FULL SERVICE INNOVATION PARTNER

ANNUAL REPORT

2016

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TRIFORK.

...think software

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Trifork is a software innovation company with headquarters in Switzerland. The company was founded in Denmark in 1996. The group has offices and activities all around Europe and America.

The conference activities of Trifork are an important source of inspiration for our software innovation projects, customers and employees. In 2016 more than 7,500 people participated in the Trifork conferences, world-wide.

End of 2016, Trifork employs over 430 passionate and talented people in 22 offices in Denmark, Sweden, Germany, Switzerland, Netherlands, United Kingdom, Hungary, Poland, Argentina and United States.

Trifork has delivered positive results every year since it was founded. In 2016 total revenue was EURm 63.1 and EBITDA EURm 8.2.

Trifork is in the process of a possible new IPO of the group on an international stock exchange.

CEO-letter

2016 - a year of learning

We celebrated our 20 year anniversary in 2016 with another record year measured on revenue. From that perspective we are proud of what has been achieved over the years. Our ambitions are to continue the journey and make Trifork even more successful in the years to come.

With total revenue of EURm 63.1 in 2016 we achieved a growth of 7% compared to 2015. This was clearly less than anticipated as our target for revenue growth is 15-25% per year. A number of markets disappointed in 2016. Our UK business was challenged and ended EURm 7 short on revenue. This including EURm 2.5 as an effect of the dramatic decrease in the GBP/EUR exchange rate. In NL we came short of EURm 3 due to challenging market conditions. Finally in DK we consolidated our acquisition of Netic a quarter later than planned causing EURm 2 less in recognized revenue.

EBITDA for 2016 totalled EURm 8.2, a decrease of 7% compared to 2015 and equal to an EBITDA-margin of 13% compared to 15% in 2015. In UK the lack of revenue resulted in EURm 2 less than expected in EBITDA. In NL we came EURm 1 short also primarily caused by the lack of revenue. In DK the effect of the late Netic consolidation caused EURm 0.5 less in EBITDA. In 2016 the business development investments were also higher than originally planned. EURm 0.5 was invested in creating the Trifork Accelerate conference and workshops. The total EBITDA effect of the investments in building our product organisation and making new products ready for market was a negative impact of EURm 0.8.

For strategic reasons we decided in 2016 to separate the service business from our product/start-up business. The way we will manage the separation is by creating a new entity "Trifork Incuba", owned by Trifork Holding. This entity will operate as an incubator for all our start-ups. As Incubator we will advise the start-ups, make seed investments and help them in the process of fundraising and building their organisations. We believe this will increase the outcome for our investments.

Trifork

In 2016 we added Netic to the Trifork group. Netic is an operations company that hosts and operates complex mission critical systems for large companies, mainly in DK. We also purchased all the shares of Open Credo which is our best performing business unit in UK.

By creating the new concept branded "Trifork Accelerate" we now have a way for Trifork to engage very early with its clients. The Accelerate workshop is typically 7-14 days of engagement where we work with top management, the clients and use design thinking techniques combined with software expertise from Trifork. In this way we help the client to innovate and create new opportunities and improve their products and services thus adding even more shareholder value by broadening our total offering to the market.

With the Accelerate workshop and by adding Netic we are now able to deliver true end to end offerings to our clients. DK has been the test case for both new initiatives and in the future we will extend this to the UK and NL markets.

In 2016 we experimented with new conferences and, although we learned from testing new concepts, we finally decided to focus on four yearly GOTO conferences: Chicago and Amsterdam in the spring and Copenhagen and Berlin in the fall. Running four conferences a year gives us the inspiration we need to always stay on top of the technology trends. In addition to the GOTO conferences we are run conferences for other brands of which the Scala Days are the most important.

Trifork Incuba

By separating Trifork Incuba from our service business we plan to reduce the risk of entering into new ventures. With a separate organisation that focuses 100% on improving the success of our new start-ups we already see benefits and expect to able to minimize any negative impact on group EBITDA. The strategy of Trifork Incuba is to help these start-ups off the ground and support them until they have their first customers and a proven product. This is typically done within the first 6-12 months. The most successful start-ups in 2016 have been Chainalysis and Humio.

We invest in companies that fulfil the following characteristics:

- Companies that build technology that can be a business driver for the Trifork Group. An example is Humio that develops big data analytics tools.
- Companies that can be a strategic partner to Trifork in the sense that they benefit from Trifork services and help growing the service business.
- Minor investments in companies that develop cutting edge technology such as Atomist that develops the next generation micro service platform.

Expectations for 2017

In 2017, Trifork will stay focused on growing our business in both Europe and America.

In 2017, we expect total revenue of EURm 75 and an EBITDA of EURm 11. This corresponds to 19% growth in revenue and 35% growth in EBITDA.

Jørn Larsen
CEO, Trifork

Financial highlights and Key Ratios

EUR 1,000	2016	2015	2014	2013	2012
Revenue	63,119	59,039	44,097	35,594	29,901
Gross profit	39,960	35,745	24,083	20,935	17,009
Earnings Before Tax, Interest, Depreciation and Amortisation (EBITDA)	8,172	8,865	5,231	3,181	4,080
Profit from operations (EBIT)	5,189	7,033	3,898	2,024	2,851
Financial items	160	2,664	920	-179	84
Profit before tax (EBT)	5,350	9,697	4,818	1,845	2,934
Profit for the period	4,199	8,563	4,251	1,640	2,491
Total comprehensive income	1,821	9,284	4,312	1,741	2,963
Balance sheet					
Non-current assets	41,033	25,173	20,605	15,692	15,380
Annual investment in tangible assets	1,780	2,359	1,100	169	442
Current assets	23,672	25,224	21,331	13,162	11,208
Total assets	64,705	50,396	41,935	28,854	26,587
Equity	24,929	27,151	13,918	11,244	9,931
Non-current liabilities	18,543	6,946	6,421	2,731	4,414
Current liabilities	21,233	16,300	21,595	14,879	12,242
Cash flow					
Cash flow from operations	6,235	5,042	5,082	2,397	3,617
Cash flow from investments	-14,457	-57	-8,753	-854	-7,749
Cash flow from financing activities	975	2,421	5,568	-1,927	1,584
Net change in cash and cash equivalents	-7,247	7,406	1,896	-384	-2,549
Key ratios					
Gross margin	63.3%	60.5%	54.6%	58.8%	56.9%
EBITDA-margin	12.9%	15.0%	11.9%	8.9%	13.6%
EBIT-margin	8.2%	11.9%	8.8%	5.7%	9.5%
Equity ratio	35.3%	46.0%	29.8%	35.1%	34.5%
Return on Equity	18.3%	48.0%	37.6%	17.0%	29.6%
Return on invested capital	8.0%	14.0%	9.3%	7.0%	10.7%
Average number of employees	431	340	276	224	167
Per share data					
Dividend yield %	25%	-	34%	31%	25%
Dividend in EUR 1,000.	1,000	0	1,300	375	603
Dividend in EUR per share	0.054	-	0.075	0.021	0.034
Basic Earnings in EUR per share of CHF 0.1 (EPS-Basic)	0.22	0.35	0.22	0.07	0.14
Diluted Earnings in EUR per Share of CHF 0.1 (EPS-D)	0.22	0.35	0.22	0.07	0.14
Equity value in EUR per share	1.23	1.25	0.72	0.56	0.51
Number of shares (1,000)	18,537	18,537	17,326	18,000	18,000

The key ratios have been calculated in accordance with IAS 33 and "Recommendations and Ratios 2015" issued by the Danish Society of Financial Analysts. For definitions see page 85. All historical numbers from 2013 and earlier presented in this report are represented by the previous reported numbers for Trifork A/S as the previous parent company of the Trifork group. The numbers have been converted from DKK to EUR using the DKK/EUR exchange rate end of each period. The numbers presented for 2015 have been adjusted based on a reclassification of the regulations in Assets held for sale from financial items to other comprehensive income.

An Outline of the Year

Financial highlights in 2016

In 2016, Trifork did not meet the original growth targets of 25%. With total revenue of EURm 63.1 the growth was 6.9% compared to 2015. The growth originated primarily from acquisitions.

EBITDA of EURm 8.2 for 2016 is equal to a 12.9% EBITDA margin and represents a small decrease of 7.8% compared to 2015.

EBIT was EURm 5.2, which equals an 8.2% EBIT margin and a decrease of 26.2% against 2015.

EBT (Profit before tax) for 2016 was EURm 5.4, a decrease of 44.8% compared to 2015.

Net Profit for 2016 amounted to EURm 4.2 which is a decrease of 50.9% compared to 2015.

The total comprehensive income for 2016 was EURm 1.8, representing a decrease of 80.4% compared to 2015.

Equity at 31.12.2016 was EURm 24.9, giving an Equity Ratio end of 2016 of 35.3% compared to 46.0% in 2015.

Revenue per employee was EURm 0.146, a decrease of 15.6% compared to 2015 where EURm 0.174 was achieved.

Main events

The GOTO conference took place for the first time in Stockholm. The GOTO concept is now implemented in London, Copenhagen, Berlin, Amsterdam, Chicago and Stockholm.

Trifork planned and launched two new GOTO-conference concepts. The first one was GOTO Start-up where investors and startup companies get the opportunity to meet and exchange ideas and experiences. The second one was GOTO Accelerate focused on setting the digital transformation agenda. Based on the experiences from this Trifork now delivers Accelerate Design Sprint workshops to companies that wish to initiate new digital transformations.

In the end of 2016 Trifork acquired the rest of the shares in the company Open Credo Ltd. Trifork now owns 100% of the company and the results have been consolidated in the 2016 annual report.

The focus on product based business has resulted in the founding of three new companies in 2016.

In 2016 Trifork co-founded the company Humio ApS. The company is developing the product Humio which is Trifork owns 49% of the company.

In UK the company The Perfect App Ltd. was founded to focus on the development and international sales of the product "The Perfect App" (TPA), which handles deployment of mobile apps and collection of app analysis from any mobile platform. A very experience CEO has been hired to grow this company rapidly.

In Holland the company Trifork Learning Solutions B.V was founded to focus on the development and sales of the product "QTI". This product is used by many education centres to orchestrate and implement electronic exams.

In 2016 Trifork also invested additional capital in several smaller start-up companies, which fit well with the Trifork business model and technology focus.

Financial expectations in 2017

In 2017, Trifork expects to increase revenue by 19% compared to 2016. In total EURm 75 is expected.

The increase in revenue is expected to originate from both organic growth and acquisitive growth.

In 2017, Trifork expects to reach an EURm 11 EBITDA result, corresponding to an EBITDA margin of 14.7% and 35% growth compared to 2016.

Trifork has an overall goal of obtaining product based revenue of 25% of total revenue at the end of 2019 with an EBITDA-margin significantly higher than the rest of the business. In 2017 the target is to achieve 15% of total revenue in this business area.

Trifork strategy

"Why software is eating the world" is the title of a famous essay posted in the Wall Street Journal in 2011. The author of the essay is the co-founder of Netscape and one of the worlds most successful venture capitalists Marc Andreessen. He explains why every company in the world will have to become a software company. It's obvious that the well known companies like Facebook, Nest, Spotify, Apple, Netflix, airBnB, Uber and Amazone have had a brutal impact on their competitors. However, it doesn't end here. Banking, healthcare, logistics, automotive, infrastructure, factories and our homes are being transformed by software. The amount of data in the world is growing exponentially and the price of computer power decreases dramatically. Computer chips decrease in size and get connected. All this is happening at the same time. Every company in the world has to deal with how it will affect them and how they can take advantage of new technology.

No matter if you are a bank, a pharma, a hospital, etc. you need to keep up to date with the most important technology waves. We identify these as:

- **Internet of things (IoT)**
- **Crypto technologies**
- **Cloud Computing**
- **Machine Learning and Analytics**
- **Micro Services**
- **Mobile technologies**

Trifork's core value proposition is to keep ourselves up to speed with the latest technologies and methodologies and offer this know-how to our clients. So, in a nut shell, Trifork is a company that is challenging our clients to take bold decisions and assist them in order to gain advantages by using new technology.

Technology Waves

Every new technology wave is triggered by hyping an idea without much content. Most often the excitement of the technology then rises and typically a number of start-ups or established companies will take off with the idea. The ideas then turn into products and new business models evolve. Normally, open source is often used as a way to spread the products fast.

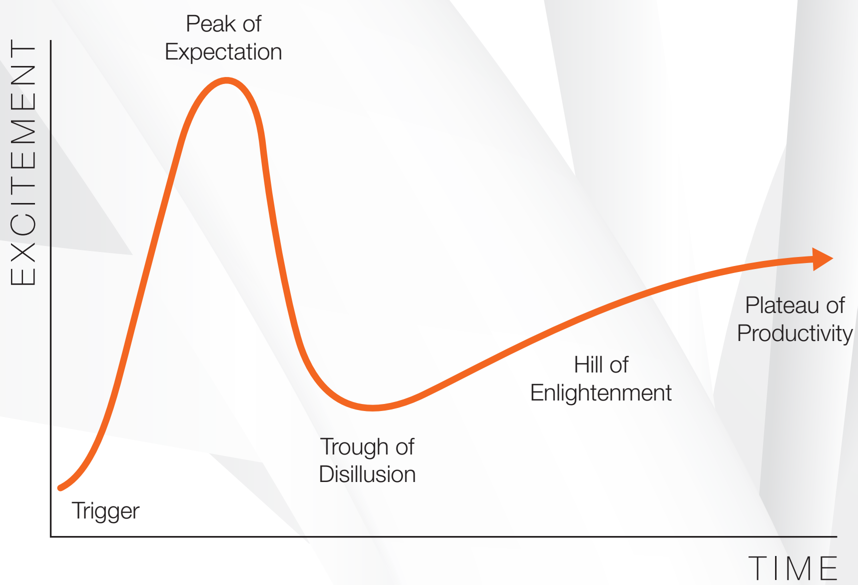
When a hype later is challenged with the need for a sustainable business model the point of "Trough of Disillusion" is reached. At this point many of the products and concepts developed by the start-ups will fail but some products and concepts will survive and turn into sustainable businesses.

Trifork on the Waves

The most important thing for Trifork is to get the tracking and influencing of new technologies right. Next we must judge the best timing of when to use the technologies for our clients.

When we have identified the right waves for our involvement Trifork aims to be at the forefront of those selected waves and often a part of driving the development and use of the technologies. Most often we get seriously involved in a wave a third up from the "Trigger point" at which point we will supply our customers with the required technologies to make innovative and disruptive change. At that point we will often challenge the clients' existing business models, concepts, products and processes.

Half way down the "Trough of Disillution" the technologies start becoming commodities. At this point we aim to have encapsulated the innovative ideas into products that we then sell to our clients.



The way we work with our clients is by engaging them into our Trifork Accelerate workshops. By rapidly testing ideas and prototypes with users, the workshop is a shortcut for decision making and a very fast way to get the strategy enabled. An example of working with this approach is at our client Bankdata that wanted to redesign their loan-processes (see the case study on page 14).

Trifork vision

Our vision is to become the leading company that clients turn to in order to innovate new ideas and product offerings.

We want to focus on the North European and the North American markets.

Trifork mission

It's our mission to inspire, innovate and support our clients in order to make them succeed and stay up to date with their offerings.

One of the ways for us to do this is by organising conferences that inspire and offer training to teach about new technology. We are connected with world leading experts and inventors and they are part of both offerings. Often our own employees also are at the leading edge of technology, presenting some of the new technologies.

Many of our clients discovered Trifork by attending one of our events and are inspired to make changes in their businesses in order to optimize and innovate in their business domain.

Trifork takes the client from idea to reality and we always find a way to reach successful results. We care about the success of our clients and we often work on royalty based conditions where we are rewarded when our clients harvest the fruit of our work. We want to make life easier and smarter for our clients and our clients clients.

Trifork innovation

New technologies most often create new opportunities for a number of businesses. Sometimes the utilization of the technology can be innovative or disruptive to existing businesses and especially the first mover may have extraordinary gains from creating and implementing disruptive business models.

Trifork has in a number of cases been the partner driving and enabling our clients to successfully make this transformation. The development of Mobile banking, Mobile Pay and WeShare with Danske Bank, Implementation of microservices for Cisco, Smart-connecting termostats for Danfoss and creating the Pure Mobile concept (see the case story on page 27) with Telenor are examples of this.

The market

The primary markets for Trifork are Northern Europe and North America. It's here we find old and respected companies who have products and services that can benefit from being digitalized.

The market opportunities are infinite and we are at the very beginning of the transformation to the technology era. A good example is some of the different finance solutions that we have innovated with our clients. Today you can sit in an cab in London and approve payments on your smart phone and you are able to operate your business from anywhere, any time. We have also created digital signature solutions to make paper documents obsolete and get contract flows many times faster, more secure and much smoother. But still there is so much more to be done in order to digitize, automate and simplify work tasks and processes done today.

Imagine e.g. that you want to buy a new car. Today you can search, find and view the car on your smart phone. But what if you, by just adding a few clicks more on your smart phone, could also have the car purchased, financed, insured and registered? Then you could drive away a just a few minutes later. Today this involves a lot of manual procedures, lots of paperwork and loads of signatures.

Step by step the world will be eaten by software that will make our life so much easier.

Trifork is focused on:

- Continue building a strong and lasting company

- Being experts in new technology

- Continuing expanding International presence

- Working lean, being innovative and inspiring through our conferences

- Being part of building a better world using technology

- Building innovative software in projects with customers

- Delivering products to achieve scalable revenue

Trifork focus

There are a number of mega trends in the technology space where waves are forming.

Trifork can't be everywhere in this universe of new trends and technologies but we can keep identifying them and evaluating when and how to catch the right waves. Currently we have our fucus on the following: IoT, Crypto technologies, Cloud Computing, Machine Learning and Analytics, Micro Services and Mobile technologies.

Trifork is not limited in developing solutions for specific sectors; but, of course some sectors up to now have been more in focus than others.

Future of Financial Services

Just 20 years ago the Internet only played a very tiny part in the banking world and just 5 years ago only a few people used the smartphone for banking business.

Today the Internet and the smartphones are key to modern banking. They changed banking in a radical way. They made it possible to reduce the number of branches radically and changed the whole cost structure in the financial sector. Today most people have their banking transactions at the tips of their fingers anywhere and anytime.

More than 15% of the business in Trifork is generated from projects helping financial institutions take advantage of new technologies. Mobile banking, mobile payments and infrastructure have been the main drivers.

The flip side of internet banking is that criminals and hackers have an easier time committing fraud. Increasingly Trifork is involved in building solutions that can help minimize this problem.

Our startup, Chainalysis, is a good example of catching a wave within the financial services and helping banks and law enforcement with insights into digital currency transactions. Another example is Humio, which is meeting the increasing demand of online data analytics. Currently Trifork is focusing on solutions to the following areas:

- **More personal, greater trust (customer relationships and data analytics)**
- **Disruption is changing the payment sector by traditional and non-traditional banks (National and Global payments)**
- **More digital attacks from hackers and criminals (fraud prevention)**
- **Blockchain and crypto currencies get more attention (for risk mitigation, smart contracts and public ledger, R3 association)**
- **API Banking (open platform approach / aggregator business models)**

Future of Healthcare

Trifork has been building advanced e-health solutions for almost 20 years. In the beginning we replaced paper based record systems with electronic systems and new work procedures. In this way we changed the way the work was carried out at hospitals.

In the recent years we have focused on integrating data between a lot of different healthcare systems to ensure that all relevant health care personnel throughout a country can share the same information.

We have also made apps for doctors and nurses that help exchange best practices and provide relevant information when needed and we have helped the government to improve privacy and security around patient sensitive information.

There is still a lot to be done in optimizing and improving quality of work in healthcare. In the near future we see great opportunities in:

- **Improving patient adherence and involvement in the treatment to improve the overall efficiency of the (often very expensive) treatments.**
- **Expand our services to Big Pharma companies and use our healthcare know how in providing solutions to them.**
- **Optimize workflows between healthcare organisations and improve handling of complex patient flows.**
- **Explore and improve solutions for patient-at-home treatments using new technology, biometric sensors and implants.**
- **Use technology to improve citizen health to increase life quality and reduce contact with the healthcare system.**

Future of Smart Homes and Factories

Smart and connected products are changing the world and also the competition among major players. Google has challenged Honeywell and Danfoss with new home appliance products by introducing Nest Thermostats into the market. This has forced Danfoss and Honeywell to act.

In 2016 we have helped several large product companies to transform their products to become Smart Connected Product and in that way increase their competitive strength. In addition new revenue streams on top of the Smart Connected Products have been identified and utilised. The focus areas for Trifork are:

- **Build products and solutions for IoT that ensure privacy and accessibility of the Smart Connected devices.**
- **Optimizing energy consumption in homes, offices and factories.**
- **Build Smart Home products that enable people to get all things connected (Access, energy, ventilation, security, etc.).**
- **Facilitate the integration of more and more devices by working with industrial leaders to standardise API's.**
- **Robotics and drone solutions on top of standard products and devices.**
- **Analytics for big data is becoming a must for providing intelligent and smart systems that act on billions of observations.**

Trifork growth strategy

Growth in Trifork

Our goal is to achieve an annual growth in revenue of 15-25% on our service and consulting business. We see growth coming from two areas:

- **Organic growth of existing business units**
- **Acquisitions**

ORGANIC GROWTH OF EXISTING BUSINESS UNITS

In all our service businesses we will continue to grow organically. The target for the annual growth rate per business unit is 10-15%.

When a business unit exceeds 50-60 people we will divide it into two units. This makes it easier to control and to perfect the way we manage and lead a business unit.

With time we have become very good at managing a unit of approximately 50 people. Also, we like to keep a flat hierarchy and make our employees feel part of a family in a unit where everyone knows each other. Furthermore, our experience has taught us that the fastest growth rates often come from relatively small units.

GROWTH FROM ACQUISITIONS

Being in the centre of knowledge in our industry implies that Trifork is working in an innovative international atmosphere with extensive entrepreneurship. Thus we are often offered opportunities to invest in a variety of very promising start-up companies as well as rapidly growing SME's in need of capital to realise their growth potential. Trifork is an attractive partner for such companies, the attraction being our know-how, resources and presence in different geographic markets. It's essential for us to evaluate these investment proposals and invest in those considered to be the most advantageous.

Trifork creates a significant positive cash flow from operations every year and the basic Investment Strategy is to deploy this cash flow to expand our business. When we are facing larger investments or acquisitions we strive to defer payments including earn out agreements. This is to secure a certain performance and payment flow where we can absorb the investment by the cash flow over 3-4 years. Thus we only make "short-term" finance investments. Growth from acquisitions has an obvious negative impact on cash flow and involves risks and financing issues. On the other hand it's a great way to enter a new market and learn about a foreign culture in a very effective way, thereby giving our growth a quick but sustainable boost.

The major investments in recent years have been targeted at achieving our goal of becoming an international group and diversifying from a few markets. The aim is to create a considerably larger market base for scalable revenues and in order to counterbalance fluctuations and regulations that occur in a single market. Trifork's investment decision is based on the following evaluation criteria:

International
Will the investment benefit our internationalization aim by opening or expanding one or more geographic markets and / or bring new products or solutions to our existing markets?

Frontrunner
Is the company a first mover in the utilization of new technology or experts in technology areas that could supplement solutions being marketed by the Trifork organization?

Product business
Does the company have or is it developing products with a substantial scalable revenue potential?

Business partner
Will Trifork obtain competitive advantages or other synergies by entering this partnership?

Customer
There is a need for Trifork to be an innovative partner who can be part of the development of a given solution or product. This helps to create loyal and strategic customers.

Each of the investments Trifork has made in recent years has been evaluated on these criteria, and we found that every investments could contribute to Trifork achieving our strategic goals.

In the next period we will primarily look at acquisitions from a product perspective and differentiate investments between what is a part of our core business and what is part of our Trifork Incuba investments. With our presence in offices and sales forces around the world we can offer a small product company a boost in business by becoming a part of the Trifork group.

By separating the management focus and responsibilities between Trifork Services and Trifork Incuba it's expected to increase profit from both the service business as well as investments.

Trifork Incuba

Group structure

Trifork Holding AG is an unlisted company established in Switzerland with the purpose of being able to consolidate the earnings in the group and able to finance, coordinate and control the investments in the Trifork Group.

The Group management is still responsible for all activities but a separate management team is now in place to build and control the activities in Trifork Incuba. Based on this new focus Trifork now present financial key-figures for the part of the Trifork Incuba business that gets consolidated in the Trifork Group statements.

The organizational chart displayed on page 87 shows a graphical view of which companies are considered to be part of the Trifork Incuba activities. The table below lists the different investments with some additional information and on page 12-13 selected companies are presented. The level of information will vary on the different investments depending on how much information Trifork is allowed to publish.

Trifork Incuba

Since the beginning Trifork has been creating new start-ups when certain characteristics were present.

The first company we started as a spin-off was Trifork Technologies which developed infrastructure technology and launched the product T4 Application Server. The product gained traction in the market but at that time we were not able to build a sales organisation strong enough to become really successful. The company was later enrolled as a part of our main company and co-investors were bought out. After almost 20 years the product is still used in production environments for clients and is year by year generating profit to Trifork.

The second spin-off was ACURE which was a joint venture with Maersk Data. It became very successful in delivering healthcare-software and grew very fast. After 4 years Trifork was offered an exit-deal and we sold our part of the company.

Since then we have taken part in various start-ups and the number keeps encreasing.

During 2016 we found that it was hard to keep the management and skills of growing start-ups within the same organisation as our service and consulting business. Based on this we investigated on how to organize in order to optimize both businesses.

The conclusion was that we wanted to establish a separate organisation to be responsible for all start-ups and technology investments. This organisation we have named "Trifork Incuba". The aim of Incuba is to maximise the success of our start-ups and support them the best we can. We will advice the start-ups, make seed investments and help them with fundraising and building their organisations.

Trifork Incuba

Key figures (EURm)	2016
Revenue	1.8
EBITDA	-0.7
EBITDA-margin (%)	-38.6
EBIT	-1.0
EBIT-margin (%)	-53.6
Products capitalized	1.5
Total product value	1.5
FTE	11

Trifork Incuba investments

Company	Founded	Trifork investing	Trifork Incuba share	Cost price (EURm)	Equity (EURm)	FTE
America						
C4 Media Inc.	2010	2010	9.0%	0.5	5.0	-
Chainalysis	2014	2014	23.0%	< 0.1	1.2	21
Basho Technologies Inc.	2009	2011	4.4%	2.2	-	90
SQOR Inc.	2015	2015	0.3%	0.5	-	45
Atomist Inc.	2015	2015	0.1%	0.1	-	20
Europe						
Implantica AG	2003	2015	0.1%	0.2	-	-
Mars One B.V	2011	2014	5.7%	< 0.1	-	10
évoé Wine Technologies SA	2014	2014	2.9%	< 0.1	< 0.1	7
Beem International Sarl	2013	2016	4.0%	0.1	-	6
The Perfect App Ltd.	2016	2016	100.0%	0.6	0.1	3
Humio	2016	2016	48.3%	< 0.1	0.2	4
BrightClouds B.V	2014	2014	50.0%	< 0.1	< 0.1	0
DinDan Social	2015	2015	100.0%	0.1	< 0.1	0
Trifork Learning Solutions B.V	2016	2016	95.0%	< 0.1	< 0.1	4
The Surface Network Group B.V	2015	2015	50.0%	< 0.1	< 0.1	2
Specto Labs Ltd.	2016	2016	49.0%	0.5	0.2	8

Trifork Incuba investments

Chainalysis Inc. (23%), CEO Michael Gronager

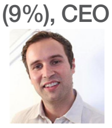
Triforkcofounded the company in 2014 and Chainalysis is now the leading provider of Anti-Money Laundering software for Bitcoin. With offices in New York and Copenhagen, they work with global financial institutions, like Barclays and Bitcoin exchanges to enable every stakeholder to assess risk in this new economy. The customers have checked over $15 billion worth of transactions using the Chainalysis platform.

Through formal partnerships with Europol and other international law enforcement, the investigative tools have been used globally to successfully track, apprehend, and convict money launderers and cyber criminals.

The company is backed by some of the leading tech investors in Europe and the US with Point Nine Capital, Techstars, Digital Currency Group, Converge VP and Funders Club funding a $1.6 million seed round.

More info on: www.chainalysis.com

C4Media Inc. (9%), CEO Floyd Marinescu



Software is changing the world. In 2006 C4Media was founded to support a need for unbiased content and information in the enterprise software development community. With a mission and passion for empowering developers C4Media build a "community of communities created by the community and for the community." Trifork joined C4Media very early in the process and was for many years partnering with C4Media on the QCon conferences.

Today, the company is global with offices in Canada, the United States, China, Romania, Brazil, Japan, France, Greece and the two core brands are InfoQ and QCon.

More info on: www.c4media.com

Humio (48.3%), CEO Geeta Schmidt

Trifork cofounded the company Humio in the beginning of 2016 with the focus on developing and marketing the product Humio. The product is a tool for aggregating, exploring, reporting and analysing machine data and system logs in real-time. Machine data is a fast-growing, complex area in big data, which provides immediate value to your business.

Humio gathers data from a range of sources, both cloud and on-premise systems, and makes it readily available for searching and monitoring business performance, and for identifying and solving problems in your infrastructure.

More info on: www.humio.com

The Perfect App Ltd. (100%), CEO Lars Kringelbach

In 2016 Trifork founded the company The Perfect App Ltd. with focus on development and sales of the product The Perfect App (TPA). TPA is a system for automated distribution of mobile apps on all major platforms. The product also includes user behavior analytics, crash analytics, end user feedback, JIRA integration and more.

The TPA platform has been developed over the last 5 years and has been used for distribution, crash management and user behaviour in many apps across the world, so the know-how is very significant in relation what app owners and app developers need to develop "The Perfect App".

More info on: www.theperfectapp.com

Trifork Learning B.V (95%), CEO Erwin van Schaffelaar

In 2012 Trifork started to work with Question and Test Interoperability specification (QTI) as a project for the Dutch government. QTI defines a standard format for the representation of assessment content and results, supporting the exchange of this material between authoring and delivery systems, repositories and other learning management systems. In the following years several products were developed in this area. One of the major products is the product QTI Assessment Delivery Engine. QTI is the standard used to communicate between a third-party assessment authoring solution and our QTI Assessment Delivery Engine.

In 2016 the company Trifork Learning was founded as a product business to focus on the future development and sales of these products.

More info: www.triforklearning.com

Basho Technologies Inc. (5%), CEO Adam Wray

Founded in 2008, Basho was one of the first distributed systems companies dedicated to developing disruptive technology to simplify the most critical data management challenges for enterprises. Trifork in 2011 joined as investors in the company and got insights and deep knowledge in the technologies used in the products of Basho.

The most important product from Basho is the Riak database system. This delivers the platform for highly available, scalable distributed systems that are easy to operate at enterprise scale for empowering applications to store and retrieve unstructured data and easily manage active data workloads. Riak forms the foundation for reducing the complexity of integrating and deploying active workloads for Big Data, IoT and hybrid cloud applications with today's most flexible and available NoSQL database.

More info on: www.basho.com

Specto Labs Ltd. (48%), CEO Tom Gunliffe

The Trifork company Open Credo Ltd. cofounding SpectoLabs in 2015 with the focus on developing the SPECTO platform. This platform is able to create, manage and run API simulations that can help software development teams to develop and test their software in a realistic, repeatable simulated environment. SPECTO is combining flexible, high-performance open source tools with enterprise features and support.

Architectural components are presented in a visual graph. This "single source of truth" allows teams to understand the interdependencies between components, discover and access API simulations on demand, and spot integration problems early on. The system can be used no matter if the development is based on microservices or if it's applications that rely on legacy API's.

The company has also developed the product Hoverfly. This is a lightweight, open source API simulation tool that are able to create realistic simulations of the API's in any application.

More info on: www.specto.io

Atomist Inc. (0.1%), CEO Rod Johnson

Atomist is startup company with focus on high quality productivity for software. Trifork was invited to co-invest in the early stage of the company.

The Atomist platform provides the tools that allow a company to turn up their development speed no matter if they are working with large legacy codebases on own "majestic monoliths" or aiming for "zero overhead microservices". Atomist helps to develop better software more quickly by automating common tasks in software development and operation.

More info on: www.atomist.com

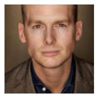
Beem Ltd. (4%), CEO Lee Lomax

Beem is providing a flexible employee application designed to dramatically enhance frontline comms, and boost employee engagement. The company develops engaging enterprise-grade employee mobile apps., that seamlessly integrate with the customers' existing systems. The Trifork company Erlang Solutions has been helping Beem with the development of their platform and was in the process given the opportunity to co-invest in the Company.

Beem emerged as a 'winner' from the Collider 12 accelerator. In June 2015, UKCR executed an investment in the form of convertible loan notes to a £2M pre-money valuation.

More info: www.wearebeem.com

MarsOne (5.7%), CEO Bas Lansdorp



Mars One aims to establish a permanent human settlement on Mars. Mars is the only planet we know of that can currently feasibly support human life and will be humankind's first step to become a multiplanetary species. Before carefully selected and trained crews will depart to Mars, several unmanned missions will be completed, establishing a habitable settlement waiting for the first astronauts to arrive. The Mars One crews will go to Mars not to simply visit, but to live, explore, and create a second home for humanity. The first men and women to go to Mars are going there to stay.

Trifork participated in the development of the software platform of Mars One and was rewarded with a stake in the company. Since the launch of Mars One in 2011, about US$ 7 million has been raised in total. In December 2016, Mars One Ventures, the commercial arm of Mars One went public at the Frankfurt Stock Exchange, enabling supporters to 'own' part of the historic venture.

More info on: www.mars-one.com

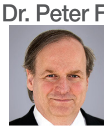
SQOR Inc. (0.2%), CEO Brian Wilhite

Sqor Sports is the first and only social media platform created exclusively for the sports enthusiast. Sqor Sports creates memorable moments for fans, offering unparalleled access through Athlete Chat and GameChat, as well as custom merchandise and memorabilia of their favourite athletes and teams through ShopSqor.

The company was officially launched in 2014 and headquartered in San Francisco. Trifork is taking part in the development of the software platform and got invited to co-invest at an early stage. Since the launch and to date the company has raised $25 million in financing and the platform has grown to engage over one billion fans with athletes from all over the world, representing a wide variety of sports. Most recently the German soccer team FC Bayern made an agreement with SQOR to use the platform to communicate with all their fans.

More info: www.sqor.com

Implantica AG (0.1%), CEO Dr. Peter Forsell



Implantica was founded in 2003, and it has developed a portfolio of 40 innovative medical implants, which seek to alleviate unmet medical needs in 14 therapeutic fields.

Implantica's device portfolio is protected by more than 1,000 patent cases with around 300 individual product inventions. Within the medical device sector, Implantica offers a variety of highly advanced medical implants. Implantica makes a substantial contribution towards the development of new and improved healthcare treatment around the world and will become the world leader in smart medical implants.

More info: www.implantica.com

bankdata

Trifork Accelerate Workshop

A Trifork Accelerate Workshop is a structured approach for solving critical business problems. Problems involving the interplay of business, technology and design. By rapidly testing ideas and prototypes with users, the workshop is a short cut for decision making. Trifork Accelerate enables strategy execution.

Situation

Bankdata provides complete IT solutions to 11 Danish banks and is one of the largest financial IT companies in Denmark. The banks own Bankdata and play an active part in planning, developing and prioritizing activities. Bankdata needed to provide a new loan process to the banks. The current loan process is complex, time consuming and contains several pitfalls for the advisers. Integrated in the process is a portal for mortgages, XPortalen. XPortalen is being shut down as a portal, and will soon only be API-based.

Also, one of the banks - Sydbank - had conducted an in-depth analysis of the loan proces. Most importantly the analysis showed where the bank advisers type in data manually. This was a big and important piece of work.

Bankdata also wanted to help the banks become more customer centric. Todays customers demand simplicity, efficiency and transparency. Bankdata decided to involve both advisers and customers in the development of the new advisor solution.

Need

Bankdata needed several things:

- **To better understand adviser and customer pains.**
- **A visual prototype of the new adviser solution.**
- **To validate how bank advisers and customers would react to the prototype.**
- **To understand how the new loan process would affect the IT architecture.**
- **To integrate the key insights from Sydbank's process analysis in the prototype.**

Allan Severinsen,
Senior Vice Precident
of digital users, Bankdata

"The Trifork Accelerate Workshop is an incredible strong enabler for business."

The prototype should create alignment between Bankdata and the banks. This would kickstart the development of the new solution. Trifork approached Bankdata and offered to facilitate an Accelerate Workshop.

Approach

Insight is the starting point for a succesfull workshop. Trifork gathered all the material that Bankdata had about the loan process through interviews. This created insight into the challenge ahead and was the starting point for the program.

The team mapped out the current adviser process when arranging loans. The journey showed the highs and lows of the existing solution. The insights from the efficiency analysis was overlayed on the journey. This enabled the team to agree on which pain points to focus on.

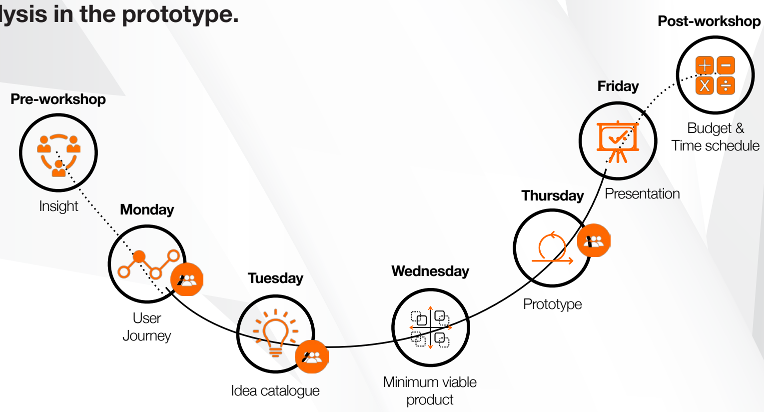
Then ideas for how to solve the pain points were developed. Using creative techniques from design thinking, the team ended up with an idea catalogue.

The team agreed on a Minimum Viable Product. Solutions that solve a big pain point for customers or user are desirable; solutions that are easy to develop and implement. The solutions that were both became the scope and focus for the rest of the workshop.

The team began to prototype and run user tests. The users validated some of the ideas, others turning out to be inappropriate. But at this early stage it was still easy and cheap to correct.

Result

The team created a presentation for the steering committee. Several parts of the prototype were already produced. In the end, the presentation created support for the prototype. Bankdata now has the mandate to develop a modern and much more customer centric loan process. Now the development of the adviser solution and IT architecture awaits. The solution will give bank advisers much more time to service their customers. And this will help the banks strengthen their relationship to attractive customers.



In 2017, Trifork expects 19% growth in revenue and 34% growth in EBITDA

Expectations and assumptions for 2017

Strategy and structure

In 2016 Trifork, at the same time as launching a lot of new startups, also succeeded in consolidating some of its international units and making these fully owned subsidiaries, thus improving its international footprint even more. The operation/hosting company Netic was added to the group and Trifork now is able to deliver true full service operations to its clients. The focus is to grow the activities in both the UK and US markets.

In 2016 experiments were made with new conferences. This gave us a lot of learnings and the conclusion is that we in 2017 will focus on optimizing the GOTO-conferences in Amsterdam, Berlin, Chicago and Copenhagen. This we feel will give us the inspiration, network and crystal ball that we need to stay on top of technology trends. In 2017 we will also continue to deliver conferences with our partners with Trifork as the organizer.

In 2016 we were working on different ways of separating our product/start-up business from our service business. The conclusion is that we will not make a de-merger of the group but continue to have Trifork Holding AG as the overall holding company of the Trifork Group. Instead we will divide our activities in two directions. One that will be operating our service business using the brand Trifork and another that will serve as an incubator of our start-ups and products entities using the brand Trifork Incuba. Our conclusion is that by separating our service business and the start-up business we have found a good way to reduce the risk of entering into new ventures.

Product business

Trifork will continue to work intensely on increasing business based on product sales and related services. This will be a focus in both the service business as well as in the Trifork Incuba business plan. The focus is to generate scalable revenue with higher profit margins.

The new hosting services added to the group through the Netic company is a major investment and one additional step in increasing product based revenue. This is expected to increase both revenue and profit in 2017.

Products are seen as an integrated part of the business in Trifork, where they can not only be integrated into project deliveries, but also as elements that have separate sales channel or even a separate company setup in order to get the best conditions for success.

Financial results and growth

In 2017 Trifork expects an increase of 19% in revenue compared to 2016. The target is total revenue of EURm 75.

Trifork expects an EBITDA of EURm 11. This is an increase of 34% compared to 2016 and equals to an EBITDA-margin of 14.7%

The growth in revenue is expected to come from an extension of the existing business but with increased focus on product sales. In 2017 the target is to generate 15% of total revenue from the sale of products and related services and to achieve an EBITDA-margin of 35% on these activities.

The fulfilment of the financial expectations is subject to some uncertainty. Significant changes in exchange rates, business or macroeconomic conditions may have an impact on the economic conditions of the Trifork group performance.

ACADEMY (CONFERENCE AND EDUCATION)

Representing 10% of total revenue in Trifork the current size of the Academy business is considered adequate and the focus in this area in 2017 is to increase profitability instead of additional growth.

For Academy, the highest risk is a new recession in the economy. This could mean that companies may be cautious about budgetting for conference participation and education.

PROJECT (CUSTOMER INNOVATION)

Project is focusing on delivering innovative projects to the customers of Trifork. In 2016 this unit represented 73% of total revenue in Trifork.

Risks include projects not being delivered on time or if new planned projects are delayed in starting.

PRODUCT (DEVELOPMENT AND SALES)

The products invented at Trifork are based on the continued development of the current product portfolio in the company and will be inspired by the innovative projects developed with the customers of Trifork.

In 2016 this segment accounted for 14% of total revenue and achieved an EBITDA-margin of more than 32%. The activities in this segment are expected to continue to grow significantly in the future.

Risks include products not being sold or if the maintenance and support of products prove to be too expensive compared to the pricing of the products.

Risk factors

It is of importance to the management of Trifork to insure procedures and policies to limit exposure to risk of the company's operations.

Trifork's business involves the same commercial and financial risk as other tier companies in the sector. The management has identified the following risks they are not exhaustive or listed in order of priority.

Currency risk

The company has international activities in England, Holland, Switzerland, America, Sweden, Poland, Germany, Hungary and Argentina, and has expenses as well as income in all of the currencies of these countries. Trifork continues to monitor the currency risks this entails. The company continues to evaluate the comprehensive exposure of the various currencies and assesses the variance of the individual currencies as well as the correlation between them, in order to counter possible risks.

Trifork has policies and procedures to ensure the most efficient management of identified risks as possible. The company's strategic targets are supported by a balanced risk profile.

Hacker attacks

As any company Trifork is potentially in danger of hacker attacks. Thus, there is a risk of loss or destruction of data, followed by losses, both financial as well as reputational.

Trifork has made security arrangements to defend itself from hackers and expects its surveillance systems to react fast in case of an attack. However, the company cannot guarantee that the risk of a hacker attack on the company systems and installations is eliminated, which could result in negative financial consequences.

Technology

Technological development continues rapidly and thus Trifork regularly makes several choices with respect to which technologies the company should focus on. As such, there is an inherent risk factor in the company's choice of technologies.

Before significant technological choices are made, they are carefully scrutinized, with background knowledge obtained in dialogue with the company's worldwide expert network. In addition, Trifork is a Group continuously ready for change and has as its mantra the constant commitment to monitor other technological developments and regularly adjust its competencies.

Dependency on key employees

Trifork is a medium sized company with highly competent employees resulting in a dependency on key employees, both in terms of operations, sales and development.

Therefore, it could affect the company's growth and earnings if key people leave the company or if the company is unable to attract sufficiently qualified employees.

By constantly focusing on being at the technological forefront and involved in the most interesting and challenging projects, Trifork believes that the company can attract and retain interest from both existing and future employees.

Dependency on customers

In connection with major development projects, Trifork depends on a lasting relationship with a number of big customers as well as the ability to attract new ones. Particularly, this applies to the Project segment, where new development projects represent the major part of revenue.

To minimize the risk, Trifork makes a great effort at working closely with its strategic customers as well as securing a long-term shared planning in order to ensure an optimal utilization of resources.

Trifork depends on the many participants at the GOTO-conferences. The highest risk in the Academy segment is therefore a potential weakening of the high quality image of the conferences. This could be the result of deteriorating content and quality or if a competitor develops a similar conference.

In cooperation with its international expert network, Trifork is continuously striving to ensure that the content and format of the conferences remain best-in class.

Market

In connection with the sale of specific solutions, the market, including the competitive situation in given market segments in shorter and longer periods, influences both the outlets and the pricing of specific types of solutions. This can influence the company's ability for growth and earnings.

Acquired companies

There may be unidentified features of acquired shares in companies which cause the expected synergies to not be realized or that impairment adjustments have to be done on goodwill from acquisitions.

The company's estimates and assessment of earnings potential may therefore not live up to expectations and the acquisitions may possibly have a negative influence on the expected growth of the company's revenue and earnings. In connection with acquisitions, the company itself carries out due diligence in order to reveal all possible significant matters.

Use of more resources than expected

The delivery of business critical it-solutions can be delayed and/or demand more resources than expected. A prerequisite for the continued growth of Trifork is that the company continues to deliver solutions on time with the planned use of resources. Trifork believes that the focus on optimal use and development of the agile principles in software development will help to minimize the risk and ensure that the projects are delivered in the right time and quality.

Product liability and insurance coverage

Trifork has a business insurance which covers lease, theft, property damage, injuries and professional counsellor liability. It is the company assessment that it is sufficiently insured but there can be no assurance that the chosen coverage completely compensates for a loss that may arise due to an injury.

Through its commercial contracts, the company strives to limit company exposure, but it is impossible to guarantee that all situations are agreed on in such a way that a mistake will not have a negative influence on company earnings.

Intangible rights

Trifork owns no patents on the products it provides, but has the general right in the form of copyright protection and what follows from the Marketing Practices Act and similar legislation in the countries where the products are marketed. Trifork protects its rights by ensuring the secrecy of the particular structure that the company has built around the products offered, and by ensuring the secrecy of new developments in such a way that the public and competitors are only informed upon release of new initiatives.

Financial review 2016

Financial targets

EURm	03.2016	Result
Revenue	80.0	63.1
EBITDA	12.0	8.2

Financial statement

The management of Trifork is not fully satisfied with the results for 2016. The consolidated revenue ended at EURm 63.1, which was EURm 16.9 less than the original target for the year of EURm 80.0 The EBITDA of EURm 8.2 was EURm 3.8 less than the original target of EURm 12.0.

Growth in revenue

In 2016, Trifork delivered a EURm 63.1 revenue, which equals a 6.9% growth compared to 2015, where EURm 59.0 was achieved. This is below the company's ambition to obtain an annual 15-25% revenue growth.

The results did not live up to the expectations of the management.

A number of markets disappointed in 2016. Our UK business was challenged and ended EURm 7 short on revenue. This including EURm 2.5 as an effect of the dramatic decrease in the GBP/EUR exchange rate. In NL we came short of EURm 3 due to challenging market conditions. Finally in DK we consolidated our acquisition of Netic a quarter later than planned causing EURm 2 less in recognized revenue.

Origin of growth

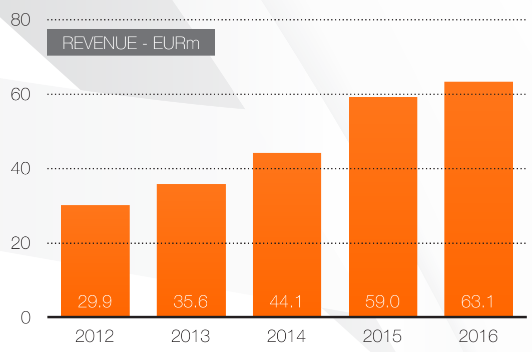
In 2016 the growth primarily came from the acquisition of the company Netic A/S as well as organic growth in the activities in Denmark. In UK and US there was a decrease in revenue. Part of this was due to the instability and uncertainty around the BREXIT situation and part of this was due to less activity from the start-up environments in Silicon Valley.

In 2016, the ambition of Trifork was to significantly increase growth in international activities with primary focus on the UK market.

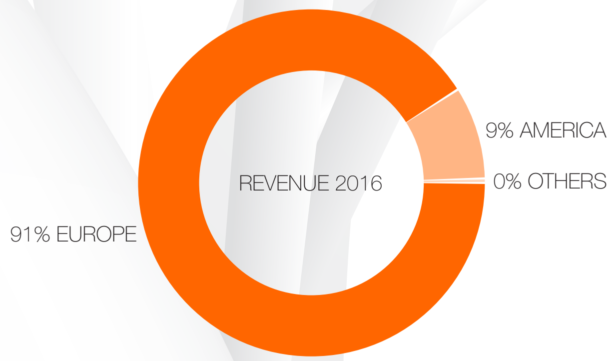
Based on the challenging UK market this goal was not met. Trifork will continue to focus on growth in international revenue to strengthen the group. Activities in more markets reduces the overall risk to Trifork in the event that one market shows poor performance; and yields increased business opportunities.

Trifork considers Northern Europe as its home market with the primary activities in United Kingdom, Denmark, Holland, Switzerland and Sweden.

Development in revenue



Geographical split of revenue



Revenue divided into segments

Revenue in the individual segments developed as follows in 2016:

With a revenue of EURm 6.3 Academy delivered 10% of total revenue in the Trifork Group. This was a decrease of EURm 2.8 compared to 2015. The decrease was primarily because of the sale of the QCon London conference in 2015 (meaning no revenue in 2016) and due to fewer attendees at some of the GOTO conferences. The result is considered acceptable but not satisfying. In 2017 resources will be focused on making the four best GOTO conferences much more successful as well as growing our partner-conferences.

With a revenue of EURm 46.3 Services (Project) delivered 73% of total revenue. The delivery of services has increased 11% compared to 2015. The activity level has been increasing throughout the year and was at a very high level in the end of 2016. This result is considered acceptable overall but not satisfying in all units.

With a revenue of EURm 8.9 Product delivered 14% of total revenue. Compared to 2015 this was an increase of 10%. The revenue is divided between revenue on Trifork developed products and revenue based on the resale of partner products where Trifork has the distribution rights to specific markets. Most product based revenue in 2016 came from the sale of Trifork's own products. The increase in revenue on own products is considered acceptable.

Revenue per employee

Trifork in 2016 obtained a revenue per employee at EURm 0.146 which is an decrease of 16% compared to 2015.

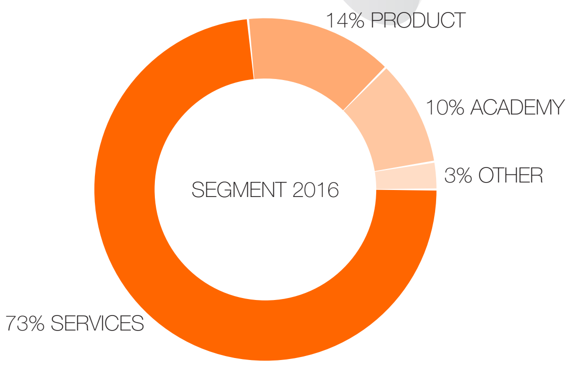
2016 was influenced by several investments in new future product opportunities and the new GOTO conferences in London and Stockholm. In 2016 this negatively impacted the revenue per employee.

In 2017, it's expected that product based revenue and increase in attendees in the GOTO conferences will increase revenue per employee by 15%.

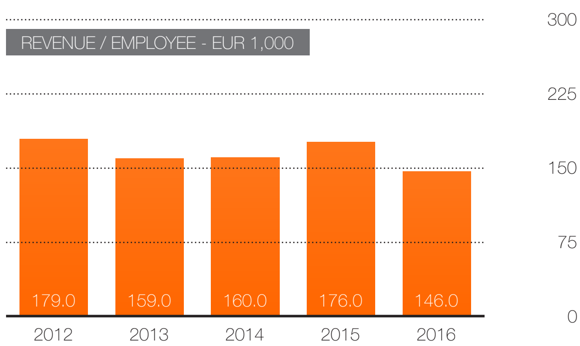
From 2015 to 2016 revenue was improved by 7% to EURm 63.

In 2016 growth came primarily from acquisitions.

Split of revenue in segments



Revenue per employee



FINANCIAL REVIEW 2016

Development in EBITDA

In 2016, Trifork realised EURm 8.2 EBITDA, a decrease of 7.8% compared to 2015.

In Academy a lot of new activities were initiated on the GOTO conferences. Besides this EURm 0.5 was invested in creating the Trifork Start-up and Trifork Accelerate conference and workshops. The effect of this was that it was hard to keep all activities profitable and this ended up resulting in a negative EBITDA of EURm -0.4 compared to positive result of EURm 0.6 in 2015. In 2017 it's expected to turn this around to positive results again by giving the four best of the GOTO-conferences full attention and focus.

In 2016 the units in US, UK and NL have been challenged in maintaining performance and profit-margins in the services segment. The EBITDA-margins in the different business units varied a lot. In UK the lack of revenue also resulted in EURm 2 lower EBITDA than expected. In NL we came EURm 1 short also primarily caused by the lack of revenue. In DK the effect of the late Netic consolidation caused EURm 0.5 less in EBITDA. In 2017 the focus will be on continuing to spread the best-practices from the high performance units to the others.

2016 was focused on maturing the product business in Trifork and creating unique business units with a focus on achieving success with the development and sale of selected products. Several of the products are already state of the art technologies so the focus has been on building the sales- and distribution channels throughout and beyond the Trifork group. The investments in this area was higher than originally planned. The total EBITDA effect of this was a negative impact of EURm 0.8.

In 2016 the Product unit was primarily based on the sale of own products and was not so dependent on partner products. The effect of this was a status quo on revenue from partner products but an increase in revenue on own products.

Overall the results obtained in 2016 correspond to an EBITDA margin of 12.9% against 15.0% in 2015. This is not considered satisfactory and focus is to improve this again in 2017 where EBITDA of EURm 11 is expected.

Costs

The most significant cost in Trifork is personnel costs.

In 2016 there were an average of 431 full-time employees compared to 340 in 2015. In 2016 total personnel cost was EURm 31.9 compared to EURm 26.9 in 2015.

Personnel costs per employee has decreased by approximate 6.3% compared to 2015.

Personnel costs as a proportion of revenue was 50.6% in 2016 compared to 45.5% in 2015.

This is driven by the addition of new international business units in countries with a lower wage level than average as well as some business units having taken in a lot of student programmers.

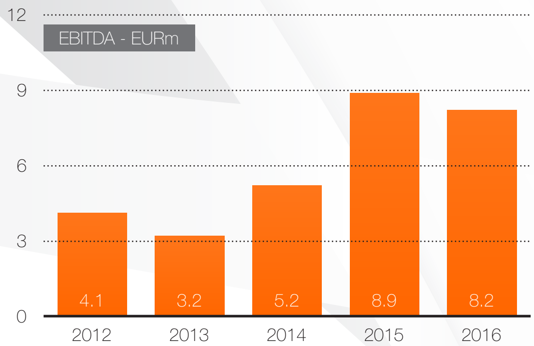
The future development is estimated to be positive, driven by the increase in the product- and conference business.

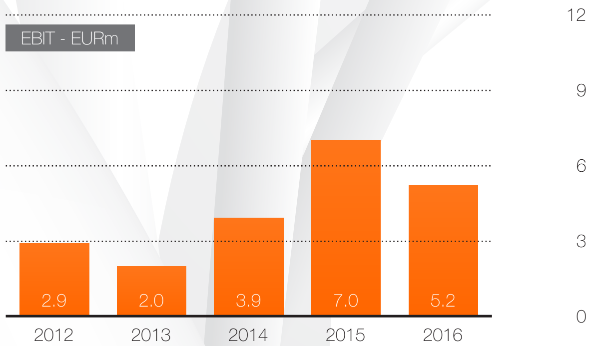
Development in EBIT

In 2016, Trifork realized an EURm 5.2 EBIT-result, which is a 26.2% decrease compared to 2015, where EURm 7.0 was achieved. The 2016 EBIT-result equals an 8.2% EBIT-margin compared to 11.9% in 2015.

The depreciation was at the expected level and the development in the EBIT-result is considered satisfactory relative to the EBITDA-result.

In 2017 the same level of depreciation is expected.





Development in EBT

In 2016, Trifork reached EURm 5.3 EBT (profit before tax), which equals a 44.8% decrease compared to 2015, where the company realized EURm 9.7. In 2015 the result was affected by EURm 2.9 due to the exit of the Cloud Credo company.

The 2016 result of the financial items totalled EURm 0.2 compared to EURm 2.6 in 2015.

The main contributors were:

- Net Interests on capital of EURm 0.3 compared to EURm -0.3 in 2015.
- A negative result of EURm -0.2 in associated companies.

Impairment tests have been conducted in connection with all reassessments.

Management considers the profit before tax for 2016 as satisfactory compared to the achieved EBIT result.

In 2017 net interest is estimated to be a little higher than in 2016. This is primarily due to the additional financing of acquisitions completed in 2016.

Profit for the year

In 2016, the Net profit after tax totalled EURm 4.2, which equals a 50.9% decrease compared to 2015, where EURm 8.5 was realized.

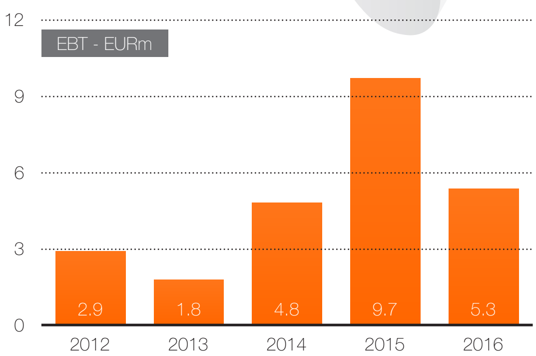
In 2016 only EURm 0.2 of profit belongs to non-controlling interests. In 2015 this was EURm 2.4.

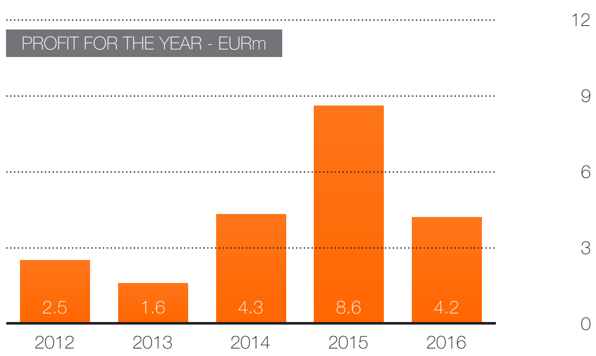
The result corresponds to a EUR 0.22 result per share (EPS Basic) and a diluted EUR 0.22 result per share, (EPS-D).

Management considers this result acceptable.

The effective tax for the company in 2016 was 21.5% compared to 11.7% in 2015.

The result gives a total 18.3% return on equity compared to 48.0% in 2015. Management considers this level acceptable.





Total comprehensive income

The total comprehensive income ended at EURm 1.8 compared to EURm 9.3 in 2015. The result of 2016 is considered acceptable in relation to the Net Profit.

The main contributors were:

- Exchange rate adjustments from foreign operations of EURm -1.3.
- Fair value adjustments of financial assets available for sale of EURm -1.1.

Balance and Equity

TOTAL ASSETS

Total assets increased by 28.4% from EURm 50.4 as of 31.12.2015 to EURm 64.7 as of 31.12.2016.

The main contributors were:

- Effect of EURm 13.4 from the acquisitions of shares in Netic A/S.
- Net reassessment of the value of other investments of EURm -1.1.
- Real estate and other equipment, fixtures and fittings were increased with EURm 1.8. A major part of this is the effect from the acquisition of Netic A/S.
- Capitalization of product development of EURm 2.3.
- Receivables from sales was increased by EURm 3.7.
- Cash and cash equivalents was decreased by EURm -5.8.

NON-CURRENT ASSETS

The carrying amount of non-current assets has seen a 15.9 EURm total increase, the most significant reason for this being that described under "Total assets" above.

Product development at the end of 2016 accounted for EURm 3.7 in total compared to EURm 2.4 as of 31.12.2015. The increase has been part of the product strategy in Trifork where new products have been initiated in development and launched for sale. Most of the development cost used on smaller products in 2016 has been handled as part of normal operations and has not been capitalized in the balance sheet. Further details are to be found in note 11 and 29.

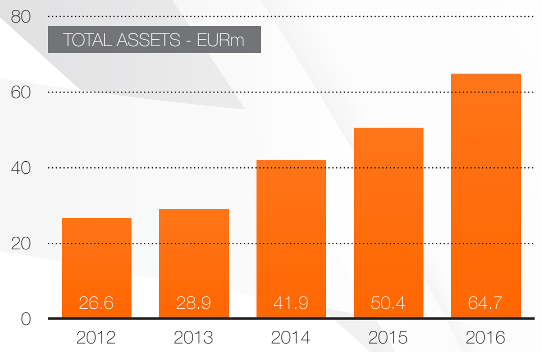
TREASURY SHARES

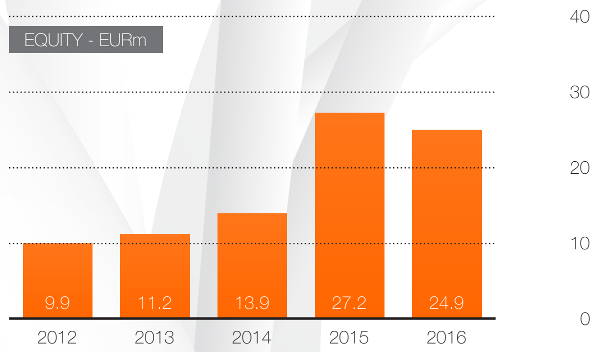
During the period, the company has seen a small decrease in the ratio of Trifork Holding AG's ownership of treasury shares compared to end of 2015. This has been a result of the acquisitions in 2016 where shares were part of the payments.

EQUITY

As of 31.12.2016, group equity amounts to EURm 24.9, which is a -8.2% decrease compared to end 2015 where the equity was EURm 27.2. In 2016, equity has been capitalized at 18.3% compared to 48.0% in 2015. It is a Group target to increase this return.

Equity ratio at the end of 2016 is 35.3% compared to 46.0% end of 2015.





Cash flow and investments

OPERATING ACTIVITIES

In 2016, cash flows from operating activities amounted to EURm 6.2 compared to EURm 5.0 in 2015. Receivables from sales increased from EURm 10.3 in 2015 to 14.0 in 2016. Compared to total revenue for the year this is equal to a ratio of 22.3% compared to 17.5% in 2015. The target for the group is to have a ratio of less than 20% so initiatives will be made to improve this ratio.

INVESTMENT ACTIVITIES

Cash flows from investment activities amounted to EURm -14.5 compared to EURm -0.1 in 2015.

During 2016 the major investments have been:

- Acquisition of subsidiaries of EURm -9.3 corresponding to consideration for 88% of Netic A/S deducted the net cash position in the company.
- Acquisition of associates of EURm -0.5.
- Investment in product development of EURm -2.3.
- Net purchase of other equipment EURm -1.8.
- Purchase of available-for-sale assets EURm -0.8.

FINANCING ACTIVITIES

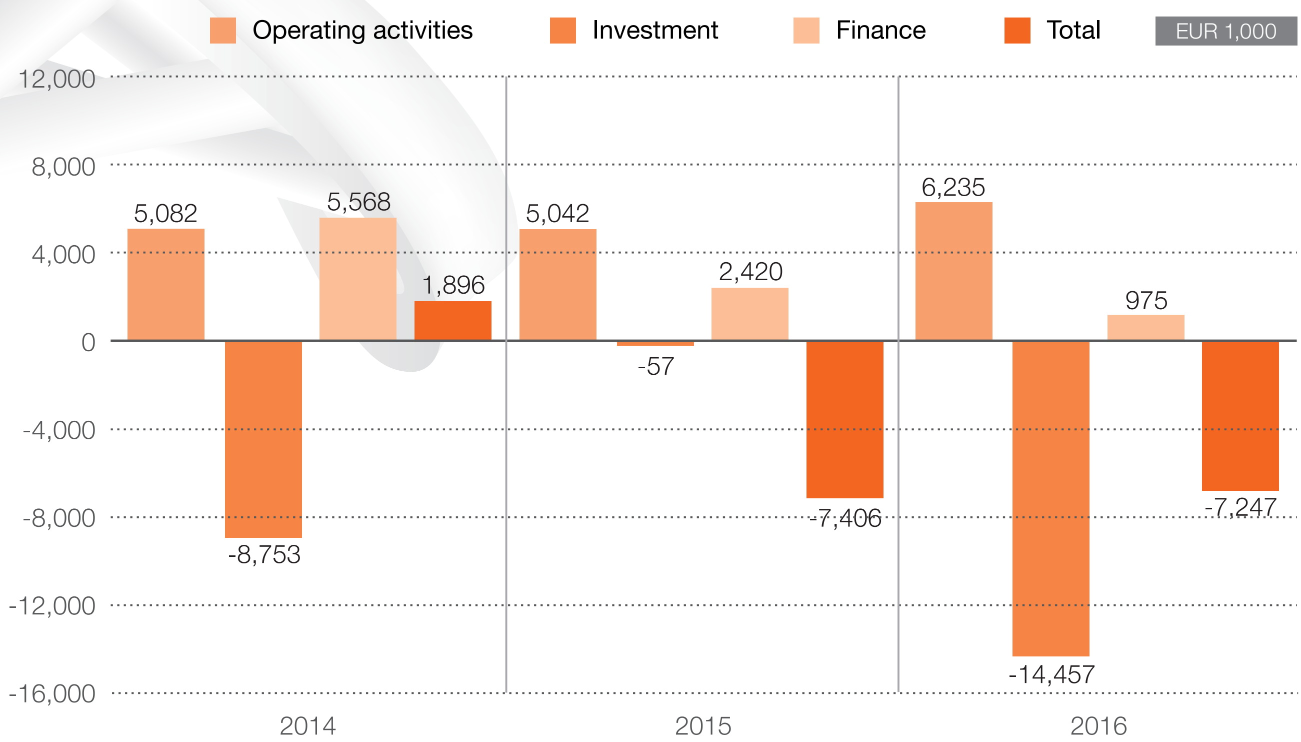
Cash flows from financing activities amounted to EURm 1.0 compared to EURm 2.4 in 2015.

The most significant post were:

- Repayments of loans of EURm -1.1.
- Net purchase of treasury shares of EURm -2.5.
- New non-current loan of EURm 7.7 in relation to acquisitions.
- Acquisition of non-controlling interests of EURm -2.8 corresponding to the remaining part of Open Credo Ltd.

Events after the balance sheet date

After balance sheet date, no events have occurred which are assessed to change the company's economic or financial situation significantly.



Academy

The purpose of Academy is to make sure we stay on top of the technology evolution. We do this by organising technology conferences and by providing training to our clients. The technology trends to stay on top of are the following:

- Micro Services Architecture
- Cloud Computing including container based development
- Machine learning and Big Data analytics
- Internet-of-Things
- Mobile technologies
- Security and privacy technologies
- Crypto currencies and technologies
- Lean Start-up and Design thinking innovation methods

Our clients are challenged with how they can exploit these tech trends and for them to remain competitive in their markets (and move into evolving markets) they will have to understand and address these trends. Our clients can be inspired at our conferences and we can help them further to accelerate successful implementations.

By organising technology conferences across the world, Trifork is always close to those who set the agenda in information technology.

Our conferences

Last year we tested the market for two new conferences in London and one in Stockholm. In London a technology conference for CEO, CDO and CIOs. The outcome was positive measured on new business contacts but poor measured on financial result. The other new conference was GOTO London which was a conference for developers and software architects and the financially result was similar. The third was GOTO Stockholm and same story regarding the financial result.

Our conclusion is that for 2017 we will not repeat any of those three. In stead we will focus all energy on making our GOTO Copenhagen, Amsterdam, Chicago and Berlin successful. In addition we will continue to run the two partner conferences branded Scala days.

In 2016 we invested in a new conference system called conference brain that will be used for all conferences in 2017. Conference brain will replace an 16 year old system and will be an important asset for us in the years to come.

Accelerate workshops

As mentioned in the CEO-letter we introduced a new go to market strategy in 2016. The approach is called "Trifork Accelerate Workshop" and its based on design thinking combined with lean start-up techniques. Its a 5-10 days workshop where we innovate a new product idea with our client. In this way we can show our value earlier in a client relationship. The first two workshops represented a major investment from our side but since then we have delivered four with good results and with happy clients. The case story on page 14 explains more about how we engage with the Accelerate Workshop.

Market

The annual conferences are located in Amsterdam, Berlin, Chicago and Copenhagen.

Our ambition is to continue to always create the most innovative and educational conferences that both our customers and we will enjoy and be inspired from.

Business results and expectations

In the future, the conferences will expand to cover new geographical locations and Trifork will intensify its efforts to continuously exploit this to uncover new international possibilities for growth.

In 2016 Academy totalled revenue of EURm 6.3 which is EURm 2.8 less than 2015. The EBITDA ended with a loss of EURm -0.4 compared to a positive result of EURm 0.6 in 2015. In 2016 two new types of conferences were tested: GOTO start-up and GOTO Accelerate. The cost of this was part of the explanation for the low EBITDA numbers.

The 2017 expectations are that revenue in this segment will grow 27% based on increased activity of the existing GOTO-conferences and total revenue of EURm 8.0.. The organisation will be tuned and the plan is to increase EBITDA to EURm 1.0 in 2017.

In 2016 more than 7,500 participants attended the conferences of Trifork.

Academy

Key figures (EURm)	2016	2015
Revenue	6.3	9.1
EBITDA	-0.4	0.6
EBITDA-margin (%)	-7.1	6.7
EBIT	-0.5	0.6
EBIT-margin (%)	-7.9	6.2
FTE (employee)	17	16

Starting the digital transformation at GOTO Accelerate

Why accelerate

Trifork helps its customers to accelerate their business and become more successful through the use of new digital technology. We represent the link between our customers problems, new technology and the users.

On November 17th, Trifork had the pleasure of bringing 60 executives and digital strategist together in London. They attended the first GOTO Accelerate conference.

The purpose of the conference was to examine how digital transformation can facilitate top-line growth. To do this, Trifork had gathered speakers that work with tech-companies like: Netflix, eBay, Microsoft, Salesforce and Amazon Robotics.

Digital is sweeping the competitive landscape. Some executives duck for cover. Still, many are keen on tapping into the winds of change and accelerate their business.

Digital is the disruptive force

Digital is increasingly seen as the primary disruptive force in the economy. The keynote speaker was Geoffrey Moore who recently wrote the book Zone to Win. He began his talk by stating: "A disruptive innovation really matters when it drives the marginal cost of a previously scarce resource in your industry to approach zero."

Therefore, executives looking to accelerate their business need to understand the digital context they operate within. Social networks and smart phones makes it possible to communicate and collaborate with anyone at anytime. Data science makes it possible to optimize any digital system. All at virtually no cost. In the coming years IoT will make it possible to optimize any physical system - at virtually no cost.

Experiences turned into frameworks

Geoffrey Moore offered a framework to address the challenges large enterprises face when they seek to add disruptive innovations to their established portfolio. In short, if you want to implement a new line of business you need to go through a J-curve. You have to burn cash in the short term, before the new line of business can make cash in the long term. And this puts the organization in an internal crisis condition. It is not enough to understand the digital context they operate within. Leaders need to be aware of the crisis condition, and follow through if they are to succeed.

Another speaker was, Simon Wardley. He was paramount in developing the IT strategy that secured Ubuntu's recent dominance as the number one cloud operating system. He asked: *"How many of you know how IoT will affect your value-chain?"*

He went on to present his framework, Wardley Maps. It provides strategic understanding through context specific knowledge. This is done by looking at how technologies evolve over time and mapping it onto the business value-chain. With the right understanding of cutting edge technology, it then becomes possible to anticipate disruptive technological developments. This enables executives to take deliberate action - attacking, defending or collaborating - instead of ducking for cover.

A third speaker was Raphael D'Andrea. He is co-founder of Amazon Robotics. The company revolutionized material handling by deploying thousand of autonomous mobile robots in warehouses. Raphael gave a simple demonstration of machine learning. The "Cubli" is a small cube with momentum wheels and a small computer mounted on the inside. At first it tipped over, but with each attempt it became better. Through trial and error the cube learned to balance on its corner. A simple example of a complex and disruptive technology.

Jan Sirich, Head of Experimentation & Learning, Nordea commented in the following way: *"GOTO Accelerate exceeded my expectations. The speakers gave me new perspectives on how technology and human centered design can enable business strategy. Big speakers like Geoffrey Moore and Raphael D'Andrea were amazing. But I wouldn't miss the networking between talks. When you bring together digital strategist, thought leaders and entrepreneurs interesting things happen. Any executive trying to take an outside-in perspective should attend".*

Start accelerating

Trifork has developed a new concept - Trifork Accelerate. By rapidly testing ideas and prototypes with users, the workshop is a short cut for decision making. It is a structured approach that enables strategy execution. Read a case story from one of our clients at page 14.

Services (Project)

The major part of the business in Trifork is building innovative and disruptive software solutions for our customers.

From our academy business area we have learned that the following trends are business drivers right now:

- Micro Services Architecture
- Cloud Computing including container based development
- Machine learning and Big Data analytics
- Internet-of-Things
- Mobile technologies
- Security and privacy technologies
- Crypto currencies and technologies
- Lean Start-up and Design thinking innovation methods

Machine learning and Big Data analysis is a really hot area and in all our markets we see a big potential. In the health care space we see a big potential since there is so much data here. The opportunities include facilitating doctors with second opinions in real time based on historic data. Also in finance where machine learning is used in anti fraud solutions.

Mobile technologies is the most mature tech trend of the above mentioned but we still have good business here and more and more of our client business is handled through a client interface. Its also a pleasure that MobilePay has become the dominant player in mobile payments in Denmark - a solution we helped build.

Trifork acts as an innovation partner with our customers. Our mission is to be disruptive and create competitive advantage for our customers.

Most of our strategic customers have been working together with Trifork for many years. We believe in staying loyal and close to them as a partner and do everything possible to help them run a successful business. It is this dynamic and the trust between them and us that creates the best new ideas and solutions. Working very close with our customers is key to us.

Our web-site contains case-stories where our customers tell their story about the value that Trifork projects has given them. We just added one regarding our work with Telenor, where we used agile development to create complex integrations from a new communication app to the existing infrastructure.

Trifork masters both back-end and front-end systems and has a lot of case stories of projects where we support the whole process from:

- Supporting the business development of our customers in developing new business ideas,
- Developing both back-end and front-end software,
- Facility management, including operating customer solutions.

In 2016 we added Netic to the group and this enables us to offer even more advanced application support 24/7.

In 2017 we will add a new business area that will become highly relevant for all companies. We will offer privacy consulting and can act as out sourced privacy officers. The new EU laws regarding privacy will take full effect in 2018.

Being able to support our customers from the initial idea to deployment of the final solution often makes us able to deliver new systems or services within a very short time frame, thereby minimising the time-to-market for our customers.

Market

The customers for this business area range from banks, governments and agencies to leading industrial manufacturers.

Trifork competes with other players in this market, but keeps a constant focus on being at the forefront at all times. Our ambition is to always create the most innovative solutions that will bring business value to our customers and make them (as well as us) competitive in the market.

Business results and expectations

Project achieved total external revenue of EURm 46.3, which equals a 10.6% growth compared to 2015.

EBITDA totalled EURm 5.5, which was an increase of 12.0% compared to 2015.

The 2017 expectations are that the revenue in this segment will grow to a total of EURm 54.5.

The EBITDA-margin is expected to be increased to 12.8% and total EBITDA of EURm 7.0 is expected for 2017.

Services (Project)

Key figures (EURm)	2016	2015
Revenue	46.3	41.9
EBITDA	5.5	4.9
EBITDA-margin (%)	11.8	11.7
EBIT	4.4	4.0
EBIT-margin (%)	9.5	9.6
FTE (employee)	325	263

Telenor PureMobile app

– smart innovation of mobile telephony solution

Telenor PureMobile app is a telephony solution enabling companies to work more efficiently and help improve customer service towards their own customers. The app includes the complete company phonebook with pre-sence and availability of all coworkers. Employees can also easily transfer calls to colleagues, who have the right skills to help the caller. Smart notifications, time control, call forwarding are other features making the app an effective tool for the employees.

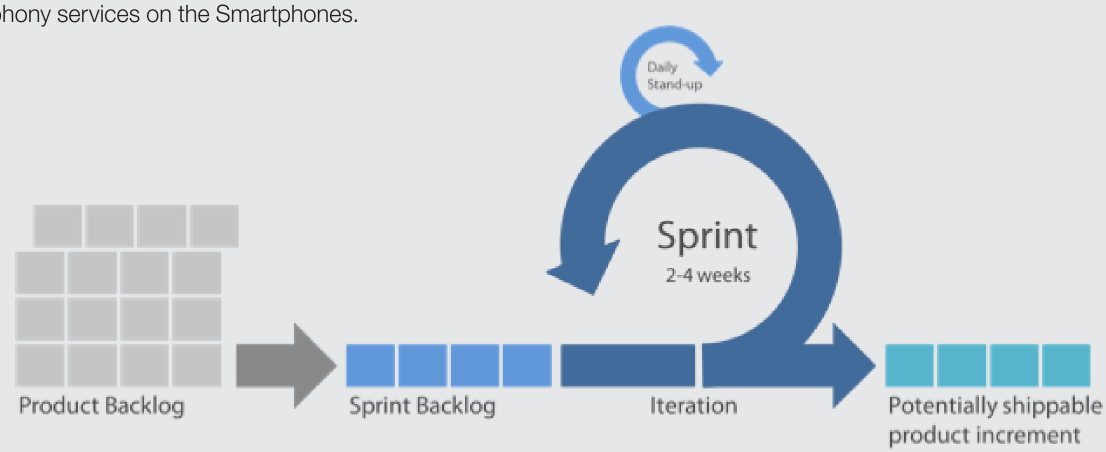
The challenges

The initial app was developed three years ago and now phase 2 of the project consisted of a number of extensions to the existing features set. Adding the new features was only possible with a deep integration between Telenors telephony services and the app. On top of that the iOS and Android platform contained two different ways to integrate telephony services on the Smartphones.

Working with Trifork

"Trifork has proven to be the right partner to make complex integration to the existing Telenor infrastructure. The agile approach provided results and deliverables all the way during the project. Development cost went down, time to market speeded up and most important we hit customer expectations in a far better way. It was a lot easier to get engagement from the steering committee of the project", states Jesper Gudme, Business Development Manager in Telenor Denmark and continues:

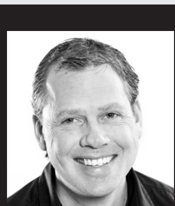
"With the coordinated agile approach between the backend and frontend team we managed to take the shortest possible route to the goal. Working with sprints in this project has motivated us to do more agile projects in the future".



This made it very difficult to specify and plan the features up front and to use a typical waterfall approach in the planning and implementation of the project. The teams needed to work very close together to obtain the project targets.

The solution

Trifork proposed to use the agile development method SCRUM to develop the project and Telenor created an efficient product owner team to prioritize the back log. The backend team started to work agile and a central scrum master coordinated the two scrum teams. After a few sprints the new method started to pay off by involving the product owner team in early design decisions and in that way the right solutions was chosen from the beginning. The frontend and the backend teams worked close together and the teams could design the interface to existing telephony services taking load balancing and respond time into account.



Jesper Gudme

Business Development manager, Telenor

"Trifork has proven to be the right partner to make complex integration to the existing Telenor infrastructure. The agile approach provided results and deliverables all the way during the project."

Product

Product development and sale

When we build custom solutions for our clients we do it by combining standard components. Each of these components can either be 3rd party products or Trifork products. Products can also be tools we use when we build a solution or the engine in a business.

The Trifork product “Secure Device Grid” is an example of a component that is built into a solution.

Two examples of tools we use when we build and run a system are “Wombat” and “The Perfect App”. Wombat is our monitoring system when operating Erlang systems and “The Perfect App” is the system to distribute and analyze apps and user behaviour. Two examples of products that drive businesses are “Panteos” for mortgage management and then “Chainalysis” for investigating BitCoin transactions.

Market

Software today forms an increasing part of almost any business and product. The market just keeps growing. We see old companies wanting to make their product digital or partly digital. We see banks and financial institutions using software as the primary way of doing business.

In 2017 the sale of products is expected to account for 15% of total revenue.

Companies use software to be more cool, create a better image, save costs, improve productivity and a lot more. Therefore it’s not possible to quantify the size of the market, but to us it’s immense. We operate in the following sectors: Finance, Education, Health care, Manufacturing, Fashion, social media and news and media.

Business results and expectations

The Products segment is including all product based revenue. This revenue is license sales of products developed by Trifork and some of our partners as well as revenue from service and hosting agreements related to these products. The revenue for 2016 totalled EURm 8.9, equal to 14% of total revenue in the Group. The EBITDA-result for the period ended at EURm 2.9 corresponding to an EBITDA-margin of 32.7%.

In 2016 a lot of effort has been done in relation to establish several of the products as separate business units. In this way investments have taken place in organisation, marketing and products. The result achieved and reported is considered acceptable in relation to future potential of the investments done in 2016.

The number of people involved in product development and sales increased significantly in 2016. A lot of resources have been working with the creation of new start-ups that build a new business based on one selected Trifork-product. The financial effects of this in 2016 was a decrease in EBITDA margin compared to 2015 since the new entities are still in an early stage in the development and marketing of their products and do not yet contribute significantly to revenue and profit.

One of the start-ups is Humio, a company that delivers a product to perform data analytics in a very efficient way. More details are explained in the case-story on the next page.

The 2017 expectation is that revenue in this segment will total revenue of EURm 11.0 (15% of total group revenue) with a 35% EBITDA-margin equaling a EURm 3.8 EBITDA-result.

Product

Key figures (EURm)	2016	2015
Revenue	8.9	8.1
EBITDA	2.9	3.6
EBITDA-margin (%)	32.7	44.8
EBIT	1.7	3.2
EBIT-margin (%)	19.3	39.9
FTE (employee)	33	11

Over the past 10 years, software systems have moved from locally run hardware and software applications to remote cloud-based architectures. Prior to the arrival of cloud computing, companies ran their applications on local hardware and it was easier to understand how the entire system worked and identify problems as they arose.

The challenges

Modern cloud architectures allow companies to allocate computing resources on demand, making it an efficient way to deploy software solutions. On the other hand, the software systems in the cloud consist of many different components - servers, load balancers, applications, firewalls, etc.. Thus creating an extremely complex system with large amounts of data.

Because of this increased complexity, software developers no longer have a feel for what is happening in the entire system and it is difficult to identify problems and react quickly when errors or failures occur. Searching through the large volumes of data to find what is needed is a very challenging task.

The solution

To address this problem, an inspired software developer, Christian Hvitved, spent a year in 2015 working on a prototype log management tool. Christian in his previous roles at the Danish Medicines Agency and Microsoft Xamarin Test Cloud realized how important it is as a developer to be able to understand what is happening with all the moving parts in today's modern "always on" system. Since other tools lacked in functionality, user experience, or were too expensive in this space, Christian set out and built a software solution which he presented to Trifork management team in early 2016. Trifork was impressed with the product functionality and use case that Christian presented, which resulted in Trifork providing seed investment in the idea for further and January 1, 2016, Humio was born.

Humio is a software tool enabling software developers to monitor and gain insights from large amounts of basic data information derived from a variety of sources such as applications, servers, and devices. The basic data is in the form of "logs" and Humio can make sense of large amounts of log data, enabling software developers to monitor user defined operational and business metrics, to identify potential problems and to make proactive decisions in their environments.

The vision

Humio's vision is to make it possible for every software developer to feel the hum of their system. The "hum" in the vision statement refers to the overall health of the system. By being able to feel the "hum" of a cloud-based software solution with all of its moving parts, developers can be proactive, identify anomalies, and react quickly to changes and failures that occur in their system.

Geeta Schmidt, CEO, Humio

*"With the support of Trifork it's easy for us to focus on what is most important – **making a great product that customers love**."*

Working with Trifork

Trifork's involvement in Humio has provided business and engineering expertise that has enabled Humio to evolve from being an idea to becoming an innovative startup company within a one year timeframe. Trifork has provided Humio with the following:

- *Facilities and administration*
- *Testing program with internal developers*
- *Access to Trifork's network and customer base.*
- *Visibility at Trifork's GOTO conferences.*
- *Introductions to external funding resources.*

Several of the Humio's founding team have been long-time employees at Trifork and have been able to successfully move from consulting to product development roles in the new startup. Humio provides an option for employees at Trifork to take on new challenges in a product company and a startup environment.

Humio in a little over a year's time has been able to establish itself as an independent start up company, launch Humio as a product and software as a service, acquire customers such as IBM and Microsoft, and receive additional funding.

The support of Trifork has given Humio a velocity advantage by taking away all the "difficult" things to manage when building a startup.

Corporate Social Responsibility (CSR)

Statutory report on corporate social responsibility

The report on corporate social responsibility for the Group covers the accounting period January 1 to December 31, 2016.

Trifork has a business oriented approach to our corporate social responsibility, and thus, there is a big overlap between our values and associated actions.

Trifork's core competence is based on highly competent and committed employees, combined with the technological innovation of IT systems. In Trifork, CSR is included in the following focus areas:

- **Attracting and developing competence**
- **Making a difference**
- **Committed employees**
- **Distribution of gender**
- **Human rights**

ATTRACTING AND DEVELOPING COMPETENCE

Trifork's core competence is based on highly competent and committed employees, combined with the technological innovation of IT-systems.

Trifork must attract and develop competencies in system development. Trifork must dare to show the way to new technologies and to give employees the framework required to obtain the unique and set itself at the centre of knowledge. On the other hand, we have a high skill requirement for our employees, and wish to employee the absolute best, who can help retain the very high level of competence in the company.

Actions extending this policy include the following activities:

- Trifork has created the conference concept GOTOCON.COM, which organizes conferences in Copenhagen, Berlin, London, Amsterdam, Stockholm and Chicago. With the GOTO brand the conferences attract knowledge and best-practice from all over the world and thus increase the availability of both the right techniques and methods of implementing system development correctly and efficiently. Furthermore, CTO Kresten Krab is a keen blogger on the challenges, faced by the industry.

The result of this action is a steadily increasing number of visitors to the conferences and thereby added value for the software industry in the countries, where the conferences take place.

Trifork attracts and develops competence for the company by letting our own software pilots influence the conference program as well as teaching courses, which we offer to our customers and colleagues in the software industry. Trifork employees are very action-oriented and are therefore a big part of creating the innovation and development in the technological field, needed to ensure the magnetism for competence. Every year, the conferences amount to 4 days of concentrated education for our own employees, who have the opportunity of acquiring knowledge from a large proportion of the people and companies who have made a difference worldwide. Another specific action is the holding of "Hackerdays", where innovation and passion run free.

The results of that action is shown and implemented employee satisfaction surveys, which score high in commitment, as well as ongoing flow of new product ideas for further processing.

MAKING A DIFFERENCE

Trifork must contribute to the world becoming a better place to live. In our business areas, Trifork must contribute with actions, which create simplicity and the additional reduction in the unnecessary use of the resources in the world. Since the founding of Trifork in 1996, the communication of experience and knowledge about software development has been the epitome of the business and has in this way influenced the world around us in a positive manner.

Actions in extension of this policy is the following activities:

- Trifork contributes with innovation and commitment to national solutions for the health care sector, which are designed to improve work conditions for the clinician, in order to reduce the number of medical errors and thereby the financial burden placed on society. The Shared medical chart and the Vaccination Register are two national health care solutions, which are the result of the actions of this policy.
- Likewise, Trifork has focused on the development of the mobile workplace of the clinician, which, with the use of situation specific IT, creates an environment for homecare, nurses or the doctor, which ensures a better treatment of the citizen.

Trifork has initiated several measures which are intended to increase the use of the mobile platform for both ordinary people and the industry this is to reduce the number of power-consuming computers. Industrially, the power reduction lies in the fact that the mobile phone can be used as an alternative to control panels and thus render demanding control electronics superfluous..

The results are, that we, for instance, have helped several Danish banks to move hundreds of thousands of transactions from the computer to the mobile phone, thereby saving power and making life easier for a lot of people.

COMMITTED EMPLOYEES

The employees are the most important resource in Trifork, and thus, they are the pivotal point of our CSR activities. The average age in 2016 was 35.7 years and is divided between 80% men and 20% women.

Trifork must be a workplace with committed employees, executives, customers and suppliers.

Actions in extension of this policy contain the following activities:

Based on scrum Trifork implements agile in largely all work processes. The method is built upon the fact that the employees are working in self-organizing teams, responsible for the organization and implementation of their own tasks. In this way, the employees are guaranteed important influence on their own tasks and have close contact with the sponsor of the task in question.

This method of development is also based on the fact that the tasks are broken down into smaller and more manageable elements, which in turn are solved and implemented in intensive workflows. The intensity of the method puts a natural limitation on the extension of the periods in which the employees can solve these assignments with high quality and without errors. Limiting the extension of the periods helps to avoid stress and burnout. Moreover, the company has implemented a stress response, using stress coaches, who can step in immediately and support the individual employee who may experience problems.

In 2016, the employee's weekly average work time was 38.4 hours. The average sick leave was 1,4%, which was 0.1%-point lower than in 2015.

The success of Trifork is dependent on committed and action-oriented employees who can create best value for our customers. Both management and employees in Trifork are responsible for contributing to a constructive dialogue about the passion for work. Management development, reviews, mentoring, "hackerdays" and Geek-Nights are all initiatives to safeguard a high score on Trifork commitment.

The action is measured on the commitment in the ongoing employee surveys, where the latest showed a very satisfactory result. There is a continuous focus on working on activities in several areas which helps to maintain the good results. Thus, we can improve conditions for Trifork employees and thereby retain and develop satisfied, motivated and committed employees.

DISTRIBUTION OF GENDER

Trifork has the policy that the distribution of gender in the Board of Directors should reflect the rest of the company and secure that the company at the top-level receives input into business development from both genders.

Based on this Trifork has a target that at least one third of the Board of Directors should be women. This target was not achieved in 2016 as all six board members were men.

The policy for other managers is that management in general should reflect the diversity of gender in each type of business unit.

In Academy the target is to have 50% of women in management. Currently 75% are women. In Project and Product which are very dominated by men there is no specific target but also no restrictions. Currently 15% of managers are women. In the administration unit the target is to have 50% women. Currently 50% are women.

HUMAN RIGHTS

The policy of Trifork is that we wish to support and respect the protection of the internationally proclaimed human rights within the company's sphere of influence. This to ensure that the company does not participate in any violations of human rights.

When hiring employees and when establishing offices in new countries Trifork makes sure that all legislations are met and that all employees becomes part of the "Trifork family". Trifork does not treat any employee differently based on their nationality, gender or DNA. On our conferences we focus on being open-minded and treat all groups of people with respect.

Trifork only wants to work with partners and customers that also respect international human rights.

Trifork makes a difference by communicating knowledge and being a pioneer in propagating the use of IT in society.

Neither Trifork nor to our knowledge any of our customers and partners have been involved in any cases or areas where it could be questioned whether there had been any human rights violations.

The result of this action is measured by the diversity of employees in Trifork and the fact that whether Trifork treats employees and participants on our conferences respectfully has never been questioned.

Corporate Governance and internal controls

Statutory report on corporate governance

This statutory report on corporate governance covers the period January 1 - December 31, 2016.

The board and management of the company continuously seek to safeguard that group management structure and control systems are suitable and work efficiently. Management evaluates this continuously.

The organizational basis of management is corporate legislation, of the accounting year, company Articles of Association as well as best practice for groups of a similar size and with the same international outreach as Trifork. Several internal procedures have been developed on this basis and are maintained continuously. These procedures ensure an active, safe and efficient governance of the company.

RECOMMENDATIONS FOR GOOD CORPORATE GOVERNANCE

In 2005, the committee on Good Corporate Governance in Denmark published revised recommendations on good corporate governance, which was updated in May 2013. The recommendations are available for the public on the home page of The Committee on Good Corporate Governance, www.corporategovernance.dk. The recommendations include the role of shareholders and interaction with company management, the policy regarding information and communication, the duties and responsibilities of the board of directors and the management, risk management and audit.

Despite that Trifork is no longer listed on any public stock exchange, the company has decided to keep following these guidelines by either complying with the recommendations or explain why they are not fully or partially complied with. The Board has addressed all the recommendations and published documentation of this on the Trifork web-site under: http://investor.trifork.com/investor-relations/corporate-governance/. Since Trifork is working on a listing on NASDAQ New York Stock Exchange (NYSE) the company in 2017 will change to follow the latest updated guidelines on corporate governance from NYSE and report according to this in future financial statements.

It is the opinion of the board that the company complies with these recommendations to a very large extent. However, Trifork has chosen to follow a different practice in a couple of areas:

- On account of its size, Trifork has presently found it unnecessary to appoint either a committee of nominations or of payment. The Board of Directors has assessed that the duties relayed to such committees, are best taken care of by the collective Board of Directors.
- Trifork has appointed a committee of audit, attended to by the collective Board of Directors. The chairman of the Board co-chairs the committee of audit.
- Trifork has found it irrelevant to publish the fees of the individual Board and management members, as Trifork believes that the fees of the Board of Directors and management is a private matter, which also follows Swiss practice.
- Public quarterly reports are not made as the company assesses that the resources spent on this do not measure up to the benefits obtained. Instead, periodic reports are published.

Risk management and internal control

The purpose of Trifork's internal control and risk management systems in relation to the presentation of the accounts is to safeguard their presentation in accordance with the IFRS and to ensure that the presentation gives a true and fair view without any significant flaws or errors.

Trifork has established internal control and risk management systems which safeguard that significant flaws and errors are discovered and corrected. However, the implemented systems give no absolute guarantee that all errors are discovered.

The internal control and risk management systems can be divided into these categories:

- **Control environment**
- **Risk assessment**
- **Control activities**
- **Information and communication**
- **Sharing knowledge**
- **Monitoring**

CONTROL ENVIRONMENT

Trifork has established an audit committee to supervise the presentation of the accounts and evaluate the efficiency of the internal control and risk management systems of the company. The audit committee is attended to by the collective Board of Directors.

Management is responsible for the implementation of efficient controls and risk management systems. Management supervises the employment of the prepared guidelines and policies which are part of Trifork's manual of accounting.

Board of Directors and management continuously evaluate the possible risks, relevant to the company, including risks related to the presentation of the accounts.

Annually, all business units identify risks, which directly or indirectly relate to their area of business. In this context, risks are defined as events or tendencies, which can prevent the individual units or Trifork as a whole, of achieving its goals. Such events or tendencies may be well known by the organization but can also cover uncertainties which may threaten Trifork's ability to obtain the projected goals.

RISK ASSESSMENT

Initially, all identified risks are assessed in the individual business units from a probability and possible effect point of view. The effect is assessed on a number of factors, including EBIT, employees, customers, environment and reputation.

Subsequently, the individual risks will be scrutinized by the board and management and assessed, considering how serious an effect they will have on the individual business unit and the company as a whole.

Risk management

In connection with the annual risk identification and evaluation, all business units are obligated to plan how to meet and manage any given risk.

Follow-up

All significant risks are continuously monitored and assessed by the board and management, based on consideration of importance.

Independently of the above, the board annually scrutinizes the areas in which there may be a particular risk, like significant accounting estimates and possible significant changes in the accounting methods.

CONTROL ACTIVITIES

Control activities are based on risk assessment. The aim of the Group control activities is to ensure that goals, policies, procedures etc. decided on by the Board of Directors, are met and to prevent and correct possible flaws and errors etc. in due time. Management has created a formal process of Group reporting, which encompasses budget reporting and monthly reporting, including deviation and key ratio reports with monthly updating of forecast for the rest of the year. Concurrently, management continues to assess the financial competencies of the organization to ensure that the environment of controls is satisfactory.

INFORMATION AND COMMUNICATION

The Board of Directors has adopted a policy of information and communication, which also determines the demands of account reporting and external financial reporting in accordance with legislation and the inherent regulations. The Board of Directors emphasizes that, within the framework of companies quoted on a public stock exchange, an open kind of communication exists and that the individual knows their own role in the internal control system.

The most significant risks and internal controls in the Trifork Group in connection with the process of reporting the accounts, the board's approach to this and the employed initiatives in this context, are continuously communicated internally in the Group.

SHARING KNOWLEDGE

The Trifork accounting manual as well as other policies and guidelines are continuously updated and they are made available for all employees in the financial department.

At least once a year, the financial department meets with the company's external auditors with the objective of obtaining knowledge regarding possible, significant changes pertaining to the company accounts, so they can be included in company procedures continuously.

MONITORING

Any risk management and control system must be continuously monitored and rated to safeguard efficiency. Monitoring consists of continuous and / or periodic assessments and controls at all levels in the Trifork Group. Control extent and frequency depend primarily on the risk assessment in the individual business areas.

The auditors elected by the general assembly report on possible, significant weaknesses in the internal Group system of control in the audit report to the Board of Directors.

The Board of Directors monitors that management react swiftly to possible weaknesses and that agreed upon initiatives are implemented.

JØRN P. JENSEN
Chairman of the Board of Directors

Until end of 2015 Jørn was deputy CEO and Group CFO in Carlsberg. Currently Jørn is also member of the Board of Directors in Danske Bank, Vimpelcom Ltd. as well as he is a member of the Committee on Corporate Governance in Denmark.. Elected to the board at the Extraordinary General Meeting on October 24, 2016.

Specializes in business development, director's work, strategy development and M&A

JOHAN BLACH PETERSEN
Board member

Owner of J. Blach Petersen Business Development A/S. B.sc. in economics and BC(ADB). Elected to the board the first time at the Ordinary General Meeting on January 8, 2014. Specializes in business development, director's work, strategy development and M&A.

Is also board member in: Aage Østergaard Holding A/S (Chairman), Bila Holding A/S (Chairman), Bjerre & Co (Chairman), Global Car Leasing A/S, JMM Group Holding A/S (Chairman), Kinan A/S, Lindcon Optical Group A/S (Chairman), M2 Group A/S (Chairman), New Owners Invest A/S, Normas Crane Holding A/S, Wave Touch Ltd, Windar Photonics Plc , Trim IT Development A/S (Chairman), Teknikgruppen A/S (Chairman), Tuco Marine Group A/S (Chairman).

JØRN LARSEN
Board member and CEO

Constitutes the Executive management with Kristian Wulf-Andersen. Elected to the board at the first time at the Ordinary General Assembly on January 8, 2014.

Specializes in strategy and business development.

Board member in a number of subsidiaries in the Trifork Group.

KRISTIAN WULF-ANDERSEN
Board member and CFO

Constitutes the Executive Management with Jørn Larsen. Elected to the board at the first time at the Ordinary General Meeting on January 8, 2014.

Specializes in M&A, tax, IFRS consolidations and IPO's.

Board member in a number of subsidiaries in the Trifork Group.

LARS DYBKJÆR
Board member

Is Managing Partner at GRO Capital, a focused private equity investor in software companies. Elected to the board the first time at the Extraordinary General Meeting on August 26, 2015.

Specializes in M&A and business development.

ADRIAN COCKCROFT
Board member

Elected to the board for the first time at the Ordinary General Meeting on April 26, 2016. Adrian Cockcroft is a technologist based in Silicon Valley who has held leadership positions at high tech companies and in venture capital. Specializes in strategy and start-up ecosystems.

Board of Directors and Management

COMPOSITION AND FUNCTION OF THE BOARD OF DIRECTORS

The Board of Directors of Trifork is composed by 6 members, in a way to safeguard business and managerial cooperation with the continued operation and development of the Trifork Group. The board members are elected one year at a time and reelection is permitted.

It is assessed that the present composition of the Board of Directors is in harmony with the relation to addressing financial, organisational, business, managerial and communication issues.

CONFLICT OF INTERESTS

There is no kinship between the management, Board of Directors and team leaders. There are no agreements or understandings with major shareholders, customers, suppliers or others by which an individual has become a member of the board, the management, supervisory committee or has become a leader.

THE WORK OF THE BOARD OF DIRECTORS

Among other things, the Board of Directors decide upon the acquisition of companies, major investments, divestments, the adequacy of own fund, size and composition, long term commitments, control and audit conditions as well as significant operational conditions.

It is the duty of the Board of Directors to employ 1-3 executives to attend to the daily management of company business. One of the three must be the CEO.

It is the duty of the Board of Directors to ensure that company strategy and general guidelines are established. As a minimum, the Board of Directors meets four times a year to supervise Group development and to make adjustments to the overall business plan, should this be necessary, just as the board supervises the financial development in the Group. In 2016, the board met five times.

AUDIT COMMITTEES

To date, the Board of Directors has found it unnecessary to form any permanent committees. In this way, the collective Board of Directors has the role as audit committee.

EXECUTIVE MANAGEMENT

The Board of Directors employs the CEO and other managers to create the collective management. Under the leadership of the CEO, the management organizes and implements the strategic plans.

CEO Jørn Larsen and CFO Kristian Wulf-Andersen are appointed as Executive management.

POLICY OF COMPENSATION

For the top management level in Trifork, the policy of compensation is the following:

The Board of Directors
The Board of Directors is paid a fixed annual compensation. Supplementary compensation may be added for extraordinary assignment requested by the management. In such instances, they will be paid on the basis of hours spent and on market condition related to the service rendered.

The company has not advanced any special advantages of any kind and has made no other sort of agreement than the ones mentioned here.

Management
Management receives an annual compensation which is agreed upon by the Board of Directors and management. There may be additional and variable bonuses, which may constitute part of the salary, if the board considers this an encouragement to meeting specific goals for the business year. If this be the case, all details are described minutely in order to safeguard measurability, control and criteria of success.

The Board of Directors has no immediate plans to initiate any programs of incentive, relating to the salaries of either Board of Directors or management in the form of warrants or options distribution.

Compensation
In 2016, the compensation to the Board of Directors totalled EURt 191.

AUDIT

In the interest of the public and the shareholders, a company of chartered accountants are elected at the ordinary general assembly. The accountant is nominated by the Board of Directors and is elected for one year. The accountants report to the collective Board of Directors once a year and also immediately after ascertaining special events, which the board should attend to.

Prior to being nominated to election at the general assembly, the Board of Directors and management assess the independency, competence etc. of the chartered accountants.

TRIFORK SHARE OWNERSHIP

End of 2016 the Board of Directors and management indirect or direct holds the following shares in Trifork Holding AG:

Name	Shares
Johan Blach Petersen	242,231
Jørn Larsen (CEO)	4,571,283
Kresten Krab Thorup (CTO)	3,470,383
Kristian Wulf-Andersen (CFO)	300,932
Lars Dybkjær	37,743
Adrian Cockcroft	5,000
Total	8,627,572

Shareholder information

An investment in Trifork is an investment in innovation

Trifork wants an open and continuous dialogue with company shareholders, potential investors and the general public. At www.trifork.com it is possible to sign up for the company news service, and all shareholders are encouraged to register as shareholders and to register their email address in the company's register of shareholders via the "InvestorPortal".

The investor web-site of Trifork (investor.trifork.com) is one of the most important channels of relevant information to investors. Here, all share market communication is saved immediately after publication.

DATA

Stock Exchange:	Not listed
Sector:	Technology
ISIN:	CH0236907504
Nom. Pcs. size:	CHF 0.1
Number of shares:	18,537,230
Voting limitations:	No

Share capital

The company share capital constitutes nominally 18,537,230 shares of CHF 0.1. There is only one class of shares which represents one vote for each CHF 0.1 nominal share capital, and there are no voting or ownership limitations.

The Trifork share

The public reported share price of the Trifork A/S share end of 2016 was EUR 5.6, which was the price offered by the company after the publication of the interim report 2016 in relation to purchase of treasury shares.

Twice a year Trifork Holding AG expect to offer to purchase treasury shares from existing shareholders to a calculated "treasury share price" based on the development and results of the Trifork Group.

Information about share prices and trading can be found on the investor web-site: http://investor.trifork.com/investor-news/share-information/share-price-and-trading/.

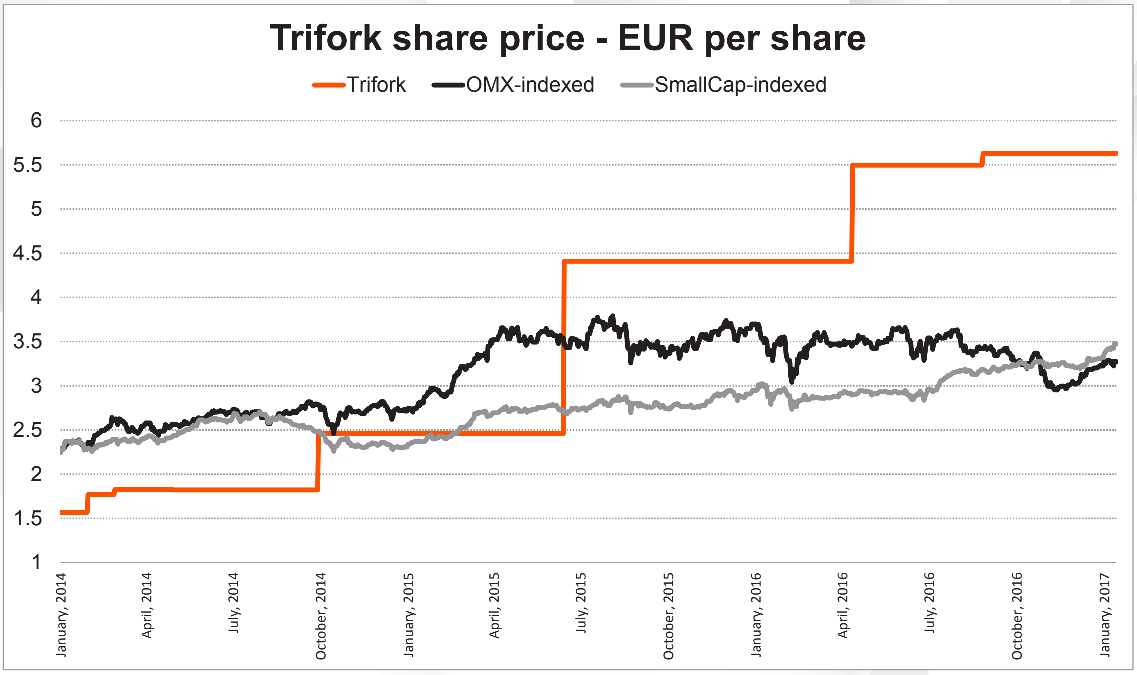
Ownership

At the end of 2016, Trifork Holding AG had 379 name registered shareholders, who owned 100% of the share capital. Ten major shareholders owned 76.0% of the name registered share capital.

End of 2016 members of the Board and management owned 46.5% of the share capital in Trifork Holding AG compared to 48.3% end of 2015.

End of 2016 the following investors was registered with a share holding of more than 5% of the share capital:

Name	Shares	%
Jørn Larsen	4,571,283	24.7%
GRO Holding I ApS	3,643,148	19.7%
Kresten Krab Thorup Holding ApS	3,470,383	18.7%
Trifork Holding AG	237,943	1.3%
Others	6,614,473	35.7%
Total	18,537,230	100.0%



REGISTER OF SHAREHOLDERS

Trifork's registry of shareholders is administered by:

VP Investor Services A/S
Weidekampsgade 14
2300 Copenhagen, Denmark

Statutes / Authorizations

According to the Swiss Code of Obligation, the company may hold 1,853,723 treasury shares, which is the equivalent of 10% of the share capital. The Board of Directors is authorized to let the company purchase own shares. Purchase of shares can be done to the calculated "treasury share price" or lower for one share of nominally CHF 0.1.

Any change in the Articles of Association must be approved by the general meeting. In the general assembly all decisions are made by simple majority, apart from those cases where Swiss Code of Obligations demands a qualified majority.

The Board of Directors is authorized to increase the share capital of the company at any time up to April 8, 2017 by an amount not exceeding CHF 173,245.10 through the issue of up to 1'732'451 registered shares, payable in full, each with a nominal value of CHF 0.10. Increases by underwriting as well as partial increases are permitted. The issue price will be determined by the Board of Directors, while price shall be calculated based on recognized evaluations models and not to a price below EUR 4.00.

General Assembly

The Ordinary General Assembly of shareholders will be held on Thursday, April 10th, 2017 at 10 a.m. in the offices of Grunder Rechtsanwälte AG: Zugerstrasse 32, 6341 Baar, Switzerland.

The Board of Directors recommend to the company's Ordinary General Meeting to pay out a dividend of EURm 1 to shareholders based on the results in 2016.

Financial calendar 2017	
17.03.2017	Annual report 2016
10.04.2017	Ordinary General Assembly
04.05.2017	Interim update Q1 - 2017
24.08.2017	Interim report half year 2017
02.11.2017	Interim update Q3 - 2017

Shareholder inquiries

The Executive management is responsible for Investor Relations. Queries and comments from shareholders, analysts and other interested parties should be directed to:

Email: investor@trifork.com

CEO Jørn Larsen,
Phone: +41 79 430 9697 or

CFO Kristian Wulf-Andersen
Phone: +41 79 962 2410

2016 Company announcements

No.	Date	Announcement
1	30.03.2016	Trifork annual report 2015
2	31.03.2016	Trifork acquires 88% of the hosting company Netic A/S
3	05.04.2016	Announcement of Ordinary General Meeting
4	13.04.2016	Trifork offer to purchase treasury shares.
5	05.05.2016	Trifork quarterly announcement Q1-2016
6	11.05.2016	Trifork strengthens top management
7	25.08.2016	Interim report for the first half of 2016
8	29.09.2016	Notice of Extraordinary General Meeting
9	03.11.2016	Trifork quarterly announcement Q3-2016
10	16.12.2016	Trifork financial calendar 2017

Statement by the Board of Directors and Executive Management

Today the Board of Directors and the Executive Management have discussed and approved the annual report of Trifork Holding AG for the financial period January 1 to December 31, 2016.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and the requirement of Swiss law.

The parent company financial statements are prepared in accordance with the Swiss Financial Statements Act.

In our opinion the consolidated financial statements give a true and fair view of the group's financial position on December 31, 2016 and of the results of the group's operations and cash flows for the financial period January 1 to December 31, 2016.

In our opinion, the parent company financial statements for the period from January 1 to December 31, 2016 comply with Swiss law and the company's articles of incorporation.

In our opinion the management's review includes a true and fair review about the development in the group's operations and financial matters, the results for the period and the parent company's financial position, and the position as a whole for the entities included in the consolidated financial statements, as well as a review of the more significant risks and uncertainties faced by the group and the parent company.

We recommend the annual report to be approved at the annual general assembly.

Schindellegi, March 17, 2017

Executive management

Jørn Larsen CEO, Trifork	Kristian Wulf-Andersen CFO, Trifork

Board of directors in Trifork Holding AG

Jørn P. Jensen Chairman	Johan Blach Petersen Board member	Jørn Larsen Board member
Kristian Wulf-Andersen Board member	Lars Dybkjær Board member	Adrian Cockcroft Board member

Statutory auditor's report

To the General Meeting of Trifork Holding AG, Feusisberg

Statutory auditor's report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Trifork Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 40 to 74) give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of Trifork Holding AG for the year ended 31 December 2015 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 30 March 2016.

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://www.expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, March 17, 2017

Ernst & Young Ltd

Kaspar Streiff	Andreas Forster
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Consolidated financial statements

Consolidated comprehensive income statement for the year ended December 31, 2016

EUR

Note		2016	2015
4	Revenue	63,118,648	59,039,082
	Cost of goods sold and services provided	-23,158,304	-23,294,375
	Gross profit	39,960,344	35,744,707
5	Personnel cost	-31,927,508	-26,879,655
	Other operating income	139,497	0
	EBITDA	8,172,333	8,865,053
	Depreciation and amortization	-2,983,301	-1,832,180
	Profit from operations (EBIT)	5,189,031	7,032,873
7	Financial income	2,135,172	2,273,229
8	Financial expenses	-1,785,670	-2,559,159
	Share of results in associated companies	-175,743	23,596
	Fair value adjustments of financial assets available for sale recognised in profit or loss	-13,279	2,912,007
	Profit before tax (EBT)	5,349,511	9,682,547
9	Taxes	-1,150,081	-1,134,152
	Profit for the period	4,199,429	8,548,395
	Items for subsequent reclassification to profit or loss		
6	Fair value adjustment of financial assets available for sale in OCI	-1,105,495	1,541,912
	Foreign currency translating differences for foreign operations	-1,291,411	-777,470
	Items that are not reclassified subsequently to profit or loss		
21	Actuarial gain (losses) on pension liabilities, net of tax	18,079	-28,483
	Other comprehensive income after tax	-2,378,827	735,960
	Total comprehensive income	1,820,602	9,284,354

	Profit for the period: attributable to:		
	Parent company shareholders	3,960,930	6,138,856
	Non-controlling interests	238,500	2,409,539
	Total comprehensive income: attributable to:		
	Parent company shareholders	2,069,274	6,871,556
	Non-controlling interests	-248,671	2,412,799
	Earnings per share (EPS)		
25	Basic earnings per share	0.22	0.35
25	Diluted earnings per share	0.22	0.35

Statement of financial position as at December 31, 2016

Assets

EUR

Note	Assets	2016	2015
	Non-current assets		
11	Intangible assets		
	Goodwill	12,834,268	7,418,683
	Acquired customer base	12,707,572	5,953,894
	Completed development projects	2,246,586	1,404,185
	Ongoing development projects	1,489,658	956,433
	Total intangible assets	29,278,083	15,733,195
12	Tangible assets		
	Leasehold improvements	1,456,547	1,539,474
	Other equipment, fixtures and fittings	4,267,261	1,887,523
	Investment properties	535,619	548,168
	Total tangible assets	6,259,427	3,975,165
	Other non-current assets		
13	Investments in associates	1,076,997	702,522
22(e)	Other financial assets	4,418,464	4,761,792
	Total other non-current assets	5,495,461	5,464,313
	Total non-current assets	41,032,972	25,172,673
	Current assets		
	Work in progress	928,121	1,625,562
	Receivables from sales	14,051,723	10,313,304
	Other receivables	2,253,394	1,249,372
	Prepayments	934,770	765,363
	Cash and cash equivalents	5,504,161	11,269,919
	Total current assets	23,672,170	25,223,522
	Total assets	64,705,141	50,396,195

Liabilities and equity

EUR

Note	Liabilities and equity	2016	2015
	Equity		
16	Share capital	1,552,502	1,552,502
	Retained earnings	22,578,407	21,370,575
	Treasury Shares	-385,957	-778,963
	Reserve for exchange rate adjustments	-1,325,343	-521,103
	Available for sale reserve	436,417	1,541,912
	Equity attributable to Parent company shareholders	22,856,026	23,164,923
15	Non-controlling interests	2,072,917	3,985,717
	Total Equity	24,928,943	27,150,640
	Liabilities		
	Non-current liabilities		
10	Deferred tax liabilities	3,036,538	1,397,004
14	Debt to financial institutions	11,125,564	4,131,072
14	Other non-current liabilities	4,380,911	1,417,552
	Total non-current liabilities	18,543,014	6,945,628
	Current liabilities		
14	Debts to financial institutions	7,450,063	5,406,090
	Trade payables	3,589,841	5,059,388
	Income tax payable	1,095,627	860,285
18	Other payables	6,677,226	3,141,286
	Prepayments	2,420,427	1,832,878
	Total current liabilities	21,233,184	16,299,927
	Total liabilities	39,776,198	23,245,555
	Total liabilities and equity	64,705,142	50,396,195

Additional notes	
17	Mortgage and securities
20	Related parties
23	Acquisition of subsidiaries
24	Lease obligations
26	Events after the balance sheet date
27	Non-controlling interests
28	Government Grants received
29	Research & development costs

Consolidated statement of changes in equity

EUR

Trifork Holding AG	Share capital	Retained earnings	Treasury shares	Reserve for exchange rate adjustments	Available for sale reserve	Equity attributable to parent company shareholders	Non-controlling interests	Total
Equity Jan. 1, 2015	1,440,358	11,098,759	-320,362	259,628	0	12,478,383	1,439,949	13,918,332
Net Profit for the year	0	6,138,856	0	0	0	6,138,856	2,409,539	8,548,395
Other comprehensive income	0	-28,483	0	-780,731	1,541,912	732,699	3,260	735,959
Total Comprehensive Income	0	6,110,373	0	-780,731	1,541,912	6,871,555	2,412,799	9,284,353
Transactions with owners								
Capital increase	112,144	5,531,333	0	0	0	5,643,477	0	5,643,477
Dividends	0	-1,284,171	0	0	0	-1,284,171	-489,147	-1,773,317
Purchase of treasury shares	0	0	-2,825,919	0	0	-2,825,919	0	-2,825,919
Sale of treasury shares	0	0	2,367,318	0	0	2,367,318	0	2,367,318
Other transactions with shareholders	0	-85,720	0	0	0	-85,720	0	-85,720
Transactions with owners total	112,144	4,161,442	-458,601	0	0	3,814,985	-489,147	3,325,838
Acquisition of non-controlling interests	0	0	0	0	0	0	622,152	622,152
Additions non-controlling interests	0	0	0	0	0	0	-36	-36
Equity Dec 31, 2015 (restated)	1,552,502	21,370,575	-778,963	-521,103	1,541,912	23,164,923	3,985,717	27,150,640
Equity Jan, 1, 2016	1,552,502	21,370,575	-778,963	-521,103	1,541,912	23,164,923	3,985,717	27,150,640
Net Profit for the year	0	3,960,930	0	0	0	3,960,930	238,500	4,199,429
Other comprehensive Income	0	18,079	0	-804,240	-1,105,495	-1,891,656	-487,171	-2,378,827
Total Comprehensive Income	0	3,979,009	0	-804,240	-1,105,495	2,069,274	-248,671	1,820,602
Transactions with owners								
Dividends	0	0	0	0	0	0	-263,077	-263,077
Purchase of treasury shares	0	0	-4,246,859	0	0	-4,246,859	0	-4,246,859
Sale of treasury shares	0	0	4,639,865	0	0	4,639,865	0	4,639,865
Transactions with owners total	0	0	393,006	0	0	393,006	-263,077	129,929
Acquisition of non-controlling interests	0	-2,771,176	0	0	0	-2,771,176	-1,863,388	-4,634,564
Additions non-controlling interests	0	0	0	0	0	0	462,336	462,336
Equity Dec 31, 2016	1,552,502	22,578,407	-385,957	-1,325,343	436,417	22,856,026	2,072,917	24,928,943

The other comprehensive income in 2015 and 2016 is mainly attributed to currency adjustments on translation of foreign entities. Details is to be found in note 30. The translation reserve includes all adjustments arising on translation of financial statements of entities with a functional currency other than EUR, and adjustments relating to assets and liabilities that form part of the Group's net investment in such unit.

In 2016 Trifork Acquired 31% of the shares in Open Credo Ltd. going from 69% to 100% ownership.

The Board of Directors propose the payment of a dividend of EURm 1.0 for the business year 2016. This equals EUR 0.054 per share compared to EUR 0 in 2015.

Treasury shares	2016	2015
Dividend per share (EUR)	0.054	0.000
Number of treasury shares	237,943	288,509
Nominal value treasury shares (CHF)	23,794	28,851
Treasury shares in percent of total number of shares	1.28%	1.56%

In 2016 the company purchased shares in accordance with the current authorisations. Shares are to be used primarily in connection with business acquisitions.

Consolidated cash flow statement

EUR

Note		2016	2015
	Profit from Operations (EBIT)	5,189,031	7,032,873
	Adjustments for non cash operating items		
	Depreciation and amortization	2,983,301	1,832,180
	Net foreign exchange differences	657,589	-576,204
	Fair value adjustment of contingent consideration	130,874	0
	Cash flow before change in working capital	8,960,795	8,288,849
19	Changes in working capital	-1,278,178	-2,079,820
	Cash flow from operating activities before Financial items and tax	7,682,617	6,209,029
	Interest income received	9,672	501,206
	Interest expenses paid	-448,633	-914,025
	Income tax paid	-1,008,810	-754,126
	Net cash flow from operating activities	6,234,846	5,042,084
	Cash flow from investment activities		
	Acquisition of subsidiaries, net of cash	-9,273,831	-649,289
11	Purcahse of intangible assets	-2,282,849	-1,018,169
13	Purchase of associates	-538,490	-227,606
13	Sale of associates and other investments	600	4,290,141
	Purchase of available-for-sale financial assets	-758,714	-131,911
12	Purchase of tangible assets	-1,779,646	-2,358,541
	Sale of tangible assets	176,154	38,658
	Total cash flow from investment activities	-14,456,776	-56,718
	Cash flow from financing activities		
	Proceeds from borrowings	7,689,753	745,758
	Repayment of borrowings	-1,124,676	-1,453,708
	Capital increase	0	5,557,757
	Acquisition of non-controlling interests	-2,832,254	-197,027
	Purchase of treasury shares	-4,246,859	-2,825,919
	Sale of treasury shares	1,751,669	2,367,318
	Dividend paid	-263,077	-1,773,317
	Total cash flow from financing activities	974,558	2,420,861
	Change in cash and cash equivalents	-7,247,372	7,406,228
	Cash and cash equivalents at the beginning of the period	5,863,830	-645,338
	Exchange rate adjustments	-562,360	-897,060
	Cash and cash equivalents at the end of the period	-1,945,902	5,863,830
	Cash and cash equivalents		
	Cash balance	5,504,161	11,269,919
	Current debt to financial institutes	-7,450,063	-5,406,090
	Cash and cash equivalents at the end of the period	-1,945,902	5,863,830

Comparative figures for 2015 are amended:

Cash and cash equivalents coming from acquired subsidiaries, was disclosed seperately in 2015. This is now deducted in “acquisition of subsidiaries, net of cash”.

A new line is added “acquisiton of non-controlling interests”. In 2015 this amount was included in the line “acquisition of subsidiaries”.

Notes

1 - Accounting policies

The 2016 annual report for the Trifork group is presented in accordance with International Financial Reporting Standards (IFRS), as well as in accordance with Swiss disclosure requirements for financial reporting.

In the consolidated financial statements for 2015, fair value adjustments of financial assets available for sale was recognized in the Comprehensive income statement instead of in the Other comprehensive income statement. The correction of this error has been accounted for retrospectively in accordance with IAS 8 by restating the comparative figures. The change has had a negative effect on Profit for the period of 1,542 EURt and on earnings per share of EUR 0.08 for 2015, but no effect on total equity. Explanation of changes in comparative figures for 2015 can be found in the consolidated cash flow statement.

The basis of the Preparation

The accounting figures are prepared in accordance with the historical cost convention, except where the IFRS expressly demands the use of fair value.

The annual report is presented in EUR, which is considered the primary currency for group activities.

Assets are recognized in the balance sheet, when it is probable that future economic benefits will accrue to the company and when the value of the asset can be measured reliably.

Revenues are recognized in the comprehensive income as they are earned, including value adjustments of financial assets and commitments, which are measured at fair value and where this is impossible at cost. All historical financial data presented in the reporting from periods earlier than 2014 are represented by the previous reported data for Trifork A/S. All amounts in this regard have been converted from DKK to EUR using the DKK/EUR exchange rate end of each period.

Changes in accounting policies

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following new and revised standards or new interpretations that apply to the financial year starting January 1, 2016, have been implemented in the annual report 2016.

- Amendments to IAS 16 and IAS 38:
Clarification of Acceptable Methods of Depreciation and Amortisation: The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the Group, given that it has not used a revenue-based method to depreciate its non-current asset.

- Amendments to IAS 1 Disclosure Initiative:
The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:
- The materiality requirements in IAS 1.
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.
Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the Group.

- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities:
Applying the Consolidation Exception. The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments are applied retrospectively and do not have any impact on the Group as the Group does not apply the consolidation exception.

ANNUAL IMPROVEMENTS 2012-2014 CYCLE

The improvements are effective for accounting periods beginning on or after 1 January 2016. The Group has applied these improvements for the first time in these consolidated financial statements. They include:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

- IFRS 7 Financial Instruments: Disclosures
(i) Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be made retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.
(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

- IAS 19 Employee Benefits
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

- IAS 34 Interim Financial Reporting
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

The accounting policies are adjusted in accordance with the above changes. The changes have no material impact on exposures in 2016 or earlier years and no impact on earnings per share or diluted earnings per share.

Standards issued but not yet effective

- IFRS 9 Financial Instruments, that replaces IAS 39, is effective for annual periods beginning on or after 1/1 2018. Retrospective application is required, except for hedge accounting. Comparative information is however not compulsory. The group has yet to undertake a detailed assessment of the financial instruments currently classified as available-for-sale financial assets, but do not expect any major changes in this regard. The group has not yet assessed how its own hedging arrangements and impairment provisions will be affected by the new rules.

- IFRS 15 Revenue from Contracts with Customers is effective for annual periods beginning on or after 1/1 2018. Retrospective or modified retrospective application is required. The standard establishes a five-step model to account for revenue arising from Contracts with Customers; Identifying contract, Identifying performance obligation, Determining Transaction price, Allocating transaction price to the performance obligations, Recognition of revenue for every single performance obligation. The Group do have contracts covering more than one performance obligation, and in 2016 preliminary investigations to identify the relevant contracts were initiated. Further investigations will continue in 2017, but based on the current understanding of IFRS 15, management does not expect significant changes.

- IFRS 16 Leases, that replaces IAS 17, is effective for annual periods beginning on or after 1/1 2019. Retrospective or modified retrospective application is required. The major change from IAS 17 to IFRS 16 requires, that operational leases should be displayed on the balance sheet as for financial leases. In 2017 the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

The Consolidated Financial Statements

The consolidated financial statements include the parent company Trifork Holding AG and subsidiaries, where Trifork Holding AG has a controlling influence on company financial and operative policies, in order to obtain dividends or other benefits from those activities. Controlling influence is achieved by direct or indirect ownership or control of more than 50% of voting rights or otherwise control the business. All financial data from 2013 and earlier are from the consolidated financial statement of Trifork A/S, the former Parent company of the Trifork Group.

The consolidated financial statements are prepared as a summary of the accounts of the parent company and the individual subsidiaries, calculated according to the Group´s accounting policies, eliminating all intercompany income and expenses, share holdings, balances and dividends, as well as realized and unrealized gains and losses on transactions between consolidated companies.

In the consolidated financial statements the assets and liabilities of the subsidiaries are recognized 100%.

Non-controlling interests' share of net income and equity in subsidiaries that are not owned 100%, is included in the Group's profit and equity, but shown separately.

Business Combinations

Subsidiaries are recognized in the consolidated financial statements from the date of acquisition. The acquisition date is the date when control is effectively transferred. Disposed of or liquidated enterprises are recognized in the consolidated income statement until the date of the sale. Disposal is the date when control is effectively transferred to third parties.

Where the Group obtains control over acquired companies, the newly acquired identifiable assets, liabilities and contingent liabilities are valued at fair value at the date of the acquisition. Non-current assets, which are taken over for sale, are measured at fair value minus estimated selling costs. Restructuring costs are only recognized in the acquisition balance sheet, where they represent an obligation of the acquiree. Tax effect on fair value adjustments are taken into account.

The purchase price for a company is the fair value of the consideration transferred for the acquiree. If the final determination is subject to one or more future events these are recognized at fair value at the time of the acquisition. Costs directly attributable to the acquisition are recognized directly in profit or loss as incurred.

Goodwill is recognized as an asset under intangible assets and tested at least annually for impairment. Goodwill is measured as the difference between on the one hand the purchase price of an acquired company, the value of non-controlling interests in the acquiree and the fair value of previously acquired investments and on the other hand the fair value of acquired assets, liabilities and contingent liabilities. If the carrying amount of the asset exceeds its recoverable amount, it is written down to the lower recoverable amount. In case of negative goodwill, the fair values, the calculated purchase price of the company, value of non-controlling interests in the acquiree as well as the fair value of previously acquired share holdings are reassessed. If the difference continues to be negative, it is recognized as profit in the income statement.

If there is uncertainty of identification or measurement of acquired assets, liabilities or contingent liabilities on the acquisition date or the determination of the purchase price, the initial recognition is based on provisional fair values. The provisional fair values can be adjusted or additional assets or liabilities are recognized until 12 months after the acquisition, if obtained new information on conditions that existed at the acquisition date, which could have affected the calculation of the values at the acquisition date, had the information been known.

Changes in estimated contingent purchase consideration are generally recognized directly in profit or loss.

By the aggregation method the subsidiaries' assets and liabilities are recognized at carrying amounts and goodwill are not recognized in the consolidated statement of financial position.

Gains or losses at the sale of subsidiaries and associates

Gains or losses at the sale of subsidiaries or associates leading to the termination of controlling influence and significant influence respectively, are calculated as the difference between on the one hand, the fair value of sales proceeds; or settlement price and the fair value of any outstanding securities and on the other hand, the carrying value of net assets on sale or settlement date, including goodwill, less of any non-controlling interests. The so calculated profit or loss is recognized in profit or loss, together with accumulated currency translation adjustments, previously recognized in other comprehensive income.

Translation of Foreign Currency

For each of the reported group companies a functional currency is fixed. The functional currency is the currency which is used in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currency.

Foreign currency transactions are initially translated into the functional currency at the transaction date.

Exchange differences arising between the exchange rate at the settlement date and the date of payment are recognized directly in comprehensive income as financial items.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at balance sheet date rate. The difference between the rate of the balance sheet day and the rate of the time when the receivable or payable arose or the rate in the most recent annual report is recognized directly in comprehensive income as financial items.

On recognition in the consolidated accounts of companies with another functional currency than EUR, income statements are translated at the transaction date rate and the balance sheets are translated at the balance sheet date exchange rates. As transaction date rate, the average price for the individual months is applied, to the extent that it does not alter things radically. Differences in exchange rates arising on translation of the equity of the companies at the beginning of the year to the exchange rates of the balance sheet date as well as the translation of income statements from rate of the transaction date to the exchange rate of the balance sheet date, are recognized directly in other comprehensive income.

Adjustment of balances, which are considered part of the total net investment in companies with a different functional currency than EUR, are recognized directly in other comprehensive income. Equally, foreign exchange gains and losses are recognized in the consolidated accounts on the portion of loans and any derivative financial instruments that are hedges of net investment in these companies. In the financial year no derivative financial instruments were used for currency hedging.

On recognition in the consolidated accounts of associated companies with a different functional currency than EUR, the share of the profits is translated at average exchange rates and the equity share, including goodwill, is translated according to the exchange rates at the balance sheet date. Exchange rate differences, arising on the translation of the share of foreign associated companies' equity at the balance sheet date and on translation of net income share from average rates to the balance sheet date rates, are recognized directly in other comprehensive income.

On full or partial disposal of foreign entities or on repayment of balances that are considered part of the net investment, the share of the cumulative foreign exchange adjustments recognized directly in other comprehensive income and which is attributable to it in the comprehensive income statement, is recognized concurrent with any gain or loss at the disposal.

The comprehensive income statement

REVENUE
Income is recognized as revenue as the production is carried out or the rendering of service is provided in a way that revenue corresponds to the sales value of the work provided in the accounting year. Particularly in the area of conferences, revenue is counted at the actual conference time, although the arrangement of the conference itself is an ongoing process before and during the conference.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured exclusive of VAT, charges, and including discounts in connection with the sale.

COST OF GOODS SOLD AND SERVICES PROVIDED
Costs of goods sold and services provided include costs incurred during the year for administration for the Group, including the cost of production, distribution, sales, advertising, administration, premises, etc.

Direct costs related to conferences particularly are accrued to the date of the conference.

EMPLOYEE COSTS
Employee costs cover wages, salaries and pension cost to the entire staff. In addition, other employee costs are recognized.

Staff costs for conference construction and preparation are stated at cost and accrued to the date of the conference.

FINANCIAL INCOME AND EXPENSES
Financial income and expenses include interest income and expenses, gains and losses on other investments, debts and foreign currency transactions, amortizing of financial assets and liabilities, and surcharges and refunds under the tax system etc.. Financial income and expenses are recognized at the amount for the financial year.

INCOME TAX EXPENSE
Tax for the year comprises current tax and movements in deferred tax recognized in comprehensive income with the portion attributable to profit and directly in equity or in other comprehensive income to the extend attributable to amounts recognized directly in equity or in other comprehensive income.

The Balance Sheet

INTANGIBLE ASSETS
Goodwill
Goodwill is measured at cost less any impairment losses.

Other intangible assets with definite useful lives are measured at cost less accumulated amortization and write-downs. Amortizations are made on a straight-line basis over their estimated useful lives.

Amortization:

Patents and licenses	5 years
Acquired customer base	5-20 years

The amortization is defined on the basis of management experience in the Group´s business areas and reflects management assessment of the best estimate of the assets´ economic useful life.

Other intangible assets with indefinite useful lives are measured at cost less any write-downs. The accounting value of goodwill and intangible assets with indefinite useful lives are reviewed annually to determine whether they should be written down for impairment. Also explored, at the indication of such a need, on an ongoing basis, is whether there should be a write-down for impairment. Goodwill and intangible assets with indefinite useful lives are not subject to amortization.

Development costs etc.
Development projects are initially recognized at cost. The cost of development projects covers expenses, including wages and depreciation, which can be deferred directly to the development projects, and which are considered necessary to finish the project, from the time the development project for the first time meets the criteria for recognition as an asset.

Development projects which are clearly defined and identifiable, where the technical feasibility, adequate resources and potential future markets and uses can be established and where it is appropriate to produce, market and use the project, are recognized as an intangible asset. Recognition requires that cost can be measured reliably and that it is probable that future earnings cover the development cost.

Other development costs are expensed in the comprehensive income statement. Recognized development costs are measured at cost less accumulated depreciations and write-downs.

Following the completion of the development work, the project is depreciated over 2-5 years compared to the assessment of product life.

Ongoing and completed development projects are annually tested for impairment. Trifork operates in a highly competitive market, and even though there is increase in demand, there also is an ever increasing demand for the flexibility and functionality of the products as well.

TANGIBLE ASSETS
Interior decoration and general leasehold improvements, other equipment, fixtures, fittings and investment properties are measured at cost less accumulated depreciations.

Cost comprises purchase price and any cost directly attributable to the acquisition until the date the asset is ready for use.

Straight-line depreciation is carried out based on the following evaluation of the assets´ estimated useful lives:

Leasehold improvements etc.:	7 years
Other equipment, fixtures and fittings:	3-7 years
Investment properties:	30 years

Tangible assets are written down to a recoverable amount if this is lower than the carrying amount. An annual impairment test is made of each asset or group of assets. Gains and losses on the disposal of tangible assets is calculated as the difference between the selling price less selling cost and the carrying amount at the time of sale. Gains or losses are recognized in the comprehensive income statement as depreciation.

For investment properties the company is assuming a residual value of 45%.

INVESTMENTS IN ASSOCIATED COMPANIES

An associated company is a company, where the group has significant but not controlling influence.

Investments in associated companies are measured and recognized according to the equity method, which implies that investments are measured at the proportionate share of the carrying amount of the companies.

In the comprehensive income statement, the proportionate share of profit after tax is recognized under the items of profit in associated companies.

Investments in associated companies with negative equity value are measured at 0 EUR. Receivables and other financial assets that are considered to be part of the total investment in the company, are reduced by any remaining net worth. Receivables for sales of goods, services and other receivables are written down only if they are deemed uncollectable. A provision to cover the remaining equity is only recognized, if the group has a legal or constructive obligation to cover that company´s obligation.

IMPAIRMENT OF NON-CURRENT ASSETS

Goodwill is tested annually for impairment, initially at the end of the acquisition year.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which goodwill has been allocated, and written down to recoverable amount in the statement of comprehensive income if the carrying amount is higher. The recoverable amount is generally calculated as the present value of expected future net cash flows from the business or activity to which the goodwill relates. Impairment of goodwill is recognized in a separate line in the comprehensive income statement.

The carrying amount of non-current assets is assessed annually, using a DCF model to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is calculated. The recoverable amount is the higher of fair value and value in use. Impairment losses are recognized in the comprehensive income statement.

Impairment losses on goodwill are not reversed. Impairment on other assets are reversed only to the extent that there have been changes in the assumptions that lead to the impairment.

RECEIVABLES

Receivables are recognized initially at fair value and subsequently measured at amortized cost. Impairments are conducted to meet expected losses.

WORK IN PROGRESS

Work in progress is measured at the selling price of the work, calculated on the basis of completion.

Completion is calculated as the proportion of contract costs incurred in relation to expected total contract costs. When it is probable that total contract cost will exceed total revenue from a contract, the expected loss is recognized in the comprehensive income statement.

When the selling price cannot be calculated reliably, the selling price is measured to cost incurred or a lower net realizable value.

Billings are deducted from the selling price. The individual contracts are classified as receivables when the net value is positive and as liabilities when the advance payments exceed the selling price. Costs of sales work and contracts are recognized in the income statement as they are incurred.

PREPAYMENTS

Prepayments recognized under assets comprise costs incurred relating to subsequent financial years.

OTHER SECURITIES AND INVESTMENTS

Other securities and investments are included in the category of financial assets available for sale. Financial assets available for sale are assets that are not derivative financial instruments and which are either classified as available for sale or cannot be classified as loans or receivables, financial assets measured at fair value through profit or loss or financial assets as held to maturity.

Other securities and investments available for sale are initially recognized at fair value on the settlement date plus directly attributable costs of acquisition. Subsequently, the assets are measured at fair value at balance sheet date and changes in fair value are recognized in other comprehensive income. Gains or losses on sold financial assets available for sale are reclassified from other comprehensive income to Profit or Loss.

Equity investments which are not traded in an active market and whose fair value cannot be reliably measured, are measured at cost.

EQUITY

Dividends

Proposed dividends are recognized as a liability at the time of adoption at the Annual General Assembly.

Treasury shares

Purchase, sale and dividends on treasury shares are recognized in equity. Capital reduction by cancellation of treasury shares reduces share capital corresponding to the nominal amount. Proceeds from sale of treasury shares are recognized directly in equity.

PENSION OBLIGATIONS

The Groups has entered into pension and similar agreements with most of its employees.

Liabilities relating to defined contribution pension schemes, are recognized in the comprehensive income statement in the period they are earned, and payables are recognized in the balance sheet under other liabilities.

In Switzerland the pension scheme of Trifork GmbH is defined as a defined benefit plan accounted under IAS19. The service cost and net interest expense (or income) is recognized in the Profit or loss. Other adjustments in the liability related to defined benefit plans are recognized in other comprehensive income, disclosed as actuarial gain or loss.

CORPORATION TAX AND DEFERRED TAX

Current tax liabilities and current tax receivable are recognized as tax computed on the taxable income, adjusted for tax on prior year´s taxable income and for tax paid in advance. Deferred tax is measured using the balance sheet liability method on all temporary differences between accounting and tax values of assets and liabilities. However, there is no recognition of deferred tax on temporary differences relating to non tax deductible goodwill and other items where temporary differences - excluding acquisitions – have occurred at the time of acquisition without affecting profit or taxable income. In cases where the computation of the tax base can be made for alternative taxation rules, deferred tax is measured on the basis of the intended use of the asset or the settlement of the liability.

Deferred tax assets, including the tax value of tax loss carried forward, are recognized at the value at which they are expected to be used, either by elimination of tax on future earnings or against deferred tax liabilities within the same legal tax entity and jurisdiction.

There is an adjustment of deferred tax relating to the elimination of unrealized intercompany profits and losses. Deferred tax is measured based on the tax rules and tax rates that apply under the legislation at the balance sheet date, when the deferred tax is expected to crystallize as current tax. Change in deferred tax due to changes in tax rates is recognised in comprehensive income.

PROVISIONS

Provisions are recognized when the Group has a legal or constructive obligation as a result of events in the financial year or previous years, and it is probable that the obligation will result in an outflow of resources.

Provisions are measured as the best estimate of the cost necessary on the balance sheet date to settle obligations. Provisions with an expected maturity more than one year from the balance sheet date are measured at present value.

FINANCIAL LIABILITIES

Financial liabilities, including trade payables, affiliated companies, credit institutions and other payables are measured at amortized cost, which usually corresponds to the nominal value.

LEASING

The Group has operational and financial lease obligations. Lease payments are recognised linearly in the comprehensive income statement during the lease period.

PREPAYMENTS

Prepayments recognized as liabilities include revenue received regarding subsequent years and are measured at cost.

Cash flow statement

The cash flow statement shows cash flow for the year, distributed on operating activities, investment activities and financing activities for the year, cash and cash equivalents at beginning and end of the year.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flows from operating activities are calculated as the share of profits adjusted for non-cash operating items, changes in working capital and taxes paid.

CASH FLOW FROM INVESTMENT ACTIVITIES

Cash flows from investment activities comprise payments in connection with the purchase and sale of businesses and the purchase and sale of intangible, tangible and financial assets.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flows from financing activities comprise changes in the size or composition of the Group´s share capital and related costs as well as loans, repayment of interest-bearing debt, purchase and sale of treasury shares and payment of dividend to company shareholders.

CASH

Cash includes cash and short term bank debt.

Segment information

Information is provided on business segments, which are the Group´s primary reporting format. The segments are based on the group´s risks and management structure. The segments have been prepared in accordance with the Group´s accounting policies. Segment information includes the items that are directly attributable to the individual segments.

An overview of the Group is to be found in the Statutory Financial Statement.

2 - Accounting estimates and judgments in the consolidated financial statement

Determining the carrying value of certain assets and liabilities requires assessments, estimates and assumptions regarding future events.

The estimates and assumptions are based on historical experience and other factors that management considers reasonable under the circumstances, but which are uncertain and unpredictable.

Assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may arise.

Furthermore, the company is subject to risks and uncertainties that may cause the actual outcome to differ from these estimates. Specific risks for the Trifork Group are disclosed in the management report section in the present report.

It may be necessary to change previous estimates due to changes in the facts underlying the previous estimates, or because of new information or subsequent events.

Estimates that are material to the financial statements are made, for instance with the use of impairment testing, state of completion of work in progress and useful life-time of intangible assets.

All current development is progressing as planned and there is no information from customers or competitors, indicating that the new products will not be sold in the expected extent. Based on these factors, management has estimated the current development projects, the recoverable amounts in the form of expected future net cash flow, including completion costs. As of 31.12.2016, ongoing developments had a carrying value of EURm 1.5 compared to EURm 0.9 end of 2015.

Impairment tests have been performed on all capitalized development and goodwill. This has not led to any impairment in 2016. Management's estimates related to impairment tests are based on the fact that all products (both completed and under development) are continuously developed and that the company have an ongoing focus on keeping updated sales forecast, marketing expenses, development plans and future earning potential for each product. On the basis of this information, a DCF-model is used to estimate the recoverable amounts for individual assets. The parameters for the DCF-model is the same as listed in note 10 with a budget period up to five years, but only using a budget period for each product equalling the expected lifetime of the product.

In connection with determination of the purchase price of acquired subsidiaries or associated companies, the management has conducted an assessment of the likelihood of payment and the amount of any earn-out. At the end of 2016 total contigent consideration liability amounted to EURm 1.7 from the purchase of non-controlling interests in Open Credo. End of 2015 this was EURm 0.1.

3 - Segment information

For internal purposes Trifork organizes its business based on the products and services that the company delivers. In the presentation of the segment information no aggregation has taken place.

The presentation of the segments are according to the internal reporting used by the management. Group operations and administration that are not part of the individually defined segments are accounted for in the "Other" segment. The revenue information is based on the locations of the customers.

2015	Academy	Project	Product	Segment total	Others	Group total
Revenue to external customers	9,076,781	41,894,271	8,068,030	59,039,082	0	59,039,082
EBITDA	605,353	4,887,629	3,610,968	9,103,950	-238,897	8,865,053
Depreciations	46,234	884,341	388,695	1,319,269	512,911	1,832,180
Profit (+) loss (-) from operations (EBIT)	559,119	4,003,288	3,222,274	7,784,681	-751,808	7,032,873
Average number of employees	16	263	11	290	50	340
Regional segment information	Europe	America	Others			Group total
Revenue to external Customers	48,135,353	6,265,661	4,638,068			59,039,082
Country specific information	CH	UK	DK	US	Others	Group total
Revenue to external Customers	3,705,327	15,173,529	22,750,043	6,305,516	11,104,666	59,039,082

EUR

Segment information 2016	Academy	Project	Product	Segment total	Others	Group total
Revenue to external customers	6,307,115	46,320,659	8,855,140	61,482,913	1,635,735	63,118,648
EBITDA	-444,946	5,474,415	2,891,552	7,921,020	251,312	8,172,333
Depreciations	52,259	1,095,444	1,178,976	2,326,679	656,623	2,983,301
Profit (+) loss (-) from operations (EBIT)	-497,205	4,382,441	1,712,576	5,597,812	-408,780	5,189,031
Average number of employees	17	325	33	375	56	431
Regional segment information	Europe	America	Others			Group total
Revenue to external customers	57,423,436	5,454,473	240,739			63,118,648
Country specific segment information	CH	UK	DK	US	Others	Group total
Revenue to external customers	1,761,881	14,578,915	31,319,130	5,454,473	10,004,249	63,118,648

Revenue and profit statement

For both 2015 and 2016, the whole revenue comes from sales of services and products, which is why no further fragmentation of various revenue categories for each segment has been made. Some internal revenue exists between the segments. The internal deliveries from each segment to the others are explained in the segment description below.

No details has been provided in relation to interests and share of profit/loss from associates since this in both 2015 and 2016 have been managed on a group level.

Description of segments

Academy

The Academy segment is primarily engaged in developing and implementing the GOTO conferences of Trifork as well as partner conferences in Europe and America. Consultancy services and training in agile processes and software development is also part of the deliveries from this segment. Resources from other segments has attended conferences and courses arranged by Academy. In total this amounts to a revenue of EURm 0.1 in 2016 and was at the same level in 2015.

Project

The project segment is engaged in delivering innovation projects to the customers of Trifork. Trifork project is building solutions to banks, governments, agencies or leading industrial manufacturers in all of Europe and America. Projects are done on a time and material basis or as fixed price projects in cases where Trifork is responsible for the whole implementation of a project. Most often strategic partnerships are engaged with the major customers.

Project has been delivering internal services to the other segments in the following way:

Academy: In 2016 services for EURm 0.4 has been delivered in relation to building a new web-site to the Academy presentation and sale of conferences. In 2015 the total was EURm 0.3.
Product: Projects delivered support to product development for an amount of EURm 1.4 in 2016. In 2015 this amounted to EURm 1.2.

Product

The Product segment is based on the process and value stream with product development and sale of Trifork developed products as well as business, related to the sale of partner products. Products are either sold separate or in relation to projects where Trifork is engaged in relation to developing new solutions for its customers. In 2016 product licenses were sold internally to Projects for a total of EURm 0.4. In 2015 this was also EURm 0.4.

Information about significant customers

In both 2015 and 2016 no single customer has accounted for more than 10% of total revenue in the Group.

Reconciliation of profit	2016	2015
Segment EBIT	5,597,812	7,784,681
EBIT from “other”	-408,780	-751,808
Financial income	2,135,172	2,273,229
Financial cost	-1,785,670	-2,559,159
Share of result in associated companies	-175,743	23,596
Fair value adjustment of financial assets available for sale recognised in profit or loss	-13,279	2,912,007
Profit before tax	5,349,511	9,682,547
Taxes	-1,150,081	-1,134,152
Net profit	4,199,429	8,548,395

EUR

4- Revenue	2016	2015
Sale of goods	1,739,968	0
Rendering of services	56,319,445	55,427,966
Construction contract revenue	2,475,930	2,033,400
Royalties, licenses and rental income	2,583,305	1,577,716
Revenue total	63,118,648	59,039,082
Sale of goods in 2016 comes from the newly acquired unit Netic A/S.		

5 - Personnel cost	2016	2015
Wages and salaries	31,626,882	25,925,728
Pensions	1,599,564	1,154,904
Social security costs	1,561,045	1,170,057
Received salary refunds from government	-577,135	-369,140
Development cost included as asset	-2,282,849	-1,001,895
Personnel cost total	31,927,508	26,879,655
Average number of employee	431	340
Fee to Board of directors	176,048	136,589
Salary to Executive management	733,616	770,581
Pension to Executive management	62,023	51,208
Salary to other Executives	1,616,771	1,452,275
Pension to other Executives	161,849	127,438

In general all members of the local management teams (other Executives) have bonus agreements as part of their employment contracts. Bonus agreements will most often be based on defined performance targets for the local unit as well as Group targets.

In some cases performance bonus is also paid to other employees based on the fulfilment of individual performance targets.

6 - Fair value adjustment of financial assets available for sale	2016	2015
Fair value adjustment of financial assets available for sale	-1,105,495	1,541,912
Realised fair value adjustment of financial assets available for sale reclassified to profit and loss statement	-13,279	2,912,007
Fair value adjustments of financial assets total	-1,118,774	4,453,919

7 - Financial income	2016	2015
Interest income	9,672	501,206
Exchange rate gains	1,994,626	1,068,930
Fair value adjustments on financial liabilities carried at fair value through profit	130,874	703,094
Financial income total	2,135,172	2,273,229

Interest income is from financial assets/liabilities which are not measured at fair value through profit. Fair value adjustments are based on less payments on earn-out compared to the debt initial registered.

8 - Financial expenses	2016	2015
Interest expenses	-448,633	-914,025
Exchange rate losses	-1,337,037	-1,645,134
Financial expenses total	-1,785,670	-2,559,159

Interest expenses is from financial assets and liabilities.

9 - Taxes	2016	EUR 2015
Net Profit before tax	5,349,511	9,682,547
Weighted applicable tax rate	25.29%	20.83%
Expected tax calculated at applicable tax rate	1,352,767	2,017,296

Current taxes		
Current income tax expense	1,257,173	1,116,373
Adjustment previous years	-47,826	-8,994
Deferred taxes		
Relating to origination and reversal of temporary timing differences	-59,266	26,773
Taxes	1,150,081	1,134,152
Difference between applicable and effective income taxes	-202,686	-883,144

Tax differences can be explained as follows		
Tax exempt income from investments	141,678	-651,672
Non-deductible expenses	40,338	4,923
Non-taxable income	-1,151	0
Tax benefit agreements (UK and NL)	-354,711	-403,306
Irrecoverable tax losses	46,956	0
Unrecognized deferred tax asset from loss making entities	-109,413	0
Other	33,617	166,911
Difference between expected and effective income taxes	-202,686	-883,144
Effective tax percentage	21.50%	11.7%

The weighted average tax-rate is calculated based on the origin of EBT in each company included as subsidiary in the consolidated financial statement combined with the tax-rates in each country.

Total value of tax losses to carrry forward corresponds to EURt. 182

10 - Deferred tax liabilities	2016	2015
Deferred tax liabilities, January 1	1,397,004	1,172,014
Exchange rate adjustments in foreign entities	-22,916	26,076
Net deferred tax recognized in profit	-58,369	26,338
Additions from acquisition of subsidiaries	1,720,819	172,576
Deferred tax liabilities, December 31	3,036,538	1,397,004
Specification of deferred tax liabilities:		
Intangible assets	3,021,754	1,398,125
Tangible assets	283,202	3,741
Taxable losses to carry forward	1,076	-4,863
Accruals	-269,495	0
Deferred tax liabilities total	3,036,538	1,397,004

11 - Intangible assets	Goodwill	Completed development projects	Patents and licenses	Ongoing development projects	Acquired customer base
Cost at January 1, 2015	5,819,819	5,986,301	187,392	886,337	6,615,561
Exchange rate adjustments	81,228	13,801	0	69,777	189,655
Additions from dev. activities	0	0	0	1,005,193	0
Additions from acquisitions	1,517,636	0	0	108,097	1,010,264
Transfers	0	1,125,947	0	-1,112,971	0
Cost at December 31, 2015	7,418,683	7,126,049	187,392	956,433	7,815,479
Amortization at January 1, 2015	676	5,168,155	187,392	0	1,446,137
Exchange rate adjustments	-676	6,574	0	0	-10,745
Amortizations for the year	0	547,135	0	0	426,195
Amortization at December 31, 2015	0	5,721,863	187,392	0	1,861,586
Carrying amount at Dec. 31, 2015	7,418,683	1,404,185	0	956,433	5,953,894
Cost at January 1, 2016	7,418,683	7,126,049	187,392	956,433	7,815,479
Exchange rate adjustments	-346,064	-120,648	653	5,020	-123,580
Additions from dev. activities	0	0	0	2,282,849	0
Additions from acquisitions	5,761,650	0	0	0	7,664,781
Disposals	0	0	-188,045	0	0
Transfers	0	1,754,644	0	-1,754,644	0
Cost at December 31, 2016	12,834,268	8,760,044	0	1,489,658	15,356,681
Amortization at January 1, 2016	0	5,721,863	187,392	0	1,861,586
Exchange rate adjustments	0	126,679	653	0	-34,663
Disposals	0	0	-188,045	0	
Amortization for the year	0	664,916	0	0	822,186
Amortization at December 31, 2016	0	6,513,458	0	0	2,649,109
Carrying amount at Dec. 31, 2016	12,834,268	2,246,586	0	1,489,658	12,707,572
Amortization period (years)		(2-5)	(5)	-	(5-20)

Information about intangible assets

Excluding goodwill and ongoing development projects, all other intangible assets are considered to have definite useful lives, over which intangible assets are amortized.

Additions to intangible assets are all internally generated in the product development of software solutions. This amounted to EURm 2.3 in 2016 compared to EURm 1.0 in 2015. In 2016 EURm 0.4 was used on research and development cost in the operating activities compared to EURm 1.2 in 2015.

EUR

11 - Goodwill with indefinite useful lifetime is attributable to these CGU's:				
Project segment	WACC 2016	WACC 2015	2016	2015
Trifork A/S (Trifork Finance A/S)	12.1%	14.1%	224,631	223,786
Trifork Public A/S	12.1%	14.1%	577,316	575,142
Erlang Solutions Ltd.	13.0%	14.1%	876,019	1,016,315
Trifork B.V.	12.2%	14.1%	3,755,551	3,755,551
Inaka Inc.	14.2%	14.1%	261,911	261,441
Open Credo Ltd.	13.0%	14.1%	1,308,137	1,517,636
Duckwise ApS	12.1%	14.1%	5,099	5,099
Goodwill Project segment total			7,008,665	7,354,970
Product segment				
Trifork Medical ApS	12.1%	14.1%	63,954	63,713
Netic A/S	12.1%	-	5,761,650	
Goodwill Product segment			5,825,604	63,713
Goodwill total			12,834,268	7,418,683

The recoverable amount of each cash-generating unit (CGU) to which goodwill have been allocated, are calculated based value-in-use calculations.

In this relation, the greatest uncertainties relate to the determination of discount rates, growth rates and expected changes in sales prices and production costs in the budgets and terminal sessions. The specified discount rates reflect market assessments of the time value of money, expressed by a risk-free rate and the specific risks associated with each CGU. Discount rates are defined on an "after tax" basis, based on the estimated Weighted Average Cost of Capital (WACC).

The applied rates are based on industry forecasts. Impairment test for goodwill items in all CGU's are made on the basis of a DCF-model, incorporating the projected budgets for each CGU with an assessment of future developments in each CGU. Management considers the projected budgets to be realistic, and built around the historical experience and expectations for future market development. For the financial year after the budget sessions (terminal period), there has been an extrapolation of the cash flows in the last budget period, adjusted for expected growth rates. The applied rates do not exceed the average long-term expected growth rate for the relevant markets. The DCF-model estimates a period of 5 years as a reasonable and valid budget period for all units. Management considers for all CGU's that probable changes in the underlying assumptions will not cause the carrying value of goodwill to exceed the recoverable amount.

Individual circumstances for each CGU:

Trifork Finance A/S (Project)

In the detailed budgets for this CGU which now is integrated into Trifork A/S, an annual growth rate of 20% in revenue is incorporated. This increase is based on the company's strategic plans in this CGU. In 2016 a growth of 20% was achieved. The EBITDA margin is estimated at 15% compared to a margin of 17% in 2016. The EBIT is estimated individually pro annum, based on all known and expected future depreciation, seen in relation to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 22%.

Trifork Public A/S (Project)

In the detailed budgets for this CGU, an annual 10% growth in revenue is incorporated. This increase is based on the company's strategic plans in this CGU compared with the actual figures for 2015 where a growth of 21% was achieved. The EBITDA margin is estimated at 20% compared to a realized margin of 24% in 2016. EBIT is estimated individually pro annum, based on all known and expected depreciations, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 22%.

Erlang Solutions Ltd. (Project)

In the detailed budgets for this CGU, an annual 15% growth in revenue is incorporated. This increase is based on the company's strategic plans in this CGU compared with the actual figures for 2016. The EBITDA margin is estimated at 9-12%. In 2016 a margin of 2% was achieved. EBIT is estimated individual pro annum, based on all known and expected depreciation, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 15%.

Individual circumstances for each CGU:

Trifork Medical ApS (Product)

In the detailed budgets for this CGU an annual 15-20% growth target in revenue is incorporated. This increase is based on the company's strategic plans in this CGU compared with the products launched in 2016. The EBITDA margin is estimated to be between 10-20%. In 2016 an EBITDA margin of 8% was achieved. The EBIT is estimated individually pro annum, based on all known and expected future depreciation, seen in relation to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 22%.

Trifork B.V. (Project)

In the detailed budgets for this CGU, an annual 12% growth in revenue is incorporated. This increase is based on the company's strategic plans in this CGU compared with the actual figures for 2016. The EBITDA margin is estimated to 12% compared to a margin of 12% in 2016. EBIT is estimated individually pro annum, based on all known expected depreciation, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 20%.

Inaka Inc. and Inaka SRL (Project)

In the detailed budgets for this CGU which is now integrated in into Erlang Solutions Inc., an annual growth of 15% in revenue is incorporated. This increase is based on the company's strategic plans in this CGU compared with the actual figures for 2016. The EBITDA margin is estimated to 12% compared to a margin of -6% in 2016. EBIT is estimated individually pro annum, based on all known expected depreciation, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 20%.

Duckwise ApS (Project)

An ownership of 51% of this company was purchased on October 1, 2014 and has been incorporated in the consolidated results after the purchase. In 2015 additional 24% of the company was acquired and end of 2015 Trifork owned 75% of the company. Duckwise creates a lot of the design for user interfaces on software solutions. The company is a subcontractor to many Trifork projects as well as they do design work for other companies. Duckwise ApS is registered in Denmark with a new entity in Switzerland where Trifork expect to grow the entity together with the original founders.

In the detailed budgets for this CGU, an annual growth in revenue of 20-25% is incorporated. This increase is based on the company's strategic plans in this CGU. In 2016 a growth of 26% was achieved. The EBITDA margin is estimated to 25-30%. In 2016 a margin of 26 was achieved. EBIT is estimated individually pro annum, based on all known expected depreciation, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 22%.

Open Credo Ltd. (Project)

Trifork in 2014 owned 33% of this company. On January 1, 2015 additional shares were purchased, which increased the Trifork ownership to 69% of this company. On November 1, 2016 31% of the company was acquired, so it is now a 100% subsidiary.

In the detailed budgets for this CGU, an annual 15% growth in revenue is incorporated. This increase is based on the company's strategic plans in this CGU compared with the actual figures for 2016 where a growth of 9% was achieved. The EBITDA margin in the budget period is estimated to 12-15%, compared to a margin of 9% in 2016. EBIT is estimated individually pro annum, based on all known expected depreciation, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 20%.

Netic A/S (Product)

An ownership of 88% of this company was purchased on April 1, 2016. Netic is a company selling IT-solutions and IT services, where hosting services is the primary activity. The company is seated in Denmark and for some extent, the company is subcontractor to other companies in the Group.

In the detailed budgets for this CGU, an annual growth in revenue of 28% is incorporated. This increase is based on the company's strategic plans in this CGU. In 2016 a growth of 3% was achieved. The EBITDA margin is estimated to 20%. In 2016 a margin of 22% was achieved. EBIT is estimated individually pro annum, based on all known expected amortization of intangibles, compared to the strategic plans within the 5 years budget period. Tax on EBIT is estimated to 22%. More information on this CGU is to be found in note 23.

EUR

12 - Tangible Assets	Leasehold improvements	Other equipment, fixtures and fittings	Investment properties
Cost at January 1, 2015	1,157,254	4,015,630	624,666
Exchange rate adjustments	-38	119,972	-1,582
Additions	1,424,935	933,606	0
Additions from acquisitions	78,313	235,033	0
Disposal	0	-488,813	0
Cost at December 31, 2015	2,660,464	4,815,429	623,084
Depreciation at January 1, 2015	879,340	2,640,566	60,502
Exchange rate adjustments	657	45,143	-153
Depreciation for the year	172,470	597,280	14,566
Additions from acquisitions	47,513	100,804	0
Disposal	21,011	-455,887	0
Depreciation at December 31, 2015	1,120,990	2,927,906	74,915
Carrying amount at December 31, 2015	1,539,474	1,887,523	548,168
Cost at January 1, 2016	2,660,464	4,815,429	623,084
Exchange rate adjustments	-186,805	-105,723	2,355
Additions	161,993	1,617,654	0
Additions from acquisitions	112,945	2,110,740	0
Disposal	0	-291,624	0
Cost at December 31, 2016	2,748,597	8,146,476	625,439
Depreciation at January 1, 2016	1,120,990	2,927,906	74,915
Exchange rate adjustments	-11,884	-59,711	283
Depreciation for the year	182,944	1,141,194	14,621
Disposal	0	-130,174	0
Depreciation at December 31, 2016	1,292,050	3,879,215	89,820
Carrying amount at December 31, 2016	1,456,547	4,267,261	535,619
Depreciation period (years)	(7)	(3-7)	(30)

Investment properties	2016	2015
Rental income derived from investment properties	22,564	22,513
Direct operating expenses	-8,265	-4,442
Profit arising from investment properties	14,299	32,369

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Groups investment property is real estate that is held with the purpose of sale at a later point in time when the price-level is seen as attractive. In the period until the sale the property is rented out to a third party.

13 - Investments in Associates	2016	2015
		EUR
Cost at January 1	991,268	1,632,191
Exchange rate adjustments	3,472	68,342
Additions for the year	538,490	227,606
Disposals for the year	-176,493	-936,871
Transfer	-92,328	0
Cost at December 31	1,264,409	991,268
Impairment at January 1	-288,746	-396,206
Exchange rate adjustments	-8,205	6,728
Results from associated companies	-102,125	113,348
Dividend paid out	0	0
Impairment for the year	-51,215	-86,575
Reversed impairment	156,550	73,959
Transfer	106,330	73,959
Impairment at December 31	-187,412	-288,746
Carrying amount at December 31	1,076,997	702,522

Name (Associate)	Home	Ownership 31/12 2015	Revenue	Net profit	Assets	Liabilities
aragost Trifork AG	CH	33%	329,000	18,800	474,500	285,349
ForkID A/S	DK	30%	0	170,749	13,620	35,321
Appdictive ApS	DK	25%	89,353	23,139	68,087	29,478
Chainalysis Inc.	US	29%	249,219	117,000	1,222,857	18,591
Chainalysis GmbH	CH	29%	274,705	42,547	455,992	394,854
Brightclouds Labs B.V.	NL	50%	0	-2,341	106,448	1,062
Brightclouds Benelux B.V.	NL	50%	0	-1,156	3,552	8,312
The Service Network B.V.	NL	25%	0	-13,444	99,721	45,947
WeCity B.V	NL	21%	230	-275,405	473,253	44,132
Name (Associate)	**Home**	**Ownership 31/12 2016**	**Revenue**	**Net Profit**	**Assets**	**Liabilities**
aragost Trifork AG	CH	33%	275,206	22,934	294,287	84,033
Appdictive ApS	DK	25%	205,293	19,893	49,798	16,355
Humio ApS	DK	49%	4,933	-86,681	758,809	548,429
Chainalysis Inc.	US	23%	625,965	-16,205	1,935,310	650,675
Chainalysis GmbH	CH	23%	974,555	638,339	1,113,637	404,015
Brightclouds Labs B.V.	NL	50%	0	-2,455	161,355	163,515
Brightclouds Benelux B.V.	NL	50%	0	-47,553	10,298	61,942
The Surface Network Group B.V.	NL	50%	0	0	750	0
The Surface Network Benelux B.V.	NL	36%	0	0	0	0
Connective Floors B.V.	NL	50%	0	0	63,400	48,400
WeCity B.V	NL	21%	71,433	-151,246	345,846	125,758
Remember to Play B.V.	NL	35%	0	49,736	72,727	22,991
JustCloudIT GmbH	DE	50%	0	0	50,000	0
Spectolabs Ltd.	UK	48%	55,236	-273,374	181,837	-33,676

In 2016 ForkID A/S has changed status to become a subsidiary and is part of the consolidation af the Trifork group reporting. The value of the net asssets is considered immaterial and thus no disclosure has been made in note 23.
The financial reporting in the associated companies is based on the same accounting policies as Triforks.

14 - Debt to financial Institutions and other non-current liabilities	2016	EUR 2015
Division of Debt to financial institutions:		
Non-current Liabilities	11,125,564	4,131,072
Current Liabilities	7,450,063	5,406,090
Debt to financial institutions total	18,575,627	9,537,162
Other non-current liabilities		
Mortgage loans	265,764	274,573
Financial Lease liabilities	1,284,484	0
Deferred payments related to acquisitions	2,667,181	901,947
Contingent consideration liabilities	1,652,904	57,518
Net defined benefit liability	617,339	590,876
Other non current liabilities	100,000	0
	6,587,672	1,824,914
To be settled < 1 year		
Mortgage loans	10,195	0
Financial Lease liabilities	176,824	0
Deferred payments related to acquisitions	1,593,431	0
Contingent consideration liabilities	426,311	407,362
	2,206,761	407,362
Total other non current liabilities	4,380,911	1,417,552

Contingent liabilities related to acquisitions	2016	2015
Liability at January 1	57,518	92,674
Settled through payment	0	-35,156
New liability from acquisitions within the year	1,703,244	0
Reversed liabilities	-57,518	0
Unrealised fair value adjustment recognised in profit or loss	-50,340	0
Liability at December 31	1,652,904	57,518

The liability of EURm 1.7 is related to the acquisition of non-controlling interest in the company Open Credo Ltd. The contingent consideration is based on expected future revenue in 2017, 2018 and 2019.

It is assessed that there is 100% likelyhood of payment of the contingent liability

15 - Non-controlling interests	2016	2015
Non-controlling interests January 1	3,985,717	1,439,949
Additions from business combinations	462,336	622,116
Acquisition of non-controlling interests	-1,863,388	0
Exchange rate adjustments on translation of foreign entities	-487,171	3,260
Dividend paid out	-263,077	-489,147
Share of profit	238,500	2,409,539
Non-controlling interests December 31	2,072,917	3,985,717

16 - Share capital	2016	2015
Number of shares (CHF 0.1)		
Issued shares, January 1	18,537,230	17,324,514
Capital increase	0	1,212,716
Issued shares, December 31	18,537,230	18,537,230
Treasury shares	-237,943	-288,509
Number of shares outstanding	18,299,287	18,248,721

The Trifork Holding company was founded on January 8, 2014 and had end of 2016 a share capital of nominally 18,537,230 shares of CHF 0.1 each. In June 2015 a capital increase was performed in relation to bringing in a new strategic investor to the company. The shares have ISIN-no: CH0236907504 and are registered with VP Securities in Denmark. The share capital is fully paid. All shares have identical rights and there is only one share class.
In 2016 757.140 treasury shares were purchased to an average rate of CHF 6.02 and 807.706 shares were sold at an average rate of CHF 6.16. This equals a net sale of 50,566 shares. Most of the share purchases in 2016 were carried out in the beginning of the year and most of the shares sales were carried out late in the year. The price increased during the year, so based on this, the average sales price was higher than the purchase price.

EUR

17 - Mortgages and securities	2016	2015
Total guarantees in relation to credit facilities	10,623,063	4,079,066

A security is provided for the acquisition loan of DKKm 25 (EURm 3.4) in relation to the Trifork Holding AG takeover of Trifork A/S. The shares in Trifork A/S, Trifork GmbH, Trifork B.V and Trifork Ltd. have been placed as security (pledge) until the acquisition loan has been repaid.

A security is provided for the acquisition loan of DKKm 54 (EURm 7.3) in relation to the Trifork A/S acquisition of Netic A/S.

18 - Other payables	2016	2015
VAT obligations	1,458,641	877,152
Tax deducted from salaries	572,417	511,504
Employee obligations (social expenses, Pension, Holiday, Bonus)	2,433,707	1,749,245
Other debts	2,212,461	3,385
Other payables in total	6,677,226	3,141,286

19 - Changes in working capital	2016		2015	
	Since prior year	Acquisitions	Since prior year	Acquisitions
Work in Progress	697,441	93,852	-848,383	213,281
Receivables from sales	-3,738,418	1,151,755	3,249,160	905,531
Other receivables	-1,004,022	2,755	160,813	117,906
Prepayments	-169,407	243,295	-147,237	22,159
Trade payables	-1,469,548	-236,078	-2,841,299	-238,068
Other payables	3,535,940	-847,170	-997,011	-125,499
Accrued expenses	587,549	-126,122	-1,523,693	-27,480
Changes in working capital total	-1,560,465	282,287	-2,947,650	867,830

EUR

20 - Related parties

The Group has no related parties with controlling influence. The Group's related parties include the Board and Executive management and the close families of these individuals. Furthermore, related parties include companies, in which the aforementioned circle of people have significant interests. Additionally, related parties include associated companies. A balance of trade and salary for the Group Executive and Board is presented in note 5. Trifork A/S and Trifork GmbH is responsible for certain administrative and staff-related assignments for subsidiaries and associated companies, including IT-operations, maintenance, bookkeeping, a shared sales organisation and management tasks. These assignments are invoiced, based on cost to the associated companies/subsidiaries. In addition, there have been no significant transactions with related parties during the year, apart from the usual trade between the Group companies. The trade is based on usual business conditions (arms length).

Transactions with related parties	Loan from Trifork-group	Trifork purchase	Trifork sale
2015			
Aragost Trifork AG	0	50,367	0
Appdictive ApS	0	90,180	9,222
ForkID A/S (former Office Design A/S)	0	0	17,718
Chainalysis GmbH	268,240	0	0
Brightclouds Benelux B.V	0	0	38,500
The Service Network B.V	0	0	29,783
WeCity B.V	0	0	271,945
Ejendomsselskabet af 1. juni 2012 ApS	0	321,547	0
2016			
Aragost Trifork AG	0	34,028	0
Appdictive ApS	0	65,972	26,674
Chainalysis GmbH	202,616	0	6,000
Chainalysis Inc	0	0	3,500
Brightclouds Benelux B.V	0	0	45,000
The Surface Network Group B.V	40,000	0	0
The Surface Network Benelux B.V	0	0	62,233
WeCity B.V	0	0	17,846
Ejendomsselskabet af 1. juni 2012 ApS	0	311,893	0
Humio ApS	333,326	7,444	633,020
Connective Floors B.V.	0	0	40,000
Spectolabs Ltd.	4,660	40,000	169,732
Remember to Play B.V.	0	80,061	5,317

EUR

21 - Accrued pension cost and benefits

Swiss pension plan

The pension arrangements for employees in Switzerland are covered by a multi-employer plan administered by Swiss Life Collective BVG Foundation and governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). All benefits in accordance with the regulations are re-insured in their entirety, with Swiss Life Ltd within the framework of the corresponding contract. This pension solution reinsures the risks of disability, death and longevity with Swiss Life. Swiss Life invests the vested pension capital and provides a 100% capital and interest guarantee for the duration of the contract.

The Swiss Life Collective BVG Foundation is a separate legal foundation and is funded by employer and employee contributions defined in the pension fund rules. The pension plan contains a cash balance benefit which is essentially contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan for the purposes of these IFRS financial statements, although it has many of the characteristics of a defined contribution plan.

The technical administration and management of the savings account are guaranteed by Swiss Life on behalf of the collective foundation. Insurance benefits due are paid directly to the entitled persons by Swiss Life in the name of and for the account of the collective foundation. Trifork has committed itself to pay the annual contributions and costs due under the pension fund regulations. The contract of affiliation between Trifork and the collective foundation can be terminated by either side. In the event of a termination recipients of retirement and survivors' benefits would remain with the collective foundation. Trifork commits itself to transfer its active insured members and recipients of disability benefits to the new employee benefits institution, thus releasing the collective foundation from all obligations.

The plan invests in a diversified range of assets in accordance with the investment strategy. A potential under-funding may be remedied by various measures such as increasing employer and employee contributions or reducing prospective benefits.

Assumptions applied in the valuation of accrued pension cost	2016	2015
Discount rate at the end of the period	0.70%	0.90%
Future salary increases at the end of the period	1.50%	1.50%
Future pension increases at the end of the period	0.00%	0.00%
Retirement age	M65/W64	M65/W64
Demographic assumptions	BVG 2015 GT	BVG 2010 GT

Reconciliation of net defined benefit liability (asset)	2016	2015
Net defined benefit liability (asset), beginning of period	590,876	458,406
Effect of exchange rate differences	4,125	51,460
Defined benefit cost recognised in profit or loss	167,921	153,295
Defined benefit cost recognised in other comprehensive income	-18,079	28,483
Ordinary contribution paid by employer	-127,503	-100,768
Net defined benefit liability (asset), end of period	617,339	590,876

The net defined benefit liability is included in Other non-current liabilities

Reconciliation of present value of the defined benefit obligation	2016	2015
DBO, beginning of period	1,307,046	929,685
Effect of exchange rate differences	9,123	104,365
Current service cost (employer)	157,594	165,576
Administration cost	4,972	5,787
Ordinary contribution paid by employees	127,503	100,768
Interest expense on defined benefit obligation	11,846	11,374
Additional contributions paid by plan participants	61,907	22,364
Benefits paid from plan assets	-470,093	-40,007
Past service cost	0	-23,676
Actuarial gain/loss on defined benefit obligation	-79,202	30,810
DBO, end of period	1,130,696	1,307,046
Actuarial gain/loss arising from changes in demographic assumptions	-85,647	0
Actuarial gain/loss arising from changes in financial assumptions	93,617	15,610

		EUR
Reconciliation of fair value of plan assets	2016	2015
Fair value of plan assets, beginning of period	716,170	471,278
Effect of exchange rate differences	4,998	52,906
Interest income on plan assets	6,490	5,766
Ordinary contributions paid by employer	127,503	100,768
Ordinary contributions paid by employees	127,503	100,768
Contributions paid by plan participants	61,907	22,364
Benefits paid from plan assets	-470,093	-40,007
Other	-61,124	2,328
Fair value of plan assets, end of period	513,356	716,170
Ordinary employer payments to defined contribution plans	1,431,644	1,054,136

The total amount of the contribution to the pension plan for key management is displayed in note 5.

Components of defined benefit cost in profit or loss	2016	2015
Current service cost employer	157,594	165,576
Interest expense on defined benefit obligation	11,846	11,374
Interest income on plan assets	-6,490	-5,766
Past service cost	0	-23,676
Administration costs	4,972	5,787
Defined benefit cost recognised in profit or loss	167,921	153,295
- Thereof service cost	157,594	141,900
- Thereof net interest on the net defined benefit liability (asset)	5,355	5,608

Accumulated value of plan assets	2016	2015
Surrender value of portfolio	578,423	715,697
Premium payment account	-65,067	473
Total value of assets	513,356	716,170

Sensitivity analysis	2016	2015
Sensitivity to discount rate assumptions		
a. + 0.5% -Effect on defined benefit obligation	-9.5%	-8.4%
b. -0.5% - Effect on defined benefit obligation	11.1%	9.6%
Sensitivity to salary increase rate assumptions		
a. +0.5% - Effect on defined benefit obligation	1.0%	0.9%
b. -0.5% - Effect on defined benefit obligation	-0.9%	-0.9%
Sensitivity to mortality assumptions		
a. Life expectancy +1 year. Effect on defined benefit obligation	1.1%	0.7%
b. Life expectancy -1 year. Effect on defined benefit obligation	-1.2%	-0.7%

Plan amendment, curtailment and settlement

Swiss Life communicated by the end of October 2015 to reduce the conversion rate for supplementary retirement savings in several steps until 2020. Its first effect will take place by the 1st January 2017. This led to a negative past service cost, which has been calculated as at 31.12.2015.

Future cash flows (CHF)	2017	2018	2019	2020
Expected annual employee contribution	151,000			
Expected annual employer's contribution	151,000			
Projected benefits expected to be paid	103,000	102,000	101,000	99,000

The annual contribution has not been predicted beyond 2017. In the period from 2021 to 2025 total benefit payments of CHF 562,000 is expected. Macaulay duration in years is calculated to 19.7 years.

EUR

22 - Financial risks and financial instruments

THE RISK MANAGEMENT POLICY OF THE GROUP

The Trifork Group is, as a result of its operations in investing and financing activities, exposed to a variety of financial risks, including market risk (currency and interest rate risks), credit risks and liquidity risks. The Group has a centralized management of financial risks. The overall framework for the financial risk management is defined in the Group's financial policy, which is approved by the Board of Directors. It is Group policy not to actively speculate in financial risks. The Group's financial management is solely to manage and reduce the financial risks that are a direct result of the Group's operating, investing and financing. The Group continuously calculates current financial positions related to both financial and non-financial assets. Monthly, Management reviews the Group's risk exposure in areas such as customers, order lengths, currencies, etc. in relation to budgets and forecasts. Below, it is assessed whether the Group's risks are correlated, and whether there are significant changes in the overall risk exposure.

CURRENCY RISKS

The Group is exposed to currency fluctuations. Primarily due to the foreign activities related to conferences abroad, but also by the activities in Denmark, England, Poland, Hungary, USA, Argentina, Germany and Holland. The Group's main commercial currency exposure relates to the purchase and sale in DKK, CHF, EUR, GBP and USD. The Group's currency risks are hedged primarily due to revenues and costs in the same currency. Whether there is a need for additional hedging is settled by continuously carrying out assessments of the correlations and variance between the net positions in each currency. It is the Group's assessment, that overall there is a sensible natural hedging of risks based on the most recently completed assessments, and therefore does not currently use additional hedging instruments. Further information is given in note 22.d.

INTEREST RISKS

Trifork has, as a result of the Group's investing and financing activities, a risk exposure related to fluctuations in interest rates in Europe and abroad. The primary interest rate exposure is related to fluctuations in CIBOR and EURIBOR. So far, the group has not considered it necessary to undertake measures to ensure interest, since it is estimated that net mortgaging is not at a level that it would be profitable. Further elaboration is given in note 22.d.

LIQUIDITY RISK

It is the Group's policy in connection with a loan to ensure maximum flexibility by diversifying borrowing on maturity and renegotiation dates and counter parties, taking pricing into account. The Group's liquidity reserve consists of unutilized credit facilities. The group aims to have sufficient cash resources to continue to act appropriately in case of unforeseen changes in liquidity. There are one security associated with a bank-loan of EURm 1.2 to Trifork GmbH, where Trifork A/S guarantees for the loan and the shares in Trifork GmbH are pledged as security. There is one guarantee given from Trifork Holding to a creditline of up to DKKm 54 for Trifork A/S in relation to the acquisition of 88% of Netic A/S. Further information regarding this is given in note 22.d.

CREDIT RISKS

The Group is exposed to credit risk caused by its operations. These risks are primarily related to receivables and cash. The Group's policy of assuming credit risks, causes all major customers and other key partners to be rated, and payment arrangements established in relation to this. The management of credit risk is based on internal credit limits for customers and counter parties. Credit limits are determined on the basis of the creditworthiness of customers and counter parties. If a customer or counter party is not considered sufficiently creditworthy, payment terms are modified or a guarantee is secured.

As part of the Group's risk management, credit exposure to customers and counter parties is monitored monthly or quarterly. Historically, the group has only had minimal losses due to lack of payments from customers or counter parties. In the future, there is no expectation that there will be larger uncertainties on the Group's clientele. Note 22.f includes a table of outstanding receivables at 31.12.2015.

22a - Categories of financial instruments	2016	2015
Assets	Carrying amount	Carrying amount
Receivables from sales	14,051,723	10,313,304
Other receivables	2,253,394	1,249,372
Cash	5,504,161	11,269,919
Loans and receivables	21,809,278	22,832,596
Other financial investments	4,418,464	4,761,792
Financial assets available for sale	4,418,464	4,761,792
The carrying amount is considered a resonable approximation of fair value.		

EUR

22a - Categories of financial instruments	2016	2015
Liabilities	Carrying amount	Carrying amount
Contigent consideration related to acquisitions	1,652,904	57,518
Deferred payment related to acquisitions	2,667,181	901,947
Financial liabilities measured at fair value through profit	4,320,086	959,465
Financial institutions	18,575,627	9,537,162
Trade payables	3,589,841	5,059,388
Other debt	2,212,461	3,385
Financial liabilities measured at amortized cost	24,377,929	14,599,936

22b - Currency risks (sensitivity to exchange rate fluctuations)						
2015						
Currency	Cash and receivables	Financial obligations	Net position	Likely rate-change	Influence on profit	Influence on Equity
DKK	894,463	6,662,243	-5,767,779	1%	-49,026	-49,026
GBP	4,352,192	1,128,700	3,223,492	10%	273,997	273,997
CHF	701,608	625,419	76,189	10%	6,476	6,476
USD	554,295	623,803	-69,508	10%	-5,908	-5,908
PLN	58,456	0	58,456	5%	2,484	2,484
SEK	84,655	0	84,655	5%	3,598	3,598
ARS	60,014	0	60,014	15%	7,652	7,652
Overall currency risk					239,272	239,272

The probable rate movements are based on an estimate of the maximum fluctuation for each currency in order to illustrate how much impact this hypothetically would have on the Group's profit and equity. Exchange rate fluctuations are based on an assessment of the previous historical development and forecast of the future trend. The risk is calculated, based on currency positions (shown in EUR), as of 31.12.2015 and 31.12.2016. In the calculations an average tax-rate of 15% is used. The risk in USD and GBP are also balanced against investments done in USD and GBP.

22b - Currency risks (sensitivity to exchange rate fluctuations)						
2016						
Currency	Cash and receivables	Financial obligations	Net position	Likely rate-change	Influence on profit	Influence on Equity
DKK	1,200,134	-4,096,019	-2,895,885	1%	-24,615	-24,615
GBP	2,632,665	-2,056	2,630,609	-2%	-49,192	-49,192
CHF	11,732	-453,088	-441,356	2%	-5,817	-5,817
USD	531,809	-773,154	-241,345	-1%	1,387	1,387
PLN	10,734	0	10,734	5%	456	456
SEK	156,315	0	156,315	-2%	-2,287	-2,287
ARS	11,030	0	11,030	15%	1,406	1,406
Overall currency risk					-78,661	-78,661

EUR

22c - Capital management

Management's strategy and overall objectives are to ensure continued development and strengthening of the Group's capital structure that supports long-term profitable growth and healthy development of earnings and balance sheet ratios. The equity ratio (solidity) 31.12.2016 was 3% compared to 46% as of 31.12.2015. Management regularly reviews whether the Group's capital structure is consistent with Group and shareholder interest. As part of this review, the Board of Directors assesses the Group's capital costs and the risks associated with each type of capital.

Financial gearing	31.12.2016	31.12.2015
Debts to Financial institutions	18,575,627	9,537,162
Cash	-5,504,161	-11,269,919
Interest-bearing debt	13,071,467	-1,732,757
Equity	24,928,944	27,150,640
Financial gearing	52.43%	-6.38%

22d - Interest rate and liquidity risk

As of 31.12.2016, the Trifork group had a net interest bearing debt in cash of EURm 13.1. The corresponding figure was a net plus in cash of EURm 1.7 as of 31.12.2015. Capital resources and access to new credit facilities are by management considered to be reasonable in relation to the current need for financial flexibility.

The Group's credit facilities are all at a variable interest rate. Foreign currency interest rates are fixed every three months. All interest rates are tied to the development of the general market rate. 2 new acquisition loans are entered in 2016. One loan of DKKm 54 is repayable over a period of 4 years and another loan of GBPm 1.5 is repayable over a period of 4 years. An acquisition loan from previous of GBP 0.2 is repayable over a period of 3 years and an acquisition loan of DKK 25 (EURm 3.4) to finance the takeover of Trifork A/S is not repayable before an IPO of Trifork Holding AG is succeeded. All other credits are automatically extended each year. DKKm 10 and EURm 0.2 is extended in January, DKKm 25 is extended in May and GBPm 0.5 is extended in July. Other credits are not due for repayment, unless the involvement is moved to other banks.

For the Group's bank deposits and bank loans and other loans with variable interests, an increase of 1% points, compared to the balance sheet interest rates, will have a negative impact on profit and equity of about EURt 131 (in 2015 the impact would have been negative with EURt 17). A similar decrease in interest rates would give a corresponding positive impact on profit and equity.

Credit facilities 31.12.2015	0 - 1 year	1 - 2 years	2 - 5 years	Total
Line of credit (DKK)	4,030,308	0	0	4,030,308
Line of credit (CHF)	462,365	0	0	462,365
Line of credit (EUR)	200,000	0	0	200,000
Line of credit (GBP)	677,514	0	0	677,514
Currency loan (DKK)	0	0	3,758,705	3,758,705
Currency loan (GBP)	238,965	78,710	0	317,674
Currency loan (EUR)	629,696	0	0	629,696
Credit facilities total	6,238,848	78,710	3,758,705	10,076,263

The Group is not subject to any collateral security other than already paid deposits. Loan facility overdrafts are automatically extended for 1 year at a time. Besides this, the Group expects to generate a significant positive cash flow during 2016. The group has current liabilities of EURm 16.3 which is due during 2016 and simultaneously, current assets EURm 25.2, which are also due in 2016.

Credit facilities 31.12.2016	0 - 1 year	1 - 2 years	2 - 5 years	Total
Line of credit (DKK)	4,706,702	0	0	4,706,702
Line of credit (CHF)	465,592	0	0	465,592
Line of credit (EUR)	200,000	0	0	200,000
Line of credit (GBP)	583,988	0	0	583,988
Currency loan (DKK)	1,815,883	1,815,883	7,451,849	11,083,615
Currency loan (GBP)	198,556	586,908	1,306,065	2,091,529
Credit facilities total	7,970,721	2,402,791	8,757,914	19,131,426

EUR

22e - Fair value hierarchy for financial instruments measured at fair value in the Balance					
2015					
Financial assets	Level 1	Level 2	Level 3	Cost	Total
C4 Media Inc. (9%)	0	0	841,166	0	841,166
Basho Technologies (6.5%)	0	0	3,382,528	0	3,382,528
SQOR Inc. (2%)	0	0	0	232,326	232,326
Urologica AG (0.1%)	0	0	0	30,824	30,824
Refluxica AG (0.1%)	0	0	0	30,824	30,824
Rampel Investments Ltd. (0.1%)	0	0	0	30,824	30,824
Mars One B.V	0	0	0	67,293	67,293
Feuerlabs (12%)	0	0	0	8,734	8,734
Telecon Ltd. (15%)	0	0	0	5,360	5,360
La Cava Vivante GmbH	0	0	0	44,017	44,017
Sforzando Inc.	0	0	0	87,894	87,894
Financial assets	0	0	4,223,695	538,097	4,761,792
2016					
Financial assets	Level 1	Level 2	Level 3	Cost	Total
C4 Media Inc. (9%)	0	0	844,346	0	844,346
Basho Technologies (4.4%)	0	0	1,333,055	0	1,333,055
SQOR Inc. (0.3%)	0	0	0	103,633	103,633
Urologica AG (0.1%)	0	0	0	31,039	31,039
Refluxica AG (0.1%)	0	0	0	31,039	31,039
Rampel Investments Ltd. (0.1%)	0	0	0	31,039	31,039
Mars One B.V (5.7%)	1,794,963	0	0	0	1,794,963
évoé Wine Technologies SA (2.89%)	0	0	0	44,324	44,324
Atomist Inc. (0.1%)	0	0	0	88,226	88,226
Beem International Sarl (4%)	0	0	0	116,798	116,798
Financial assets available for sale	1,794,963	0	2,177,401	446,100	4,418,464

The above classifications of financial assets which are measured at fair value are divided according to the fair value hierarchy:

Level 1: quoted prices in active markets for identical assets
Level 2: quoted prices in active markets for similar assets or other valuation methods, where all significant input is based on observable market data.
Level 3: valuation methods, in which any significant input is not based on observable market data.
Cost: value is set equal to the cost price.

In relation to the valuation of the Group's ownership of financial assets available for sale, the assessment is that currently there is no basis for changing either Urologica AG, Refluxica AG, Rampel Investments Ltd., évoé Wine Technologies SA, Atomist Inc. or Beem International Sarl from the cost price. This is due to the fact that it is not immediately possible to find a similar group of listed companies, and equally, there are no other indications compared to trading companies' shares that could form the basis for a second valuation of the Group's ownership interest. Capital impairments are recognized on Basho and SQOR investment in 2016 due to decreased valuations. None of the companies has yet a positive net profit or cash flow from the business operations and based on that Trifork still uses the cost price as the best indication of the value of the ownership. Mars One was listed on the Frankfurt stock exchange in 2016 thus adjusted to the listed price and moved from cost price basis to level 1.

The ownership of the shares in C4Media has been impairment tested based on the latest financial results of the company and the posted value is estimated to account for the fair value based on this.

Level 3	2016	2015
Value at January 1	4,223,695	843,302
Reclassification between levels	0	3,382,528
Acquisitions	413,351	0
Fair value change through other comprehensive income	-2,462,824	0
Exchange rate adjustments	3,179	-2,136
Value at December 31	2,177,401	4,223,695

22f - Credit risks	31.12.2016	EUR 31.12.2015
Past due not impaired receivables		
Overdue by up to one month	4,903,906	2,304,792
Overdue by one to three months	486,906	364,863
Overdue with more than three months	589,030	666,714
Overdue receivables in total	5,979,842	3,336,369

At the end of 2016 there has been EURt 134 in provisions for bad debt. At the end of 2015 the provisions were of EURt 191. There is no expectation of losses in 2017.

The primary credit risk in the group is related to receivables from sales of services. The Group's customers are mainly large companies in Denmark, England, Switzerland, Holland, USA and Sweden. The Group has no significant risks relating to a single customer or business partner.

Credit quality of receivables is assessed based on the Group's internal credit assessment procedures. The company estimates that all debts are high quality with low risk of loss. The maximum credit risk associated with receivables corresponds to their carrying amounts.

23 - Purchase price allocation for subsidiaries

The Group made one new acquisitions in 2016. The purchase price is allocated in the following way. Additional information of the companies as well as the parameters used in the purchase sum allocation can be found in note 11.

Company	DinDan (2015)	OpenCredo Ltd (2015)	Netic A/S 2016
Intangible assets			0
Tangible assets			2,723,945
Other non-current assets			0
Current assets			2,568,568
Non-current Liabilities			-868,580
Current Liabilities			-1,354,845
Net assets	93,286	1,143,446	3,069,088
Acquired ratio of net assets (88%)			2,700,798
Purchase price	93,286	3,272,394	14,440,977
Purchase price to allocation	0	2,128,947	11,740,179
Intangible assets			
Customer relationships	0	764,140	7,664,781
Intangible assets total	0	764,140	7,664,781
Deferred tax	0	-152,828	-1,686,252
Goodwill	0	1,517,635	5,761,650
Total purchase sum allocation	0	2,128,947	11,740,179
Considerations at purchase			
Cash payment	93,286	2,777,808	8,862,585
Equity instruments	0	0	2,888,195
Deferred payment	0	494,585	2,690,197
Total purchase price	93,286	3,272,394	14,440,977
Non-controlling interest at time of acquisition	0%	31%	12%

Netic A/S

The acquisition was carried out in the start of April, 2016. Management has assessed the book values at the date of acquisition to be equal to the fair values. EURm 7.7 of the purchase price has been allocated to customer relationships based on the revenue estimates on existing customers and by estimating a churn rate of 5%. This amount is to be depreciated over 20 years. No other major class of assets has been identified as subject for the allocation and a total sum of EURm 5.8 has been allocated as goodwill with an infinity lifetime. In 2016 Netic contributed with revenue of EURm 5.7 and EBITDA of EURm 1.5 to the consolidated financial statement in the Trifork Group. The value of the equity instruments has been determined by using the Trifork treasury share price model. The non-controlling interest is calculated based on share of identifiable net assets at fair value.
The purchase price allocation for Netic remains provisional at December 31, 2016.

Discription of the 2015 acquisitions:
DinDan Social Global B.V.

The acquisition was done in November, 2015 where the company changed status from an associated company to a subsidiary. Trifork B.V now owns 100% of the company. The purchase sum of DinDan was equal to the net assets in the company. The most significant part of the assets acquired was a product developed in the company. Management has assessed the book values as equal to the fair values. Based on this no additional goodwill, gains or losses have been introduced. In 2015 no significant revenue was achieved in the company (EUR 1,000 in total) and the results in the company has been very close to zero. Based on this an earlier acquisition would have had no significant effect on the consolidated revenue or results.

Open Credo Ltd.

The acquisition was done in the start of January, 2015. By acquiring additional 36% ownership Trifork reached total ownership of 69% in the company. Based on this Open Credo changed status from an associated company to a subsidiary. Management has assessed the book values at the date of acquisition to be equal to the fair values.
EURm 0.8 of the purchase sum has been allocated to customer relationships based on the revenue estimates on existing customers and by estimating a churn rate of 5%. This amount is to be depreciated over 20 years. No other major class of assets has been identified as subject for the allocation and a total sum of EURm 1.5 has been allocated as goodwill with an infinity lifetime.
At the acquisition in January 2015 the previous ownership of 33% of the shares was reevaluated based on the new fair value of OpenCredo. The fair value was determined based on the most recent purchase prise per share and a fair value estimation on the equity interests at the acquisition date and resulted in a profit of EURm 0.7 which has been recognized in financial income.
In 2015 Open Credo contributed with revenue of EURm 7.9 and EBITDA of EURm 0.7 to the consolidated financial statement in the Trifork Group.

24 - Lease obligations	2016	2015
Operating lease arrangements		
< 1 year	2,393,060	1,525,612
> 1 year and < 5 years	6,081,598	2,707,921
> 5 years	533,527	625,578
In 2016 a total of EUR 2.142.224 was paid to operating lease services (2015: EUR 1,989,537)		
Offices		
Trifork end 2016 had 25 lease contracts for offices. All of them are subject to the rules for commercial leases. The main leases runs for a period of 1-7 years. The contracts are non-cancellable in the lease period. There is a possibility of renegotiation of all contracts with a renewal for a period of three years. All contracts are fixed annuity and indexed annually.		

Financial lease commitments	2016		2015	
	Min. payment	Present value	Min. payment	Present value
< 1 year	176,824	171,712	37,814	36,712
> 1 year and < 5 years	1,107,660	899,962	17,100	16,119
> 5 years	0	0	0	0
Total minimum lease payments	1,284,484	1,071,674	54,914	52,831
Less amounts representing finance charges	-212,810		-2,083	0
Present value of minimum lease payments	1,071,674	1,071,674	52,831	52,831
Carrying value December 31	2016		2015	
Other Equipment, Fixtures and fittings	1,493,077		30,298	
Carrying value, total December 31	1,493,077		30,298	

The carrying value of the assets covered by the financial lease contract amounted to EURt 1.493 at the end of 2016. The total obligation on the lease contracts amounted to EURt 1.284 divided on 9 lease contracts covering lease of IT-hardware and cars.

25 - Earnings per share	2016	2015
Earnings per share for continuing operations	0.22	0.35
Diluted earnings per share for continuing operations	0.22	0.35

EUR

The Company has had no discontinued operations, thus not making any separate statement for this.

Earnings per share is calculated on basis of:	2016	2015
Profit for the period	4,199,429	8,548,395
Non-controlling Interests	238,500	2,409,539
Shareholders in Trifork Holding AG	3,960,930	6,138,856
Average number of issued shares	18,537,230	17,930,872
Average number of treasury shares	263,226	272,624
Number of shares used for calculating earnings per share	18,274,004	17,658,249

26 - Events after the balance sheet date

After balance sheet date, no events have occurred which are assessed to change the Group's economical or financial situation significantly.

27 - Non-controlling interests

None of the non-controlling interests are considered material, thus it is not relevant to disclose any details from neither Income statement nor the Balance sheet from their separate accounts

28 - Government Grants received	2016	2015
Research and development WBSO (NL)	321,657	266,629
Research and development grants (VUK)	105,770	0
Research and innovation (EU)	290,258	92,870
	717,685	359,499

The received grants are included in the profit and loss statement under the lines personnel cost and other operating income.

29 - Research and development costs	2016	2015
Research and development costs recognized in the profit and loss statement	435,873	662,134
	435,873	662,134

The expenses are included in the profit and loss statement under the line personnel cost.

30 - Other comprehensive income items as at Dec. 2016	Retained earnings	Reserve for exchange rate adjustments	Available for sale reserve	Non-controlling interests	Total
Fair value adjustment of financial assets available for sale	0	0	-1,105,495	0	-1,105,495
Foreign currency translating differences for foreign operations	0	-804,240	0	-487,171	-1,291,411
Actuarial gain (losses) on pension liabilities, net of tax	18,079	0	0	0	18,079
	18,079	-804,240	-1,105,495	-487,171	-2,378,827

Other comprehensive income items as at Dec. 2015	Retained earnings	Reserve for exchange rate adjustments	Available for sale reserve	Non-controlling interests	Total
Fair value adjustment of financial assets available for sale	0	0	1,541,912	0	1,541,912
Foreign currency translating differences for foreign operations	0	-780,731	0	3,260	-777,471
Actuarial gain (losses) on pension liabilities, net of tax	-28,483	0	0	0	-28,483
	-28,483	-780,731	1,541,912	3,260	735,959

Trifork Holding AG financial statement

Content

Report of the statutory auditor

To the General Meeting of Trifork Holding AG, Feusisberg

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Trifork Holding AG, which comprise the balance sheet, income statement and notes (pages 79 to 85), for the year ended 31 December 2016.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2016 comply with Swiss law and the company's articles of incorporation.

Other matter

The financial statements of Trifork Holding AG for the year ended 31 December 2015 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 30 March 2016.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, March 17, 2017

Ernst & Young Ltd

Kaspar Streiff	Andreas Forster
Licensed audit expert	Licensed audit expert
(Auditor in Charge)	

Income statement for the year ended December 31, 2016

CHF

Note		2016	2015
	Dividend income	8,372,361	2,900,022
3	Financial income	1,020,600	402,925
	Other operating income	3,603	80,000
	Gain/loss on sale of investments	173,545	0
	Total income	9,570,108	3,382,947
4	Board of Directors fees	-191,909	-145,307
	External cost	-182,140	-229,000
5	Financial expenses	-1,089,306	-443,746
	Direct taxes	34,360	-64,846
	Total expenses	-1,428,994	-882,900
	Profit for the year	8,141,114	2,500,047

Statement of financial position as at December 31, 2016

Assets

CHF

Note	Assets	2016	2015
	Current assets		
	Cash and cash equivalents	560,110	3,813,282
	Loans to group companies	9,565,907	0
	Receivables from group companies	0	39,216
	Other receivables	306,171	12,774
	Total current assets	10,432,188	3,865,272
	Non-current assets		
6	Investments	44,530,547	37,690,575
	Other investments	100,000	100,000
	Loans to group companies	0	3,981,716
	Receivables from group companies subordinated	0	67,817
	Loans to associates	217,590	290,072
	Total non-current assets	44,848,137	42,130,180
	Total assets	55,280,325	45,995,452

Liabilities and Equity

CHF

Note	Liabilities and Equity	2016	2015
	Current liabilities		
	Trade payables	21,689	2,375
	Other debt	73,276	123,588
	Interest-bearing liabilities due to third parties	6,293	45
	Interest-bearing liabilities due to group companies	1,903,179	0
	Total current liabilities	2,004,438	126,007
	Non-current liabilities		
	Interest-bearing liabilities due to third parties	6,310,747	4,657,286
	Interest-bearing liabilities due to group companies	0	2,810,182
	Total non-current liabilities	6,310,747	7,467,468
	Total liabilities	8,315,185	7,593,476
	Equity		
7	Share capital	1,853,723	1,853,723
	Legal capital reserves		
8	- Reserves from capital contributions	6,202,409	6,202,409
	- Other capital reserves	23,286,540	23,286,539
	Legal retained earnings	866,226	866,226
	Voluntary retained earnings		
	- Available earnings	7,239,934	4,739,887
	- Profit for the year	8,141,114	2,500,047
9	Treasury shares	-624,805	-1,046,855
	Total equity	46,965,140	38,401,976
	Total liabilities and equity	55,280,325	45,995,452

Notes to the financial statements as at December 31, 2016

1 - Company information

Trifork Holding AG (the Company), founded on January 8, 2014, has its registered office at Neuhofstrasse 8, 8834 Schindellegi, Switzerland, registration number CHE-474.101.854 and is the parent company of the Trifork Group.

Group companies are all companies in which the Company, directly or indirectly, has more than 50% of the voting rights and where there are no restrictions in the articles of incorporations that would prevent the Company from exercising its control.

Associates are defined as companies where Trifork Holding AG has significant but not controlling influence.

Other investments are defined as companies where the Company has no controlling influence.

These financial statements are prepared in accordance with Swiss law (32nd title of the Swiss Code of Obligations) and serve as complementary information to the consolidated financial statements. Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2 - Accounting policies

2.1 Treasury shares
Treasury shares are recognized at acquisition cost and deducted from equity. In case of resale the gain and loss is recognized in equity.

2.2 Waiver of cash flow statement and additional information in the notes.
As the Trifork Group prepares its consolidated financial statement in accordance with a recognized standard for financial reporting (IFRS), Trifork Holding AG waived in accordance with the statutory provisions, to present additional information on interest-bearing liabilities and auditing fees in the notes as well as the presentation of a cash flow statement.

3 - Financial Income	2016	2015
Interest Income	9,822	7,050
Interest Income from subsidiaries	227,350	103,067
Exchange rate gains	783,428	292,808
Financial Income total	1,020,600	402,925

4 - Board of Director fees	2016	2015
Salary to Board of Directors	191,909	145,307

In 2016 32.233 shares (previous year: 25.000 shares) were allocated to members of the board. Trifork Holding AG does not have any employees.

5 - Financial expenses	2016	2015
Interest expenses	-122,060	-130,817
Interest expenses to subsidiaries	-135,565	-61,355
Bank fee	-12,384	-10,927
Exchange rate losses	-819,297	-240,647
Financial expenses total	-1,089,306	-443,746

6 - Investment					
Name	Ownership	Domicile	Share cap.	Currency	Share in capital and voting rights 2016
Trifork A/S	**Direct**	**Denmark**	**18,000,000**	**DKK**	**100%**
Trifork Public A/S	Indirect	Denmark	737,000	DKK	100%
Trifork Projects Copenhagen A/S	Indirect	Denmark	500,000	DKK	100%
Trifork Ventures	Indirect	Denmark	367,647	DKK	100%
ForkID A/S	Indirect	Denmark	1,250,000	DKK	100%
Netic A/S	Indirect	Denmark	500,000	DKK	88%
Netfork A/S	Indirect	Denmark	600,000	DKK	79%
Trifork Medical ApS	Indirect	Denmark	320,000	DKK	75%
Trifork eHealth ApS	Indirect	Denmark	100,000	DKK	51%
Trifork GmbH	**Direct**	**Switzerland**	**920,000**	**CHF**	**100%**
Trifork Academy Inc	**Direct**	**USA**	**3**	**USD**	**100%**
Trifork Ltd	**Direct**	**England**	**1**	**GBP**	**100%**
Trifork Leeds Ltd.	Indirect	England	40,000	GBP	75%
Open Credo Ltd.	Indirect	England	1,522	GBP	100%
Code Node Space & Events Ltd.	Indirect	England	100	GBP	51%
Trifork B.V	**Direct**	**Holland**	**18,000**	**EUR**	**100%**
DinDan Social Global B.V.	Indirect	Holland	1,500	EUR	100%
DinDan Social Benelux B.V.	Indirect	Holland	1,500	EUR	100%
Trifork Learning Solutions B.V.	**Direct**	**Holland**	**18,000**	**EUR**	**95%**
Trifork Germany GmbH	**Direct**	**Germany**	**25,000**	**EUR**	**100%**
Erlang Solutions ltd.	**Direct**	**England**	**103,218**	**GBP**	**51%**
Erlang Solutions AB	Indirect	Sweden	100,000	SEK	100%
Erlang Solutions Inc.	Indirect	USA	100	USD	100%
Erlang Solutions Hungary Kft.	Indirect	Hungary	15,000	EUR	100%
Inaka SRL	Indirect	Argentina	12,000	ARS	100%
Duckwise ApS	**Direct**	**Denmark**	**163,265**	**DKK**	**75%**
Duckwise AG	Indirect	Switzerland	100,000	CHF	100%
Trifork Finance AG	**Direct**	**Switzerland**	**100,000**	**CHF**	**100%**
Programmable Infrastruct. AG	**Direct**	**Switzerland**	**150,000**	**CHF**	**51%**
Container Solutions B.V	Indirect	Holland	1,000	EUR	100%
Container Solutions AG	Indirect	Switzerland	100,000	CHF	100%
Container Solutions Software Ltd.	Indirect	England	1,000	GBP	100%
Container Solutions Labs Ltd.	Indirect	Scotland	73	GBP	73%
Trifork AB	**Direct**	**Sweden**	**50,000**	**SEK**	**100%**

6 - Investment					
Name	Ownership	Domicile	Share cap.	Currency	Share in capital and voting rights 2015
Trifork A/S	**Direct**	**Denmark**	**18,000,000**	**DKK**	**100%**
Trifork Public A/S	Indirect	Denmark	737,000	DKK	100%
Trifork Projects Copenhagen A/S	Indirect	Denmark	500,000	DKK	100%
Trifork Ventures	Indirect	Denmark	367,647	DKK	100%
Netfork A/S	Indirect	Denmark	600,000	DKK	79%
Trifork Medical ApS	Indirect	Denmark	320,000	DKK	75%
Trifork GmbH	**Direct**	**Switzerland**	**920,000**	**CHF**	**100%**
Trifork Academy Inc	**Direct**	**USA**	**3**	**USD**	**100%**
Trifork Ltd	**Direct**	**England**	**1**	**GBP**	**100%**
Trifork Leeds Ltd.	Indirect	England	40,000	GBP	75%
Open Credo Ltd.	Indirect	England	1,522	GBP	69%
Code Node Space & Events Ltd.	Indirect	England	100	GBP	51%
Trifork B.V	Indirect	Holland	18,000	EUR	100%
Container Solutions B.V	**Direct**	**Holland**	**1,000**	**EUR**	**51%**
Trifork Germany GmbH	**Direct**	**Germany**	**25,000**	**EUR**	**100%**
Erlang Solutions ltd.	**Direct**	**England**	**103,218**	**GBP**	**51%**
Erlang Solutions AB	Indirect	Sweden	100,000	SEK	100%
Erlang Solutions Inc.	Indirect	USA	100	USD	100%
Erlang Solutions Hungary Kft.	Indirect	Hungary	15,000	EUR	100%
Inaka SRL	Indirect	Argentina	12,000	ARS	100%
Blackbird Holding ApS	**Direct**	**Denmark**	**125,000**	**DKK**	**100%**
Duckwise ApS	**Direct**	**Denmark**	**163,265**	**DKK**	**75%**
Duckwise AG	Indirect	Switzerland	100,000	CHF	100%
Trifork Finance AG	**Direct**	**Switzerland**	**100,000**	**CHF**	**100%**
Programmable Infrastruct. AG	**Direct**	**Switzerland**	**150,000**	**CHF**	**100%**
Trifork AB	**Direct**	**Sweden**	**50,000**	**SEK**	**100%**

7 - Share capital	2016	2015
Issued shares, January 1	18,537,230	17,324,514
Capital increase	0	1,212,716
Issued shares, December 31	18,537,230	18,537,230

The share capital consists of 18,537,230 shares with a par value of CHF 0.1 each. The share capital is fully paid. The shares are registered under ISIN: CH0236907504. All shares have identical rights and there is only one share class.

8 - Reserves from capital contribution

Reserves from capital contributions in the amount of CHF 6,202,409 is subject to recognition by the Swiss Federal Tax Administration as a capital contribution in accordance with art. 5 para. 1bis Withholding Tax Act. From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital.

9 - Treasury shares	2016	2015
Treasury shares, December 31	237,943	288,509
Number of shares outstanding	18,299,287	18,248,721

In 2016 757.140 treasury shares were purchased to an average rate of CHF 6.02 and 807.706 shares were sold at an average rate of CHF 6.16. This equals a net sale of 50,566 shares. Most of the shares purchased in 2016 were done in the beginning of 2016 and most of the shares sold was done late in 2016 to a higher treasury share price. Based on this, the avarage sales price has been higher than the purchase price.

10 - Collateral provided for liabilities of third parties

Collateral provided for liabilities of third parties amount to CHF 7,797,000 (previous year: CHF 0). These are guarantees issued on behalf of subsidiaries.

11 - Assets pledged to secure own liabilities, as well as assets with retention of title

Assets pledged to secure own liabilities amount to CHF 3,611,000 (previous year: CHF 3,611,000). They are pledged to secure interest-bearing liabilities in relation to the acquisition of Trifork A/S. The shares in Trifork A/S, Trifork GmbH, Trifork B.V and Trifork Ltd. have been placed as security until the acquisition loan is fully repaid. No repayments are required on this facility until an IPO-event of the Trifork Group.

Appropriation of available earnings

Proposal of the Board of Directors to the General Meeting.

Appropriation of available earnings	2016	2015
Balance January 1	7,239,934	4,739,888
Net income	8,141,114	2,500,047
Available earnings	15,381,047	7,239,934
Proposed dividend	-1,075,998	0
Balance carried forward	14,305,049	7,239,934

At the Ordinary General Meeting of Trifork Holding AG a dividend of CHF 1.075.998 will be proposed equal to EURm 1.0 as proposed in the consolidated financial statement for the Trifork Group. The dividend payment equals 26% of the Parent company's part of the total net profit in 2016. The dividend to shareholders is proposed to be CHF 0.059 per share. The amount of CHF 1.075.998 proposed as dividend in CHF is calculated based on an EUR/CHF exchange rate of 1.0766.

Ratios and key figures

The financial highlights have been prepared in accordance with the Danish Society of Financial Analysts´ "Recommendations and Financial Ratios 2015", using the following definitions:

Gross Margin	=	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA-margin	=	$\frac{\text{Profit before interest,tax,depreciation and amortisation (EBITDA) x 100}}{\text{Revenue}}$
EBIT-margin	=	$\frac{\textit{Profit from Operations (EBIT) x 100}}{\textit{Revenue}}$
Equity Ratio	=	$\frac{\textit{Equity ratio excl. non-controlling interests end of period x 100}}{\textit{Total liabilities end of period}}$
Return on Equity	=	$\frac{\textit{Profit for the year beloning to Parent company shareholders x 100}}{\textit{Average Equity excl. non-controlling interests}}$
Basic Earnings per share (EPS-Basic)	=	$\frac{\textit{Profit for the year beloning to Parent company shareholders}}{\textit{Average number of shares outstanding}}$
Basic Earnings per share (EPS-D)	=	$\frac{\textit{Profit for the year beloning to Parent company shareholders}}{\textit{Average number of diluted shares outstanding}}$
Equity value per share	=	$\frac{\textit{Equity excl. non-controlling interests end of period}}{\textit{Number of shares end of period}}$
Dividend yield	=	Parent company dividend yield
Dividend per share	=	$\frac{\textit{Dividend yield x share nominal value}}{100}$
Return on invested capital	=	$\frac{\textit{Profit from Operations (EBIT) x 100}}{\textit{Total assets}}$

Trifork Group structure

Organizational structure and development

The organization chart on the next page shows the ownership structure of all companies and investments in the Trifork Group. Trifork Holding AG is the overall holding company of all other companies. Companies in “1. Level” in this way is owned directly by Trifork Holding AG. In the chart all companies are marked in relation to how they are managed and incorporated in the in the Group. This showing if companies are controlled by Trifork or Trifork Incuba and if they are consolidated as subsidiaries, associated companies or are seen as other investments.

In 2017 it’s the intention to create a new Trifork Incuba company at 1. Level and reorganize the ownership of companies related to Trifork Incuba to sub levels of the new company, unless this would have significant negative tax implications.

Organizational changes in 2016

In 2016 the following changes were implemented in the Group:

- Blackbird Holding ApS and Trifork Projects A/S have been merged into Trifork A/S in Denmark.
- ForkID A/S has changed status from associated company to a 100% owned subsidiary.
- Trifork Learning Solutions B.V. has been founded in Holland by Trifork Holding AG with one other investor.
- Trifork A/S has acquired 88% in the Danish company Netic A/S.
- A new Specto Labs Ltd. company has been founded in UK with Open Credo owning 49%.
- Open Credo Ltd. has cofounded the new company Just Cloud IT GmbH in Germany.
- Container Solutions B.V. invested 35% in the start-up design company Remember to Play B.V. in Holland.
- The ownership of Trifork Ltd., Trifork Academy Inc and Trifork B.V. have been transferred from Trifork GmbH to Trifork Holding AG.
- 49% ownership of Programmable Infrastructure Solutions AG in Switzerland has been sold to the partners from Container Solutions Group.
- The ownership of Container Solutions B.V. has been transferred from Trifork Holding AG to Programmable Infrastructure Solutions AG.
- The Perfect App Ltd. has been founded in UK by Trifork Ltd.
- Container Solutions Software Ltd. and Container Solutions AG have been founded in UK by Programmable Infrastructure Solutions AG.
- The new start-up eHealth ApS in Denmark has been co-founded by Trifork Public A/S with one other investor.
- The new start-up Humio ApS in Denmark has been co-founded by Trifork A/S with one other investor.
- Sforzando Inc. in US has been renamed to Atomist Inc.
- La Cave Vivante GmbH has been renamed to évoé Wine Technologies SA.
- Container Solutions Labs Ltd in Scotland has been co-founded by Programmable Infrastructure Solutions AG and one other investor owns 20%.
- Trifork Ltd. has acquired the remaining part of Open Credo Ltd and ownership has changed from 69% to 100%.

Trifork Holding AG

Group Structure, December 2016

1. Level	2. Level	3. Level	4. Level
100.0% Trifork A/S	88.0% Netic A/S		
	100.0% Trifork Public A/S	51.0% Trifork eHealth ApS	
	75.0% Trifork Medical ApS		
	25.0% Appdictive ApS		
	100.0% ForkID ApS		
	100.0% Trifork Ventures ApS	23.0% Chainalysis Inc.	100.0% Chainalysis GmbH
		48.3% Humio ApS	
		0.2% SQOR Inc.	
		0.1% Atomist Inc.	
	94.1% Netfork A/S	4.0% Basho Technologies Inc.	
	9.0% C4Media Inc.		
	0.4% Basho Technologies Inc.		
51.0% Erlang Solutions Ltd.	100.0% Erlang Solutions Hungary Kft.		
	100.0% Erlang Solutions AB	5.0% Inaka Src.	
	100.0% Erlang Solutions Inc.	95.0% Inaka Src.	
	4.0% Beem International Sarl		
	0.2% SQOR Inc.		
100.0% Trifork AB			
100.0% Trifork Finance AG			
100.0% Trifork GmbH	33.3% aragost Trifork AG		
	2.9% évoé Wine Technologies SA		
100.0% Trifork B.V	50.0% BrightClouds B.V	100.0% BrightClouds Benelux B.V	
	100.0% DinDan Social Global B.V	100.0% DinDan Social Benelux B.V	
	50.0% The Surface Network Group B.V	100.0% Connective Floors B.V.	
		71.0% The Surface Network Benelux B.V	
	21.3% weCity B.V		
	5.7% MarsOne B.V		
95.0% Trifork Learning Solutions B.V			
100.0% Trifork Academy Inc.			
100.0% Trifork Ltd.	100.0% OpenCredo Ltd.	50.0% Just Cloud IT GmbH	
		49.0% Specto Labs Ltd.	
	51.0% Code Node Ltd.		
	75.0% Trifork Leeds Ltd.		
	100.0% The Perfect App Ltd.		
100.0% Trifork Germany GmbH			
75.0% Duckwise ApS	100.0% Duckwise AG		
51.0% Prog. Infr Solutions AG	100.0% Container Solutions B.V	35.0% Remember to Play B.V	
	100.0% Container Solutions Software Ltd.		
	100.0% Container Solutions AG		
	80.0% Container Solutions Labs Ltd.		
0.1% Implantica	100.0% Urologica AG		
	100.0% Refluxica AG		
	100.0% Rampel Investments Ltd.		

- Trifork subsidiary
- Trifork associated
- Trifork Incuba subsidiary
- Trifork Incuba associated
- Trifork Incuba other investments

Trifork Holding AG
Neuhofstrasse 8
8834 Schindellegi
Switzerland
Denmark
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Sweden
Stockholm
United Kingdom
London (ESL)
London (OC)
London (Academy)
London (CS)
Germany
Berlin
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Amsterdam (TL)
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