

CONSOLIDATED Q1 REPORT 2022

Financial report for the period January 1 to March 31, 2022

Company announcement no 8-2022

April 27, 2022

HIGHLIGHTS

The Q1 2022 results were in line with expectations. Annual Recurring Revenue (ARR) amounted to DKK 14.3m corresponding to an annual growth of 55%. Konsolidator has implemented a cost-saving program to improve profitability and SaaS metrics. The outlook for 2022, as revised on March 30, 2022, is maintained.

FINANCIAL HIGHLIGHTS

- Revenue for Q1 2022 amounted to DKK 3.7m compared to DKK 2.2m the same period in 2021, corresponding to an increase of 71%, which is above expectations.
- EBIT for Q1 2022 amounted to DKK (6.5m) compared to DKK (6.2m) for the same period as last year.
- By reference to [company announcement no. 7-2022](#), Konsolidator has reduced the cost base by a staff reduction to improve profitability and key SaaS metrics. The effects will show during the second half of 2022.
- Cash and cash equivalents amount to DKK 9.9m on March 31, 2022.
- Total equity March 31, 2022 was negative by DKK 1.6m.
- Konsolidator expects to reestablish the equity in Q2 2022.

SAAS METRICS

- Annual Recurring Revenue (ARR) amounted to DKK 14.3m on March 31, 2022, an increase of 55% compared to March 31, 2021, which is in line with our expectations of an increase of 40-60%.
- The net increase in ARR by DKK 0.7m in Q1 2022 has been generated by a cash cost of DKK 7.1m
- The net retention amounted to index 101 primarily from upsale and price increases offset by churn.
- The annualized churn increased to 7.7% as per March 31, 2022, from 4.1% as per December 31, 2021. The increased churn is primarily during onboarding.
- The Customer Acquisition Cost (CAC) divided by ARR has been calculated to 60, which is the number of months it will take for the customer to be profitable for the acquired ARR.

CUSTOMER GROWTH

- Konsolidator signed 15 new customers in Q1 2022 compared to 19 new customers in Q1 2021.
- Konsolidator has 227 customers on March 31, 2022, in 19 different countries.
- Konsolidator continues to see an interest for Konsolidator Audit®. One new audit customer has signed up in Q1 2022.

OUTLOOK

- Demand in Konsolidator's main markets is in line with expectations thus outlook for 2022 as announced in [company announcement no 7-2022](#) March 30, 2022, is maintained as follows:
 - *Growth rate of 40-60% in revenue and ARR corresponding to 2022 revenue in the range of DKK 18-21m, and ARR in the range of DKK 19-22m at the end of 2022.*
 - *EBIT in the range of DKK (20) – (15m) in 2022.*



CONTENTS

Highlights	1
Letter from CEO	2
SaaS metrics	3
Financial review	4
Financial statements	6
Company information	11

INVESTOR WEBINAR

On April 29, 2022 at 15.00 (CET) an investor webinar will be held. [Sign up here.](#)

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Q1 2022 IN LINE WITH EXPECTATIONS

The start of 2022 has been busy introducing our new growth strategy 2022-24, *Unfolding the potential* and simultaneously introducing our integration center in Konsolidator®. Furthermore, we have implemented a cost-saving program including staff reductions to thereby improve our SaaS metrics and profitability.

Even though our sales team was hit by COVID-19 in January we still delivered an ARR growth of 55% in line with our expectations of 40-60 %. The ARR increased by DKK 0.7m in Q1, 2022 from 15 new customers, upsales and price increases offset by churn.

The churn increased in Q1 2022 to 7.7% as per March 31, 2022 from 4.1% as per December 31, 2021. The development is due to a higher than usual churn during the onboarding process, which we believe is temporary with the improvements of our onboarding process.

All in all, we are satisfied with our net growth in Q1 2022. All areas have delivered in line with our new growth strategy and we are positive about the many market opportunities and our future growth.

UNFOLDING THE POTENTIAL

In line with our new strategy, *Unfolding the potential* launched in January 2022, we launched our new integration center in February where we so far have developed integrations to the cloud-based ERP systems: Xero, Sage, QuickBooks, Microsoft Business Central, Fortnox and Visma e-economic. The integration center assists users of Konsolidator® in an easier, quicker, and more safe way of transferring the trial balances from the ERP system to Konsolidator®. Further, it is part of the "plug and play" during the onboarding journey. Improving the onboarding journey is also part of the new strategy and we have in Q1 2022 started to revise the workflows around the onboarding process making it easier for users to self-onboard Konsolidator®.

REDUCING THE COST BASE

In March, we announced a cost-saving program including staff reductions. The reduction will not change growth outlook in ARR and revenue for 2022 but impacts our EBIT guidance positively as communicated on March 30, 2022. Our SaaS metrics are expected to improve as well.

For the first time we present our most important SaaS metrics for Konsolidator, see page 3 in this report. These metrics will be part of our reporting going forward.

CAPITAL STRUCTURE WILL BE STRENGTHENED IN Q2 2022

In Q1 2022 Konsolidator's Board of Directors and Management team have been evaluating different funding options in a very volatile and tight capital market situation. We expect to secure additional funding in Q2 2022 to reestablish Konsolidator's equity.

Konsolidator has an upcoming capital need for the rest of 2022 of DKK 4-6m and it is the intention to raise this amount through different tranches before Q3 2022. If additional capital is not secured the cost base would have to be reduced even further at the expense of our growth.

ANNUAL GENERAL MEETING

On March 24, 2022, Konsolidator had its Annual General Meeting. The Board of Directors had proposed an expansion of the board by two members, and we are pleased that both were elected. We are looking forward to being working with Thomas á Porta, CEO from Formpipe Software A/S and Claus Jul Christiansen, professional board member with more than 20 years of experience working for Microsoft. Both members bring great commercial knowledge in SaaS business as well as the partner channel.



"It has been an intense first quarter and we are satisfied with the outcome. Our strategy 'Unfolding the potential' came off to a good start with our new integration center providing users with an easier, quicker and more safe way of transferring data to Konsolidator®. To support our continued growth journey we expect to secure additional funds during Q2 2022."

CLAUS FINDERUP GROVE
CEO

SAAS METRICS Q1 2022

ARR

14.3 DKKm

Outlook 2022: DKK 18-21m

Growth in ARR

55 %

Outlook 2022: 40-60%

ARR increase/Cash burn*

0.1 x

*Gradually improves toward 1.5x***

Net retention*

101 index

*Gradually improves toward index 105***

Churn

7.7 %

Outlook 2022: 5%

CAC/ARR*

60 mth

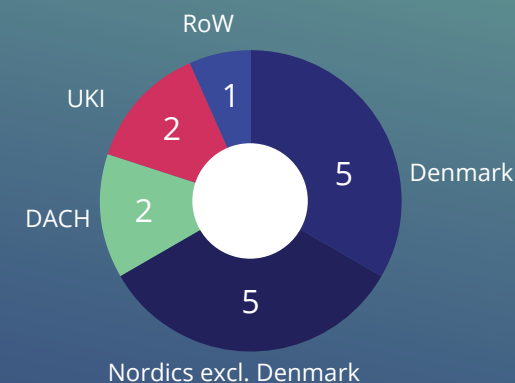
*Gradually improves toward 20mth***

*Period: January 1 to March 31, 2022

**During the strategy period 2022-2024

CUSTOMER GROWTH

Customers signed in Q1 2022 by region



Konsolidator continues to focus on Nordics, UKI (UK & Ireland) and DACH (Germany, Austria, and Switzerland).

The customer acquisition above represents total ARR of 14.3m distributed by region as follows:

- Denmark: DKK 8.1m
- Nordics excl. Denmark: DKK 3.3m
- DACH: DKK 0.9m
- UKI: DKK 1.2m
- Rest of world: DKK 0.8m

Refer to page 9 for calculation methods.

STRONG REVENUE IN Q1 2022

DKK'000	Q1 2022	Q1 2021	Change	
Income statement				
Revenue	3,748	2,192	1,556	71%
Contribution	3,566	2,072	1,494	72%
EBITDA	(5,980)	(5,908)	(72)	1%
EBIT	(6,509)	(6,221)	(288)	5%
Profit/loss for the period	(7,138)	(5,971)	(1,167)	20%
Cash Flow				
Cash flow from operating activities	(5,404)	(5,922)	518	(9%)
Cash flow from investing activities	(1,682)	(2,350)	668	(28%)
Cash flow from financing activities	(139)	(18)	(121)	672%
Net cash flow for the period	(7,225)	(8,290)	1,065	(13%)
Balance Sheet				
Intangible assets	11,894	8,759	3,135	36%
Cash and cash equivalents	9,923	10,390	(467)	(4%)
Total assets	29,696	28,198	1,498	5%
Equity	(1,637)	20,591	(22,228)	(108%)
Other key figures and ratios				
Number of employees at the end of the period	38	31	-	-
Contribution margin	95%	95%	-	-
Equity ratio	neg	73%	-	-
Earnings per share (in DKK)	(0.46)	(0.39)	-	-
Earnings per share, diluted (in DKK)	(0.41)	(0.38)	-	-

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the CFA Danish Society Denmark. Refer to page 9 for calculations.

Unless otherwise stated, numbers are financials for Q1 2022. Comparative numbers are for Q1 2021 and shown in brackets.

REVENUE

Revenue increased to DKK 3,748 thousand in Q1 2022 compared to DKK 2,192 thousand in Q1 2021. The improvement of 71% was better than expected.

Subscription fees increased by DKK 1,258 thousand compared to Q1 2021, corresponding to an increase of 71%. The onboarding and consulting fees increased by DKK 298 thousand compared to Q1 2021, corresponding to an increase of 72%.

Total revenue increased by

 **71%**

EXTERNAL EXPENSES

External expenses amounted to DKK 2,499 thousand in Q1 2022 (DKK 2,407 thousand), and include expenses relating to Konsolidator's ordinary activities, such as expenses for premises, office supplies, marketing costs, consultancy costs, listing costs etc.

STAFF COSTS

Total staff costs amounted to DKK 7,060 (DKK 5,570 thousand). The increase compared to Q1 2021 is due to 7 new employees hired during 2021 and a higher cost for share-based payments. Due to the recently announced cost-saving program, the staff costs are expected to decrease from Q3 2022.

EARNINGS BEFORE INTERESTS AND TAXES (EBIT)

EBIT was a loss of DKK 6,509 thousand in Q1 2022 (loss DKK 6,221 thousand). The loss is impacted by hiring new employees primarily for the development team.

PROFIT/LOSS IN Q1 2022

The net loss for Q1 2022 was DKK 7,138 thousand (loss DKK 5,971 thousand). The costs for the convertible loan agreement entered in Q3 2021 has impacted the result for the period due to an increase of financial expenses of DKK 980 thousand.

Financial review (continued)

CASH FLOW

Net cash flow for Q1 2022 was negative by DKK 7,225 thousand (negative DKK 8,290 thousand).

Cash flow from operating activities was negative by DKK 5,404 thousand compared to negative cash flows in the same period in 2021 of DKK 5,922 thousand. The cash outflow during the period comes from the negative EBIT.

Investing activities in Q1 2022 amounted to DKK 1,682 thousand, which primarily relate to additions in intangible assets. Compared to last year, the investing activities have decreased as costs related to the new office were included in last year's numbers.

The cash flow from financing activities amounted to DKK 139 thousand compared to DKK 18 thousand in Q1, 2021, which relates to lease payments.

ASSETS

Total assets amounted to DKK 29,696 thousand on March 31, 2022, compared to DKK 36,039 thousand on December 31, 2021. Of the total assets, cash and intangible assets are the primary assets.

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. Development costs amounted to DKK 11,463 thousand on March 31, 2022, compared to 10,117 thousand on March 31, 2021, and include completed development projects as well as development projects in progress.

CASH AND CASH EQUIVALENTS

As per March 31, 2022, cash and cash equivalents amounted to DKK 9,923 thousand (DKK 10,390 thousand).

EQUITY AND LIABILITIES

As per March 31, 2022, total equity was negative by DKK 1,637 thousand compared to a positive total equity of DKK 4,909 thousand on December 31, 2021. The changes in equity relate to the loss for the period, and share-based payments.

CAPITAL STRUCTURE AND CONTINUED GROWTH

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 expect to restore equity through capital contributions in Q2 2022 and will at the earliest convene an extraordinary general meeting according to the Danish Companies Act within 6 months.

The Board of Directors and Management continuously work on optimizing the right capital structure as well as securing adequate funding for the continued growth and international expansion of Konsolidator. Konsolidator's current growth and product development has until now been financed by revenue and capital injection. As communicated in the annual report 2021, Konsolidator must raise new capital before Q3 2022 to be able to continue the growth and the international expansion at the current rate.

Konsolidator will finance its growth and internationalization by capital injection or by reducing expenses below revenue. Reducing expenses below revenue will reduce the growth as well as internationalization negatively.



"We are satisfied with the results for Q1 2022 and see a strong momentum and interest for our Konsolidator® solution. We will continue to grow the business, have a tight cost control and to secure additional funding to be able to deliver on all levels of our growth strategy, 'Unfolding the potential'."

JACK SKOV
CFO

Unless otherwise stated, numbers are financials for Q1 2022. Comparative numbers are for Q1 2021 and shown in brackets.

INCOME STATEMENT

DKK'000	Note	Q1 2022	Q1 2021
Revenue	3	3,748	2,192
Variable costs		(182)	(120)
Contribution		3,566	2,072
External expenses		(2,499)	(2,407)
Staff costs		(7,060)	(5,570)
Other operating income		13	4
Other operating expenses		0	(7)
Earnings before interest, tax, depreciation and amortization (EBITDA)		(5,980)	(5,908)
Depreciation, amortization and impairment losses		(529)	(313)
Earnings before interest and tax (EBIT)		(6,509)	(6,221)
Financial income		25	26
Financial expenses		(1,035)	(55)
Profit/loss before tax		(7,519)	(6,250)
Corporation tax for the period		381	279
Profit/loss for the period		(7,138)	(5,971)
<i>Items that will subsequently be reclassified to the income statement:</i>			
Exchange rate adjustments during the period		0	(3)
Other comprehensive income for the period, net of tax		0	(3)
Total comprehensive income for the period		(7,138)	(5,974)
<i>Profit/loss for the period attributable to:</i>			
Shareholders of Konsolidator A/S		(7,138)	(5,974)

CASH FLOW STATEMENT

DKK'000	Note	Q1 2022	Q1 2021
Earnings before interest and tax (EBIT)		(6,509)	(6,221)
Depreciation, amortization and impairment losses reversed		529	313
Adjustment for other non-cash items		591	221
Changes in working capital		556	(203)
Cash flows from primary activities		(4,833)	(5,890)
Financial income received		19	26
Financial costs paid		(589)	(55)
Income taxes paid/received		(1)	(3)
Cash flow from operating activities		(5,404)	(5,922)
Payments for intangible assets		(1,612)	(1,282)
Proceeds from disposal of property, plant and equipment		0	22
Payments for property, plant and equipment		(7)	(718)
Changes in other non-current assets		(63)	(372)
Cash flow from investing activities		(1,682)	(2,350)
Proceeds from borrowings		1	25
Lease pa		(147)	(58)
Changes in other non-current liabilities		7	15
Cash flow from financing activities		(139)	(18)
Net cash flow for the period		(7,225)	(8,290)
Cash and cash equivalents at the beginning of the period		17,150	18,707
Bank loans at the beginning of the period		0	(36)
Net cash flow for the period		(7,225)	(8,290)
Exchange rate adjustments on cash and cash equivalents		(2)	9
Cash and cash equivalents at the end of the period		9,923	10,390

BALANCE SHEET

DKK'000	Note	Mar. 31 2022	Mar. 31 2021	Dec. 31 2021
ASSETS				
Completed development projects		9,160	4,621	8,797
Patents, licenses and other rights		353	573	408
Developing projects in progress		2,303	3,565	1,320
Customer lists		78	0	87
Intangible assets		11,894	8,759	10,612
Fixtures and fittings, other plant and equipment		701	723	738
Property, plant and equipment		701	723	738
Rental of premises		2,737	3,356	2,891
Right of use assets		2,737	3,356	2,891
Deferred tax assets		1,232	1,213	1,213
Other receivables		451	549	391
Financial assets		1,683	1,762	1,604
Total non-current assets		17,015	14,600	15,845
Accounts receivable		390	430	787
Work in Progress		218	99	347
Tax receivables		1,246	925	883
Other receivables		172	1,348	100
Prepayments		732	406	927
Receivables		2,758	3,208	3,044
Cash and cash equivalents		9,923	10,390	17,150
Total current assets		12,681	13,598	20,194
Total assets		29,696	28,198	36,039

DKK'000	Note	Mar. 31 2022	Mar. 31 2021	Dec. 31 2021
EQUITY AND LIABILITIES				
Share capital		618	618	618
Reserves		4,780	1,073	4,188
Retained earnings		(7,035)	18,900	103
Equity		(1,637)	20,591	4,909
Lease liabilities		2,417	3,069	2,583
Other liabilities		1,856	1,300	1,849
Convertible loan		22,451	0	22,025
Non-current liabilities		26,724	4,369	26,457
Lease liabilities		653	343	619
Bank debts		1	25	0
Prepayments from customers		258	198	227
Accounts payable		1,406	1,187	1,642
Corporation tax		6	1	7
Other liabilities		2,211	1,484	2,178
Deferred income		74	0	0
Current liabilities		4,609	3,238	4,673
Total liabilities		31,333	7,607	31,130
Total equity and liabilities		29,696	28,198	36,039

STATEMENT OF CHANGES IN EQUITY

DKK'000	Reserves					Retained Earnings	Total Equity
	Share capital	Share-based payment	Exchange rate adjustments	Financial instrument	Total reserves		
Equity January 1, 2022	618	2,064	(41)	2,165	4,188	103	4,909
Profit/loss for the period	-	-	-	-	-	(7,138)	(7,138)
Total comprehensive income for the period	-	-	-	-	-	(7,138)	(7,138)
<i>Transactions with shareholders</i>							
Share-based payments	-	683	-	-	683	-	683
Warrant programs terminated	-	(91)	-	-	(91)	-	-
Total transactions with shareholders	-	592	-	-	592	-	592
Equity March 31, 2022	618	2,656	(41)	2,165	4,780	(7,035)	(1,637)
Equity January 1, 2021	618	902	(47)	-	855	24,871	26,344
Profit/loss for the period	-	-	-	-	-	(5,971)	(5,971)
Other comprehensive income	-	-	(3)	-	(3)	-	(3)
Total comprehensive income for the period	-	-	(3)	-	(3)	(5,971)	(5,974)
<i>Transactions with shareholders</i>							
Share-based payments	-	221	-	-	221	-	221
Total transactions with shareholders	-	221	-	-	221	-	221
Equity March 31, 2021	618	1,123	(50)	-	1,073	18,900	20,591

NOTES

Note 1. Significant accounting policies

1.1 Basis of preparation

The consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 "Interim Financial Reporting", and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended December 31, 2021 for Konsolidator A/S.

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

Note 2. Segment information

Konsolidator is organized in only one operating segment including results of the business at a consolidated level. The costs related to the main nature of the business are not attributable to any specific geographical segment, revenue stream or customer type. The consolidated operating segment is as presented in the Income statement.

Note 3. Revenue

DKK'000	Q1 2022	Q1 2021
Subscription fees	3,038	1,780
Onboarding and consulting fees	710	412
	3,748	2,192

Note 4. Earnings per share

	Q1 2022	Q1 2021
Number of outstanding shares at the end of the period	15,454,546	15,454,546
Average number of outstanding shares	15,454,546	15,454,546
Earnings per share (in DKK)	(0.46)	(0.39)
Number of outstanding shares at the end of the period, diluted	17,393,675	15,702,046
Average number of outstanding shares, diluted	17,407,915	15,703,296
Earnings per share, diluted (in DKK)	(0.41)	(0.38)

Note 5. Key figures and financial ratios

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

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

Note 6. SaaS metrics

SaaS metrics are consistent with the description in [Annual report 2021](#) page 74, and are calculated as below:

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

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT ON THE INTERIM FINANCIAL REPORT

Today, the Board of Directors and Management have considered and approved the interim financial report of Konsolidator for the first three months of 2022.

The consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 “Interim Financial Reporting”, and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

In our opinion, the consolidated interim financial statements give a true and fair view of the financial position at March 31, 2022 and of the Group’s operations and the consolidated cash flows for the first three months of 2022.

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

Søborg, April 27, 2022

MANAGEMENT

Claus Finderup Grove
CEO

Jack Skov
CFO

BOARD OF DIRECTORS

Søren Elmann Ingerslev
Chairman

Jesper Eigen Møller

Karin Cecilia Hultén

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ABOUT KONSOLIDATOR

Konsolidator A/S is a financial consolidation software company whose primary objective is to make Group CFOs around the world better through automated financial consolidation and reporting in the cloud.

Created by CFOs and auditors and powered by innovative technology, Konsolidator removes the complexity of financial consolidation and enables the CFO to save time and gain actionable insights based on key performance data to become a vital part of strategic decision-making



FINANCIAL CALENDAR

Q2 2022 report – August 10, 2022
Q3 2022 report – October 25, 2022
Annual report 2022 – February 8, 2023



For more information,
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DISCLAIMER

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.

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