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Søren Elmarh Ingerslev  
Chair of the meeting



# ANNUAL REPORT 2020

**FINANCIAL CONSOLIDATION &  
REPORTING MADE SIMPLE**

 **KONSOLIDATOR®**

Company reg. 36078383

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Vandtårnsvej 83A  
2860 Søborg





Our level of data-quality has increased. If we should have had a similar level to the quality of our data before Konsolidator, we would have used a great amount of time on this. Now, we save time and gain better data quality. ”

**CHRISTIAN MØLSTED**

CFO, Carl Hansen & Søn.

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# THE BIG PICTURE



# INTRODUCTION

**Konsolidator is an international Software-as-a-Service (SaaS) Group that empowers companies with multiple subsidiaries to digitalize the financial consolidation and reporting. Konsolidator is listed on NASDAQ First North Growth Market in Denmark.**

Konsolidator has developed and sells an Azure cloud-based consolidation and reporting tool which assists finance departments in preparing consolidated financial reporting in a secure data environment. The tool automates and standardizes financial consolidation and reporting processes and enables CFOs, finance managers, and controllers to save time, eliminate reconciliation differences, and gain actionable insights based on their key performance data.

The world is complex, and in order to deliver fast and trustworthy financial information to decision makers, software tools have to be simple yet comprehensive. If the soft-

ware tools are not made simple, the finance department will remain in Excel, which is a manual and error-prone method, when doing their consolidation.

Konsolidator supports the digitalization of the finance department and focuses on groups that use Excel in their consolidation and reporting. With standardized software, groups will be able to save time and lower the risk of accounting errors. Furthermore, groups will be less dependent on internal and external IT consultants. As shown in fig-

ure 1, customers use Konsolidator on top of both cloudbased bookkeeping systems and connect to reporting tools like Power BI.

Konsolidator divides the sales and marketing efforts into four regions – Nordics, DACH (Germany, Austria and Switzerland), the UK and RoW (Rest of the World). Konsolidator has customers in 12 countries Denmark, Sweden, Finland, Norway, England, Germany, Switzerland, Lithuania, Poland, Singapore, USA, and Zambia.



**Figure 1. How customers use Konsolidator**

## **OUR MISSION: WE MAKE CFOs BETTER**

Consolidating an entire corporate group can be a complex and time-consuming matter. Our mission is to help CFOs, finance managers, and financial controllers all over the world to be better at providing the right insights at the right time. Through our user-friendly and simple financial consolidation and reporting tool, we support finance professionals in becoming a vital part of strategic decision-making in corporate groups.

## **OUR VISION: TO BECOME THE PREFERRED FINANCIAL CONSOLIDATION TOOL GLOBALLY**

Our vision is to become the de facto standard consolidation and reporting tool used by finance professionals around the world. We want to digitalize the finance department. We strive to become the thought leader in the finance industry by having an innovative mindset, and constantly developing the needs of finance professionals.

# LETTER FROM CHAIRMAN AND CEO

**2020 has been an unexpected and unpredictable year primarily due to COVID-19. However, Konsolidator was still able to manage in these difficult times where the further development of Konsolidator and the international growth journey continued.**

## **SALES TEAMS**

The plan for 2020 was to establish sales teams in four countries. In Denmark, the team was in place in 2019. In Sweden the team was set January 1, 2020. In the UK the team was set in March 2020, but the sales representative recruited in December 2019 decided to terminate the contract two weeks before the supposed start. Konsolidator had to restart the recruiting process and the team in the UK was ready from January 1, 2021. For the DACH market, the team was fully in place as per November 1, 2020.

The consequence of the delays in the two largest markets has obviously caused lower growth than if the teams had been in place earlier.

## **COVID-19**

Konsolidator is too young a company to really measure the impact of COVID-19. The perception is that COVID-19 has had both a positive and negative impact.

On the positive side, it is evident that the conversion from face-to-face sales and onboarding meetings to virtual meetings has gone much faster as a direct consequence of COVID-19. In 2019, 39% of the sales meetings were conducted online. In 2020 it increased to 91%. The increase shows great potential for the international growth as it is the reason why Konsolidator has been able to sign customers in the USA, Zambia, Finland, Norway, Poland, and Lithuania.

Furthermore, the digitalization in the finance departments has become urgent and relevant. Working on obsolete systems and in endless Excel spreadsheets has proven to be even more troublesome when working remotely, as many companies were forced to during most of 2020. In this context, Konsolidator also sees an increased demand for best-of-breed systems instead of suite solutions. Suite solutions are bigger and more complex solutions, whereas best-of-breed systems are narrow, simple, and easy to use. Agility and sim-

plicity have become more important when working remotely with colleagues.

Conversely, there have also been negative effects of the pandemic. A higher degree of uncertainty led companies to become more reluctant to initiate new software investments. Konsolidator saw a slightly lower interest in sales meetings in Q2, which rebounded in Q3. However, Konsolidator saw a slowdown in sales activities with the second wave of COVID-19 in Q4 when budgets were frozen until the end of the year. However, Konsolidator believes that in the long run positive effects will outweigh the negative.

Even in times of a global pandemic and with a delay in getting the sales teams in place, Konsolidator still delivered the expected growth in annual recurring revenue (ARR).

## **KONSOLIDATOR AUDIT**

From the start of Konsolidator in 2014 and before the product was ready for the market, Konsolidator had the ambition to sell Konsolidator to auditors. In this context Konsolidator's main targets continue to be the Big 4 Audit Firms (PwC, Deloitte, EY,

and KPMG) as well as other international audit firms.

Konsolidator believes that audit firms using Konsolidator internally will be the ultimate proof of quality. Digitalization, documentation, transparency, and data security are important topics for the audit firms, which Konsolidator Audit delivers.

Therefore, Konsolidator was proud when PwC Denmark signed the first Konsolidator Audit contract in December. With this

**“2020 has been a crazy year – The pandemic made us all insecure and fragile. Especially being a young company without a defined culture trying to find a way through uncertainty, working from home, and onboarding new colleagues. I can only say that I’m overly humble and proud by the Konsolidators.”**

**CLAUS FINDERUP GROVE**  
CEO and founder



agreement Konsolidator expects other audit firms will follow in the future.

#### **KONSOLIDATOR KOMMUNITY**

In August Konsolidator launched Konsolidator Kommunity, which is a collaboration tool inside Konsolidator. The tool gives customers access to relevant content and information as well as tools to improve the Konsolidator experience.

#### **CAPITAL INCREASE**

One of the key reasons for getting listed was the belief that success at NASDAQ would equate to a cost and time effective method to raise growth capital. That belief was proven in April 2020 when Konsolidator raised DKK 30 million in growth capital and got the first institutional investor.

#### **STRATEGY 2021-2023**

In 2019, Konsolidator got listed on the NASDAQ First North Growth Market with an ambitious strategy of rapid international growth. Continuing the strategy to the end of 2023, Konsolidator is optimistic about the future and looks forward to continuing the growth in 2021.

**“The international expansion and exponential growth of the Konsolidator business continue to reaffirm the enormous potential of the company and the derived value creation for its shareholders.”**

**SØREN ELMANN INGERSLEV**  
Chairman of the Board

**29.6**

million DKK in gross proceeds from an institutional investor.



SØREN ELMANN INGERSLEV  
Chairman

CLAUS FINDERUP GROVE  
CEO

# KEY EVENTS IN 2020



**January**  
Konsolidator takes a strategic step towards a more scalable business by converting sales and onboarding meetings to be online instead of face-to-face. The transition is supported by the COVID-19 lockdown and the increase of remote work.



**May**  
Konsolidator signs the first customer in Asia, specifically Singapore, through the sales partner AP Flow Group.



**September**  
Konsolidator signs the first customer in Africa and the US. These customers prove that it is possible to close customers far from Denmark without any marketing promotion and marketing setup locally.



**December**  
Konsolidator enters an agreement with PwC Denmark to deliver Konsolidator Audit to help PwC Denmark prepare statutory consolidated financial statements for PwC Denmark's clients.



**April**  
Konsolidator issues 750,000 new shares to an institutional investor and raises DKK 29.6 million. The money enables Konsolidator to accelerate the Konsolidator growth journey.



**June**  
Konsolidator issues warrants to all employees. The warrants are vested over 36 months starting from July 1, 2020.



**August**  
Konsolidator launches Konsolidator Community, a collaboration tool where relevant content and information is shared with customers.



**November**  
Konsolidator hires a Country Manager for the UK market who will start January 1, 2021.



# HIGHLIGHTS

**8.0m**

annual recurring revenue as per December 31, 2020 compared to 4.6m at the end of 2019

**74%**

Increase in annual recurring revenue in 2020 compared to 71% in 2019

**1.1%**

ARR churn compared to 4.3% in 2019

**1**

Konsolidator audit customer signed in 2020

**138**

customers at the end of 2020 compared to 81 at the end of 2019

**60**

new customers that have signed with Konsolidator in 2020 compared to 33 in 2019

**35**

employees as of December 31, 2020. During 2020, Konsolidator grew from 20 employees to 35

**159%**

increase in website traffic in 2020 compared to a 405% increase in 2019

**12**

countries where Konsolidator has customers compared to 6 in 2019

# CONSOLIDATED QUARTERLY REPORTING AND FULL YEAR

During the fourth quarter, Konsolidator reached an import milestone when signing PwC Denmark to the Konsolidator Audit platform. The agreement is larger than an ordinary end user agreement but not an agreement where Konsolidator is dependent on that one customer. The fourth quarter was the first time Konsolidator really was influenced by Covid-19 and group's reluctance to initiate new investments. This impacted sales and for the fourth quarter Konsolidator signed 12 new contracts, which is the lowest number of contracts signed during any quarter in 2020. However, Konsolidator still signed 60 customers in 2020 up from 33 new customers in 2019.

Even though the number of new customers signed in Q4 was less than expected, the annual recurring revenue (ARR) still increased by DKK 1,087 thousand in the fourth quarter of 2020 compared to an increase of DKK 910 thousand in Q4, 2019. The ARR increased between 13 to 16 percent in every quarter in 2020 compared to the previous quarter. The ARR increased by 16 percent in Q4 which is the largest increase in a quarter in 2020

compared to the previous quarter, and the increase is from a higher ARR. Revenue for the fourth quarter reached an all-time high with DKK 2.8 million which is primarily due to an increase in onboarding and consultancy fees. Revenue for the full year increased to DKK 7.5 million in 2020 from DKK 4.6 million in 2019, which is a 60% increase. Earnings before interest, tax, depreciation, and amortization (EBITDA) showed a negative amount of DKK 14.1 million compared to DKK 9.4 million in 2019.

The Konsolidator platform was updated during the fourth quarter and new features was introduced to accommodate the demand from larger groups. The updates are also the first step towards the Konsolidator PPA module, which is a module where groups can keep track of the accounting when acquiring a company.

During the fourth quarter the Konsolidator Group hired 9 new employees and as of December 31, 2020 the Konsolidator Group has 35 employees, which has an impact on the staff costs for Q4, 2020.

DKK thousand	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Total 2020
Revenue	1,255	1,628	1,458	1,695	2,758	7,539
Variable costs	(57)	(50)	(40)	(45)	(195)	(330)
<b>Contribution margin</b>	<b>1,198</b>	<b>1,578</b>	<b>1,418</b>	<b>1,650</b>	<b>2,563</b>	<b>7,209</b>
External expenses	(1,418)	(1,681)	(1,881)	(1,054)	(1,850)	(6,466)
Staff costs	(2,683)	(2,789)	(3,343)	(3,747)	(4,969)	(14,848)
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>(2,903)</b>	<b>(2,892)</b>	<b>(3,806)</b>	<b>(3,151)</b>	<b>(4,256)</b>	<b>(14,105)</b>
Depreciation, amortization and impairment losses	(96)	(105)	(107)	(117)	(169)	(498)
<b>Earnings before interest and tax (EBIT)</b>	<b>(2,999)</b>	<b>(2,997)</b>	<b>(3,913)</b>	<b>(3,268)</b>	<b>(4,425)</b>	<b>(14,603)</b>
Financial income	0	0	0	0	62	62
Financial expenses	(37)	(37)	20	(18)	(113)	(148)
<b>Profit/loss before tax</b>	<b>(3,036)</b>	<b>(3,034)</b>	<b>(3,893)</b>	<b>(3,286)</b>	<b>(4,476)</b>	<b>(14,689)</b>
Corporation tax for the year	609	141	93	161	238	633
<b>Profit/loss for the year</b>	<b>(2,427)</b>	<b>(2,893)</b>	<b>(3,800)</b>	<b>(3,125)</b>	<b>(4,238)</b>	<b>(14,056)</b>
Annual recurring revenue	4,572	5,314	6,085	6,871	7,958	7,958
Quarterly increase in annual recurring revenue	910	742	771	786	1,087	na
Quarterly increase in annual recurring revenue in %	25%	16%	15%	13%	16%	na
Number of employees	21	19	21	26	35	35

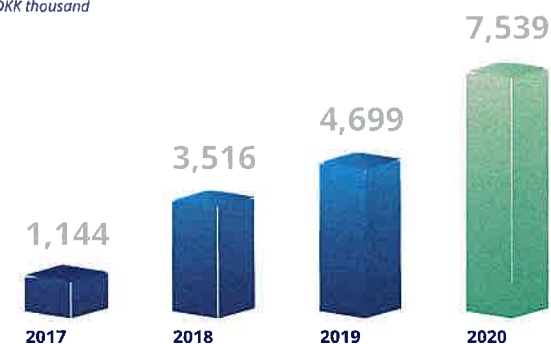


# CONSOLIDATED HIGHLIGHTS

DKK thousand	2020	2019	2018	2017
<b>Income statement</b>				
Revenue	7,539	4,699	3,516	1,144
Earnings before Interest, tax, depreciation and amortization (EBITDA)	(14,105)	(9,428)	456	(1,284)
Earnings before interest and tax (EBIT)	(14,603)	(9,798)	124	(1,498)
Profit/loss for the year	(14,056)	(8,176)	4	(1,215)
<b>Balance Sheet</b>				
Intangible assets	7,669	4,849	3,114	2,405
Cash and cash equivalents	18,707	6,572	0	0
Total assets	29,561	13,750	3,930	2,815
Equity	26,342	11,710	855	931
<b>Cash Flow</b>				
Cash flow from operating activities	(14,077)	(6,652)	479	295
Cash flow from investing activities	(3,431)	(2,188)	(1,077)	(1,318)
Cash flow from financing activities	29,604	17,531	(533)	1,686
Net cash flow for the year	12,096	8,691	(1,131)	663
<b>Other key figures and ratios</b>				
Equity ratio	89%	85%	22%	33%
Annual recurring revenue	7,958	4,572	2,674	1,229
Increase in annual recurring revenue	74%	71%	118%	318%
Number of employees	35	21	5	6
Earnings per share (In DKK)	(0.93)	(0.56)	na	na
Earnings per share, diluted (In DKK)	(0.92)	(0.56)	na	na

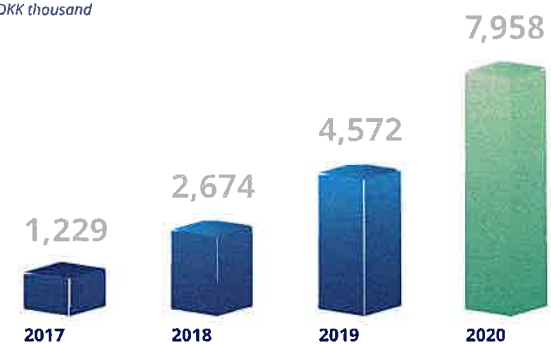
## Revenue

DKK thousand



## Annual recurring revenue

DKK thousand



# OUTLOOK

In connection with the IPO in May 2019, the management and the board of directors had a long-term vision of Konsolidator becoming the preferred consolidation software and the de facto standard, globally. This long-term vision is still the goal – and with the development of 2020, the management and the board are optimistic about achieving these goals.

In the IPO, our targets for 2021 were 7-800 customers and an annual recurring revenue of DKK 57 million. However, in connection with the annual report for 2019, Konsolidator acknowledged that the hiring process of sales and marketing specialists took longer than expected. Especially for the UK and Germany, Konsolidator experienced difficulties in recruiting, and the country manager in the UK started January 1, 2021, which was 15 months later than the country manager in Sweden and a year later than expected. However, these challenges have not changed the view of the potential of Konsolidator as the growth in Sweden and

Denmark, where the country managers are in place, has shown the potential. Therefore, the goal of an annual recurring revenue (ARR) of 57 million is still valid but is postponed for two years until 2023.

The past six quarters Konsolidator has reached its goals in ARR, which can be seen in the graph below.

The target for ARR was DKK 7.8 million per December 31, 2020. DKK 8.0 million was achieved, which is 3% higher than the announced target for 2020.

In 2020 Konsolidator had a goal of reaching 66 new customers which totalled the doubling of signed customers in 2019. Konsolidator signed 60 new customers (91% of the goal) in 2020.

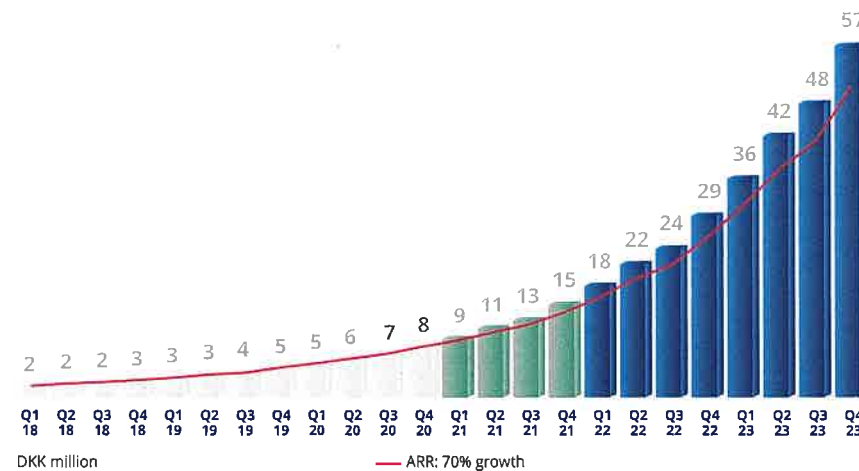
## OUTLOOK FOR 2021

Konsolidator expects the growth to continue in 2021. The goals are still to double the amount of new customers but as the customer base will be more fragmented especially with the introduction of Konsolidator Audit and an increased focus on sales partners. Because of this the guidance going forward will be on ARR rather than ARR and customers.

If the number of new customers are doubled, the ARR is expected to reach DKK 15 million at the end of 2021. If the ARR increases with 70% the ARR will be DKK 13.5 million at the end of 2021. Our guidance for 2021 is therefore an ARR between DKK 13.5-15 million at the end of 2021.

Given the two assumptions of double the number of new customers or an ARR increase of 70% will remain for 2022 and 2023, the development in ARR is shown in figure 2.

Figure 2. ARR: Exponential growth



	2019	2020	2021	2022	2023
ARR, DKK	5m	8m	15m	29m	57m



## **FUTURE GROWTH**

Until 2020 new customers have predominantly been acquired through Konsolidator's sales efforts and sales partners.

2021 will be the year where Konsolidator will focus on widening the sales channels.

### • **DIRECT SALES**

With the sales team in place in the UK, Konsolidator is ready to execute on the strategy from the IPO on direct sales in four defined markets – Denmark, Sweden, the UK and DACH.

### • **SALES PARTNERS**

To expand the sales partner network, a sales partner executive has been engaged who will focus on attracting, recruiting, training, nurturing, and developing the sales partners.

### • **STRATEGIC PARTNERSHIP**

To achieve the goal of global reach Konsolidator is working on establishing strategic partnerships with global software vendors. Strategic partnerships with vendors providing cloud-based bookkeeping systems will be important in order to mutually benefit from their app store platforms.

### • **KONSOLIDATOR AUDIT**

The signing of the first Konsolidator Audit agreement with PwC Denmark was a breakthrough. Konsolidator expects that more auditors will see the benefits of digitalizing the consolidation process and the group expects Konsolidator Audit will become an important part of the future growth.

### • **ADVANCED FUNCTIONALITY**

The roadmap for 2021 will among other things consist of advanced consolidation functionality, where the group can attract a wider market. It will not jeopardize the simplicity approach and the software will not be more expensive nor more complex to onboard or use for standard customers. But there is an interesting market for Konsolidator in larger customers that currently have an on-premise solution but are looking for a cloud solution. Especially in countries like Sweden and Germany Konsolidator sees an interest for advanced functionality.

### • **ADD-ONS**

Due to the simple integration possibilities with cloud technology, Konsolidator sees a need for a simple integration between bookkeeping systems and Konsolidator. This is achieved with an application programming interface (API). Konsolidator has developed an API from E-conomic to Konsolidator, and will soon have an API from Microsoft Business Central to Konsolidator as well as other bookkeeping systems.

### **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.

## **Disclaimer**

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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, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements.

In order to achieve continued growth, the company relies on the ability to attract new customers and to identify quality leads for further organic growth. The pace of the international expansion will be determined by how well the company can attract employees, as well as partners in the new markets.

# STRATEGY & BUSINESS

Countries where Konsolidator is present

**NORTH AMERICA | EUROPE | SOUTH EAST ASIA | AFRICA**

USA

DENMARK  
FINLAND  
GERMANY  
LITHUANIA  
NORWAY  
POLAND  
SWEDEN  
SWITZERLAND  
UNITED KINGDOM

SINGAPORE

ZAMBIA





# BUSINESS MODEL & PRODUCTS

## The development from a single-tier product to a multi-tiered product

Konsolidator started as a single-tier standard consolidation tool, which means the first four years, Konsolidator was sold as software with no additional tools. In 2020, Konsolidator started to offer a multi-tiered product to accommodate differences in group sizes and needs. As a result, Konsolidator is now available to the market at different price points and with different feature sets. By offering a varied feature set and multiple pricing points, Konsolidator

can diversify and widen the target customer base to generate more sales and increase revenue to existing customers.

### NEW PRICING TIERS

**KONSOLIDATOR ESSENTIALS**, a tier with only the basic consolidation and reporting functionalities targeted at groups that only want to use Konsolidator for their consolidated financial statements.

**KONSOLIDATOR STANDARD**, a tier that meets the need of the groups in the main market that want to use Konsolidator for their consolidated financial statements and monthly consolidated financial reporting.

**KONSOLIDATOR ADVANCED**, a tier targeted at groups that require more complex functionalities and that want to use Konsolidator for the financial reporting and advanced financial analytics.

Figure 3 highlights the main market and the target group for Konsolidator Standard. The left side of the graph is showing the potential market for Konsolidator Essentials and on the right side the potential market for Konsolidator Advanced.

Offering Konsolidator Essentials is a way of winning market share from enterprises that are currently using Excel for their consolidation and reporting and only have limited reporting requirements. Previously, this segment was hesitant about replacing Excel with a consolidation software because of the cost and complexity in implementing and using a new software. Since the market is overlooked and untouched by other service providers, it represents a big potential for Konsolidator to tap into and dominate when offering Konsolidator at a lower price and with features that are limited to match the basic needs of small groups.

Offering Konsolidator Advanced is another way of entering a new market and gaining market shares among groups that are currently using advanced Excel models or obsolete consolidation tools, and will therefore soon be forced to change their consolidation software. As illustrated in figure 3, this market is significantly smaller, but since Konsolidator Advanced is a more complex plan, the price is much higher, which will generate a higher annual recurring revenue.

### ADD-ONS

In addition to different pricing plans, Konsolidator has created Konsolidator Community – a built-in extension to all pricing tiers and an online social, collaborative platform where each customer can connect directly, and Konsolidator can communicate seamlessly to improve user engagement and retention.

With Konsolidator Community, Konsolidator communicates new updates and features and offer additional services such as reporting templates and webinars.

With Konsolidator Community, Konsolidator also gives customers a chance to easily

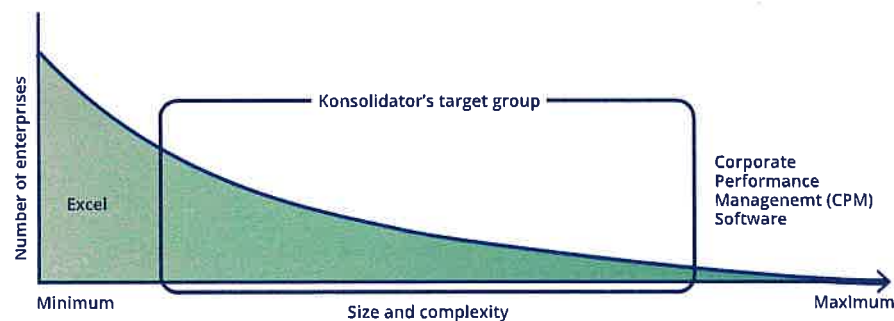


Figure 3. Konsolidator's market



include additional applications on top of their account such as integrating their bookkeeping system to Konsolidator, adding Business Intelligence, or extending their support agreement. All with just one single click. In this way Konsolidator Kommunity is a powerful service platform.

#### **KONSOLIDATOR AUDIT**

On top of creating a multi-tiered product to widen the end-user customer base, Konsolidator is offering Konsolidator Audit - a consolidation tool targeted at auditing com-

panies wanting to use Konsolidator internally for their own clients. The functionalities in the software remain the same as Konsolidator Essentials. However, the software is adjusted to support the consolidation of multiple companies with a single sign-on for auditors to easily overview their clients all in one place with the level of data security this requires.

2 channels – 1 product	Konsolidator (as single-tiered product)		
1. Sales Managers – Konsolidator			✓
2. Sales Partners			✓
4 channels – 3 products	Konsolidator (as single-tiered product)	Add-ons	Konsolidator Audit
1. Sales Managers – Konsolidator	✓	✓	
2. Sales Managers – Konsolidator Audit			✓
3. Sales Partners	✓	✓	
4. Video sales	✓	✓	

**“From the start of Konsolidator we have been aware of the huge timesaving potential for the public accounting firms, moving from Excel to Konsolidator.”**

**JACK SKOV,  
CFO and Head of  
Customer Experience.**

#### **FROM 2 CHANNELS AND 1 PRODUCT TO 4 CHANNELS AND 3 PRODUCTS**

The growth of Konsolidator in 2020 has resulted in Konsolidator developing from 1 product sold via 2 channels to 3 products sold via 4 channels as seen in the above tabel.

By January 1, 2021, Konsolidator will have five sales managers to support sales at the core markets Denmark, Sweden, DACH and the UK and will add an additional sales manager to focus on recruiting, training, supporting, and increasing sales through sales partners.

The video sales channel was implemented in Q1, 2021. By selling Konsolidator via on-demand video, a new and scalable approach is added to the sales funnel.

In 2021, this channel will be further developed for the customer journey to be fully automated. Ultimately, customers should be able to subscribe to Konsolidator directly on the website and conduct the full onboarding via video tutorials. This change is primarily meant for smaller and more simple groups. By Q2, 2021 the smaller groups will be able to onboard themselves via video tutorials to obtain a price reduction in the onboarding fee.

#### **PARTNER PROGRAM**

In Q2, 2020 Konsolidator launched a sales and onboarding partner program to build strategic alliances with partners to help reach new customers in new markets and accelerate sales growth. Since the launch, four sales partners have been signed, three of whom are also onboarding partners. In New Zealand, the international business advisory firm Develop IN Europe has signed. In Germany, the global auditing and consultancy firm Mazars has signed to cover most of Europe to support both sales and onboarding for the expected market

expansion and growth in this area. In the UK, two consultancy firms have signed specializing in group consolidation and reporting and the finance systems to support it. With the two new partners, RockFin and Cogonva, Konsolidator has a strong presence in the British Isles where the group sees a strong demand for Konsolidator.

#### **CLOUD-BASED ERP PROVIDERS**

Building alliances with ERP providers will promote Konsolidator in the app stores of local ERP systems where users are already used to look for system integrations that enable easier work processes within different business areas.

By using ERP solutions as strategic sales channels, Konsolidator expects to reach customers in an easier way through the current environment. The ERP integrations to Konsolidator will start with e-conomic in Denmark, Fortnox in Sweden, and Xero in English-speaking countries. Furthermore an ERP integration for Business Central, which is Microsoft's cloud-based ERP business solution, will also be developed.

#### **ROADMAP**

Konsolidator is constantly evolving and being redesigned to be cutting edge technology. Improving performance, usability, and user experience is always a high priority, but developing more functionalities in Konsolidator is also a big part of the roadmap. All improvements are always with the same purpose, "make CFOs better through simplicity." Konsolidator will always be a product that is intuitive and easy to use. Konsolidator has an ambitious roadmap that will not only make Konsolidator even better for the current customers but also attract both smaller and larger customers.

The development of Konsolidator is put into two categories:

- User experience: Performance, usability and improving simplicity
- New features: Supporting current customers and enabling sales to attract more customers

#### **PLANNED NEW FEATURES**

- › PPA (purchase price allocation)
- › Advanced intercompany module
- › Multiple Group Accounts
- › API integration for various ERP systems
- › Business Intelligence as an embedded service

#### **Enterprise Resource Planning (ERP)**

Enterprise resource planning (ERP) is defined as the ability to deliver an integrated suite of business applications. ERP tools share a common process and data model, covering broad and deep operational end-to-end processes, such as those found in finance, HR, distribution, manufacturing, service and the supply chain.

*Gartner Glossary, Information Technology Glossary, Enterprise Resource Planning (ERP)*



# MARKET REVIEW

During the past year, Konsolidator has expanded across the Danish border. Konsolidator is now used in 12 countries, with Denmark, Sweden, the UK, and DACH as the main markets.

With the last year's expansion, the market opportunities for Konsolidator are still growing. Konsolidator is still working on effectuating the Go-To-Market strategy to create a scalable, international group, but the results of the digital strategy and marketing efforts are already showing.

At the moment, the digital transformation is an ongoing topic in the finance department, which makes Konsolidator more relevant than ever. Konsolidator automates the complex tasks of preparing financial consolidation and reporting. Digitalizing this process makes the workflow more streamlined.

The streamlined workflow leads to a faster, easier process and delivers more accurate financial figures for the management to base their decisions on.

## ONLINE SALES AND ONBOARDING

Konsolidator has been building up a digital marketing strategy and has also digitalized sales and onboarding. When COVID-19 struck, Konsolidator was already prepared to digitalize sales and onboarding activities.

This digitalization has opened new opportunities since distance and location no longer matter. The digitalization of sales meetings and onboarding of customers have increased efficiency, making it easier to conduct multiple meetings daily compared to conducting them face-to-face. The digitalization of the sales and onboarding process also means that even though the world has been locked down, Konsolidator has still been able to service customers worldwide and continue activities that have led to new customers.

## HIGH TOUCH AND LOW TOUCH MARKETS

In the past year, Konsolidator has divided the market strategy into high touch and low touch markets. Konsolidator has done this to organize and scale efforts in terms of marketing and sales activities.

**HIGH TOUCH MARKETS** are the current four main markets for Konsolidator: Denmark, Sweden, the UK, and DACH. In these markets, Konsolidator is more active regarding marketing and sales activities than in low touch markets. Konsolidator has Country Managers and Business Development Managers (BDMs) dedicated to each high touch market with the responsibility of developing its selling potential. In the high touch markets, Konsolidator has also established partnerships with audit firms, onboarding partners and sales partners. The high touch markets are also where Konsolidator has the biggest number of customers and expects the highest growth.

**LOW TOUCH MARKETS** are all other markets where the marketing effort is all digital and is not as direct as in the high touch markets. Where high touch markets are centering the current main markets, low touch markets include the rest of the world (RoW). The low touch markets are also where the group expects the lowest growth of new customers. With digital marketing and sales, Konsolidator can do more with fewer resources. Konsolidator can reach out much broader and on an international scale due to the digitalization and the possibilities that digitalization brings along.

Marketing effort	High touch	Low touch
Konsolidator sales representative	√	+
Sales and onboarding partners	√	+
Phoner	√	+
Paid online advertising	√	√
Local newspapers	√	+
Events and tradeshow	√	+
Influencer	√	+

### CUSTOMER SEGMENTS

In recent years, Konsolidator has grown at a high rate and has expanded the functionality. The market remains the same including target group and customer segments, but Konsolidator's product has developed.

As shown in figure 4, the largest customer segment is groups with a revenue of less than DKK 350 million a year. This segment summarizes to 60% of all Konsolidator's customers, since Konsolidator is one of the few affordable tools in the market for these specific groups besides Excel. The second largest customer segment includes groups with a revenue of DKK 350m-1b, where 25% of Konsolidator's customers are represented. The remaining 15% of Konsolidator's customer segment includes groups that are more complex and with revenue above 1b.

### CUSTOMER PER REGION

Konsolidator signed 60 new customers during 2020. At the end of 2020 Konsolidator has 138 customers in 12 different countries divided into four regions:

- Nordic
- DACH
- UK
- Rest of World (RoW)

Konsolidator's main customer base comes from the Nordic countries as shown in figure 5. This market represents 83% of the total customers, and is primarily supported by our Danish and Swedish sales teams, which have been the main focus market since Konsolidator was launched in 2016.

The DACH and UK regions represent 12% of the total customer base, which will be supported by local sales representatives and onboarding partners.

The last region shown in figure 5 represents 5% and include customers outside of the three main regions and is supported by online sales and marketing.

Figure 4. Konsolidator's customer segments

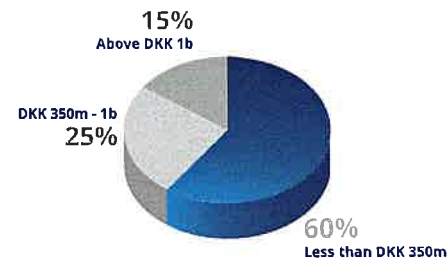
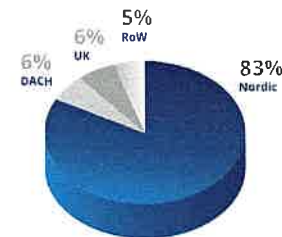
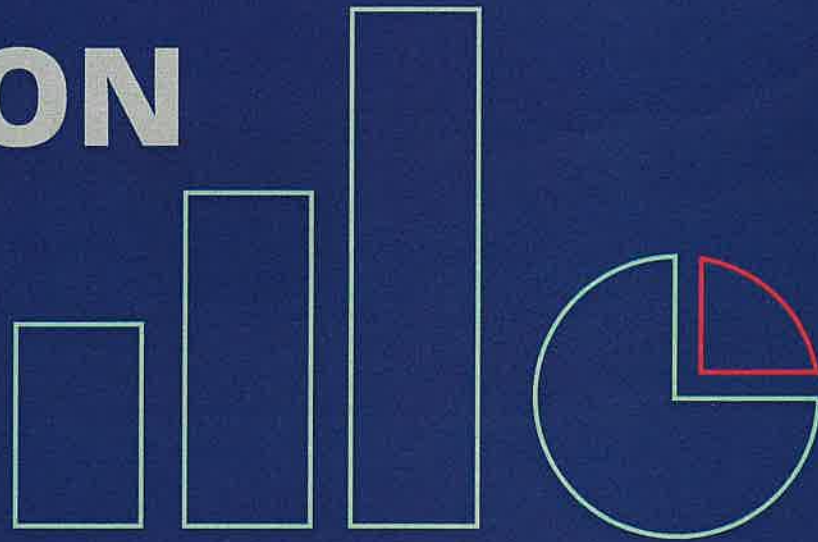


Figure 5. Customer per region



# CORPORATE INFORMATION





# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

## ENVIRONMENTAL

Since the end of 2019 Konsolidator has grown in employee size from 19 to 35. Still being a relatively small business in terms of employees, the direct environmental impact and carbon footprint continue to be low. Since Konsolidator is not a production company, measuring emissions and energy consumption are still considered a lot of effort for a very small output. However, Kon-

solidator takes an environmentally responsible approach to the way the business is run. By being a cloud-based software provider and a Microsoft Partner, Konsolidator hosts all data in Microsoft Azure and thereby enables customers to reduce their CO<sub>2</sub> emissions by 52-79%. When renewable energy is considered, carbon emissions from Azure Compute are 92-98% lower than traditional enterprise datacenter deployments of com-

pute equivalents<sup>1</sup>. Overall, the CO<sub>2</sub> emissions for on-premise servers in Denmark alone are calculated at approx. 355,000 tons of CO<sub>2</sub> per year<sup>2</sup>.

Since January 2020, almost all sales meetings, onboarding meetings, and workshops have been converted from face-to-face meetings to online meetings and webinars as shown in the table below. This transition

is not only because of COVID-19 but is also an integrated part of building a scalable and responsible business. This means that transport is now minimized to save time, money, and energy.

<sup>1</sup> Microsoft, The carbon benefits of cloud computing, 2020

<sup>2</sup> Børsen, Article IT Relation, Jannik Brinch, Spar penge og energi med grønne IT-løsninger, 2020

Percentage of sales meetings held	2020	2019
Face-to-face	9%	61%
Online	91%	39%
Percentage of customer onboardings held		
Onsite (face-to-face)	26%	93%
Online	74%	7%
Percentage of customer retention and sales activities		
Workshops (face-to-face)	24%	100%
Webinars (virtual)	76%	0%



## SOCIAL

The foundation for Konsolidator's business is having a strong culture and embracing the building of a diverse and inclusive workforce to deliver the best possible results.

The work that Konsolidator does determines the value that customers, partners, and investors see, and thereby determines the success or failure of Konsolidator. Therefore, at Konsolidator, the employees are the biggest competitive advantage. Not only do they contribute to shareholder value, they move the business forward.

For Konsolidator, continuing to create value is vital to attract and retain the best employ-

ees and include them as an integral part of the group's mission.

As seen in the below table measuring employee satisfaction, motivation, and retention began in 2019 and will continue in 2021.

The results of the annual survey in 2020 indicate high employee motivation and trust with the only factor standing out being the physical working environment. Since 2019 Konsolidator has been forced to split the different departments into two separate offices in different locations. In February 2021 Konsolidator is moving into a new location that will fit all departments in the same office.

The new office is designed to create a working environment with easy interaction between teams, respect for noise, and seating comforts. Work/life balance is a key priority and an important element. Working from home has proven successful for both productivity and flexibility.

COVID-19 has provided valuable learnings on the benefits of both working remotely and interacting face-to-face. Production tasks, especially, are better suited for working from home while being innovative, sparring, and being social are better when working from the office.

## GENDER DIVERSITY

Research indicates that gender diversity leads to enhanced financial performance, creativity, and greater team productivity. This has been a focal point in the recruitment process in 2020. In addition, an employee mix that reflects several different capabilities will enable Konsolidator to sharpen the outlook and decisions even further, ultimately to achieve bigger goals as an organization. Recruitment processes include required gender representation on shortlists. Konsolidator has hired qualified people including people with different nationalities, age, and academic backgrounds. In 2021, the diversity efforts continue and are part of making Konsolidator

Indicator	Unit	2020	2019	2018
<b>Number of full time equivalents</b>				
Total	FTEs	24	14	5
Female	FTEs	8	4	0
Male	FTEs	16	10	5
Boardmembers female	Number	0	0	0
Boardmembers male	Number	3	3	6
<b>Turnover</b>				
Employee turnover rate	Percentage	4.2%	14.3%	0.0%
<b>Employee satisfaction</b>				
Working environment face-to-face	Index 0-100	62	61	na
Working environment mental (harassment, bullying)	Index 0-100	90	88	na
Social capital (fairness, cooperation & trust)	Index 0-100	86	79	na
Loyalty & motivation	Index 0-100	88	80	na

## Method

- **Number of employees:** Measured as full time equivalents (FTE) + temporary staff, weighted with months of employment during the year.
- **Employee turnover rate:** Number of FTEs that has left the company during the year divided by number of FTEs at the end of the year.
- **Employee satisfaction:** Employee score via 50 questions with a range between 1 (not satisfied) and 10 (very satisfied).

Results measured on total score and on each of the 4 areas and split across departments. Survey conducted every year in November/December.

a diverse working place and a great place to develop the employee's talent.

**CUSTOMER RETENTION**

Being a SaaS company, the onboarding process is one of the most critical steps in the customer journey, and it is a vital part of customer retention. If customers are not successfully onboarded, the likelihood of them terminating their subscription is high. With a thorough and collaborative onboarding process, Konsolidator educates customers to use Konsolidator to ensure the customers can achieve fast results on their own once the onboarding is completed. At Konsolidator, following up on customers after the onboarding has finished is also important. A customer is not anchored and considered a "true" customer until the customer has prepared the first three consolidations by themselves. It is the respon-

sibility of the Customer Experience team to ensure that the customer is anchored and receives the needed support.

Secondary to the onboarding is the support, which is key to retaining customers once they are onboarded and anchored. The customer support at Konsolidator has always had a strong focus, which is reflected in the customer satisfaction survey in 2020, where 67% rated the support function as excellent, 26% as good, and only 7% as average.

Each year in June, a customer satisfaction survey is conducted with the aim of understanding how customers experience the onboarding process, the product, and the support. The customer retention is calculated to 96.3% in 2020 meaning that out of every hundred customers, 96.3 are retained.

In addition, Konsolidator measures the Net Promoter Score (NPS), which is a loyalty and satisfaction metric that rates customers' experience with a brand and their likelihood of recommending it.<sup>3</sup>

The NPS for Konsolidator translates to a score of 50 as shown in figure 6. A NPS benchmark report from 2020 done by Retently, shows that the average NPS score for SaaS companies in 2020 was measured to 30.<sup>4</sup>

The next survey is conducted in June 2021.

<sup>3</sup> Reichheld, Frederick F. (December 2003). "http://hbr.org/2003/12/the-one-number-you-need-to-grow/ar/1" "One Number You Need to Grow"

<sup>4</sup> Retently 2020 NPS Benchmarks, average NPS score per Industry.

**GOVERNANCE**

During 2021, Konsolidator will start to follow the Danish recommendations on corporate governance from the Danish Committee on Corporate Governance. The recommendations will provide a framework on how the Board of Directors work.

Increasing diversity on the board (including age, gender, or educational and commercial background) continues to be a top priority at Konsolidator, leading to increased quality through a varied approach to solving tasks. Currently, the seats on the board are occupied by men alone.

In 2021, an action plan will outline the steps and processes needed to live up to the recommendations from the Danish Committee on Corporate Governance.

Customer retention percentage in 2020

96.3%

**Method**

Number of customer 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

Figure 6. Konsolidator's Net Promoter Score





# RISK MANAGEMENT

## RISK FRAMEWORK DESCRIPTION

The management is responsible for the ongoing management of risks, including risk mapping, assessment of probabilities, and potential impacts as well as the introduction of mitigating measures. Management reports to the Board of Directors on risk management. The following risks are deemed to be of relevance to Konsolidator in 2020 and the near future.

The risk factors and uncertainties mentioned below include the risks that Konsolidator's management currently considers to be significant, but these are not the only risk factors and uncertainties that Konsolidator is exposed to. There may be additional risk factors and uncertainties, including risks

that Konsolidator is currently not aware of or which the management currently considers insignificant, that may arise or become material in the future and may lead to a decline in the offered shares' value and consequently a loss of all or part of the amount invested in Konsolidator.

Management believes that there are no specific risks related to Konsolidator compared to what is normal for the industry and markets.

## DATA SECURITY

Management considers a data security breach as one of the highest risk factors. This is due to the importance of the data Konsolidator stores and the increased risk

of hacker attacks. To mitigate these risks, Konsolidator has transferred all data to Microsoft Azure during 2020. Using a Microsoft server environment, enables Konsolidator to utilize the security settings at Microsoft Azure. Further, Deloitte has performed a technical penetration test of Konsolidator in July 2020 to evaluate the security of the application and the underlying infrastructure to assess if an external attacker with or without credentials could gain unauthorized access to the system and other users' data. Konsolidator showed overall very high levels of security. As part of Konsolidator's IT policy, a penetration test is planned to be performed annually. Another part of the IT policy is an ISAE 3402 certification where Konsolidator's auditors give an opinion on

Konsolidator's processes for security set-up, application development, and data handling to ensure all precautions have been taken to prevent any security risks such as data breaches or cyberattacks. The certification will be performed for the first time in 2021 and is planned to be prepared on an annual basis. Furthermore, Konsolidator has entered an agreement to associate an information security specialists, who will assist with maintaining a strong data security.

The risk factors are not listed in order of importance or probability in the key risk factors table below.

## KEY RISK FACTORS

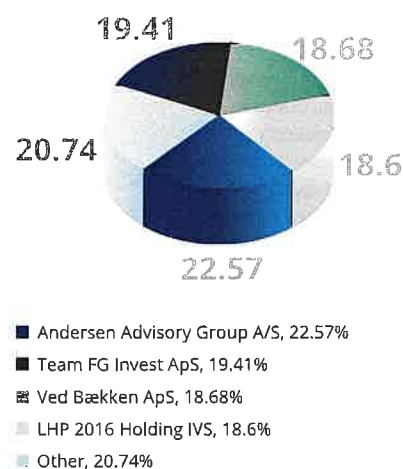
Risk Factors	Risk Description	Risk Mitigation
<b>Data security</b>	Konsolidator's business is based on a software solution where customers trust Konsolidator with its financial data. Konsolidator engages with a supplier who stores the financial data in the cloud. As a Software as a Service company, security breaches from hackers and viruses threaten the company's ability to maintain daily operations. If Konsolidator is affected by an IT attack, it may prevent customers from using Konsolidator's solution for a shorter or longer period. In case of a ransomware attack, where Konsolidator is unable to raise the capital, it will in its utmost consequence mean that the company will not be able to continue operating.	Konsolidator is a cloud-based software that is hosted on Microsoft Azure's servers. Being the world leader in cloud solutions, Microsoft is highly experienced when it comes to protecting their customers' data. This means that Konsolidator has a great partner when it comes to IT safety. Konsolidator's development department continuously monitors the product and its technical infrastructure, aiming to identify and minimize the risk to the company's operations. Through tested best practice procedures, Konsolidator can quickly restore critical business operations.  Further, Konsolidator has annual penetration tests done as well as having an auditor's opinion performed on the IT security.
<b>Financial</b>	Konsolidator may in the future be forced to raise new capital for continued growth and international expansion.	Konsolidator needs capital for its continued international growth. In order to get the needed capital, Konsolidator must sign new customers to make sure that the growth continues. If Konsolidator does not reach its projected number of new customers, capital is needed to continue the growth strategy.

<b>Risk Factors</b>	<b>Risk Description</b>	<b>Risk Mitigation</b>
<b>Market regulation</b>	The first contact by Konsolidator to potential customers is done by contacting potential customers by either e-mail or by phone (outbound) or the customer contacting Konsolidator (inbound). The legislation regarding contacting customers is different from country to country and can be illegal if Konsolidator does not get permission to contact the potential customer.	Konsolidator's business model is to market its product through LinkedIn campaigns, search engine optimization (SEO), and other online marketing platforms. Through these campaigns the inbound marketing should in time generate a lot more customers than the outbound marketing. Further, when Konsolidator enters new countries the legislation in this regard will be part of the consideration before entering a new country.
<b>Market and Customers</b>	<p>Market developments in consolidation can affect the demand for Konsolidator's product. A significant proportion of the groups that consolidate their accounts perform this consolidation, among other things, due to regulatory requirements for the presentation of consolidated financial statements. If legislation were to be amended to reduce the number of groups required to present consolidated financial statements, this could have a negative impact on the demand for consolidation systems and thus the market for Konsolidator's solution.</p> <p>In addition, Konsolidator can also lose customers due to the solution not meeting the needs and requirements of potential customers.</p>	<p>Customer surveys give a strong feedback on the product and the feedback allows Konsolidator to develop a product that meets the requirements and needs of customers. The feedback from customers is used in planning Konsolidator's development roadmap.</p> <p>In our current market model, it is estimated that Konsolidator is relevant for groups of five or more companies. However, customers have signed up to Konsolidator with fewer than five companies in the group. Konsolidator strives to present a reasonably priced and simple product to groups with less than five companies.</p>
<b>Professional skills &amp; corporate culture</b>	<p>The employees remain the key drivers in everything at Konsolidator. The team is connected by one common goal: To make CFOs better. The business is based on specialized expertise and innovation, and failure to attract, develop, and retain the most skilled employees and management constitutes a risk to the company.</p> <p>The company has limited staff and is therefore dependent on the management and a few key persons in the long term to manage the operations and implement upcoming plans for development. The key characters are currently on the company's executive board. If one or more key employees leave the company, this may have a negative impact on the group's business, revenue, and development.</p>	<p>The values and the notion of work/life balance serve as strong tools for recruitment of talent as the company has found that talented people are happy to stay with a company that treats them with respect and focuses on work/life balance. Konsolidator focuses on creating a work/life balance in line with what employees are looking for.</p> <p>The recruitment process ensures that Konsolidator is attracting and getting the right professional and skilled people to work at Konsolidator. The team needs to cooperate and work together for our vision to be realized. Therefore, not only the professional but also the personal features are important when Konsolidator is hiring. Konsolidator conducts annual employee surveys in order to be aware of the employees' satisfaction.</p>
<b>Legal</b>	<p>Konsolidator believes that contractual risk and legal risk related to regulatory requirements are critical.</p> <p>Failure to meet or implement regulatory requirements in a timely fashion with respect to, for instance, data protection, confidentiality agreements, and fraud constitutes a risk.</p>	Konsolidator has established contact with legal professionals that, together with marketing and business development operations, ensure a stage-gate approach when new contracts are made and when new regulation and compliance are being imposed.

# SHAREHOLDER INFORMATION

Konsolidator A/S has been listed since May 10, 2019, and is traded on Nasdaq First North Growth Market – Denmark. The company’s ticker is KONSOL.

Percentage of share capital



## SHARE CAPITAL AND WARRANTS

The share capital amounts to DKK 618,181.84 divided into 15,454,546 shares, each with a nominal value of DKK 0.04. The company has one share class, and all shares hold equal rights. The company increased the share capital in April 2020 by DKK 30,000 as direct issue to an institutional investor.

The company has issued warrants with the rights to sign 250,000 shares or DKK 10,000 nominal value. The warrants were issued in March 2019 and June 2020, and both issues are vested over three years. 125,000 warrants were issued in March 2019 to Board member Jesper Eigen Møller at a strike at DKK 8.8 per share, which was the stock price at the IPO. The other 125,000 warrants were issued to Konsolidator employees at a strike at DKK 47.12 per share.

## DIRECT ISSUE OF 750,000 SHARES

On April 30, 2020, Konsolidator completed an offering of 750,000 new shares in a directed issue to an institutional investor raising gross proceeds of DKK 29.6 million. The offer shares were admitted to trading and official listing on the Nasdaq First North Growth Market on May 5, 2020.

The proceeds are used to accelerate the growth journey by hiring more people within sales and development.

## DIVIDEND POLICY

Konsolidator has not paid any dividends, and no proposals on dividends will be submitted by the Board until the company has achieved long-term profitability.

## LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2020

Shareholder	No. of shares
Andersen Advisory Group A/S	3,488,636
Team FG Invest ApS	3,000,000
Ved Bækken ApS	2,886,363
LHP 2016 Holding IVS	2,875,000
Other	3,204,547
<b>Total number of shares</b>	<b>15,454,546</b>

## THE KONSOLIDATOR SHARE

The share price on December 31, 2020, ended at DKK 32 per share up from DKK 12.3 in 2019. The share price increased by 160% in 2020.

At the end of 2020, Konsolidator had more than thousand registered shareholders. Four shareholders had notified shareholdings of 5% or more.



## INVESTOR RELATIONS

Konsolidator shall provide correct and relevant information to all shareholders, the capital market, the society, and the media at the same time. It is the goal of Konsolidator to be perceived as an informative and trustworthy company. In this context, the company will publish quarterly reports even though this is not a Nasdaq requirement. Konsolidator has entered an agreement with Børsnoteringer.dk in order to gain more exposure for the Konsolidator share. Børsnoteringer.dk is a newly launched website where growth companies can get exposure to investors.

In 2020, Konsolidator started to communicate with investors through participating in investor meetings. During 2020, Konsolidator has participated in 40 investor meetings with more than 100 professional investors participating. Konsolidator will continue to participate in relevant investor meetings during 2021. Further, Konsolidator plans to have investor presentations

after the consolidated annual accounts and the half-year consolidated accounts.

At the investor site, <https://konsolidator.com/investors/> a list of all company announcements and press releases during 2020 can be found. Konsolidator has published 22 company announcements and 6 press releases during 2020.

### Konsolidator share closing price in 2020



## 2021 Financial Calendar

Q1 report – April 27, 2021  
Annual General Meeting – April 29, 2021  
Q2 report – Juli 28, 2021  
Q3 report – October 27, 2021  
Annual report – February 9, 2022

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

## Share data

Ticker code: KONSOL  
Market place: Nasdaq First North Growth Market  
Date of listing: May 10, 2019  
ISIN Code: DK0061113511  
Currency: DKK  
No. of shares outstanding: 15,454,546  
Share price December 31, 2020: 32

# MANAGEMENT



## CLAUS FINDERUP GROVE

Born in 1967. Founder and CEO since 2014. Claus is responsible for Sales and Marketing.



## JACK SKOV

Born in 1969. Founder and CFO since 2014. Jack is responsible for Customer Experience and Finance.



## LARS HØJER PAASKE

Born in 1976. Founder and CTO since 2014. Lars is responsible for IT and Development.

<b>Education</b>	Master of Science in Economics (Cand.polit) from the University of Copenhagen.  Management Education from Columbia University	State Authorized Public Accountant and Master of Science in Business Economics and Auditing (Cand.merc.aud) from Copenhagen Business School.	Bachelor in Computer Science and Economics (BA) from Copenhagen Business School.
<b>Competencies</b>	Claus has been working as Financial Controller, Finance Director, and CFO for 20 years in small, medium, and large enterprises. He has been working with financial analytics, group accounting, financial reporting, training in consolidation software, financing, and M&A activities throughout his career.  He has held a CFO position for Copenship Group A/S and Netop Solution A/S, and further position as Financial Director in Clipper Group and A.P. Moller Maersk Group. Claus Finderup Grove has worked in Denmark, Italy, Hong Kong, and Malaysia.	Jack has been working in finance and public accounting for 20 years. He has been working with consolidation, accounting, financing, and M&A activities throughout his career. He has served publicly and privately-owned groups when working in public accounting.  He has held a CFO position for Linderberg Group A/S and worked as a State Authorized Public Accountant at Deloitte.	Lars has 10 years of experience in IT projects and programming and has worked 4 years as project manager on global ERP implementations within the shipping industry for D/S Norden and Nordic Tankers.  He has also had a successful badminton career, including titles from the World Championship, World Cups, and All England championships, and he has participated in 3 Olympic Games.
<b>Shareholdings</b>	Claus Finderup Grove owns 3,011,363 shares in Konsolidator A/S primarily through Team FG Invest ApS.	Jack Skov owns 2,886,363 shares in Konsolidator A/S through Ved Bækken ApS.	Lars Højer Paaske owns 2,875,000 shares in Konsolidator A/S through LHP 2016 Holding IVS.
<b>Directorships</b>	Managing Director: Konsolidator A/S	Board member: Linderberg Group A/S including subsidiaries	Managing Director: LHP 2016 holding IVS

# BOARD OF DIRECTORS



**SØREN ELMANN INGERSLEV, CHAIRMAN.**

Partner, Attorney-at-Law, Elmann Lawfirm



**MICHAEL MOESGAARD ANDERSEN**

Professional board member and investor



**JESPER EIGEN MØLLER**

Professional board member

<b>Education</b>	Cand.jur., LL.M., MBA	Cand.scient.pol from Aarhus University and BA in management from Copenhagen Business School.	Cand.merc from Copenhagen Business School.
<b>Competencies</b>	<p>Søren advises on Corporate Matters, Capital Markets, Mergers and Acquisitions (M&amp;A), Investments, and International Contracts. Søren advises small- and medium-sized Danish and international companies as well as private equity funds and family businesses.</p> <p>Søren has broad international experience, strong negotiation skills and business acumen that - combined with his legal expertise - provides great value to his clients.</p> <p>Søren serves as a non-executive board member in a number of Danish businesses. Also, Søren is an experienced teacher and teaches company law, M&amp;A, etc.</p>	<p>Michael is a former civil servant in the Danish Ministry of Finance, partner at Deloitte, and owner of a medium-sized management consulting firm. He has a track record as an active investor, co-owner, and board member in IT technology growth companies. He and his team assist with strategic development, business development, general management issues, and M&amp;A. In addition, he holds an adjunct professorship at Copenhagen Business School.</p>	<p>Jesper has extensive management experience from listed international companies such as Coca-Cola, Carlsberg, and ISS. Furthermore, he held the position as CEO of Toms Gruppen A/S for 9 years. Jesper has a solid experience from board positions in listed and privately held companies as well as The Confederation of Danish Industries. His specific competencies are in the areas of sales, marketing, HR, communication, and strategic management.</p>
<b>Shareholdings</b>	Søren owns 383,363 shares in Konsolidator A/S through Ingerslev ApS.	Michael Moesgaard Andersen owns 3,488,636 shares through Andersen Advisory Group A/S, which is an ownership of above 20%.	Jesper Eigen Møller owns 22,727 shares in Konsolidator A/S and has DKK 125,000 warrants.
	<i>Independent of the company</i>	<i>Dependent of the company</i>	<i>Independent of the company</i>
<b>Directorships</b>	Full list see page 50.	Full list see page 50.	Full list see page 50.

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# CONSOLIDATED FINANCIAL REVIEW

## INCOME STATEMENT

### Revenue

The revenue comprises of subscription fees, fees for onboarding customers and consulting fees. The revenue increased to DKK 7,539 thousand (DKK 4,699 thousand) an increase of 60 percent.

### Expenses

Total operating expenses amounted to DKK 21,644 thousand (DKK 12,212 thousand). The increase was primarily due to the increased costs in salary expenses which increased by DKK 7,702 thousand to DKK 14,848 thousand (DKK 7,146 thousand). The hiring of new staff to support Konsolidator's expansion increased the group's salary expenses.

Other external costs increased to DKK 6,466 thousand (DKK 4,919 thousand) which was due to the increased number of employees.

### EBITDA

Since the increase in costs was higher than the increase in revenue, earnings before interest, tax, depreciation, and amortization (EBITDA) was negative by DKK 14,105 thousand (DKK 9,428 thousand).

### Profit/loss for the year

The net loss for 2020 was DKK 14,056 thousand (DKK 8,176 thousand). The loss is impacted by the fact that during 2020 Konsolidator has employed 14 new employees to support the international expansion as well as supporting the development team where an increased focus on the software solution has become apparent as the number of customers grew.

### CASH FLOW

Net cash flow for the year amounted to DKK 12,096 thousand (DKK 8,691 thousand). Cash flow from operating activities was negative by DKK 14,077 thousand compared to negative cash flows in 2019 of DKK 6,652 thousand. The cash outflow during the year was mainly due to the increased costs for salaries.

Investing activities have increased from DKK 2,188 thousand in 2019 to DKK 3,431 thousand in 2020. The increase is due to additional employees developing on Konsolidator.

The cash flow from financing activities come from the capital increase in April 2020 where Konsolidator reached an agreement to sell 750,000 shares to an institutional investor at DKK 39.5 per share.

### ASSETS

Total assets amount to DKK 29,561 thousand (DKK 13,750 thousand). Of the total assets, cash and intangible assets are the primary assets. The increase in assets was due to the capital increase in April 2020.

### Intangible assets

The intangible assets relate to development costs incurred developing Konsolidator, costs incurred applying for our patent and development of a new website.

The development costs include capitalized salary costs and costs from external consultants. Development costs amounted to DKK 7,154 thousand (DKK 4,661 thousand) and include finished development projects as well as development projects in progress.

Patents, licences, and other rights amounted to DKK 515 thousand (DKK 188 thousand).

### Cash and cash equivalents

As per December 31, 2020 cash and cash equivalents amounted to DKK 18,707 thousand compared to DKK 6,572 thousand on December 31, 2019. The increase is due to the group's capital increase in April of 2020 where the group received DKK 28.7 million in net proceeds.

### EQUITY

As per December 31, 2020 total equity amounts to DKK 26,342 thousand (DKK 11,710 thousand). The changes in equity relate to the capital increase of DKK 29,625 thousand, costs of DKK 890 thousand and the loss for the year of DKK 14,056 thousand. At December 31, 2020, the group has a negative reserve for exchange rate adjustments in the amount of DKK 47 thousand.

Unless otherwise stated, numbers are financials for 2020. Comparative numbers are for 2019 and shown in brackets.

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# INCOME STATEMENT

DKK'000	Note	2020	2019
Revenue		7,539	4,699
Variable costs		(330)	(147)
External expenses		(6,466)	(4,919)
<b>Gross profit/loss</b>		<b>743</b>	<b>(367)</b>
Staff costs	2	(14,848)	(7,146)
Depreciation, amortization and impairment losses	3	(498)	(370)
Other operating expenses	4	-	(1,915)
<b>Operating profit/loss</b>		<b>(14,603)</b>	<b>(9,798)</b>
Financial income	5	62	-
Financial expenses	6	(148)	(120)
<b>Profit/loss before tax</b>		<b>(14,689)</b>	<b>(9,918)</b>
Corporation tax for the year	7	633	1,742
<b>Profit/loss for the year</b>		<b>(14,056)</b>	<b>(8,176)</b>
<b>Distribution of profit</b>			
Retained earnings		(14,056)	(8,176)
		<b>(14,056)</b>	<b>(8,176)</b>

# CASH FLOW STATEMENT

DKK'000	Note	2020	2019
Operating profit/loss		(14,603)	(9,798)
Depreciation, amortization and impairment losses reversed		498	370
Costs regarding the initial public offering, reversed		-	1,915
Changes in receivables		(519)	9
Changes in current liabilities		259	797
<b>Cash flows from primary activities</b>		<b>(14,365)</b>	<b>(6,707)</b>
Financial income received		62	-
Financial costs paid		(201)	(120)
Income taxes paid/received		427	175
<b>Cash flow from operating activities</b>		<b>(14,077)</b>	<b>(6,652)</b>
Payments for intangible assets		(3,312)	(2,102)
Payments for property, plant and equipment		(41)	-
Acquisition of subsidiaries and activities		-	(36)
Changes in other non-current assets		(78)	(50)
<b>Cash flow from investing activities</b>		<b>(3,431)</b>	<b>(2,188)</b>
Proceeds from capital increase		28,735	17,115
Changes in other non-current liabilities		869	416
<b>Cash flow from financing activities</b>		<b>29,604</b>	<b>17,531</b>
<b>Net cash flow for the year</b>		<b>12,096</b>	<b>8,691</b>
Cash and cash equivalents at the beginning of the year		6,572	-
Bank loans at the beginning of the year		-	(2,122)
Net cash flow for the year		12,096	8,691
Exchange rate adjustments on cash and cash equivalents		3	3
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>18,671</b>	<b>6,572</b>



# BALANCE SHEET

DKK'000	Note	2020	2019
<b>ASSETS</b>			
Completed development projects		4,597	2,625
Patents, licenses and other rights		515	188
Developing projects in progress		2,557	2,036
<b>Intangible assets</b>	<b>9</b>	<b>7,669</b>	<b>4,849</b>
Fixtures and fittings, other plant and equipment		44	9
<b>Property, plant and equipment</b>	<b>10</b>	<b>44</b>	<b>9</b>
Deferred tax assets		1,213	1,213
Other receivables		177	100
<b>Financial assets</b>		<b>1,390</b>	<b>1,313</b>
<b>Total non-current assets</b>		<b>9,103</b>	<b>6,171</b>
Accounts receivable		805	248
Work in Progress	11	121	103
Tax receivables		644	436
Other receivables		11	10
Prepayments		170	210
<b>Receivables</b>		<b>1,751</b>	<b>1,007</b>
<b>Cash and cash equivalents</b>		<b>18,707</b>	<b>6,572</b>
<b>Total current assets</b>		<b>20,458</b>	<b>7,579</b>
<b>Total assets</b>		<b>29,561</b>	<b>13,750</b>

DKK'000	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
Share capital		618	588
Share premium		-	19,312
Reserve for exchange rate adjustments		(47)	-
Retained earnings		25,771	(8,190)
<b>Equity</b>		<b>26,342</b>	<b>11,710</b>
Other liabilities		1,284	416
<b>Non-current liabilities</b>	<b>12</b>	<b>1,284</b>	<b>416</b>
Bank loans		36	-
Prepayments from customers	11	121	61
Accounts payable		671	510
Corporation tax		1	-
Other liabilities	12	1,106	1,053
<b>Current liabilities</b>		<b>1,935</b>	<b>1,624</b>
<b>Total liabilities</b>		<b>3,219</b>	<b>2,040</b>
<b>Total equity and liabilities</b>		<b>29,561</b>	<b>13,750</b>
Uncertainties and estimates	1		
Unrecognized rental and lease commitments	13		
Consolidated accounting policies	14		

# STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Share premium	Reserve for exchange rate adjustments	Retained earnings	Equity
<b>Equity 1 January 2020</b>	<b>588</b>	<b>19,312</b>	-	<b>(8,190)</b>	<b>11,710</b>
Capital increase	30	29,595	-	-	29,625
Costs regarding capital increase	-	(890)	-	-	(890)
Transfer to retained earnings	-	(48,017)	-	48,017	-
Exchange rate adjustments during the year	-	-	(47)	-	(47)
Profit/loss for the year	-	-	-	(14,056)	(14,056)
<b>Equity 31 December 2020</b>	<b>618</b>	-	<b>(47)</b>	<b>25,771</b>	<b>26,342</b>
<b>Equity 1 January 2019</b>	<b>500</b>	-	-	<b>356</b>	<b>856</b>
Capital increase	88	19,312	-	-	19,400
Costs regarding capital increase	-	-	-	(370)	(370)
Profit/loss for the year	-	-	-	(8,176)	(8,176)
<b>Equity 31 December 2019</b>	<b>588</b>	<b>19,312</b>	-	<b>(8,190)</b>	<b>11,710</b>

# NOTES

## Note 1. Uncertainties and estimates

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, and 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.

### Valuation of development projects

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. 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.

### Deferred tax asset

As per December 31, 2020, the net deferred tax asset amounts to DKK 1,213 thousand with no adjustments in the deferred tax asset from 2019, 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 and have no expiry date. 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.

DKK'000	2020	2019
<b>Note 2. Staff costs</b>		
Wages and salaries	16,105	8,372
Pensions	761	32
Other social security costs	354	92
Other staff costs	195	189
	<b>17,415</b>	<b>8,685</b>
Capitalized wages and salaries	(2,567)	(1,539)
<b>Staff costs</b>	<b>14,848</b>	<b>7,146</b>
Average number of employees	24	14

## Note 3. Depreciation, amortization and impairment losses

Completed development projects	387	296
Patents, licenses and other rights	105	72
Other fixtures and fittings, tools and equipment	6	2
	<b>498</b>	<b>370</b>

## Note 4. Other operating expenses

Cost regarding the Initial Public Offering	-	1,915
	-	<b>1,915</b>



# NOTES

DKK'000	2020	2019
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## Note 5. Financial income

Gain on foreign exchange	62	-
	<b>62</b>	<b>-</b>

## Note 6. Financial expenses

Interest expense	114	90
Loss on foreign exchange	4	4
Other financial expenses	30	26
	<b>148</b>	<b>120</b>

## Note 7. Corporation tax for the year

Current tax for the year	633	436
Deferred tax for the year	-	1,306
	<b>633</b>	<b>1,742</b>

## Note 8. Cash and cash equivalents at the end of the year

Cash and cash equivalents	18,707	6,572
Bank loans	(36)	-
	<b>18,671</b>	<b>6,572</b>

DKK'000	Completed development projects	Patents, licenses and other rights	Developing projects in progress	Total
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## Note 9. Intangible assets

Cost at the beginning of the year	3,363	429	2,036	5,828
Transfers from/(to) other items	2,331	-	(2,331)	-
Additions during the year	28	432	2,852	3,312
<b>Cost at the end of the year</b>	<b>5,722</b>	<b>861</b>	<b>2,557</b>	<b>9,140</b>
Amortization at the beginning of the year	(738)	(241)	-	(979)
Amortization for the year	(387)	(105)	-	(492)
<b>Amortization and impairment losses at the end of the year</b>	<b>(1,125)</b>	<b>(346)</b>	<b>-</b>	<b>(1,471)</b>
<b>Carrying amount at the end of year</b>	<b>4,597</b>	<b>515</b>	<b>2,557</b>	<b>7,669</b>

DKK'000	Fixtures and fittings, other plant and equipment
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## Note 10. Property, plant and equipment

Cost at the beginning of the year	11
Additions during the year	41
<b>Cost at the end of the year</b>	<b>52</b>
Depreciation at the beginning of the year	(2)
Depreciation for the year	(6)
<b>Depreciation and impairment losses at the end of the year</b>	<b>(8)</b>
<b>Carrying amount at the end of year</b>	<b>44</b>

# NOTES

DKK'000	2020	2019
<b>Note 11. Work in progress</b>		
Contract work in progress	-	42
Transferred to prepayments from customers	121	61
<b>Total work in progress</b>	<b>121</b>	<b>103</b>
<b>Specified as follows:</b>		
Work in progress (assets)	121	103
Prepayments from customers (liabilities)	(121)	(61)
	-	42

## Note 12. Non-current liabilities

### Other liabilities

Between 1 and 5 years	1,284	416
Long-term part	1,284	416
Within 1 year	1,106	1,053
	<b>2,390</b>	<b>1,469</b>

DKK'000	2020	2019
<b>Note 13. Unrecognized rental and lease commitments</b>		
Within 1 year	381	332
Between 1 and 5 years	2,787	-
After 5 years	462	-
	<b>3,630</b>	<b>332</b>

# NOTES

## Note 14. Consolidated 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 the addition of certain provisions for reporting class C.

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

The Consolidated Financial Statements for 2020 are presented in DKK.

### 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. 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.

### 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 inter-company 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 are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories, and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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.

## INCOME STATEMENT

### Revenue

Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. 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.

### Revenue from onboarding and consulting services

Konsolidator sells consulting services 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 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 and is recognized when the worked hours have been delivered.



# NOTES

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).

## Variable costs

Variable costs 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, such as expenses for premises, stationery, and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognized in current assets.

## Staff costs

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

## Depreciation, amortization, and impairment losses

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.

## Other operating expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Group.

## 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, and amortization 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 recognized in the income statement by the portion attributable to the profit for the year.

## BALANCE SHEET

### Intangible assets

Intangible assets comprise completed development projects, development projects in progress, patents, and acquired intellectual property rights.

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.

Development projects on clearly defined and identifiable products and processes are recognized as intangible assets when the projects have a technical rate of utilization, adequate resources, and a potential future market or development opportunity which can be established. The cost of development projects comprises 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.

Completed development projects are amortized 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 amortization is the remaining duration of the relevant rights. The amortization periods used are 3-10 years.

When recognizing development projects as intangible assets, an amount equalling the costs incurred is taken to equity as "Reserve for development costs" which is reduced as the development projects are amortized and written down.

## 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

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.

# NOTES

## Impairment of fixed assets

The carrying amounts of intangible assets and property, plant, and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

## Other receivables

Other receivables consist of deposits.

## Receivables

Receivables are measured at amortized cost, usually equalling nominal value less write-downs 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 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.

## Income tax payable or receivable

Current tax payable or receivable is recognized 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 and cash equivalents

Cash comprises cash in hand and bank deposits.

## Deferred tax

Deferred tax is recognized 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 carry-forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

## Other financial liabilities

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

## 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 and short-term securities with an insignificant price risk less short-term bank debt.

## Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the CFA Danish Society Denmark.

Ratios	Calculation formula	Ratios reflect
Solvency ratio (%)	= $\frac{\text{Equity} \times 100}{\text{Total assets}}$	The enterprise's financial strength.

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# INCOME STATEMENT

DKK'000	Note	2020	2019
Revenue		7,608	4,699
Variable costs		(2,533)	(147)
External expenses		(6,103)	(4,868)
<b>Gross profit/loss</b>		<b>(1,028)</b>	<b>(316)</b>
Staff costs	2	(13,421)	(6,873)
Depreciation, amortization and impairment losses		(498)	(370)
Other operating expenses		-	(1,915)
<b>Operating profit/loss</b>		<b>(14,947)</b>	<b>(9,474)</b>
Financial income		62	-
Financial expenses	3	(136)	(120)
<b>Profit/loss before tax</b>		<b>(15,021)</b>	<b>(9,594)</b>
Corporation tax for the year	4	634	1,742
<b>Profit/loss for the year</b>		<b>(14,387)</b>	<b>(7,852)</b>
<b>Distribution of profit</b>			
Retained earnings		(14,387)	(7,852)
		<b>(14,387)</b>	<b>(7,852)</b>



# BALANCE SHEET

DKK'000	Note	2020	2019
<b>ASSETS</b>			
Finished development projects		4,597	2,625
Patents, licenses and other rights		515	188
Developing projects in progress		2,557	2,036
<b>Intangible assets</b>		<b>7,669</b>	<b>4,849</b>
Fixtures and fittings, other plant and equipment		44	9
<b>Property, plant and equipment</b>		<b>44</b>	<b>9</b>
Investments in subsidiaries	5	79	79
Deferred tax assets		1,213	1,213
Other receivables		177	100
<b>Financial assets</b>		<b>1,469</b>	<b>1,392</b>
<b>Total non-current assets</b>		<b>9,182</b>	<b>6,250</b>
Accounts receivable		799	248
Work in Progress		121	103
Intercompany receivables		218	442
Tax receivables		634	436
Other receivables		-	1
Prepayments		136	198
<b>Receivables</b>		<b>1,908</b>	<b>1,428</b>
<b>Cash and cash equivalents</b>		<b>18,417</b>	<b>6,233</b>
<b>Total current assets</b>		<b>20,325</b>	<b>7,661</b>
<b>Total assets</b>		<b>29,507</b>	<b>13,911</b>

DKK'000	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
Share capital		618	588
Share premium		-	19,312
Reserve for development costs		5,580	3,635
Retained earnings		20,183	(11,502)
<b>Equity</b>		<b>26,381</b>	<b>12,033</b>
Other liabilities		1,284	416
<b>Non-current liabilities</b>	<b>6</b>	<b>1,284</b>	<b>416</b>
Bank loans		36	-
Prepayments from customers		121	61
Accounts payable		637	509
Intercompany liabilities		222	-
Other liabilities	6	826	892
<b>Current liabilities</b>		<b>1,842</b>	<b>1,462</b>
<b>Total liabilities</b>		<b>3,126</b>	<b>1,878</b>
<b>Total equity and liabilities</b>		<b>29,507</b>	<b>13,911</b>

Uncertainties and estimates	1
Unrecognized rental and lease commitments	7
Supplementary accounting policies for the parent company	8

# STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Share premium	Reserve for development costs	Retained earnings	Equity
<b>Equity 1 January 2020</b>	<b>588</b>	<b>19,312</b>	<b>3,635</b>	<b>(11,502)</b>	<b>12,033</b>
Capital increase	30	29,595	-	-	29,625
Costs regarding capital increase	-	(890)	-	-	(890)
Transfer to retained earnings	-	(48,017)	-	48,017	-
Transfer to reserve for development costs	-	-	1,945	(1,945)	-
Profit/loss for the year	-	-	-	(14,387)	(14,387)
<b>Equity 31 December 2020</b>	<b>618</b>	<b>-</b>	<b>5,580</b>	<b>20,183</b>	<b>26,381</b>
<b>Equity 1 January 2019</b>	<b>500</b>	<b>-</b>	<b>2,452</b>	<b>(2,097)</b>	<b>855</b>
Capital increase	88	19,312	-	-	19,400
Costs regarding capital increase	-	-	-	(370)	(370)
Transfer to reserve for development costs	-	-	1,183	(1,183)	-
Profit/loss for the year	-	-	-	(7,852)	(7,852)
<b>Equity 31 December 2019</b>	<b>588</b>	<b>19,312</b>	<b>3,635</b>	<b>(11,502)</b>	<b>12,033</b>

For the purpose of offering incentive pay in the form of warrants, the Company's Board of Directors are authorized for the period until 26 March, 2024 once or several times to increase the Company's share capital with up to nominally 50,000 shares in total without pre-emption right for the Company's shareholders. The authorization empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

# NOTES

## Note 1. Uncertainties and estimates

Refer to the description applied to the consolidated financial statements.

DKK'000	2020	2019
<b>Note 2. Staff costs</b>		
Wages and salaries	15,175	8,164
Pensions	527	32
Other social security costs	90	27
Other staff costs	195	189
	<b>15,987</b>	<b>8,412</b>
Capitalized wages and salaries	(2,566)	(1,539)
<b>Staff costs</b>	<b>13,421</b>	<b>6,873</b>
Average number of employees	22	14
<b>Note 3. Financial expenses</b>		
Interest expense	114	90
Loss on foreign exchange	4	4
Other financial expenses	18	26
	<b>136</b>	<b>120</b>
<b>Note 4. Corporation tax for the year</b>		
Current tax for the year	634	436
Deferred tax for the year	-	1,306
	<b>634</b>	<b>1,742</b>

# NOTES

**DKK'000** **2020** **2019**

## Note 5. Investments in subsidiaries

Cost at the beginning of the year	79	-
Investments during the year	-	79
<b>Cost at the end of the year</b>	<b>79</b>	<b>79</b>
<b>Carrying amount at the end of the year</b>	<b>79</b>	<b>79</b>

Name of subsidiary (in thousands)	Country	Ownership	Currency	Profit	Equity
Konsolidator AB, 15 months	Sweden	100%	SEK	2	52
Konsolidator Ltd, 12 months	United Kingdom	100%	GBP	0	0

**DKK'000** **2020** **2019**

## Note 6. Non-current liabilities

### Other liabilities

Between 1 and 5 years	1,284	416
Long-term part	1,284	416
Within 1 year	826	892
	<b>2,110</b>	<b>1,308</b>

**DKK'000** **2020** **2019**

## Note 7. Unrecognized rental and lease commitments

Within 1 year	347	332
Between 1 and 5 years	2,787	-
After 5 years	462	-
	<b>3,596</b>	<b>332</b>

## Note 8. Accounting policies - Supplementary for the parent company

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 2020 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.



# 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 2020.

The Annual Report is presented in accordance with the Danish Financial Statements 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 at December 31, 2020 and of the Group's and Parent Company's operations and the consolidated cash flows for the financial year 2020.

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.

Søborg, February 9, 2021

## MANAGEMENT



Claus Finderup Grove  
CEO



Jack Skov  
CFO



Lars Højer Paaske  
CTO

## 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 consolidated financial statements and the parent financial statements of Konsolidator A/S for the financial year 1 January to 31 December 2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with 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 31 December 2020, and of the results of their operations and the consolidated cash flows for the financial year 1 January to 31 December 2020 in accordance with 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 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 consolidated financial statements and parent 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 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 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 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

# INDEPENDENT AUDITOR'S REPORT

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.

## 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.

Copenhagen, 9 February 2021

## Deloitte

Statsautoriseret Revisionspartnerselskab  
Business Registration No. 38 96 35 56



Claus Jorch Andersen  
State-Authorised Public Accountant  
Identification No (MNE) mne33712

# LIST OF DIRECTORSHIPS

## **SØREN ELMANN INGERSLEV, CHAIRMAN.**

### **Directorships**

*Chairman:* Biostrip ApS, Morpheus ApS, BALTIC PACKAGING A/S, BIRBO ApS, Repfin ApS, Sign2Me ApS, Immumap Services ApS, ELMANN KOMPLEMENTAR ADVOKATANPARTSELSKAB, HVM Invest ApS, IMMUDEx ApS, HARBOE & MARKER PARTNERSELSKAB, JOHAN BRINCKER HOLDING I ApS, JOHAN BRINCKER HOLDING II ApS, ELMANN ADVOKATPARTNERSELSKAB, A/S SECURE, e-auto ApS

*Board member:* Ejendomsselskabet TIN TEN ApS, Leapeo ApS, Barry's Bootcamp Denmark ApS, BONE'S HOLDING A/S, BONE'S RESTAURANTER A/S, HARBOEFONDEN, Tømmerjack ApS, Repeat A/S, Repeat Holding A/S

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## **MICHAEL MOESGAARD ANDERSEN**

### **Directorships**

*Chairman:* Qemploy A/S

*Board member:* Andersen Advisory Group A/S, Andersen Advisory Group Invest A/S, Configit A/S, Configit Holding A/S, Danske Færdighedsspil A/S, Danish Mobile Technology A/S, Konsolidator A/S, MindFuture ApS, Penneo A/S, VV ApS, Valuer Holding A/S.

*Managing Director:* Andersen Advisory Group A/S, Andersen Advisory Group Invest A/S, Danske Færdighedsspil A/S, Danish Mobile Technology A/S

## **JESPER EIGEN MØLLER**

### **Directorships**

*Chairman:* Thornæs Destilleri ApS

*Deputy chairman:* Brøndbyernes I.F Fodbold A/S, Industriens Fond

*Board member:* KFI Erhvervsdrivende Fond, Fonden Ungdomsbureauet



# COMPANY INFORMATION

## **KONSOLIDATOR A/S**

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[Info@konsolidator.com](mailto:info@konsolidator.com)

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

## **SUBSIDIARIES**

Konsolidator AB, Stockholm, Sweden  
Konsolidator Ltd., London, United Kingdom

## **ESTABLISHED**

August 24, 2014

## **AUDITORS**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no.: 33 96 35 56

## **CERTIFIED ADVISER**

Ernst & Young P/S  
Jon Skjernov  
Osvald Helmuhs Vej 4  
2000 Frederiksberg

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