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## Trifork Interim Report 2017

### First half filled with challenges and optimizations

In the first half of 2017, Trifork achieved total revenue of EURm 32.5 and an EBITDA of EURm 3.2. Both revenue and EBITDA were below expectations, which is disappointing.

The first half of the year has been challenged by a number of factors and we have worked hard to optimize the sales processes, pipeline control and adjusting resources to the workload to get back on track. A great deal of the challenges has now been resolved and improvement is expected already in Q3.

Based on the achieved results, Trifork has adjusted the targets to reach total revenue of EURm 68 and EBITDA of EURm 8 for the full year of 2017.

### Financial Development

- Revenue
  - In the first half of 2017, Trifork achieved total revenue of EURm 32.5. This is EURm 0.9 less than in the same period in 2016
  - The major reasons for not achieving the expected revenue is due to:
    - No acquisitions completed in this period. We have worked intensively with several targets, but none of them passed our final Due Diligence with satisfactory results. The estimated impact of this, compared to our budget, has been EURm 2.5 less in revenue for the first half and is expected to have a total effect of EURm 5 for the full year
    - In the UK, we had to shut down a very large public project due to new management on the client side requiring one of our companies to assume a great deal of additional liabilities that we did not find reasonable or acceptable. The estimated impact on revenue has been EURm 0.8 less in the Services segment, since it has been hard to replace the project at such short notice
    - Several investments have been made in start-ups. When investing in these, we are most often also involved in the development of the platforms or products that the start-ups are based on. We also use management capacity to build the company's structure, attract investors, etc. The impact of this is both loss in revenue and additional cost, including an estimated loss in revenue of EURm 1.0 in the Services segment
    - In the US, we have delivered solutions to several Silicon Valley start-ups. Some of these did not succeed in their planned funding and the consequence of this was projects stopping at short notice as well as losses on debtors. An estimated impact on revenue has been EURm 1.0 less in the Services segment
- EBITDA
  - For the first half of 2017, EBITDA totalled EURm 3.2 corresponding to an EBITDA margin of 9.7%, compared to 15.7% in the first half of 2016, where EURm 5.4 was achieved
  - The major reasons for not achieving the expected EBITDA is the same as described for revenue. In particular, the challenges for our UK and US offices caused the missing EBITDA of almost EURm 2 compared to budget

*"It has been hard work to counter the challenges that we faced in the second quarter of 2017. But actions have been taken and we now feel comfortable about several improvements in the second half of the year. We were counting on the completion of at least one acquisition in the first half of 2017 to be part of our growth in both revenue and EBITDA, but unfortunately this did not happen since our final Due Diligence of the targets did not live up to our expectations and requirements," states Jørn Larsen, CEO of Trifork. He continues: "Even though that we are not happy with the revenue and EBITDA for the first half of 2017, we are very happy about the development in our start-up businesses. In the first half of 2017, we saw a significant improvement in the external valuations of these businesses. We have already completed one satisfactory investment round and expect 3-4 more before the end of the year".*

## Significant events in the first half of 2017

- The new Trifork Accelerate workshop concept commenced with great success and more than 10 workshops have now been completed with an array of clients. The concept is to be implemented in all Trifork units within the second half of 2017.
- The focus on product-based business has resulted in the founding of four new companies:
  - **AxonIQ:** The product is services and add-on features of an open source development framework that originally was developed by Trifork NL
  - **Exseed:** A medical health mobile app and accessories have been developed. The purpose is to measure and improve the sperm quality for men
  - **ATAH:** A medical health mobile app that advises doctors, in relation to medication and actions, to improve treatments for people with high blood pressure
  - **MeetTheOne:** A mobile platform for a dating app including increased security, live chat and video

## Financial outlook for 2017

- Trifork has adjusted its targets for 2017 and expects to achieve:
  - Total revenue of EURm 68 equal to a growth of 8% compared to 2016
  - EBITDA of EURm 8 which is the same level as in 2016

## The Trifork “Treasury Share Model”

The Trifork model for the calculation of the “treasury share price”, offered by Trifork Holding AG in relation to the purchase of treasury shares, has been updated. The model is based on the revenue and results of each business segment at Trifork and the update is calculated on the results published in the 2017 interim report as well as the forecast for the rest of 2017. Based on this, Trifork will continue to purchase treasury shares from existing investors for a price of EUR 5.80 (DKK 43.17) per share as long as this is not in conflict with the strategic plans, day-to-day business or cash flow within the Group.

Kind regards,

The Board of Directors  
Trifork Holding AG

### About Trifork

Trifork was founded in 1996 and is an innovative software development company. With a heavy focus on new technologies and trends, and through conferences, services and innovative software development, Trifork delivers products and solutions that create business value for its customers everyday. Trifork develops and delivers business critical IT-systems for several sectors including finance, healthcare, government, manufacturing and telecom. Trifork employs just over 430 people in 22 offices in Aarhus, Aalborg, Amsterdam, Berlin, Budapest, Buenos Aires, Copenhagen, Eindhoven, Esbjerg, Krakow, London, Leeds, San Francisco, Stockholm and Zürich. In 2016, Trifork achieved total revenue of EURm 63.1 with an EBITDA of EURm 8.2.