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Trifork, March 17th, 2020

Trifork – Annual Report 2019

Revenue increased by 22.7% to EURm 106.4,
EBITDA increased with 55.3% to EURm 15.6 and
Net profit was EURm 16.3.

In 2019 Trifork broke our own record again

With a growth of 22.7% compared to 2018 and Net profit of EURm 16.3 the Trifork Group once more broke our past records of both total revenue and profit.

Trifork's goal is to break our own record of revenue every year. This goal has been reached every year since the founding of the company in 1996. We owe this success to our team of dedicated, inspiring and skilled employees, who go the extra mile for our company and customers every day. In 2019 we met our general growth-targets of an annual growth of 15-25%. Organic growth was 15% and acquisitive growth was 8%. The organic growth has primarily been driven by increase in our activities within Smart Enterprise, Digital Health and Cyber Protection, where the solutions created have proven Trifork to be at the forefront of technological development and a true next-gen IT development company.

EBITDA for 2019 totaled EURm 15.6 which was an increase of 55.3% compared to 2018 and EURm 1.6 more than we planned in the start of 2019. In Trifork Labs segment we got several new external funding's. In total the results of our investments contributed with EURm 9 on Net profit.

"It's our belief that growth is an important factor in keeping a company evolving and open for new input. In all our business units we focus on being agile and embrace changes as new opportunities instead of challenges", says Jørn Larsen, CEO, Trifork, and adds: "However, we see COVID-19 may have serious effects on Triforks business in the short to mid-term".

Financial performance in 2019

- Trifork achieved total revenue of EURm 106.4, corresponding to growth of 22.7% compared to 2018 where EURm 86.5 was achieved
- EBITDA for 2019 totaled EURm 15.6 corresponding to an EBITDA-margin of 14.7% and an increase of 55.3% compared to 2018 where EURm 10.1 was achieved
- EBITA was EURm 10.4, which equals a 9.8% EBITA margin and an increase of 27.5% against 2018 where EURm 8.1 was achieved
- EBIT for the period totaled EURm 8.2 corresponding to an EBIT-margin of 7.7%. This was an increase of 34.4% compared to 2018 where EURm 6.1 was achieved
- EBT (Profit before tax) amounted to EURm 17.7, which was an increase of 10.7% compared to 2018, where EURm 16.0 was achieved
- Net profit for the period was EURm 16.3, which was an increase of 10.7% compared to 2018, where EURm 14.8 was achieved

"Net profit was the highest ever in the history of the company", says Jørn Larsen, CEO, Trifork, and continues: "This year we once again proved that our Trifork Labs investments have a great potential and will be able to play an important part in the Trifork Group. In 2019 several of our tech start-ups once more proved that they are on a good track and in total they raised more than EURm 20 in new capital to continue their R&D activities. By nursing our investments in startup companies, we now see the real value of these and have the opportunity to create even more value in the future."

Significant events in 2019

- The GOTO concept has kept improving and the annual recurring conferences in Amsterdam, Berlin, Chicago and Copenhagen continues to drive our inspiration and trendspotting. Partner conferences have been agreed with two partners and will continue in 2020
- The Trifork Smart Enterprise Business Area shows high growth and traction in the market. Solutions built for customers have been profiled by both Apple and SAP to be best in class, worldwide, and Trifork has been selected as one of 6 preferred partners in the world
- In 2019, no new acquisitions were completed but Trifork acquired the remaining 49% of the company Invokers ApS. The acquisitional growth reported is originating from the original acquisitions of Testhuset and Invokers, done in 2018
- Trifork intensified our partnerships with some of the world-leading technology companies: Google, SAP and Apple. These partnerships will be intensified in 2020
- Deconsolidation of our Container Solutions business unit and have converted this to a Labs investment. Prepared to make an exit in 2020

Dividend for 2019

The Board of Directors proposes to make a dividend payment of CHFm 0.965 (EURm 0.9) to the shareholders in the 2019 financial statement. This is equal to 5.8% of net profit, which is lower than the general dividend-policy of the company that target to pay out an annual dividend of up to 25% of the net profit belonging to the parent company. The lower dividend is decided in relation to strengthen the Group for growth in 2020 and at the same time equals the amount that can be distributed from free reserves without any swiss tax-deductions. The Group will use the rest of the profit generated in 2019 to invest in future growth and to acquire treasury shares.

Outlook for 2020

- Trifork targets total revenue of EURm 115 in 2020, corresponding to a growth of 8.1% compared to 2019. When taking the deconsolidation of Container Solutions into account the growth equal to 13.0% (11% organic).
- The EBITDA target is EURm 17, corresponding to an EBITDA-margin of 14.8% and 8.7% increase of EBITDA compared to 2019.

The fulfillment of the financial targets is subject to some uncertainty. Significant changes in exchange rates, business or macro-economic conditions may have an impact on the economic conditions of the Trifork Group performance. In 2020, there will be a potential effect from the current COVID-19 virus on the financial results of the Trifork Group. Some business areas like Digital Health, Cyber Protection and Smart Enterprise could see additional business opportunities in developing new solutions, automating processes and saving cost for our customers, where other business areas might be slowing down due to lack of investments from customers. As a business, Trifork takes our precautions and will try to operate as effectively as possible in the current situation. We also want to do our utmost to support our surrounding society in the best way possible by inspiring to and participating in developing new solutions that helps in situations like the current (e.g. apps to track infections, coordinate/facilitate care, etc.).

2020 Financial calendar

- 16.04.2020 – Ordinary General Meeting of shareholders
- 05.05.2020 – Interim financial announcement Q1-2020
- 25.08.2020 – Interim report, half year 2020
- 03.11.2020 – Interim financial announcement Q3-2020

Subjects to be processed on the Ordinary General Meeting of shareholders must be committed to Trifork Holding AG at the latest on March 23rd, 2020.

The Trifork “Treasury Share Model”

Trifork has no changes to the current offered price in relation to repurchase of treasury shares. This continues to be EUR 11.40 (DKK 84.93). Trifork will only offer to purchase treasury shares if this is not in conflict with the strategic plans, day-to-day business or cash flow within the Group.

Kind regards,

The board of Directors
Trifork Holding AG

About Trifork

The Trifork Group was founded in 1996 and is an innovative software development company focusing on new technologies and trends through conferences, innovative software development through customer projects and delivering software products to create business value for its customers. The Group has two overall segments: Trifork and Trifork Labs. The Trifork segment develops and delivers business critical IT-systems for several sectors including finance, healthcare, government, manufacturing and telecom. The objective of the Trifork Labs segment is founding and investing in new tech-startup companies making disruptive and innovative software products. The Trifork Group employs close to 700 people in 45 business units in Aarhus, Aalborg, Amsterdam, Berlin, Budapest, Copenhagen, Eindhoven, Esbjerg, Krakow, London, San Francisco, Stockholm and Zürich. In 2019 the Group achieved total revenue of EURm 106.4 with an EBITDA of EURm 15.6, EBT of EURm 17.7 and a Net profit of EURm 16.3.