Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Phone 36 10 20 30
Fax 36 10 20 40
www.deloitte.dk

KONSOLIDATOR A/S
Diplomvej 377
2800 Kgs. Lyngby
Business Registration No
36078383

Annual report 2017

The Annual General Meeting adopted the annual report on 10.04.2018

Chairman of the General Meeting

Name: Søren Elmann Ingerslev

Contents

Entity details

Entity
KONSOLIDATOR A/S
Diplomvej 377
2800 Kgs. Lyngby

Central Business Registration No (CVR): 36078383
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Søren Elmann Ingerslev, chairman
Michael Moesgaard Andersen
Claus Finderup Grove
Jack Skov
Lars Højer Paaske

Executive Board
Claus Finderup Grove, CEO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of KONSOLIDATOR A/S for the financial year 01.01.2017 - 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kgs. Lyngby, 10.04.2018

Executive Board

Claus Finderup Grove
CEO

Board of Directors

Søren Elmann Ingerslev chairman	Michael Moesgaard Andersen	Claus Finderup Grove
Jack Skov	Lars Højer Paaske	

Independent auditor's report

To the shareholders of KONSOLIDATOR A/S

Opinion

We have audited the financial statements of KONSOLIDATOR A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the 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 Entity'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 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 Entity'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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.

Copenhagen,

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Torben Skov
State Authorised Public Accountant
Identification No (MNE) mne19689

Management commentary

Primary activities
The company's activity is to develop and sell cloud-based software solutions for financial consolidation and reporting purposes.

Development in activities and finances
Konsolidator A/S has developed a cloud based consolidation and reporting tool. The company's software solution, Konsolidator®, which is patented[1], is sold as a Software-as-a-Service (SaaS) product.

Konsolidator® has established a strong position in the market, and sales have developed positively during 2017 and even better in the first quarter of 2018, and the company now has 40+ customers, including several stock-listed companies. Consequently, Konsolidator is on track with its ambitious projected growth plan during the first quarter of 2018.

During 2017 Konsolidator® made a breakthrough in Switzerland where the software was sold to several larger companies, including one Swiss stock-listed company, through local channel partners. Konsolidator® is constantly working on getting additional partners in both Denmark and internationally and has already established contacts in 3 other countries.

The company has realized a projected loss in 2017 of DKK 1,215 thousand compared to a loss in 2016 of DKK 912 thousand.

At the end of the year, the company has a positive equity of DKK 931 thousand.

Management expects that Konsolidator will reach cash-flow break-even on a monthly basis during Q4 of 2018.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

[1] Patent application nummer: PS 2016 70522

Income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross profit/loss		**171.701**	**(555)**
Staff costs	1	(1.456.108)	(520)
Depreciation, amortisation and impairment losses	2	(213.815)	(61)
Operating profit/loss		**(1.498.222)**	**(1.136)**
Other financial expenses	3	(56.459)	(34)
Profit/loss before tax		**(1.554.681)**	**(1.170)**
Tax on profit/loss for the year	4	339.534	258
Profit/loss for the year		**(1.215.147)**	**(912)**
Proposed distribution of profit/loss			
Retained earnings		(1.215.147)	(912)
		(1.215.147)	**(912)**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Completed development projects		2.186.344	1.172
Acquired intangible assets		218.454	138
Intangible assets	5	**2.404.798**	**1.310**
Deposits		24.555	16
Deferred tax		74.116	113
Fixed asset investments	6	**98.671**	**129**
Fixed assets		**2.503.469**	**1.439**
Trade receivables		35.000	0
Contract work in progress		14.634	0
Other receivables		1.399	1.050
Income tax receivable		258.298	71
Prepayments		1.400	9
Receivables		**310.731**	**1.130**
Cash		**496**	**1**
Current assets		**311.227**	**1.131**
Assets		**2.814.696**	**2.570**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital		500.000	500
Reserve for development expenditure		1.593.378	738
Retained earnings		(1.161.901)	909
Equity		**931.477**	**2.147**
Bank loans		991.061	204
Trade payables		40.884	19
Other payables		851.274	200
Current liabilities other than provisions		**1.883.219**	**423**
Liabilities other than provisions		**1.883.219**	**423**
Equity and liabilities		**2.814.696**	**2.570**
Unrecognised rental and lease commitments	7		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	738.103	908.521	2.146.624
Transfer to reserves	0	855.275	(855.275)	0
Profit/loss for the year	0	0	(1.215.147)	(1.215.147)
Equity end of year	**500.000**	**1.593.378**	**(1.161.901)**	**931.477**

Notes

	2017 DKK	2016 DKK'000
1. Staff costs		
Wages and salaries	2.582.344	1.470
Other social security costs	23.508	7
Other staff costs	6.040	3
Staff costs classified as assets	(1.155.784)	(960)
	1.456.108	**520**
Average number of employees	**5**	**2**

	2017 DKK	2016 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	213.815	61
	213.815	**61**

	2017 DKK	2016 DKK'000
3. Other financial expenses		
Other interest expenses	42.164	29
Other financial expenses	14.295	5
	56.459	**34**

	2017 DKK	2016 DKK'000
4. Tax on profit/loss for the year		
Current tax	(258.298)	(71)
Change in deferred tax	(74.116)	(187)
Adjustment concerning previous years	(7.120)	0
	(339.534)	**(258)**

Notes

	Completed develop-ment projects DKK	Acquired intangible assets DKK
5. Intangible assets		
Cost beginning of year	1.200.518	175.534
Additions	1.174.083	135.310
Cost end of year	**2.374.601**	**310.844**
Amortisation and impairment losses beginning of year	(29.185)	(37.647)
Amortisation for the year	(159.072)	(54.743)
Amortisation and impairment losses end of year	**(188.257)**	**(92.390)**
Carrying amount end of year	**2.186.344**	**218.454**

	Deposits DKK	Deferred tax DKK
6. Fixed asset investments		
Cost beginning of year	15.819	112.594
Additions	8.736	74.116
Disposals	0	(112.594)
Cost end of year	**24.555**	**74.116**
Carrying amount end of year	**24.555**	**74.116**

	2017 DKK	2016 DKK'000
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**32.575**	**17**

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, consumables and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises cost directly linked to revenue in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-10 years.

Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress
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 realisable value.

Each contract in progress is recognised 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.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

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

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.