b>16,157</b>	<b>(28,197)</b>	<b>(11,395)</b>
<b>Equity January 1, 2021 as previously reported</b>	<b>618</b>	-	<b>5,580</b>	-	-	<b>5,580</b>	<b>20,183</b>	<b>26,381</b>
First time adoption of IFRS	-	-	-	902	-	902	(902)	-
<b>Equity January 1, 2021</b>	<b>618</b>	-	<b>5,580</b>	<b>902</b>	-	<b>6,482</b>	<b>19,281</b>	<b>26,381</b>
Profit/loss for the year	-	-	-	-	-	-	(24,758)	(24,758)
Transfer to reserve for development costs, net of tax	-	-	2,311	-	-	2,311	(2,311)	-
<b>Total comprehensive income for the period</b>	-	-	<b>2,311</b>	-	-	<b>2,311</b>	<b>(27,069)</b>	<b>(24,758)</b>
<i>Transactions with shareholders</i>								
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
<b>Total transactions with shareholders</b>	-	-	-	<b>1,162</b>	<b>2,165</b>	<b>3,327</b>	-	<b>3,327</b>
<b>Equity December 31, 2021</b>	<b>618</b>	-	<b>7,891</b>	<b>2,064</b>	<b>2,165</b>	<b>12,120</b>	<b>(7,788)</b>	<b>4,950</b>

# 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 2022 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:

- Going concern - Note 2
- Critical accounting estimates and judgements - Note 3
- Segment information - Note 4
- Revenue - Note 5
- Deferred tax assets - Note 11
- Intangible assets - Note 13
- Property, plant and equipment - Note 14
- Right of use assets - Note 15
- Accounts receivables - Note 17
- Work in progress - 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	2022	2021
Wages and salaries	21,084	21,694
Share-based payments	2,347	1,161
Pensions	1,420	1,249
Other social security costs	221	218
Other staff costs	347	397
	<b>25,419</b>	<b>24,719</b>
Capitalized wages and salaries	(2,654)	(2,525)
<b>Staff costs</b>	<b>22,765</b>	<b>22,194</b>
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 – Depreciation, amortization and impairment losses

DKK'000	2022	2021
Completed development projects	1,140	689
Patents, licenses and other rights	214	222
Development projects in progress (write down)	526	-
Customer lists	54	21
Other fixtures and fittings, tools and equipment	206	143
Rental of premises (ROU assets)	620	568
	<b>2,760</b>	<b>1,643</b>

## Note 5 – Financial income

DKK'000	2022	2021
Interest income	1	3
Gain on foreign exchange	150	77
	<b>151</b>	<b>80</b>

## Note 6 – Financial expenses

DKK'000	2022	2021
Interest expense	68	123
Interest expense on lease agreements	56	60
Interest expense on convertible loan agreement	3,083	1,022
Borrowing costs	674	207
Loss on foreign exchange	436	57
Other financial expenses	64	43
	<b>4,381</b>	<b>1,512</b>

## Note 7 – Income taxes

DKK'000	2022	2021
Current tax for the year	1,029	865
	<b>1,029</b>	<b>865</b>

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

# NOTES

## Note 8 – Investments in subsidiaries

DKK'000	2022	2021
Cost at the beginning of the year	79	79
Cost at the end of the year	79	79
<b>Carrying amount at the end of the year</b>	<b>79</b>	<b>79</b>

Name of subsidiary (In thousands)	Place of business	Owner- ship %	Currency	Profit/ loss	Equity
Konsolidator AB	Sweden	100%	SEK	2	52
Konsolidator Ltd	United Kingdom	100%	GBP	-	-

## Note 9 – Other liabilities

DKK'000	31 Dec. 2022	31 Dec. 2021
Employee liabilities	2,720	2,800
Liability to public authorities	641	650
Misc. current liabilities	-	40
<b>Other liabilities</b>	<b>3,361</b>	<b>3,490</b>
Non-current other liabilities	1,280	1,849
Current other liabilities	2,081	1,641
<b>Other liabilities</b>	<b>3,361</b>	<b>3,490</b>

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

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

DKK'000	31 Dec. 2022	31 Dec. 2021
Within 1 year	2,081	1,641
Between 1-5 years	0	530
After 5 years	1,280	1,319
<b>Total future cash outflow</b>	<b>3,361</b>	<b>3,490</b>

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

Today, the Board of Directors and Management have considered and approved the Annual Report of Konsolidator A/S for the year 2022.

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

In our opinion, the consolidated financial statements and the financial statements of the Parent Company give a true and fair view of the financial position on December 31, 2022, and of the Group's and Parent Company's operations and cash flows for the financial year 2022.

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 8, 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

# 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 January 1, 2022 - December 31, 2022, 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 December 31, 2022, and of the results of their operations and cash flows for the financial year January 1, 2022 - December 31, 2022 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.

### Material uncertainty related to going concern

We refer to note 2 in the consolidated financial statements which indicate that the company's continued operations, depends on capital injections from investors and refinancing of the convertible loan of DKK 25m. Management expect that both the

capital injection and refinancing will be solved. Due to uncertainty related to both capital injections from investors and refinancing of the convertible loan there is material uncertainty related to going concern.

### 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, February 8, 2023

#### **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  
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# DEFINITIONS

## Annual recurring revenue (ARR)

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

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

## 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 dividing the number by the churn rate.

## Churn

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

Konsolidator's business model is to market its product through inbound marketing with only limited focus on outbound marketing.

When Konsolidator enters new countries, its legislation will be considered before further actions are taken.

There is no personal sensitive information stored in Konsolidator®. Konsolidator® only stores the username and company e-mail address of the user.

## Net retention

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

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

## 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.

## **Konsolidator A/S**

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## **Subsidiaries**

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Konsolidator Ltd.  
50-60 Station Rd.  
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## **Established**

August 24, 2014

## **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
CVR no.: 33 96 35 56



**For more information,  
please visit our website**

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

Or follow us

