

# Annual Report 2019

Financial consolidation and  
reporting made simple

Company reg. 36078383

Konsolidator A/S  
Tobaksvejen 2A  
2860 Søborg

Presented and adopted at the  
Annual General Meeting on  
April 29, 2020



Søren Elmann Ingerslev  
Chair of the meeting



**KONSOLIDATOR**



“In Excel, it took me about two days to make the consolidation because I had to go back very often and check that everything was correct. Now I can do the consolidation for the whole group in one day. The process was more time consuming with Excel than with Konsolidator.”

**OLIVER GFELLER**

Accounting Manager, at Zürich Flughafen AG.

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From our Customer day in  
Copenhagen in May



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CASE:  
Flughafen Zürich AG cuts the  
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# Konsolidator at a glance

Konsolidator A/S is an international Software-as-a-Service company (SaaS) which provides software to the finance function. Konsolidator is listed on Nasdaq First North Growth Market in Denmark.

## WHY GROUPS CHOOSE KONSOLIDATOR

Konsolidator A/S has developed and sells a cloud-based consolidation and reporting tool which assists the finance function in preparing their monthly consolidation and reporting for internal and external purposes. Konsolidator is developed with a focus on simplicity.

We live in a complex world and in order to deliver fast and trustworthy financial information to decisionmakers software tools have to be simple. If not, there is a risk that the finance function will stick to Excel, which is a manual and an error-prone method.

Konsolidator is part of digitizing finance functions and focuses on groups which use Excel in their consolidation and reporting. With a 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.

Konsolidator is present in 9 markets – Denmark, Sweden, Norway, England, Germany, Switzerland, Austria, Malaysia and Singapore and expects to expand into new markets in 2020.

## Vision

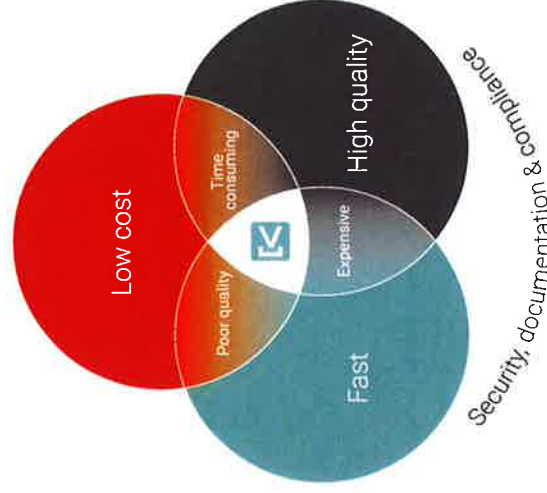
### We make CFOs better

We believe that finance functions all over the world will deliver higher strategic value to their shareholders if they can spend more time on finance business partnering and less time on gathering data, reconciling the data and producing financial reports. Technologies today make it possible to replace tedious manual tasks – Konsolidator's vision is to make the CFOs better through simplicity.

## Mission

### We enable finance business partnering through simplicity

Konsolidator eliminates manual, tedious tasks involved in data gathering, data processing and financial reporting. Konsolidator is faster, more reliable and less expensive than Excel spreadsheet consolidation and obsolete consolidation tools. By making a complex financial consolidation process more simple, we believe that finance functions will become more valuable to organizations by becoming finance business partners rather than number crunchers.



# Highlights

19.4m

in gross proceeds from Konsolidator's IPO (Initial Public Offering). Konsolidator was listed on Nasdaq First North Growth Market. The net proceeds were DKK 17.1 million.

71 %

increase in annual recurring revenue in 2019.

20

employees as of December 31, 2019. During 2019, Konsolidator hired 15 employees in order to be able to execute on the strategy.

200,000

number of potential customers in Europe. DKK 12 billion is the market potential let alone in Europe.

33

groups have signed with Konsolidator in 2019.

4.6m

annual recurring revenue as per december 31, 2019.

2

new subsidiaries established in UK and Sweden.

405%

increase in website visit in 2019. The digital marketing strategy was implemented in October 2019.

81

customers at the end of 2019.

# Letter from Chairman and CEO

2019 has been the most exciting year in our relatively short existence. After 2018, where we proved to ourselves that Konsolidator has global potential and that our business model can be profitable, we decided to take a step towards our global potential through an IPO on the Danish stock exchange for the growth market – NASDAQ First North Growth Market™.

Our IPO in May 2019 was a huge success, and we were excited about the positive coverage in the media and the way potential shareholders talked about us on social media and at investor meetings during the IPO period. One of the goals of the NASDAQ listing was to get exposure to potential customers.

We were oversubscribed by 141% and got almost 1,700 new shareholders who all together raised DKK 19.4 mio.

After a successful IPO, Konsolidator has worked hard to follow the strategy presented

during the IPO, which was to invest heavily in international growth and develop new, disruptive functionalities to the software.

## INTERNATIONAL GROWTH

Before the IPO, Konsolidator had customers in Denmark, Sweden and Switzerland. We had only one international partner in Switzerland.

Our strategy was, and still is, to test Konsolidator's international capabilities in Sweden, England and DACH (Germany, Switzerland, Austria) through a mix of our own Sales representatives in Sweden, England and Germany and with partners mainly from the Big Four accounting firms (PwC, Deloitte, EY and KPMG). During the summer of 2019, a partner from Malaysia reached out to us and now covers Malaysia and Singapore.

Our Swedish sales representative started October 2019. We had hoped for an earlier start but wanted to ensure we got the best candidate for the position in Sweden. Our UK sales representative was due to start in March 2020 but decided to nullify the contract just before starting. We have started to look for a new sales representative for the UK market.

We have decided to wait bringing on a German sales representative until later in 2020.

We believe we will be more successful if we have one or more Big Four partners to support us in Germany and Switzerland. We have also had promising meetings in Austria. When we have the signature of the first big four partner, we will start the process of finding a sales representative for DACH.

Another important part of the IPO was to invest in digital marketing. With a product like Konsolidator, it is paramount that the CAC (Customer Acquisition Cost) is low. We therefore aim to market Konsolidator through digital channels where the cost is relatively low and where we can measure the performance. We have increased our international marketing department from one to three employees and our Business Development department from one to three employees.

These six employees are working on digital platforms to increase brand recognition and to generate inbound leads. It takes time to build content marketing, landing pages and digital marketing campaigns and therefore we have only seen the first results from Q4 2019. The results look promising, and all the customers from the UK and Germany have been generated through digital marketing.

“Our IPO in May 2019 was a huge success and we were excited about the positive coverage in the media and the way potential shareholders talked about us on social media and at investor meetings during the IPO period. One of the goals for the NASDAQ listing was to get the exposure towards potential customers.”

**SØREN ELMANN INGERSLEV**  
Chairman of the Board

## OVERSUBSCRIBED

141%

## NEW SHAREHOLDERS

1,648

## RAISED DKKM

19.4

### DEVELOP DISRUPTIVE FUNCTIONALITY

Konsolidator is a strong product – make no mistake about that. We have ambitions for more and therefore part of the money from the IPO was allocated to IT developers. Being the only (or one of the few) truly cloud-based consolidation softwares, we are able to take the consolidation process to another level than on-premise and Excel solutions are able to.

We have an ambitious roadmap for our development of Konsolidator, which is a combination of customer demand and our own creativity.

We will not list all functionalities in detail but Artificial Intelligence, Advanced functionalities for large enterprises, and a better user experience (UX) are features and improvements that will make Konsolidator even better for current customers. These will also enable us to reach out to a wider customer base.

### 2020

We did not meet the expectations for 2019. Not because the market is not there and not because the customers are not there simply because we did not have the digital marketing in place as fast as we expected and because the process of finding the right sales representatives in the UK and Sweden have taken longer than expected.

We have maintained the same pace before the IPO and signed 2 new customers per month per sales representative (with a 3-4 month lagging effect for new sales represen-

tatives). This pace has continued, and we also expect it to continue as a minimum in 2020. But, we expect that the linear growth will be replaced by an exponential growth in 2020 as we have seen promising results for Q4-2020 on our digital marketing strategy.

We have become more optimistic about our international growth, because with the current digital marketing resources, we can reach out to even more countries than first expected. Our sales meetings are held mainly on-line. It does not matter to us whether we have sales meetings in Copenhagen or Oslo. This has given us another dimension which we will explore even more in 2020 together with our continuous strong efforts in Denmark, England, Sweden and DACH where we have or will have sales representatives. The onboarding process has also shown that we are capable of onboarding customers on-line in stead of through face-to-face meetings.

“We have seen that with the current digital marketing resources we can reach out to even more countries than first expected.”

CLAUS FINDERUP GROVE  
CEO AND FOUNDER

SØREN ELMANN INGERSLEV  
Chairman



CLAUS FINDERUP GROVE  
CEO



# Financial review

## INCOME STATEMENT

### Revenue

The revenue comprises of subscription fees and fees for onboarding customers. The revenue increased to TDKK 4,699 (TDKK 3,516) an increase of 34 percent.

### Expenses

Total operating expenses, excluding costs for the IPO, amounted to TDKK 11,888 (TDKK 3,060). The increase is due to the increased costs in salary expenses which increased to TDKK 6,872 (TDKK 1,871). The hiring of new staff after the IPO, in order to support Konsolidator's international expansion increased the company's salary expenses.

Other external costs increased to TDKK 4.868 (TDKK 1.067) which was primarily due to the increased number of employees and the move to new premises in January 2019.

### EBITDA

Since the increase in costs was higher than the increase in revenue, earnings before interest, tax, depreciation and amortization (EBITDA) was negative by TDKK 9,104 (TDKK 457). EBITDA was also impacted by TDKK 1,915 in costs from the IPO.

### Profit/loss for the year

The net loss for 2019 was TDKK 7,852 (TDKK 4). The net loss for 2019 was impacted by costs related to the IPO in May 2019. The IPO costs totalled DKK 2.3m where DKK 1.9m has been expensed through the income statement and the DKK 0.4m has been posted through equity.

The loss is also impacted by the fact that during 2019 Konsolidator has employed 15 new employees in order to start Konsolidator's international expansion.

### ASSETS

Total assets amount to TDKK 13,912 (TDKK 3,930). Of the total assets, cash and intangible assets amount to TDKK 11,082 (TDKK 3,114).

During the year the company has established two new subsidiaries in Sweden and England. The initial cost for setting up the subsidiaries has been TDKK 79 and is shown as investment in subsidiaries in the balance sheet.

### Intangible assets

The intangible assets relate to development costs incurred developing Konsolidator and

costs incurred applying for our patent in Europe and the United States.

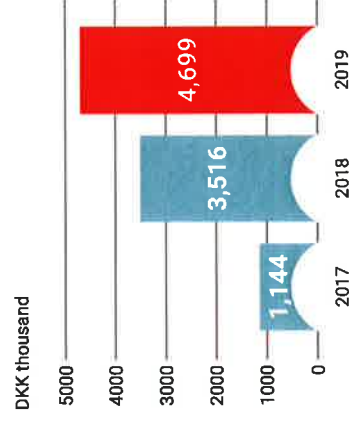
The development costs include capitalized salary costs and costs from external consultants. Development costs amount to TDKK 4,661 (TDKK 2,973) and include finished development projects as well as development projects in progress.

Patents and other rights amount to TDKK 188 (TDKK 141).

### Cash and cash equivalents

As per December 31, 2019 Cash and cash equivalents amount to TDKK 6,233 compared with 0 at December 31, 2018. The increase is due to the company's IPO in May 2019 where the company received DKK 17.1m in net proceeds.

### Revenue



“Our costs have increased rapidly during 2019 which is due to our go to market strategy. Each month we analyze cost to make sure we follow our cost budgets.”

JACK SKOV  
CFO and Founder

Unless otherwise stated, numbers are financials for 2019. Comparative numbers are for 2018 and shown in brackets.





From our customer day in Copenhagen in May



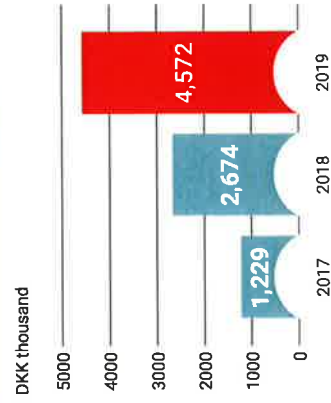
### EQUITY

As per December 31, 2019 total equity amounts to TDKK 12,033 (TDKK 855). The changes in equity relate to the capital increase of TDKK 19,400, costs of TDKK 370 and the loss for the year of 7,852. At December 31, 2019, the company has reserves for development costs in the amount of TDKK 3,635 (TDKK 2,452).

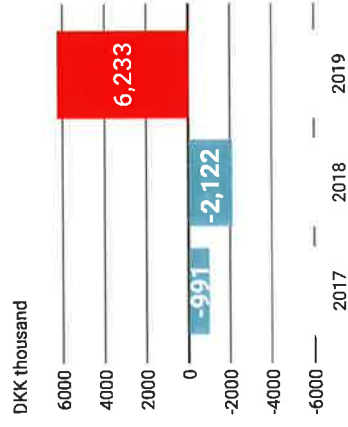
### CASH FLOW

Net cash flow amounted to TDKK 8,355 (TDKK -1,131). Cash flow from operating activities was TDKK -6,944 (TDKK 479). The cash outflow during the year was mainly due to the increased costs for salaries.

### Annual recurring revenue



### Cash and cash equivalents (incl. overdrafts)



# Full year and fourth quarter 2019

During the fourth quarter, we began to see the impact of the IPO through increased number of visitors to our website and inbound sales meetings coming from our digital marketing strategy. Annual recurring revenue (ARR) increased by TDKK 910 in the fourth quarter. The ARR increased in every quarter in 2019.

The financial year 2019 has been influenced by the initial public offering of Konsolidator shares in May on Nasdaq First North Growth Market. Konsolidator issued new shares which grossed DKK 19.4m. The capital is used to finance Konsolidator's growth, which means hiring the right people. The company has hired 15 new employees during 2019 primarily within sales and marketing. The company has also hired people within the development and the customer experience

departments. The company has established subsidiaries in England and Sweden where a sales representative has started in Sweden and we expect a sales representative to start in August at the latest.

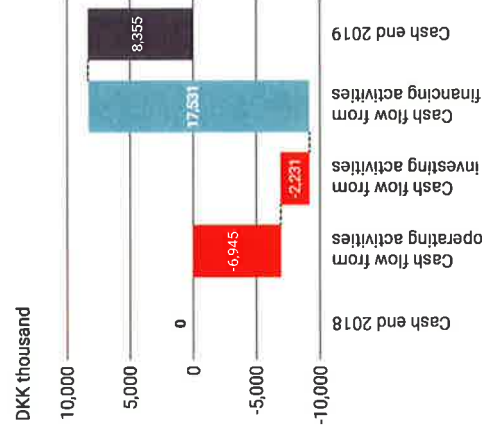
The increased loss per quarter is primarily due to the increase in number of employees hired since the public offering in May. The loss for the year is influenced by cost to IPO advisors where TDKK 1,915 has been expensed as other operating expenses.

DKK thousand	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Total 2019
Revenue	1,355	1,099	1,021	1,324	1,255	4,699
Gross profit/loss	1,343	1,057	996	1,301	1,198	4,552
External expenses	(399)	(562)	(1,617)	(1,372)	(1,317)	(4,868)
Staff costs	(456)	(703)	(1,612)	(2,096)	(2,462)	(6,873)
EBITDA before IPO cost	488	(208)	(2,233)	(2,167)	(2,581)	(7,189)
Cost regarding the IPO	0	(43)	(1,872)	0	0	(1,915)
EBITDA	488	(251)	(4,105)	(2,167)	(2,581)	(9,104)
Depreciation, amortization and impairment losses	(97)	(84)	(94)	(96)	(96)	(370)
Earnings before interest and tax (EBIT)	391	(335)	(4,199)	(2,263)	(2,677)	(9,474)
Financial income	2	0	0	0	0	0
Financial expenses	(26)	(26)	(41)	(16)	(37)	(120)
Profit/loss before tax	367	(361)	(4,240)	(2,279)	(2,714)	(9,594)
Corporation tax for the year	8	63	586	484	609	1,742
Profit/loss for the year	375	(298)	(3,654)	(1,795)	(2,105)	(7,852)
Annual recurring revenue	2,674	2,941	3,241	3,662	4,572	4,572
Quarterly increase in annual recurring revenue		267	300	421	910	1,898
Number of employees	5	8	13	17	20	20

# Financial highlights and key figures

DKK thousand	2019	2018	2017
<b>Income statement</b>			
Revenue	4,699	3,516	1,144
Earnings before interest, tax, depreciation and amortization (EBITDA)	(9,104)	456	(1,284)
Earnings before interest and tax (EBIT)	(9,474)	124	(1,498)
Profit/loss for the year	(7,852)	4	(1,215)
<b>Balance Sheet</b>			
Total intangible assets	4,848	3,114	2,405
Total Assets	13,912	3,930	2,815
Equity	12,033	855	931
<b>Cash Flow</b>			
Cash flow from operating activities	(6,945)	479	295
Cash flow from investing activities	(2,231)	(1,077)	(1,318)
Cash flow from financing activities	17,531	(533)	1,686
Net cash flow for the year	8,355	(1,131)	663
<b>Other key figures and ratios</b>			
Equity ratio	86%	22%	33%
Annual recurring revenue	4,572	2,674	1,229
Increase in annual recurring revenue	71%	118%	N/A
Number of employees	20	5	6
Earnings per share (in DKK)	(0.56)	N/A	N/A
Earnings per share, diluted (in DKK)	(0.56)	N/A	N/A

Change in cash and cash equivalents for the year



# Outlook 2020

In connection with the IPO, the management and the board of directors had a long-term vision of being the preferred consolidation software and de facto standard, globally. This long-term vision is still valid.

In the IPO we had targets for 2020 and 2021 for annual recurring revenue, revenue and EBITDA. These targets were based on a business model where hiring employees was the main focus in order to sign new customers with the help of digital marketing.

In the beginning of Q4 it became apparent that signing new customers could be done without physical meetings and therefore we expect a faster pace of entering new countries than previously anticipated. Our reach in digital marketing is wider than we originally planned and we expect to expand to several more markets at the end of 2020 and 2021 than previously anticipated.

However, the growth in 2020 is offset by a longer than expected launch of our digital marketing platform as well as the employment of sales representatives in the

UK and Sweden. Sales representatives in both countries were hired. However, the sales representative in the UK has nullified his contract before he even started. We expect to hire a sales representative in the UK during August. With the online sales possibilities and our digital marketing setup we expect that the current sales team can reach out to more markets than first expected and reduce our customer acquisition cost even more.

## ANNUAL RECURRING REVENUE

The target for ARR was DKK 5-6 million per December 31, 2019. On the medium term the targets for ARR for 2020 was DKK 23 million and for 2021 was DKK 57 million.

## REVENUE AND EBITDA

The short-term revenue target was DKK 5-6 million for 2019. On the medium term, as announced in connection with the IPO, management estimated DKK 23 million for 2020 and DKK 49 million for 2021. EBITDA was expected to reach a minus of DKK 6.4m in 2019 and a positive EBITDA of DKK 0.4m for 2020 as well as a positive EBITDA of DKK 23m in 2021.

It is difficult to say anything about our targets for ARR, revenue and EBITDA. The current market situation linked to the spreading of the Corona virus and the resulting impact on the

speed with which new customers decide to onboard the Konsolidator product suite make forward looking statements uncertain. Consequently, previously announced forward looking statements are suspended and Konsolidator does not expect to provide guidance to the market other than growth in annual recurring revenue (ARR) until further notice.

## OUTLOOK 2020

Because of the uncertainty, from the effects of the digital marketing, hiring of new employees and the pace of the market penetration, we have decided not to guide in connection with ARR, revenue and EBITDA except that we expect that the growth rate for ARR will be higher in 2020 than the 71 % growth rate in 2019.

For 2020 we expect to reach exponential growth to materialize on a quarter-on-quarter basis. We expect to gain the double amount of ARR or customers compared to the quarter the year before. For example as we gained 7 new customers in Q1-2019, we expect to gain more than 14 in Q1 2020 – and so forth.

## EVENTS AFTER THE REPORTING DATE

After the balance sheet date the Danish Government has recommended companies to close its offices to contain COVID-19. Konsolidator has requested all employees to work

from home until April 13. The effects of this are not expected to be critical for Konsolidator, since the digital marketing, online sales and online onboarding are able to continue. The productivity remains, however will be effected if the world is entering a hard recession.

No other 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 Company's operating loss or financial position.

## Disclaimer

This report contains forward-looking statements which are based on the current expectations of the management of Konsolidator.

All statements regarding the future are subject to inherent risks and uncertainties, 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 deliver quality leads for further organic growth. The pace of the international expansion will be determined on how well the company can attract employees, as well as partners in the new markets.

# Our business

Current Konsolidator markets

# Business strategy

## Market opportunities

The market for consolidation software is global and the potential in Europe alone is 200,000 customers. The main market for the Konsolidator is groups that use Microsoft Excel.

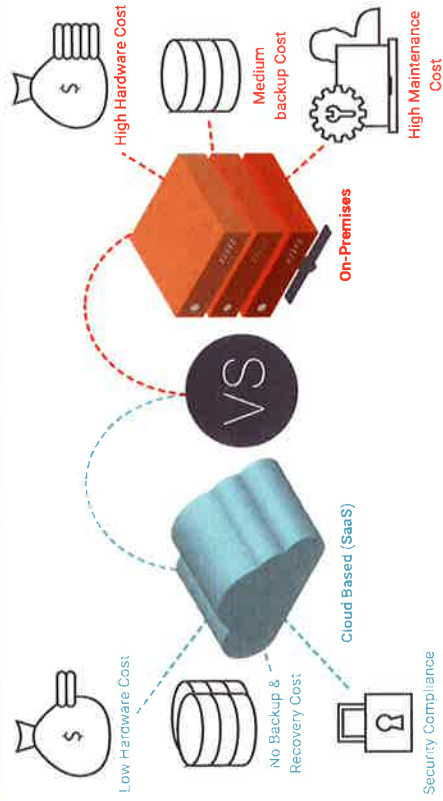
Most groups throughout the world carry out accounting consolidations according to the same principles. The market for software

solutions for consolidation and reporting is global and relatively homogeneous and can be divided into three segments:

Smaller groups that consolidate and report in Excel.

Medium-sized groups that use Excel for consolidation and reporting, mainly because corporate performance management (CPM) systems are complex and expensive.

Large and complex groups that use CPM systems.



Konsolidator's primary market segment is groups that have five or more subsidiaries and up to the top-100 segment. According to Bisnode's global corporate database, there are approximately 6,000 Danish groups which have 5 subsidiaries or more. With Konsolidator's current pricing model, this data corresponds to a total market potential in Denmark of more than DKK 300 million in annual subscription revenue. Similarly, the

value of the European market can be estimated at more than DKK 12 billion in annual subscription revenue.

Konsolidator is one of the few (if not the only one) that offers a truly-cloud based subscription product for financial consolidation and reporting.

# Business model

Konsolidator has a subscription-based business model on a scalable cloud-based platform and a distribution model with a disruptive “high value – low cost offering” for the global market.

Konsolidator has two customer segments. The primary segment consists of small- and medium-sized groups which are in need of a simple and more accurate financial consolidation tool than what Excel can give them. These groups neither have the need nor the money (or both) for a big, expensive and complex CPM system. The secondary customer segment is accounting firms which can benefit from using Konsolidator instead of Excel. Konsolidator offers to assist customers in implementing Konsolidator based on their own reporting needs. Konsolidator does this either by sending our own on-boarding team or via partners.

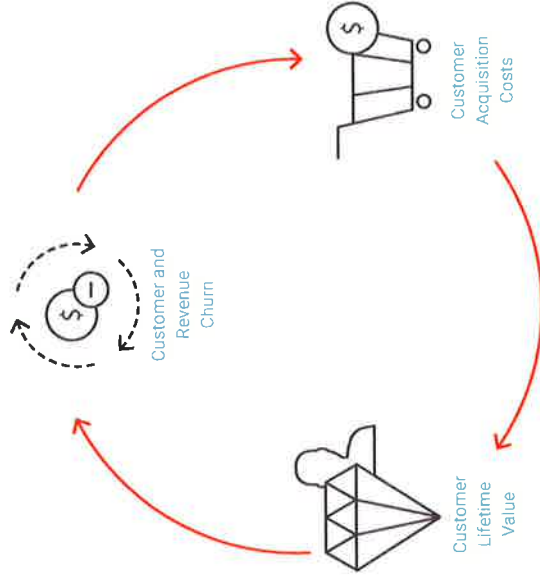
On-boarding customers to Konsolidator is based on training new users how to use Konsolidator. The on-boarding is not an IT-technical exercise but a conversion of customers current method in Excel to the easier way in Konsolidator.

Konsolidator has evolved into an international company and is used in many countries besides the country where Konsolidator has direct customers. The go-to-market strategy for 2020 is to focus on the European markets, Malaysia and Singapore. Since interest from other countries in Asia has been shown it is a possibility that other markets in Asia will be added to the list in 2020 but not without a proactive partner that can promote Konsolidator in these new remote markets.

With the current focus on digital marketing and with sales representatives in Denmark, Sweden and the UK and an active sales partner in Malaysia and Singapore, we can reach out to new interesting markets with relatively low sales and marketing expenses. As all the Big Four accounting firms have shown international interest in becoming implementation partners, we also expect that the on-boarding process can continue to be internationally scalable.

One of the important aspects is to keep a high conversion rate from sales meeting to customer. It was almost 30% before the IPO and we aim to maintain a very high conversion rate. The majority of the sales meetings before the IPO were one-to-one, but with digitalization and other efforts we are able now to conduct the majority of the sales meetings as online meetings. Where all the sales meetings in 2019 were one-to-one meetings we are able now to present Konsolidator on webinars to more than one potential

The SaaS Business Model Cycle

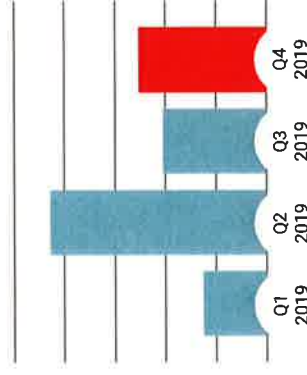


customer at a time. The increase in online meetings and digital avenues are encouraging because the Konsolidator brand can be marketed faster and easier globally.

The first task after the IPO in the growth plan was to increase the traffic on our website in order to improve the inbound sales. The website visits chart shows how the traffic continuously is increasing and our marketing team is constantly looking for new ways to increase the traffic.

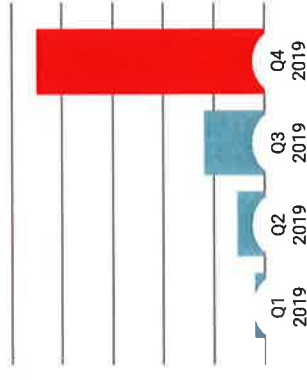
The next step is to convert traffic to meetings which the chart below shows:

Website visits



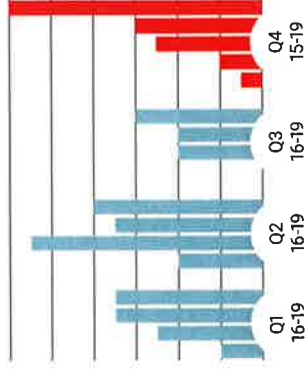
And the last and most important is to convert meetings to customers, which the last chart shows.

Meetings booked



As inbound sales and marketing build up we are excited about the increase in website visits and the generation of sales meetings. Because of this we expect an increase in customer conversion during 2020.

Customers





# Markets and products

During the past year, Konsolidator has expanded across the Danish border. The software is used in Denmark, Germany, Switzerland, United Kingdom, Norway and Sweden.

With the last year's expansion the market opportunities of Konsolidator are growing. Even though we are still settling in the markets mentioned the vision is to create an international company.

At the moment the digital transformation is an ongoing topic in every finance function which makes Konsolidator more relevant than ever. Konsolidator is digitalizing the complex task of preparing the financial consolidation and reporting. Digitilizing 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. Konsolidator is the

essence of the digital transformation which is occurring right now in finance functions throughout the world.

## ONE OF THE FEW PRODUCTS ON THE MARKET

More than 200,000 groups in Europe, and more than 6,000 groups in Denmark alone, are estimated to have the same needs - to be able to streamline their resources for consolidation and reporting for management purposes and other stakeholder purposes. These groups are not only able to utilize their financial consolidation data more often and more easily, but also be able to increase the accuracy of their financial reporting.

Konsolidator offers a solution that is especially suited for the small- and medium-sized groups. Out of the more than three million corporate groups in Europe, it is estimated that 200,000 of these groups need a better consolidation system than Excel. With Konsolidator's attractive and affordable model this audience mentioned is Konsolidator's primary target audience.

In Denmark, it is estimated that the primary target audience consists of approximately 6,000 corporate groups, while it consists of approximately 7,500 in Sweden and approximately 20,000 in the UK. Konsolidator sells the solution as Software as a Service (SaaS) and thus on subscription basis.

Konsolidator's secondary target audience is public accounting firms which prepare consolidated financial statements for their clients. In addition to potentially being larger customers, the auditors can act as ambassadors and endorse Konsolidator to other potential customers. Konsolidator is partnering up with large accounting firms in countries where Konsolidator is doing business in order to have partners who can assist with the onboarding of customers.

“Digitization has definitely become part of our industry as well as many others. Its the way business evolve and transform. Everything becomes more digital. Most of our systems are cloud based now.”

**CHRISTIAN MØLSTED**  
Group Accounting Manager  
at Carl Hansen & Søn A/S

### STRONG CUSTOMER PORTFOLIO

During 2019, Konsolidator reached 81 customers in the Nordics, the UK and DACH. Our customers vary from small groups with a few subsidiaries to listed groups with many subsidiaries.



### AARSLEFF

**“With Konsolidator we have a solid system that meets our needs. It is simple, efficient and fast and the new features and modules that are continuously available to us in the system make our work significantly easier.”**

### STINE MUNK JENSEN

Head of Group Accounting  
at Per Aarsleff A/S

Our customers have expressed that they are satisfied with Konsolidator due to several benefits and advantages of the product. First, they praise the easy and fast onboarding process. Secondly, they enjoy the simplicity and that the system is easy to use.

### Customers

#### NORDIC

**Boozt**.com

**NORDEN**

**NTG** | **NTS SYSTEMS**

#### DACH

**SCHENK**

**ZÜRICH AIRPORT**

**TRIFORK**:  
...THINK TOGETHER

#### UK

**Liftup**

**RoboBot**

**W**  
WORLD

### Partners



**Deloitte**

For consolidation purposes, groups so far had the choice of three different software solutions:

- Corporate Performance Management System (CPM system)
- Business Intelligence (“BI”) or aggregation system (ERP system)
- Microsoft Excel

CPM systems can be complex and expensive and are reserved for large corporations. BI systems are usually used as an aggregation tool only. Excel-based systems have a wide range of errors and are time- and resource-consuming. Konsolidator has been developed to solve the challenges for the specific groups, that currently try to meet their needs with an Excel solution, but need a better system.

Thirdly, several customers save time in the financial consolidation and reporting process thus have more time to analyze data.

### THE PRODUCT

Konsolidator has developed and sold a new generation of consolidation tools, offering one of the first truly cloud-based systems that is affordable and functionally attractive to the vast majority of groups. The Groups prepare consolidated financial statements in order to see how their group’s income statement, balance sheet and cash flows have developed in order to be able to act on any negative or positive changes that management might find.

An accounting consolidation is in principle a merger of the parent company’s and all subsidiaries’ income statements, balances and cash flow statements into a single statement - which can be done monthly, quarterly or annually. However, consolidation is not just a simple aggregation of accounting line items, subjects and products as a wide variety of complex issues must be taken into account.

When consolidating, the real transactions must be corrected for differences in currencies and exchange rates, intra-group transactions, balances, ownership, minority interests and differences in accounting policies in the individual companies, meaning the parent company as well as its subsidiaries. It can therefore be a very time-consuming process that becomes larger and more complex as the number of companies in a group grows.



## ROADMAP

Konsolidator is constantly evolving and being redesigned to be cutting edge technology. We will always improve performance, usability and user experience but we also aim to develop more functionalities. Always with the same purpose "make the CFOs better through simplicity." Konsolidator will always be a product that is intuitive to understand and use but we have an ambitious roadmap that will not only make Konsolidator even better for our current customers but also allows us to attract both smaller customers and also bigger, more complex customers than originally expected.

The development of Konsolidator is put into two categories:

- User experience: Performance, usability and relentlessly improve simplicity
- Add-on features which are improvements to the existing product
  - Features to existing customer base
  - Features to new customer segments: For smaller customers a sales and onboarding ability that makes it possible to sell at a lower price
  - Features to new customer segments: Larger groups that still want simplicity and therefore do not want the CPM solutions.

“When building our roadmap and developing our software our main priority is to ensure that we always are aligned with our customers’ expectations. We need the feedback from those who rely on our software on a day to day basis to deliver a tool that creates the value they need. So, for me as the CTO continuously discussing our software with our customers, is a crucial part of my job.”

- LARS HØJER PAASKE  
CTO AND FOUNDER

# Artificial Intelligence

It is the core mission of Konsolidator to utilize effective software to consolidate not only accounts but also Key Performance Indicators (KPI) on behalf of groups.

This generates tons of data and thus creates a Big Data environment. Konsolidator has the possibility of utilizing such data across companies on an anonymous basis. In particular, thought-leading CFOs are now requesting Artificial Intelligence (AI) services with predictive value. Konsolidator is in the planning stages of building AI-services in order to continuously strive to have cutting edge technology and satisfy the demand when it becomes relevant for Konsolidator's target customer.

## WHAT IS AI IN THE CONTEXT OF KONSOLIDATOR?

AI will radically reshape the way corporations do business today which can already be seen in, for example, the retail industry which uses AI to assess, shape and control customer behavior. AI uses less known cases in the B2B-segments, although some cases have occurred, such as predictive maintenance.

For Konsolidator there is a compelling reason to develop AI-services because of the immediate availability of vast quantities of data across the groups. Where others may have to establish resource-demanding data collection processes, Konsolidator's data is readily available.

In this context, data can be clustered according to specific company criteria, such as industry, geography and age or according to the type of data, such as historical data vs. budgeting and forecast data, financial data versus other data.



**“Konsolidator shall continuously strive to develop cutting edge technology in order to stay competitive.”**

**-MICHAEL MOESGAARD  
ANDERSEN  
BOARD MEMBER**

Konsolidator intends to capture first mover advantages in commercialized AI based on consolidated accounts and KPIs. This will unlock potential benefits for Konsolidator's customers.

## WHICH TYPE OF NEW SERVICES CAN BE EXPECTED?

In the medium- to long-term, an array of services may be developed with a view to provide unique insights and to (more) accurately predict financial threats and opportunities. Some selected examples are:

- Budgeting and cash flow optimization
- Peer group and business industry comparisons
- Identification of realistic performance improvement targets
- Early warning signs that certain activities or organizational units are not performing properly



The most relevant example is AI-based budgeting and cash flow optimization module.

Is this not the appropriate job of the CFO or the finance function? Konsolidator's AI services will entail the following advantages compared with status quo:

- The AI services can work in real-time, leading to quicker decision making
- No human resources are necessary to collect data, to process data, and to analyze data
- Some of the peer group data will only be available from Konsolidator and cannot be retained alternatively
- AI results come without emotional attachment

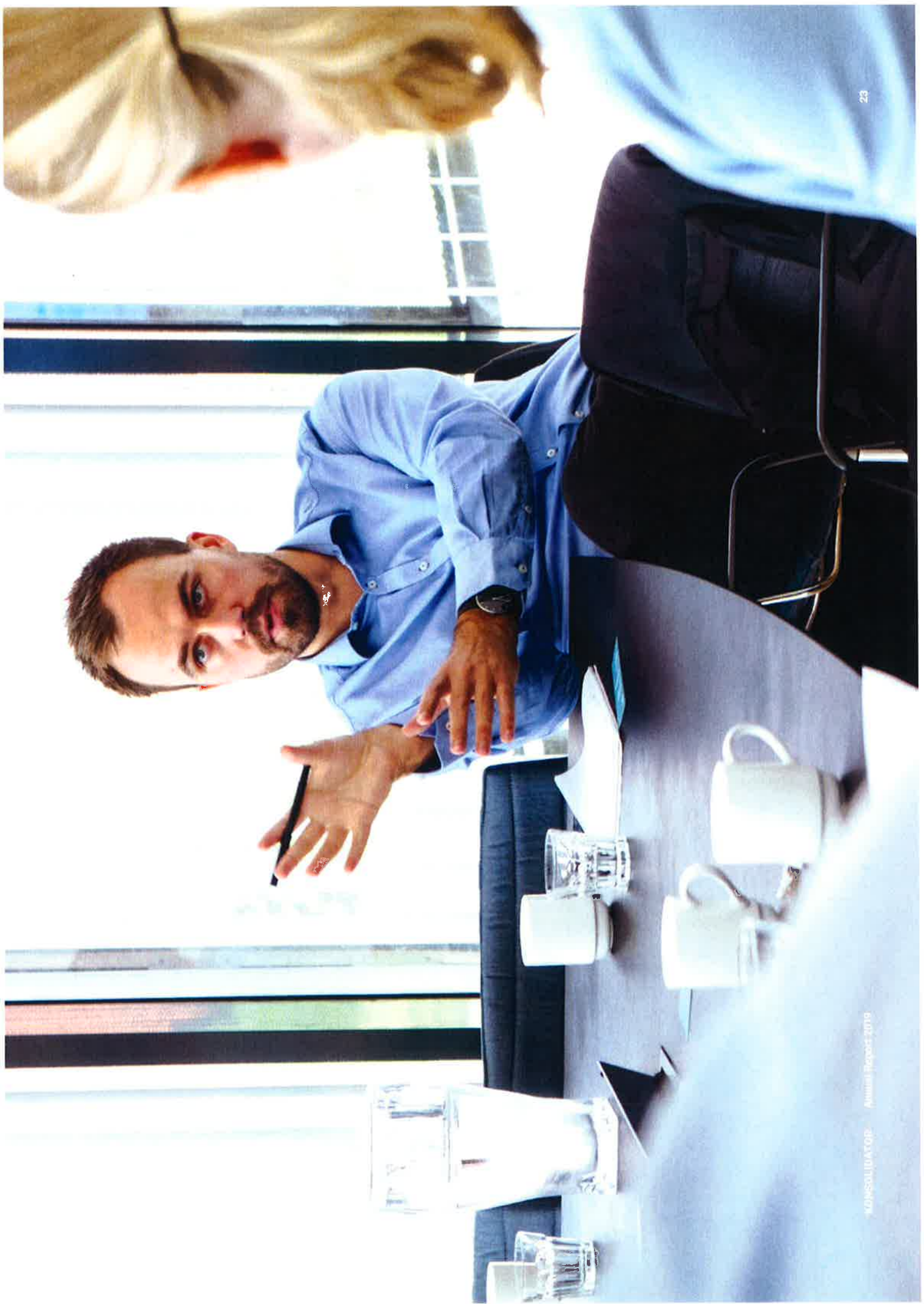
Expanding on the last point, it is common knowledge that many decisions are taken with emotional strings attached. For example, there may be emotional motives to help keep an existing business activity going in the "hope" that improvements will occur. Another example may be that some are deliberately blindsided with regard to dissonant competitor or peer group development. Against such cases, where emotional elements and bias – deliberately or unknowingly – operate, AI is particularly helpful in making the "right" decisions, because the AI-machine results are impartial, unbiased, and without emotions.

# Customer case stories

93%

of our customers recommend using Konsolidator to reduce financial reporting time and to simplify the consolidation.

- CUSTOMER SURVEY JUNE 2019



CASE



PHOTO CREDIT: DENIS LININE

# Flughafen Zürich AG cuts the consolidation time in half

Flughafen Zürich AG replaced Excel with Konsolidator and Konsolidator Connect to gain a more efficient and time-saving consolidation process.

## THE SHORT STORY OF FLUGHAFEN ZÜRICH AG

Since 2000 Flughafen Zürich AG has operated Zürich Airport as a private listed company on behalf of the Swiss Confederation. In August 2019, 3,112,270 passengers passed through Zürich Airport on their way to new adventures all over the world. Flughafen Zürich AG currently consists of 14 group companies in Switzerland, Latin America, and Asia and plans on growing further.

## RAPID GROWTH PUSHES FLUGHAFEN ZÜRICH AG TOWARDS A DIGITAL CONSOLIDATION SOLUTION

Flughafen Zürich AG got a more complex group structure in 2017 due to a new airport concession in Brazil and an increase of its shareholding in its subsidiaries in Chile. As a result, the financial department was looking for a tool to help digitalize and automatize its consolidation process to achieve a simpler workflow. Flughafen Zürich AG chose to move away from an outdated, manual consolidation process in Excel and upgrade



# 50%

TIME SAVED ON THE FINANCIAL CONSOLIDATION

# 3-5

WORKING DAYS GAINED EACH QUARTER TO HANDLE OTHER TASKS FINANCIAL DATA

## TRANSPARENCY IS THE KEY TO SAVE TIME AND INCREASE EFFICIENCY

Oliver Gfeller explains that one of the reasons his team can save time and increase efficiency is due to the transparency that comes from using Konsolidator. According to Oliver Gfeller, it was hard for his team to find out what was behind a certain figure before with Excel, and they had to ask their subsidiaries for a lot of additional information. Now, his team can easily reference the uploaded files and reports in Konsolidator to see exactly what is behind the figures of a local company.

With Konsolidator, Oliver Gfeller and his team use less time checking in with their foreign subsidiaries on the accuracy of their figures. The team is now able to devote more time to other needed tasks and can focus more on these instead of the report preparation.

“We have regained 3-5 working days at every quarter in our preparation process of the reports.” – Oliver Gfeller.

Increased transparency between foreign subsidiaries also minimizes the number of errors in the team's reports. With Konsolidator the errors are easier to spot than ever. Oliver Gfeller explains that if he and his team have figures which are changing during the reporting then it is quite easy to update the report with Konsolidator Connect.

Flughafen Zürich AG is not only using the cloud-based consolidation software – Konsolidator – they are also using Konsolidator Connect, which is the presentation tool

developed by Konsolidator. While any presentation tool can be used with Konsolidator, Flughafen Zürich AG has chosen to use Konsolidator Connect.

“Konsolidator Connect is a huge advantage for me. It is very easy to update changes of the figures. If you have changes you just go into Connect, push a button, and then it is automatically updated.” – Oliver Gfeller.

## A QUICK AND SIMPLE IMPLEMENTATION

Because of Flughafen Zürich AG's complex group structure, Oliver Gfeller and his team were anxious about the amount of time needed to adopt and implement a new tool in their work process.

The team was especially concerned about how to implement it at the group's Latin-American subsidiaries, but it turned out that there was no need for concerns. In the end, the implementation went smoothly, and it did not take long before the finance department was ready to go live and use Konsolidator.

After a quick and smooth implementation, Oliver Gfeller and his team have achieved what they set out to do: They found a digital consolidation tool that makes their entire consolidation and reporting processes easier and more efficient. With 50 percent of the work time saved on the consolidation process, Oliver Gfeller and his team can now use that time on deeper analysis of the financial figures.



PHOTO: CREDIT: FLUGHAFEN ZÜRICH

## ZÜRICH AIRPORT

“I am quite satisfied with the tool. It has helped me a lot to make the process more efficient. The whole process is more transparent now, and I need less additional information from our subsidiaries about the individual numbers in our accounting.”

**OLIVER GFELLER**  
Accounting Manager,  
at Zürich Flughafen AG

to Konsolidator to optimize their work process.

Before converting to Konsolidator, consolidation was a time-consuming task for Accounting Manager Oliver Gfeller because it required an inordinate amount of time on checking up on changes and figures, asking subsidiaries about certain numbers, and correcting errors.

“In Excel, it took me about two days to make the consolidation because I had to go back very often and check that everything was correct. Now I can do the consolidation for the whole group in one day. The process was more time consuming with Excel than with Konsolidator.” – Oliver Gfeller

Overall, Flughafen Zürich AG is saving 50% of time on the consolidation process by using Konsolidator.

CASE



PHOTO CREDIT: VESTERGAARD

# Vestergaard Company immediately eliminates errors

Vestergaard Company eliminates errors right away in its financial accounting by using the cloud-based consolidation tool Konsolidator.

## THE SHORT STORY OF VESTERGAARD COMPANY

Vestergaard Company is a family-owned manufacturing company with headquarters in Lejre, Roskilde. Apart from Denmark, Vestergaard Company also has offices and production facilities in the USA, Thailand, and France. The company has more than 50 years of experience in manufacturing premium quality Ground Support Equipment (GSE) that fits the needs of the smallest commuter as well as the largest commercial aircraft. Today, the company's focus is on deicing

machines, toilet and water servicing units, as well as aircraft washer units.

## FINANCIAL CONSOLIDATION IN LESS THAN 30 MINUTES

Vestergaard Company decided in 2016 that it was time to change its accounting procedures. Before, the company only made an annual financial consolidation. This process was changed, and now the financial team makes a monthly financial consolidation within each subsidiary. To accommodate these procedural changes, Vestergaard

# 15

## MINUTES USED ON MONTHLY CONSOLIDATION IMMEDIATELY FINDING AND ELIMINATING ERRORS IN THE FINANCIAL REPORTING

Company wanted to use a tool that could automate some of their work. The team chose to work with Konsolidator which has made their processes faster and easier.

Tine Holst is the Finance Manager at Vestergaard Company and she now uses less than half an hour on financial consolidation for the corporate group's 6 subsidiaries thanks to Konsolidator. The Vestergaard team has been able to significantly reduce the time they spend on financial consolidation because Konsolidator automates many of the manual processes. The financial team was previously using Excel for financial consolidation.

"From when my coworkers are done and have handed me the balances till I have the full consolidation ready, it takes me under half an hour. Actually, it takes less than 30 minutes. I would say it takes me 15 minutes." – Tine Holst.

## ELIMINATION OF ERRORS AND MANUAL PROCESSES IMPROVES THE EFFICIENCY

CFO at Vestergaard Company, Torben Gerlach, has years of experience with Excel financial consolidation. Torben Gerlach explained while consolidation in Excel is

feasible, errors encountered are often a direct result of the Excel method - particularly because using Excel requires multiple people to work within the same spreadsheets.

Using Konsolidator, however, removes the probability of human errors because the system does all the math automatically. By converting from financial consolidation in Excel to Konsolidator, Vestergaard Company has been able to virtually eliminate all errors in its financial consolidation. Torben Gerlach elaborates: "With Konsolidator you eliminate those sources of errors, you eliminate the manual processes, and when the balances are all there, we usually do not edit the financial accounting anymore."

Konsolidator also has a reporting system that immediately sends alerts to users if it does, in fact, encounter an error that needs to be addressed, such as a balance not adding up.

"The system reports the error, you see it and can fix it immediately. Where in Excel you might first discover an error half a year later. In this way, Konsolidator is a very nice tool."

– Tine Holst

The financial team has saved time and become more efficient in large part due to the clarity they have gained into the figures and their origins. Everything is listed in Konsolidator: the documentation, the formulas, and calculations. So, whenever the team must add or correct something, they make the corrections directly in Konsolidator. The team no longer has to spend time asking their subsidiaries questions regarding specific figures - the audit trail is clear and

documented. Torben Gerlach explains that if this was done in Excel there would have been a lot of errors and corrections that the team would have missed or would have had a hard time finding.

As a result of the time saved, the team now has more time to make in-depth financial analyses and draw insights from their numbers. Torben Gerlach jokes: "Tine gets all excited sometimes because when everyone is done with the monthly status, she is using very little time on the actual consolidation process."

## INSTANT PRODUCT UPDATES AND QUICK CUSTOMER SUPPORT

According to Tine Holst and Torben Gerlach, the financial team is happy that they found a simple and easily manageable solution. The workflow has overall run smoothly due to the fact that Konsolidator is a truly cloud-based solution which means that all updates are run automatically. All users have the latest version of Konsolidator without having to download, install or wait for the latest updates to be installed on their computers.

Operational wise there have been a very limited number of issues. The few times the financial team at Vestergaard Company has needed product support they have been very pleased with the fast and efficient service.



PHOTO CREDIT: VESTERGAARD



"We are all under time pressure when things go wrong in the consolidating process. The final thing which is made is the consolidation, so when it does not work you get really frustrated. Then you need help right away, and Konsolidator is very good at providing this help instantly."

**TORBEN GERLACH**  
CFO, at Vestergaard  
Company A/S

# Corporate matters

Konsolidator is created by CFOs for CFOs. A deep understanding of needs and requirements, urgencies and necessities will therefore always be what determines the development of our software.



**CLAUS FINDERUP GROVE**  
Founder and CEO



**JACK SINGH**  
Founder and CFO



**LARS HØJER PÅSKE**  
Founder and CTO

# Risk Management

## RISK FRAMEWORK DESCRIPTION

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 frequently to the Board of Directors on risk management. The following risks are

deemed to be of relevance to Konsolidator in 2019 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, which may arise or become material in the future and may lead to a decline in the offered shares' value and this of course can lead to 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.

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

## KEY RISK FACTORS

Risk Item	Risk Description	Risk Mitigation
<b>Market regulation</b>	Konsolidator's initial contact to potential customers is either inbound or outbound. The inbound is done by the customer asking Konsolidator to contact them. The outbound is done by Konsolidator contacting potential customers. This can be done by either e-mail or by phone. The legislation in regards to contacting customers is different from country to country and can be illegal if Konsolidator does not get a permission to contact the potential customer.	Konsolidator's business model is to market its product through LinkedIn campaigns and other online marketing platforms. Through these campaigns the inbound marketing should in time generate a lot more contact with potential 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>	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 that are 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.  In addition, Konsolidator can also lose customers due to the solution not meeting the needs and requirements of potential customers.	Extensive market research and industry analysis allows Konsolidator to anticipate and respond to market movements and trends. Dialogue with existing as well as potential customers give good and strong feedback on the product and this feedback allows Konsolidator to develop the product that meets the requirements and needs of customers. The feedback from the customers is used for discussing the development roadmap at annual meetings with customers where they can comment on the roadmap.  In our current market model, it is estimated that Konsolidator is relevant to groups of five or more companies to consolidate. However, customers have signed up with fewer than five companies in the group. We strive to be able to present reasonably priced and simple product to groups with less than five companies.

Risk Item	Risk Description	Risk Mitigation
Product and users	<p>Konsolidator constantly aims to offer the best and most innovative product on the market of cloud-based financial consolidation software solutions. Failure to be ahead of development in the industry poses a risk, as the competitive landscape encourages continuous development and forward thinking regarding Konsolidator's solution.</p>	<p>As mentioned above Konsolidator conducts a systematic prioritization of user, customer, and market requirements. Most of the feedback is coming directly from our end-users who make this information highly relevant to the continuous development of Konsolidator's solution. Updates include enhanced system functionality and improved technical infrastructure as well as user experience.</p>
Professional skills & corporate culture	<p>People remain the key drivers in everything we do at Konsolidator. The team is bound together by one common mission: To make CFOs better. As our business is based on specialized expertise and innovation. Failure to attract, develop, and retain the most skilled employees and management talent constitutes a risk to the company.</p> <p>The company is small and has a limited number of staff and is therefore particularly dependent on the management and a few key persons in the long term being able to manage the operations and implement the upcoming plans for development. The key characters are currently in the company's executive board. In the event that one or more key employees leave the company, this may have an impact on the Company's business, revenue and development.</p>	<p>Our company values and the notion of work/life balance serve as strong tools for recruitment of talent as we have found that talented people are happy to stay with a company which treats them with respect and focuses on work/life balance. Konsolidator focuses to create a work/life balance in line with what the employees are looking for.</p> <p>The recruitment procedure makes sure that we are 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. In order to be aware of the employees' satisfaction we conduct semi-annual employee surveys.</p>
Legal	<p>Konsolidator believes contractual risk as well as 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>	<p>Konsolidator has established contact with legal professionals that together with marketing and business development operations, ensures a stage gate approach when new contracts are made and when new regulation and compliance are being imposed.</p>
IT security	<p>Konsolidator's business is based on a software solution that Konsolidator hosts for its customers. As a Software as a Service company, security breaches from hackers and viruses threaten the company's ability to maintain daily operations. In the event that Konsolidator is affected by an IT attack, it may prevent customers from using Konsolidator's solution for a shorter or longer period of time. 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.</p>	<p>Konsolidator is a cloud-based software which is hosted on Microsoft Azure's servers. Being the world leader in cloud solutions, Microsoft has a lot of experience with protecting their customers data. This means that Konsolidator has a great partner when it comes to IT safety. Konsolidator's own 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.</p>
Financial	<p>Konsolidator may in the future be forced to raise new capital for continued growth and international expansion.</p>	<p>Konsolidator needs capital for its international growth strategy. Konsolidator has to sign new customers each month to get the cash flow needed in order to break even. If Konsolidator does not reach its projected amount of new customers then capital is needed to continue the growth strategy.</p>

# Environmental, Social & Governance (ESG)

At Konsolidator, we believe that besides following up on financial numbers it is important that we also measure and follow up on other non-financial data. We believe that by committing ourselves to certain standards regarding Social and Governance measurements Konsolidator will perform better financially.

From 2020, we will start to measure certain non-financial data within ESG.

## ENVIRONMENTAL

As Konsolidator grows, the environmental impact will increase and the company is aware of its carbon footprint. Since Konsolidator is not a production company and is still small in terms of employees, we will not (for now) measure emissions and energy consumptions.

## SOCIAL

The foundation for Konsolidator's business is having a strong culture and diversity. The employees are the most important asset and thus, from 2020 and onward, we will start to

measure on the points below. Management and the board are fully committed and follow ups will be a continuing process throughout the year.

- **Number of Employees**

We measure our employment over the full year. The cost of hiring and getting people fully up to speed is a financial and as well as a time-consuming burden. Recruiting the right people is therefore very important.

### Method

Full Time Equivalents (FTE) + plus temporary staff. Weighted with months of employment during the year.

- **Employee turnover**

At Konsolidator, we like to keep a stable workforce, while appreciating some turnover is healthy for the development of the company. However, if too many leave, it will negatively impact the resource allocation and productivity.

### Method

Total weighted turnover against remaining employees as a percentage.

FTE + plus temporary staff. Weighted with months of employment during the year.



From Corporate day in September

“Once we find the right talent the employee journey has just started at Konsolidator. Strong organizational cohesion begins with an extensive onboarding but continues through regular individual coaching and team sessions. Trust, Cooperation and fairness (social capital) is key for Konsolidators productivity today and in the future.”

**HENRIK POULSEN**

HR BUSINESS PARTNER



- **Employee satisfaction**

As Konsolidator is a young company, employee satisfaction is crucial. At Konsolidator employee satisfaction will be measured twice a year. The first survey was completed in December 2019. We measure on 4 topics:

1. Leadership-feedback from employees
2. Working environment - both mental and physical
3. Loyalty & motivation
4. Social capital (Fairness, Cooperation & Trust)

**Method**

Employee score via 38 questions with a range between 1 (not satisfied) and 10 (very satisfied).

Results measured on total score and on each of the 4 areas.

Going forward, we will have surveys in June and November.

- **Gender diversity**

At Konsolidator we believe that gender diversity (as embodied in men & women) leads to enhanced financial performance, creativity and greater team productivity.

**Method**

Percentage of male/female share using below calculations for both genders.

FTE + plus temporary staff. Weighted with months of employment during the year.

**GOVERNANCE**

Governance metrics indicate for stakeholders how the company perceives governance of the company. As Konsolidator is a small company, we have elected to start reporting on gender diversity and customer satisfaction which are the most important metrics for Konsolidator. The other governance metrics are also important. However, we believe that reporting on other governance metrics will be too heavy a burden on resources for as small an organization as Konsolidator.

- **Gender diversity on the board**

At Konsolidator it is important that a seat on the board is occupied by a woman. Research indicates that a balanced boardroom between genders is linked to better business results including strong financial performance and increased innovation.

**Method**

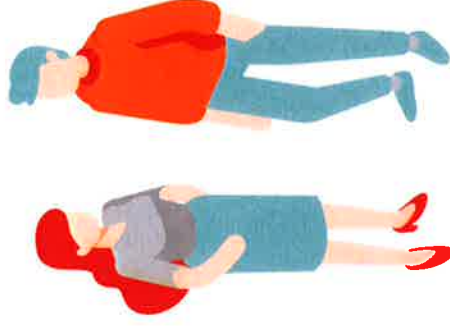
Percentage of female members versus male

- **Customer retention**

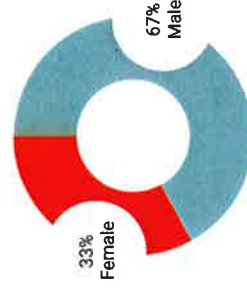
A crucial indication of customer satisfaction which measures the churn, but also provides us with a solid foundation of our future income.

**Method**

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



Gender diversity



JETTE THELIN

FINANCE BUSINESS PARTNER

# Shareholder information

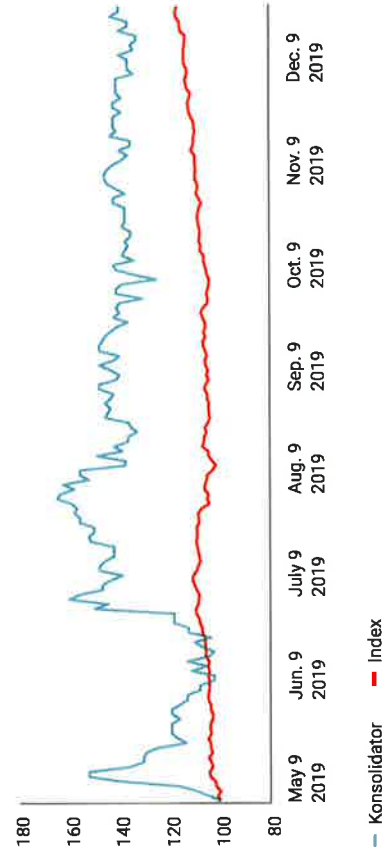
Konsolidator A/S has been listed since May 10, 2019 and is traded on Nasdaq First North Growth Market – Denmark. The Company's ticker is KONSOL.

**SHARE CAPITAL AND WARRANTS**  
The share capital amounts to DKK 588,181.84 divided into 14,704,546 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 May 2019 by DKK 88,181.84 at an Initial Public Offering.

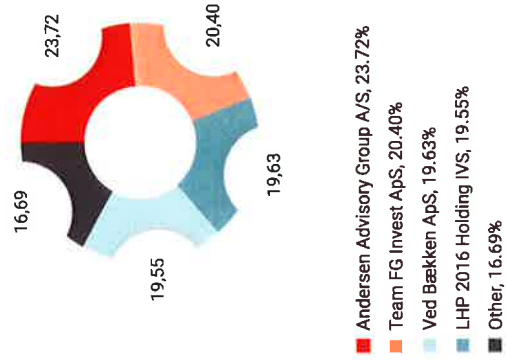
## LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2019

Shareholder	No. of shares	Percent of capital
Andersen Advisory Group A/S	3,488,636	23.72%
Team FG Invest ApS	3,000,000	20.40%
Ved Bækken ApS	2,886,363	19.63%
LHP 2016 Holding IVS	2,875,000	19.55%
Other	2,454,547	16.69%
<b>Total number of shares outstanding</b>	<b>14,704,546</b>	<b>100.00%</b>

Konsolidator share price index compared with First North Growth Market index



Percentage of share capital



The Company has issued warrants with the rights to sign 125,000 new shares of DKK 5,000 nominal value. The warrants were issued in March 2019 and is vested over three years.

### INITIAL PUBLIC OFFERING

On May 10, 2019, all shares were admitted to trading on the Nasdaq First North Growth Market – Denmark. The company issued 2,204,546 new shares at the initial public offering at an offering price of DKK 8.8 per share. The offering was fully subscribed. The offering provided gross proceeds of DKK 19.4 million and the net proceeds of DKK 17.1 million after costs to advisers.

## THE KONSOLIDATOR SHARE

The company's share price ended December 31, 2019 at DKK 12.3 per share, equal to a market capitalization of DKK 180.9 million. The share price increased by 39.8 % compared from the initial public offering (May 10, 2019), where the shares were offered at DKK 8.8 per share. By comparison the Nasdaq First North Growth Market index for Denmark, which includes the Konsolidator share, increased by 16.5 % during the same period.

At the end of 2019, Konsolidator had 1,106 registered shareholders. Four shareholders had notified shareholdings of 5 % or more.

## 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.

## INVESTOR RELATIONS

Konsolidator A/S 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. Further, the company had its first investor presentation after the Q3 reporting.

The Company has published 7 company announcements and 2 press releases during 2019.

At our investor site, [www.konsolidator.com/investor](http://www.konsolidator.com/investor), a list of our company announcements and press releases during 2019 can be found. Please note that all our company announcements and press releases during 2019 were in Danish. From 2020 all company announcements and press releases will be in English.

## 2020 Financial Calendar

Q1 report – April 27, 2020  
Annual General Meeting – April 29, 2020  
Q2 report – August 19, 2020  
Q3 report – October 27, 2020  
Annual report – February 9, 2021

The annual general meeting will take place at 15.00 at Konsolidator A/S, Tobaksvejen 2A, 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: 14,704,546  
Share price December 31, 2019: 12.3

## Press releases

1-2019: Konsolidator træder ind på det Sydøstasiatiske marked  
2-2019: Ansættelse af sælger til det svenske marked



## Company announcements

1-2019: Konsolidator har søgt om optagelse på Nasdaq Firth North Denmark  
2-2019: Konsolidators udbud overtegnet med 141 %  
3-2019: Regnskabsmeddelelse for perioden 1. januar til 31. marts 2019  
4-2019: Konsolidator får første kunde på det store engelske marked  
5-2019: Skift af Certified Adviser  
6-2019: Regnskabsmeddelelse for perioden 1. januar til 30. juni 2019  
7-2019: Regnskabsmeddelelse for perioden 1. januar til 30. september 2019  
8-2019: Konsolidator får første kunde på det store tyske marked



# Management



**CLAUS FINDERUP GROVE**

Born 1967. Founder and CEO since 2014. Claus is responsible for Sales and marketing. Master of Science in Economics (Cand. Polit) from Copenhagen University.



**JACK SKOV**

Born 1969. Founder and CFO since 2014. Jack is responsible for Customer Experience and Finance. State Authorized Public Accountant and Master of Science in Business Economics and Auditing (Cand.Merc.Aud) from Copenhagen Business School.



**LARS HØJER PAASKE**

Born 1976. Founder and CTO since 2014. Lars is responsible for IT and Development. Bachelor in Computer Science and Economics (BA) from Copenhagen Business School.

## Education

Management Education from Columbia University

## Competencies

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. As Financial Director in Clipper Group and A. P. Møller 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 as well as participation in 3 Olympic Games.

## Shareholdings

Claus FINDERUP GROVE owns 3,000,000 shares in Konsolidator A/S through Team FG Invest ApS.

Lars Højer Paaske owns 2,875,000 shares in Konsolidator A/S through LHP 2016 Holding IVS.

## Directorships

**Board member:** Linderberg Group A/S, MediaPrint A/S

# Board of Directors



**SØREN ELMANN INGERSLEV, ESQ.**

Partner, Attorney-at-Law, Elmann Lawfirm

Cand. Jur., LL.M., MBA

**Competencies**  
Søren advises on Corporate Matters, Capital Markets, Mergers and Acquisitions (M&A), Investments and International Contracts. Søren advises small and medium-sized Danish and international companies as well as private equity funds and family businesses.

Søren has broad international experience, strong negotiation skills and business acumen that - combined with his legal expertise from significant M&A transactions - provides great value to his clients.

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&A etc.

**Shareholdings**  
Søren owns 383,363 shares in Konsolidator A/S through Ingerslev ApS.



**MICHAEL MOESGAARD ANDERSEN**

Professional board member and investor

Cand. scient. pol. from Aarhus University and BA in management from Copenhagen Business School.

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 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&A. In addition, he holds an adjunct professorship at Copenhagen Business School.

Michael Moesgaard Andersen owns 3,488,636 shares in Konsolidator A/S through his holding company Andersen Advisory Group A/S.

**Chairman:** Andersen Advisory Group A/S, Andersen Advisory Group Invest A/S, MobilePeople Solution A/S, Qemploy A/S, Valuer.ai ApS, VV ApS, Danske Færdighedsspil A/S.  
**Board member:** Configit A/S, Configit Holding A/S, Penneo ApS, ITU Business Development A/S.



**JESPER EIGEN MØLLER**

Professional board member

Cand. merc. from Copenhagen Business School.

Jesper has a 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 solid experience from sitting on boards 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.

Jesper Eigen Møller owns 22,727 shares in Konsolidator A/S and has DKK 125,000 warrants.

**Chairman:** Thormæs Destilleri ApS  
**Deputy chairman:** Brøndbyernes I.F. Fodbold A/S, Industriens Fond  
**Board member:** KFI Erhvervsdrivende Fond, Fonden Ungdomsbureauet

# Financial statements

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# Income statement

DKK	Note	2019	2018
Revenue		4,698,773	3,515,619
Variable costs		(147,255)	(122,889)
Other operating income		-	-
External expenses		(4,868,401)	(1,066,511)
<b>Gross profit/loss</b>		<b>(316,883)</b>	<b>2,326,219</b>
Staff costs	2	(6,872,183)	(1,870,590)
Depreciation, amortization and impairment losses	3	(369,889)	(331,416)
Other operating expenses	4	(1,915,124)	-
<b>Operating profit/loss</b>		<b>(9,474,079)</b>	<b>124,213</b>
Financial income	5	-	1,546
Financial expenses	6	(120,203)	(130,421)
<b>Profit/loss before tax</b>		<b>(9,594,282)</b>	<b>(4,662)</b>
Corporation tax for the year	7	1,742,496	8,216
<b>Profit/loss for the year</b>		<b>(7,851,786)</b>	<b>3,554</b>

# Cash flow statement

DKK	Note	2019	2018
Profit/loss before financial items and tax (EBIT)		(9,474,079)	124,213
Depreciation, amortization and impairment losses reversed		369,889	331,416
Cost regarding the Initial Public Offering		1,915,124	-
Changes in receivables		(412,094)	(527,623)
Changes in current liabilities		602,030	421,283
<b>Cash flow from primary activities</b>		<b>(6,999,130)</b>	<b>349,289</b>
Financial income received		-	1,546
Financial expenses paid		(120,203)	(130,421)
Income taxes (paid)/received		174,860	258,298
<b>Cash flow from operating activities</b>		<b>(6,944,473)</b>	<b>478,712</b>
Payments for intangible assets		(2,102,185)	(1,040,564)
Payments for property, plant and equipment		-	(11,234)
Acquisition of subsidiaries and activities		(78,838)	-
Changes in other non-current assets		(50,000)	(25,445)
<b>Cash flow from investing activities</b>		<b>(2,231,023)</b>	<b>(1,077,243)</b>
Repayment of borrowings		-	(452,661)
Proceeds from capital increase		17,115,078	(80,000)
Changes in other non-current liabilities		415,588	-
<b>Cash flow from financing activities</b>		<b>17,530,666</b>	<b>(532,661)</b>
<b>Net cash flow for the year</b>		<b>8,355,170</b>	<b>(1,131,192)</b>
Cash and cash equivalents at the beginning of the year		336	496
Overdrafts at the beginning of the year		(2,122,093)	(991,061)
Net cash flow for the year		8,355,170	(1,131,192)
<b>Cash and cash equivalents and overdrafts at the end of the year</b>		<b>6,233,413</b>	<b>(2,121,757)</b>

# Balance sheet

DKK	Note	2019	2018	DKK	Note	2019	2018
<b>ASSETS</b>							
Completed development projects		2,624,280	2,458,733	Share capital		588,182	500,000
Patents, licenses and other rights		187,709	141,170	Share premium		19,311,823	-
Developing projects in progress		2,036,500	514,043	Reserve for development costs		3,635,408	2,452,487
<b>Intangible assets</b>	<b>8</b>	<b>4,848,489</b>	<b>3,113,946</b>	Retained earnings		(11,501,965)	(2,097,456)
Fixtures and fittings, other plant and equipment		8,987	11,234	<b>Equity</b>		<b>12,033,448</b>	<b>855,031</b>
<b>Property, plant and equipment</b>	<b>9</b>	<b>8,987</b>	<b>11,234</b>	Deferred tax liabilities		-	92,528
Investments in subsidiaries	10	78,838	-	Provisions		-	92,528
Deferred tax assets		1,213,498	-	Other liabilities		415,588	-
Other receivables		100,000	50,000	<b>Non-current liabilities</b>	<b>12</b>	<b>415,588</b>	-
<b>Financial assets</b>		<b>1,392,336</b>	<b>50,000</b>	Overdrafts		-	2,122,093
<b>Total non-current assets</b>		<b>6,249,812</b>	<b>3,175,180</b>	Prepayments from customers		61,450	12,000
Accounts receivable		248,313	341,145	Accounts payable		509,064	235,600
Work in progress	11	103,490	156,820	Other liabilities	12	892,295	613,181
Intercompany receivables		441,543	-	<b>Current liabilities</b>		<b>1,462,809</b>	<b>2,982,874</b>
Tax receivables		436,470	174,860	<b>Total liabilities</b>		<b>1,878,397</b>	<b>2,982,874</b>
Other receivables		1,250	17,481	<b>Total equity and liabilities</b>		<b>13,911,845</b>	<b>3,930,433</b>
Prepayments		197,554	64,611				
<b>Receivables</b>		<b>1,428,620</b>	<b>754,917</b>				
Cash and cash equivalents		6,233,413	336				
<b>Total current assets</b>		<b>7,662,033</b>	<b>755,253</b>				
<b>Total assets</b>		<b>13,911,845</b>	<b>3,930,433</b>				



# Statement of changes in equity

DKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Equity
<b>Equity January 1, 2018</b>	500,000	-	1,593,378	(1,161,901)	931,477
Costs regarding capital increase	-	-	-	(80,000)	(80,000)
Transfer to reserve for development costs	-	-	859,109	(859,109)	-
Profit/loss for the year	-	-	-	3,554	3,554
<b>Equity December 31, 2018</b>	<b>500,000</b>	<b>-</b>	<b>2,452,487</b>	<b>(2,097,456)</b>	<b>855,031</b>
<b>Equity January 1, 2019</b>	500,000	-	2,452,487	(2,097,456)	855,031
Capital increase	88,182	19,311,823	-	-	19,400,005
Costs regarding capital increase	-	-	-	(369,802)	(369,802)
Transfer to reserve for development costs	-	-	1,182,921	(1,182,921)	0
Profit/loss for the year	-	-	-	(7,851,786)	(7,851,786)
<b>Equity December 31, 2019</b>	<b>588,182</b>	<b>19,311,823</b>	<b>3,635,408</b>	<b>(11,501,965)</b>	<b>12,033,448</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, 2019, the net deferred tax asset amounts to DKK 1,213 thousand (December 31, 2018: DKK 0), whereas the increase relates to tax loss carryforward. 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 deferred tax assets to be offset against positive taxable income in each jurisdiction.

The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on business plans and budgets for the Company.

DKK 2019 2018

## Note 2. Staff costs

Wages and salaries	8,163,551	2,770,504
Pensions	32,444	12,244
Other social security costs	26,914	20,146
Other staff costs	188,734	108,260
Capitalized wages and salaries	(1,539,460)	(1,040,564)
	<b>6,872,183</b>	<b>1,870,590</b>

Average number of employees

	14	5
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## Note 3. Depreciation, amortization, and impairment losses

Completed development projects	295,949	254,132
Patents, licenses and other rights	71,693	77,284
Fixtures and fittings, other plant and equipment	2,247	-
	<b>369,889</b>	<b>331,416</b>

## Note 4. Other operating expenses

Cost regarding the Initial Public Offering	1,915,124	-
	<b>1,915,124</b>	<b>-</b>

# Notes

DKK

	2019	2018
<b>Note 5. Financial income</b>		
Gain on foreign exchange	-	26
Other financial income	-	1,520
	-	<b>1,546</b>

**Note 5. Financial income**

Gain on foreign exchange	-	26
Other financial income	-	1,520
	-	<b>1,546</b>

**Note 6. Financial expenses**

Interest expense	90,084	115,864
Loss on foreign exchange	4,491	-
Other financial expenses	25,628	14,557
	<b>120,203</b>	<b>130,421</b>

**Note 7. Corporation tax for the year**

Current tax for the year	436,470	174,860
Deferred tax for the year	1,306,026	(166,644)
	<b>1,742,496</b>	<b>8,216</b>

DKK

**Note 8. Intangible assets**

	Completed development projects	Patents, licenses and other rights	Developing projects in progress	Total
Cost at the beginning of the year	2,901,123	310,844	514,043	3,726,010
Transfers from/(to) other items	461,496	-	(461,496)	-
Additions during the year	-	118,231	1,983,953	2,102,184
<b>Cost at the end of the year</b>	<b>3,362,619</b>	<b>429,075</b>	<b>2,036,500</b>	<b>5,828,194</b>
Amortization at the beginning of the year	(442,390)	(169,673)	-	(612,063)
Transfers from/(to) other items	-	-	-	-
Amortization for the year	(295,949)	(71,693)	-	(367,642)
<b>Amortization and impairment losses at the end of the year</b>	<b>(738,339)</b>	<b>(241,366)</b>	<b>-</b>	<b>(979,705)</b>
<b>Carrying amount at the end of year</b>	<b>2,624,280</b>	<b>187,709</b>	<b>2,036,500</b>	<b>4,848,489</b>

DKK

**Note 9. Property, plant and equipment**

Cost at the beginning of the year	11,234
Cost at the end of the year	11,234
Amortization for the year	(2,247)
Amortization and impairment losses at the end of the year	(2,247)
<b>Carrying amount at the end of year</b>	<b>8,987</b>

# Notes

DKK	2019	2018
<b>Note 10. Investments in subsidiaries</b>		
Cost at the beginning of the year	-	-
Investments during the year	78,838	-
<b>Cost at the end of the year</b>	<b>78,838</b>	-
<b>Carrying amount at the end of the year</b>	<b>78,838</b>	-

Name of subsidiary	Place of business	Ownership %	Profit/loss	Equity
Konsolidator AB	Sweden	100%	N/A	N/A
Konsolidator Ltd	United Kingdom	100%	N/A	N/A

DKK	2019	2018
<b>Note 11. Work in progress</b>		
Contract work in progress	42,040	144,820
Transferred to prepayments from customers	61,450	12,000
	<b>103,490</b>	<b>156,820</b>

<b>Specified as follows:</b>		
Work in progress (assets)	103,490	156,820
Prepayments from customers (liabilities)	(61,450)	(12,000)
	<b>42,040</b>	<b>144,820</b>

DKK	2019	2018	2019	2019
	Less than 1 year	Less than 1 year	Between 1 and 5 years	More than 5 years
<b>Note 12. Non-current liabilities</b>				
Other liabilities	892,295	613,181	415,588	-
	<b>1,462,810</b>	<b>860,780</b>	<b>415,588</b>	-
DKK			2019	2018

<b>Note 13. Unrecognised rental and lease commitments</b>				
Rental and lease agreements until maturity			331,905	450,000
			<b>331,905</b>	<b>450,000</b>

# Notes

## Accounting policies

### Reporting class

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

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

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Recognition and measurement

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

Liabilities are recognized in the balance sheet when the company 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 company, 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 effected as described below for each financial statement item.

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

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

### 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 translation of foreign subsidiaries' equity at the beginning of the year to the balance sheet date and 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 which are considered part of the total investment in the subsidiary in question are classified directly as equity.

## INCOME STATEMENT

### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

### Revenue

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

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

as cloud-based services. The software is not installed on the customer's own servers, but on cloud servers that Konsolidator manages. The customer continuously receives this service which includes license, support and maintenance during the term of the agreement and is recognized linearly over the contract period. The control is transferred to the customer continuously during the term of the agreement.

Revenue from implementation and consulting services

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

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

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

### Cost of sales

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

### Other external expenses

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

# Notes

<p><b>Staff costs</b> Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.</p>	<p>directly and indirectly attributable to the development projects.</p>	<p>preparation costs of the asset until the time when it is ready to be put into operation.</p>
<p><b>Depreciation, amortization and impairment losses</b> 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.</p>	<p>Development projects in progress are transferred to completed development projects when finished and amortization starts.</p>	<p>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:</p> <p>Other fixtures and fittings, tools and equipment 3-5 years</p> <p>Estimated useful lives and residual values are reassessed annually.</p> <p>Items of other fixtures and fittings, tools and equipment are written down to the lower of recoverable amount and carrying amount.</p>
<p><b>Other financial income</b> Other financial income comprises interest income, including interest income on receivables from net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.</p>	<p>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.</p>	<p>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.</p>
<p><b>Other financial expenses</b> Other financial expenses comprise interest expenses, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.</p>	<p>Intellectual property rights acquired are measured at cost less accumulated amortization. Patents are amortized over their remaining duration, and licences are amortized over the term of the agreement.</p>	<p><b>Receivables</b> Receivables are measured at amortized cost, usually equaling nominal value less writedowns for bad and doubtful debts.</p>
<p><b>Tax on profit/loss for the year</b> 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.</p>	<p>Property, plant and equipment Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.</p>	<p><b>Contract work in progress</b> Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.</p>
<p>The cost of development projects comprises costs such as salaries and amortization that are</p>	<p>Cost comprises the acquisition price, costs directly attributable to the acquisition and</p>	<p>The selling price is measured based on the stage of completion and the total estimated income</p>

## BALANCE SHEET

### Intellectual property rights etc

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

Konsolidator has patents pending on certain parts of Konsolidator. Costs regarding the patents 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, for which the technical rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equaling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortized and written down.

The cost of development projects comprises costs such as salaries and amortization that are

# Notes

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

#### Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to 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 company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows to acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

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, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the company'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

Solvency ratio (%) =  $\frac{\text{Equity} \times 100}{\text{Total assets}}$

Ratios reflect

The enterprise's financial strength.

# 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 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at December 31, 2019 and of the results of its operations for the year 2019.

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


We recommend the financial statements for adoption at the Annual General Meeting.

Søborg, March 24, 2020

## MANAGEMENT

  
Claus FINDERUP GROVE  
CEO

  
JACK SKOV  
CFO

  
LARS HØJER PAAASKE  
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 financial statements of Konsolidator A/S for the financial year 1 January to 31 December 2019, which comprise the income statement, cash flow statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2019 and of the results of its operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the*

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

### Management's responsibilities

#### for the financial statements

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

In preparing the financial statements,

Management is responsible for assessing the Entity's ability to continue as a going concern,

for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the

#### audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

# Independent auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and

whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

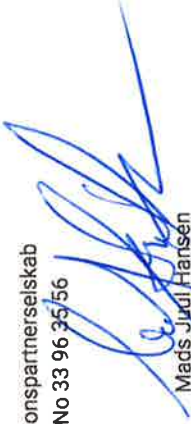
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 24 March 2020

## Deloitte

Statsautoriseret Revisionspartnerselskab  
Business-Registration No 33 96 35 56

Torben Skov  
State-Authorised  
Public Accountant  
MNE no 19689



Mads Juul Hansen  
State-Authorised  
Public Accountant  
MNE no 44386

## SØREN ELMANN INGERSLEV, ESQ.

### Directorships

**Chairman:** Biostrip ApS, Morpheus ApS, BALTIC PACKAGING A/S, BIRBO ApS, NIMBUS FILM HOLDING ApS, ADAPT Group A/S, LAIGAARD & PARTNERS A/S, Reffin ApS, Sign2Me ApS, CABANA A/S, CABANA HOLDING ApS, Immumap Services ApS, ELMANN KOMPLEMENTAR ADVOKATANPARTSSELSKAB, HVM Invest ApS, IMMUEX ApS, HARBOE & MARKER PARTNERSELSKAB, JOHAN BRINCKER HOLDING I ApS, JOHAN BRINCKER HOLDING II ApS, ELMANN ADVOKATPARTNERSELSKAB, A/S SECURE, e-auto ApS, ELMANN 1 ADVOKATPARTNERSELSKAB, ELMANN 1 KOMPLEMENTAR ADVOKATANPARTSSELSKAB

**Board member:** Ejendomsselskabet TIN TEN ApS, ONBOARDING Group ApS, Barry's Bootcamp Denmark ApS, Laigaard Accounting ApS, BONE'S HOLDING A/S, BONE'S RESTAURANTER A/S, HARBOEFONDEN, Tømrer-Jack ApS, Repeat A/S, Repeat Holding A/S

# Company information

## KONSOLIDATOR A/S

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

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

## SUBSIDIARIES

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Konsolidator Ltd., London, United Kingdom

## ESTABLISHED

August 24, 2016

## AUDITORS

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no.: 33 96 35 56

## CERTIFIED ADVISER

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

Design and production: Noted



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