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Initiation of Coverage

IT/Technology

Denmark

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## The accountant's little helper

**Konsolidator is a SaaS provider that has developed and commercialised an innovative, scalable and price competitive solution for consolidating financial accounts, targeting at small and mid-sized companies. The company has realised significant growth since its inception and growth is likely to continue, in our view, driven by penetrating newer markets and continued market share gains in established markets.**

### Key Data (2021E)

|                        |           |
|------------------------|-----------|
| Price (DKK)            | 16.00     |
| Reuters                | KONSOL.CO |
| Bloomberg              | KONSOL DC |
| Market cap (DKKm)      | 247       |
| Market cap (USDm)      | 39        |
| Net debt (DKKm)        | 19        |
| Net gearing            | (1008%)   |
| Net debt/EBITDA (x)    | (0.7)     |
| Shares fully dil. (m)  | 15.5      |
| Avg daily turnover (m) | 0.2       |
| Free float             | 41%       |

### A unique solution for financial consolidation

The market for financial consolidation systems is currently mainly dominated by customised Microsoft Excel solutions, which can be time consuming, difficult to scale and potentially prone to errors. Konsolidator's software, which is hosted in the cloud, automates most consolidation processes in a user-friendly solution, which, according to Konsolidator (and its clients), is easier to use, less time-consuming and very scalable compared to most other solutions.

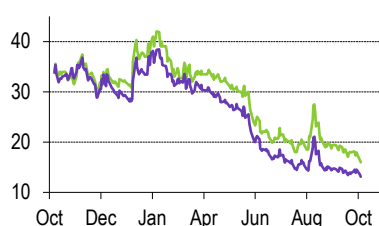
### High growth potential and a very scalable business

Konsolidator is currently focusing on Northern Europe and already has solid positions in Denmark and Sweden; we expect the company to reach a market share of around 7% of its targeted segment in Northern Europe by 2030, resulting in a 2020-30 revenue CAGR of 36%, albeit from a low base. Expanding into new markets will not come cheap; we do not expect Konsolidator to be profitable before 2026. However, the business model is highly scalable and we expect the company to reach an EBIT margin of 27% in 2030.

### Valuation range of DKK 10-48 per share

Our valuation range is DKK 10-48 per share, with a mid-point value of DKK 29 per share. The upper end of the range assumes successful penetration in North America, while the lower end assumes that the company will struggle to replicate its track record so far in Denmark and Sweden outside the Nordics.

### Share Price (12M)



Absolute (green) / Relative to Denmark (purple).

### Marketing communication commissioned by: Konsolidator

### Financials (DKK)

| Year end: Dec              | 2019   | 2020   | 2021E    | 2022E  | 2023E  |
|----------------------------|--------|--------|----------|--------|--------|
| Revenues (m)               | 5      | 8      | 13       | 23     | 38     |
| Adj. EBIT                  | (11)   | (15)   | (27)     | (27)   | (20)   |
| Pre-tax profit (m)         | (10)   | (15)   | (29)     | (29)   | (23)   |
| EPS                        | (0.53) | (0.92) | (1.82)   | (1.82) | (1.40) |
| Adj. EPS                   | (0.66) | (0.92) | (1.85)   | (1.82) | (1.40) |
| DPS                        | 0.00   | 0.00   | 0.00     | 0.00   | 0.00   |
| Revenue growth (%)         | n.m.   | 60.4   | 76.6     | 75.6   | 60.5   |
| Adj. EBIT growth (%)       | n.m.   | n.m.   | n.m.     | n.m.   | n.m.   |
| Adj. EPS growth (%)        | n.m.   | n.m.   | n.m.     | n.m.   | n.m.   |
| Adj. EBIT margin (%)       | n.m.   | n.m.   | n.m.     | n.m.   | (54.2) |
| ROE (%)                    | n.m.   | (73.9) | n.m.     | 176.8  | 53.2   |
| ROCE (%)                   | n.m.   | (70.4) | (99.0)   | n.m.   | 135.6  |
| PER (x)                    |        | n.m.   | n.m.     | n.m.   | n.m.   |
| Free cash flow yield (%)   |        | (3.6)  | (13.5)   | (13.3) | (10.5) |
| Dividend yield (%)         |        | 0.0    | 0.0      | 0.0    | 0.0    |
| P/BV (x)                   |        | 18.77  | (134.29) | (8.27) | (4.79) |
| EV/Sales (x)               |        | 63.55  | 19.97    | 12.73  | 8.60   |
| EV/Adj. EBITDA (x)         | 0.0    | (34.0) | (10.7)   | (12.2) | (19.0) |
| EV/Adj. EBIT (x)           | 0.0    | (32.8) | (9.8)    | (11.0) | (15.9) |
| Operating cash flow/EV (%) |        | (2.9)  | (10.6)   | (9.1)  | (6.3)  |
| Net debt/EBITDA (x)        | 0.72   | 1.10   | (0.74)   | (2.07) | (4.44) |

Source for all data on this page: SEB (estimates), Konsolidator and Millstream/Thomson Reuters (prices)

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# Investment case

## Unique solution for financial consolidation

Konsolidator is a software-as-a-service (SaaS) provider that has developed and commercialised an innovative, scalable and price competitive solution for consolidating corporate groups' financial accounts, mainly targeting small to mid-sized companies.

The market for financial consolidation systems is currently mainly dominated by customised (often in-house) Microsoft Excel solutions, which can be time consuming, difficult to scale and potentially prone to errors, as they typically rely on many manual processes.

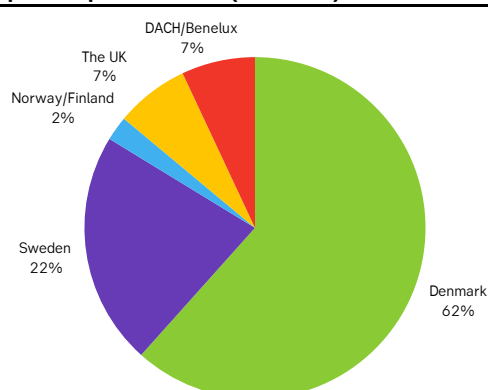
Konsolidator's software, which is hosted in the cloud, automatises most consolidation processes in a user-friendly solution, which, according to the company (and its clients), has several advantages, including:

- **Less time consuming** than more manual solutions
- **High consistency and lower risk of errors**
- **Automatically performs** exchange rate adjustments, proposals to eliminate internal group transactions, and other financial adjustments
- **Compliance**, as all inputs and changes can be traced via an audit trail
- **Easily adaptable**

### Proven track record in Denmark and breakthrough in Sweden

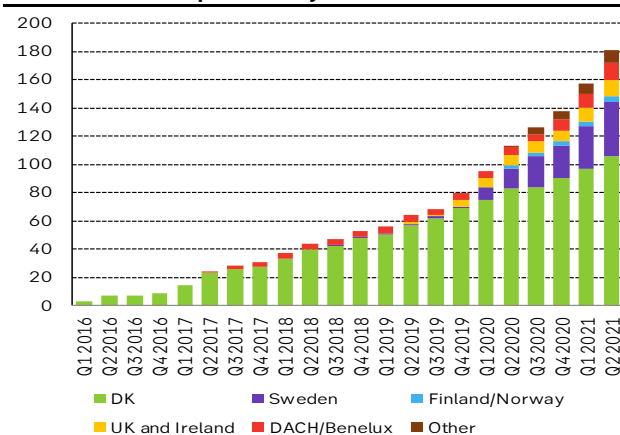
Konsolidator is located (and founded) in Denmark. Since 2016, it has built a solid base of clients in its home country. Since its IPO in 2019, the company has increased its focus outside of Denmark and has so far been very successful in replicating its success in neighbouring country Sweden.

**Geographical split of clients (H1 2021)**



Source: Konsolidator

**Number of clients per country**



Source: Konsolidator

Konsolidator's main sales channel is its direct sales team; the company currently has sales reps covering the Nordic, Benelux, the UK and the DACH region (including one sales rep heading partner sales). The company plans to add sales offices in the US in 2022.

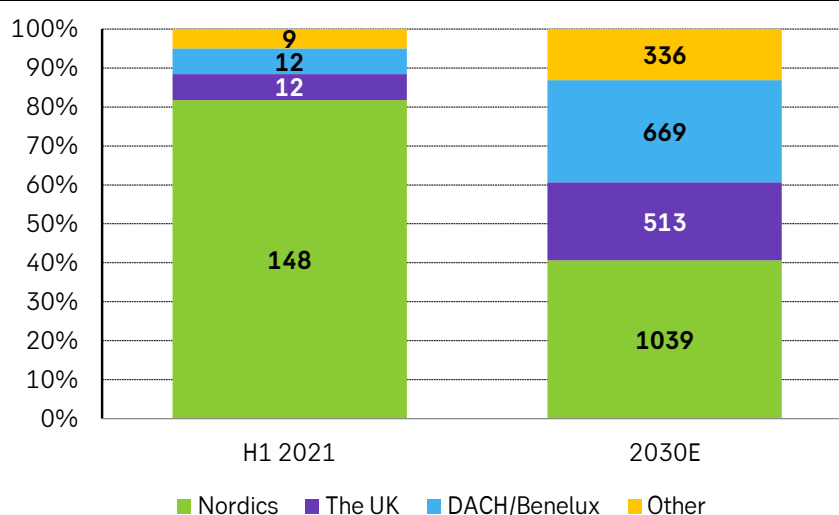
Aside from its direct sales team, which is currently Konsolidator's predominant way of selling, the company sees significant upside potential in sales through third-party channels, including partnerships with international distributors and using other software vendors (ERP, accounting software, etc.) as ambassadors.

As an additional opportunity, Konsolidator also targets audit firms and has recently hired a sales rep to target this group of clients with the aim of getting them to use Konsolidator's solution when auditing their clients. We believe this offers good potential, as auditors could also be very important ambassadors of the product.

### Significant organic growth through geographical rollout

Konsolidator has realised significant growth since its inception and we expect the strong growth to continue, driven by penetrating newer markets and continued market share gains in established markets, which still offer significant potential, in our view.

### Expected geographical composition of clients in 2030



Source: SEB, Konsolidator

We expect the company to reach a market share of around 7% in 2030 in its targeted segment in Northern Europe, with Denmark reaching around 40% and more competitive markets (e.g. the DACH region and the UK) reaching 5%.

### Expected development in number clients

| # of clients   | Clients in targeted segment | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | Mkt share 2030 |
|----------------|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Denmark        | 922                         | 90   | 122   | 162   | 202   | 237   | 267   | 297   | 317   | 337   | 352   | 367   | 40%            |
| Sweden         | 2,480                       | 23   | 49    | 89    | 129   | 169   | 209   | 244   | 279   | 309   | 339   | 364   | 15%            |
| Norway/Finland | 3,078                       | 3    | 8     | 23    | 53    | 88    | 128   | 168   | 203   | 238   | 273   | 308   | 10%            |
| The UK         | 10,906                      | 8    | 18    | 43    | 83    | 133   | 188   | 248   | 313   | 383   | 453   | 513   | 5%             |
| DACH/Benelux   | 14,543                      | 8    | 14    | 39    | 89    | 149   | 219   | 299   | 384   | 474   | 569   | 669   | 5%             |
| Other          | N/A                         | 6    | 11    | 26    | 56    | 96    | 136   | 176   | 216   | 256   | 296   | 336   | N/A            |
| Total          | 31,929                      | 138  | 222   | 382   | 612   | 872   | 1,147 | 1,432 | 1,712 | 1,997 | 2,282 | 2,557 | 7%             |

Source: SEB, Konsolidator

Konsolidator's main target segment covers the most likely corporate groups to acquire its product and includes the following criteria:

- Groups with more than four subsidiaries
- At least one foreign subsidiary
- DKK 350-1,000m in revenue

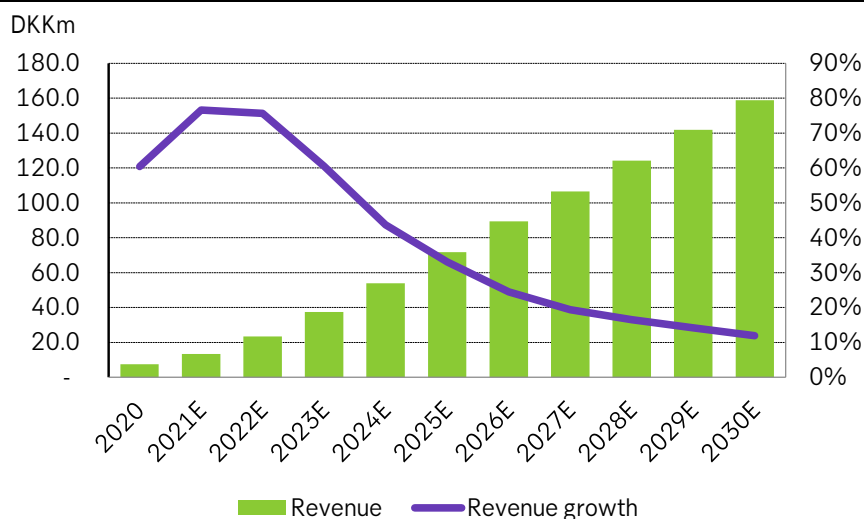
This group represents around 30,000 corporate groups in Northern Europe (including the Nordics, DACH, the UK and Benelux) and has a market size of around DKK 1.8bn, according to Konsolidator.

In theory, the number of potential users is much larger, as all corporate groups could use the product. Excluding large, complex corporate groups (which typically use a CPM (corporate performance management) system for consolidation) and very small groups with less than four subsidiaries, Konsolidator has identified around 200,000 corporate groups in Europe that could be potential targets. Using that group as a reference, we forecast a market share of around 1% in Europe.

Our client uptake expectation would result in solid growth and revenue CAGR of 36% for 2020-30E, although from a very low base.

We find the overall characteristics of Konsolidator's revenue very attractive. First, Konsolidator has limited dependency on any single contract, due to its high number of clients. Second, the product has limited maintenance costs for individual clients; after taking the decision to subscribe to the software, few companies decide to leave. Combined, it means that Konsolidator has a solid base of annual recurring revenue (ARR) on which to grow its business.

#### Revenue forecasts

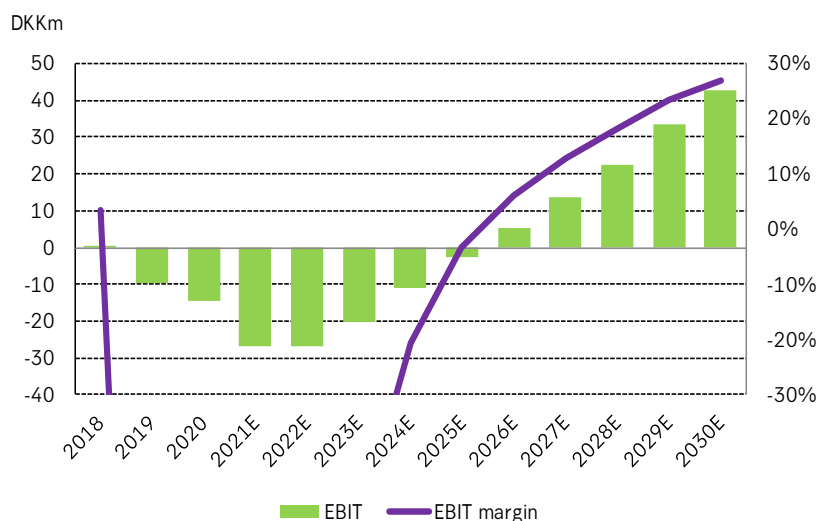


Source: SEB, Konsolidator

#### We expect profitability to be reached in 2026

Expanding into new markets will not come cheap and we expect Konsolidator to remain loss-making until 2026. However, the business model is highly scalable, and we expect the company to reach an EBIT margin of 27% in 2030.

According to Konsolidator, less than 10 sales reps are needed to cover the current targeted area in Northern Europe. While we expect costs related to software development to increase, we believe they will not increase significantly, as the company's solution must remain quite simple and stay within the specific area of financial consolidation, in our view.

**EBIT forecast (2018-30E)**

Source: SEB, Konsolidator

## Valuation range of DKK 10-48

We use a DCF model to value Konsolidator and arrive at a fair value range of DKK 10-48, with a mid-point of DKK 29.

Our base case DCF implies a value of DKK 27 per share, representing 69% upside potential to the current share price.

Our peer group valuation (using EV/sales) suggests a value of DKK 18.3-23.5 per share. However, we refrain from drawing firm conclusions from that, as 1) we forecast Konsolidator growing much faster than peers and 2) because most peers are already profitable, which we do not expect Konsolidator to be before 2026.

**Valuation summary**

|  | Value per share |
|--|-----------------|
| <b>DCF</b>                                     |                 |
| Base case                                      | 27              |
| Bear case                                      | 10              |
| Bull case                                      | 48              |
| <b>Relative valuation</b>                      |                 |
| EV/sales (2022/23E) comparable to Nordic peers | 18.3-23.5       |

Source: SEB

## Risks, opportunities, and triggers

**A number of interesting opportunities not included in our forecast**

Our base case forecast is based on continued success at rolling out Konsolidator's product, but only in Northern Europe. We see several factors that offer potential upside to our valuation:

- **Successfully penetrating the US**, in which Konsolidator plans to establish a sales office in 2022. We include the US in our bull case and prescribe it a value of around DKK 20 per share; however, its value could easily be higher, as we only assume around 1,000 clients in the region in 2030.

- **A breakthrough for Konsolidator Audit and/or CaaS**, Konsolidator's solution that targets auditors and consultants, could offer further upside. More auditors/consultants using the product will potentially boost awareness about the product and sales to auditors are at a higher price point. However, Konsolidator has so far only signed PWC Denmark and very few consolidation-as-a-service (CaaS) clients.
- Finally, the company's **partner strategy paying off** could represent further upside that is not included in our forecasts. Examples include success in markets outside the scope of Konsolidator's direct sales set-up and strong software vendor ambassadors selling products that Konsolidator can complement.

#### **Entrance of new competitors is likely the biggest risk**

We highlight the following main risks to the investment case:

- **Changes in the competitive situation could increase competition for market share.** We believe Konsolidator has found a sweet spot in the financial accounting space; however, we cannot rule out that big software companies with larger marketing muscle than Konsolidator will enter the market. Furthermore, though Konsolidator will clearly have a head start, new start-ups could emerge and compete for the same space.
- We forecast Konsolidator to reach **7% market share in its core markets** from 2030. This will require the company to continue its growth journey in Denmark (where we forecast 40% market share), but also that it can be replicated to some extent in markets outside the Nordics (we forecast 5% market share in the UK and the DACH region).
- While we are impressed by what Konsolidator's founders have established, we believe the CFO and CEO have similar backgrounds in finance, limited experience in operational execution and a **lack of experience in sales/marketing** in particular, which we believe is critical to the business. However, we think that if/when the company grows to a size and scope where more experience is required, it will also be ready for change.
- The current **lack of skilled IT people in Denmark** could potentially represent an obstacle for Konsolidator. However, given the current size of the company, we find the risk negligible at present.

#### **Quarterly results likely to be the main triggers**

While the company is very active in sending out news about the process of its operations (excluding financial reports, Konsolidator has issued eight press releases related to its operations so far in 2021), we believe the main triggers for the share will be its quarterly announcements (including new guidance as part of the annual report). Our main focus will be on the signing of new clients; while that is likely to be somewhat lumpy, Konsolidator will have to continuously show good progress in winning new clients, particularly outside of Denmark, to stay on track to meet our forecasts.

Aside from financial reports, investors should be aware that to fund the growth journey ahead, Konsolidator will almost certainly need additional cash. It is our impression that the company would prefer to raise capital from the stock market over debt, which, according to our estimates, is likely to result in at least a couple of share issues ahead. That could have a potential impact on the share price, depending on the offer price and other things, of course.

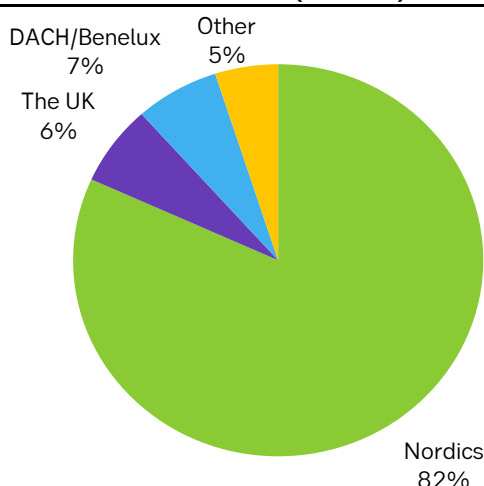
# Bookkeeper's little helper

## Konsolidator at a glance

Konsolidator is a rapidly growing Danish software firm that has a financial software solution, mainly aimed at small- and medium-sized corporate groups, to facilitate the consolidation of financial accounts. The company was founded in Denmark in 2014 by the company's current CEO Claus Finderup Grove, current CFO Jack Skov and former CTO Lars Højer Paaske (currently Head of Product Development). Since inception, Konsolidator has successfully developed and commercialised an advanced SaaS solution for consolidating enterprises' financial accounts, mainly targeting small and medium-sized groups. Furthermore, the product is also marketed towards audit firms, who could use the software to consolidate clients' accounts.

Konsolidator's SaaS solution is available globally, although the company is currently only actively marketing the product in Northern Europe, including the Nordics, DACH and the UK. At the end of H1 2021, Konsolidator had 181 customers in total of which the majority was in the Nordics (82%).

### Geographical split of Konsolidator's clients (H1 2021)



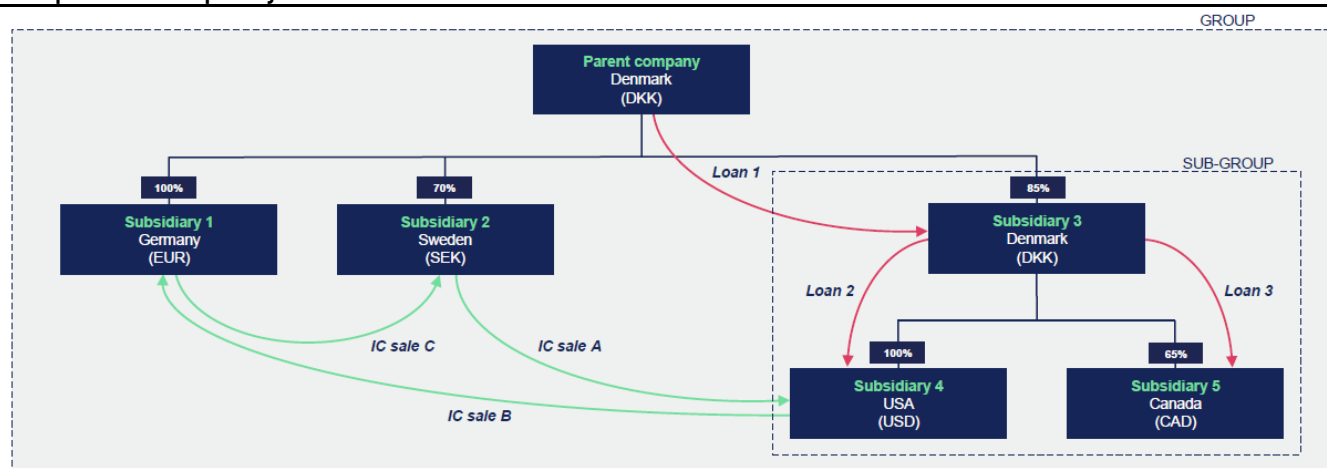
Source: Konsolidator

## The product – consolidation made easy

Consolidation is basically the exercise of consolidating the accounts (profit and loss statement, cash flow statement and balance sheet) of a parent company and its subsidiaries. However, the exercise of consolidation can be complicated for many corporate groups when considering elements such as foreign exchange rates, intercompany transactions, minority interests, differences in accounting practice and other. An example of how complicated this can be is illustrated in the picture below.



### Example of the complexity of consolidation



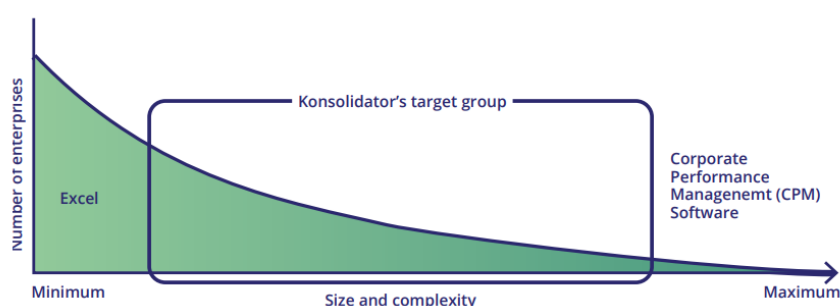
Source: Konsolidator

Consolidation is mainly used for the purpose of periodic reporting, but also increasingly as a requirement to perform daily data-driven management.

### An untapped potential

With a solid background in auditing, as well as significant CFO experience, the founders of Konsolidator found that there was untapped potential within consolidation of corporate accounts. The market is dominated by custom made and often time-consuming solutions (for instance, Microsoft Excel) used by small and mid-sized companies, as well as highly complex and very expensive CPM systems used mostly by larger and more complex international enterprises (see page 16 for description of the competitive landscape). Within this space, Konsolidator has identified a large segment of corporate groups (illustrated below), which could benefit from a low-cost, less time consuming and less error prone solution. Konsolidator's vision is to become the standard tool used by financial professionals and finance departments in their financial report and consolidation process.

### The market for consolidation software



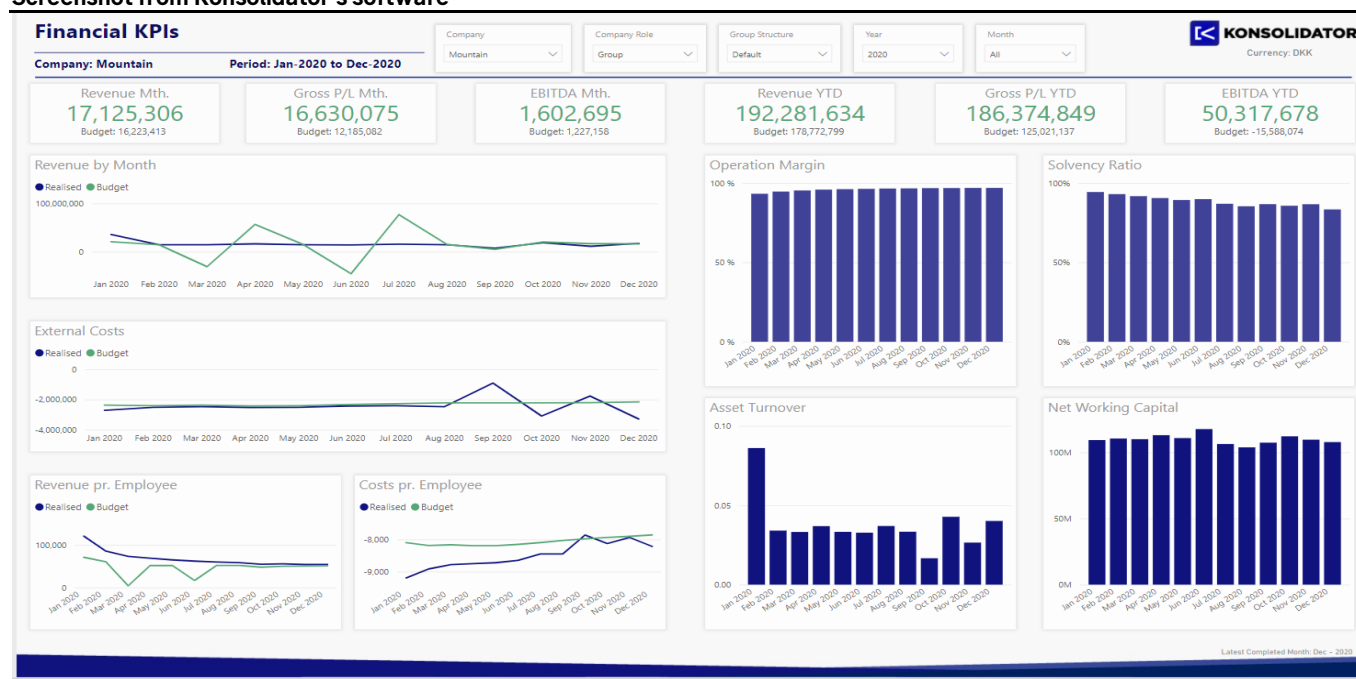
Source: Konsolidator

Konsolidator (the product) is a cloud-based Software as a Service (SaaS) solution for financial consolidation. The solution is platform indifferent, meaning that it is compatible with any software platform the group might use for accounting. Konsolidator can import/export and prepare data across all accounting solutions. Furthermore, the system works in all countries, as differences across borders in terms of accounting standards in themselves do not impact consolidation.

The aforementioned features do not set the product significantly apart from the competition; however, compared to for instance Excel, Konsolidator offers better scalability and a more automated system with a minimal amount of manual data-handling. This results in a faster, more efficient and flexible solution as data are stored in a data warehouse compared to in a spreadsheet (for example, Excel).

The onboarding process is relatively simple as the system is implemented on top of the client's existing accounting software in a quite fast and low-cost procedure (implementation costs are around DKK 50,000). Smaller corporate groups can even implement the product with the help of online tutorials and virtual support. Following implementation, there are no further service costs as the client will be able to run the system with limited support. For the same reason, Konsolidator has very low costs related to software support.

### Screenshot from Konsolidator's software



Source: Konsolidator

Aside from the relatively low cost of the system and that it is compatible with all operating systems and accounting software, we have identified the following features as important selling points for Konsolidator's solution.

- **Less time consuming** than more manual solutions.
- **High consistency and lower risk of errors** compared to in-house developed systems often dependent on more manual procedures.
- **Automatically performs** exchange rate adjustments, proposals to eliminate internal group transactions and automatically sets up a consolidated financial report for the whole group and for a possible subgroup, as well,
- **Compliance.** System delivers fast and reliable output, where all input and changes can be traced via an audit trail.
- **Easily adaptable** to changes in the client's accounting software or changes to reporting standards or regulations.
- **Documentation track to secure full transparency.**

- **Data warehouse environment** used to store data enabling agile financial analyses and reporting across timeseries, rather than stored in a spreadsheet.

### Low priced, but still considered too high for some

We see few disadvantages to Konsolidator's solution when it comes to smaller and medium-sized groups currently using for example Microsoft Excel for consolidation of accounts. The main stumbling blocks are price and what we would label as complacency, which we discuss below. For larger enterprises, a main issue is that it is not possible to customise and adapt Konsolidator's solution to fit very specific/complex needs.

While we find Konsolidator's price points highly competitive (see below), the price for implementation and ongoing subscription can still be too high for smaller groups. The lowest subscription price for groups with more than four subsidiaries (companies with fewer subsidiaries is not part of Konsolidator's target group) is around DKK 5,000/month, and according to Konsolidator, this can be a stumbling block for a significant number of companies. However, a catalyst for changing to Konsolidator from an in-house developed system is often growth (most often the addition of subsidiaries), and some of these companies are likely to become a target for Konsolidator, in time.

### Pricing overview of Konsolidator's solutions

|                 | Price model (DKK) | 1-4 companies | 5-10 companies | 11-25 companies | 26-50 companies | >50 companies |
|-----------------|-------------------|---------------|----------------|-----------------|-----------------|---------------|
| Monthly payment | Essentials        | 1,500         | 3,000          | 4,125           | 4,875           | 6,000         |
|                 | Standard          | 2,625         | 5,250          | 6,000           | 7,500           | 8,250         |
|                 | Advanced          | 3,750         | 7,500          | 8,250           | 9,000           | 9,750         |
| Fixed fee       | Onboarding        | 37,500        | 45,000         | 56,250          | 78,750          | 93,750        |

Source: Konsolidator

Aside from price, we find that the main reason for not migrating to Konsolidator's solution is complacency. While an Excel solution might be more time consuming, more error-prone and less dynamic, it is for many groups the solution that has been used and developed for years. Employees find comfort in using a well-known system ("if it ain't broken...") and there is no burning platform for a change. In other words, for many groups, Konsolidator's solution would be nice to have, rather than a requirement.

However, according to Konsolidator's management, another catalyst for change (other than growth) is a change in a leading financial position (CFO, controller or other) within the group. A person that is newly responsible for consolidation will be unfamiliar with an in-house developed consolidation solution and is an obvious target for Konsolidator.

### A few variations

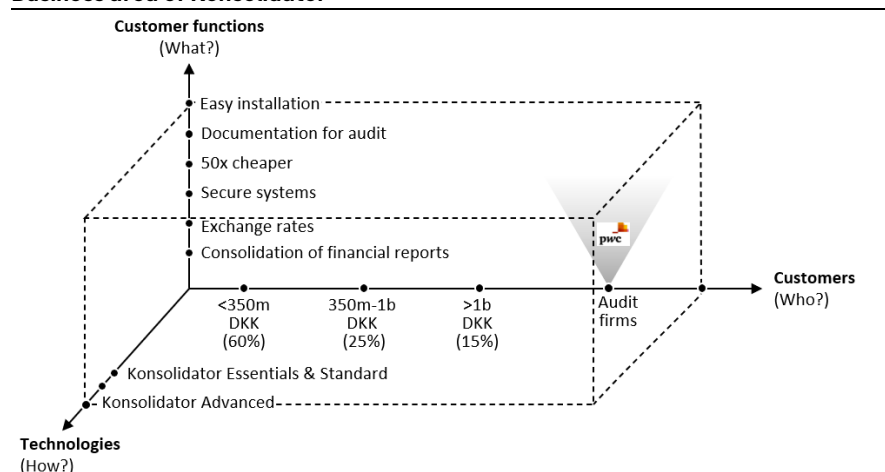
Konsolidator offers two overarching solutions: Konsolidator and Konsolidator Audit. Both solutions are more or less similar in performance, but Konsolidator is sold directly or through partners to corporate groups and Konsolidator Audit is sold to audit/consultancy firms. The Audit solution is priced based on the number of groups audited by the client and can therefore represent a significantly higher value for Konsolidator.

Furthermore, as can be seen in the table above on prices, Konsolidator currently offers three versions of its product: Essentials, Standard and Advanced. While the backbone of the product is the same, the three variations cater for different requirements.

- **Konsolidator Essentials**, a product with only the basic consolidation and reporting functionalities that targets groups that only want to use Konsolidator for their consolidated financial statements.
- **Konsolidator Standard**, a product that meets the need of the groups that want to use Konsolidator for their consolidated financial statements and monthly consolidated financial reporting.
- **Konsolidator Advanced**, a product targeted at groups that require more complex functionalities and that want to use Konsolidator for the financial reporting as well as advanced financial analytics.

Currently, the most popular version is the Standard product, but with the introduction of the Essentials and Advanced Products in 2020, Konsolidator aims to improve its success rate in winning very small and larger, more demanding clients. With a price point of around DKK 1,500/month for Konsolidator Essentials, the company could potentially persuade more simple enterprises with less than five subsidiaries to buy the system.

#### Business area of Konsolidator



Source: SEB inspired by Abell, D (1984)

While this differentiation clearly makes sense, we believe it is too early to evaluate the potential impact.

Finally, Konsolidator is continuously evolving and redesigning its software to be cutting edge technology. This includes improving performance and usability, as well as developing additional functionalities; however, without compromising the ease-of-use.

#### What do the clients say?

We have had the opportunity to discuss Konsolidator's solution with a couple of the company's clients and the feedback is overall positive.

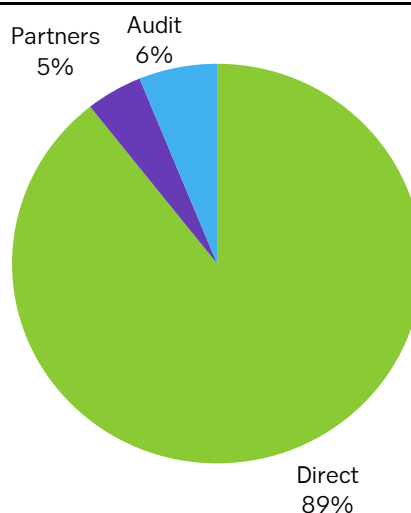
The clients we spoke with had migrated from an in-house developed Excel solution to Konsolidator. We concluded that, overall, the clients see Konsolidator as very intuitive, easy to use and less time consuming. Also, the automatic process makes it much less error prone and the tracking system makes it easy for auditors to do their job compared to when customised Excel systems are used. Finally, one client highlighted that Konsolidator's customer support was good and fast in reacting.

There are few issues with Konsolidator's system, according to clients, with the main drawback being that when using the in-house developed Excel solution, transparency was higher, and it was easier to track data (however, that would not be the case for an auditor unfamiliar with the customised solution). Additionally, one client finds it occasionally challenging to adapt the system when larger changes are made to its accounting, for example, in connection with M&A.

## Several ways to sell

Konsolidator has chosen a broad approach to selling its product with more ways to engage with potential clients. While the direct sales channel is currently driving 89% of sales, Konsolidator believes that partner sales as well as sales to audit firms (practically also direct sales) could potentially represent a larger share ahead.

**Konsolidator's revenue by channel (H1 2021)**



Source: Konsolidator

### Direct sales

Konsolidator's predominant sales channel (89% of revenue) is through the company's own sales reps, which, individually, can cover a significant number of clients. As an example, the sales rep in Denmark (despite having around 1,000 potential local clients) is now starting to cover Benelux, as well. Konsolidator currently employs five salespeople who cover the Nordics, Benelux, the UK and the DACH region (incl. one sales rep heading partner sales). Konsolidator plans to add sales offices in the US in 2022.

Sales are made through a combination of physical and virtual meetings, with the latter becoming more dominant during the Covid-19 pandemic. The increased use of virtual meetings has opened for broader distribution, and in 2020, Konsolidator signed contracts with clients in the US, Singapore and Zambia, despite no high-touch engagement in the countries.

### Partners

Although still in its infancy (around 5% of sales), Konsolidator is gradually building a broad-based partner sales channel through:

- Use of **distribution partners** in existing markets as well as in new markets. So far, Konsolidator has established partnerships in New Zealand, Germany (covers most of Europe) and two in the UK.
- **Alliances with global ERP vendors and other** by inclusion and promotion of Konsolidator in the software vendors integrated app stores. Konsolidator continuously develops APIs to the major cloud-based ERP and bookkeeping systems and Business Intelligence software solutions to increase exposure to relevant end-users.

With the significant number of potential clients around the globe, we believe there is considerable upside potential in building a solid distribution network through partners and with limited costs and risk. Konsolidator's partner initiatives are still in their infancy and so yet to show their true potential; however, given Konsolidator's still limited resources, we believe their approach makes a lot of sense.

### Auditors

Sales of the Konsolidator Audit solution to audit firms represents an exciting prospect for Konsolidator and the company is currently in the process of hiring a sales rep specifically for auditors in the UK (expected to start early 2022). While an audit client pays a higher price for the software (using Konsolidator to consolidate its clients' accounts), the potential blue stamp of Konsolidator's product can be invaluable. Having an audit firm using and potentially promoting the software would increase the value of the brand and could bring in new leads. Additionally, many CFOs and controllers often start their career in an audit firm and could potentially introduce the product to their new employer if they have previously been exposed to Konsolidator when auditing.

However, while auditors have been a focus for some time, winning audit clients has proven difficult and time consuming for Konsolidator and the real potential is yet to be seen. The company managed to win its first major audit firm in PWC Denmark in December 2020.

We are slightly worried about the traction and (limited) speed in winning audit contracts, particularly as we believe auditors should be the first to value Konsolidator's software. Furthermore, the number of auditors targeted by Konsolidator is rather limited as the audit firm should have a reasonable number of corporate group clients before it is considered. Konsolidator estimates that up to 10 audit firms are relevant in Denmark, with around 50 per country in large markets such as Germany and the UK.

We will not specifically model any revenue from Konsolidator Audit due to the company's very limited success so far in winning audit firms as clients. However, we do recognise an interesting upside potential should this sales channel succeed.

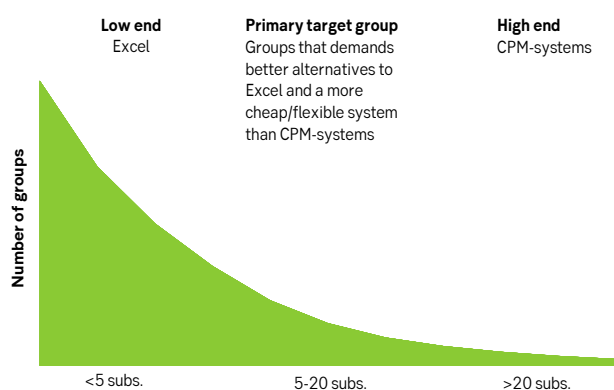
## A large growing market

The market for digital tools to handle consolidation of financial accounts is huge as all corporate groups, in theory, must consolidate its accounts.

Konsolidator's software solution targets two different segments in the market. The largest segment is small and medium-sized groups, of which most use Microsoft Excel for financial consolidation. The other segment represents typically larger companies with more advanced and complex consolidation requirements that are currently mostly using CPM software, but for which Konsolidator's solution could be sufficient. This segment is significantly smaller, but the price paid is also likely to be higher as well.

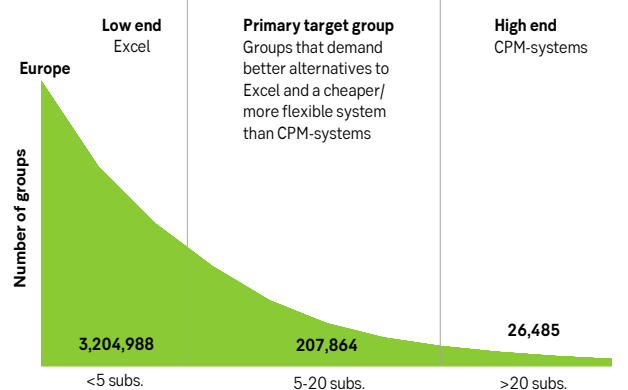
Konsolidator is not focusing on small enterprises with less than five subsidiaries, nor does it target large groups with very complex and demanding consolidation needs.

### Primary target group in Denmark



Source: Konsolidator

### Primary target group in Europe



Source: Konsolidator

As illustrated above, Denmark alone has more than 6,000 groups in Konsolidator's target segment, while more than 200,000 groups are present in Europe. However, it is inevitable that a significant number of groups in the target segment will not see Konsolidator as an alternative. In particular, companies with more than five subsidiaries that have a very simple structure. This could be groups with only local subsidiaries or groups with very uniform and simple accounting across the group.

For this reason, Konsolidator has trimmed the target group to represent the more likely corporate groups to acquire its product. This includes the following criteria:

- Groups with more than four subsidiaries
- At least one foreign subsidiary
- DKK 350-1,000m in revenue

Still, this segment represents significant value, with more than DKK 50m in potential revenue in Denmark alone and almost DKK 2bn in markets where Konsolidator is currently present with direct sales.

**Market size across countries (Konsolidator's main target segment)**

| Market         | Konsolidator customers | Total customers | Market size of main target segment(DKKm) |
|----------------|------------------------|-----------------|--|
| Denmark        | 106                    | 922             | 51                                       |
| Sweden         | 38                     | 2,480           | 136                                      |
| Norway         | 3                      | 1,861           | 102                                      |
| Finland        | 1                      | 1,217           | 67                                       |
| <b>Nordics</b> | <b>148</b>             | <b>6,480</b>    | <b>356</b>                               |
| Germany        | 2                      | 9,740           | 536                                      |
| Switzerland    | 8                      | 952             | 52                                       |
| Austria        | 0                      | 940             | 52                                       |
| <b>DACH</b>    | <b>10</b>              | <b>11,632</b>   | <b>640</b>                               |
| United Kingdom | 12                     | 10,092          | 555                                      |
| Ireland        | 0                      | 814             | 45                                       |
| <b>UKI</b>     | <b>12</b>              | <b>10,906</b>   | <b>600</b>                               |
| <b>Benelux</b> | <b>2</b>               | <b>2,911</b>    | <b>160</b>                               |
| <b>Total</b>   | <b>172</b>             | <b>31,929</b>   | <b>1,756</b>                             |

Source: Konsolidator

While we do not believe it is relevant to discuss market growth at this point, given Konsolidator's immaterial market share in a global as well as European context, we believe it is fair to assume that the market for consolidation solutions should be growing at a faster rate than average GDP growth. The main driver will be the ongoing digital transformation of private companies in general, including preparation of financial reports. Furthermore, an increasing focus on compliance is likely to fuel demand for more standardised consolidation solutions. Both drivers should benefit Konsolidator as it is cloud-based while also featuring a documentation track to secure full transparency (and increased compliance).

## The competitive landscape

We see a relatively broad competitive landscape with many different providers of consolidation software, with Excel solutions, Power BI and CPM systems the most common solutions. While most solutions are difficult/costly to scale and often need customisation for a company's individual requirements, Konsolidator has entered the market with a more scalable solution.

As highlighted previously, we believe Konsolidator's product offers a solution with many advantages for a relatively low price.

### Low price and ease-of-use the main selling points

Depending on size and need, corporate groups requiring a consolidation solution can choose from a number of different options.



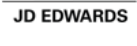





For smaller groups, Microsoft Excel is by far the most used option. It can be customised for specific needs either in-house or by consultants, although the latter can often be relatively expensive. The yearly cost for a consultancy-developed solution could, according to Konsolidator, reach over DKK 300k a year. In addition, implementation costs are likely to be high, compared to around DKK 60k of yearly costs to subscribe to Konsolidator.

For large and more complex groups, CPM systems are the most common consolidation software. Implementation costs are significant and running costs of the software could amount to DKK millions per year.



While an in-house developed Excel solution can be rather inexpensive, the common denominator for consultancy-build Excel solutions and CPM-systems is the high yearly costs due to maintenance and complexity. In contrast, Konsolidator is rather easy (and inexpensive) to implement, while subscription costs are very competitive with limited demand for support and maintenance.

### Characteristics of competitors

| Type of competitor | Examples  | Price ranges         | Comment   |
|--------------------|---|----------------------|---|
| Excel-solutions    |  Excel   | 100k-1m<br>per year  | <ul style="list-style-type: none"> <li>Manual data processing</li> <li>More time consuming</li> <li>Higher annual cost</li> <li>Higher implementation cost</li> <li>Higher chance of errors</li> <li>More flexible and customized</li> </ul>  |
| ERP-systems        | <br><br>       | +200k-1m<br>per year | <ul style="list-style-type: none"> <li>Best suited for simple consolidation</li> <li>Higher annual cost</li> <li>Higher implementation cost</li> <li>Typically for smaller groups</li> <li>More advanced than Excel solutions</li> </ul>  |
| Power-BI           |    | +200k-1m<br>per year | <ul style="list-style-type: none"> <li>Usually for bigger projects</li> <li>More focus on data analytics rather than financial consolidation</li> <li>Higher annual cost</li> <li>Higher implementation cost</li> </ul>   |
| CPM-systems        | <br><br> | +1m<br>per year      | <ul style="list-style-type: none"> <li>Few modern CPM-systems on the market</li> <li>Most expensive type of consolidation system on the market</li> <li>Higher annual cost</li> <li>Higher implementation cost</li> <li>Typically for large companies with a lot of subsidiaries</li> <li>Complex and customized solutions</li> </ul> |

Source: SEB

The low cost and ease-of-use is likely the main reason for Konsolidator's relatively low customer churn. Within the first three months that the customer is "captured" the churn level is approx. 8%, mainly as some customers are lost during onboarding. However, according to management, after three months the churn rate is closer to 2%.

### Customer churn, 12-months rolling



Source: Konsolidator

**Threat of new entrants**

Konsolidator's management is not too concerned that larger software vendors like Microsoft, SAP, FIS or others will enter the market for financial consolidation with a solution aimed at Konsolidator's target group. This market is likely to be viewed as a niche with an unattractive size, from their perspective. We agree with management and find it unlikely that this group of companies will strategically prioritise developing a consolidation solution which would compete with Konsolidator for small and medium-sized corporate groups.

As an example, a closer look at Microsoft's own application platform shows around 1,500 different software solutions for different "niche markets". It would require too much time and resources (compared to the potential) to create a standard scalable consolidation solution for a larger software vendor. Instead, we find it more likely that a larger software company would acquire the most successful and innovative company when it has demonstrated the ability to create profitable growth.

Smaller competitors could potentially enter the market. While it may seem "simple" to create consolidation software, it would be time consuming and require solid competencies within both software-development and auditing and consolidation to develop a competitive solution from scratch. If such a solution were to enter the market, it would be a direct rival to Konsolidator. This is of course a risk that has to be considered, but we believe that the very specialised product within a limited market size is a barrier, and that should this happen, Konsolidator would still have a head start.

## **New clients the key driver of growth**

Though Konsolidator's average revenue per client has been slightly increasing each year, the most important driver of the company's top line is growth in the number of clients.

**Revenue model**

Konsolidator is delivered as Software as a Service (SaaS), i.e. the system is licensed, and the client pays a quarterly fixed fee to use the software. The fee paid by the individual clients depends on the size of the group.

The more subsidiaries (and annual consolidations) the higher the price, which ranges from DKK 30,000 to DKK 100,000 annually. The average annual revenue per client was DKK 58,000 in 2020. However, Konsolidator Audit, which is sold to audit firms, can potentially represent a much higher value.

Konsolidator's subscription has a duration of three months with automatic extension and with the option to cancel the contract at the end of the following quarter. While this makes the recurring revenue less certain compared to SaaS companies signing multi-year subscription contracts with clients (for example Danish SimCorp), we still believe that the high stickiness of Konsolidator's clients (see below) provides a stable long-term recurring revenue stream per client.

**Significant growth in the number of clients**

Since launching its software in 2016, Konsolidator has seen solid growth in the number of clients, ranging from smaller enterprises to larger companies like Novo Holding, Boozt, Per Aarsleff and NTG.

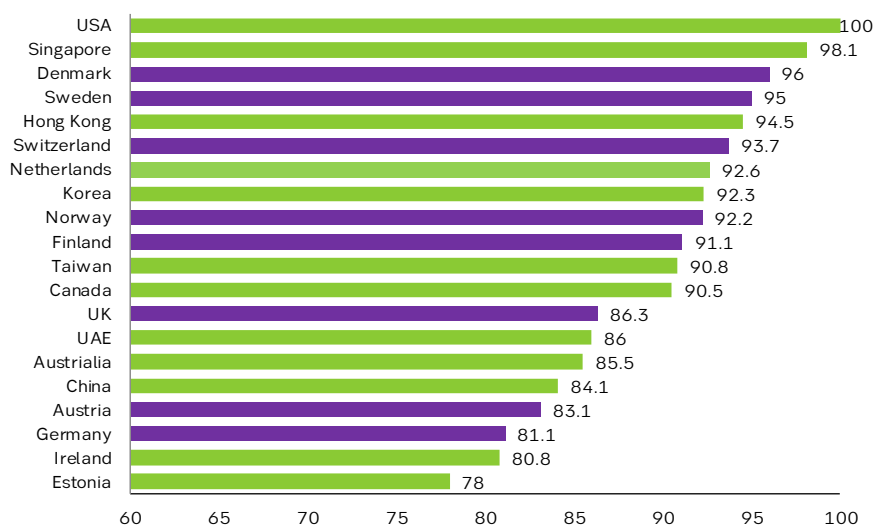
## A broad portfolio of clients



Source: Konsolidator

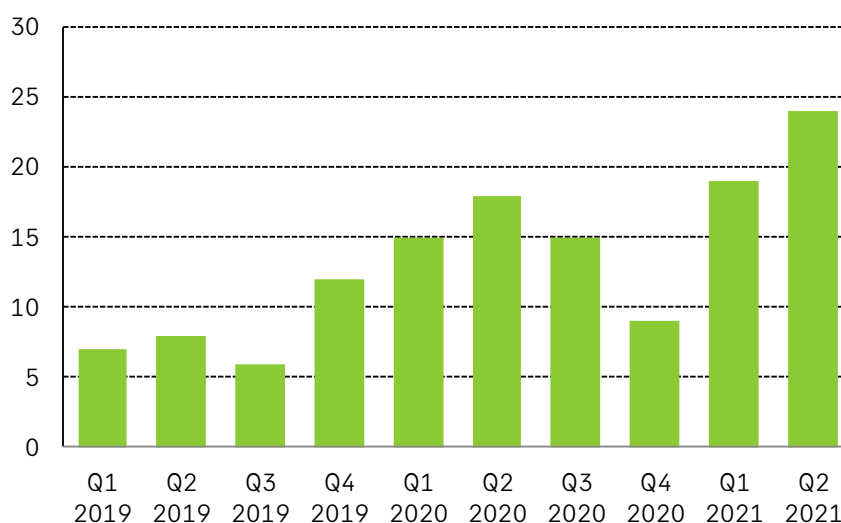
Following a successful roll-out in Denmark, where the company currently has around 10% of its targeted segment as clients, Konsolidator is now gradually expanding its direct sales efforts to markets outside Denmark. As Konsolidator's solution is cloud-based, which demands that companies are digitally ready, Konsolidator is initially targeting markets which score high on digital competitiveness.

## Country-level digital competitiveness rankings worldwide (2020)



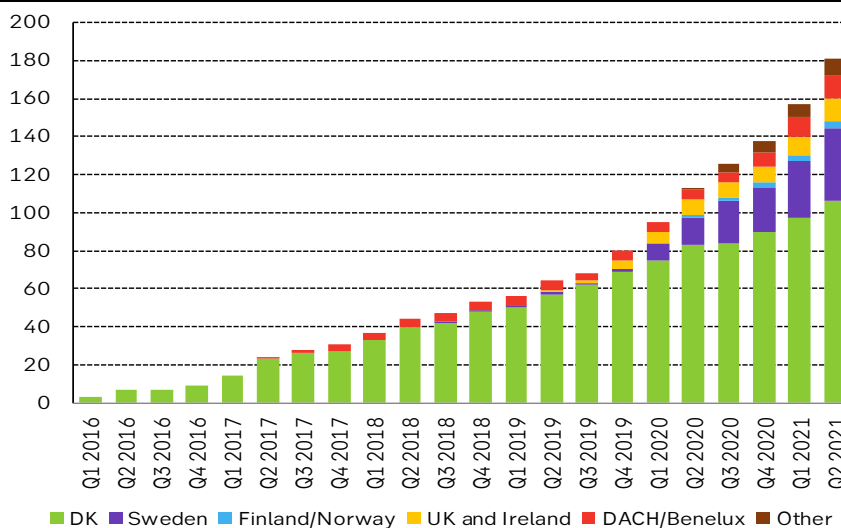
Source: IMD

At the end of H1 2021, Konsolidator had 181 clients across 12 countries, driven by a gradual expansion in Northern Europe and continued good traction in Denmark.

**New clients signed per quarter**

Source: Konsolidator

Currently, Konsolidator has direct sales in the Nordics, the UK and the DACH region and growth in clients has so far mainly been driven by Sweden and Denmark, which currently makes up more than 80% of the client base. With the solid development in Sweden in recent years, Konsolidator has shown that the company can also transform its local success to markets outside Denmark. The company currently has 39 clients in Sweden, which have been signed up in just 18 months – for comparison, it took 30 months to reach the same level in Denmark.

**Number of clients per country**

Source: Konsolidator

- Denmark:** Konsolidator currently has 105 clients in Denmark, corresponding to around 10% of its target group, and we believe Konsolidator will continue to take market share in Denmark. Konsolidator has already been in contact with most of its target group, so awareness will not trigger growth. Main drivers are likely to be change in CFO/controller and M&A or growth making an Excel solution less optimal. We expect Konsolidator to capture 40% of its target group in Denmark in 2030.

- **Sweden:** With less than 2% of Konsolidator's target group using its software (39 companies) we see significant upside in the number of clients in Sweden. Konsolidator appointed a local sales rep in October 2019 and has since seen good progress in the number of clients signed up, not unlike the trajectory in Denmark from 2016. We estimate that Konsolidator could gain a 15% market share in Sweden by 2030.
- **Other Nordic countries:** Norway and Finland are covered by Konsolidator's Swedish sales rep; however, the company is yet to put real focus on the two markets. There are currently only six clients in Norway and Finland. The markets should hold decent potential given the high level of digitalisation and proximity to Denmark. Konsolidator has identified around 3,000 corporate groups in its target segment and together they represent almost the same potential as Denmark and Sweden combined. We forecast a 10% market share in Finland and Norway combined by 2030.
- **The UK:** Konsolidator appointed a sales rep in the UK on 1 January 2021. As of H1 2021, the company has signed 13 clients in the UK (of which eight were signed before 2021). The UK represents a huge opportunity with more than 10,000 clients in the target segment representing a value of DKK 555m, according to Konsolidator. While we are more cautious in terms of market share in the UK, as we believe competition is likely to be fiercer, we still expect Konsolidator to continue to expand its market share. We forecast a 5% market share by 2030.
- **DACH region:** Konsolidator is still searching for a sales rep for the DACH region, which will be the catalyst for this market. We see no reason for Konsolidator not being successful in the DACH countries; however, as of end H1 2021, the company only had 10 clients in the region, of which eight are in Switzerland. We find it likely that Konsolidator can reach a 5% market share in the region.
- **Other markets:** We do not currently forecast a significant uptake in clients outside of the core markets in our modelling, but we see an interesting upside, particularly in North America, if the company can successfully commercialise its solution in this region.

Aggregated, the above forecast adds up to a market share of around 7% in the core markets.

It is worth highlighting that the above forecasted market shares are for Konsolidator's target segment. As an example, the 5% market share in the UK of the targeted segment of corporate groups would only represent around 0.4% of all groups in the UK.

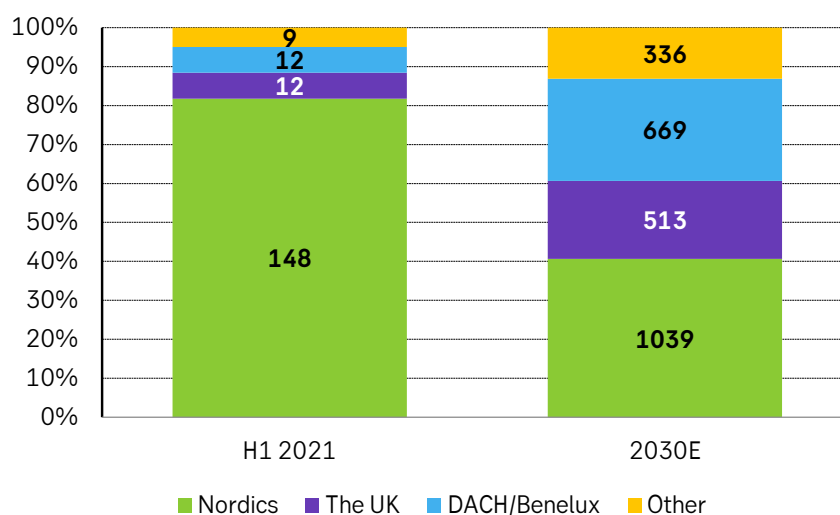
#### **Geographical diversification to expand**

83% of Konsolidator's customers were from the Nordics in H1 2021; however, we expect continuous investment in sales and marketing activities outside the Nordics to be gradually visible in the years to come and forecast the Nordics representing around 50% of clients in 2030.

**Konsolidator clients per country, 2020-30E**

| # of clients   | Clients in targeted segment | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | Mkt share 2030 |
|----------------|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Denmark        | 922                         | 90   | 122   | 162   | 202   | 237   | 267   | 297   | 317   | 337   | 352   | 367   | 40%            |
| Sweden         | 2,480                       | 23   | 49    | 89    | 129   | 169   | 209   | 244   | 279   | 309   | 339   | 364   | 15%            |
| Norway/Finland | 3,078                       | 3    | 8     | 23    | 53    | 88    | 128   | 168   | 203   | 238   | 273   | 308   | 10%            |
| The UK         | 10,906                      | 8    | 18    | 43    | 83    | 133   | 188   | 248   | 313   | 383   | 453   | 513   | 5%             |
| DACH/Benelux   | 14,543                      | 8    | 14    | 39    | 89    | 149   | 219   | 299   | 384   | 474   | 569   | 669   | 5%             |
| Other          | N/A                         | 6    | 11    | 26    | 56    | 96    | 136   | 176   | 216   | 256   | 296   | 336   | N/A            |
| Total          | 31,929                      | 138  | 222   | 382   | 612   | 872   | 1,147 | 1,432 | 1,712 | 1,997 | 2,282 | 2,557 | 7%             |

Source: SEB, Konsolidator

**Expected trends in the geographical split of clients**

Source: SEB, Konsolidator

**Limited loss of clients**

In the last five years, Konsolidator has only lost 17 clients in total with the majority lost during the onboarding process, where clients occasionally lose focus on the implementation.

While we find it slightly problematic that clients are lost during onboarding, which according to the company is a rather easy process, we are not too concerned in the greater scheme of things. As visible from the chart below, client churn is very low and churn in ARR has in recent quarters approached 1%. We see very limited risk of the company losing a critical number of clients.

**Customer churn, 12-months rolling**

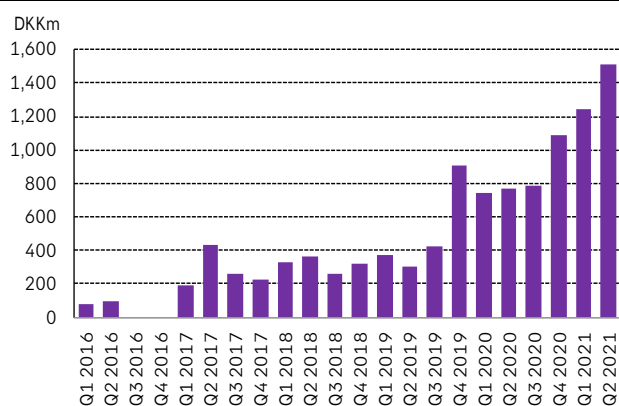
Source: Konsolidator

## High recurring revenue

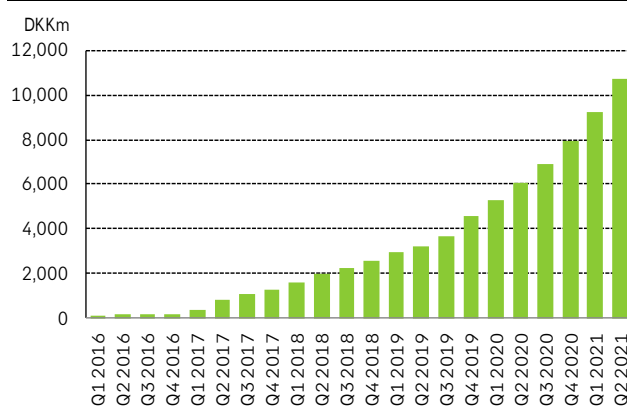
**Annual recurring revenue a solid base**

We find the overall characteristics of Konsolidator's revenue very attractive. First, Konsolidator has very limited dependency on any single contract due to the high number of clients, which is becoming increasingly international. Secondly, the product has a very limited maintenance cost for individual clients, and after taking the decision to subscribe to the software, very few companies decide to leave. Combined, this means that Konsolidator has a very solid base of annual recurring revenue (ARR) on which to grow its business.

As illustrated below, ARR has been increasing in all quarters since Q1 2017 with a solid acceleration from Q4 2019, following increased investments in sales and marketing after the IPO.

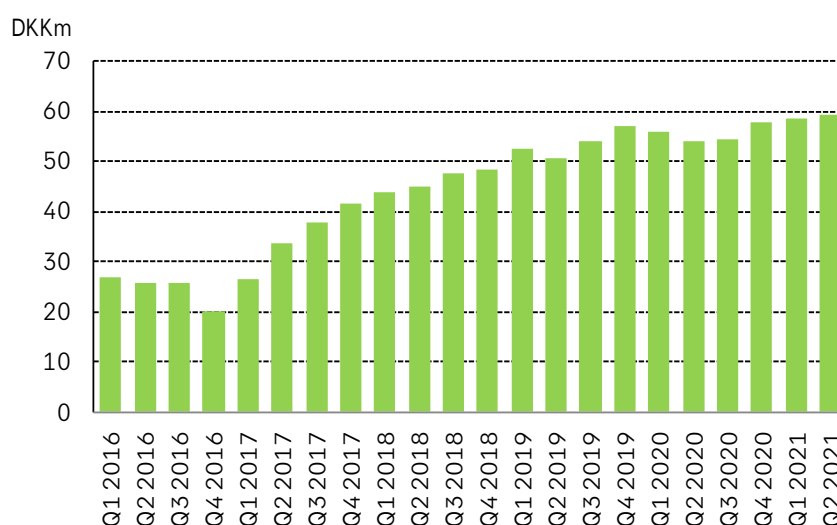
**Quarterly gain to annual recurring revenue**

Source: Konsolidator

**Annual recurring revenue (ARR)**

Source: Konsolidator

ARR is a multiple of the number of existing clients and the average yearly subscription fee. While the number of clients has been fast increasing since inception (as described above), the average annual fee per client has also increased gradually due to Konsolidator successfully signing proportionally more larger clients. However, as the base increases, we expect changes to the average annual subscription fee per client to be limited.

**Average annual subscription fee per client**

Source: Konsolidator

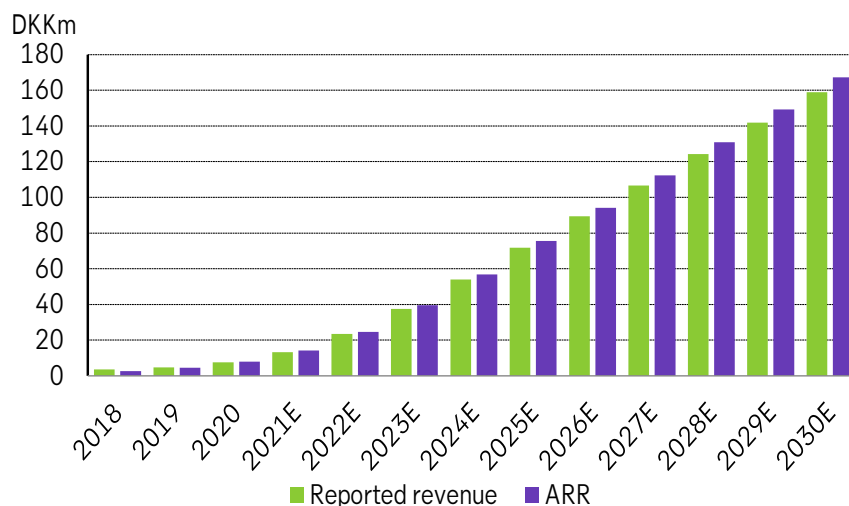
There is potential upside to the average fee per client if Konsolidator successfully manages to upsell new services to existing clients. While we recognise the potential in selling more functionality to clients, we find it too early to include in our forecasts.

Our forecast for the number of new clients is described in the previous chapter.

**Revenue assumptions**

| (DKKm)                                   | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue                                  | 7.5  | 13.3  | 23.4  | 37.5  | 53.9  | 71.8  | 89.4  | 106.6 | 124.2 | 141.8 | 158.8 |
| Revenue growth                           | 60%  | 77%   | 76%   | 60%   | 44%   | 33%   | 25%   | 19%   | 17%   | 14%   | 12%   |
| ARR                                      | 8.0  | 14.2  | 24.6  | 39.5  | 56.8  | 75.5  | 94.1  | 112.3 | 130.8 | 149.3 | 167.2 |
| ARR growth                               | 74%  | 79%   | 73%   | 60%   | 44%   | 33%   | 25%   | 19%   | 17%   | 14%   | 12%   |
| Revenue share of ARR                     | 95%  | 94%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   |
| New clients                              | 61   | 100   | 160   | 230   | 260   | 275   | 285   | 280   | 285   | 285   | 275   |
| Total clients                            | 138  | 222   | 382   | 612   | 872   | 1,147 | 1,432 | 1,712 | 1,997 | 2,282 | 2,557 |
| Average annual revenue per client (DKKt) | 58   | 60    | 62    | 63    | 64    | 65    | 65    | 65    | 65    | 65    | 65    |

Source: SEB, Konsolidator

**Konsolidator's revenue and ARR (2018-30E)**

Source: SEB, Konsolidator

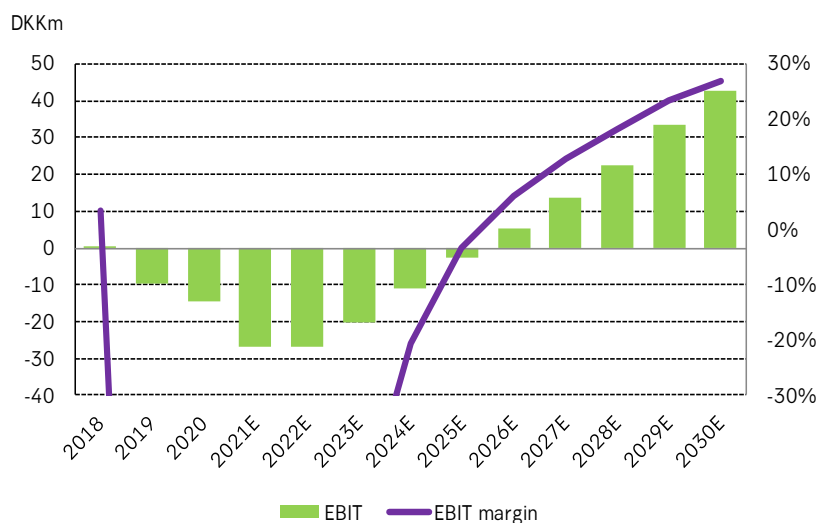


## Significant margin expansion in sight

Konsolidator is currently investing heavily in the future of its business by increasing staff, which is a pre-requisite for growth. This is evident across all cost lines, which are currently relatively significant compared to revenue.

However, with significant operational leverage to be achieved in the years to come, we forecast that Konsolidator will become profitable from 2026 and with a highly scalable business model, we forecast the EBIT margin beyond 2026 to increase significantly year on year peaking in 2030 at 27%.

### EBIT and EBIT margin forecast



Source: SEB, Konsolidator

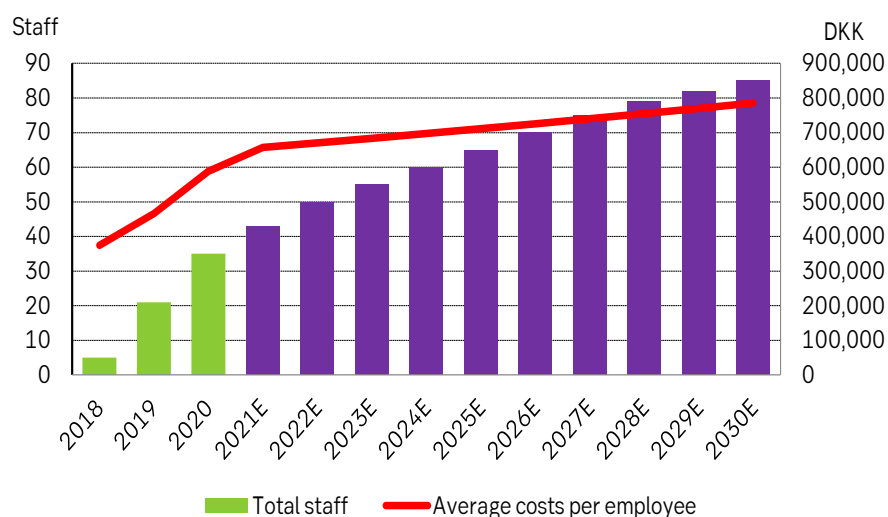
### Staff costs the main cost component

Konsolidator has increased the number of employees significantly in recent years, both in sales and marketing, onboarding and support and in development. At the end of H1 2021, the company had 37 employees, up from 21 at the end of 2019 and five in 2018, roughly evenly divided between sales/marketing (15), finance/support/onboarding (11) and development (11).

We expect Konsolidator to continue to ramp-up the number of employees in the coming years across most functions, including establishing a sales office in North America in 2022/23. We expect Konsolidator to employ 85 people by 2030.

While the number of employees has increased, cost per employee has also gradually been raised as staff for onboarding (typically controllers or auditors) as well as for development are highly paid employees. We forecast a 2% annual increase in average pay per employee, but do not anticipate any larger shifts in pay levels.

### Average cost per employee

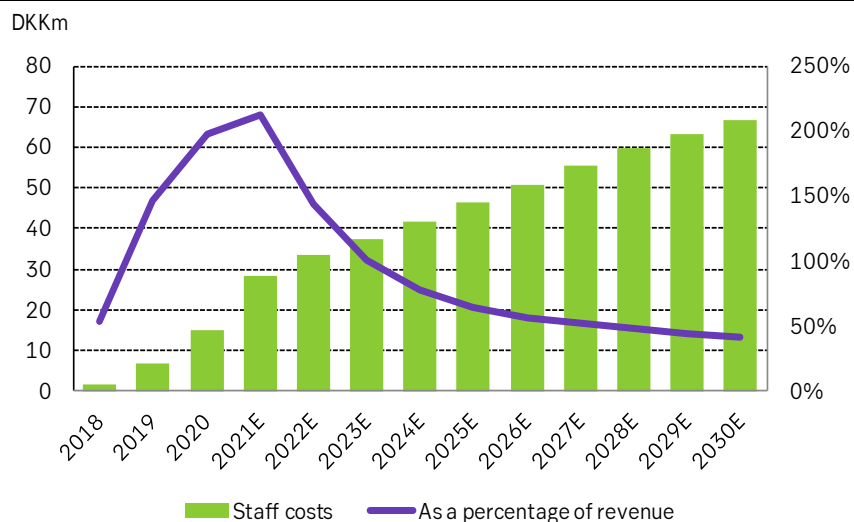


Source: SEB, Konsolidator

As illustrated below, we expect a significant leverage on staff costs in the next years. As mentioned previously, Konsolidator has limited costs related to existing clients, which means that an increasing installed base will have a significant impact on staff costs as a percentage of revenue.

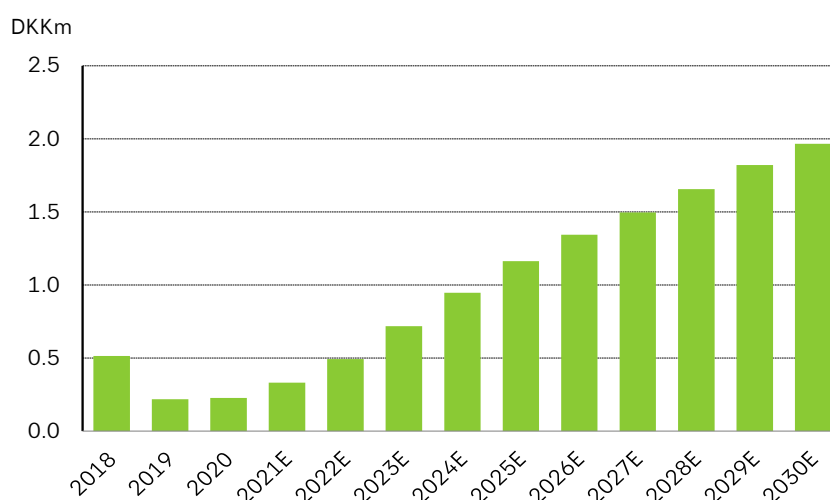
In 2021, we forecast staff costs to represent more than 200% of revenue declining to 42% in 2030.

### Staff costs as a percentage of revenue



Source: SEB, Konsolidator

Another way to illustrate the development is the average revenue per employee. We expect this metric to increase significantly from around DKK 250,000 in 2020 to almost DKK 2m in 2030.

**ARR per employee**

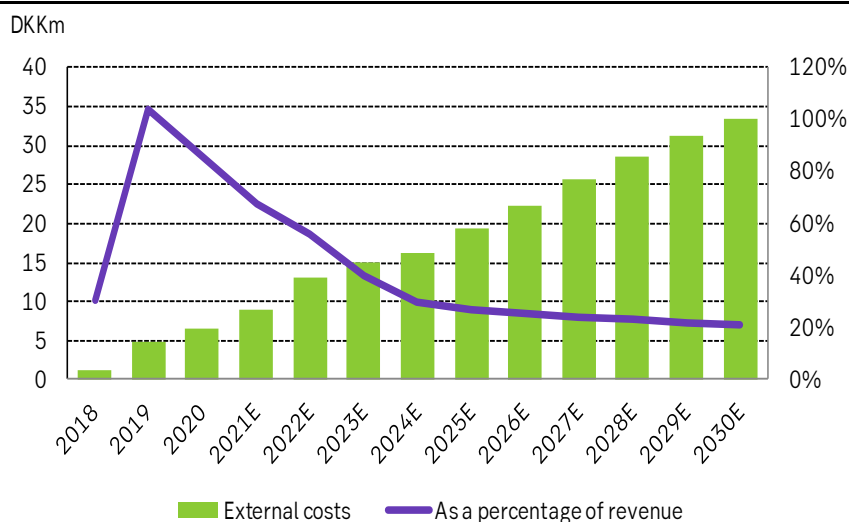
Source: SEB, Konsolidator

**Other costs**

“External costs”, which is defined as total costs excluding staff costs, COGS and D&A, is currently mainly related to recruitment, IT equipment, consultancies and costs related to being listed (due to IFRS 16, rent is now categorised as depreciation).

External costs made up 86% of revenue in 2020, but we expect significant operational leverage on staff costs on this cost line ahead and expect it to reach 21% of revenue in 2030.

The significant spike in 2019 is related to the listing of Konsolidator and the subsequent significant investment in the business.

**External costs**

Source: SEB, Konsolidator

Konsolidator's gross margin has stayed steady around 95% since inception as costs are mainly related to cloud hosting. We expect the gross margin to stay at this level.

**P&L forecast**

| (DKK m)                   | 2018 | 2019  | 2020   | 2021E  | 2022E  | 2023E  | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|---------------------------|------|-------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| Revenue                   | 3.5  | 4.7   | 7.5    | 13.3   | 23.4   | 37.5   | 53.9  | 71.8  | 89.4  | 106.6 | 124.2 | 141.8 | 158.8 |
| Revenue growth            | 0%   | 34%   | 60%    | 77%    | 76%    | 60%    | 44%   | 33%   | 25%   | 19%   | 17%   | 14%   | 12%   |
| ARR                       | 2.7  | 4.6   | 8.0    | 14.2   | 24.6   | 39.5   | 56.8  | 75.5  | 94.1  | 112.3 | 130.8 | 149.3 | 167.2 |
| ARR growth                | 100% | 78%   | 74%    | 79%    | 73%    | 60%    | 44%   | 33%   | 25%   | 19%   | 17%   | 14%   | 12%   |
| Revenue share of ARR      | 137% | 103%  | 95%    | 94%    | 95%    | 95%    | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   |
| New clients in the period | 24   | 32    | 61     | 100    | 160    | 230    | 260   | 275   | 285   | 280   | 285   | 285   | 275   |
| Total clients             | 53   | 80    | 138    | 222    | 382    | 612    | 872   | 1,147 | 1,432 | 1,712 | 1,997 | 2,282 | 2,557 |
| COGS                      | -0.1 | -0.1  | -0.3   | -0.7   | -1.2   | -1.9   | -2.7  | -3.6  | -4.5  | -5.3  | -6.2  | -7.1  | -7.9  |
| Gross profit              | 3.4  | 4.6   | 7.2    | 12.7   | 22.2   | 35.6   | 51.2  | 68.2  | 84.9  | 101.3 | 118.0 | 134.7 | 150.9 |
| Gross margin              | 97%  | 97%   | 96%    | 95%    | 95%    | 95%    | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   |
| External costs            | -1.1 | -4.9  | -6.5   | -8.9   | -13.1  | -15.0  | -16.2 | -19.4 | -22.3 | -25.6 | -28.6 | -31.2 | -33.4 |
| Staff costs               | -1.9 | -6.9  | -14.8  | -28.3  | -33.5  | -37.6  | -41.8 | -46.2 | -50.8 | -55.5 | -59.6 | -63.1 | -66.8 |
| External costs ratio      | 30%  | 104%  | 86%    | 67%    | 56%    | 40%    | 30%   | 27%   | 25%   | 24%   | 23%   | 22%   | 21%   |
| Staff costs ratio         | 53%  | 146%  | 197%   | 212%   | 143%   | 100%   | 78%   | 64%   | 57%   | 52%   | 48%   | 45%   | 42%   |
| EBITDA                    | 0.46 | -9.10 | -14.11 | -24.96 | -24.40 | -16.96 | -6.79 | 2.56  | 11.76 | 20.21 | 29.82 | 40.41 | 50.77 |
| EBITDA-margin             | 13%  | -194% | -187%  | -187%  | -104%  | -45%   | -13%  | 4%    | 13%   | 19%   | 24%   | 28%   | 32%   |
| D&A                       | -0.3 | -0.4  | -0.5   | -1.8   | -2.6   | -3.4   | -4.3  | -5.0  | -6.3  | -6.4  | -7.5  | -7.1  | -7.9  |
| D&A ratio                 | 9%   | 8%    | 7%     | 14%    | 11%    | 9%     | 8%    | 7%    | 7%    | 6%    | 6%    | 5%    | 5%    |
| EBIT                      | 0.1  | -9.5  | -14.6  | -26.8  | -27.0  | -20.3  | -11.1 | -2.5  | 5.5   | 13.8  | 22.4  | 33.3  | 42.8  |
| EBIT margin               | 4%   | -202% | -194%  | -201%  | -115%  | -54%   | -21%  | -3%   | 6%    | 13%   | 18%   | 23%   | 27%   |
| Financial expenses        | -0.1 | -0.1  | -0.1   | -2.1   | -2.1   | -2.3   | -2.3  | -2.3  | -2.3  | -2.3  | -2.3  | -2.3  | -2.3  |
| Pre-tax profit            | 0.0  | -9.6  | -14.7  | -28.9  | -29.1  | -22.6  | -13.4 | -4.7  | 3.2   | 11.6  | 20.1  | 31.1  | 40.6  |
| Net profit                | 0.0  | -7.9  | -14.1  | -28.1  | -27.9  | -21.7  | -12.8 | -4.7  | 3.2   | 11.6  | 20.1  | 31.1  | 31.6  |

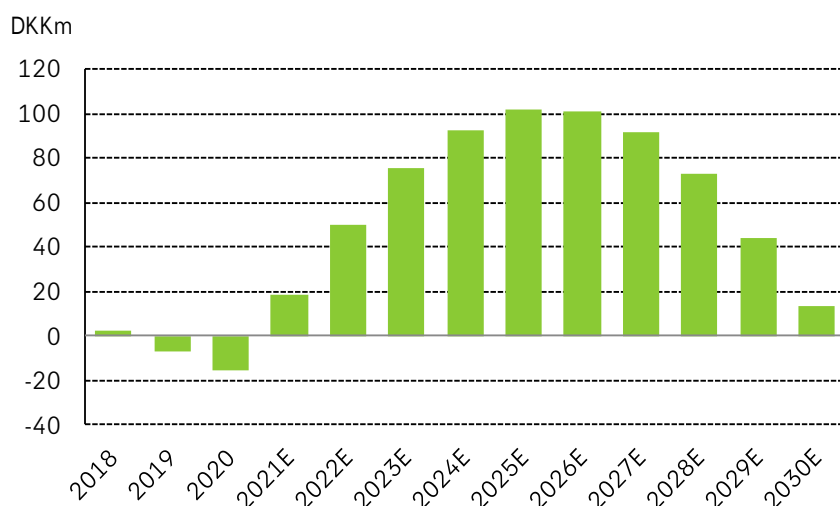
Source: SEB, Konsolidator

## The journey demands cash

Konsolidator is likely to remain loss-making for a number of years and we forecast that the company will not be profitable before 2026. In the meantime, Konsolidator will have to raise cash to fuel its growth. Since the IPO, which provided DKK 19m of cash to the company, Konsolidator has raised funds in two instances: a share issue injecting DKK 30m in April 2020 and DKK 25m in a convertible loan in August 2021.

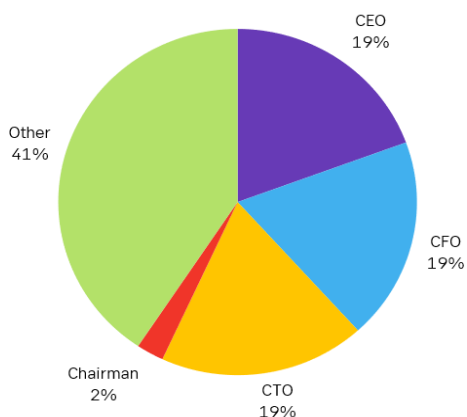
Our forecasts suggest that if Konsolidator plans to finance growth without debt (which we believe is most likely), it will have to raise up to DKK 100m in cash over the next four years, before becoming profitable in 2026.

We have not included share issues in our forecast due to the uncertainty of size and timing, but we believe the company is likely to issue shares at least a couple of times before 2026. Below we illustrate the cash need/net debt up to 2030.

**Konsolidator net debt (excl. any capital injections)**

Source: SEB, Konsolidator

After the share issue in April 2020, the share capital of Konsolidator consists of 15m shares. As illustrated below, free float is currently 41% of the share capital, with the founders and the Chairman holding around 59%. Furthermore, former board member Michael Moesgaard Andersen owns 22.5% of the shares.

**Major shareholders in Konsolidator**

Source: FactSet

# Estimates

We have a 10-year forecast period for Konsolidator.

We model revenue as a percentage of ARR, which in turn is modelled as number of clients multiplied by the average value per client.

The reasoning behind our forecast can be found in the sections above.

| P&L forecasts        |      |       |        |        |        |        |       |       |       |       |       |       |       |
|----------------------|------|-------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| (DKKm)               | 2018 | 2019  | 2020   | 2021E  | 2022E  | 2023E  | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
| Revenue              | 3.5  | 4.7   | 7.5    | 13.3   | 23.4   | 37.5   | 53.9  | 71.8  | 89.4  | 106.6 | 124.2 | 141.8 | 158.8 |
| Revenue growth       | 0%   | 34%   | 60%    | 77%    | 76%    | 60%    | 44%   | 33%   | 25%   | 19%   | 17%   | 14%   | 12%   |
| ARR                  | 2.7  | 4.6   | 8.0    | 14.2   | 24.6   | 39.5   | 56.8  | 75.5  | 94.1  | 112.3 | 130.8 | 149.3 | 167.2 |
| ARR growth           | 100% | 78%   | 74%    | 79%    | 73%    | 60%    | 44%   | 33%   | 25%   | 19%   | 17%   | 14%   | 12%   |
| Revenue share of ARR | 137% | 103%  | 95%    | 94%    | 95%    | 95%    | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   |
| New clients          | 24   | 32    | 61     | 100    | 160    | 230    | 260   | 275   | 285   | 280   | 285   | 285   | 275   |
| Total clients        | 53   | 80    | 138    | 222    | 382    | 612    | 872   | 1,147 | 1,432 | 1,712 | 1,997 | 2,282 | 2,557 |
| COGS                 | -0.1 | -0.1  | -0.3   | -0.7   | -1.2   | -1.9   | -2.7  | -3.6  | -4.5  | -5.3  | -6.2  | -7.1  | -7.9  |
| Gross profit         | 3.4  | 4.6   | 7.2    | 12.7   | 22.2   | 35.6   | 51.2  | 68.2  | 84.9  | 101.3 | 118.0 | 134.7 | 150.9 |
| Gross margin         | 97%  | 97%   | 96%    | 95%    | 95%    | 95%    | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   |
| External costs       | -1.1 | -4.9  | -6.5   | -8.9   | -13.1  | -15.0  | -16.2 | -19.4 | -22.3 | -25.6 | -28.6 | -31.2 | -33.4 |
| Staff costs          | -1.9 | -6.9  | -14.8  | -28.3  | -33.5  | -37.6  | -41.8 | -46.2 | -50.8 | -55.5 | -59.6 | -63.1 | -66.8 |
| External costs ratio | 30%  | 104%  | 86%    | 67%    | 56%    | 40%    | 30%   | 27%   | 25%   | 24%   | 23%   | 22%   | 21%   |
| Staff costs ratio    | 53%  | 146%  | 197%   | 212%   | 143%   | 100%   | 78%   | 64%   | 57%   | 52%   | 48%   | 45%   | 42%   |
| EBITDA               | 0.46 | -9.10 | -14.11 | -24.96 | -24.40 | -16.96 | -6.79 | 2.56  | 11.76 | 20.21 | 29.82 | 40.41 | 50.77 |
| EBITDA-margin        | 13%  | -194% | -187%  | -187%  | -104%  | -45%   | -13%  | 4%    | 13%   | 19%   | 24%   | 28%   | 32%   |
| D&A                  | -0.3 | -0.4  | -0.5   | -1.8   | -2.6   | -3.4   | -4.3  | -5.0  | -6.3  | -6.4  | -7.5  | -7.1  | -7.9  |
| D&A ratio            | 9%   | 8%    | 7%     | 14%    | 11%    | 9%     | 8%    | 7%    | 7%    | 6%    | 6%    | 5%    | 5%    |
| EBIT                 | 0.1  | -9.5  | -14.6  | -26.8  | -27.0  | -20.3  | -11.1 | -2.5  | 5.5   | 13.8  | 22.4  | 33.3  | 42.8  |
| EBIT margin          | 4%   | -202% | -194%  | -201%  | -115%  | -54%   | -21%  | -3%   | 6%    | 13%   | 18%   | 23%   | 27%   |
| Financial expenses   | -0.1 | -0.1  | -0.1   | -2.1   | -2.1   | -2.3   | -2.3  | -2.3  | -2.3  | -2.3  | -2.3  | -2.3  | -2.3  |
| Pre-tax profit       | 0.0  | -9.6  | -14.7  | -28.9  | -29.1  | -22.6  | -13.4 | -4.7  | 3.2   | 11.6  | 20.1  | 31.1  | 40.6  |
| Net profit           | 0.0  | -7.9  | -14.1  | -28.1  | -27.9  | -21.7  | -12.8 | -4.7  | 3.2   | 11.6  | 20.1  | 31.1  | 31.6  |

Source: SEB, Konsolidator

We expect capex to gradually increase driven mainly by software development, which is booked as development project. We expect capex as a percentage of revenue to flatten out at around 5% by 2030.

While profitability is reached in 2026, we do not expect positive free cash flow before 2027 (see below).

| Cash flow trends, 2018-30E |      |      |      |       |       |       |       |       |       |       |       |       |       |
|----------------------------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| (DKKm)                     | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
| Operating cash flow        | 0    | -7   | -14  | -28   | -27   | -20   | -11   | -2    | 8     | 17    | 26    | 37    | 38    |
| Capex                      | -1   | -2   | -3   | -5    | -6    | -6    | -8    | -8    | -8    | -9    | -9    | -9    | -8    |
| Capex ratio                | -30% | -45% | -44% | -39%  | -25%  | -15%  | -14%  | -11%  | -9%   | -8%   | -7%   | -6%   | -5%   |
| Free cash flow             | -1   | -9   | -18  | -35   | -33   | -26   | -19   | -10   | 0     | 8     | 18    | 28    | 30    |
| Net debt                   | 2    | -7   | -15  | 19    | 50    | 75    | 93    | 102   | 101   | 92    | 73    | 44    | 13    |

Source: SEB, Konsolidator

**Quarterly numbers**

| (DKKm)               | FY/18 | Q1/19 | Q2/19 | Q3/19 | Q4/19 | FY/19 | Q1/20 | Q2/20 | Q3/20 | Q4/20 | FY/20  | Q1/21 | Q2/21 | Q3/21E | Q4/21E | FY/21E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|--------|--------|--------|
| Revenue              | 3.5   | 1.1   | 1.0   | 1.3   | 1.3   | 4.7   | 1.6   | 1.5   | 1.7   | 2.8   | 7.5    | 2.2   | 3.1   | 3.7    | 4.3    | 13.3   |
| Revenue growth       | 0%    | 62%   | 43%   | 72%   | -7%   | 34%   | 48%   | 43%   | 28%   | 120%  | 60%    | 35%   | 113%  | 121%   | 55%    | 77%    |
| ARR                  | 2.7   | 2.9   | 3.2   | 3.7   | 4.6   | 4.6   | 5.3   | 6.1   | 6.9   | 8.0   | 8.0    | 9.2   | 10.7  | 12.5   | 14.2   | 14.2   |
| ARR growth           | 100%  | 82%   | 64%   | 63%   | 78%   | 78%   | 81%   | 88%   | 88%   | 74%   | 74%    | 73%   | 76%   | 82%    | 79%    | 79%    |
| Revenue share of ARR | 137%  | 37%   | 32%   | 36%   | 27%   | 103%  | 31%   | 24%   | 25%   | 35%   | 95%    | 24%   | 29%   | 30%    | 30%    | 94%    |
| New clients          | 24    | 6     | 8     | 6     | 12    | 32    | 15    | 18    | 15    | 13    | 61     | 19    | 25    | 27     | 29     | 100    |
| Total clients        | 53    | 56    | 64    | 68    | 80    | 80    | 95    | 113   | 126   | 138   | 138    | 157   | 181   | 201    | 222    | 222    |
| COGS                 | -0.1  | 0.0   | 0.0   | 0.0   | -0.1  | -0.1  | 0.0   | 0.0   | 0.0   | -0.2  | -0.3   | -0.1  | -0.1  | -0.2   | -0.2   | -0.7   |
| Gross profit         | 3.4   | 1.1   | 1.0   | 1.3   | 1.2   | 4.6   | 1.6   | 1.4   | 1.7   | 2.6   | 7.2    | 2.1   | 3.0   | 3.6    | 4.1    | 12.7   |
| Gross margin         | 97%   | 96%   | 98%   | 98%   | 95%   | 97%   | 97%   | 97%   | 97%   | 93%   | 96%    | 95%   | 96%   | 95%    | 95%    | 95%    |
| External costs       | -1.1  | -0.6  | -1.6  | -1.4  | -1.3  | -4.9  | -1.7  | -1.9  | -1.1  | -1.9  | -6.5   | -2.4  | -2.0  | -2.2   | -2.3   | -8.9   |
| Staff costs          | -1.9  | -0.7  | -1.6  | -2.1  | -2.5  | -6.9  | -2.8  | -3.3  | -3.7  | -5.0  | -14.8  | -5.6  | -7.1  | -7.6   | -8.0   | -28.3  |
| External costs ratio | 30%   | 51%   | 158%  | 104%  | 105%  | 104%  | 103%  | 129%  | 62%   | 67%   | 86%    | 110%  | 63%   | 60%    | 55%    | 67%    |
| Staff costs ratio    | 53%   | 64%   | 158%  | 158%  | 196%  | 146%  | 171%  | 229%  | 221%  | 180%  | 197%   | 254%  | 230%  | 203%   | 186%   | 212%   |
| EBITDA               | 0.46  | -0.25 | -4.11 | -2.17 | -2.58 | -9.10 | -2.89 | -3.81 | -3.15 | -4.26 | -14.11 | -5.91 | -6.53 | -6.27  | -6.25  | -24.96 |
| EBITDA-margin        | 13%   | -23%  | -402% | -164% | -206% | -194% | -178% | -261% | -186% | -154% | -187%  | -270% | -210% | -168%  | -146%  | -187%  |
| D&A                  | -0.3  | -0.1  | -0.1  | -0.1  | -0.1  | -0.4  | -0.1  | -0.1  | -0.1  | -0.2  | -0.5   | -0.3  | -0.4  | -0.5   | -0.6   | -1.8   |
| D&A ratio            | 9%    | 8%    | 9%    | 7%    | 8%    | 8%    | 6%    | 7%    | 7%    | 6%    | 7%     | 14%   | 13%   | 14%    | 14%    | 14%    |
| EBIT                 | 0.1   | -0.3  | -4.2  | -2.3  | -2.7  | -9.5  | -3.0  | -3.9  | -3.3  | -4.4  | -14.6  | -6.2  | -6.9  | -6.8   | -6.8   | -26.8  |
| EBIT margin          | 4%    | -30%  | -411% | -171% | -213% | -202% | -184% | -268% | -193% | -160% | -194%  | -284% | -223% | -182%  | -160%  | -201%  |
| Financial expenses   | -0.1  | 0.0   | 0.0   | 0.0   | 0.0   | -0.1  | 0.0   | 0.0   | 0.0   | -0.1  | -0.1   | 0.0   | 0.0   | -1.0   | -1.0   | -2.1   |
| Pre-tax profit       | 0.0   | -0.4  | -4.2  | -2.3  | -2.7  | -9.6  | -3.0  | -3.9  | -3.3  | -4.5  | -14.7  | -6.3  | -7.0  | -7.8   | -7.9   | -28.9  |
| Net profit           | 0.0   | -0.3  | -3.7  | -1.8  | -2.1  | -7.9  | -2.9  | -3.8  | -3.1  | -4.2  | -14.1  | -6.0  | -6.8  | -7.6   | -7.7   | -28.1  |

Source: SEB, Konsolidator

# Valuation

We use a DCF model to value Konsolidator and arrive at a fair value range of DKK 10-48, with a mid-point range of DKK 29.

Our base case DCF implies a value of DKK 27 per share.

Our peer group valuation (using EV/sales) suggests a value of DKK 18.3-23.5 per share. However, we refrain from drawing firm conclusions from that, as 1) we forecast Konsolidator growing much faster than peers and 2) most peers are already profitable, which we do not expect Konsolidator to be before 2026.

## Valuation summary

|  | Value per share |
|--|-----------------|
| <b>DCF</b>                                     |                 |
| Base case                                      | 27              |
| Bear case                                      | 10              |
| Bull case                                      | 48              |
| <b>Relative valuation</b>                      |                 |
| EV/sales (2022/23E) comparable to Nordic peers | 18.3-23.5       |

Source: SEB

## DCF valuation

We operate with three scenarios to assess the potential value of Konsolidator.

- **Base case:** Our base case is based on the forecasts described in the above sections and assumes successful roll-out of Konsolidator's products to all currently established markets.
- **Bull case:** In our bull case, assumptions are similar to our base case; however, here we also assume a successful roll-out in North America.
- **Bear case:** Our bear case illustrates a scenario where Konsolidator will enjoy little success outside the Nordic countries.

In all scenarios we operate with a 20-year forecast period and WACC of 8%. In our terminal period we assume 2% growth also for all three scenarios.

### Base case

Our base case is described in earlier sections and assumes that Konsolidator reaches a market share of around 7% of the targeted market segment.

## Clients per market, base case

| # of clients   | Clients in targeted segment | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | Mkt share 2030 |
|----------------|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Denmark        | 922                         | 90   | 122   | 162   | 202   | 237   | 267   | 297   | 317   | 337   | 352   | 367   | 40%            |
| Sweden         | 2,480                       | 23   | 49    | 89    | 129   | 169   | 209   | 244   | 279   | 309   | 339   | 364   | 15%            |
| Norway/Finland | 3,078                       | 3    | 8     | 23    | 53    | 88    | 128   | 168   | 203   | 238   | 273   | 308   | 10%            |
| The UK         | 10,906                      | 8    | 18    | 43    | 83    | 133   | 188   | 248   | 313   | 383   | 453   | 513   | 5%             |
| DACH/Benelux   | 14,543                      | 8    | 14    | 39    | 89    | 149   | 219   | 299   | 384   | 474   | 569   | 669   | 5%             |
| Other          | N/A                         | 6    | 11    | 26    | 56    | 96    | 136   | 176   | 216   | 256   | 296   | 336   | N/A            |
| Total          | 31,929                      | 138  | 222   | 382   | 612   | 872   | 1,147 | 1,432 | 1,712 | 1,997 | 2,282 | 2,557 | 7%             |

Source: SEB, Konsolidator



**Base case – DKK 27 per share**

| DCF valuation (DKKm)                    |            | Weighted average cost of capital (%) |            |
|---|------------|--------------------------------------|------------|
| NPV of FCF in explicit forecast period  | 142        | Risk free interest rate              | 2.5        |
| NPV of continuing value                 | 293        | Risk premium                         | 5.5        |
| <b>Value of operation</b>               | <b>435</b> | <b>Cost of equity</b>                | <b>8.0</b> |
| Net debt                                | 16         | <b>After tax cost of debt</b>        | <b>1.9</b> |
| Share issue/buy-back in forecast period | -          |                                      |            |
| Value of associated companies           | -          | <b>WACC</b>                          | <b>8.0</b> |
| Value of minority shareholders' equity  | -          |                                      |            |
| Value of marketable assets              | -          | <b>Assumptions</b>                   |            |
| <b>DCF value of equity</b>              | <b>419</b> | Number of forecast years             | 20         |
| <b>DCF value per share (DKK)</b>        | <b>27</b>  | EBIT margin - steady state (%)       | 27.0       |
| Current share price (DKK)               | 18.00      | EBIT multiple - steady state (x)     | 12.8       |
| DCF performance potential (%)           | 51         | Continuing value (% of NPV)          | 67.3       |

Source: SEB

**Sensitivity**

|  |     | Absolute change in EBITDA margin - all years |     |    |     |     |
|--|-----|--|-----|----|-----|-----|
|  |     | -2%  | -1% | 0  | +1% | +2% |
| <b>Abs. change in sales growth - all years</b> | -2% | 18   | 19  | 20 | 21  | 22  |
|  | -1% | 21   | 22  | 23 | 24  | 26  |
|  | 0   | 24   | 26  | 27 | 28  | 30  |
|  | +1% | 28   | 30  | 31 | 33  | 34  |
|  | +2% | 33   | 35  | 36 | 38  | 40  |

Source: SEB

**Base case DCF, assumption details**

| (DKKm)   | 2021E       | 2022E       | 2023E       | 2024E       | 2025E      | Average year 6-10 | Average year 11-15 | Average year 16-20 |
|--|-------------|-------------|-------------|-------------|------------|-------------------|--------------------|--------------------|
| Sales growth (%)                               | 76.6        | 75.6        | 60.5        | 43.7        | 33.1       | 17.3              | 9.0                | 8.0                |
| EBITDA margin (%)                              | (187.4)     | (104.3)     | (45.2)      | (12.6)      | 3.6        | 23.3              | 32.0               | 32.0               |
| EBIT margin (%)                                | (201.3)     | (115.3)     | (54.2)      | (20.6)      | (3.4)      | 17.5              | 27.0               | 27.0               |
| Gross capital expenditures as % of sales       | 51.5        | 25.0        | 15.0        | 14.0        | 11.0       | 7.0               | 5.0                | 5.0                |
| Working capital as % of sales                  | 5.3         | 5.2         | 5.8         | 5.8         | 5.8        | 5.8               | 5.8                | 5.8                |
| Lease repayments as % of sales                 | (7.5)       | (4.3)       | (2.7)       | (2.7)       | (2.7)      | (2.7)             | (2.7)              | (2.7)              |
| Sales  | 13          | 23          | 38          | 54          | 72         | 124               | 209                | 310                |
| Depreciation                                   | (2)         | (3)         | (3)         | (4)         | (5)        | (7)               | (10)               | (15)               |
| Intangibles amortisation                       | 0           | 0           | 0           | 0           | 0          | 0                 | 0                  | 0                  |
| EBIT   | (27)        | (27)        | (20)        | (11)        | (2)        | 24                | 56                 | 83                 |
| Taxes on EBIT                                  | 7           | 7           | 5           | 3           | 1          | (6)               | (14)               | (21)               |
| Increase in deferred taxes                     | 0           | 0           | 0           | 0           | 0          | 0                 | 0                  | 0                  |
| Other  | 0           | 0           | 0           | 0           | 0          | 0                 | 0                  | 0                  |
| <b>NOPLAT</b>                                  | <b>(20)</b> | <b>(20)</b> | <b>(15)</b> | <b>(8)</b>  | <b>(2)</b> | <b>18</b>         | <b>42</b>          | <b>63</b>          |
| Gross capital expenditure                      | (7)         | (6)         | (6)         | (8)         | (8)        | (8)               | (10)               | (15)               |
| Increase in working capital                    | (1)         | (1)         | (1)         | (1)         | (1)        | (1)               | (1)                | (1)                |
| Lease repayments                               | (1)         | (1)         | (1)         | (1)         | (2)        | (2)               | (3)                | (3)                |
| <b>Free cash flow (incl. lease repayments)</b> | <b>(27)</b> | <b>(25)</b> | <b>(19)</b> | <b>(14)</b> | <b>(8)</b> | <b>12</b>         | <b>41</b>          | <b>61</b>          |
| Share of total net present value (%)           | 0.0         | (5.4)       | (3.9)       | (2.6)       | (1.3)      | 7.5               | 19.1               | 19.3               |

Source: SEB

**Bull case**

In our bull case, we assume a successful roll-out in North America with Konsolidator capturing 1,000 clients in total in the region (in 2030), while we increase our long-term EBIT margin to 30%.

**Clients per market, bull case**

| # of clients        | Clients in targeted segment | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | Mkt share 2030 |
|---------------------|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Denmark             | 922                         | 90   | 122   | 162   | 202   | 237   | 267   | 297   | 317   | 337   | 352   | 367   | 40%            |
| Sweden              | 2,480                       | 23   | 49    | 89    | 129   | 169   | 209   | 244   | 279   | 309   | 339   | 364   | 15%            |
| Norway/Finland      | 3,078                       | 3    | 8     | 23    | 53    | 88    | 128   | 168   | 203   | 238   | 273   | 308   | 10%            |
| The UK              | 10,906                      | 8    | 18    | 43    | 83    | 133   | 188   | 248   | 313   | 383   | 453   | 513   | 5%             |
| DACH/Benelux        | 14,543                      | 8    | 14    | 39    | 89    | 149   | 219   | 299   | 384   | 474   | 569   | 669   | 5%             |
| Other/North America | N/A                         | 6    | 11    | 36    | 86    | 186   | 336   | 536   | 736   | 936   | 1136  | 1336  | N/A            |
| Total               | 31,929                      | 138  | 222   | 392   | 642   | 962   | 1,347 | 1,792 | 2,232 | 2,677 | 3,122 | 3,557 | 7%             |

Source: SEB, Konsolidator

This results in a value of DKK 48 per share.

However, should Konsolidator also successfully win more larger clients, including more Konsolidator Audit contracts, increasing the average client size to around DKK 75,000 (from around 60,000), would justify a value of DKK 60 per share.

**Bull case – DKK 48 per share**

| DCF valuation (DKKm)                    |            | Weighted average cost of capital (%) |            |
|---|------------|--------------------------------------|------------|
| NPV of FCF in explicit forecast period  | 261        | Risk free interest rate              | 2.5        |
| NPV of continuing value                 | 492        | Risk premium                         | 5.5        |
| <b>Value of operation</b>               | <b>753</b> | <b>Cost of equity</b>                | <b>8.0</b> |
| Net debt                                | 16         | <b>After tax cost of debt</b>        | <b>1.9</b> |
| Share issue/buy-back in forecast period | -          |                                      |            |
| Value of associated companies           | -          | <b>WACC</b>                          | <b>8.0</b> |
| Value of minority shareholders' equity  | -          |                                      |            |
| Value of marketable assets              | -          | <b>Assumptions</b>                   |            |
| <b>DCF value of equity</b>              | <b>736</b> | Number of forecast years             | 20         |
| <b>DCF value per share (DKK)</b>        | <b>48</b>  | EBIT margin - steady state (%)       | 30.0       |
| Current share price (DKK)               | 18.00      | EBIT multiple - steady state (x)     | 12.8       |
| DCF performance potential (%)           | 165        | Continuing value (% of NPV)          | 65.4       |

Source: SEB

**Bull case DCF, assumption details**

| (DKKm)   | 2021E       | 2022E       | 2023E       | 2024E       | 2025E       | Average year 6-10 | Average year 11-15 | Average year 16-20 |
|--|-------------|-------------|-------------|-------------|-------------|-------------------|--------------------|--------------------|
| Sales growth (%)                               | 80.1        | 80.1        | 64.0        | 51.1        | 41.6        | 21.4              | 10.0               | 8.4                |
| EBITDA margin (%)                              | (187.7)     | (101.3)     | (54.9)      | (23.8)      | (2.4)       | 25.8              | 35.0               | 35.0               |
| EBIT margin (%)                                | (201.3)     | (111.8)     | (63.3)      | (31.8)      | (9.4)       | 20.0              | 30.0               | 30.0               |
| Gross capital expenditures as % of sales       | 50.5        | 23.9        | 14.0        | 14.0        | 11.0        | 7.0               | 5.0                | 5.0                |
| Working capital as % of sales                  | 5.2         | 4.9         | 5.4         | 5.4         | 5.4         | 5.4               | 5.4                | 5.4                |
| Lease repayments as % of sales                 | (7.4)       | (4.1)       | (2.5)       | (2.5)       | (2.5)       | (2.5)             | (2.5)              | (2.5)              |
| Sales  | 14          | 24          | 40          | 61          | 86          | 169               | 302                | 467                |
| Depreciation                                   | (2)         | (3)         | (3)         | (5)         | (6)         | (10)              | (15)               | (23)               |
| Intangibles amortisation                       | 0           | 0           | 0           | 0           | 0           | 0                 | 0                  | 0                  |
| EBIT   | (27)        | (27)        | (25)        | (19)        | (8)         | 37                | 91                 | 140                |
| Taxes on EBIT                                  | 7           | 7           | 6           | 5           | 2           | (9)               | (23)               | (35)               |
| Increase in deferred taxes                     | 0           | 0           | 0           | 0           | 0           | 0                 | 0                  | 0                  |
| Other  | 0           | 0           | 0           | 0           | 0           | 0                 | 0                  | 0                  |
| <b>NOPLAT</b>                                  | <b>(20)</b> | <b>(20)</b> | <b>(19)</b> | <b>(14)</b> | <b>(6)</b>  | <b>28</b>         | <b>68</b>          | <b>105</b>         |
| Gross capital expenditure                      | (7)         | (6)         | (6)         | (8)         | (9)         | (11)              | (15)               | (23)               |
| Increase in working capital                    | (1)         | (1)         | (1)         | (1)         | (1)         | (2)               | (1)                | (2)                |
| Lease repayments                               | (1)         | (1)         | (1)         | (2)         | (2)         | (3)               | (4)                | (4)                |
| <b>Free cash flow (incl. lease repayments)</b> | <b>(27)</b> | <b>(25)</b> | <b>(23)</b> | <b>(21)</b> | <b>(13)</b> | <b>20</b>         | <b>66</b>          | <b>103</b>         |
| Share of total net present value (%)           | 0.0         | (3.2)       | (2.7)       | (2.2)       | (1.3)       | 7.4               | 17.7               | 18.8               |

Source: SEB

**Bear case**

In our bear case, which justifies a value of DKK 10 per share, we assume limited success outside the Nordic countries reaching only 1% market share in the UK and the DACH region.

We leave the assumptions for the Nordics unchanged compared to the base case. Due to a lower top line, we also apply a slightly lower long-term EBIT margin (25% vs 27% in our base case).

### Clients per market, bear case

| # of clients   | Clients in targeted segment | 2020 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | Mkt share 2030 |
|----------------|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Denmark        | 922                         | 90   | 122   | 162   | 202   | 237   | 267   | 297   | 317   | 337   | 352   | 367   | 40%            |
| Sweden         | 2,480                       | 23   | 49    | 89    | 129   | 169   | 209   | 244   | 279   | 309   | 339   | 364   | 15%            |
| Norway/Finland | 3,078                       | 3    | 8     | 23    | 53    | 88    | 128   | 168   | 203   | 238   | 273   | 308   | 10%            |
| The UK         | 10,906                      | 8    | 18    | 28    | 43    | 58    | 73    | 88    | 103   | 118   | 133   | 148   | 1%             |
| DACH/Benelux   | 14,543                      | 8    | 14    | 24    | 39    | 54    | 69    | 84    | 99    | 114   | 129   | 144   | 1%             |
| Other          | N/A                         | 6    | 11    | 21    | 31    | 41    | 51    | 66    | 81    | 96    | 111   | 126   | N/A            |
| Total          | 31,929                      | 138  | 222   | 347   | 497   | 647   | 797   | 947   | 1,082 | 1,212 | 1,337 | 1,457 | 4%             |

Source: SEB, Konsolidator

### Bear case – DKK 10 per share

| DCF valuation (DKKm)                    |            | Weighted average cost of capital (%) |            |
|---|------------|--------------------------------------|------------|
| NPV of FCF in explicit forecast period  | 23         | Risk free interest rate              | 2.5        |
| NPV of continuing value                 | 143        | Risk premium                         | 5.5        |
| <b>Value of operation</b>               | <b>166</b> | <b>Cost of equity</b>                | <b>8.0</b> |
| Net debt                                | 16         | <b>After tax cost of debt</b>        | <b>1.9</b> |
| Share issue/buy-back in forecast period | -          | <b>WACC</b>                          | <b>7.9</b> |
| Value of associated companies           | -          | <b>Assumptions</b>                   |            |
| Value of minority shareholders' equity  | -          |                                      |            |
| Value of marketable assets              | -          |                                      |            |
| <b>DCF value of equity</b>              | <b>150</b> | Number of forecast years             | 20         |
| <b>DCF value per share (DKK)</b>        | <b>10</b>  | EBIT margin - steady state (%)       | 25.0       |
| Current share price (DKK)               | 18.00      | EBIT multiple - steady state (x)     | 12.9       |
| DCF performance potential (%)           | (46)       | Continuing value (% of NPV)          | 86.1       |

Source: SEB

### Bear case DCF, assumption details

| (DKKm)   | 2021E       | 2022E       | 2023E       | 2024E       | 2025E       | Average year 6-10 | Average year 11-15 | Average year 16-20 |
|--|-------------|-------------|-------------|-------------|-------------|-------------------|--------------------|--------------------|
| Sales growth (%)                               | 60.1        | 60.1        | 43.7        | 31.3        | 24.6        | 13.0              | 8.6                | 8.0                |
| EBITDA margin (%)                              | (186.0)     | (115.9)     | (65.1)      | (38.3)      | (15.4)      | 13.1              | 27.8               | 29.0               |
| EBIT margin (%)                                | (201.3)     | (129.2)     | (77.3)      | (46.3)      | (22.4)      | 7.3               | 23.8               | 25.0               |
| Gross capital expenditures as % of sales       | 56.8        | 30.2        | 20.3        | 10.0        | 7.0         | 4.8               | 4.0                | 4.0                |
| Working capital as % of sales                  | 5.8         | 6.2         | 7.8         | 7.8         | 7.8         | 7.8               | 7.8                | 7.8                |
| Lease repayments as % of sales                 | (8.3)       | (5.2)       | (3.6)       | (3.6)       | (3.6)       | (3.6)             | (3.6)              | (3.6)              |
| Sales  | 12          | 19          | 28          | 36          | 45          | 69                | 109                | 160                |
| Depreciation                                   | (2)         | (3)         | (3)         | (3)         | (3)         | (4)               | (4)                | (6)                |
| Intangibles amortisation                       | 0           | 0           | 0           | 0           | 0           | 0                 | 0                  | 0                  |
| EBIT   | (24)        | (25)        | (21)        | (17)        | (10)        | 6                 | 26                 | 40                 |
| Taxes on EBIT                                  | 6           | 6           | 5           | 4           | 3           | (2)               | (7)                | (10)               |
| Increase in deferred taxes                     | 0           | 0           | 0           | 0           | 0           | 0                 | 0                  | 0                  |
| Other  | 0           | 0           | 0           | 0           | 0           | 0                 | 0                  | 0                  |
| <b>NOPLAT</b>                                  | <b>(18)</b> | <b>(19)</b> | <b>(16)</b> | <b>(13)</b> | <b>(8)</b>  | <b>5</b>          | <b>20</b>          | <b>30</b>          |
| Gross capital expenditure                      | (7)         | (6)         | (6)         | (4)         | (3)         | (3)               | (4)                | (6)                |
| Increase in working capital                    | (1)         | (1)         | (1)         | (1)         | (1)         | (1)               | (1)                | (1)                |
| Lease repayments                               | (1)         | (1)         | (1)         | (1)         | (2)         | (2)               | (2)                | (2)                |
| <b>Free cash flow (incl. lease repayments)</b> | <b>(25)</b> | <b>(24)</b> | <b>(20)</b> | <b>(15)</b> | <b>(10)</b> | <b>2</b>          | <b>19</b>          | <b>29</b>          |
| Share of total net present value (%)           | 0.0         | (13.4)      | (10.7)      | (7.5)       | (4.5)       | 2.9               | 22.9               | 24.2               |

Source: SEB

## Relative valuation

As we forecast Konsolidator to remain loss-making until 2026, we look at EV/sales when comparing with our peer groups. We use a peer group of Nordic SaaS companies as well as an international peer group, mainly consisting of US SaaS companies.

As a starting point, we do not draw any solid conclusions based on our peer group valuation. First, because we forecast Konsolidator to grow much faster than peers and secondly, most peers are already profitable, and we do not expect Konsolidator to be profitable before 2026, making it difficult to compare to peers' multiples.

That said, compared to Nordic peers, Konsolidator is currently trading at a 2022E EV/sales discount of 18%; however, looking further ahead, the discount widens due to Konsolidator's (expected) superior growth. On EV/sales for 2023E, Konsolidator trades at a 36% discount.

Looking to US peers, the picture is broadly the same: Konsolidator is trading at a 35% discount on a 2023E EV/sales basis.

Should Konsolidator trade at an EV/sales (2022E and 2023E) multiple that is comparable to its Nordic peers, we calculate that it should trade in the range of DKK 18.3-23.5.

| Nordic peers                        |            |              |                   |             |                          |               |              |             |
|-------------------------------------|------------|--------------|-------------------|-------------|--------------------------|---------------|--------------|-------------|
| (DKKm)                              | EV         | 2021E        | EV/Sales<br>2022E | 2023E       | Sales CAGR<br>2020-2023E | EBITDA margin |              |             |
|                                     |            |              |                   |             |                          | 2021E         | 2022E        | 2023E       |
| SimCorp A/S                         | 29,131     | 7.9x         | 7.2x              | 6.7x        | 9%                       | 30%           | 30%          | 31%         |
| Fortnox AB                          | 22,919     | 32.7x        | 24.6x             | 18.8x       | 33%                      | 41%           | 44%          | 46%         |
| cBrain A/S                          | 6,418      | 40.6x        | 31.4x             | 24.5x       | 30%                      | 33%           | 34%          | 28%         |
| Admicom Oyj                         | 3,381      | 18.1x        | 15.3x             | 13.1x       | 16%                      | 48%           | 47%          | 48%         |
| Lime Technologies AB                | 3,363      | 11.2x        | 9.4x              | 8.1x        | 18%                      | 34%           | 35%          | 35%         |
| SmartCraft ASA Class A              | 2,313      | 18.1x        | 15.3x             | 13.1x       | 13%                      | 38%           | 40%          | 41%         |
| FormPipe Software AB                | 1,200      | 3.5x         | 3.5x              | 3.2x        | 8%                       | 27%           | 24%          | 26%         |
| Upsales Technology AB               | 986        | 14.5x        | 11.7x             | 9.3x        | 24%                      | 23%           | 29%          | 28%         |
| Penneo A/S                          | 895        | 15.8x        | 10.4x             | 7.2x        | 30%                      | -32%          | -17%         | 1%          |
| House of Control Group AS           | 844        | 6.2x         | 4.9x              | 3.7x        | 59%                      | 4%            | 7%           | 20%         |
| Efecte Oyj                          | 623        | 15.8x        | 10.4x             | 7.2x        | 25%                      | 5%            | 9%           | 12%         |
| Average                             | 6,552      | 16.8x        | 13.1x             | 10.4x       | 24%                      | 23%           | 26%          | 29%         |
| Median                              | 2,313      | 15.8x        | 10.4x             | 8.1x        | 24%                      | 30%           | 30%          | 28%         |
| <b>Konsolidator (SEB estimates)</b> | <b>250</b> | <b>18.8x</b> | <b>10.7x</b>      | <b>6.7x</b> | <b>71%</b>               | <b>-187%</b>  | <b>-104%</b> | <b>-45%</b> |
| Discount/premium to Nordic peers    |            | 12%          | -18%              | -36%        |                          |               |              |             |

Source: FactSet, SEB

## International peers

| (DKKm)                                  | EV         | 2021E        | EV/Sales<br>2022E | 2023E       | Sales CAGR<br>2020-23E | 2021E        | EBITDA margin<br>2022E | 2023E       |
|---|------------|--------------|-------------------|-------------|------------------------|--------------|------------------------|-------------|
| <b>SaaS</b>                             |            |              |                   |             |                        |              |                        |             |
| Adobe Inc.                              | 1,709,535  | 17.0x        | 14.7x             | 12.8x       | 14%                    | 50%          | 49%                    | 50%         |
| salesforce.com, inc.                    | 1,684,839  | 9.9x         | 8.2x              | 7.0x        | 16%                    | 29%          | 29%                    | 28%         |
| SAP SE                                  | 1,066,815  | 5.2x         | 5.0x              | 4.7x        | 3%                     | 32%          | 33%                    | 33%         |
| Shopify, Inc. Class A                   | 1,030,619  | 34.4x        | 25.6x             | 18.6x       | 32%                    | 16%          | 13%                    | 16%         |
| ServiceNow, Inc.                        | 794,135    | 21.2x        | 17.0x             | 13.7x       | 20%                    | 32%          | 32%                    | 33%         |
| Atlassian Corp. Plc Class A             | 607,476    | 30.4x        | 37.4x             | 30.3x       | 18%                    | 27%          | 26%                    | 28%         |
| Workday, Inc. Class A                   | 500,540    | 12.5x        | 10.5x             | 8.9x        | 15%                    | 27%          | 23%                    | 26%         |
| Twilio, Inc. Class A                    | 318,308    | 17.1x        | 13.1x             | 10.1x       | 28%                    | 8%           | 8%                     | 9%          |
| Veeva Systems Inc Class A               | 277,318    | 23.5x        | 19.8x             | 16.7x       | 16%                    | 41%          | 40%                    | 41%         |
| Okta, Inc. Class A                      | 214,636    | 24.0x        | 17.5x             | 13.1x       | 30%                    | -4%          | -1%                    | 6%          |
| Wolters Kluwer NV                       | 195,950    | 5.6x         | 5.4x              | 5.2x        | 3%                     | 32%          | 32%                    | 33%         |
| HubSpot, Inc.                           | 186,660    | 22.7x        | 17.7x             | 14.1x       | 25%                    | 12%          | 13%                    | 14%         |
| MongoDB, Inc. Class A                   | 176,999    | 32.8x        | 25.1x             | 19.2x       | 24%                    | -6%          | -2%                    | 4%          |
| Paycom Software, Inc.                   | 171,111    | 25.8x        | 20.8x             | 17.0x       | 18%                    | 40%          | 40%                    | 42%         |
| RingCentral, Inc. Class A               | 132,965    | 13.3x        | 10.8x             | 8.5x        | 20%                    | 14%          | 14%                    | 15%         |
| Coupa Software, Inc.                    | 106,296    | 23.0x        | 18.7x             | 14.8x       | 20%                    | 23%          | 19%                    | 18%         |
| Paylocity Holding Corp.                 | 97,893     | 16.6x        | 19.3x             | 15.8x       | 15%                    | 27%          | 27%                    | 28%         |
| Zendesk, Inc.                           | 86,439     | 10.1x        | 8.1x              | 6.5x        | 20%                    | 10%          | 12%                    | 14%         |
| Wix.com Ltd.                            | 72,973     | 8.0x         | 6.6x              | 5.4x        | 18%                    | 7%           | 9%                     | 16%         |
| Pegasystems Inc.                        | 72,547     | 8.5x         | 7.1x              | 5.8x        | 17%                    | 7%           | 10%                    | 14%         |
| Five9, Inc.                             | 69,125     | 18.2x        | 14.8x             | 11.6x       | 22%                    | 18%          | 19%                    | 20%         |
| J2 Global, Inc.                         | 49,671     | 4.4x         | 4.1x              | 3.8x        | 9%                     | 40%          | 40%                    | 41%         |
| BlackLine, Inc.                         | 42,931     | 15.7x        | 13.0x             | 10.6x       | 17%                    | 12%          | 12%                    | 12%         |
| Appian Corporation Class A              | 38,186     | 16.6x        | 14.0x             | 11.6x       | 15%                    | -11%         | -7%                    | -3%         |
| Netcompany Group A/S                    | 36,590     | 10.7x        | 9.0x              | 7.6x        | 14%                    | 29%          | 31%                    | 28%         |
| Everbridge, Inc.                        | 35,034     | 14.3x        | 11.4x             | 9.4x        | 21%                    | 2%           | 5%                     | 8%          |
| Alteryx, Inc. Class A                   | 30,473     | 9.2x         | 7.8x              | 6.3x        | 13%                    | -1%          | 4%                     | 11%         |
| Q2 Holdings, Inc.                       | 28,647     | 8.8x         | 7.4x              | 6.2x        | 16%                    | 7%           | 8%                     | 9%          |
| AppFolio Inc Class A                    | 27,615     | 12.1x        | 10.2x             | 8.7x        | 13%                    | 12%          | 14%                    | 16%         |
| Box, Inc. Class A                       | 27,428     | 5.0x         | 4.5x              | 4.1x        | 9%                     | 28%          | 28%                    | 27%         |
| New Relic, Inc.                         | 27,048     | 5.6x         | 5.1x              | 4.4x        | 10%                    | 2%           | 7%                     | 10%         |
| Mimecast Limited                        | 26,554     | 7.0x         | 6.2x              | 5.3x        | 13%                    | 26%          | 27%                    | 28%         |
| Qualys, Inc.                            | 25,876     | 10.0x        | 9.0x              | 8.1x        | 10%                    | 45%          | 42%                    | 42%         |
| 2U, Inc.                                | 15,355     | 2.5x         | 2.1x              | 1.9x        | 14%                    | 6%           | 8%                     | 10%         |
| Average                                 | 293,664    | 14.8x        | 12.6x             | 10.2x       | 17%                    | 19%          | 20%                    | 21%         |
| Median                                  | 92,166     | 12.9x        | 10.6x             | 8.8x        | 16%                    | 17%          | 17%                    | 17%         |
| <b>Konsolidator (SEB estimates)</b>     | <b>250</b> | <b>18.8x</b> | <b>10.7x</b>      | <b>6.7x</b> | <b>71%</b>             | <b>-187%</b> | <b>-104%</b>           | <b>-45%</b> |
| Discount/premium to international peers |            | 27%          | -15%              | -35%        |                        |              |                        |             |

Source: FactSet, SEB

# Executive management & BoD

## Executive management team of Konsolidator



**Claus Finderup Grove**  
Chief Executive Officer

- Founder and CEO since 2014
- Responsible for sales & marketing
- Cand.Polit from University of Copenhagen
- Previous experience as CFO for Copenship Group A/S and Netop Solution A/S, and as Financial Director in Clipper Group and A.P. Møller Mærsk Group



**Jack Skov**  
Chief Financial Officer

- Founder and CFO since 2014
- Responsible for customer experience and finance
- State Authorized Public Accountant and Cand.merc.aud from Copenhagen Business School
- Previous experience as CFO for Lindberg Group A/S and State Authorized Public Accountant at Deloitte



**Lars Højer Paaske**  
Head of Product Development

- Founder and Head of product development since 2021 (CTO 2014-2021)
- Bachelor in Computer Science and Economics from Copenhagen Business School
- 10 years of experience within IT projects and programming
- Experience from a position as project manager on global ERP implementations for D/S Norden & Nordic Tankers



**Olov Lindqvist**  
Chief Technology Officer

- Joined Konsolidator in 2021
- Responsible for growth of the development team and the technological landscape of Konsolidator
- Master in Computer Science from Chalmers University of Technology and an MBA from Copenhagen Business School
- Previous experience as Director and Global head of platform development at Saxo Bank

Source: Konsolidator

## Board of Directors of Konsolidator



**Søren Elmann Ingerslev**  
Chairman

- Joined Konsolidator in 2016
- Partner, Attorney-at-Law, Elmann Lawfirm
- Cand.jur. from Aarhus University and holds an MBA from CBS
- Advises on Corporate Matters, Capital Markets, M&A, Investments and International Contracts
- Serves as a non-executive board member and chairman in several danish companies (incl. SameSystem and Bone's)



**Jesper Eigen Møller**  
Board Member

- Joined Konsolidator in 2018
- Cand.merc. from Copenhagen Business School
- Professional board member and extensive management experience from international listed companies such as Coca Cola, Carlsberg and ISS
- Previous held the positions as CEO of Toms Gruppen A/S for 9 years
- Former chairman of The Confederation of Danish Industries
- Currently vice-chairman at Brøndbyernes I.F. Fodbold A/S



**Cecilia Hultén**  
Board Member

- Joined Konsolidator in 2021
- B.Sc. in Business Administration and Economics from Gothenburg School of Economics and Commercial Law and holds an MBA from NYU Stern School of Business
- Co-founder and CFO at CBio A/S
- Strong background from senior positions in Nordea, UBS Investment Bank and ABN Amro

Source: Konsolidator

# Overview

## Investment considerations

The long-term investment case for Konsolidator relies on the successful roll-out of its software outside Denmark. The company currently has a negligible market share internationally, but with its rather unique solution to consolidating financial accounts, the company has the opportunity to become a meaningful player in the space, in our view. The business is highly scalable, so attractive margins are likely to be reached if Konsolidator succeeds with its top-line ambitions, we believe.

## Company profile

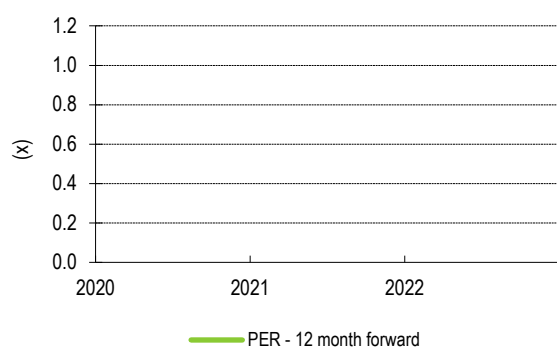
Konsolidator is a rapidly growing Danish software firm selling a financial software solution that helps mainly small and medium-sized corporate groups to consolidate their financial accounts. The company was founded in Denmark in 2014 by the company's current CEO, Claus Finderup Grove, current CFO, Jack Skov, and former CTO Lars Højer Paaske (currently Head of Product Development). Since inception, Konsolidator has successfully developed and commercialised an advanced SaaS solution for consolidating enterprises' financial accounts, a task that for most smaller and medium-sized enterprises is predominantly undertaken in Microsoft Excel. This group of companies are Konsolidator's main customer group, while its product is also sold to audit firms, which then actively use the software to consolidate clients' accounts.

## Valuation approach

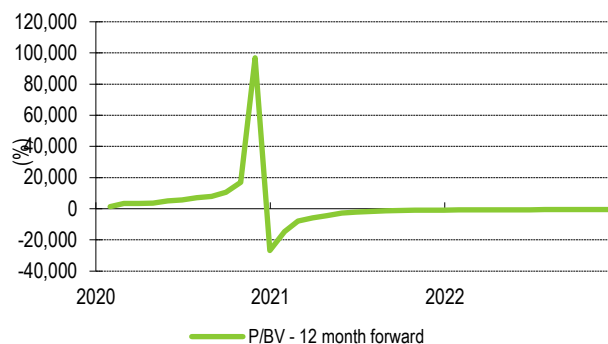
Our valuation range is based on a DCF valuation of our three main scenarios (bear, base and bull).

## Investment risks

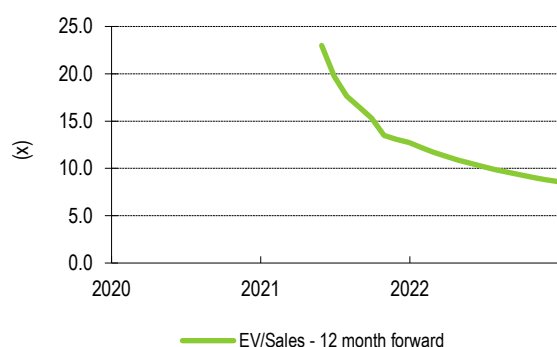
Our main concern is the entrance of a new significant players in the financial consolidation market, where competition is currently limited in the space for small- and medium-sized companies. Furthermore, though the company has successfully commercialised its product in one market outside of Denmark (Sweden), our valuation assumes success in most markets in Northern Europe. Additionally our bull case assumes commercial breakthrough in the US too.

**PER - 12 month forward**

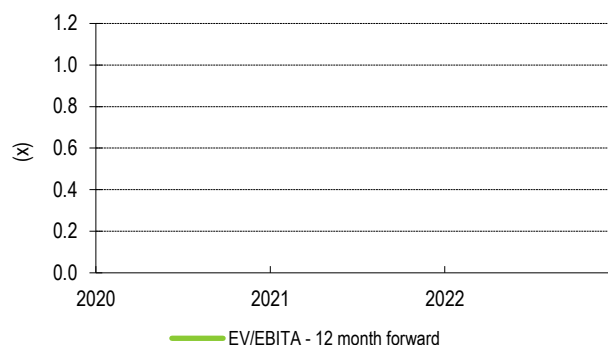
Source: SEB

**P/BV - 12 month forward**

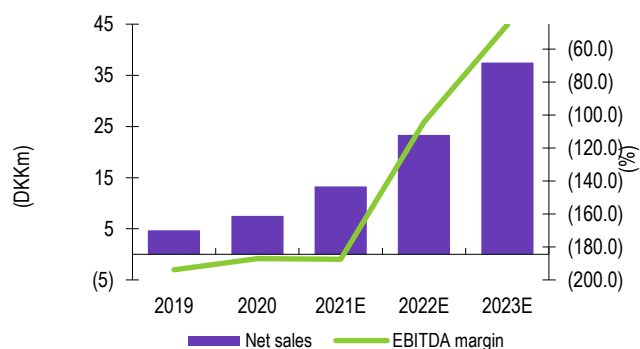
Source: SEB

**EV/Sales - 12 month forward**

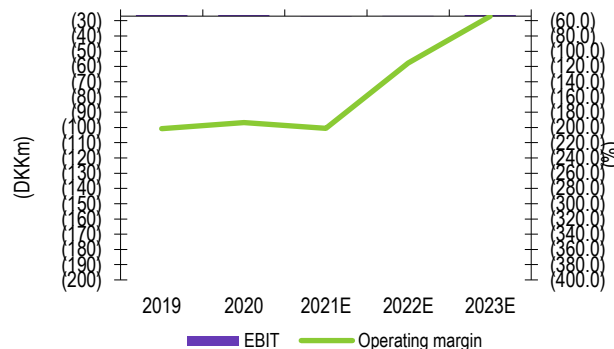
Source: SEB

**EV/EBITA - 12 month forward**

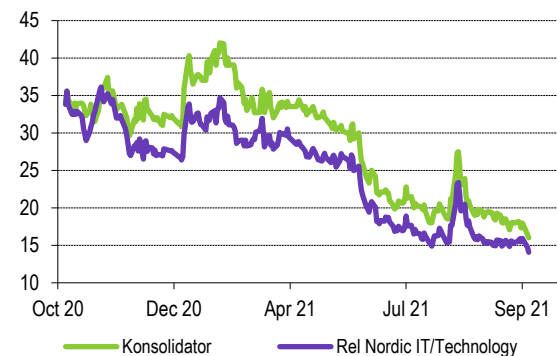
Source: SEB

**Net sales & EBITDA margin**

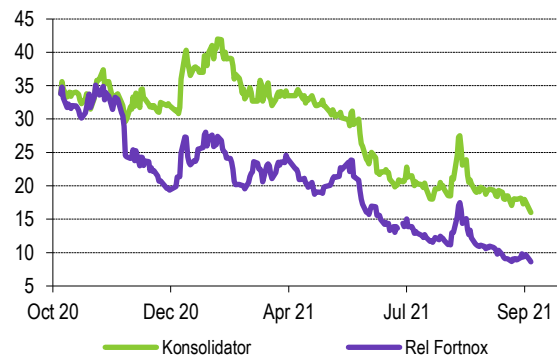
Source: SEB

**EBIT & Operating margin**

Source: SEB

**Comparison with sector index - 1 year**

Source: SIX

**Comparison with Fortnox - 1 year**

Source: SIX



| <b>Profit &amp; loss statement - Konsolidator</b> |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
| (DKKm)  | 2019        | 2020        | 2021E       | 2022E       | 2023E       |
| Net Sales   | 5           | 8           | 13          | 23          | 38          |
| Other revenues                                    | 0           | 0           | 0           | 0           | 0           |
| <b>Total revenues</b>                             | <b>5</b>    | <b>8</b>    | <b>13</b>   | <b>23</b>   | <b>38</b>   |
| Total expenses                                    | (14)        | (22)        | (38)        | (48)        | (54)        |
| <b>Profit before depreciation</b>                 | <b>(9)</b>  | <b>(14)</b> | <b>(25)</b> | <b>(24)</b> | <b>(17)</b> |
| Depreciation - Fixed assets                       | (0)         | (0)         | (1)         | (2)         | (2)         |
| Depreciation - Other assets                       | 0           | 0           | 0           | 0           | 0           |
| Depreciation of right-of-use assets               | 0           | 0           | (1)         | (1)         | (1)         |
| Amortisation - Goodwill                           | 0           | 0           | 0           | 0           | 0           |
| Amortisation - Other intangibles                  | 0           | 0           | 0           | 0           | 0           |
| <b>Operating profit</b>                           | <b>(9)</b>  | <b>(15)</b> | <b>(27)</b> | <b>(27)</b> | <b>(20)</b> |
| Net interest expenses                             | (0)         | (0)         | (2)         | (2)         | (2)         |
| Foreign exchange items                            | 0           | 0           | 0           | 0           | 0           |
| Other financial items                             | 0           | 0           | 0           | 0           | 0           |
| Value changes - Fixed assets                      | 0           | 0           | 0           | 0           | 0           |
| Value changes - Financial assets                  | 0           | 0           | 0           | 0           | 0           |
| Value changes - Other assets                      | 0           | 0           | 0           | 0           | 0           |
| <b>Reported pre-tax profit</b>                    | <b>(10)</b> | <b>(15)</b> | <b>(29)</b> | <b>(29)</b> | <b>(23)</b> |
| Minority interests                                | 0           | 0           | 0           | 0           | 0           |
| Total taxes                                       | 2           | 1           | 1           | 1           | 1           |
| <b>Reported profit after tax</b>                  | <b>(8)</b>  | <b>(14)</b> | <b>(28)</b> | <b>(28)</b> | <b>(22)</b> |
| Discontinued operations                           | 0           | 0           | 0           | 0           | 0           |
| Extraordinary items                               | 0           | 0           | 0           | 0           | 0           |
| <b>Net Profit</b>                                 | <b>(8)</b>  | <b>(14)</b> | <b>(28)</b> | <b>(28)</b> | <b>(22)</b> |
| Adjustments:                                      |             |             |             |             |             |
| Discontinued operations                           | 0           | 0           | 0           | 0           | 0           |
| Interest on convertible debt                      | 0           | 0           | 0           | 0           | 0           |
| Minority interests (IFRS)                         | 0           | 0           | 0           | 0           | 0           |
| Value changes                                     | 0           | 0           | 0           | 0           | 0           |
| Goodwill/intangibles amortisations                | 0           | 0           | 0           | 0           | 0           |
| Restructuring charges                             | 0           | 0           | 0           | 0           | 0           |
| Other adjustments                                 | (2)         | 0           | (0)         | 0           | 0           |
| Tax effect of adjustments                         | 0           | 0           | 0           | 0           | 0           |
| <b>Adjusted profit after tax</b>                  | <b>(10)</b> | <b>(14)</b> | <b>(29)</b> | <b>(28)</b> | <b>(22)</b> |
| <b>Margins, tax &amp; returns</b>                 |             |             |             |             |             |
| Operating margin                                  | n.m.        | n.m.        | n.m.        | n.m.        | (54.2)      |
| Pre-tax margin                                    | n.m.        | n.m.        | n.m.        | n.m.        | (60.2)      |
| Tax rate  | 18.3        | 4.3         | 2.6         | 4.0         | 4.0         |
| ROE   | n.m.        | (73.9)      | n.m.        | 176.8       | 53.2        |
| ROCE  | n.m.        | (70.4)      | (99.0)      | n.m.        | 135.6       |
| <b>Growth rates y-o-y (%)</b>                     |             |             |             |             |             |
| Total revenues                                    | n.a.        | 60.4        | 76.6        | 75.6        | 60.5        |
| Operating profit                                  | n.m.        | n.m.        | n.m.        | n.m.        | n.m.        |
| Pre-tax profit                                    | n.m.        | n.m.        | n.m.        | n.m.        | n.m.        |
| EPS (adjusted)                                    | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |

| <b>Cash flow</b>                 |            |             |             |             |             |
|----------------------------------|------------|-------------|-------------|-------------|-------------|
| (DKKm)                           | 2019       | 2020        | 2021E       | 2022E       | 2023E       |
| Net profit                       | (8)        | (14)        | (28)        | (28)        | (22)        |
| Non-cash adjustments             | 1          | 0           | 1           | 2           | 2           |
| <b>Cash flow before work cap</b> | <b>(7)</b> | <b>(14)</b> | <b>(27)</b> | <b>(26)</b> | <b>(19)</b> |
| Ch. in working capital / Other   | 1          | (0)         | (1)         | (1)         | (1)         |
| <b>Operating cash flow</b>       | <b>(7)</b> | <b>(14)</b> | <b>(28)</b> | <b>(27)</b> | <b>(20)</b> |
| Capital expenditures             | (2)        | (3)         | (5)         | (6)         | (6)         |
| Asset disposals                  | 0          | 0           | 0           | 0           | 0           |
| L/T financial investments        | (0)        | (0)         | (2)         | 0           | 0           |
| Acquisitions / adjustments       | (0)        | 0           | 0           | 0           | 0           |
| <b>Free cash flow</b>            | <b>(9)</b> | <b>(18)</b> | <b>(35)</b> | <b>(33)</b> | <b>(26)</b> |
| Net loan proceeds                | 0          | 0           | 25          | 0           | 0           |
| Dividend paid                    | 0          | 0           | 0           | 0           | 0           |
| Share issue                      | 17         | 29          | 0           | 0           | 0           |
| Other                            | 0          | 1           | (0)         | 0           | 0           |
| <b>Net change in cash</b>        | <b>9</b>   | <b>12</b>   | <b>(10)</b> | <b>(33)</b> | <b>(26)</b> |
| <b>Adjustments</b>               |            |             |             |             |             |
| C/flow bef chng in work cap      | (7)        | (14)        | (27)        | (26)        | (19)        |
| Adjustments                      | 0          | 0           | 0           | 0           | 0           |
| Int on conv debt net of tax      | 0          | 0           | 0           | 0           | 0           |
| Cash earnings                    | (7)        | (14)        | (27)        | (26)        | (19)        |
| <b>Per share information</b>     |            |             |             |             |             |
| Cash earnings                    | (0.49)     | (0.89)      | (1.77)      | (1.71)      | (1.25)      |
| Operating cash flow              | (0.45)     | (0.93)      | (1.82)      | (1.75)      | (1.31)      |
| Free cash flow                   | (0.6)      | (1.15)      | (2.27)      | (2.12)      | (1.68)      |
| <b>Investment cover</b>          |            |             |             |             |             |
| Capex/sales (%)                  | 0.0        | 0.5         | 0.0         | 0.0         | 0.0         |
| Capex/depreciation (%)           | 0          | 8           | 0           | 0           | 0           |

Source for all data on this page: SEB

| Balance sheet - Konsolidator        |           |           |            |             |             |
|-------------------------------------|-----------|-----------|------------|-------------|-------------|
| (DKKm)                              | 2019      | 2020      | 2021E      | 2022E       | 2023E       |
| Cash and liquid assets              | 7         | 19        | 9          | (24)        | (50)        |
| Debtors                             | 1         | 2         | 3          | 4           | 7           |
| Inventories                         | 0         | 0         | 0          | 0           | 0           |
| Other                               | 0         | 0         | 0          | 0           | 0           |
| <b>Current assets</b>               | <b>8</b>  | <b>20</b> | <b>12</b>  | <b>(20)</b> | <b>(43)</b> |
| Interest bearing fixed assets       | 0         | 0         | 0          | 0           | 0           |
| Other financial assets              | 1         | 1         | 3          | 3           | 3           |
| Capitalized development cost        | 5         | 7         | 12         | 18          | 24          |
| Goodwill                            | 0         | 0         | 0          | 0           | 0           |
| Other intangibles                   | 0         | 1         | 1          | 1           | 1           |
| Right-of-use lease assets           | 0         | 3         | 2          | 1           | 0           |
| Fixed tangible assets               | 0         | 0         | (1)        | (2)         | (5)         |
| Other fixed assets                  | 0         | 0         | 0          | 0           | 0           |
| <b>Fixed assets</b>                 | <b>6</b>  | <b>12</b> | <b>17</b>  | <b>21</b>   | <b>23</b>   |
| <b>Total assets</b>                 | <b>14</b> | <b>33</b> | <b>29</b>  | <b>1</b>    | <b>(21)</b> |
| Creditors                           | 1         | 1         | 1          | 2           | 3           |
| Other trade financing               | 0         | 0         | 0          | 0           | 0           |
| S/T lease liabilities               | 0         | 0         | 0          | 0           | 0           |
| S/T interest bearing debt           | 0         | 0         | 0          | 0           | 0           |
| Other                               | 1         | 1         | 1          | 1           | 1           |
| <b>Current liabilities</b>          | <b>2</b>  | <b>2</b>  | <b>2</b>   | <b>3</b>    | <b>5</b>    |
| L/T interest bearing debt           | 0         | 0         | 25         | 25          | 25          |
| L/T lease liabilities               | 0         | 3         | 2          | 1           | 0           |
| Other long-term liabilities         | 0         | 1         | 1          | 1           | 1           |
| Convertible debt                    | 0         | 0         | 0          | 0           | 0           |
| Pension provisions                  | 0         | 0         | 0          | 0           | 0           |
| Other provisions                    | 0         | 0         | 0          | 0           | 0           |
| Deferred tax                        | 0         | 0         | 0          | 0           | 0           |
| <b>Long term liabilities</b>        | <b>0</b>  | <b>4</b>  | <b>29</b>  | <b>28</b>   | <b>27</b>   |
| Minority interests                  | 0         | 0         | 0          | 0           | 0           |
| <b>Shareholders' equity</b>         | <b>12</b> | <b>26</b> | <b>(2)</b> | <b>(30)</b> | <b>(52)</b> |
| <b>Total liabilities and equity</b> | <b>14</b> | <b>33</b> | <b>29</b>  | <b>1</b>    | <b>(21)</b> |
| Net debt (m)                        | (7)       | (15)      | 19         | 50          | 75          |
| Working capital (m)                 | (1)       | (0)       | 1          | 1           | 2           |
| Capital employed (m)                | 12        | 30        | 25         | (4)         | (26)        |
| Net debt/equity (%)                 | (56)      | (59)      | (1,008)    | (169)       | (146)       |
| Net debt/EBITDA (x)                 | 0.6       | 1.1       | (0.7)      | (2.1)       | (4.4)       |
| Equity/total assets (%)             | 85        | 80        | (6)        | (3,306)     | 251         |
| Interest cover                      | (364.4)   | (98.3)    | (12.6)     | (12.0)      | (9.0)       |

| Valuation                      |        |        |          |        |        |
|--------------------------------|--------|--------|----------|--------|--------|
| (DKK)                          | 2019   | 2020   | 2021E    | 2022E  | 2023E  |
| No of shares, fully dil. (y/e) | 14.7   | 15.5   | 15.5     | 15.5   | 15.5   |
| No of shares, fully dil. avg.  | 14.7   | 15.2   | 15.5     | 15.5   | 15.5   |
| Share price, y/e               |        | 32.0   | 16.0     | 16.0   | 16.0   |
| Share price, high              |        | 70.0   | 44.5     |        |        |
| Share price, low               |        | 19.2   | 16.0     |        |        |
| Share price, avg               |        | 38.5   | 27.6     |        |        |
| EPS (reported)                 | (0.53) | (0.92) | (1.82)   | (1.82) | (1.40) |
| EPS (adjusted)                 | (0.66) | (0.92) | (1.85)   | (1.82) | (1.40) |
| Cash earnings/share            | (0.49) | (0.89) | (1.77)   | (1.71) | (1.25) |
| Dividend/share                 | 0.00   | 0.00   | 0.00     | 0.00   | 0.00   |
| Enterprise value/share         |        | 31     | 17.2     | 19.3   | 21     |
| Book value/share               | 0.8    | 1.7    | (0.1)    | (1.9)  | (3.3)  |
| Adjusted equity/share          | 0.8    | 1.7    | (0.1)    | (1.9)  | (3.3)  |
| PER (adjusted)                 |        | n.m.   | n.m.     | n.m.   | n.m.   |
| CEM                            |        | (35.8) | (9.0)    | (9.3)  | (12.8) |
| Dividend yield                 |        | 0.0    | 0.0      | 0.0    | 0.0    |
| EV/EBITDA                      |        | (34.0) | (10.5)   | (12.2) | (19.0) |
| EV/EBITA                       |        | (32.8) | (9.8)    | (11.0) | (15.9) |
| EV/EBIT                        |        | (32.8) | (9.8)    | (11.0) | (15.9) |
| EV/Sales (x)                   |        | 63.55  | 19.97    | 12.73  | 8.60   |
| Price/Book value               |        | 18.77  | (134.29) | (8.27) | (4.79) |
| Price/adjusted equity          |        | 18.77  | (134.29) | (8.27) | (4.79) |
| Free cash flow/Market cap (%)  |        | (3.6)  | (13.5)   | (13.3) | (10.5) |
| Operating cash flow/EV (%)     |        | (2.9)  | (10.6)   | (9.1)  | (6.3)  |
| EV/Capital employed (x)        |        | 16.2   | 10.5     | (81.4) | (12.2) |

| Main shareholders           |      |       |         | Management |                        | Company information |                                  |
|-----------------------------|------|-------|---------|------------|------------------------|---------------------|----------------------------------|
| Name                        | (%)  | Votes | Capital | Title      | Name                   | Contact             |                                  |
| Andersen Advisory Group A/S | 23.0 | 23.0  | 23.0    | COB        | Søren Elmann Ingerslev | Internet            | is://konsolidator.com/investors/ |
| Team FG Invest ApS          | 19.0 | 19.0  | 19.0    | CEO        | Claus Finderup Grove   | Phone number        | +45 72 30 40 80                  |
| Ved Bækken ApS              | 19.0 | 19.0  | 19.0    | CFO        | Jack Skov              |                     |                                  |
|                             |      |       |         | IK         |                        |                     |                                  |

Source for all data on this page: SEB

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