

KONSOLIDATOR A/S
Tobaksvejen 2 A
2860 Søborg
Business Registration No
36078383

Annual report 2018

The Annual General Meeting adopted the annual report on 21.01.2019

Chairman of the General Meeting



Name: Søren Elmann Ingerslev

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Entity details

Entity

KONSOLIDATOR A/S
Tobaksvejen 2 A
2860 Søborg

Central Business Registration No (CVR): 36078383

Registered in: Gladsaxe

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Søren Elmann Ingerslev, chairman

Michael Moesgaard Andersen

Jesper Eigen Møller

Executive Board

Claus Finderup Grove, chief executive officer

Jack Skov

Lars Højer Paaske

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 01.01.2018 - 31.12.2018.

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

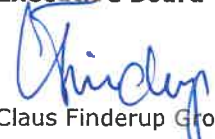
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Søborg, 21.01.2019

Executive Board


Claus Finderup Grove
chief executive officer


Jack Skov


Lars Højer Paaske

Board of Directors


Søren Elmann Ingerslev
chairman


Michael Moesgaard Andersen


Jesper Eigen Møller

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 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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, 21.01.2019

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 has patent pending, is sold as a Software-as-a-Service (SaaS) product.

Konsolidator has established a strong position in the Danish market, and sales have developed positively during 2018. During the year Konsolidator reached a milestone when EBITDA was positive for the first time for Q3. Konsolidator also reached cash-flow break-even for the first time in Q4. Konsolidator has 50+ customers, including several stock-listed companies and customers in 4 different countries.

During 2018 Konsolidator made its first sell in Sweden where the software was sold to a stock-listed company. Konsolidator is constantly working on getting additional partners in both Denmark and internationally and has reached an agreement with a new partner in the UK as well as an agreement with a big public accounting firm.

The company has realized a profit in 2018 of DKK 4 thousand compared to a loss in 2017 of DKK 1,215 thousand.

At the end of the year, the company has a positive equity of DKK 855 thousand.

Konsolidator has started its ambitious growth plan going from 2019-2021 which means that Konsolidator expects to raise capital during 2019.

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.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Gross profit		2.320.763	172
Staff costs	1	(1.865.133)	(1.456)
Depreciation, amortisation and impairment losses	2	(331.416)	(214)
Operating profit/loss		124.214	(1.498)
Other financial income	3	1.546	0
Other financial expenses	4	(130.422)	(56)
Profit/loss before tax		(4.662)	(1.554)
Tax on profit/loss for the year	5	8.216	339
Profit/loss for the year		3.554	(1.215)
Proposed distribution of profit/loss			
Retained earnings		3.554	(1.215)
		3.554	(1.215)

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Completed development projects		2.458.733	2.187
Acquired intangible assets		141.170	219
Development projects in progress		514.043	0
Intangible assets	6	<u>3.113.946</u>	<u>2.406</u>
Other fixtures and fittings, tools and equipment		11.234	0
Property, plant and equipment	7	<u>11.234</u>	<u>0</u>
Deposits		50.000	25
Deferred tax		0	74
Fixed asset investments	8	<u>50.000</u>	<u>99</u>
Fixed assets		<u>3.175.180</u>	<u>2.505</u>
Trade receivables		341.145	35
Contract work in progress	9	156.820	15
Other receivables		17.481	1
Income tax receivable		174.860	258
Prepayments		64.611	1
Receivables		<u>754.917</u>	<u>310</u>
Cash		<u>336</u>	<u>0</u>
Current assets		<u>755.253</u>	<u>310</u>
Assets		<u>3.930.433</u>	<u>2.815</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		500.000	500
Reserve for development expenditure		2.452.487	1.593
Retained earnings		<u>(2.097.456)</u>	<u>(1.162)</u>
Equity		<u>855.031</u>	<u>931</u>
Deferred tax		<u>92.528</u>	<u>0</u>
Provisions		<u>92.528</u>	<u>0</u>
Bank loans		2.122.093	991
Contract work in progress	9	12.000	0
Trade payables		235.600	42
Other payables		<u>613.181</u>	<u>851</u>
Current liabilities other than provisions		<u>2.982.874</u>	<u>1.884</u>
Liabilities other than provisions		<u>2.982.874</u>	<u>1.884</u>
Equity and liabilities		<u>3.930.433</u>	<u>2.815</u>
Unrecognised rental and lease commitments	10		

Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	1.593.378	(1.161.901)	931.477
Costs related to equity transactions	0	0	(80.000)	(80.000)
Transfer to reserves	0	859.109	(859.109)	0
Profit/loss for the year	0	0	3.554	3.554
Equity end of year	500.000	2.452.487	(2.097.456)	855.031

Notes

	2018	2017
	DKK	DKK'000
1. Staff costs		
Wages and salaries	2.867.694	2.582
Other social security costs	32.390	24
Other staff costs	5.613	6
Staff costs classified as assets	<u>(1.040.564)</u>	<u>(1.156)</u>
	<u>1.865.133</u>	<u>1.456</u>
Average number of employees	<u>5</u>	<u>5</u>
	2018	2017
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	<u>331.416</u>	<u>214</u>
	<u>331.416</u>	<u>214</u>
	2018	2017
	DKK	DKK'000
3. Other financial income		
Other interest income	<u>1.546</u>	<u>0</u>
	<u>1.546</u>	<u>0</u>
	2018	2017
	DKK	DKK'000
4. Other financial expenses		
Other interest expenses	118.955	43
Other financial expenses	<u>11.467</u>	<u>13</u>
	<u>130.422</u>	<u>56</u>
	2018	2017
	DKK	DKK'000
5. Tax on profit/loss for the year		
Current tax	(174.860)	(258)
Change in deferred tax	166.644	(74)
Adjustment concerning previous years	<u>0</u>	<u>(7)</u>
	<u>(8.216)</u>	<u>(339)</u>

Current tax is an income.

Notes

	Completed develop- ment projects DKK	Acquired intangible assets DKK	Develop- ment projects in progress DKK
6. Intangible assets			
Cost beginning of year	2.374.601	310.844	0
Transfers	526.521	0	(526.521)
Additions	0	0	1.040.564
Cost end of year	2.901.122	310.844	514.043
Amortisation and impairment losses beginning of year	(188.257)	(92.390)	0
Amortisation for the year	(254.132)	(77.284)	0
Amortisation and impairment losses end of year	(442.389)	(169.674)	0
Carrying amount end of year	2.458.733	141.170	514.043

Development projects

Development projects consist of new features developed to the Konsolidator® existing tool. The capitalized development costs consist of direct staff costs etc., which is handled and recorded in the company's internal project module.

The value of development projects in progress are expected to grant competitive advantages when they are finalized.

	Other fixtures and fittings, tools and equipment DKK
7. Property, plant and equipment	
Additions	11.234
Cost end of year	11.234
Carrying amount end of year	11.234

Notes

	Deposits	Deferred
	DKK	tax
	<u>DKK</u>	<u>DKK</u>
8. Fixed asset investments		
Cost beginning of year	24.555	74.116
Additions	50.000	0
Disposals	(24.555)	(74.116)
Cost end of year	<u>50.000</u>	<u>0</u>
Carrying amount end of year	<u>50.000</u>	<u>0</u>
	2018	2017
	<u>DKK</u>	<u>DKK'000</u>
9. Contract work in progress		
Contract work in progress	144.820	15
Transferred to liabilities other than provisions	12.000	0
	<u>156.820</u>	<u>15</u>
	2018	2017
	<u>DKK</u>	<u>DKK'000</u>
10. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>450.000</u>	<u>33</u>

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.

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.

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.

Revenue from implementation and consulting services

Konsolidator sells consultancy services which are provided on a regular basis (consultancy) or as a fixed price agreement (implementation). Konsolidator assist the customers with the implementation of Konsolidator®. Revenue from implementation is on a fixed price agreement and the revenue is recognized on the amount of services delivered out of the total services to be delivered.

Revenue from consultancy is where hours are delivered on a regular basis is recognized when the worked hours have been delivered.

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.

Accounting policies

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.

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 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 income

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

Other financial expenses

Other financial expenses comprise interest expenses, 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.

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.

Konsolidator has patent pending on certain parts of Konsolidator®. Costs regarding the patent 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 are 3-5 years.

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

Accounting policies

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.

Development projects in progress are transferred to completed development project when finished and amortization starts.

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.

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.

Property, plant and equipment

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
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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.

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.

Accounting policies

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.

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 or the planned settlement of each liability.

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.

Other financial liabilities

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