

TRIFORK GROUP

ANNUAL REPORT  
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BREAKING RECORDS

**TRIFORK.**  
...think software

# Table of contents

*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 North America.*

*The conference activities of Trifork are an important source of inspiration for our software innovation projects, customers and employees. In 2019 more than 7,500 people participated in the Trifork conferences, world-wide.*

*End of 2019, Trifork employs close to 700 passionate and talented people in 45 Business Units in Denmark, Germany, the Netherlands, Hungary, Sweden, Switzerland, Poland, Spain, United Kingdom and United States.*

*Trifork has delivered annual growth in revenue and positive results every year since it was founded. In 2019 total revenue was EURm 106, EBITDA EURm 16 and EBT EURm 18.*

## CONSOLIDATED FINANCIAL STATEMENTS OF TRIFORK GROUP

## FINANCIAL STATEMENTS OF TRIFORK HOLDING AG

03 CEO-letter

07 An Outline of the Year

08 The Trifork Group

41 Targets and Assumptions for 2020

42 Risk Factors

44 Group Financial Review 2019

56 Corporate Social Responsibility

58 Corporate Governance and Internal Controls

61 Board of Directors and Management

62 Shareholder Information

64 Statement by the Board and Management

65 Statutory Auditor's Report

67 Consolidated Income Statement

68 Consolidated Statement of Comprehensive Income

69 Consolidated Statement of Financial Position

70 Consolidated Statement of Changes in Equity

71 Consolidated Cash Flow Statement

72 Notes

112 Statutory Auditor's Report

114 Income Statement

115 Statement of Financial Position

116 Statement of Changes in Equity

117 Notes

121 Appropriation of Reserves and Retained Earnings

123 Trifork Group Structure

# CEO Letter

## Breaking records

In January 2020, Trifork broke a 15 year old sailing record around the island of Mallorca with our VO70 sailboat, L4, and a highly motivated team. This record attempt turned the power and destruction of storm Gloria into speed and with a time of 13 hours and 15 minutes, the old record was beaten by 4 hours. This shows the epitome of the Trifork team spirit - where technology, will power and skills meet in a successful cocktail. The accomplishment resulted in headlines in most Spanish newspapers and echoed in leading sailing magazines around the world. You may have many reasons for trying to break a record - ambition, fame, prove that it can be done, strive to improve, find advantages and new ways when challenged. All of these things are most often what drives people to attempt to break records.

Just as in sailing, business environments are often challenging. With incidents such as a downturn in global economy or an outbreak of Corona virus, it can be hard to break records. Trifork's goal is to break our own record of revenue every year. This goal has been reached annually 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.

It is our belief that growth is an important factor in keeping a company evolving and open for new input.

With EURm 106 total revenue in 2019, we achieved a growth of 22.7% compared to 2018 and matched our general growth-targets of an annual growth between 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.

### **Acquisitive Growth**

In 2019, the acquisitive growth came from our past acquisitions of 51% of Invokers and 70% of Testhuset. In 2019, we did not complete any new acquisitions but we acquired the remaining part of Invokers and founded a new company in Barcelona to invest even more in bringing our Smart Enterprise solutions out world wide.

### **Earnings from operations**

EBITDA for 2019 totaled EURm 15.6 which was an increase of 55% compared to 2018. Divided by segments, our Trifork segment totaled EURm 16.2 and our Trifork Labs segment totaled EURm -0.6.

### **Effect of Investments**

In our Trifork Labs segment, we co-founded three new startups and succeeded in getting new external funding for some of our existing startups, where fair-value increased. In total, this contributed with a profit of EURm 9.6 on EBT and raised more than EURm 20 to our startups. We are satisfied with this development.

### **Targets for 2020**

#### **Trifork Group**

In 2020, we expect that the global situation with Corona-virus also will have an effect on the financial results of Trifork. In this light we target total revenue of EURm 115 and an EBITDA of EURm 17. This corresponds to 8.1% growth in revenue and 8.7% growth in EBITDA. Taking our past deconsolidations into account the growth equal to 13% (11% organic).

#### **Trifork Segment**

Through our conferences, we will continue to meet up and engage with our wide network of international technical experts. We will initiate new activities around our CodeNode facility in the center of London.

Trifork will focus on growth in Europe and start new initiatives in North America.

Our services cover the vertical Business Areas:

- Digital Health
- FinTech
- Smart Building & IoT

and the horizontals:

- Cloud Operations
- Cyber Protection
- Smart Enterprise

#### **Trifork Labs Segment**

Our venture financed research and development portfolio is showing strength. Humio is expected to close a B-round before summer and AxonIQ has now passed 3 million downloads of their successful framework, Axon.


The target for Trifork Labs is to continue with the same strategy and development of our startups as in 2019, with focus on investments in:

- Software product companies that invent new technology
- Companies building technology which can be a business driver for the Trifork Group
- Companies that can be a strategic partner to Trifork, both benefiting from Trifork services and helping grow our service business

The goal for 2020 is to found or invest in at least two new startups and increase the value of our existing investments. Our goal is to complete two new external funding rounds for our startups.

Jørn Larsen  
CEO, Trifork Group

# Trifork 2019 Key Figures

A dark blue world map serves as the background. Two orange dots are placed on the map: one on the west coast of North America (likely California) and another in the central part of North America (likely Texas).

**106** EURm  
Revenue

**16** EURm  
EBITDA

**19**%  
CAGR (5-years)

**45**  
Business units





**18** EURm  
EBT

**691**  
Employees

**17%**  
EBT-margin

## Financial Highlights and Key Ratios

<b>Income statement</b> (EUR k)	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Revenue from contracts with customers	106,428	86,508	64,523	63,119	59,039
Earnings before interest, tax, depreciation and amortization (EBITDA)	15,637	10,066	7,490	8,172	8,865
Earnings before interest, tax and amortization (EBITA)	10,404	8,161	5,847	6,834	8,081
Earnings before interest and tax (EBIT)	8,235	6,126	3,954	5,150	7,033
Financial result	9,508	9,904	11,067	-359	2,650
Earnings before tax (EBT)	17,742	16,031	15,021	4,791	9,683
Net income	16,349	14,769	13,741	3,650	8,548
Total comprehensive income	15,917	14,778	13,292	2,376	9,284
<b>Financial position</b> (EUR k)					
Non-current assets	90,506	64,640	53,449	43,730	25,173
Investments in Trifork Labs	32,531	19,685	14,738	5,868	4,762
Current assets	31,559	31,631	22,284	22,567	25,224
Total assets	122,065	96,271	75,733	66,297	50,396
Equity attributable to shareholders of Trifork Holding AG	55,757	42,369	31,567	23,442	23,165
Shareholders' equity	57,334	44,336	33,237	26,300	27,151
Non-current liabilities	30,143	24,323	19,694	18,764	6,946
Current liabilities	34,588	27,612	22,802	21,233	16,300
<b>Cash flow</b> (EUR k)					
Cash flow from operations	10,514	6,563	8,937	4,425	4,635
Cash flow from investments	-4,560	-1,358	-4,835	-12,854	-57
Cash flow from financing activities	-9,850	-1,109	-3,885	2,958	3,059
Change in cash and cash equivalents	-3,735	4,088	95	-5,470	7,637
<b>Key ratios</b>					
EBITDA-margin	14.7%	11.6%	11.6%	12.9%	15.0%
EBITA-margin	9.8%	9.4%	9.1%	10.8%	13.7%
EBIT-margin	7.7%	7.1%	6.1%	8.2%	11.9%
Equity ratio	45.7%	44.0%	41.7%	35.4%	46.0%
Return on Equity	31.1%	37.0%	49.0%	14.8%	34.4%
Return on invested capital	7.5%	7.1%	5.6%	8.8%	15.2%
Average number of employees	626	504	424	431	340
<b>Per share data</b>					
Dividend yield %	5.8%	14.3%	17.8%	27.1%	0.0%
Dividend in EUR k	888	1,960	2,398	932	-
Dividend in EUR / share	0.047	0.105	0.129	0.050	-
Basic earnings / share of CHF 0,1 in EUR (EPS basic)	0.83	0.75	0.74	0.19	0.35
Diluted earnings / share of CHF 0,1 in EUR (EPS diluted)	0.83	0.75	0.74	0.19	0.35
Equity value in EUR / share	2.99	2.29	1.70	1.26	1.25
Number of shares (in k)	18,637	18,537	18,537	18,537	18,537

The financial highlights and key ratios have been prepared on the basis of the CFA Society Denmark "Recommendations & Ratios" (January 2019). For the definitions refer to page 122.

# An Outline of the Year

## Financial Highlights in 2019

- In 2019, the Trifork Group succeeded in meeting our growth target of 15-25%. With total revenue of EURm 106.4, the growth reached 22.7% compared to 2018. Organic growth was 14% and growth from acquisitions was 8.7%
- EBITDA of EURm 15.6 for 2019 is equal to an 14.7% EBITDA margin and represents growth of 55.3% compared to 2018
- EBITA was EURm 10.4, which equals a 9.8% EBITA margin and an increase of 27.5% against 2018
- EBIT was EURm 8.2, which equals a 7.7% EBIT margin and an increase of 34.4% against 2018
- EBT (earnings before tax) for 2019 was EURm 17.7, an increase of EURm 1.7 (10.7%) compared to 2018
- Net income for 2019 amounted to EURm 16.3 which is an increase of EURm 1.5 (10.7%) compared to 2018
- The total comprehensive income for 2019 was EURm 15.9, representing an increase of EURm 1.1 (7.7%) compared to 2018
- Equity attributable to shareholders of Trifork Holding at 31.12.2019 was EURm 55.8, giving an Equity Ratio end of 2019 of 45.7% compared to 44.0% in 2018
- Revenue per employee was EURm 0.17 and equal to the value in 2018

## Main Events

- The GOTO concept has kept improving and the annual recurring conferences in Amsterdam, Berlin, Chicago and Copenhagen continues to drive our inspiration and trend-spotting. 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, world-wide, 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

- In **Trifork Labs**, we co-founded and invested in four new start-ups in 2019:

**Supertrends** : Trifork co-founded the company Supertrends AG. The vision of SuperTrends is to create transparency and awareness of new innovations and future technologies, supported by a powerful network of experts and futurists. SuperTrends supports our strategy of knowing what to come

**Edia** : EDIA focuses on AI technologies and has developed several products as SAAS that focuses on using machine learning and natural language processing to curate on-line text sources for vocabulary training

**YouandX** : is a speaker agency that uses smart machine learning algorithms to find the best speakers on all topics in the industry. We work with them to accelerate finding new talent for our GOTO events

**Verica** : Continuous verification proactively discovers system weaknesses and security flaws. Verica is the next step for Chaos Engineering and Security. We consider Verica to hold important know-how for real time testing of Cloud systems in the future

- Trifork Labs in 2019 also made one exit and one partial exit of our investments and succeeded in raising new capital for three of our startups. In total, more than EURm 20 was raised in new capital from external investors

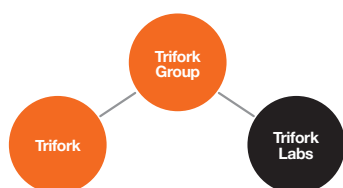
## Financial Targets in 2020

- Our target is to increase revenue by 8.1% compared to 2019. In total, EURm 115.0 is targeted. When taking the deconsolidation of Container Solutions into account the growth equal to 13%.
- The increase in revenue is primarily expected to be from organic growth
- Trifork target to reach an EURm 17.0 EBITDA, corresponding to an EBITDA margin of 14.8% and a growth of 8.7% compared to 2019
- In 2020, Trifork has an overall goal of generating 22.5% of total revenue from the sales of products and product related services with an EBITDA-margin significantly higher than the rest of the business
- For Trifork Labs, the goal for 2020 is to exit one investment and to continue the work with our other startups to increase value. We expect to found or invest in at least two new startups and complete two new external funding rounds for our existing startups

# The Trifork Group

## Trifork Group Structure

Trifork Holding AG is an unlisted company based in Switzerland with the purpose of being able to consolidate, finance, coordinate and control the development of the Trifork Group. The Group is divided into two overall business segments: Trifork and Trifork Labs. The Group executive management is leading the business development of both segments.



The Trifork segment focuses on inspiring customers to build new software solutions and to deliver projects and solutions to customers. Within this segment sales and market approach are orchestrated through three vertical Business Areas: FinTech, Digital Health and Smart Buildings and three horizontal Business Areas: Smart Enterprise, Cloud Operations and Cyber Protection. Services are delivered in the three sub-segments: Academy, Services and Products.

The Trifork Labs segment's objective is to lead the Trifork Research and Development (R&D) activities by founding and making investments in new tech-startup companies making disruptive and innovative software products.

The organizational chart displayed on page 123 shows which companies that are reported for in the two segments.

## Trifork

The most important thing for Trifork is to be a true Next-gen IT company. By this, we mean to be on the technological forefront, to teach and inspire our customers about new possibilities, to build disruptive software solutions and to deliver operations of these to our customers. This is what Trifork, as the core part of the Trifork Group is all about.

In our Academy sub-segment we discover new technologies and teach about these on conferences and through trainings.

In our Services sub-segment we join our customers in building new innovative software to increase their productivity and give them competitive advantage. Often, we come up with new concepts that can challenge the traditional perceptions of the business of our customers and help them disrupt their business segment.

In our Products sub-segment, we deliver software solutions to our customers and handle maintenance and operations for them on an ongoing basis.

## Trifork Labs

Trifork Labs holds significant share in 14 companies that are developing important IP and know-how. Most of these companies were co founded by Trifork to accelerate innovation in the group. This makes us attractive for new employees and increase our competitiveness. One example of this is our investment in Exceed that taught us how to CE-mark software as a medical device. This know-how we used to win a large contract for the Danish government where we developed a nationwide decision support system for doctors.

Trifork has an continuous inflow of new ideas from people who want us to co-found new companies. Since 2015 Trifork has invested a total of EURm 4.3 in our start-up companies and in the same period external venture capital has invested EURm 46 in these. This is why we call Labs our venture financed R&D. This also gives us valuable input in relation to the valuation of our investments and we keep an opportunity for a significant financial upside as we lower our risk to a minimum by also including professional external investors.

## Trifork Group Synergy

Many times the idea for a new startup is formed within the network of Trifork. Together with Trifork, entrepreneurs with the energy to challenge or disrupt an existing market come up with an idea for a new product. In such cases, Trifork Labs can verify and support the business idea and provide the initial funding if the business plan is found to be solid, innovative and likely to succeed.

### **The Trifork Group Mission is:**

**We believe we can change the world with software.**

**Think and build smarter solutions that make  
life better and easier for all of us**

# The Trifork DNA

## Our Mission

Since its inception in 1996, Trifork has been motivated by pushing the limits and boundaries of what new technologies and methods can do to make life better and easier for all of us.

Trifork wants to be a company that stays on top of the “technology wave” and challenge our customers on the status quo. We want to be a driver in their digitalization and provide them a with a competitive advantage by giving their products and services a digital edge.

The following examples highlight how we in the past have executed on our mission:

- Trifork was among the first software companies to introduce software to health care in Denmark. In 2019 we delivered the first nation wide decision support system for physicians called ATAH. ATAH provides clear-cut treatment recommendations to the physician in real time. ATAH is offered to healthcare institutions through a cloud based decision support service that integrates with electronic medical records (EMR's) to provide patient specific recommendations including drug suggestions/warnings and diagnostic tips
- Trifork was among the first innovators that introduced mobile technology for smartphones and tablets to on-line banking. Consumer, private and business banking have been much more convenient with smart software on hand-held devices, compared to earlier
- Trifork played an important role in introducing mobile payment to markets such as Denmark, Sweden, Finland and Switzerland
- By developing a digital exam player, Trifork had an important role in making exams digital in markets like Switzerland (students) and the Netherlands (driver licenses)
- Trifork helped industrial manufacturers digitize their products and connect them to the Internet without compromising security
- Trifork helped customers take early advantage of cloud technology that reduces CO2 emissions

Currently Trifork is working on the “smart home” of today and has developed concepts for operating smart homes in a better way. People often have several remote controls and multiple apps / systems that are incompatible, collide or work against each other. This can be very confusing and cause a lot of frustration. At Trifork our mission is to change and improve such situations. Technology should be an improvement and not a stress-factor. At the same time, we take a sustainable approach and aim to make homes less resource consuming.

It is in our DNA to endlessly develop new ideas and to launch new forefront projects with the goal of making a better world for our customers by the aid of software technology to automate and simply products and solutions.

## Our Vision

Even though Trifork was established in 1996, we have only just begun our journey of using technology to improve the world.

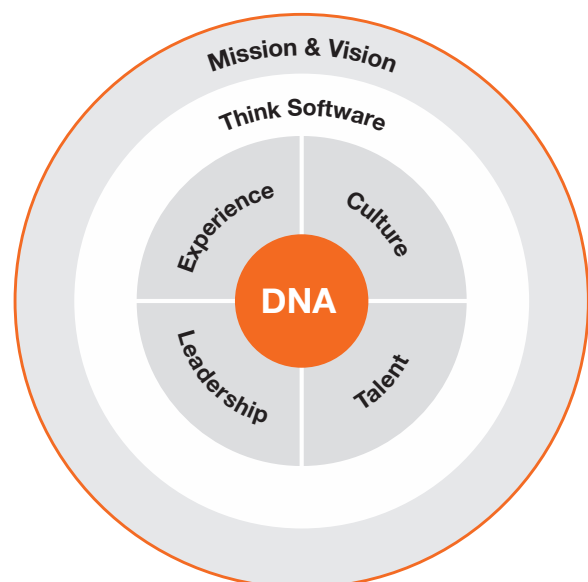
Established companies tend to become less innovative and agile as they grow larger and larger. They often have a comprehensive set of rules and procedures they follow. This environment tends to reduce the ability to change and stay on top with technology opportunities.

Our vision statement reads:

**To be a leading and preferred source of inspiration  
to companies who want to implement  
new ideas and technologies  
into their products and services**

Trifork aims to fulfill this vision through the following four engagement areas:

- **Step one - Work with the best and stay on top**  
No companies can develop all the tools and components they need by themselves. Genius and innovation are key components of great solutions. Therefore, we work with the best. At GOTO we invite the best speakers to inspire us and our customers. We develop the content of our conferences together with the brightest minds in the world. Some of them are among the founders of very promising tech startups. We partner up with the best technology startups in the world when we build software for our customers. Our link to Silicon Valley is strong through strategic partnerships with innovative young companies and established technology innovators



### ■ Step two - Inspire and engage

Enriched by many new ideas and know-how on the latest technologies, we, along with our customers, challenge the status quo. A strong asset in this process is the Trifork Accelerate and Design Thinking workshops. The Trifork Accelerate approach is a shortcut for strategic decision making. During a Trifork Accelerate workshop, the ideas, prototypes and solutions are constantly tested with real end users, while bringing in our long legacy of leveraging cutting-edge technologies. In this way, both the problem and the solution are validated by real users and software experts. Our digital design thinking process is based on lean principles, specifically made to fit the nature of modern agile software development. By combining our expertise within technology, design and business, the workshop ensures rapid clarification and decisions

### ■ Step three - Walk the talk

Trifork is engaged all the way from an idea or concept to a fully functional operational system. After developing a concept with customers, over 75% of the customers will engage with Trifork to actually build the entire system. We have built numerous proofs of concept, and afterwards implemented complex operational systems that interact with different 3rd party backend services and systems

### ■ Step four - Long-term accountability

We develop ideas and concepts; we build the systems together with customers. But it is one thing to make a first version, and another thing is to remain accountable for the future of the systems. When we have built a system, that creates value to a customer, then we intend – whenever possible – to ensure long-term durability of the system. This means we update the system to stay modern in functionality, we upgrade the system if it can benefit from new technology. Trifork has managed and operated systems for over 20 years and it is an important engagement area for our units to build lasting software systems

Our ambition is to grow our business and brand in Northern Europe and North America.

## Organization

Trifork is organized in a TEAL organization as a group of “Business Units” that share a corporate DNA, culture and philosophy. This makes it possible for us to have a dynamic and scalable governance model that empower entrepreneurial spirit, innovation and collaboration. Renown companies such as Patagonia and AEH operate in similar structures.

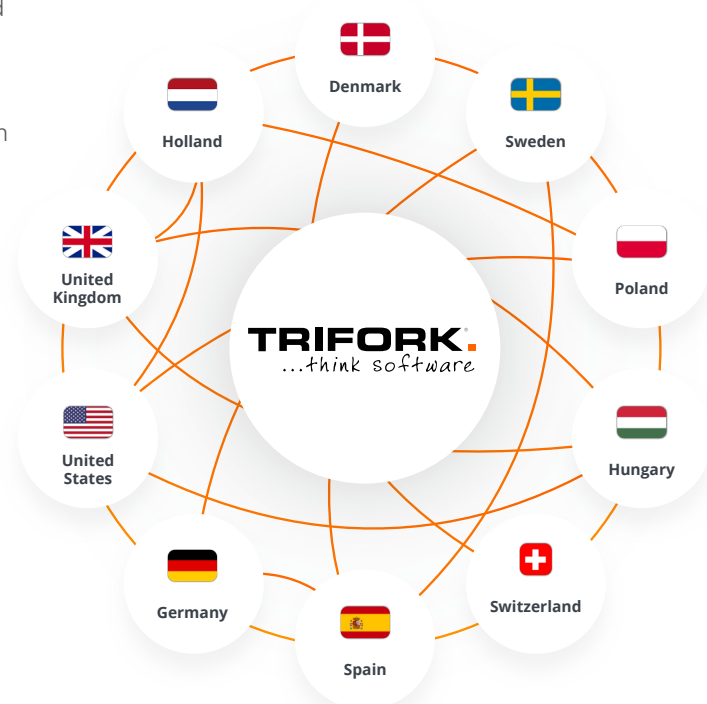


Organisation structured as group of “Business Units” of 12-50 people sharing the Trifork DNA, each generating own talents and customer leads

Small units of less than 50 people give each business unit an informal and direct style of internal communication. Trifork has a flat organization and each individual is empowered to take ownership and responsibility. Building an organization of small units and using the synergies between them makes us less fragile.

The business units share services like controlling, accounting, legal, IT, sales and marketing tools and other common functions. The individual units cooperate and that makes them function more efficiently and collaborative. This organizational structure is comprised by an overall flat hierarchy, which facilitates a strong mutual respect between all team members and team leaders in the individual units.

The holding company of the Trifork Group is located in Switzerland and functions as our headquarters. Often the unit leaders and other key members meet here to exchange ideas, best practices and establish alliances. The Trifork organization today span over 10 different countries and 45 business units.





## THINK SOFTWARE

A very important part of our Trifork DNA is stated in our tagline, “Think Software”. This refers to how we think, live and work, what inspires us and how Trifork can live up to our mission. It is important to understand that a lot of our uniqueness is to be found in making “Think Software” operational in a clever way.

Trifork is constantly looking for new “best-in-class” employees that can inspire us and be part of keeping us in front and updated on the newest technologies.

In collaboration with the Danish health authorities we have developed a system where Danish citizens through a smart-phone app can access their medicine data and auto renew prescription medicine for allergies. This app reduces the load on the health system every spring when allergies becomes a big problem for many people. By giving fast access to that everyone gets the right medicine at the right time we improve the life quality of Danish citizens. Furthermore, we believe that people should have more insight into what factors that affects their personal health and be given the opportunity to take ownership of their own health. This system is a good example of how we “Think Software”.

Trifork is a company with an outspoken spirit of entrepreneurship. We are creative people who want to improve and do things right. We think outside the box and look for alternatives that may lead to disruption. Our organization represents a competent mix of young talents and experienced software engineers.

It gives us an advantage of diversity when bringing new software solutions to the surface. Our developers and architects are experienced in working with both well-established as well as new software technologies – we are fully capable of evaluating business needs against a range of possible solution-paths, both in terms of process and technology.

Our talented team of graphic designers and usability specialists aim to make any technical solution implemented with an easy-to-use and visually appealing design focusing on humanizing technology.

We are a dedicated and committed software innovation partner. We offer long term collaboration & commitment to our customers. Just as important, we maintain awareness of the long-term perspective in all our solutions.

## CULTURE

We find it important to communicate our corporate culture and values to our customers, employees and shareholders to make them understand the strength and capabilities of the Trifork Group.

The organization is flat as we have empowered each individual to take ownership and responsibility and maximize their potential – to act in the best interest of Trifork.

## Passion for Technology

Fundamental to our culture is the passion for technology. Next generation technologies arise in a constant flow and where many see this as challenges, we see it as opportunities. Most changes are evolutions of today’s technologies and to keep systems up to date and fit is one source of work and taking advantage of new capabilities is another. One such new capability is machine learning and artificial intelligence. In 2019 we used machine learning to optimize and improve quality of support centers in Fintech.

## Curiosity

The inflow of inspiration is fueled in several ways but is mainly driven by passion and curiosity. Trifork organizes the GOTO conferences, which are natural sources of inspiration delivered by international experts.

Trifork has built up a network of contacts and partnerships with leading technology startups. They are the experts in their particular technology field, and we benefit mutually through technology discussions, business partnerships and events. This is a differentiating factor and a valuable asset in our culture.

## Healthy Lifestyle

Office work and working in front of screens is not what humans were born to do. To counterbalance this, we urge employees to take responsibility for their own health. We stand up at most meetings, we have elevating desks and strive to have healthy lunches at the office. When groups go offsite, we mix exercise and work, so the mind stays healthy and alert. Trifork was recently certified as the first Hapzly business in Europe. Hapzly, is a Silicon Valley startup who wants to make the world a happier place. As a business we have a responsibility for our employees, our environment, the community and our customers.

We strive to have all employees participate in corporate trainings led by our management team and founder. At these trainings, employees learn about Trifork’s culture, history and mission. Connections across the 45 Trifork family business units are formed by the participants and synergies can grow from these trainings. We use the term “family” since Trifork is the umbrella brand for a number of sub-brands.









MLT 004

TRIFORK<sup>®</sup>  
...think software

14



## Business Units

### Dynamic and scalable governance model



Units informally grouped in vertical and horizontal knowledge clusters, driving versatile organization of specialized and full service teams delivering solutions across range of scopes

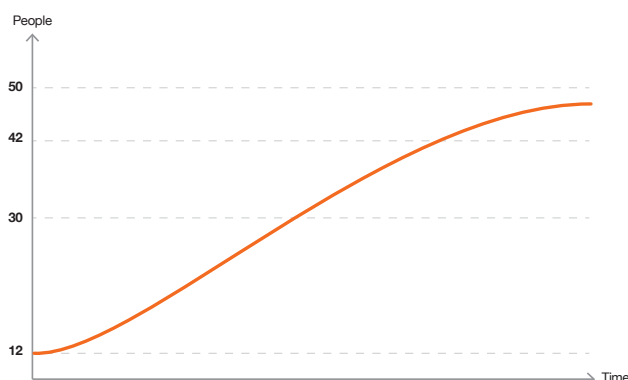
A Trifork Business Unit consists of 12 to 50 employees working together with a high entrepreneurial spirit. The units themselves are often organized in smaller teams, depending on the projects or solutions they are involved in. When a unit is small, the growth rate of the unit is often relatively high and in the range of 12-50 employees, it's the same methods that can be used to lead and develop the units. We want our organization to fine-tune and optimize the development of units in this size. This is why we find it important that each unit does not grow to be more than 50 people and based on this, we prepare the split of a unit whenever it becomes more than 42 employees.



Sharing of best practices between units with new units depending on the original unit and collaboration with other specialized units

When our units are composed in the right way, they generate a substantial amount of new ideas, which may transform into new concepts. Whenever new concepts are established, they are shared with other Trifork business units and added to the corporate product catalogue. When units cooperate in this manner, we maintain a very strong and innovative organization. Furthermore, successful client projects are fine-tuned into case stories and shared with the other units. The process of sharing best practices across the organization is a cornerstone of the Trifork philosophy.

From the inception of a new Business Unit, it should be cash-flow positive and return a positive net-profit immediately from the beginning. This is ensured as the team carries over the ongoing customer engagements, that the team previously had before being split into a new unit. Our processes secure the unit leader and the unit's full attention to onboarding the right competencies as well as acquiring the right sort of software business. Each unit has the freedom to choose within reasonable boundaries what technologies it will build its expertise on.



Each unit is a production unit with capabilities of delivering advisory, design, software development or operations. A unit is a profit/loss centre and has individual leadership, budgets and reporting. Most often, business units approach customers together with a Trifork CCO from one of our defined Business Areas and pitch new solutions, Trifork Concepts or Trifork Products through a Trifork Accelerate workshop. Each unit is also responsible for finding its own new young talents to mix with more experienced employees. The mix of young and experienced talent is an important factor to maintain sustainable growth of each unit.

### Specialized and Full-Service Units

Some units are capable of delivering full-service, end-to-end solutions, from the Trifork Accelerate workshops to operations. They work in a “cradle to the grave” manner, whereby new ideas are turned into fully functional systems, including the post-implementation responsibility of operating the system. Full-service units are responsible for innovative Design Thinking, design, usability engineering, software development, testing, operation and leading the digital transformation, just to name the most important services. In order to offer the full range of services, the units may request assistance from specialized units, that offer a particular service required for the project/solution. For example, there are units with solid expertise in leading the Trifork Accelerate process and they will be activated in the facilitation role whenever needed. This enables us to deliver one-stop-shop professional service to the customer.

Another example of this is that Trifork has units specialized in user-interface design and usability. Furthermore, Trifork also has units that are specialized in quality assurance, Cyber security and operation.

The specialized units often have a brand of their own that demonstrates how they are specialized. Besides our own full-service units an even wider network of partnerships exists with technology innovators all over the world.

### Collaborating Units

As aforementioned, the Trifork organization consists of full-service units as well as specialized units with a narrow and deeper focus. It is natural and necessary for units to collaborate heavily since their success depends on teamwork. When a unit is new and small, it depends on the relationship with its “mother-unit” and other specialized units.

The new unit will carry on the best practices from the mother-unit and remain in close contact on all levels. The new unit establishes close connections to the specialized units in order to approach the market with a larger range of services. Riding on the strong Trifork brand and the strong Trifork network is a powerful combination.



Self-contained units promoted by high degree of autonomy and dynamic scaling with little overhead

The Trifork organization is based on self-contained units and we promote autonomy wherever possible. Each unit operates on the basis of a “unit program” similar to an “operating system”. The interactions between units work dynamically according to the ongoing business.

By the end of 2019, there were a total 45 individual business units. The vision for our organizational approach is that the growth of additionally hundreds more units can happen with very little overhead.

### Shared Services and Brand



New units draw upon large pool of systems and services - full-services units operate under the common Trifork brand, signalling stability towards customers

We want new units to launch efficiently and get up to speed quickly by leveraging from a shared pool of services. All units share ERP and banking systems, which makes it easier to operate in a wide range of countries. Collaborating with customers is crucial, so most units share the same Customer Relation System as well.

Our full-service units are all branded under the Trifork brand and it makes a positive difference to our customers that we are represented in more unit locations. Many of our customers are internationally distributed and need our services distributed as well. The Trifork Group structure is robust and signals stability towards our customers.

### Leadership

The leadership requirements at Trifork are closely connected to the teams, as leaders have the responsibility of supporting the ambitions of our employees. We require our leaders to work actively with a number of soft skills in order to be successful.

It is important that Trifork leaders are experienced in “the Trifork way” of doing things and understand why Trifork has grown so successfully among our customers. It is advantageous that a leader has had “their hands in the dirt” in customer product development. It is equally important that a leader has experienced various software challenges seen from the customer perspective and found solutions.

There are a number of soft skills that our leaders need to be aware of as they are a part of our leadership universe. Through the leadership programs, these skills, amongst others, will be cultivated individually through training and conscious development of each skill.



Flat and efficient organisation, empowering individual employees to take ownership and maximise creativity

The leaders at Trifork are to lead the way by example, and by showing how things can be done. It means sharing a vision and then empowering both individuals and teams to getting things done efficiently at the highest customer satisfaction.

### Find the Right Challenges

Each business unit is responsible for its own business development and for finding the right challenges to solve for customers and potential customers. It certainly helps to be a part of a respected brand and meet new challenges with the back-up from other Trifork units. We share reference cases, concepts and expertise among the units.

Finding the right challenges is important to change the world but certainly also because skilled and bright people want to solve problems and be proud of the result. Again, at least one person in each unit is responsible for chasing the right challenges.

### Finding the Right Talent

The Trifork business model requires that our developers and architects have both broad and deep knowledge. Our employees are talented. They are selected carefully for the different teams within the organization. The majority of the talent comes from well-recognized universities across Europe.

Our passionate software developers are eager to learn and to develop their competencies. They are curious and wish to make a difference. Making a difference will only happen if they are motivated, encouraged and get frequent feedback. In other words, we need leaders with a range of soft skills on top of their hard skills.

As Trifork is growing, we are constantly looking for leadership talent. At least 20% of our recruited candidates should possess leadership aspirations and potential. We embrace entrepreneurship over administrative managers.

### Have the Right Partners

For Trifork, it is really key that we work with the right technology partners. Finding the right partners requires investment in time and effort and this is one area where we work together across the group.

It takes leadership to maintain partnerships and in all units, one unit-member will, along with other tasks, have the responsibility to grow the right partnerships.

Each business unit will invest in building a special and close relationship with 2-3 partners. All the units combined will then work with around 25 partners. All units can leverage on all the partnerships we have, thus synergies materialize.

### A Unit Leader

The primary responsibility of a unit leader is to have sustainable growth, motivated and challenged employees and not least, happy customers. The unit leader should be able to have interpersonal contact with their employees on a weekly basis, and likewise, every employee should have direct access to their unit leader in a personal and informal way.

## Group Leadership

As a unit leader becomes more experienced and has established multiple new units, the leader can become member of a “BUL Board Team”. This team facilitates collaboration and coaching between the units and participates in Business Unit Leader boards for other units.

The Group Leadership team meets frequently to organize and drive Trifork business forward. Over the next 2-3 years, the Trifork Group's main focus is to expand and deepen the organization, along with expanding delivery capabilities in Germany, Denmark, UK, Switzerland and The Netherlands.

## Leadership Training

To grow new leadership talent, we select young employees and invite them to participate in the Leadership training.

When recruiting, 20% of all new employees should possess leadership potential. The leaders at Trifork ensure our continuous progress and evolution as a company. An annual growth of 15-25% keeps the company young hearted, as a steady flow of new talent is required each year. We prefer to promote young talents internally as they already have the Trifork DNA. They start their employment at our Family Training and continue the training at our internal Leadership Program. The Leadership Program consists of four modules each year. The first year they are taken through “the Trifork Way”, the importance of alignment, talent recruitment and the Trifork sales methods.

## Growth Strategy

Trifork will not only grow organically. Whenever we see the need to strengthen our position in a certain market area, we will search for acquisition candidates. To partner up with a new company, and/or take an equity part, is an efficient way to initiate business in new market areas.

Trifork has a track record of building market presence in the UK, The Netherlands and Denmark via acquisitions. This has resulted in positive outcomes. Germany is an attractive market and we will consider a similar approach when building our presence there too.

Additionally, acquisitions may have a different purpose, such as bringing in new competencies and capabilities to our existing business. Even if we are present in a market, there may still be solid reasons to expand further by acquisition. Over the years, Trifork has transformed from purely being a software development company into an end-to-end system provider and consultancy firm, delivering design thinking workshops and business process analysis to our customers. Our current range of software services and propositions are partly based on acquisitions, which include new capabilities, such as graphic design, usability, operations and hosting. Together, these capabilities compose the full picture of how Trifork is perceived today.

## Key Partners

Trifork has established partnerships with world leading technology companies as well as a range of Silicon Valley technology startups. The startups can be very mature with more than 10 years in business or they can be cutting-edge new companies. The partnerships include training for Trifork in specific technologies/products and they allow us to get support and expertise on short notice. We use the technologies in our innovative work with our customers.

A selected list of key partners:

**Apple:** Since the inception of the iPhone, Trifork has developed advanced mobile applications. From mid-2018, the relationship with Apple has grown and together with SAP, we are developing Smart Enterprise applications that can optimize processes in large companies. Apple is known for making user-friendly and well-designed products. We are now helping to take this approach to the enterprise.

**SAP:** A vast majority of the largest companies in the world use the ERP-system from SAP. Software is becoming an increasingly integrated part of how any enterprise is performing its business. As a consequence, systems from the very front-end to the ERP-level need to be integrated. This is a rather new development and we see an interesting market in making sure that applications are well designed and deeply integrated into the ERP software. We call this business area, Smart Business.

**Google Cloud:** Most companies are considering operating all or parts of their software systems in the cloud. In 2018, Trifork deepened its collaboration with Google Cloud experts. We like to help companies get ready for the cloud, operate their systems in the cloud and take advantage of Artificial Intelligence. Google has some of the most advanced Machine Learning and Artificial Intelligence technologies.

**JetBrains:** A software tool company that makes the best developer tools for MS .Net development and is also the inventor of the Kotlin programming language used for Android development as well as backend systems.

**AxonIQ:** A Startup from 2017 that Trifork Labs co-founded. The company is behind a very popular technology for building systems on event-driven architectures. This architecture is among the 10 most important technologies according to Gartner.

**Humio:** A startup from 2016 co-founded by Trifork Labs. Humio offers a high-performance log management platform without limits for Developers and DevOps. Query, aggregate, and visualize application data instantly, on-premise or in the cloud.

Furthermore, Trifork has close cooperation with a handful of platform and software providers like AWS and Microsoft.



# The Trifork Business Model

We believe that software has become an increasing part of almost everything - from the field of enterprises to the back-office, software plays an important role. Many companies are converting their business to a serviced-based model and that requires extensive use of software and a high level of integration. Modern people expect that every daily task can be done from their mobile devices, speaking a command or soon perhaps, just sending a thought. The consequence is that the most valuable companies in the world are software companies; Apple, Amazon, Google, Netflix, Facebook, to name a few, tops the list.

One of the most successful Internet pioneers, Marc Andreessen, who founded Netscape, is partner at the Venture Capital firm "Andreessen Horowitz". Marc wrote an article with the title: "Why software is eating the world". In this article, he explains why every company eventually will have to become a software company. We agree with this conclusion and are ready to be a major player in relation to making this come true.

At Trifork, we love to help companies become software companies. Used in the right way, we believe software can help make life easier and better.

We have developed our own unique model of how we operate. Key to our continued success is the right know-how and being very close to where innovation happens.

As illustrated in the model below, we operate through an Inspire, Build and Run model, where we always have our customer at the center of our different activities. At all levels, we validate ideas, trends, concepts and products up against customer needs and business value.

## Customer centric service offering to inspire clients, build innovative cutting-edge software solutions and run them in the cloud



### Inspire (Academy - 8% of revenues)

Conferences and client workshops to define and develop ideas and prototype technology solutions to address industry specific topics



### Build (Services - 72% of revenues)

Engineering services for the development of full featured software solutions



### Run (Product - 20% of revenues)

Operate software on the clients premises in a private cloud or at Trifork's public cloud partners



## Inspire

By creating conferences and completing client workshops where we define and develop ideas and prototype technology solutions, we do our utmost to inspire other people to use software in their business.



### Conferences

- The “heart” of Trifork’s GTM model
- Source of inspiration for innovation and main customer acquisition channel
- 7500+ attendants across Trifork conferences worldwide

We produce conferences and master classes for a number of reasons. First, we work with leading external experts who invent digital technologies of the future. By inviting our customers and colleagues, we validate where we are on the hypecurve. We measure how attractive our conference programs are and adjust the content accordingly.

The outcome of producing conferences and Master classes are:

- We create a valuable network of experts
- We become close partners with some of the leading software companies in the world
- It’s an efficient way of doing employer branding
- We identify potential acquisitions
- Lastly, we have a finger on the digital technology pulse

Our GOTO Conferences keep track of a number of technology super trends:

Quantum Computing, General Artificial Intelligence, Smart Buildings, Everything in the Cloud, Everyday Robotics, Human Enhanced by Technology, Software powered Healthcare, Open Banking, Massive Cyber Threats, Fully Integrated Smart Enterprise.

Timing is everything - the level of technology maturity has to match the expectation of the customer. Our job is to advise our customers when the time has come to use a new technology and jump on a super trend.

Trifork’s ‘GOTO Conference’ is now one of the world’s largest channels for contemporary tech-talks with 145.000+ subscribers on YouTube and has been awarded the “YouTube Silver Creator Award”. We plan to use this channel even more in our communication towards our partners and customers.

## Accelerate

- ‘Sprint’ customer workshops to think through, define and develop ideas and provide overviews of opportunities to optimize our customers business
- 75% conversion of Accelerate workshops to complete system solutions

The Trifork Accelerate team is specialized in helping clients deliver innovative digital solutions and concepts. With a solid Design Thinking Toolbox, combined with our deep technical know-how, we tackle a broad range of complex challenges from building strategic road-maps to concrete product development and reinvention of value propositions and business models. The Trifork Accelerate approach involves a key focus on end-user-value, business impact and technical feasibility. The output are prototypes that can be validated against real users. The average conversion rate from workshops to projects is close to 75%.

## Build

Based on the ideation in our Inspire process, we want to support our customers all the way in the execution of bringing new ideas into production. This is done in our Build process that consist of Concepts and Product Development.



### Concept & PoC

- Presentation to customer describing in brief the proposed solution and pain points to be solved
- 700 creative Trifork minds supported by constant flow of new technologies

During our Accelerate workshops, a number of concepts are evaluated and in this process, concepts mature and can be pitched to customers in different contexts. When we approach customers, they expect us to inspire them with provoking ideas. Thinking out of the box is a part of our DNA. Working closely with customers on projects and collecting inspiration from GOTO Conferences provides us with an endless chain of new ideas and “what if’s?”.

The concepts are generally a process where we help solve challenges and relieve pain points. They are recipes inspired by best practices of how to design and implement software solutions in advanced business challenges.



## Project Development

- Full software solution tailor-made for an agile process in full collaboration with the customer
- 3-6 months of system design and development to complete fully-blown bespoke software

It is most likely that an Accelerate workshop and a prototype will increase our customers appetite for more. We are then invited to develop full featured systems that are implemented and operated. At Trifork, we work in teams with different skill sets needed to design and develop the system in question. We apply an agile process and teams are empowered to collaborate closely with the customer. The teams will share design and working software with the customer as early as possible after the project starts. The end result is software tailor made for the customer at a very early stage. Often standard components and open source components are included. These working methods enable us to deliver bespoke software to our customers very fast, and often we deliver a full-blown system in 3-6 months.

The software can either be installed at the premises of the customer, hosted/operated by Trifork in the cloud or at our hosting centers. Many customers choose Trifork to operate and host their system, allowing the customer to focus on their core business, without having to worry about monitoring or updating it. As it is part of our core business to monitor and operate software systems, maximum uptime is ensured.

The best way to build trust between Trifork and our customers is to deliver fast and reliable systems - with high quality. Doing so we often compromise on the feature set of the system. We prefer to deliver stable systems over feature rich systems. After launching a system, the customers gain the initial experience and most often this calls for additional features or adjustments. Therefore, it is normal procedure that the first development project leads to the next development project, thus a long-lasting relationship with Trifork begins.

## Run

When Trifork has completed a development project, we offer to operate the solution to our clients as well. This we do either as a product service where Trifork takes ownership of the products developed and offers the customer a service agreement based on these – or as a Cloud Operation service where Trifork manages and maybe also hosts the customers systems on private or public cloud platforms.



## Products

- Proven software solutions and handling of maintenance and operations on ongoing basis
- ~25% EBITDA margin on revenues from Products solutions

When a Concept has been implemented a number of times for different customers, it becomes a candidate for our standard products portfolio. Usually, Trifork holds the IPR, but from time to time, we negotiate a different setup with our customers. This may happen if the customer holds the IPR to a part of the solution. Customers are normally open to such dialogue since it reduces cost and risk of future development of the entire software solution. Products comprise of product management processes, documentation, road maps and more.

Some products have more potential than just being used in our own projects and if so, they will become candidates for Trifork Labs and will be operated as startups. See section "Trifork Labs".

## Cloud Operations

- Implementing and running full cloud-based solutions based on all major platforms (Google Cloud, AWS, Azure)
- +20 years of experience providing state-of-the-art cloud solutions

We see Cloud Operations as all kinds of operations. No matter if a system is implemented on local servers at the premises on a customer, in a Trifork hosting center or with a public cloud provider, the methods and competences you need to operate is almost the same. Trifork can handle all kinds of operations.

## Revenue Model

The Inspire, Build and Run process also results in a solid revenue model.

In the Inspire process, the major part of revenue from Conferences is based on ticket sales and sponsor agreements at our annual GOTO events. Our GOTO brand is becoming more and more known throughout the world and many of the attendees come back year after year. This makes revenue from these activities more or less repetitive.

As part of Inspire, the Accelerate process is based on consulting fees. By using the tools and processes that we have developed, we are able to be more and more productive in these activities and price workshops more or less by fixed price and improve profitability.

Our Build process is primarily based on customized customer projects that we turn into customer product development. The more existing concepts and Trifork products we can include in a delivery, the more we can add on top of our time-material revenue. Planning, performance and quality in the deliveries of our development teams are key in keeping and improving profitability.

An increasing number of customers have become strategic Trifork customers and see an advantage in Trifork also taking care of the maintenance and operations of their systems. Our Run process is based on long-term support contracts, hosting agreements or products delivered and operated by Trifork. The major part of revenue in this area is recurring.



# Business Areas

Within the Trifork segment, the market approach for the sales and marketing of services and products are orchestrated through six different business areas:

- Three distinct verticals (FinTech, Digital Health and Smart Building) that are a combination of strong technical skills and deep domain knowledge
- Three horizontal offerings (Smart Enterprise, Cyber Protection and Cloud Operation) that are offerings driven by Megatrends where Trifork has attracted some of the best talents in the industry

Each of the Business Areas is headed by one or more Chief Commercial Officers (CCO) who have the overall responsibility of the strategy and mission for the specific business area.

The focus area for Trifork is Northern Europe and the United States. Each business area spans over several countries and is focused on achieving synergies by bringing solutions and products developed in one country out to other countries.

Within all business areas, Trifork has made a significant footprint with solutions created for a number of blue-chip companies.





**FinTech**



**Digital Health**



**Smart Building & IoT**



**Smart Enterprise**



**Cyber Protection**



**Cloud Operation**



## FinTech

Trifork empowers our customers on their digital transformation - whether it's building Fintech ecosystems, challenging the payment space, digitalizing transaction processes or bringing them into the cloud. We make Fintech companies ready for the Next Generation of Fintech.

### Situation

The following bullets summarize the current market situation and the positioning of Trifork in the FinTech business area.

- The global enterprise IT-spending in the banking and securities market is estimated at 655 EURb in 2023 and CAGR at 5%+. In general, low interest rates, increased regulations and client demand of getting more easy-to-use solutions put pressure on many FinTech companies as they are challenged on their margins. This gives a demand for new solutions that can save cost, empower customers and reduce the compliance burden
- Trifork, as a FinTech pioneer, has 15+ years of deep industry experience and has, as a strategic technology partner, helped build ground-breaking solutions that have set new local industry standards
- Trifork has worked with FinTech customers in some of the markets with the highest on-line-penetrations and has a track record of being able to deliver when FinTech's need to speedboat digital changes in a highly regulated industry, where complexity is at its highest (systems, stakeholders, partners and users)
- Trifork is known for building smart, business critical solutions based on new technologies and skilled people with high domain knowledge. Trifork is often selected because we are easy to do business with, have high quality standards of our deliveries, is a trusted advisor and has the willingness to "walk-the-extra-mile" for our customers
- Trifork has a close relationship with several European Fintech companies and collaborate to innovate, build and run hyper-reliable, scalable and concurrent solutions, e.g. MobilePay and Klarna in the Nordics and VocaLink/Mastercard internationally

### Opportunities

The agile approach of Trifork fits well into the FinTech area where conditions and requirements of solutions often change very fast. Trifork has a unique position to grow in this area, where some of the most interesting opportunities is to create solutions around:

- **Single-purpose**  
To empower end-users with state-of-the-art FinTech innovations through access to data and simplified user experience, e.g. MobilePay, NemID, Blox, etc.

- **Financial Institution**

Build digital eco-systems and platforms to reduce operating costs by automation and use of Machine Learning and AI. Increase differentiation in solutions, and thereby customer loyalty, for the financial institutions

- **Cross Sector**

Deliver scalable platforms for private-public initiatives to reduce the increasing compliance burden in FinTech, e.g. AML and KYC in relation to GDPR

Trifork wants to increase global presence and create awareness about our ideas and solutions to international FinTech companies. Well established companies with a long history often have a lot of old legacy systems to take into account when thinking about new solutions. In many cases, Trifork has proven to be able to take such systems into account and make a successful migration to new platforms and solutions that are scalable and meet today's requirements for faster development and deployment cycles. Global companies often have their organization spread over many different locations and will need a partner that is able to work distributed and to combine information from many different stakeholders into a unified solution that satisfies the most important criteria and creates the highest business value for the customer. This requires that Trifork takes responsibility and takes the lead and play a very active role in orchestrating opportunities and aligning potential solutions.

### Growth Strategy

The strategy for growth in our FinTech business area is:

- Grow by delivering new and expanding existing single purpose solutions to mid-sized financial institutions
- Diversify by acting as innovation lab and delivering cross sector solutions (compliance) to financial institutions in Europe
- To intensify our presence and FinTech organization in London and Zurich
- To leverage on our current footprint from the Danish and UK market in order to increase awareness of our competences to other FinTech companies across Europe

### Inspire, Build and Run

As an inspiration partner, Trifork will continue to innovate and build single purpose solutions and Proof-of-Concepts with a strong end-user foundation and we will engage in the testing of new means of interaction (e.g. voice, chatbots) and new technologies (ML/AI, AR/VR) to support the automation agenda of our FinTech customers.

Solutions will be built with an end-user centric approach based on new, relevant technologies with a focus on delivering API-based eco systems to FinTech companies.

Trifork offers a recurring service on hosting, maintenance and support, including helpdesk. Trifork operates software on the client's premise, in private clouds, at Trifork's.



# Next generation digital identity

## The Background

NemID is Denmark's secure digital identity for all citizens – whether they need to access information from public authorities (like tax statements), log in to their internet bank or engage with one of the many private companies using NemID as authentication.

In order to keep up with a large end-user demand, e-nettet, on behalf of the financial sector (FinansDanmark) and public sector (Agency of Digitization – Ministry of Finance), needed to create a more straightforward and user-friendly digital supplement for their authentication process, which at the time, consisted of a physical code card containing one-time log in codes.

Trifork was tasked to develop a simple and intuitive user interface (UI) based on a stable, fast and secure architecture and back-end integration for this critical infrastructure.

## The Need

88.6% of the Danish population have a smartphone, so having NemID access available as a code app became more important than ever. It was crucial to eliminate as much risk as possible posed by the code card based two-factor authentication, which supports the European Union's PSD2 Directive (Payment Services Directive).

Some of the key needs for the single-purpose solution were:

- To create a market leading digital solution of the highest security level
- To remove risk of theft and fraud by replacing the physical code card system
- To develop an accessible, convenient & intuitive user interface

## The Solution

Trifork, together with e-nettet and Nets (who operates the NemID) worked in an agile setup to implement a native iOS and Android app, including the UI/UX, front-end and back-end integration with additional security layers based on Arxan technology. The app itself can be accessed by both faceID and touchID and appswitch can be used with

both mobile and web applications.

Trifork is also in charge of the operations and maintenance of both the iOS and Android apps. The team ensured that the user experience was continuously optimized throughout development and that the security was always kept at the highest standard.

## The Result

When it launched, the NemID code app was one of the most downloaded apps in Denmark and consistently ranks in the top 5 apps in the App Store. With just under 2.8 million downloads, research shows that 98% of users are satisfied with the app and that it is one of the main means of identification used in Denmark. Trifork continues to monitor and maintain the apps for OS updates and security software. As a result of the app, 20.000 fewer code cards are produced each month, compared to before the launch of the app.

*"Trifork always ensures that the user has a continuously updated and secure app that they can trust."*



**Carina Kjortsholtsen**  
Senior consultant, eID solutions, e-nettet

With many ongoing projects between e-nettet & Trifork since the launch of the NemID Code App, Trifork remains a trusted technology partner and the long-standing collaboration continuously proves to bring positive and successful results.

**2m**

Unique users

**76%**

Use the app weekly  
(versus 47% who use the code card)

**98%**

User satisfaction

**4x**

Increase of app transactions since November 2018



## Digital Health

Our mission for the Digital Health business area is to improve life for people, patients and healthcare professionals. We work with national health authorities, hospitals & insurance companies to get more health with less money. With the recent COVID-19 outbreak, we used digital measures to reduce the pressure on doctors by letting people self-triage so the most critical patients were treated first.

### Situation

The following bullets summarize the current market situation and the positioning of Trifork in the Digital Health business area.

- The global market for Digital Health solutions is estimated at ~157 EURb and growth at 20+% CAGR. Some of the most important factors for the growth are the demographic changes, with the constantly increasing population of elderly people, combined with a high increase in life-style related diseases such as diabetes, KOL and cardiovascular diseases
- Trifork has pioneered digital healthcare solutions over several decades by developing award winning cross-sector solutions, advanced digital assistants, clinical treatment support systems and life-science solutions
- Trifork operates in both the Public sector (across silos, i.e., doctors, pharmacies, home-care and citizens) and Private sector towards multinational BigPharma companies, who increasingly focus on Personalized Medicine and Software as a Medical Device (SaMD)
- Trifork delivers healthcare solutions across Europe (Switzerland, UK, Holland, Denmark, Norway) and the Middle-east (Dubai)
- Combining deep industry knowledge from the most experienced developers and in-house healthcare professionals, Trifork brings truly novel digital health solutions to the market in an industry where digitalization is a key enabler
- Based on deep IT security knowledge, Trifork helps build digital health ecosystems, nationwide infrastructures and easy-to-use clinical systems without jeopardizing patient data, privacy and security

### Opportunities

Trifork is uniquely positioned to grow within several health care areas where digitalization is a clear megatrend and growth driver. We believe that digitalization is key to coping with the challenges, that the sector experiences, to drive down cost, empower patients and relatives and optimize complex patient flows. We are focusing on:

- **Cross sector solutions**  
Where we find that the key is following the patient across all entities in the health care system
- **Private hospitals**  
Providing treatment support systems enabling physicians to improve patient treatment and hospitals to improve patient flow (thus decreasing cost)

- **Patient empowerment**

Empowering patients with chronic diseases to take control through self-monitoring devices and digital assistants, thereby minimizing time at hospitals and GPs

- **Life science and Big Pharma**

Deliver advanced life science solutions to Big Pharma companies, ranging from consumer products to true MedTech devices

Today, Trifork is uniquely positioned towards competitors by having highly skilled employees and strong domain knowledge. This enables Trifork to compete with the largest players, while at the same time having the agility to differentiate the approach and speed in adapting changes and completing new solutions. Attracting and retaining the best talent in the industry (mastering the latest technologies) is key to Trifork in order to stay relevant for the customers and ahead of the competition by bringing truly novel digital health solutions to the market.

With an ISO 13485 certification, Trifork is ready to deliver all kinds of life science solutions from consumer products to true medical devices. These activities span many different therapeutical areas, from diabetes and cardiovascular diseases, to brain diseases, endocrine diseases, intimate health issues and contagious diseases.

### Growth Strategy

- Going forward, Trifork Digital Health shall grow along four themes
- Defend current market positions by continued focus on advanced cross-sector solutions
- Grow into new areas e.g., Private Hospitals, new therapeutic areas and applying the latest technology like AI and implementing solutions where software acts as a Medical Device (SaMD)
- Continue to expand Trifork Digital Health footprint across Europe
- Pursue acquisitions to accelerate footprint in new technology, new countries and product areas

We still see a huge market for mobile apps to support patients and relatives in treating their own diseases and by certifying these as SaMD, we believe that the quality and trust of the applications will increase.

### Inspire, Build and Run

Anchored in our deep domain knowledge, we want to keep inspiring our customers by introducing them to new relevant technologies where we see opportunities to improve the health care sector.

Trifork acts as a true agile turn-key vendor with deep subject matter expertise and ability to deliver complex solutions with low risk and short timelines.

In our maintenance and Run operations for our customers, we focus on constantly renewing the technology used, to always keep the solutions “young” and as cost effective as possible and thus releasing customer budgets to invest in new features and functionality.

REGION NORDJYLLAND

# Helping reduce medical related hospital admissions and medication errors

## The Background

By the year 2050, one in ten inhabitants in Denmark are expected to be more than 80 years old. They are often complex patients and can be difficult to treat. The government presented a national action plan for this particular type of patient and RSI (the Danish Region's Health Technology and Innovation) awarded the contract for the delivery, operation, maintenance and support of clinical decision support to Trifork in collaboration with medicin.dk, Netic and Testhuset.

*"We are proud to help reduce medication errors and thus reduce the number of medical related hospital admissions and re-admissions. Due to the close and flexible collaboration with all stakeholders; RSI, Trifork, Netic, Testhuset and Medicin.dk, Clinical Decision Support was delivered within scope, time and price."*



**Karen Skjerbæk Jørgensen**  
VP Digital Health, Trifork



## The Solution

The system provides decision support to the Danish clinicians when prescribing medication, medication review and prescription renewal. It consists of 11 decision support modules that are exposed as a national web service. The decision support is integrated into the individual medical systems found in the Danish GP System and Electronic Health Records (EHR).

- Decision support for prescribing medication, medication review and prescription renewal
- Integrated into the medical systems (EHR and GP systems)
- Pragmatic and evidence-based decision support with brief concise information
- Gives the possibility of in-depth information, if the doctor requests it
- Highly flexible, Kubernetes-based microservice architecture

## The Result

The objective was to help reduce medication errors and thus reduce the number of medical related hospital admissions and re-admissions for the elderly complex patient. The solution, Clinical Decision Support, came with a broader scope than the above and focuses on helping reduce medication errors for the entire population – not just for the elderly patient.

Due to close and flexible collaboration with all stakeholders; RSI, Trifork, Netic, Testhuset and Medicin.dk, Clinical Decision Support was delivered within scope, time and price. The solution provides a standardized, yet customizable perspective on united decision support, covering GPs as well as hospital doctors.

The project leverages the Trifork Groups vast knowledge of the healthcare domain and innovative approach using cutting edge technology, to create better patient care for the benefit of the individual patient as well as the society as a whole.

**80k**

Requests in the first month

**11**

GP clinics in pilot

**300**

Response time in milliseconds (P95)

**3**

Hospital Wards





## Smart Building and IoT

Our mission for the Smart Building business area is to improve the environment and reduce the CO<sub>2</sub> pollution in the world.

With CO<sub>2</sub> neutral ambitions, climate change, environmental movements and a growing demand for frictionless user interactions, Trifork aims to fulfill the need for smart buildings and smart factories. Open networks, connectivity and partnerships are key in succeeding without compromising the user experience. Trifork wants to be one of the drivers in making things smarter and saving our planet for tomorrow.

### Situation

The following bullets summarize the current market situation and the positioning of Trifork in the Smart Building and IoT business area.

- The market for Smart Building solutions is estimated to be EURb 29 in 2022 with CAGR of 33%. A lot of the growth is driven by global environmental goals of improving sustainability, but awareness regarding the relationship between indoor-climate and efficiency in office environments also plays an important role for many companies. C-level leaders are well aware of the positive effect of having a modern workplace and smart factories
- New technological opportunities to collect and react on data from buildings, production equipment or devices increases the number of potential solutions and smart integrations - and smart building technology is soon to be expected as default
- Production is moving from traditional low labor production facilities into new Smart Factories
- Security element are becoming standard components in all platforms
- Comfort in residential homes is being more prioritized by consumers. This continues to increase requirements for their indoor climate, cost-saving and for driving down the CO<sub>2</sub> footprint

### Opportunities

Today, Trifork Smart Building and IoT assists clients in creating intuitive and engaging user experiences and securely bridging IoT ecosystems, thereby leveraging the client's digital offering. Creating securely bridged digital twins in the Cloud enables the ability to make data driven innovation for our clients and in combination with Edge Computing & AI, this makes the perfect platform for cost efficient and user centric solutions. We believe that an approach with open API's for systems to communicate together will be an advantage for all. New opportunities are driven by:

- UN Sustainability Development Goals and regulations that drives the need for new solutions

- Smart Building and Smart Factories are to be the platform for more efficient work forces and manufacturing processes. With the ability to build IoT sensors and connectivity components into almost any device, assets can be digitized, monitored and controlled
- With the use of Artificial Intelligence and Machine Learning, surveillance and reactions can be automated and release resources to other tasks

Having worked with IoT solutions and security since the introduction of the technology, Trifork has a very strong domain knowledge and track record. This gives a unique position to grow in the market of Smart Buildings.

### Growth Strategy

The growth strategy within Smart Building and IoT has the following focus:

- Penetrate deeper into existing markets with existing offerings. This we do with a selective approach to new customers who communicate a willingness to invest in user experience to get a strong business case
- Creating partnerships with the best hardware vendors that need the software to match the quality of their hardware
- Build new Smart Building business units in Spain & Germany as new focus entry markets
- Maintain relevance by staying innovative. Be a front-runner in finding new solutions and prove the value by implementing these in our own office environments

### Inspire, Build and Run

Using our Accelerate design thinking process, Trifork engages with existing and new clients to inspire them in new ways of digitalization. By merging ideas and business cases into minimal viable products, clients can swiftly decide in which direction to go and what kind of solutions or products to prioritize.

Trifork builds systems from end-to-end and often takes responsibility for both the hardware and software components included. The agile development approach and a process where we work very close together with the customers result in an increase of overall value and a fast time to market for new products.

Through our IoT partnerships, Trifork runs more than 200,000 active smart devices world-wide and supports operations in public cloud or on premise. Operations include monitoring, administration and remote controls based on Trifork Cloud solutions.

# Danfoss & Trifork co-create large scale, eco-friendly floor heating solution to help reduce cost and CO<sub>2</sub> emissions

## The Background

Trifork continues to reinforce its Smart Building & IoT business area by establishing strong partnerships with our customers. Danfoss being the perfect example. In 2017, Trifork and Danfoss created the DEVIsmart App, hand-in-hand with the thermostats, for customers to more conveniently manage the comfort and heating of their homes. However, in 2019, with the growing pressures to become more sustainable in energy and cost reduction, Danfoss enlisted the help of Trifork once again to create the DEVIweb solution for their enterprise customers.

## The Need

A main pain point for customers who run large building facilities, such as hotels and nursing homes, is that they house many rooms with electrical floor heating, which requires manual work related to managing the heating of each individual room.

There are many factors that contribute to necessary changes in the thermostats, in order to customize the rooms to the guests needs:

- WIFI password changes
- Weather forecasts where facilities might want to lower or raise the temperature of the rooms at different scheduled times
- Room occupancy – ensuring heat is not wasted in empty rooms

The idea was to create a solution where staff could administrate and integrate many thermostats from one centralized location in order to help save energy in unused rooms.

Some of the key needs for this solution were:

- Eliminate tedious and manual tasks
- Central control of heating systems in large buildings with several rooms
- Safe cloud solution
- To increase the comfort and satisfaction of guests/users while saving money
- The possibility to control many on/off electrical applications
- Access from any location

## The Solution

Trifork, with Danfoss, created DEVIweb - a single page installer application, based on Microsoft Azure. The Azure Active Directory B2C was used to authorize the log in to DEVIweb. The DEVIweb frontend is written in React, a Javascript framework, which communicates with the backend via a REST interface. The application is designed to be generic in order to allow the connection to other devices, other than the DEVI Smart thermostat.

The application allows staff to set up thermostats in specific locations and then control them completely from the web interface. The solution also enables new configurations to be pushed out for an allocated group of thermostats in certain parts of the building at once.

The DEVIweb solution uses Secure Device Grid, a protocol that ensures a secure connection to over 60,000 DEVI Smart thermostats. The connectivity platform was developed from scratch by Danfoss and Trifork, for the previous DEVI project, as no such platform existed before.

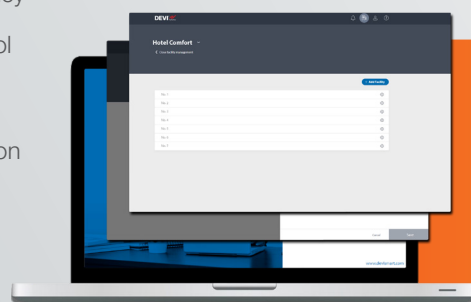
Trifork was also involved in the mobile development of the solution and created a specific installer app for Android and iOS. In order to succeed with the pilot versions, Trifork performed field tests on real sites.

## The Result

The DEVIweb solution went live in November of 2019 at two locations: a nursing home with 130 thermostats in Norway and a hotel with 70 thermostats in Austria.

The goal was not only to save money for large facilities on their heating costs but to positively impact the climate in the smartest way possible. Trifork Smart Building & IoT takes pride in being long-term strategic partners, not looking for the “quick-fix”, and is open to co-investing with customers if the business case is strong and in line with our values – much like Danfoss and the DEVI solutions are.

In line with the rest of Trifork, Smart Building and IoT offers a holistic service that aims to inspire customers as well as build and run user-centric digital solutions that improve the lives of their own customers & end-users. We look forward to seeing the results of the DEVIweb solution in 2020 and the impact it has made.



*“This solution has helped our customers save so much – not only in the time it takes to install & commission the thermostats, but also in energy consumption”.*

**Gaspar Benedik**  
Head of R&D, Danfoss



## Smart Enterprise

The mission of Smart Enterprise is to help the employees of our customers become more effective and less stressed when performing their jobs. This we do by offering task oriented, user friendly applications. Our customers experience very short ROI's with our applications, resulting in much leaner and effective processes.

### Situation

- The market for Smart Enterprise solutions is estimated at EURb >400 showing strong growth at 10+% CAGR. Most companies focus a lot on cost savings through process improvements and by using digitalization as a key parameter. Due to new technologies and opportunities to mobilize standard ERP-systems, there is a general and large untapped potential in improving workflows and user-experiences to obtain attractive ROIs
- The ERP world as we know it is changing rapidly and with faster cycles of technology development, there is an increasing requirement for innovation and technology partners to stay on top
- Apple is increasing their focus on the enterprise segment and is pushing hard to build partnerships with other enterprise software suppliers. Trifork has been selected as one of 6 companies in the world to support this strategy and focus on solutions combining Apple and SAP
- Many traditional SAP consultancy companies struggle with the new ways of working, they are perceived as expensive and do not really get the innovations off the ground. The increasing speed of tech cycles and the increasing complexity and need for integration places Trifork, with our competences, in a sweet spot to partner up with

### Opportunities

Trifork Smart Enterprise has the right methodologies and know-how to show a strong value proposition. In this business area, the Smart Enterprise teams specialize in the entire process from design, to development, to implementation and operations – by leveraging the SAP Cloud Platform to deliver and support the digitalized enterprise.

Trifork is uniquely positioned to exploit new opportunities in this business area:

- Based on the Apple and SAP partnerships, Trifork will be able to drive an increased presence, attention and awareness in the market
- The new Fast Start products which are expected to launch in 2020 will lower barriers for enterprise clients
- Grow existing core business in Denmark and Scandinavia
- Grow the current value proposition of hosting operations and maintenance of Services

- Acquire new companies to build & use synergies, plus strengthen their value propositions, i.e. with service and full APP-life-cycle management for especially the enterprise mid-market

### Growth Strategy

The growth strategy within Smart Enterprise has the following focus:

- Invest in business development in Denmark to grow & strengthen our position and balance client portfolio
- Invest in business development in NL and CH to build new Smart Enterprise Centers, ultimately with “invokers like” scope
- Establish DevOps in Barcelona to build a solid service business across markets
- Develop an internal academy to build the platform for our scale up and expand the capacity of unique skills and methodologies
- Drive the globalization and synergies within the Trifork Group to further strengthen our value propositions and concepts on a local level

### Inspire, Build and Run

We inspire to design and implement simple, user-centric and innovative digital solutions, focusing on digital business optimization and synergy between the business, complex IT systems and usability.

Our platforms and solutions are built on the basis of sharp insights and innovative ideas, from our customers and Smart Enterprise teams, compiled in a standardized and very effective Design Thinking Workshop process. We focus on identifying, optimizing and creating user experiences that turn daily work processes into journeys and experiences and not just work.

Trifork can handle the process all the way from process analysis and development of system design, to implementation and maintenance, ensuring that our customers get a process and experience that suits their needs. We also perform full life-cycles, by offering to run and operate our customers apps so that they do not have to worry about new updates and keeping their application up-to-date.



# Digital Innovation & User Friendliness

## The Background

Vestas have wind farms under construction all over the world. Each construction site erects between 10-200 wind turbines, which requires precise and comprehensive coordination and planning of, e.g. delivery of components.

In addition, each Site Manager is responsible for the performance of the turbines. This involves adjusting timing and delivery plans that are easily impacted by unstable and unpredictable elements like wind and weather, as more of the components weigh up to 35 tons and must be raised to more than 100 meters.

The challenge for Vestas was wasted resources and time that arose from changes in planning. Therefore, they needed a tool for the Site Manager to e.g. optimize component coordination.

## The Need

Vestas wanted to focus on innovation, user-friendliness and finding a solution that works from the start. In addition, the solution should be able to function without internet connection and be integrated with Vestas' back-end software, SAP ERP.

Apple's high level of security, intuitive structure and SAP Cloud Platform is a unique and powerful combination, and therefore Site Planner was based on SAP Cloud Platform, as application platform and Apple iOS SDK. A solution invokers also recommends to customers.

*"Working with invokers means that we have gained access to highly valuable expert knowledge about SAP Cloud Platform and Apple SDK. Together we have created a unique solution that, combined with a great user experience, meets our requirements and needs regarding business value, adoption and user-friendliness."*

**Asier Vega Sanchez**  
Enterprise Architect, Vestas

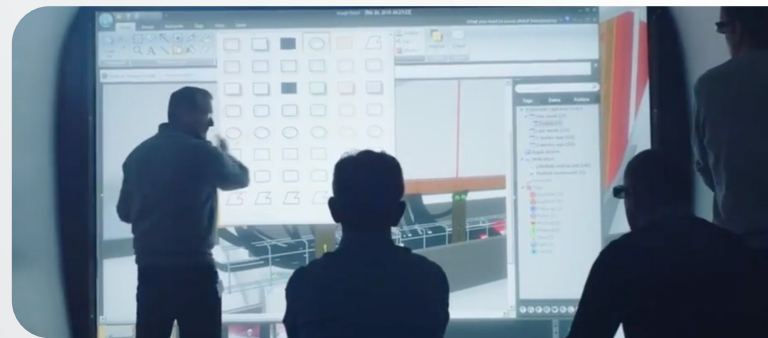
The architecture of the SAP Cloud Platform creates the strong technical framework and Apple's well-known and user-friendly iOS paradigm ensures an optimal user experience.

Central parts of the application were designed in collaboration with Apple in California when invokers and Vestas were invited to a 3-day workshop to review the solution at Apple Enterprise Design Lab at the Cupertino headquarters.

## The Approach

Site Planner is the Site Manager's tool for the agile microplanning that is required when working with variable elements and resources.

In addition, the tool is a conversion from traditional paper processes to digital processes, which ensures optimized planning of Vestas' sites, thus reducing waste of valuable resources.



The idea is to enable Site Managers to plan daily operations for up to 14 days based on current maintenance and logistics data as well as weather forecasts. In addition, employees can use their mobile iOS devices to report on their progress and Site Managers can review, compare and monitor this information to report general progress on the various construction sites.

## The Result

invokers' DNA is "Business Value Through User Experience" and for Vestas, Site Planner is expected to deliver business value already within the first year. Site Planner provides a comprehensive overview of the flow of building components to each site. Site Managers will therefore know exactly when to expect delivery of the components they need.

Along with always having updated weather forecasts, this will make on-site planning more precise and help Vestas to implement its projects more efficiently and safely.

All in all, the very precise planning and optimized and efficient operation will be of great importance to Vestas' competitive advantages.



## Cyber Protection

It is crucial that customer data is accessible, confidential, reliable and secured, to minimize hacking and to fight crime. Trifork's mission in this business area is to bridge the gap between governance and technology in order to make solutions work. We want to protect our customers' data and help them stay in control.

### Situation

The overall demand for Cyber Protection is growing rapidly and more and more companies are realizing that they need to protect themselves better against cyber-crime. At the same time, the prevention against cyber threats most often requires very specialized skills which is not realistic for many companies to recruit.

- The market for Cyber Security solutions estimated at ~167 USDb with a CAGR of 10%
- Cyber threat is perceived as one of the top threats to society in most industrialized countries. This results in increased government funding and global focus
- Trifork has worked in related areas for 10+ years, delivering Managed Security for health care and banking customers
- Lack of educated security specialists prevents many companies from delivering adequate security
- The UK, Malaysia and Singapore have established nation-wide Security Operation Centers (SOC). "Center for Cyber Security" is founded in more countries – markets will open within 1-3 years.
- Several major companies have been attacked and lost trust and money
- The skills required to implement Cyber Protection are many, changing fast and required at a high level. This means that a majority of companies will have to buy Managed Security
- The addressable market for Trifork is conservatively estimated to be EURm 50

### Opportunities

Since most companies today are dependent on their IT-infrastructure and systems, they have to invest in protecting it. The complexity of this area, combined with often scarce resources in companies that do not have IT as their main competence, gives Trifork the opportunity to deliver services in a number of areas:

- Trifork can target the areas Managed Security, National SOC and Government Security with the same teams and resources. Trifork is uniquely positioned with competences in secure IT Operations and Big Data Solutions

- Managed Security was established in Denmark at the end of 2019 and will be increased in 2020. The next step is to roll out these offerings to all other countries where Trifork operates
- Trifork can win 1-2 additional Government Security customers and form development partnerships
- Trifork can deliver 1-3 National SOC's. These projects will be ongoing for 5+ years

### Growth Strategy

In the recent years, Trifork has moved from being a component supplier delivering one-off solutions to be a full Managed Security provider. The services that Trifork offers combines specialist competences in big data, high speed data processing and analytics using Machine Learning and AI technologies. The strategy for future growth is to continue this development and to:

- Increase the number of services to offer as part of Security Operation centers (SOC)
- Bring SOC services to new countries
- Establish and market the new product "Log-as-a-Service"
- Acquire local Security/Cyber Security company in selected entry country (CH/NL/ES/S)
- Define and communicate Trifork Cyber Security Organization across all countries where Trifork operates

### Inspire, Build and Run

Trifork wants to educate and inspire our customers in relation to Cyber Protection by introducing new tools and ways to analyze their current IT-infrastructure.

When building new solutions for our customers, we make sure to always include security as a major component and keep technologies updated in order to be resistant to the latest threats. Using a lot of standard components, we customize each solution to the exact needs of the individual company.

We want this complex area to be as simple as possible for our customers and thus we offer a full Managed Security package, where Trifork can monitor the overall security, take direct actions or guide the customers own security department in relation to Cyber threats.

Competences	Addressable Markets		
	SOC/Managed Security	Mid Space Cyber Operation	National Security
Customers	Private companies	National Center for Cyber Security	Government, Home land security
Partners	Required	Depend on customer	Not Required
Staff	Same competences		Some overlap
Technology Stack Network Data capture, High Speed Data Decoding, Big Data Analysis, Machine Learning	Common technology stacks		



# Trifork Cyber Protection takes an active role in helping our customers secure their data

Cyber protection is moving ever higher up on the agenda for most companies, in almost all verticals. Developments during the past couple of years have mandated that boards take an active role in securing companies' digital assets. GDPR is one example of such developments. Recent cyber-attacks on well reputed enterprises another.

However, despite this, a surprising number of enterprises and larger companies still struggle with finding the right balance. The challenges that face the companies are two-fold. First and foremost, it is hard for them to find employees with the right skill set – and when you do find them, the salary they demand is oftentimes higher than most companies are prepared to pay.

## The Playing Field

The above-mentioned challenges for companies of all sizes are compounded by the very nature of the world of cyber protection. To use a sports analogy, the adversary – the cyber criminals in this case – are fielding the A-team every time. This means that all companies are always playing against the best of the best. To make matters worse, no company can choose to “sit this one out.” Choosing not to play is simply not an option. All companies are targets, and there is no such thing as being too small or too niche to attract the attention of the cyber criminals.

## The Trifork Cyber Protection Approach

Trifork Cyber Protection, spearheaded by Netic CTO, Karsten Thygesen, aims to combat these trends by alleviating our customer's challenges where they are most impactful: on the customer's ability to know if they are under attack and to provide first response when they are.

Trifork Cyber Protection does this by providing managed security services to our customers. By outsourcing parts of their security work to Trifork, companies gain access to skilled experts and to a strong cyber protection platform built using the best components from world leading vendors, including IBM.

*“What we often see, is that our customers lack the ability to see if they are under attack – simply because they don't have the tools to do so. We provide the tools, along with the experts to interpret the data that these tools generate.”*



**Karsten Thygesen**  
 CTO, Cyber Protection, Netic

## The Customers

Despite only providing these services since early 2019, Trifork Cyber Protection is already seeing strong interest from companies across a number of verticals. Trifork Cyber Protection is providing security solutions within retail and government services, and more verticals are to follow in 2020.

## 2020 and Beyond

The goal for Trifork Cyber Protection for 2020 is to gain a strong foothold in the Danish market for security services, and then to expand from there. This is to be done in collaboration with American giant IBM, who provide key components to the Trifork security platform.

Market interest is strong, but it is a competitive area. However, Trifork's experience and expertise is such that positive growth is to be expected.





## Cloud Operation

Our mission for the Cloud Operation business area is to lead the way in moving systems to the cloud. We use advanced cloud technologies and certified engineers to build state-of-the-art systems.

Aiming for scalability, cost-efficiency, independence or shorter time-to-deliver? Is it secure to move custom solutions into the cloud? Trifork is focusing on advising, educating, designing, implementing and running cloud-based solutions that suit the maturity of each individual organization. We want to optimize price/performance and improve the everyday life for the developers in our customers organizations.

### Situation

The time to market for innovative digital services is constantly decreasing and most companies are under pressure to deliver new functionality more and more often. Bringing solutions into the cloud often makes these more scalable and flexible in relation to fast changes in requirements to the IT-infrastructure.

- The global market for cloud services is estimated at > EURb 175 and CAGR >15%
- The three dominant global cloud providers – AWS, Azure and Google Cloud – have a joint market share of >50% globally
- Cloud market growth is driven by increased competition on time-to-market of new services, exponential increase in digitalization, drive to cost effectiveness in IT organizations and enterprises' need to activate data at scale to optimize business operation effectiveness and drive new revenue generation
- Trifork has significant experience and deep expertise within the offerings of all 3 major cloud providers as well as some other key cloud players within the global market top-10
- Across the cloud market's growth opportunity areas - migration, data analytics, hybrid cloud and multi-cloud - Trifork is uniquely positioned based on an E2E offering from strategy to operations
- A global partnership with Google Cloud as well as a long collaboration with Azure and AWS, positions Trifork as a strong 'cloud vendor agnostic' partner for enterprise clients

### Opportunities

Trifork is uniquely positioned to grow at or above market rate by:

- Leveraging the global partnership with Google Cloud where Trifork is already positioned as a preferred and trusted partner

- Promoting the hybrid cloud and multi-cloud message, which is part of our Trifork DNA, skill set and innovation strategy
- Capturing strategic areas of current cloud market growth within cloud transformation: migration, advanced data analytics, and cloud security
- Launching new own and cloud vendor co-branded and scalable offerings across markets

### Growth Strategy

In many of our other business areas where we develop solutions, we are often also invited to run the solutions afterwards, which includes software maintenance, continuous development as well as infrastructure operations. In many cases, the selected infrastructure is cloud-based and thus a driver for the growth in our Cloud Operations business area. The focus areas are:

- Build Trifork Cloud Excellence Center to drive and effectively scale cross-business-unit cloud expertise in sales and technical delivery
- Expand wallet share with existing customers, e.g., build stronger and consistent relations on C-level and up-sell and cross-sell full Trifork Cloud offering to existing corporate clients in DK, CH, UK and NL
- Launch new cloud offerings in 3 additional Trifork markets
- Grow the Google Cloud partnership to become best Nordic partner

### Inspire, Build and Run

We want to inspire our customers to see the opportunities within hybrid and multi-cloud solutions. We do this by educating them on how to optimize the opportunities of cloud-based solutions and how to use and implement frameworks and tools. By making proof-of-concepts, we will "show the way" for our customers.

Building cloud-based solutions require the right skills. Trifork has focused on building solutions on the three largest platforms - Google, Microsoft and AWS. This includes cloud architecture design, configuration and migration. Our very agnostic approach makes us agile and able to make solutions flexible.

Trifork runs solutions on all kind of clouds, including both private and public clouds. By having deep insights into business domains within FinTech, Digital Health and manufacturing, we optimize the operations of all kinds of systems. Our proven security and compliance expertise, from running global solutions with challenging regulatory requirements, have given us a high level of trust from our customers.



# Trifork custom-built cloud infrastructure supports nationwide healthcare initiative

## The Background

It is estimated that nearly 1.8 million Danes suffer from one or more chronic illnesses such as diabetes or COPD (Chronic Obstructive Pulmonary Disease). This increases the demand for public services concerning, among other things, healthcare and it requires the performance of tasks to be innovated in order to make better use of the resources. Telemedicine might be the solution to this problem.

## The Need

Telemedicine allows patients, relatives and healthcare professionals to access relevant information (e.g. measuring, guidance and consultations) regardless of their physical location. In this way, distance, time and transport are not obstacles for creating consistency in the course of treatment as the patient can avoid needless hospital visits, hospitalization and transport.

The main objectives are:

- Developing a joint and scalable infrastructure that matches future challenges
- Patients with chronic illnesses avoid needless contact with hospitals and doctors
- Save expenses relating to consultations and examinations that can be performed in the home by the patient him/herself

## The Solution

With our trusted and close partner, Systematic, we have developed the backbone to managing hospitals, doctors and the healthcare system – and simultaneously ensuring that patients are treated in a non-invasive manner.

The Trifork Family carried out the project by establishing a microservices platform based on Kubernetes and highly integrated into the IT landscape of Danish healthcare. In this way the solution offers effective support for treatment

of all current chronic illnesses that can be performed in the home, for instance consultations and measuring.



Trifork is involved in the standardization of HL7 FHIR in Denmark for which reason the interface is used in the solution.

Netic designed and orchestrated the operations environment of the solution which is a mix of public cloud and a private cloud infrastructure built in Netic's data centres in Aalborg. This ensures that the solution's production environment and consequently the patients' data is located exclusively in Denmark, while agile development happens in the public cloud.

The solution involves:

- Secure and highly integrated treatment of the patient's data
- Hybrid cloud with public and private cloud

*"It is exciting to be part of delivering a national solution that strengthens collaboration across all 5 Danish regions and all 98 Danish municipalities, with the goal of making the Danish citizens experience more security and flexibility in their treatment, fewer admissions and an improved quality of life. At the same time, the patients' involvement in their own treatment is strengthened."*



**Karen Skjerbæk Jørgensen**  
 VP Digital Health, Trifork

## The Result

The purpose of this project, which was the first of its kind as a large, joint, national IT project in the Danish health sector, was to establish an infrastructure capable of offering patients with chronic illnesses the possibility of treatment in their private homes.

The collaboration with the customer and the business partners is characterized by highly agile problem solutions and effective clarification. This has increased the progress and ultimately ensured that we are able to deliver a tele-medical infrastructure, which is even better designed and equipped to meet the needs of the users.

# Trifork Labs

## Trifork Labs (R&D)

For the past 20 years, the Trifork Group has been involved in founding and investing in tech startup companies focused on the development of software products. This to learn about new technologies and to drive the development of tools and know-how that we can use in building solutions for our customers.

Since 2016, we have managed our investment in the Trifork Labs segment and we now hold significant stakes (+5%) in 14 different start-ups.

Trifork Labs front all of these investments and is the driver of the venture financed Research and Development (R&D) activities in Trifork.

The purpose of Trifork Labs is to optimize the success of our startups and support them to the best of our ability. We advise the startups, make seed investments and help them with fund-raising, administration and organization.

In the end, some of them continue to be a part of the Trifork Group and some of them are exited to a third party. The important part for Trifork is that the value of the companies increases continuously and that we are part of delivering new innovation to software products used by companies and people around the world.

Some investments are substantially influenced by Trifork Labs as majority owner. Other investments are minor shareholdings in companies where we have less influence but where we want to be close to a company with new ideas or technologies.

Trifork has a continuous inflow of new ideas from people who want us to co-found new companies. Since 2015, Trifork has invested a total of EURm 4.3 in our start-up companies and in the same period, external venture capital has invested EURm 46 in these.

This is why we call Labs our venture financed R&D. This also gives us valuable input in relation to the valuation of our investments and we keep an opportunity for a significant financial upside as we lower our risk to a minimum by also including external professional investors.

In 2019, Trifork continued our work with the existing investments, founded three new startups and invested in one additional early stage product company. We successfully completed two Series A round capital increases and one Series B round with external funding for our startups.

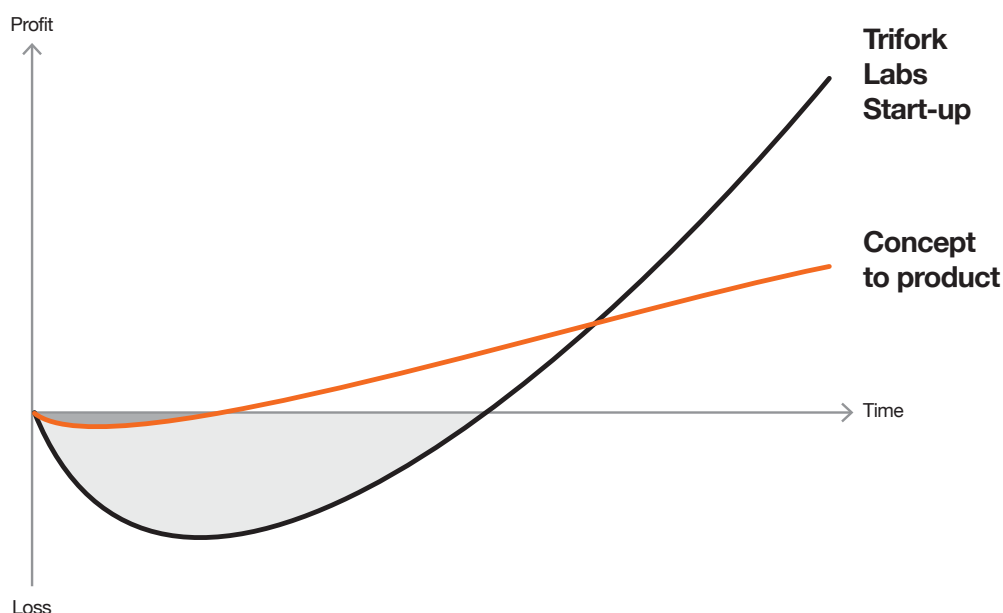
In total, all the activities raised more than EURm 20 in new external funding with an effect of EURm 9.6 on EBT.

## Trifork Group Synergy

Many times, the idea for a new startup is formed within the network of Trifork. Together with Trifork, entrepreneurs with the energy to challenge or disrupt an existing market come up with an idea for a new product. In such cases, Trifork Labs can verify and support the business idea and provide the initial funding if the business plan is found to be solid, innovative and likely to succeed.

The investments carried out in the Trifork segment are primarily focused on building concepts and products that can be used in project deliveries. The characteristics for these kinds of investments is most often that the investment amount is relatively low, that risk is limited and that there is a short time to delivery and revenue stream.

In Trifork Labs, the investment in R&D can be taken to the next level with higher investments from external investors and still keep the risk low for Trifork.









# Investments

ExSeed Health Ltd. (32.3%), CEO Morten G. Ulsted



Trifork Labs co-founded ExSeed Health in 2017 with Morten G. Ulsted, who came with a background from Novo Nordisk's Leadership Development program, and Emil Andersen CSO & Co-Founder who is a PhD researcher at the Center for Basic Metabolic Research, specializing in reproduction and epigenetics. ExSeed is a platform for men to accurately test and actively improve their sperm quality. It has developed a handy tool with a sophisticated algorithm and lens technology that makes testing of sperm quality possible from any smart phone.

In 2018 the company just closed their series A round with several international investors and a leading partner in the male fertility market. In late 2018 the product was launched to the market.

More info: [www.exseedhealth.com](http://www.exseedhealth.com)

C4Media Inc. (9.8%), 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, United States, China, Romania, Brazil, Japan, France, Greece and the two core brands are InfoQ and QCon.

More info: [www.c4media.com](http://www.c4media.com)

Humio Ltd. (24.1%), CEO Geeta Schmidt



Trifork co-founded 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 analyzing 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.

In March 2020 a Series B round planned.

More info: [www.humio.com](http://www.humio.com)

Verica Inc. (3.9%), CEO Casey Rosenthal



Continuous verification proactively discovers system weaknesses and security flaws. Verica is the next step for Chaos Engineering and Security. We consider Verica to hold important know-how for real time testing of Cloud systems in the future.

Casey Rosenthal and Aaron Rinehart founded Verica in November 2018. In 2019 Trifork participated in an early stage investment in the company.

More info: [www.verica.io](http://www.verica.io)

EDIA B.V. (17.4%), CEO Jaeques Koeman



In 2019 Trifork invested in the Dutch software company EDIA B.V. EDIA focuses on AI technologies and has developed several products as SAAS that focus on the educational publishing industry.

The products developed are able to innovate the industry by automated AI-meta tagging content and giving publishers the opportunity to deliver solutions with adaptive and personalized content.

More info: [www.edia.nl](http://www.edia.nl)

ReQbo (19.2%), CEO Jesper Fleischer



Trifork joined as investor in reQbo in 2018 with the founders Jesper Fleischer and Claus Hansen. The company's main competencies are a deep understanding of applications for the predictive and preventive treatment market and its ability to translate this knowledge into products that are innovative and simple to use in daily healthcare routines. Combined with Trifork's skills of creating innovative software solutions this has the potential to revolutionize the prediction and prevention of pressure ulcers using AI and IoT.

The invested capital from Trifork will be used in finalizing and market the company's products in Europe.

More info: [www.reqbo.com](http://www.reqbo.com)

**YouandX ApS (5%), CEO Maybritt Toft Bisp**

In 2019 Trifork partnered with the startup company YOUANDX to co-work on developing new tools to use in relation to preparation and completions of conferences. The company was founded in 2017.

YOUANDX is a company that through their own developed platform are screening and validating speakers/presenters for conferences and events and making the connection between the speaker and the event. The company has built a web-based platform where the speakers and the events can find each other in a secure way. In this way they wish to digitize and disrupt the sector.

More info: [www.youandx.com](http://www.youandx.com)

**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 code-bases 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: [www.atomist.com](http://www.atomist.com)

**Beem Ltd. (6.7%), CEO Lee Lomax**

Beem is providing a flexible employee application designed to dramatically enhance front-line 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.

More info: [www.wearebeem.com](http://www.wearebeem.com)

**Supertrends AG (45%)**

In 2019 Trifork co-founded Supertrends together with Lars Tvede. Supertrends is a digital platform and a global community engaged in future predictions.

Everybody needs a crystal ball, whether they be investors and entrepreneurs who want to identify the most promising new technologies, scientists exploring cutting-edge fields of research, planners and decision-makers tasked with laying the groundwork for future infrastructure today, students and graduates seeking a career with favorable prospects – and everybody else who looks beyond the moment and is curious as to what the future will bring. Supertrends offers a platform for knowledge sharing and will inspire and motivate a large community of experts to contribute with knowledge to spot the future trends.

More info: [www.supertrends.com](http://www.supertrends.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](http://www.implantica.com)

**AxonIQ B.V (27.8%), CEO Jeroen Speekenbrink**

AxonIQ B.V. is based in Amsterdam and was founded in 2017 by Trifork and a team of super techies to focus almost exclusively on development and support for AxonIQ. AxonIQ is a Microservices communication platform for building event-driven, distributed and highly dynamic applications. The Axon Framework is an open source Java platform solving common application complexity to enable developers to focus on the essence of business problems.

More info: [axoniq.io](http://axoniq.io)



## The Background

Trifork co-founded ExSeed Health in 2017 with Morten G. Ulsted CEO & Co-Founder with a background from Novo Nordisk's Leadership Development program, and Emil Andersen CSO & Co-Founder who is a PhD researcher at the Center for Basic Metabolic Research, specializing in reproduction and epigenetics. ExSeed is a platform for men to accurately test and actively improve their sperm quality. It has developed a handy tool with a sophisticated algorithm and lens technology that makes testing of sperm quality possible from any smart phone. In the end of 2019 the product got CE-certified as Software as a Medical Device. This was a major milestone achieved since this certification is needed before the product can be marketed and sold. Sales now has started throughout all of Europe.

The company in the end of 2019 closed their series B round with several global investors.

Morten G. Ulsted explains - ExSeed product and benefit:

*"The combination of sperm quality insights and individualized lifestyle intervention programs will improve the fertility of the user and, in accordance, his chances of conception with a female partner. The product will show how sperm cells look like and give a thorough introduction of how sperm cells are produced. Educational material and videos guide the user to increase his knowledge about reproduction. This will aid the man in making the right decisions to improve his sperm quality and thus his fertility."*

*The product delivers the specific benefit that the user will be able to test his sperm quality multiple times to track progress and thereby be more motivated to improve his sperm quality."*

*The product is superior to competition, not only technically, but also with its focus on educating as well as empowering the user to change. It will have a better probability at guiding the user to take the right decision than current products on the market. Existing tests only assess mortality / total count."*



## Potential in the Market

The global market for fertility services is currently worth USD 40 billion a year and growing at a compound annual growth rate (CAGR) of +4%. Additionally, the market for health apps is at USD 20 billion with a CAGR of +33% and the medical take home devices market is worth USD 26 billion, with a CAGR of +7%. These figures show that the markets for the device and app experience rapid growth and swift adoption of new offerings by consumers. Our primary market focus will be highly developed countries and accompanying decreasing fertility and semen quality rates, and consequently increasing use of ART. Between 10-15% of these men (our primary target group) are actively seeking help to conceive with their partners and we estimate that ExSeed can get a 20% market share of these men.

# EDIA

## AUTOMATE YOUR CONTENT METADATA

### TO SAVE COST AND DRIVE REVENUE

## The Background

As Artificial Intelligence technology (AI) has matured, in a period where both adoption and investments into AI are increasing, EDIA found a window of opportunity to successfully commercialize on education and eHealth software services using AI technologies. Trifork's investment in EDIA has made it possible for the company to focus on research and development of their AI product suite.

## The Product

The company uses Artificial Intelligence to support publishers to produce, manage and deliver adaptive and personalized content that provides costs benefits and new sales opportunities.

The current focus product is an AI meta tagging extraction delivered in the form of an API or content management sys-

tem (CMS), which makes it easy for publishers to work with large amounts of content.

Conventionally publishers label their content manually. This is very labor intensive, slow, error-prone and prohibitively high cost. The solutions from EDIA provides multilingual and automated granular text labeling using expert validated, high-end AI models and can be integrated into almost any content management system.

Founder Jacques Koeman explains:

*"There is a large opportunity to use AI technology and make the whole education industry both better and faster and we believe that educational publishers and content providers are the best starting point for our products."*





# AxonIQ

## The Background

In 2017, Trifork co-founded the company, AxonIQ, with Jeroen Speekenbrink (CEO) and Allard Buijze (CTO). Jeroen was successful in the role of director at Trifork Amsterdam, while Allard is the creator of the Axon Framework, so it was a perfect foundation to launch this new company. AxonIQ offers a unique end-to-end development and infrastructure platform for smoothly evolving, event-driven microservices focused on CQRS and Event Sourcing.

## Axon Build and Run

AxonIQ delivers two solutions, Axon Framework and Axon Server. The Axon Framework is an opensource platform which supports event-driven microservice through elegant and clean Java API. The framework provides businesses with a programming model and specialized infrastructure, allowing for a swift enterprise-ready operational setup for the programming model. The framework is designed to easily set up, implement and scale.

Axon Server is available in an OpenCore version and an Enterprise version. It provides a cloud-based solution designed to meet all of the infrastructure needs of an Axon application. The synergy between the Axon Framework and the Axon Server allows for an enterprise solution which supports mission-critical environments in large scale production deployments. Specifically Axon Server supports purpose-built event storage, routing, scaling of tracking processors, event store queries, monitoring, security and messaging interoperability.

## AxonIQ 2019 Performance

As of 2019, the Axon Framework has more than 3 million unique downloads with 185.000 unique downloads every month and is continuously growing every month.

AxonIQ also have about 60 customers to whom they provide consultancy and training. About 20 companies have purchased the Axon Server Enterprise solution with many large companies in the pipeline for 2020.

*"2018 was spent developing the Axon Server Enterprise version and in the first six months of 2019, the first group of customers started using it for their production systems, managing child benefits, property rights, crypto currencies, healthcare, logistics and employability-data"*



**Jeroen Speekenbrink**  
CEO AxonIQ

AxonIQ has seen a sharp increase in the number of Axon Server Enterprise customers over the last few months. Through their Open Source, developer focused go-to-market strategy, AxonIQ expects to further increase this in 2020.

## CUSTOMER PROJECTS



### Flemish child benefit system implementation

Axon was used to build a new application to help support the new legislation of the child benefit system in Flanders, Belgium. The application was built to support five different organizations to pay child allowance. The application now supports 917.000 families and 290.000.000€ in transactions every month. The event-driven microservices and event sourcing allowed for features such as audit logging, batch processing of capital data and safe transactions.



Kadaster, the Netherlands administration office who is responsible for administering all properties in The Netherlands, used Axon in their Cadastral objects and legal rights system, 'Koers'. The system handles legal documents and legal transactions. Koers used Axon to implement Domain Driven Design and Event Sourcing, allowing a smooth transition from their legacy system.

*"The AxonFramework really is quality software with a quality library. It was great and very helpful using a tested product instead of inventing it ourselves."*



**Marc van Andel**  
IT Architect, Kadaster



**TRIFORK.**  
...think software





# Targets for 2020

## Strategy and Structure

The Trifork Group has divided its activities into two segments; Trifork segment that focuses on operating our service and product business, and Trifork Labs segment that operates as the venture financed R&D with startups that develops know-how and IP and require substantial investment and/or guidance. By separating our service- and product segment and our investment/R&D segment we have found a good way to keep management focus and to reduce the risk when entering into new investments.

## Trifork

The strategy for Trifork is that the growth primarily should be organic but also supported by acquisitional expansion. The acquisitional growth recorded in 2019 came from the 2018 acquisitions of Tes-thuset and Invokers. In 2019, we consolidated by acquiring the non-controlling interests in Invokers but we did not make any new acquisitions.

The acquisition of Invokers has given Trifork the opportunity to deliver innovative and user friendly software solutions to SAP customers. This we see as our Smart Enterprise business area, where we are front-runners in the sweet spot between SAP Cloud Platform and Apple's strategy for enterprise solutions and have delivered various business critical mobile solutions for customers like Energinet, Bannedanmark & Vestas.

This business area, where we have a dedicated focus to the understanding of SAP products and related processes, gives Trifork a competitive edge and offering towards companies using SAP.

In January 2020, by acquiring 50.1% of the company SAPBASIS, we added an additional component to this. Now Trifork is also able to support the Run business for all our SAP customers. We expect that this will contribute to the increase of product-based revenue streams in the Trifork Group.

In 2020, new acquisitions could be completed but is not yet included in the current financial estimates for 2020.

In 2019, we continued to invest in our global partnerships, especially with Google, Apple and SAP. We believe that these partnerships and the related activities with these partners will bring new business to Trifork in 2020.

Trifork will continue to increase our business based on the sales of solutions, products and product related services. The focus is to invest in generating recurring and scalable revenue with higher profit margins. This will be done by developing concepts to solutions in projects together with our customers.

## Trifork Labs

In Trifork Labs, investments are made in founding new startups. Most often, these have more of a J-curve investment profile than what we focus on in the Trifork segment and thus we seek to attract external funding as part of our R&D strategy.

In 2020, we want to continue to be a driver for success for these startups and in this way introduce new innovative or disruptive software products that we can use in our deliveries to our customers.

We aim to found or invest in at least two new companies in 2020 and to get new external funding for two of our existing investments.

## Financial Results and Growth

- In 2020, the Trifork Group's target is 8.1% increase in revenue compared to 2019. The target is total revenue of EURm 115. When taking the deconsolidation of Container Solutions into account total growth equal to 13.0%
- The Trifork Group target EBITDA is EURm 17.0. This is an increase of 8.7% compared to 2019 and equal to an EBITDA-margin of 16.7%

The growth in revenue is primarily expected to be organic from an extension of the existing business and increased focus on the Trifork Smart Enterprise business area.

In 2020, the target is to generate minimum 22.5% of total revenue from the sale of products and product related services and to achieve an average EBITDA-margin of minimum 25% on these activities.

The fulfillment of the financial targets are 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 an 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.

In the Trifork segment, the risk includes projects not being delivered on time or newly planned projects being delayed in start time. If product sales decline or if maintenance and support of products prove to be too expensive, this will also be a risk.

In Trifork Labs, risks include decrease in value of investment if startup companies are not able to secure funding or don't develop as expected.

# Risk Factors

It is important to the management of the Trifork Group to ensure procedures and policies are in place to limit exposure to risk of the company's operations.

The business of the Trifork Group involves the same commercial and financial risk as other tier companies in the sector. The management has identified the following risks which are not exhaustive nor listed in order of priority.

## Currency Risk

The company has activities in United Kingdom, the Netherlands, Switzerland, Denmark, America, Sweden, Poland, Germany, Spain and Hungary and has expenses as well as income in all of the local currencies. Trifork continues to monitor the currency fluctuations and the related risk. 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.

## Hacker Attacks

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

The Trifork Group has taken every possible reasonable precaution 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 the company 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.

## Investments

In the fair-value valuations of financial assets estimates and assessments of earnings potential may not equal the expectations and actual values could differ from the reported values. Values are based on most current share trading, external funding rounds and valuations tests carried out by the company and verified by the Trifork Group auditors.



*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.*

## Dependency on Key Employees

The Trifork Group is a medium sized group of companies with highly competent employees resulting in a dependency on key employees, both in terms of management, 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 developing the company and focusing on being at the technological forefront and involved in the most interesting and challenging projects, the Trifork Group believes it 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 large customers as well as the ability to attract new ones. Particularly, this applies to the Services segment, where new development projects represent the major part of revenue.

To minimize the risk, Trifork makes a great effort to work 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 number of participants at the GOTO-conferences. The highest risk in the Academy segment is 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 any given market segments in shorter and longer periods, influences both the outlets and the pricing of specific types of solutions. This can influence Trifork's ability for growth and earnings.

Trifork continues to grow new markets in order to spread the risk over several markets.

Global market crisis or recessions or pandemic scenarios can also be a risk for Trifork. With our decentralized organization and by staying agile and flexible Trifork improves our capability to react as fast as possible to changes in the market environment.

## 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 made on goodwill from acquisitions.

The company's estimates and assessment of earnings potential may 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 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 on schedule and to the required quality standards.

## Product Liability and Insurance Coverage

Trifork has a business insurance which covers lease, theft, property damage, injuries and professional indemnity 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 covered in such a way that a mistake may not have a negative influence on company earnings.

## Intangible Rights

Trifork owns no patents on the products it provides but has the general 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.



# Group Financial Review 2019

## Trifork Group

### Financial targets

EURm	03.2019	08.2019	Result
Revenue	100.0	100.0	106.4
EBITDA	14.0	15.5	15.6

### Financial Statement

The management of the Trifork Group is satisfied with the results achieved in 2019.

The growth in the Trifork segment revenue exceeded our expectations and was very satisfying. EBITDA was also satisfying in most of our units and acceptable overall.

Trifork Labs matched our expectations and once again proved to be able to give us a significant profit on our investments. In 2019 we did not make any exits but succeeded with new investment rounds to three of our startups, resulting in total profit on investments of EURm 10.

The consolidated revenue for the Trifork Group was EURm 106.4, which is EURm 6.4 more than the original target for the year of EURm 100.0. The EBITDA of EURm 15.7 was EURm 1.7 more than the original target of EURm 14.0.

### Development in Revenue

The Trifork Group revenue was EURm 106.4, which equals a 23.0% growth compared to 2018, where EURm 86.5 was achieved. This growth is in line with the company's ambition to obtain an annual 15-25% revenue growth.

In general all units improved compared to 2018.

In 2019 the revenue from the 2018-acquisitions of Testhuset and Invokers were incorporated. Acquisitional growth reported is from the period Jan-May 2019 from Testhuset and Jan-Aug for Invokers. In November 2019 the remaining part of Invokers was acquired.

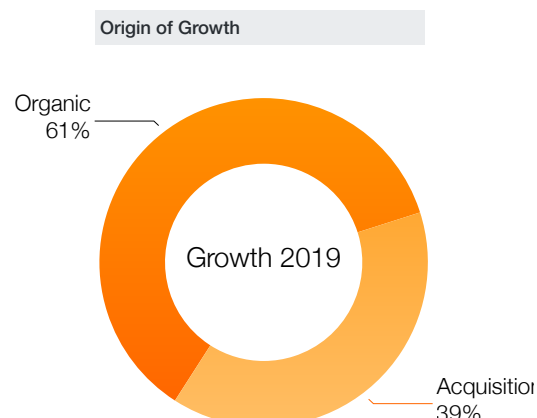
In 2019 the investments in Trifork Labs did not contribute to the Trifork Group revenue since the status and ownership ratio of the companies do not meet the requirements for the Trifork Group to make a full consolidation. So even though the activities in Trifork Labs have been increasing substantially in 2019, this is not shown as an increasing activity in the Trifork Group.

### Origin of Growth

In 2019, 61.0% of the growth was organic and 39.0% came from acquisitions.

Trifork will continue to focus on growth of international revenue to strengthen the Trifork Group and make it more anti-fragile. We find that activities in more markets reduces the overall risk exposure if one market shows poor performance and it also provides further business opportunities.

The Trifork Group considers Northern Europe as our home market with the primary customer activities in United Kingdom, Denmark, Germany, The Netherlands, Switzerland and Sweden.





## Revenue divided into Segments

The two overall segments in the Trifork Group are defined as Trifork and Trifork Labs. The external revenue in 2019 was divided in the following way:

Revenue (EURm)	2019	2018
Trifork	106.4	86.4
Trifork Labs	0.0	0.1
Trifork Group	106.4	86.5

## Employees

In 2019 we saw organic growth in several business units and the full effect of our two latest acquisitions also contributed to increase the average FTE reported for the Trifork Group.

End of 2019 the total number of employees within companies consolidated in the Trifork Group accounted to 691 compared to 597 end of 2018. All of the increase was organic.

The average number of Full Time Employees (FTE) was calculated to 626 for 2019. This was an increase of 122 FTE compared to 2018.

## Revenue per Employee

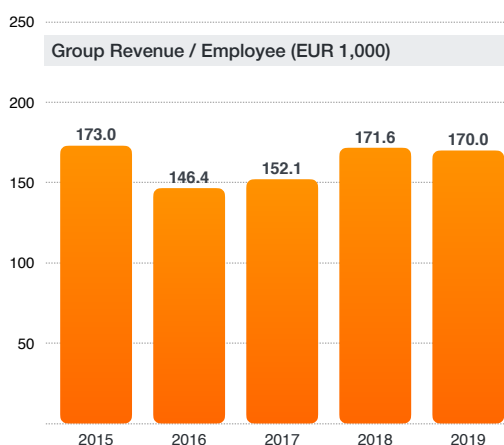
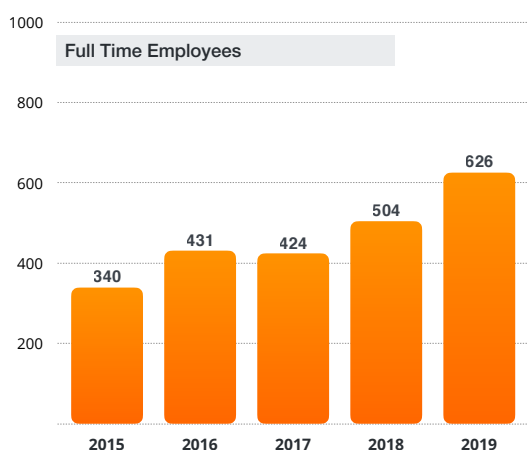
In 2019, Trifork obtained a revenue per employee of EURm 0.170 based on an average of 626 FTE. This is at the same level as in 2018.

In 2019, it is expected that product based revenue and increase in attendees on the GOTO and partner conferences will be the driver to increase revenue per employee by 5%.

## Costs

The most significant cost in the Trifork Group is personnel costs. In 2019 total personnel costs were EURm 55.8 compared to EURm 42.6 in 2017. Personnel costs per employee has increased by 5.6% compared to 2018. A part of the reason for the increase is because of the hiring of higher profiled employees with a higher salary level. Personnel costs as a proportion of revenue were a little higher in 2019 with 52.4% compared to 48.5% in 2018. The future development in this KPI is estimated to be positive with a lower ratio, driven by the increase in the product and conference business in the Trifork segment.

*From 2018 to 2019 revenue was improved by 22.7% to EURm 106.4. Of this growth 61.0% was organic*



## Development in EBITDA

In 2019, the Trifork Group realized EURm 15.6 EBITDA, an increase of 55.3% compared to 2018.

EBITDA was divided in the following way between Trifork and Trifork Labs:

EBITDA (EURm)	2019	2018
Trifork	16.2	10.7
Trifork Labs	-0.6	-0.6
Trifork Group	15.6	10.1

As with revenue the primary driver for EBITDA was the Trifork segment with EURm 16.2. This was a 51.4% growth compared to 2018 and equal to an 15.1% EBITDA-margin.

In 2019 there was a one-off positive impact of EURm 3.2 on EBITDA from deconsolidation of two of our subsidiaries and the transition to the new financial reporting standard for leasing with a positive impact on EBITDA of EURm 3.7.

The negative EBITDA of EURm -0.6 represents all the cost of driving the Labs organization. This is seen as an expected result in relation to the nature of Trifork Labs.

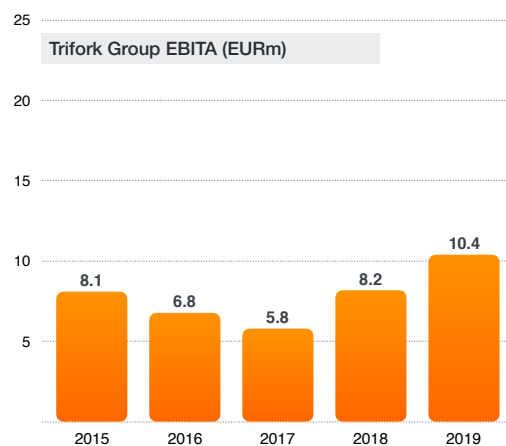
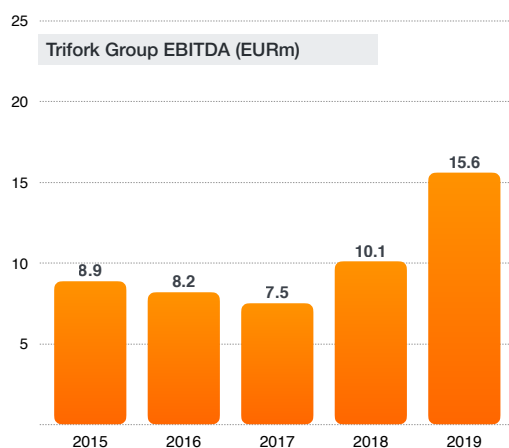
Overall the results obtained in 2019 correspond to an EBITDA margin of 14.7%, which is above the margin achieved in 2018 due to the positive one-off and transition impacts.

## Development in EBITA

In 2019, the Trifork Group realized an EURm 10.4 EBITA, which is a 27.5% increase compared to 2018, where EURm 8.2 was achieved. The 2019 EBITA equals an 9.8% EBITA-margin compared to 9.4% in 2018.

EBITA (EURm)	2019	2018
Trifork	11.0	9.1
Trifork Labs	-0.6	-0.9
Trifork Group	10.4	8.2

The analysis by EBITA eliminates the differences in lease accounting between the reporting and comparative period (except for interest expense of EURm 0.3).



## Development in EBIT

In 2019, the Trifork Group realized an EURm 8.2 EBIT, which is a 55.3% increase compared to 2018, where EURm 6.1 was achieved. The 2019 EBIT equals an 7.7% EBIT-margin compared to 7.1% in 2017.

EBIT (EURm)	2019	2018
Trifork	8.8	7.1
Trifork Labs	-0.6	-0.9
Trifork Group	8.2	6.1

Depreciation, amortization and impairment was at the expected level. There were no extraordinary depreciations and amortizations.

## Development in EBT

In 2019, the Trifork Group reached EURm 16.0 EBT (earnings before tax), which equals an increase of 10.7% compared to 2018, where the company realized EURm 16.0.

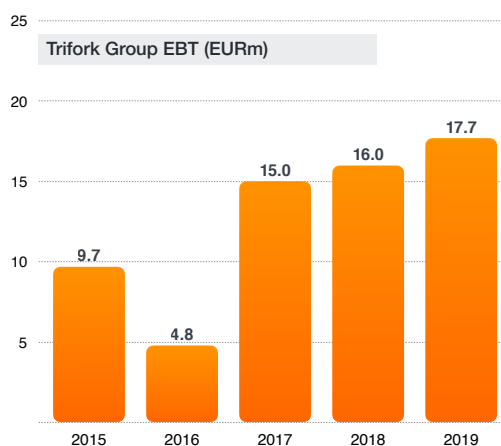
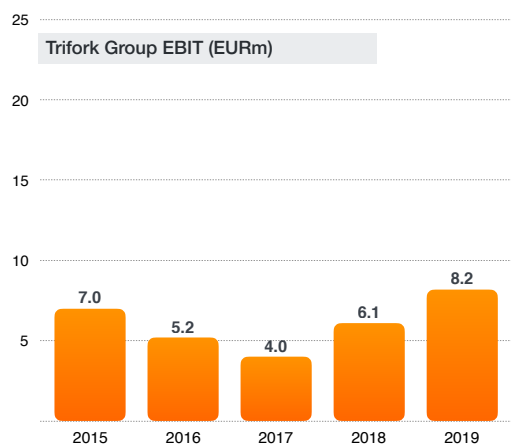
EBT (EURm)	2019	2018
Trifork	8.7	6.2
Trifork Labs	9.0	9.8
Trifork Group	17.7	16.0

The 2019 financial result totaled EURm 9.5 compared to EURm 9.9 in 2018.

The main contributors in 2019 were:

- Changes in fair-value valuations of investments of EURm 9.5 in Trifork Labs compared to EURm 10.0 in 2018. Most valuations are based on the post-money valuations in relation to new funding rounds
- Net interests on capital of EURm -0.8 compared to EURm -0.6 in 2018
- Fair value adjustments of financial liabilities of EURm 0.3

Management considers the earnings before tax for 2019 as satisfying compared to the EBIT result achieved.





## Profit for the Year

In 2019, the Group net income totaled EURm 16.3, which equals an increase of 10.7% compared to 2018, where EURm 14.8 was realized.

In 2019 EURm 1.1 of the profit belongs to non-controlling interests. In 2018 this was the same amount.

The result corresponds to a EUR 0.83 earning per share.

Management considers this result satisfying.

The effective tax rate for the company in 2019 and in 2018 was 7.9%. The low tax-rate is primarily due to the high relief on profit from investments in Trifork Labs.

The result gives a total 31.1% return on equity compared to 37.0% in 2018. Management considers this level satisfactory.

## Total Comprehensive Income

In 2019 total comprehensive income (TCI) ended at EURm 15.9 compared to EURm 14.8 in 2018.

The main contributor was:

- Actuarial loss on pension liabilities of EURm 0.4

## Balance and Equity

### TOTAL ASSETS

Total assets increased by 26.8% from EURm 96.3 as of 31.12.2018 to EURm 122.1 as of 31.12.2019.

The main contributors were:

- Net change in fair-value of financial assets of EURm 9.3 in Trifork Labs investments
- Capitalization of right-of-use assets from the introduction of the new financial reporting leasing standard (IFRS 16) in the amount of EURm 15.5

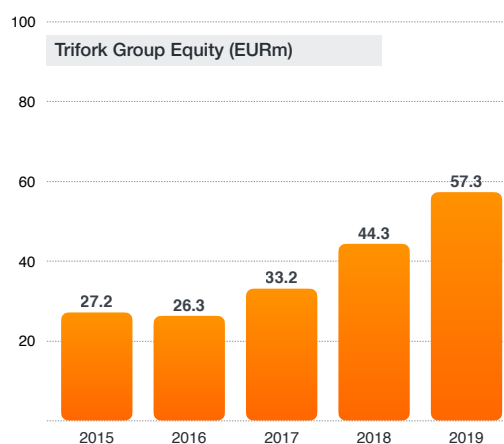
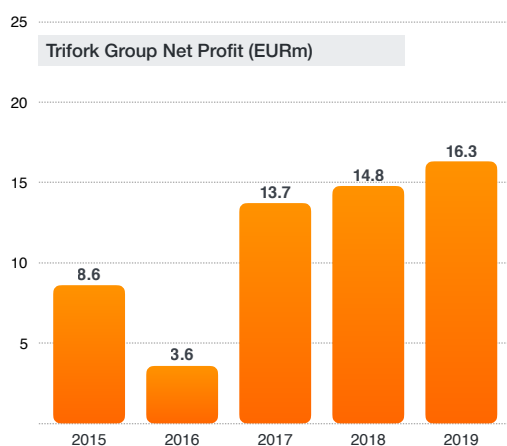
### NON-CURRENT ASSETS

Non-current assets have seen a EURm 25.9 increase, the most significant reason for this being that described under "Total assets" above.

Product development capitalized at the end of 2019 accounted for EURm 3.6 in total compared to EURm 4.2 as of 31.12.2018. The decrease is mainly linked to the sale of a Group company that owned self-developed software. Most of the development cost used on smaller products in 2019 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 12.

### TREASURY SHARES

During the period, the company has seen a small increase in the ratio of Trifork Holding AG's ownership of treasury shares compared to end of 2018. This has been a result of acquiring shares during the year for the acquisition of the non-controlling interests in Invokers A/S and the self-subscribed capital increase for the acquisition of SAPBASIS ApS at the beginning of 2020. End of 2019 the company held 144.462 treasury shares.



## SHAREHOLDERS' EQUITY

As of 31.12.2019, Group equity amounts to EURm 57.3, which is a 29.3% increase compared to end 2017 where the equity was EURm 44.3.

A total of EURm 1.6 of the shareholders' equity is allocated to non-controlling interests (NCI).

Equity ratio (excl. NCI) at the end of 2019 is 45.7% compared to 44.0% end of 2018.

## Cash Flow and Investments

### OPERATING ACTIVITIES

In 2019, net cash flows from operating activities amounted to EURm 10.5 compared to EURm 6.6 in 2017. This increase is mainly due to the introduction of the new financial reporting leasing standard which considers the lease payments no longer as an operating but as a financing activity. Leases of EURm 3.7 were paid in 2019.

Trade receivables increased from EURm 18.1 in 2018 to 20.2 in 2019. Compared to total revenue for the year this is equal to a ratio of 19.0% compared to 20.6% in 2018. The target for the group is to have a ratio below 20%.

### INVESTING ACTIVITIES

Cash flows from investing activities amounted to EURm -4.6 compared to EURm -1.4 in 2018.

The main contributors were:

- New investments in Trifork Labs of EURm -1.1
- Investment in product development of EURm -1.0
- Net investment in PPE of EURm -1.8
- Change of loans to Labs investments of EURm -1.0

## FINANCING ACTIVITIES

Cash flows from financing activities amounted to EURm -9.9 compared to EURm -1.1 in 2018.

The main contributors were:

- Repayments of loans and interests of EURm -2.1
- Lease payments of EURm -3.7
- Acquisition of NCI EURm -1.2
- In total dividend of EURm -2.7 paid to Trifork Holding AG shareholders and to minorities in subsidiaries

## Events after the reporting date

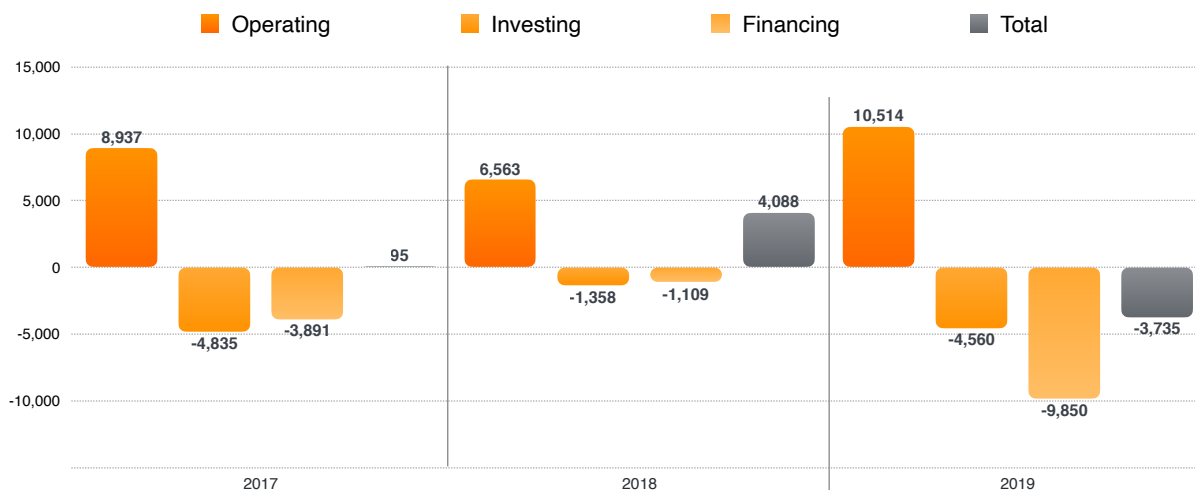
As of 7 January 2020 Trifork Group signed a purchase agreement to acquire 50.1% of the shares in SAPBASIS ApS, Denmark.

SAPBASIS ApS has deep technical SAP competencies which is required to secure smooth and stable SAP operations, which is the foundation on which customers build their core business applications.

This brings the Trifork Group in a position to deliver all services under one delivery service model bringing additional value to our customers.

SAPBASIS ApS accounted revenues of EURm 1.5 in 2019. The maximum acquisition price is EURm 1.6.

Trifork Group - development in Cash Flow (EUR 1,000)



# Trifork Segment Financial Review 2019

## Financial targets and results

EURm	03.2019	08.2019	Result
Revenue	100.0	100.0	106.4
EBITDA	14.0	15.5	16.2

## Financial Statement

The management of the Trifork segment finds the results for 2019 within its expectations. The growth in revenue exceeded the expectations and EBITDA was acceptable seen in relation to the high growth rates.

The consolidated revenue for the Trifork segment was EURm 106.4, which is EURm 6.4 more than the original target for the year of EURm 100.0. The EBITDA of EURm 16.2 was EURm 2.2 more than the original target of EURm 14.0.

In 2019 there was a one-off positive impact of EURm 3.2 on EBITDA from deconsolidation of two of our subsidiaries and the transition to the new financial reporting standard for leasing with a positive impact on EBITDA of EURm 3.7.

## Development in Revenue

The Trifork revenue of EURm 106.4 was a 22.7% growth compared to 2018, where EURm 86.5 was achieved. This growth was in line with the company's ambition to obtain an annual 15-25% revenue growth.

## Revenue Streams and sub-segments

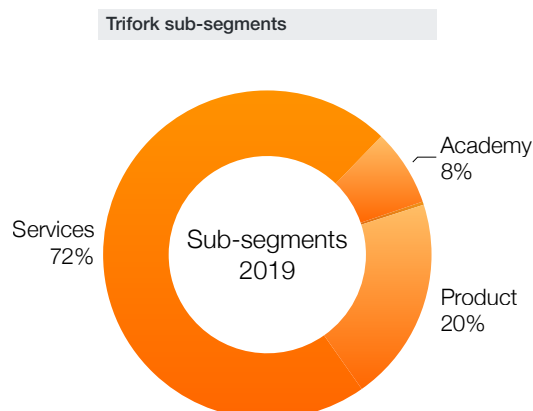
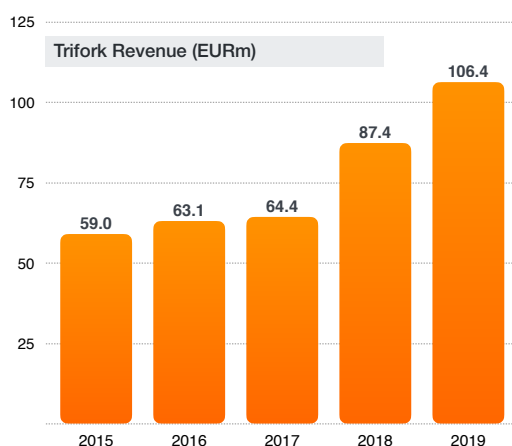
Based on the defined revenue streams in Trifork these are internally reported in different sub-segments.

Trifork is focused on delivering services to the customers of Trifork. The services are delivered within three sub-segments:

- Academy (organizing conferences and trainings on software development),
- Services (development of innovative software in customer projects) and
- Products (delivery and operation of software products and related services for customers)

Revenue in the different sub-segments has shown the following results:

Revenue (EURm)	2019	2018
Academy	8.1	7.2
Services	76.6	61.5
Product	21.4	17.8
Other	0.3	-
Trifork	106.4	86.5



- Academy: With a revenue of EURm 8.1 Academy delivered 7.6% of total revenue in Trifork. Revenue increased by 12.8% compared to 2018. The result is considered acceptable. In 2020 the GOTO offering will be extended to five conferences with the addition of GOTO Oslo.
- Services: With a revenue of EURm 76.6 Services delivered 72.0% of total Trifork revenue. The increase of EURm 15.1 was equal to a growth of 24.5% compared to 2018. The new acquisitions in 2018 contributed primarily with revenue in the Services business area (full-year effect).
- Products: With a revenue of EURm 21.4 Product delivered 20.2% of total Trifork revenue. Compared to 2018 this was an increase of EURm 3.6 equal to 20.4%.

Most product based revenue in 2019 came from the sale of Trifork's own products and related services. The increase in revenue on own products is considered satisfying, as it came entirely from organic growth.

## Revenue per Employee

In 2019, Trifork obtained a revenue per employee of EURm 0.17 based on an average of 626 full-time-employees. This is unchanged to 2019

In 2020, it is expected that product based revenue and increase in attendees on the GOTO conferences will be the driver on an increase in revenue per employee by 5%.

*From 2018 to 2019 revenue was improved by 22.7% to EURm 106.4.*

*In 2019 61.0% of all growth was organic.*



## Development in EBITDA

In 2019, the Trifork segment realized EURm 16.2 EBITDA equal to an EBITDA-margin of 15.1% and an increase of 51.4% compared to 2018.

EBITDA was divided in the following way between the different business areas:

EBITDA (EURm)	2019	2018
Academy	-0.3	0.3
Services	12.5	6.9
Products	5.9	4.3
Other	-1.9	-0.9
Trifork segment total	16.2	10.7

During 2019 Trifork Academy set basis to increase the volume and activities of the GOTO conferences Amsterdam, Berlin, Chicago and Copenhagen to become larger and more profitable and initiated the creation of an additional GOTO conference on a ferry from Copenhagen to Oslo. Initial costs resulted in a negative result for 2019.

The Services business area increased in growth both organically and by acquisitions (full-year effect). The high growth 80.3% has also benefited from two one-off effects (deconsolidation of Group companies/introduction of new leasing standard). Based on this the margin improved to 16.3% and exceeds management mid-term target of 15.0%. A slight decrease of the margin is expected for 2020.

The Products business area focused on creating recurring revenue streams by selling Trifork products and related services on long term contracts. Based on this Products was primarily based on the sale of own products and was not so dependent

on partner products. The effect of this was a significant increase in revenue on our own products. Despite the high growth in revenue the business area still achieved an EBITDA of EURm 5.9 equal to an EBITDA-margin of 27.4%.

Overall the results obtained in 2019 correspond to an EBITDA margin of 15.1% which was higher than 2018. In 2020 EBITDA of EURm 20 is targeted.

## Development in EBITA

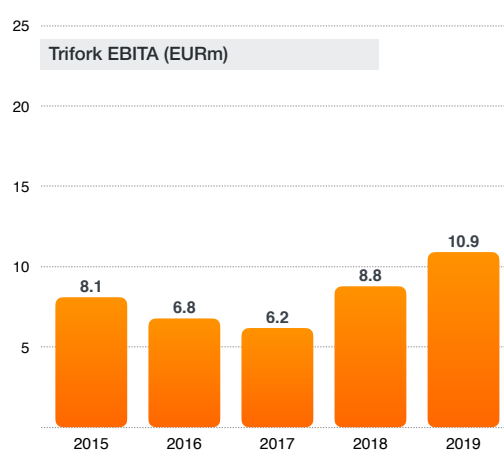
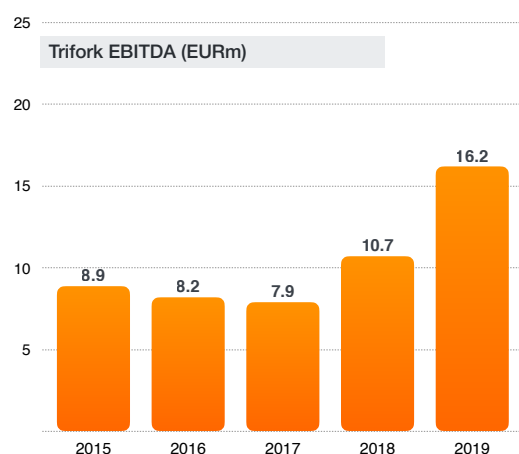
The EBITA key figures is newly introduced to have a view at the business results excluding the effects from the introduction of the new leasing standard (IFRS 16).

In 2019, the Trifork segment realized an EBITA EURm 11.0, which is an 24.7% increase compared to 2017, where EURm 8.8 was achieved. The 2019 EBITA-margin was at 10.3% compared to 10.1% in 2018.

## Development in EBIT

In 2019, the Trifork segment realized an EURm 8.8 EBIT, which is an 24.5% increase compared to 2018, where EURm 7.1 was achieved. The 2019 EBIT equals an 8.2% EBIT-margin compared to 8.1% in 2018.

During 2019 depreciation and amortization occurred as expected and a minor impairment was made. The corrections amounted to less than EURm 0.2. In 2020 no extraordinary depreciation/amortizations are expected.



Description of sub-segments
Academy

The Academy business area is primarily engaged in developing and implementing the GOTO conferences of Trifork as well as partner conferences in Europe and America. Consultancy service and training in agile processes and software development is also part of the deliveries.

Services
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The Services business area is engaged in delivering innovation projects to the customers of Trifork. The services is including 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.

Product
---------

The Product business area 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 separately or in relation to projects where Trifork is engaged in relation to developing new solutions for its customers.

2019	Academy	Services	Products	Others	Trifork
Revenue					
from contracts with customers	8,051	76,578	21,458	341	106,428
with other segments	-	-	-	553	553
Total revenue	8,051	76,578	21,458	894	106,981
EBITDA	-287	12,516	5,872	-1,902	16,199
Depreciation and amortization	-111	-3,352	-2,713	-1,050	-7,226
Impairment	-	-176	-	-	-176
Earnings before financial items and taxes	-398	8,988	3,159	-2,952	8,797
Financial result	n/a	n/a	n/a	n/a	-91
Earnings before tax	n/a	n/a	n/a	n/a	8,706
Average number of employees	24	434	102	64	624

2018	Academy	Services	Products	Others	Trifork
Revenue					
from contracts with customers	7,140	61,502	17,818	19	86,479
with other segments	-	-	-	970	970
Total revenue	7,140	61,502	17,818	989	87,449
EBITDA	346	6,940	4,287	-872	10,701
Depreciation and amortization	-57	-774	-1,921	-815	-3,567
Impairment	-	-	-68	-	-68
Earnings before financial items and taxes	289	6,166	2,298	-1,687	7,066
Financial result	n/a	n/a	n/a	n/a	-795
Earnings before tax	n/a	n/a	n/a	n/a	6,271
Average number of employees	22	344	72	64	502

# Trifork Labs Segment Financial Review 2019

## Financial Targets and Results

The 2019 targets for the Trifork Labs segment was to participate in three new startups and to increase the value on the investments (financial assets) with 20% compared to the end of 2018.

In 2019 Trifork Labs continued the work with our existing investments where we invested additional cash in two of them together with other investors. Besides this we founded two new startups, invested in two additional early stage product companies and successfully made new funding rounds with external funding for two of our startups.

In total all the activities gave more than EURm 20 in new external funding to three startups and for Trifork Labs the financial impact was EURm 9.6 in effect on EBT. Management find these results very satisfying.

## Development in Revenue, EBITDA and EBIT

The financial focus for the Trifork Labs segment is to increase the value of the capital invested in financial assets.

In 2019 Trifork Labs did not consolidate any of the investments in the financial reporting of Revenue, EBITDA and EBIT and thus these accounts only shows the cost of running the investment activities.

EURm	2019	2018
EBITDA	-0.6	-0.6
EBIT	-0.6	-0.9

Based on this no revenue was achieved in 2019 compared to EURm 0.2 in 2018, where one startup company was consolidated on revenue.

EBITDA was EURm -0.6 was at the expected level (2018: EURm -0.6) and refer to management cost for the Labs segment.

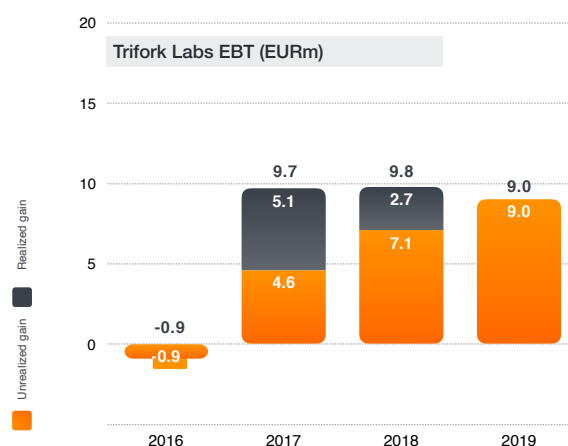
There were no depreciations and amortizations in 2019 compared to EURm -0.3 in 2018, when one start-up company was consolidated. In this way EBIT was EURm -0.6 compared to EURm -0.9 in 2018.

## Development in EBT

EBT (earnings before tax) for 2019 was EURm 9.0 compared to EURm 9.8 in 2018. The result came from adjustments of fair values on financial assets.

This profit is equal to 45.9% return on the value of the financial assets.

EURm	2019	2018
EBT	9.0	9.8



## Total profit from investments

The graph below shows the overall financial development and results from the Trifork Labs investments in the period from 2016 to 2019.

End of 2019 the total accumulated cashed in profit from exits accounted for EURm 10.7. This includes the deduction of the initial cash invested in all of the disposed investments.

The total cash invested in the current active investments end of 2019 accounted for EURm 3.7 out of the total value of EURm 32.5. Based on this the total unrealized profit can be calculated to EURm 28.8.

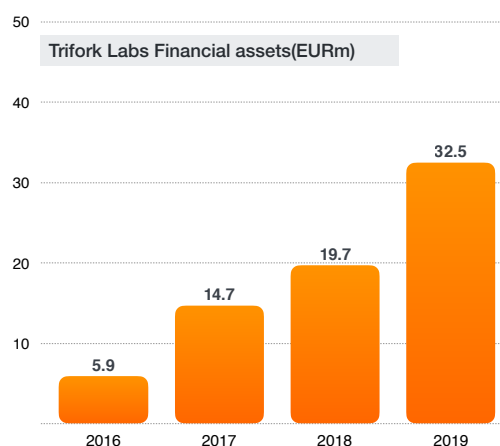
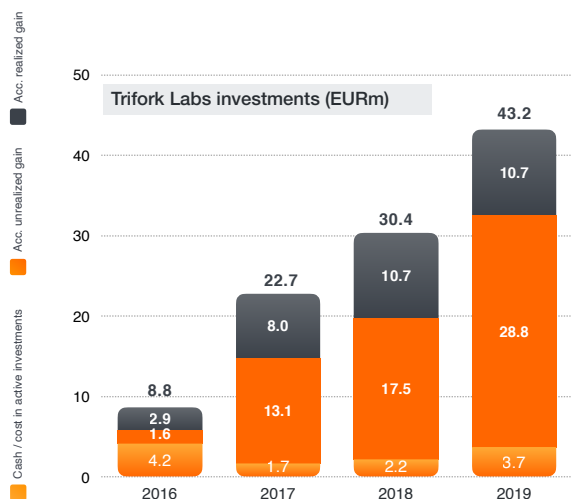
*From 2018 to 2019 the fair value of current financial investments grew from EURm 19.7 to EURm 32.5*

## Financial Assets

The 2019 development in financial assets has been affected by new investments of EURm 1.5 and fair-value adjustments of EURm 9.6. During the year a couple of minor startups without any substantial value (less than EURm 0.5) were terminated and impaired.

In total the value of the financial assets developed from EURm 14.7 end of 2017 to EURm 19.7 end of 2018.

EURm	2019	2018
Financial assets	32.5	19.7





# 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, 2019.

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 and democracy

### ATTRACTING AND DEVELOPING COMPETENCE

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 center 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 amongst others include the following activity:

- Trifork has created the conference concept GOTOCON.COM, which organizes conferences in Copenhagen, Berlin, Amsterdam 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.

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 our "Hackerdays", where innovation and passion run free.

The results of that action is shown and implemented in 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 improve the life quality in the world. In our business areas, Trifork must contribute with actions, which create simplicity and the additional reduction in the unnecessary use of the resources. 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 home-care, 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.

- It's our belief that the increased availability of mobile solutions will disconnect services from locations and allow people to access services or work remotely and minimize their carbon footprint.
- We are investing in developing Smart Building and Smart Factory technologies to improve workspaces and to optimize energy consumption. We use these technologies ourselves and cooperate with industry partners to bring new solutions to the market.

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 2019 was 37.0 years compared to 34.2 years in 2018. The diversity of gender is divided between 78.6% men and 21.4% women.

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

Actions extending this policy amongst others include the following activity:

- Based on the scrum methodology, Trifork implements agility 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 work-flows. 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 2019, the employee's weekly average work time was 38.4 hours. The average sick leave was 3.4%, which was 0.9%-point higher than in 2018.

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 2019 as all five 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 Services and Product which are very dominated by men there is no specific target but also no restrictions. Currently 13.5% of managers are women. In the administration unit the target is to have 50% women. Currently 75% are women.

### HUMAN RIGHTS AND DEMOCRACY

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

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.

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. Trifork is involved in several activities supporting the defending of existing and the growth of new democracies.

*Trifork makes a difference by communicating knowledge and being a pioneer in humanizing software solutions.*

# Corporate Governance and Internal Controls

## Statutory Report on Corporate Governance

This statutory report on corporate governance covers the period January 1 - December 31, 2019.

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 and November 2017 (with effect from 1/1-2018). The recommendations are available for the public on the home page of The Committee on Good Corporate Governance, [www.corporate-governance.dk](http://www.corporate-governance.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 a 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/>.

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 appointed a committee of nominations and remuneration attended to by the collective Board of Directors. The chairman of the Board co-chairs the committee.

- Trifork has appointed a committee of audit, attended to by the collective Board of Directors. The chairman of the Board co-chairs the committee.
- 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 is to align the presentation of the accounts in accordance with IFRS and to give the best possible presentation and 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 to align knowledge and potential effects 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.



#### OLIVIER JAQUET

Chairman of the Board of Directors

Elected to the board the first time at the Ordinary General Meeting on 12 April 2019.

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

Has worked for over 20 years in the financial industry and was CEO of Credit Suisse Life and Credit Suisse Trust as well as CEO of Clariden Leu and Centrum Bank.

Is also board member in: OJA Invest AG, Investments and Participations (Chairman), Northwest Real Estate AG, Real Estate (Chairman), Sidoma AG, Real Estate (Member), Parashift AG, Software (Member), Jaquet Partners AG, Investments and Participations (Member), Jaquet Immobilien AG, Real Estate (Member), Jaquet Beteiligungen AG, Investments and Participations (Member).



#### 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 Meeting on 8 January 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 8 January 2014.

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

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



#### LARS DYBKJÆR

Board member

Elected to the board the first time at the Extraordinary General Meeting on 26 August 2015.

Is Managing Partner at GRO Capital, a focused private equity investor in software companies.

Specializes in M&A and business development.



#### CASEY ROSENTHAL

Board member

Elected to the board the first time at the Ordinary General Meeting on 12 April 2019.

Specializes in Big Data, enterprise IT-architecture, chaos-engineering and organizational development.

CEO/Founder of Verica.io. Previously an engineering manager for the Traffic Engineering Team and the Chaos Engineering Team at Netflix.

# Board of Directors and Management

## COMPOSITION AND FUNCTION OF THE BOARD OF DIRECTORS

The Board of Directors of Trifork is composed by 5 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, organizational, 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 them 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 2019, the board met five times.

## AUDIT COMMITTEE

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 Executive 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. This include variable bonuses, which 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.

In 2020 the Board of Directors have implemented a long-term incentive plan in the form of restricted share units. Initially this will only include the Executive management but later this can also include additional key-management personnel.

### *Compensation*

In 2019, the compensation to the Board of Directors totaled EURt 254.

## 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 meeting, the Audit Committee and management assess the Independence, competence etc. of the chartered accountants.

## TRIFORK SHARE OWNERSHIP

End of 2019 the Board of Directors and Executive management indirect or direct holds and/or represents the following shares in Trifork Holding AG:

Name	Shares
Jørn Larsen (CEO)	4,458,568
Olivier Jaquet (Chairman)	43,090
Kristian Wulf-Andersen (CFO)	316,149
Lars Dybkjær (GRO Fund I)	3,716,884
Total	8,534,691



# 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](http://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 "Investor Portal".

The investor web-site of Trifork ([investor.trifork.com](http://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:	18,637,230
Voting limitations:	No

on the development and results of the Trifork Group. The historical share price that Trifork Holding AG has paid when purchasing treasury shares is displayed in the figure below. End of 2019 this was EUR 8.80 per share, which was the price offered by the company after the publication of the Q3 interim key figures 2019.

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/>.

In 2019 240,696 treasury shares were purchased to an average rate of EUR 5.94 and 319,719 were sold to an average rate of EUR 8.35.

## Ownership

At the end of 2019, Trifork Holding AG had 433 registered shareholders, who owned 100% of the share capital. Ten major shareholders owned 73.8% of the registered share capital.

End of 2019 members of the Board of Directors and Executive Management in Trifork Holding AG owned 26.1% of the share capital in the company.

End of 2019 the following investors was registered with a share holding of more than 5% of the share capital:

Name	Shares	%
Jørn Larsen	4,458,568	23.9%
GRO Holding I ApS	3,716,884	19.9%
Kresten Krab Thorup Holding ApS	3,308,840	17.8%
Trifork Holding AG	144,462	0.8%
Others	7,008,476	37.6%
Total	18,637,230	100.0%

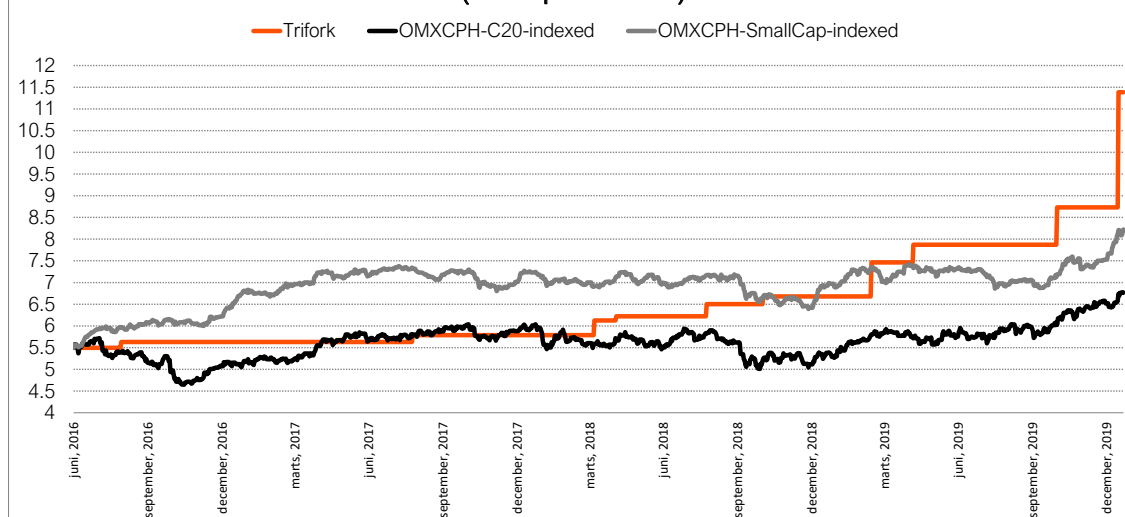
## Share Capital

The company share capital constitutes nominally 18,637,230 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.

## Repurchase of Treasury Shares

After each quarter Trifork Holding AG expect to offer to purchase treasury shares from existing shareholders to a calculated "treasury share price" based

Historical price on treasury share repurchase (EUR per share)



## 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 December 19, 2021 by an amount not exceeding CHF 146,277.00 through the issue of up to 1,462,770 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 8.80. The subscription rights are excluded to facilitate the participation of new lead investors in relation to the planned IPO, acquisitions and/or an Employee share program.

To support employee share programs, the extraordinary General Meeting of 19 December 2019 authorized the conditional capital of CHF 50,000 by issuing a maximum of 500'000 registered shares with a par value of CHF 0.10, to be fully paid up, excluding shareholders' subscription rights.

## General Meeting of Shareholders

The Ordinary General Meeting of shareholders will be held on Thursday, April 16th, 2020 at 11:30 am. in the offices of Memo.law AG, St. Andreas 7, 6330 Cham, Switzerland.

The Board of Directors recommend to the company's Ordinary General Meeting to pay out a dividend of EURm 0.89 to shareholders based on the results in 2019.

Financial calendar 2020	
17.03.2020	Annual report 2019
16.04.2020	Ordinary General Meeting
05.05.2020	Interim update Q1 - 2020
25.08.2020	Interim report half year 2020
03.11.2020	Interim update Q3 - 2020

## 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](mailto:investor@trifork.com)

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

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

2019 Company announcements		
No.	Date	Announcement
1	21.01.2019	Trifork Labs startup completes new funding
2	15.03.2019	Trifork annual report 2018
3	15.03.2019	Trifork Ordinary General Meeting
4	06.05.2019	Trifork quarterly announcement Q1-2019
5	24.07.2019	Trifork Labs acquire stake in AI-startup EDIA
6	22.08.2019	Trifork Interim report 2019
7	31.10.2019	Trifork quarterly announcement Q3-2019
8	06.11.2019	Trifork acquisition
9	29.11.2019	Trifork Extraordinary General Meeting
2020 Company announcements		
No.	Date	Announcement
1	07.01.2020	Trifork acquisition
2	15.01.2020	Trifork financial calendar 2020

## REGISTER OF SHAREHOLDERS

Trifork's registry of shareholders is administered by:

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

# 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 1 January to 31 December 2019.

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 31 December 2019 and of the results of the group's operations and cash flows for the financial period 1 January to 31 December 2019.

In our opinion, the parent company financial statements for the period from 1 January to 31 December 2019 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, 17 March 2020

## Executive management

Jørn Larsen  
CEO, Trifork

Kristian Wulf-Andersen  
CFO, Trifork

## Board of directors in Trifork Holding AG

Olivier Jaquet  
Chairman

Jørn Larsen  
Board member

Kristian Wulf-Andersen  
Board member

Lars Dybkjær  
Board member

Casey Rosenthal  
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 2019 and the consolidated statement of income, 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 67 to 111) give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, 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 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 standalone 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, 17 March 2020

## Ernst & Young Ltd

Tobias Meyer  
Licensed audit expert  
(Auditor in Charge)

Andreas Forster  
Licensed audit expert

# Consolidated Financial Statements

## Content

## page

Consolidated Income Statement	67
Consolidated Statement of Comprehensive Income	68
Consolidated Statement of Financial Position	69
Consolidated Statement of Changes in Shareholders' Equity	70
Consolidated Cash Flow Statement	71

## Notes

I. General information	72
II. Accounting policies	72
III. Management estimates and assumptions	79
IV. Scope of consolidation	80
1 Segment information	84
2 Revenue from contracts with customers	85
3 Personnel costs	86
4 Other operating expenses	86
5 Depreciation, amortization and impairment	86
6 Fair value adjustments on Trifork Labs investments	87
7 Other financial income	87
8 Other financial expenses	87
9 Result on foreign exchange	87
10 Income tax	87
11 Earnings per share	88
12 Intangible assets	89
13 Right-of-use assets	91
14 Property, plant and equipment	92
15 Investments in associated companies	93
16 Other financial assets	93
17 Trade receivables and contract assets	94
18 Financial liabilities	95
19 Defined benefit pension liabilities	96
20 Deferred tax position	98
21 Other current liabilities	99
22 Shareholders' equity	99
23 Non-controlling interests	101
24 Related parties	103
25 Financial instruments	104
26 Financial risk management	106
27 Guarantees and pledged assets	109
28 Leasing	109
29 Government grants	110
30 Events after the reporting period	110
V. Companies of Trifork Group	111

## Consolidated Income Statement for the year ended 31 December 2019

(EUR k)	Note	2019	2018 restated <sup>1)</sup>	2017 restated <sup>1)</sup>
Revenue from contracts with customers	1/2	106,428	86,508	64,523
Rental income		1,191	1,247	1,055
Other operating income		3,831	409	728
<b>Operating income</b>		<b>111,450</b>	<b>88,164</b>	<b>66,306</b>
Cost of goods and services purchased		-27,542	-21,516	-13,417
Personnel costs	3	-55,795	-42,567	-32,784
Other operating expenses	4	-12,476	-14,015	-12,615
<b>Operating expenses</b>		<b>-95,813</b>	<b>-78,098</b>	<b>-58,816</b>
<b>Earnings before financial items, taxes, depreciation and amortization</b>		<b>15,637</b>	<b>10,066</b>	<b>7,490</b>
Depreciation, amortization and impairment	5	-7,402	-3,940	-3,536
<b>Earnings before financial items and taxes</b>		<b>8,235</b>	<b>6,126</b>	<b>3,954</b>
Fair value adjustments on investments in Trifork Labs	6	9,524	9,999	10,582
Share of results from associated companies	15	-24	7	-28
Other financial income	7	412	822	1,007
Other financial expenses	8	-1,014	-653	-734
Result on foreign exchange	9	610	-270	240
<b>Financial result</b>		<b>9,508</b>	<b>9,904</b>	<b>11,067</b>
<b>Earnings before tax</b>		<b>17,743</b>	<b>16,030</b>	<b>15,021</b>
Income tax expense	10	-1,394	-1,261	-1,280
<b>Net income</b>		<b>16,349</b>	<b>14,769</b>	<b>13,741</b>
<b>Attributable to:</b>				
Shareholders of Trifork Holding AG		15,240	13,691	13,479
Non-controlling interests		1,109	1,078	262
<b>Earnings per share of Trifork Holding AG - in EUR</b>				
Basic	11	0.83	0.75	0.74
Diluted	11	0.83	0.75	0.74

<sup>1)</sup> Trifork Group has changed the presentation of its consolidated financial statements. Please refer to section "II. Accounting policies".



## Consolidated Statement of Comprehensive Income for the year ended 31 December 2019

(EUR k)	2019	2018 restated <sup>1)</sup>	2017 restated <sup>1)</sup>
Net income	16,349	14,769	13,741
Items that may be reclassified to profit or loss, after tax			
Currency translation adjustment for foreign operations	-38	-219	-300
Currency translation adjustment reclassified to profit or loss	-5	-	-
Items that will not be reclassified to profit or loss, after tax			
Remeasurements of the net defined benefit liabilities	-389	228	-149
Other comprehensive income	-432	9	-449
Total comprehensive income	15,917	14,778	13,292
Attributable to:			
Shareholders of Trifork Holding AG	14,748	13,776	13,134
Non-controlling interests	1,169	1,002	158

<sup>1)</sup> Trifork Group has changed the presentation of its consolidated financial statements. Please refer to section "II. Accounting policies".

## Consolidated Statement of Financial Position for the year ended 31 December 2019

(EUR k)	Note	2019	2018 restated <sup>1)</sup>	2017 restated <sup>1)</sup>
<b>Assets</b>				
Intangible assets	12	33,445	34,840	29,140
Right-of-use assets	13	15,546	-	-
Property, plant and equipment	14	5,732	7,640	7,445
Investments in Trifork Labs	25	32,531	19,685	14,738
Investments in associated companies	15	41	115	205
Other non-current financial assets	16	2,868	2,244	1,921
Deferred tax assets	20	343	116	-
<b>Total non-current assets</b>		<b>90,506</b>	<b>64,640</b>	<b>53,449</b>
Trade receivables	17	20,236	18,094	14,657
Contract assets	17	2,186	2,590	363
Other current receivables		1,201	287	640
Prepaid expenses		1,465	972	1,025
Other current financial assets	16	519	-	-
Cash and cash equivalents		5,952	9,687	5,599
<b>Total current assets</b>		<b>31,559</b>	<b>31,631</b>	<b>22,284</b>
<b>Total assets</b>		<b>122,065</b>	<b>96,271</b>	<b>75,733</b>
<b>Shareholders' equity and liabilities</b>				
Share capital	22	1,562	1,553	1,553
Treasury shares	22	-1,250	-733	-1,617
Retained earnings		57,121	43,184	33,208
Reserve for currency translation adjustments		-1,676	-1,635	-1,577
<b>Equity attributable to shareholders of Trifork Holding AG</b>		<b>55,757</b>	<b>42,369</b>	<b>31,567</b>
Non-controlling interests	23	1,577	1,967	1,670
<b>Total shareholders' equity</b>		<b>57,334</b>	<b>44,336</b>	<b>33,237</b>
Non-current financial liabilities	18	25,988	20,513	15,942
Defined benefit pension liabilities	19	1,223	704	790
Deferred tax liabilities	20	2,932	3,106	2,962
<b>Total non-current liabilities</b>		<b>30,143</b>	<b>24,323</b>	<b>19,694</b>
Current financial liabilities	18	14,977	11,344	9,071
Trade payables		5,774	3,650	3,524
Contract liabilities		2,492	3,440	3,483
Current tax liabilities		1,771	772	1,191
Other current liabilities	21	9,574	8,406	5,533
<b>Total current liabilities</b>		<b>34,588</b>	<b>27,612</b>	<b>22,802</b>
<b>Total liabilities</b>		<b>64,731</b>	<b>51,935</b>	<b>42,496</b>
<b>Total shareholders' equity and liabilities</b>		<b>122,065</b>	<b>96,271</b>	<b>75,733</b>

<sup>1)</sup> Trifork Group has changed the presentation of its consolidated financial statements. Please refer to section "II. Accounting policies".

## Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2019

(EUR k)

	Share capital	Treasury shares	Retained earnings	Reserve for currency translation adjustments	Equity attributable to the share- holders of Trifork Holding AG	Non- con- trolling interests	Share- holders' equity
1 January 2017	1,553	-386	21,074	-1,325	20,916	1,659	22,575
Net income	-	-	13,479	-	13,479	262	13,741
Other comprehensive income	-	-	-93	-252	-345	-104	-449
Total comprehensive income	-	-	13,386	-252	13,134	158	13,292
Dividends	-	-	-932	-	-932	-308	-1,240
Transactions with treasury shares	-	-1,231	-	-	-1,231	-	-1,231
Additions of non-controlling interests	-	-	-	-	-	3	3
Changes in liabilities towards non-controlling interests	-	-	-320	-	-320	158	-162
31 December 2017	1,553	-1,617	33,208	-1,577	31,567	1,670	33,237
Adoption of IFRS 9	-	-	-55	-	-55	-	-55
1 January 2018	1,553	-1,617	33,153	-1,577	31,512	1,670	33,182
Net income	-	-	13,691	-	13,691	1,078	14,769
Other comprehensive income	-	-85	228	-58	85	-76	9
Total comprehensive income	-	-85	13,919	-58	13,776	1,002	14,778
Dividends	-	-	-2,398	-	-2,398	-562	-2,960
Transactions with treasury shares	-	-1,520	1,316	-	-204	-	-204
Additions from business combinations	-	2,498	-	-	2,489	1,068	3,557
Changes in liabilities towards non-controlling interests	-	-	-2,806	-	-2,806	-1,210	-4,016
31 December 2018	1,553	-733	43,184	-1,635	42,369	1,968	44,337
Net income	-	-	15,240	-	15,240	1,109	16,349
Other comprehensive income	-	-57	-389	-46	-492	60	-432
Total comprehensive income	-	-57	14,851	-46	14,748	1,169	15,917
Capital increase	9	-880	871	-	-	-	-
Dividends	-	-	-1,960	-	-1,960	-766	-2,726
Transactions with treasury shares	-	-1,723	578	-	-1,145	-	-1,145
Disposal / loss of control of Group companies	-	-	-	-	-	-675	-675
Acquisition of non-controlling interests	-	2,143	-4,095	-	-1,952	-233	-2,185
Changes in liabilities towards non-controlling interests	-	-	3,692	5	3,697	114	3,811
31 December 2019	1,562	-1,250	57,121	-1,676	55,757	1,577	57,334

<sup>1)</sup> Trifork Group has changed the presentation of its consolidated financial statements. Please refer to section "II. Accounting policies".

## Consolidated Cash Flow Statement for the year ended 31 December 2019

(EUR k)	Note	2019	2018 restated <sup>1)</sup>	2017 restated <sup>1)</sup>
Net income		16,349	14,769	13,741
Adjustments for:				
Depreciation, amortization and impairment	5	7,402	3,940	3,537
Non-cash other operating income		-3,592	-11	-542
Financial result		-8	102	-513
Share of result from associated companies	15	24	-7	28
Fair value adjustment of investments in Trifork Labs	6	-9,524	-9,999	-10,582
Income taxes	10	1,394	1,261	1,280
Adjustment for other non-cash items		-	55	-
Changes in net working capital		-984	-1,604	3,428
Income taxes paid		-547	-1,943	-1,440
Net cash flow from operating activities		10,514	6,563	8,937
Acquisition of Group companies, deferred purchase price payments		-	-1,118	-2,240
Acquisition of Group companies, net of cash acquired		-	-2,896	-
Sale of Group companies, net of cash disposed		-59	18	-
Purchase of intangible assets	12	-1,026	-1,271	-1,404
Purchase of property, plant and equipment	14	-1,998	-2,117	-2,168
Sale of property, plant and equipment		229	927	39
Purchase of associated companies	15	-	-3	-36
Sale of associated companies	15	40	104	-
Dividends received from associated companies	15	10	-	-
Purchase of investments in Trifork Labs	25	-1,098	-515	-662
Sale of investments in Trifork Labs	25	-	5,714	2,339
Dividends received from investments in Trifork Labs	25	204	-	-
Loans granted		-1,225	-474	-816
Repayment of loans granted		273	191	-
Interest received		90	82	113
Net cash flow from investing activities		-4,560	-1,358	-4,835
Proceeds from borrowings		1,833	5,084	1,021
Repayment of borrowings		-3,108	-2,337	-1,710
Payment of lease liabilities	18	-3,674	-	-
Interest paid		-861	-653	-460
Acquisition of non-controlling interests		-1,247	-	-
Purchase of treasury shares		-593	-1,550	-2,055
Sale of treasury shares	22	526	1,307	644
Dividends paid		-2,726	-2,960	-1,331
Net cash flow from financing activities		-9,850	-1,109	-3,891
Foreign exchange differences on cash and cash equivalents		161	-8	-116
Change in cash and cash equivalents		-3,735	4,088	95
Cash and cash equivalents at the beginning of the period		9,687	5,599	5,504
Cash and cash equivalents at the end of the period		5,952	9,687	5,599

<sup>1)</sup> Trifork Group has changed the presentation of its consolidated financial statements. Please refer to section "II. Accounting policies".



# Notes

## I. General information

Trifork Holding AG ("the Company") is a privately held company incorporated in Switzerland with its registered offices at Neuhofstrasse 10, 8834 Schindellegi (Feusisberg).

The Company is the parent company of Trifork Group ("Group").

The Group's principal activities are divided into two areas:

- "Trifork" focuses on software development and operations of IT-systems
- "Trifork Labs" focuses on investments in tech startup companies

## II. Accounting policies

### A. GENERAL

These consolidated financial statements of the Trifork Group have been prepared in accordance with International Financial Reporting Standards (IFRS).

The historical cost principle is applied, except for certain financial instruments (e.g. investments in Trifork Labs, contingent consideration liabilities) which are measured at fair value.

### B. CHANGES IN ACCOUNTING POLICIES

The Group has applied new and amended International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) on 1 January 2019. The impacts on the financial statements of the Trifork Group are discussed below:

Standard	Subject
IFRS 16	Leases
IFRS 23	Uncertainty over income tax treatments <sup>1)</sup>
Annual improvement process	Amendments to various IFRS standards with the primary goal of eliminating inconsistencies and clarifying terminology <sup>1)</sup>

<sup>1)</sup> No material impact on the financial position and performance or cash flow of the Trifork Group.

Other minor changes in IFRS also became effective but are not relevant for the Group or did not have an impact on these financial statements.

### C. LEASES (IFRS 16)

The Group adopted the standard on 1 January 2019 applying the modified retrospective approach, without restating comparative information for 2017 and 2018.

IFRS 16 replaces IAS 17 and sets the principles for recognition, measurement, presentation and disclosures of leases. The requirements for disclosures of lessees or lessors are more extensive than under IAS 17. The main difference on the Group's financial statements is that IFRS 16 introduces a single lease accounting model for the lessee and requires the lessee to recognize right-of-use assets and lease liabilities for most of its lease contracts (refer to Notes 11 & 14).

Under IFRS 16 an agreement contains a lease if it conveys the right to control the use of an identified asset throughout the period of use in exchange for consideration. The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset (office space, cars, etc.). The lease term corresponds to the non-cancellable period of each contract plus periods covered by extension options that the Group has concluded reasonably certain of exercising. At the commencement date of the lease right-of-use assets are capitalized at a value equivalent to the lease liability (plus any amounts prepaid and initial direct costs) and depreciated over the useful life of the asset or a shorter contract term, except for leases with a remaining term of less than twelve months or leases of low value assets, which the Group has elected not to recognize in the statement of financial position.

The lease liability represents the net present value of fixed or in substance fixed lease payments over the lease term. On adoption, Trifork Group used an incremental borrowing rate which is an aggregation of the risk-free rate, increased by an individual company risk factor and adjusted for the respective currency and lease duration. The interest expense is included in financial expenses.

On 1 January 2019 the Group assessed the remaining lease terms and corresponding fixed payments. Initial direct costs for contracts signed in the past were not be recognized.

Short term leases with a duration of less than 12 months and leases of low value assets, as well as variable lease payments are treated similarly to operating leases, i. e. the related expense is recognized in profit and loss when incurred.

The impact on the statement of financial position as of 1 January 2019 is shown as follows:

(EUR k)	31/12/2018 as reported	IFRS 16 adoption	Adjusted as of 01/01/2019
Right-of-use assets	-	16,684	16,684
Property, plant and equipment	7,640	-2,142	5,498
<b>Total assets</b>	<b>96,271</b>	<b>14,542</b>	<b>110,813</b>
Lease liabilities - current	938	2,798	3,736
Current financial liabilities	11,344	2,798	14,142
Lease liabilities - non-current	915	11,744	12,659
Non-current financial liabilities	20,513	11,744	32,257
<b>Total liabilities</b>	<b>51,935</b>	<b>14,542</b>	<b>66,477</b>

The operating lease commitments disclosed as of 31 December 2018, discounted at the Group's weighted average incremental borrowing rate, are reconciled as follows to the lease liabilities recognized on 1 January 2019:

	(EUR k)
Operating lease commitments as of 31 December 2018	7,205
Operating lease commitments as of 31 December 2018, discounted	6,864
- Short-term leases	-44
- Low-value leases	-1
- Different lease terms (incl. renewal options)	7,792
- Different lease rates	-350
- Others	281
Additional lease liabilities due to first time adoption of IFRS 16 as of 1 January 2019	14,542
Finance lease liabilities as of 31 December 2018	1,853
<b>Total lease liabilities as of 1 January 2019</b>	<b>16,394</b>

#### D. CHANGES IN PRESENTATION

In 2019 Trifork Group has undertaken a comprehensive review of its financial statements with the objective of increasing transparency and understandability of its primary statements and notes disclosures.

As a result of this review figures are now rounded and presented in EUR k instead of EUR, a separate income statement and a statement of comprehensive income are presented instead of a single statement of comprehensive income. Additional presentational changes include

amended subtotals and descriptions of line items and re-ordering of line items in the primary statements. The cash flow statement now starts with net income, previously the starting point was profit before tax. In the segment reporting the Trifork segment has been extended by the information for the three business areas.

Comparative information for 2017 and 2018 has been restated accordingly.

Consolidated Income Statement (EUR k)	Reported 2018	Reclassifi- cation	Restated 2018	Reported 2017	Reclassifi- cation	Restated 2017
Revenue from contracts with customers	86,508	-	86,508	64,523	-	64,523
Rental income	1,247	-	1,247	1,055	-	1,055
Other operating income	350	59	409	701	27	728
<b>Operating income</b>	<b>88,105</b>	<b>59</b>	<b>88,164</b>	<b>66,279</b>	<b>27</b>	<b>66,306</b>
Cost of goods and services provided	-35,472	35,472	-	-26,005	26,005	-
Cost of goods and services purchased	-	-21,516	-21,516	-	-13,417	-13,417
Personnel costs	-42,567	-	-42,567	-32,784	-	-32,784
Other operating expenses	-	-14,015	-14,015	-	-12,615	-12,615
<b>Operating expenses</b>	<b>-78,039</b>	<b>-59</b>	<b>-78,098</b>	<b>-58,789</b>	<b>- 27</b>	<b>-58,816</b>

Consolidated Income Statement (EUR k)	Reported 2018	Reclassifi- cation	Restated 2018	Reported 2017	Reclassifi- cation	Restated 2017
Other financial income	1,517	-695	822	1,969	-962	1,007
Other financial expenses	-1,619	966	-653	-1,456	722	-734
Result on foreign exchange	-	-271	-271	-	240	240

The changes in presentation have no impact on reported results nor earnings per share (basic/diluted).

Consolidated Statement of Financial Position (EUR k)	Reported 2018	Reclassifi- cation	Restated 2018	Reported 2017	Reclassifi- cation	Restated 2017
Trade receivables	18,094	-	18,094	14,657	-	14,657
Contract assets	2,590	-	2,590	363	-	363
Other current receivables	288	-	288	819	-179	640
Prepayments	972	-972	-	846	-846	-
Work in progress	-	231	231	-	179	179
Prepaid expenses	-	741	741	-	846	846
Cash and cash equivalents	9,687	-	9,687	5,599	-	5,599
<b>Total current assets</b>	<b>31,631</b>	<b>-</b>	<b>31,631</b>	<b>22,284</b>	<b>-</b>	<b>22,284</b>
Current financial liabilities	11,344	-	11,344	9,071	-	9,071
Trade payables	5,339	-1,689	3,650	4,758	-1,234	3,524
Contract liabilities	3,440	-	3,440	3,483	-	3,483
Current tax liabilities	772	-	772	1,191	-	1,191
Other current liabilities	6,717	1,689	8,406	4,299	1,234	5,533
<b>Total current liabilities</b>	<b>27,612</b>	<b>-</b>	<b>27,612</b>	<b>22,802</b>	<b>-</b>	<b>22,802</b>

The changes in presentation have no impact on non-current assets, shareholders' equity nor non-current liabilities.

#### E. STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The IASB has issued amendments to standards that are not yet effective. The Group has not early adopted any of these. The following changes are potentially relevant and applicable for reporting periods from 2020 and later:

Standard	Subject
IFRS 3	Definition of a Business (amendment)
IAS 1 & IAS 8	Definition of material (amendments)
IAS 1	Classification of liabilities as current or non-current (amendments)
Conceptual framework	Revised conceptual framework for Financial reporting

No material impact on the financial position and performance or cash flow of the Trifork Group are expected from these amendments.

#### F. CONSOLIDATION PRINCIPLES

##### General

The consolidated financial statements are prepared based on the financial statements of Trifork Holding AG and its subsidiaries as of 31 December 2019, all of which are prepared in accordance with uniform accounting principles. The consolidated financial statements of the Trifork Group include all companies in which the Group holds more than 50% of voting rights, or which it controls in some other way.

All intercompany transactions, unrecognized profits and open positions are eliminated for consolidation purposes.

##### Acquisitions of businesses

Newly acquired subsidiaries are consolidated from the date that control is obtained. The acquisition method is applied. The cost of an acquisition is the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquired company. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the ac-

quiree's identifiable net assets.

In business combinations, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at acquisition-date fair value. Any goodwill arising from acquisition is capitalized and tested on an annual basis for impairment. A bargain purchase, which arises when the fair value of the identified net assets exceeds the consideration transferred on the acquisition date, is recorded directly in the income statement.

In the case of acquisitions, it is common practice for the Group to acquire call options and to write put options for the remaining interests that were not acquired. Shares of the profits continue to be allocated to the non-controlling interests when the Group has not acquired a present ownership interest in these interests. Liabilities from written put options are measured at the present value of the redemption amount. These financial liabilities are remeasured annually and the resulting differences are recorded in retained earnings without any impact on the income statement.

#### Disposals / loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

#### Investments in associated companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Associated companies in the Trifork segment are recognized using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

#### Investments in Trifork Labs

Equity investments held by Trifork Labs (the Group's venture capital organization) are classified as financial assets at fair value through profit in accordance with IFRS 9 and the amendment to IAS 28, 'Exemptions from Applying the Equity Method'. These venture capital equity investments are accounted for at fair value through profit or loss as the Group elects at initial recognition of the investments to apply IFRS 9 rather than the equity method under IAS 28.

## G. MEASUREMENT PRINCIPLES

#### Foreign currencies

The Group's consolidated financial statements are presented in EUR, which is the primary currency for the group's activities. The parent company's functional currency is CHF.

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are considered as part of the Group's net investment in a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

#### Translation of foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into EUR at the rate of exchange prevailing at the reporting date and income and expenses are translated at the average rates for the period, as an approximation of exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in profit or loss.

The following exchange rates are used for the translation into EUR for the Group's most relevant currencies:

	Unit	Exchange rates at period end			Average exchange rates for the period		
		31/12/2019	31/12/2018	31/12/2017	2019	2018	2017
DKK	1	0.1339	0.1339	0.1343	0.1339	0.1342	0.1344
CHF	1	0.9199	0.8907	0.8546	0.8989	0.8663	0.9007
GBP	1	1.1736	1.1077	1.1271	1.1407	1.1304	1.1420
USD	1	0.8937	0.8931	0.8338	0.8933	0.8472	0.8874



## H. INCOME STATEMENT

### Revenue from contracts with customers

Revenue from contracts with customers is recognized either when the performance obligation in the contract has been satisfied either at a point in time or over time as control of the goods or services is transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group distinguishes three classes of revenues:

1. Academy revenue represents revenues for organizing conferences and delivering trainings. Revenues from events held are recognized over the period of the events. Amounts received in advance of the event are presented as contract liabilities.
2. Service revenue. The Group recognizes revenue from customer specific fixed price software development and consultancy services over time, as determined by the percentage of costs incurred to date compared to the total estimated costs of a contract. For time and materials contracts, the Group recognizes revenue as services are rendered.
3. Product revenue represents revenue earned from providing customers with the following goods or services:
  - a) Licenses and support. The Company recognizes revenue from right-to-use software licenses at the point in time when the customer obtains control over the software. Revenue from support is recognized over the period during which such items are delivered comprising software updates, upgrades, enhancements as well as technical support.
  - b) Hardware. Revenue from the sale of hardware is recognized when control of the goods passes to the customer, usually on delivery of the goods.
  - c) Hosting and security. The Group provides hosted managed services to its customers offering server hosting, server maintenance and security among others. The Group hosts these services and recognizes revenue on a straight-line basis over the contractual service period which typically ranges from 12 to 36 months.

### Cost of goods and services purchased

Costs of goods and services purchased from external providers assist in the fulfillment of the performance obligations from contracts with customers (e.g. subcontractors).

### Personnel cost

Personnel costs comprises wages, salaries (including bonus arrangements), related social security expenses and pension benefits. Costs for employee services are recognized as the related service is received.

### Financial result

Financial result includes interest income and expenses on borrowings, interest expenses on leases liabilities and defined benefit obligations, foreign exchange gains and losses, fair value adjustments on investments in Trifork Labs and on financial liabilities carried at fair value through profit and loss (such as contingent consideration liabilities) and the share of results from associated companies.

### Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity or in OCI is recognized in equity or in OCI and not in profit or loss.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

However, no deferred tax is recognized on temporary differences relating to goodwill and other items where temporary differences - excluding business combinations - have arisen 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 expected use of the asset or expected manner of settlement of the liability.

## I. STATEMENT OF FINANCIAL POSITION

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Development expenditure on individual projects is recognized as an intangible asset when the Group can demonstrate the technical feasibility, its intention and ability to complete the project, the availability of resources, its ability to measure the costs reliably and how the asset will generate future economic benefits.

The cost of development projects covers expenses, including wages and depreciation, which can be allocated 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.

All capitalized development projects are tested for impairment annually.

The useful life of intangible assets is assessed as either finite or indefinite. Intangible assets with finite life are amortized on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is

an indication that the intangible asset may be impaired.

The amortization periods and the amortization methods are reviewed at least at the end of each reporting period.

#### *Amortization*

Capitalized development cost	2-5 years
Acquired customer base	5-20 years

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Goodwill is recognized as an asset with an indefinite useful life. It is not amortized but subject to an impairment test annually and whenever there are indications of possible impairment.

Any impairment of goodwill is not subsequently reversed.

#### Leases - Right-of-use assets and lease liabilities

The Group assesses whether a contract is or contains a lease at its inception.

The Group recognizes a right-of-use asset (ROU) and a lease liability at the lease commencement date, except for short term leases with a duration of less than 12 months and leases of low value assets as well as variable lease payments which are expensed in the income statement when incurred.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or if not readily determinable an incremental borrowing rate which is the aggregation of the risk-free rate, increased by an individual company risk factor and adjusted for the respective currency and lease duration.

The lease payments are apportioned between the amortization part of the recognized liability and the interest expense, that is included in financial expenses.

At inception, the ROU comprises the initial lease liability, initial direct costs and the obligation to refurbish the asset, less any incentives granted by the lessor. The ROU is depreciated over the shorter of the lease term or the useful life of the underlying asset.

#### Property, plant and equipment

Leasehold improvements, other equipment, fixtures and fittings, real estate and investment properties are stated at cost less accumulated depreciation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

Straight-line depreciation is calculated based on the following estimated useful lives:

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

For investment properties and real estate, the Group assumes a residual value of 45% of cost.

The residual values, useful lives and methods of depreciation are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as other operating income/expenses.

#### Impairment of non-financial assets other than goodwill

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Group estimates the recoverable amount of the smallest cash generating unit to which the asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount is estimated to be less than the carrying amount, the carrying amount is reduced to the recoverable amount. Impairment losses are recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount.

However, this increased amount cannot exceed the carrying amount that would have been determined if no impairment loss had been recognized for that non-financial asset or cash generating unit in prior periods.

#### Financial assets

##### *Initial recognition and measurement*

The Group classifies its financial assets, at initial recognition, in the following categories:

- Subsequently measured at amortized cost and,
- Fair value through profit or loss.

The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are initially measured at the transaction price determined under IFRS 15.

Regular way purchases or sales of financial assets are recognized on the date the Group makes a commitment to buy or sell the asset.

Financial assets are derecognized when the rights to the cash flows have expired or if the right to receive the cash flows has been transferred and the Group has substantially transferred all risks and rewards incidental to ownership.

Financial assets are classified as current if payment is due within one year or less. If not, they are presented as non-current financial assets.

#### *Subsequent measurement*

For purposes of subsequent measurement, Trifork Group has financial assets at amortized cost (debt instruments) as well as financial assets at fair value through profit or loss (Trifork Labs investments in equity securities).

Trifork measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost comprise 'trade and other receivables', 'cash and cash equivalents' and 'other financial assets' in the statement of financial position.

Trifork Labs focuses on investing in new technology start-up activities and invests in selected technology companies that are at the forefront of technological development with new and innovative software products. These venture capital equity investments are accounted for at fair value through profit or loss as the Group elects at initial recognition of the investments to apply IFRS 9 rather than the equity method under IAS 28.

Changes in fair value are recognized and presented separately in the income statement as fair value adjustments on investments in Trifork Labs.

#### *Impairment of financial assets*

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience the business knowledge, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### Cash and cash equivalents

The position includes cash on hand, accounts at financial institutions and short-term bank deposits with original maturities of three months or less.

#### Trade receivables

Trade receivables are initially recorded at transaction price determined in accordance with IFRS 15 less impairments.

#### Financial liabilities

##### *Initial recognition and measurement*

The Group classifies financial liabilities, at initial recognition, as:

- Financial liabilities at fair value through profit or loss
- Financial liabilities subsequently measured at amortized costs

All financial liabilities are recognized initially at fair value and, in the case of instruments not subsequently measured at fair value through profit or loss, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, contingent consideration liabilities and deferred payments related to business combinations and other financial liabilities, including debts to financial institutions and derivative financial instruments.

#### *Subsequent measurement*

Contingent consideration liabilities and derivatives are subsequently measured at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Trade payables and financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### Pension liabilities

The Group has entered into pension and similar arrangements with most of its employees.

Expenses for defined contribution schemes are recognized in profit or loss in the period the Group receives the related employee services and a corresponding liability is recognized in the statement of financial position under other current liabilities.

The pension scheme of the Swiss Trifork company represents a defined benefit plan and the cost of defined benefit plans is determined using actuarial valuations and recorded as follows:

- Service cost (current and past service costs from plan amendments): through profit and loss, within personnel cost
- Net interest on the net defined benefit liability or asset: through profit and loss, within financial result
- Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses, the return on plan assets (less interest at the discount rate, which is included in net interest) as well as the effects of the asset ceiling: in other comprehensive income

#### Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount. Provisions are discounted when the time value of money is material.

#### Share capital

Share capital equals the nominal value of all shares outstanding.

#### Treasury shares

Treasury shares are measured at cost and deducted from shareholders' equity. Gains or losses from the disposal of treasury shares are recognized directly in retained earnings.

### **III. Management estimates and assumptions**

Determining the carrying value of certain assets and liabilities requires 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. It may be necessary to change previous estimates due to changes in the facts underlying the previous estimates, or because of new information.

Furthermore, the Group is subject to risks and uncertainties that may cause the actual outcome to differ from these estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described below.

#### Fair value of Trifork Labs investments

(2019: EUR k 32.531 / 2018: EUR k 19.685 / 2017: EUR k 14.738)

The fair value of level 3 equity investments is determined based on DCF-valuation models and/or valuations derived from recent transactions by external parties that have invested new capital in these companies. A sensitivity analysis has been performed on this in Note 22. Because of the inherent uncertainty of valuation of private equity in general, the estimate fair value may differ from the values that would have been used had an active market existed for the investments and the difference regarding individual investments could be material. Any gain or loss arising from a change in fair value of investments is included in separate line item in the income statement.

#### Goodwill

(2019: EUR k 18.104 / 2018: EUR k 18.000 / 2017: EUR k 12.717)

Goodwill is tested for impairment annually. Management estimates relate to the determination of discount rates, growth rates and expected changes in sales prices and production cost in the budgets and terminal value periods. Management considers the projected cash flows to be realistic and built around historical experience and reasonable expectations for future market developments (refer to Note 10) On the basis of this information, a DCF-model is used to estimate the value in use of each CGU.

Significant estimates Management considers that reasonably possible changes in key assumptions will not cause the recoverable amounts of CGU's to become inferior to their carrying amounts.

#### Contingent consideration arrangements

(2019: EUR k 949 / 2018: EUR k 333 / 2017: EUR k 296)

In connection with the acquisition of subsidiaries and non-controlling interests management has to determine the fair value of any contingent consideration arrangement at the acquisition date and at each reporting date until settlement or expiry. The fair value measurement is usually based on significant unobservable inputs (level 3) and may significantly change over time. More information is to be found in Note 21.

#### Redemption amounts for put-options

(2019: EUR k 4.089 / 2018: EUR k 7.903 / 2017: EUR k 3.887)

When taking control over new businesses, the Group contractually agreed on put options with the sellers for the remaining non-controlling shareholding. As the Group has a contractual obligation to acquire additional shares in case defined financial and/or timing conditions are met and the put options are exercised by the sellers, it must estimate the respective financial liabilities.

Management estimates the potential option execution based on business plans, future expectations and current observations.



## IV. Scope of consolidation

The consolidated financial statements comprise the financial statements of Trifork Holding AG and its subsidiaries.

The list of the principal subsidiaries is provided in the section “V. Companies of Trifork Group”.

### A. CHANGES IN SCOPE OF CONSOLIDATION

#### Acquisition of businesses

2018

- Testhuset A/S, Ballerup, Denmark
- Invokers A/S, Copenhagen, Denmark

#### Disposals / loss of control

2019

- Programmable Infrastructure Solutions AG, Schindellegi, Switzerland
- Trifork Learning Solutions B.V., Amsterdam, Netherlands

2018

- Trifork Medical ApS, Copenhagen, Denmark

### B. ACQUISITION OF BUSINESSES

In 2018 the Group acquired control of Testhuset A/S and Invokers A/S. The purchase price allocations have been finalized in 2019. The fair values were as follows:

(EUR k)	Testhuset A/S	Invokers A/S
Intangible assets	532	567
Property, plant and equipment	93	31
Other non-current assets	245	40
Trade receivables	1,571	988
Other current assets	346	484
Deferred tax liabilities	-95	-125
Other non-current liabilities	-11	-
Current liabilities	-1,082	-785
Net assets acquired	1,599	1,200
Non-controlling interests	-480	-588
Net assets acquired, attributable to shareholders of Trifork Holding AG	1,119	612
Goodwill	4,049	1,304
Purchase price	5,168	1,916
Acquired cash and cash equivalents	247	433
Contingent consideration	1,019	-
Trifork shares transferred	1,498	992
Net outflow of cash and cash equivalents	2,404	491
Non-controlling interest at time of acquisition	30%	49%

Testhuset A/S

The acquisition took place at the beginning of June 2018. EURm 0.4 of customer relationships of customer relationships have been recognized as intangible assets and are amortized over an estimated useful life of 10 years. Goodwill of EURm 4.0 has been recognized and is not tax deductible.

The fair value of the 244.082 Trifork shares transferred amounts to CHF k 1'498 and has been determined by using the Trifork treasury shares price model (<https://investor.trifork.com/share-information/share-price-and-trading/>). The non-controlling interests are calculated based on the share of identifiable net assets. For the remaining non-controlling interests call options were acquired and put options written.

In 2018 Testhuset A/S contributed revenue of EURm 4.1 and earnings before tax of EURm -0.1 to the consolidated financial statements of Trifork Group. If the acquisition had taken place on 1 January 2018, the total revenue of Trifork Group would have been EURm 3.5 higher and the earnings before tax for the period would have increased by EURm 0.2.

Invokers A/S

The acquisition took place at the beginning of September 2018. EURm 0.6 of customer relationships have been recognized as intangible assets and are amortized over an estimated useful life of 10 years. Goodwill of EURm 1.3 has been recognized and is not tax deductible.

The fair value of the 159.306 Trifork shares transferred amounts to CHF k 992 and has been determined by using the Trifork treasury shares price model.

The non-controlling interest is calculated based on the share of identifiable net assets. For the remaining non-controlling interests call options were acquired and put options written.

In 2018 Invokers A/S contributed revenue of EURm 2.2 and earnings before tax of EURm 0.2 to the consolidated financial statements of Trifork Group. If the acquisition had taken place on 1 January 2018, the total revenue of Trifork Group would have been EURm 2.7 higher and the earnings before tax for the period would have increased by EURm 0.0.

In late 2019 the Group acquired the remaining non-controlling interests for consideration of EUR k 4.297, of which EUR k 1.205 has been settled in cash, EUR k 2.143 by transferring 249.454 Trifork shares and EUR k 937 is contingent (refer to Note 16).

**C. DISPOSALS / LOSS OF CONTROL**Programmable Infrastructure Solutions AG

In the first half 2019 Trifork Group decided on a change in strategy for its subsidiary Programmable Infrastructure Solution AG to focus more on accelerated growth and to bring in new external capital for financing. Therefore, a 5% stake in the shares of the company was sold for a deferred consideration of EUR k 400, reducing the Group's shareholding to 46%. This led to a loss of control and deconsolidation of the company in the Trifork segment on 30 June 2019 and transfer of the retained investment to the Trifork Labs segment at an initial fair value of EURk 3.653.

The transaction resulted in a gain from disposal of Group Companies EUR k 3.100 included in "other operating income" of EURk 3.831 and disposed cash and cash equivalents of EUR k 429.

Trifork Learning Solutions B.V.

The Group sold of 100% of the shares in the second half of 2019. Immediately before and linked to the sale, minorities of 5% were bought-out (consideration of EUR k 42 paid).

The fair value of the consideration received amounts to EUR k 377 in cash. The sales agreement includes an earn-out payment of up to EUR k 1'000 in total for the years 2020 – 2023. Basis for the earn-out are future sales with a software for distinct customers above a defined threshold. Trifork management assumes that the sales target will not be met.

The transaction resulted in a gain from disposal of Group Companies EURk 119 included in "other operating income" of EURk 3.831 and disposed cash and cash equivalents of EUR k 7.

2019 (EUR k)	Carrying amount of assets and liabilities disposed
Intangible assets	478
Property, plant and equipment	155
Right-of-use assets	1,573
Other non-current assets	126
Trade receivables	2,895
Other current assets	796
Other non-current liabilities	-1,348
Current liabilities	-2,774
Net assets disposed	1,901
Non-controlling interests derecognised	-675
Fair value of investment retained in Trifork Labs	-3,653
Consideration received in cash	-377
Deferred consideration (loan)	-410
Currency translation adjustment reclassified to profit and loss	-5
Gain from disposal of Group companies	-3,219
Cash and cash equivalents disposed	-436
Consideration received in cash	377
Net outflow of cash and cash equivalents	-59

Trifork Medical ApS, Copenhagen, Denmark

The interest was sold in 2018 for a consideration of EUR k 20, resulting in a loss of EUR k -68. Prior to the disposal, goodwill of EUR k 64 had been impaired.





## 1 - Segment information

The business and operations of Trifork Group comprise the two main segments Trifork and Trifork Labs. Trifork is further divided into the three sub-segments Academy, Services and Products. The results of which are also reported to the Executive Management (Chief operating decision maker) for performance measurement and resource allocation and therefore represent operating segments. Trifork has therefore concluded that it has four operating segments, namely Academy, Services and Products, which are aggregated into the Trifork column, and Trifork Labs.

The results of the segments are monitored by separate management teams at the level of EBITDA (Trifork) and of EBT (Trifork Labs).

Comparative information for 2017 and 2018 has been restated accordingly.

### Trifork

Trifork is focused on delivering services to the customers of Trifork. The services are delivered within three sub-segments: Academy (organizing conferences and trainings on software development), Services (development of innovative software in customer projects) and Products (delivery and operation of software products and related services for customers).

Other revenue mainly comprises management services.

### Trifork Labs

Trifork Labs is focused on founding new tech start-ups and investing in selected tech companies that are at the forefront of the technological development with new and innovative software products.

For internal management reporting and performance measurement, all Trifork Labs investments are monitored on a fair value basis with changes recognized in profit or loss and thus presented as such in the segment reporting. In previous years, a few investments were controlled by Trifork and have been consolidated in the financial statements.

2019	Academy	Services	Products	Others	Trifork	Trifork Labs	Elimination	Trifork Group
Revenue								
from contracts with customers	8,051	76,578	21,458	341	106,428	-	-	106,428
with other segments	-	-	-	553	553	-	-553	-
Total revenue	8,051	76,578	21,458	894	106,981	-	-553	106,428
EBITDA	-287	12,516	5,872	-1,902	16,199	-562	-	15,637
Depreciation and amortization	-111	-3,352	-2,713	-1,050	-7,226	-	-	-7,226
Impairment	-	-176	-	-	-176	-	-	-176
Earnings before financial items and taxes	-398	8,988	3,159	-2,952	8,797	-562	-	8,235
Financial result	n/a	n/a	n/a	n/a	-91	9,599	-	9,508
Earnings before tax	n/a	n/a	n/a	n/a	8,706	9,037	-	17,743
Average number of employees	24	434	102	64	624	2	-	626

2018	Academy	Services	Products	Others	Trifork	Trifork Labs	Elimination	Trifork Group
Revenue								
from contracts with customers	7,140	61,502	17,818	19	86,479	29		86,508
with other segments	-	-	-	970	970	130	-1,100	-
Total revenue	7,140	61,502	17,818	989	87,449	159	-1,100	86,508
EBITDA	346	6,940	4,287	-872	10,701	-635	-	10,066
Depreciation and amortization	-57	-774	-1,921	-815	-3,567	-305	-	-3,872
Impairment	-	-	-68	-	-68	-	-	-68
Earnings before financial items and taxes	289	6,166	2,298	-1,687	7,066	-940	-	6,126
Financial result	n/a	n/a	n/a	n/a	-795	10,699	-	9,904
Earnings before tax	n/a	n/a	n/a	n/a	6,271	9,759	-	16,030
Average number of employees	22	344	72	64	502	2	-	504

2017	Academy	Services	Products	Others	Trifork	Trifork Labs	Elimination	Trifork Group
Revenue								
from contracts with customers	7,393	43,605	12,647	828	64,473	51		64,524
with other segments	-	-	-	319	319	60	-379	-
Total revenue	7,393	43,605	12,647	1,147	64,792	111	-379	64,524
EBITDA	-155	4,673	3,134	270	7,922	-432	-	7,490
Depreciation and amortization	-54	-467	-1,959	-745	-3,225	-266	-	-3,491
Impairment	-	-45	-	-	-45	-	-	-45
Earnings before financial items and taxes	-209	4,161	1,175	-475	4,652	-698	-	3,954
Financial result	n/a	n/a	n/a	n/a	635	10,432	-	11,067
Earnings before tax	n/a	n/a	n/a	n/a	5,287	9,734	-	15,021
Average number of employees	15	283	64	59	421	2	-	423

#### Geographical information

(EUR k)	2019		2018		2017	
	Revenue from external customers <sup>1)</sup>	Non-current assets <sup>2)</sup>	Revenue from external customers <sup>1)</sup>	Non-current assets <sup>2)</sup>	Revenue from external customers <sup>1)</sup>	Non-current assets <sup>2)</sup>
Denmark	63,423	35,649	53,624	26,113	37,065	20,525
United Kingdom	13,075	5,701	10,368	5,499	8,206	5,866
USA	3,382	1,181	2,989	1,212	4,981	1,213
Switzerland	2,106	2,612	2,869	2,041	2,073	1,458
Others	24,442	9,580	16,658	7,615	12,198	7,523
Total	106,428	54,723	86,508	42,480	64,523	35,585

<sup>1)</sup> The geographical information on revenue is based on the locations of the customers.

<sup>2)</sup> Intangible assets, right-of-use assets and property, plant and equipment.

#### 2 - Revenue from contracts with customers

As IFRS 15 was applied under the modified retrospective approach starting from 1 January 2018, the disaggregation of revenue from contracts with customers is only disclosed starting from 2018.

##### a. Revenue streams

(EUR k)	2019	2018
Academy	8,051	7,140
Services	76,578	61,502
Products:		
- Licenses and support	7,940	10,807
- Hardware	1,180	1,803
- Hosting and security	12,338	5,237
Others	341	19
Total revenue from contracts with customers	106,428	86,508

##### b. Timing of revenue recognition

(EUR k)	2019	2018
Goods and services transferred at a point in time	5,819	7,477
Services transferred over time	100,609	79,031
Total revenue from contracts with customers	106,428	86,508

## 2 - Revenue from contracts with customers (continued)

### c. Contract liabilities

All contract liabilities at the beginning of the period are recognized as revenue in the reporting period, as:

- for Academy: GOTO Conferences are held four times a year at different locations, prepayments are made only for the next upcoming conference, and;
- for Services: Trifork Group delivers its services to customers following the agile-approach (short-term and numerous independent cycles), and;
- for Support/Hosting and security: Although having long-term contracts with customers, (pre-)payments are only requested for short-term periods.

## 3 - Personnel costs

Personnel costs of Trifork Group break down as follows:

(in EUR k)	2019	2018	2017
Wages and salaries	-53,947	-41,311	-32,009
Social security costs	-1,363	-1,222	-1,178
Pension related to defined contribution plans	-1,957	-1,562	-1,185
Pension related to defined benefit plans	-230	-190	-198
Government grants on R&D personnel costs	355	335	305
Salary refunds received	321	220	118
Personnel costs capitalized as development costs	1,026	1,163	1,363
Total personnel costs	-55,795	-42,567	-32,784
Average number of employees	626	504	424

For details to pensions related to defined benefit plans, please refer to Note 19.

## 4 - Other operating expenses

(EUR k)	2019	2018	2017
Sales and marketing expenses	-2,820	-2,167	-2,382
Leases and service cost for leased property	-2,033	-4,543	-4,142
Administration expenses	-7,587	-7,246	-6,064
of which IPO-preparation cost	-270	-	-
Others	-36	-59	-27
Total other operating expenses	-12,476	-14,015	-12,615

## 5 - Depreciation, amortization and impairment

(EUR k)	2019	2018	2017
Depreciation of property, plant and equipment	-1,528	-1,910	-1,626
Depreciation of right-of-use assets	-3,705	-	-
Amortization of intangible assets	-1,993	-1,962	-1,865
Impairment of intangible assets	-176	-68	-45
Total depreciation, amortization and impairment	-7,402	-3,940	-3,536

In 2019 an ongoing development project (software) was fully impaired as Management sees the business case no longer realistic due to changed market conditions. The impairment of 2018 came from the sale of Trifork Medical ApS. The impairment 2017 stood also in relation to a completion of an ongoing development project being in question.

6 - Fair value adjustments on Trifork Labs investments			
(EUR k)	2019	2018	2017
Realized fair value adjustments	204	2,685	5,074
Unrealized fair value adjustments	9,320	7,314	5,508
Total fair value adjustments	9,524	9,999	10,582

The realized fair value adjustments are in relation to exits from investments and dividend income. The unrealized fair value adjustments are in relation to new funding rounds with different valuation of invested companies, updated business plans leading to a new valuation.

7 - Other financial income			
(EUR k)	2019	2018	2017
Interest income	90	82	113
Fair value adjustments on contingent consideration liabilities <sup>1)</sup>	322	740	894
Total other financial income	412	822	1,007

<sup>1)</sup> 2019/2018: Testhuset A/S / 2017: Open Credo Ltd.

8 - Other financial expenses			
(EUR k)	2019	2018	2017
Interest expenses	-918	-653	-460
<i>of which lease interests</i>	-259	-78	-56
<i>of which net interest for defined benefit plans</i>	-6	-	-
Impairment losses on other financial assets	-96	-	-274
Total other financial expenses	-1,014	-653	-734

9 - Result on foreign exchange			
(EUR k)	2019	2018	2017
Foreign exchange gains	1,712	694	962
Foreign exchange losses	-1,102	-965	-722
Net result on foreign exchange	610	-271	240

10 - Income tax			
(EUR k)	2019	2018	2017
Tax expense recorded in the income statement			
Current income taxes expense	-1,796	-1,411	-1,535
Deferred tax (expense)/income	402	150	255
Total tax expense recorded in the income statement	-1,394	-1,261	-1,280
Tax effect recorded in other comprehensive income			
Deferred income taxes from remeasurement of defined benefit plans	50	52	-
Total tax effect recorded in other comprehensive income	50	52	-



## 10 - Income tax (continued)

### Tax expense analysis

The Group operates in various countries with differing tax laws and tax rates. As a result, the expected and actual income tax expense each year depends on the specific countries to which profits or losses can be attributed. The change in the expected tax rate mainly relates to the change in the mix of pre-tax results returned by the individual countries.

The Swiss corporate tax reform as of 2019 has no material impacts to the tax positions of the Group.

The following analysis shows the main factors explaining differences between the expected and actual income tax expense (calculated using the weighted average tax rates based on the earnings before tax of each Group company).

(EUR k)	2019	2018	2017
Earnings before tax	17,743	16,031	15,021
Weighted applicable tax rate	21.3%	22.8%	22.3%
Expected income tax expense	-3,785	-3,658	-3,344
Effect of changes in the tax rates	21	-	-
Non-taxable income			
from investments	2,367	2,396	2,378
other	489	225	203
Non-deductible expenses	-526	-46	-43
Tax privileged expenses (R&D)	-	200	-
Unrecognized tax losses from the current period	-79	-111	-315
Recognized tax losses from earlier periods	117	-	-
Derecognized tax losses from earlier periods	-	-327	-96
Others	2	60	-63
Actual income tax expense	-1,394	-1,261	-1,280
Effective tax rate	7.9%	7.9%	8.5%

## 11 - Earnings per share

(EUR k)	2019	2018	2017
Net income attributable to the shareholders of Trifork Holding AG	15,240	13,691	13,478
Weighted average number of shares issued	18,544,922	18,537,230	18,537,230
Weighted average number of treasury shares	-235,518	-293,959	-351,188
Number of shares used for calculating earnings per share	18,309,404	18,243,271	18,186,042
Earnings per share (basic/diluted - in EUR)	0.83	0.75	0.74

There are no potential dilution effects (2018: none / 2017: none)

12 - Intangible assets					
(EUR k)	Goodwill	Completed development projects	Ongoing development projects	Customer relationships	Total
Acquisition costs					
1 January 2017	12,834	8,760	1,490	16,402	39,486
Additions	-	-	1,363	-	1,363
Disposals	-	-	-222	-	-222
Transfers	-	870	-870	-	-
Exchange differences	-117	45	-175	-255	-502
31 December 2017	12,717	9,675	1,586	16,147	40,125
Additions	-	108	1,163	-	1,271
Additions from business combinations	5,353	100	-	998	6,451
Disposals	-64	-132	-	-38	-234
Transfers	-	1,261	-1,261	-	-
Exchange differences	-6	16	-42	72	40
31 December 2018	18,000	11,028	1,446	17,179	47,653
Additions	-	-	1,026	-	1,026
Disposals	-	-	-399	-	-399
Disposal of Group companies	-	-345	-167	-	-512
Transfers	-	1,172	-1,172	-	-
Exchange differences	104	271	34	111	520
31 December 2019	18,104	12,126	768	17,290	48,288
Accumulated amortization and impairment					
1 January 2017	-	-6,513	-	-2,688	-9,201
Amortization	-	-834	-	-999	-1,833
Impairment	-	-	-45	-	-45
Exchange differences	-	51	-	43	94
31 December 2017	-	-7,296	-45	-3,644	-10,985
Amortization	-	-1,053	-	-910	-1,963
Impairment	-64	-	-	-4	-68
Disposals	64	132	-	17	213
Exchange differences	-	13	-	-23	-10
31 December 2018	-	-8,204	-45	-4,564	-12,813
Amortization	-	-1,084	-	-909	-1,993
Impairment	-	-	-176	-	-176
Disposals	-	-	221	-	221
Disposal of Group companies	-	35	-	-	35
Exchange differences	-	-79	-	-38	-117
31 December 2019	-	-9,332	-	-5,511	-14,843
Net carrying amount as of 31 December 2017	12,717	2,379	1,541	12,503	29,140
Net carrying amount as of 31 December 2018	18,000	2,824	1,401	12,615	34,840
Net carrying amount as of 31 December 2019	18,104	2,794	768	11,779	33,445

## 12 - Intangible assets (continued)

R&D costs recognized in the income statement (personnel costs) amount to EUR k -1,637 (2018: EURk -1,230 / 2017: EUR k -463)

### Ongoing development projects

Additions to ongoing development projects relate to internal development costs (capitalization of personnel costs). Refer also to Note 3.

Ongoing development projects are allocated across multiple cash-generating units (CGUs).

### Goodwill

As of 31 December, goodwill is allocated the following CGUs:

(EUR k)	2019	2018	2017
<b>Service business area</b>			
Trifork A/S	223	223	224
Trifork Public A/S	575	575	577
Erlang Solutions Ltd.	1,157	1,122	1,075
Trifork B.V.	3,756	3,756	3,756
Open Credo Ltd.	1,314	1,241	1,262
Duckwise ApS	5	5	5
Testhuset A/S	4,038	4,039	-
Invokers A/S	1,302	1,303	-
<b>Total</b>	<b>12,370</b>	<b>12,264</b>	<b>6,899</b>
<b>Product business area</b>			
Trifork Medical ApS	-	-	64
Netic A/S	5,734	5,736	5,754
<b>Total</b>	<b>5,734</b>	<b>5,736</b>	<b>5,818</b>
<b>Total Goodwill</b>	<b>18,104</b>	<b>18,000</b>	<b>12,717</b>

### Impairment test

The recoverable amount of each CGU to which goodwill has been allocated, has been determined based on value in use calculations using cash flow projections the business plans approved by senior management covering a 5-year period. Cash flows beyond this five-year period (terminal value period) are extrapolated using a growth rate of 1% which does not exceed the long-term growth rate for the respective market in which the CGU is active.

The pre-tax discount rates applied to the cash flow projections represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risk of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived from the weighted average cost of capital (WACC).

	2019			2018			2017		
	Business plan		Pre-tax dis- count rate	Business plan		Pre-tax dis- count rate	Business plan		Pre-tax dis- count rate
	CAGR Net sales	Average EBITDA margin		CAGR Net sales	Average EBITDA margin		CAGR Net sales	Average EBITDA margin	
Service business area									
Trifork A/S	7.1%	16.6%	11.5%	9.0%	15.9%	12.1%	13.6%	18.9%	12.1%
Trifork Public A/S	5.2%	21.0%	11.5%	5.0%	20.0%	12.1%	8.0%	20.0%	12.1%
Trifork B.V.	12.6%	12.7%	11.9%	8.1%	11.9%	12.2%	15.7%	13.5%	12.4%
Erlang Solutions Ltd.	12.0%	12.1%	12.6%	10.3%	12.2%	13.1%	20.3%	10.7%	13.0%
Open Credo Ltd.	5.9%	10.3%	12.6%	9.1%	12.8%	13.1%	15.7%	14.8%	13.0%
Duckwise ApS	13.7%	13.9%	11.5%	19.4%	20.2%	12.1%	31.3%	20.3%	12.1%
Testhuset A/S	9.5%	11.7%	11.5%	12.2%	13.0%	12.1%	-	-	-
Invokers A/S	21.3%	15.3%	11.5%	19.8%	12.0%	12.1%	-	-	-
Product business area									
Trifork Medical ApS	-	-	-	-	-	-	0.0%	0.0%	12.1%
Netic A/S	9.9%	16.5%	11.5%	7.9%	19.4%	12.1%	18.9%	23.4%	12.1%

13 - Right-of-use assets				
(EUR k)	Offices	IT hardware	Cars	Total
2019				
Additions	6,362	503	560	7,425
Depreciation	-2,981	-392	-332	-3,705
Net carrying amount as of 31 December 2019	12,829	1,697	1,020	15,546

For the maturity analysis of lease liabilities refer to Note 26.

For the incurred interest expense on lease liabilities refer to Note 8.

For the expense relating to short-term leases and variable lease payment not included in the measurement of lease liabilities refer to Note 4.

Total cash outflow for leases amounted to EUR k 3,933, refer to Notes 8 and 18.



#### 14 - Property, plant and equipment

(EUR k)	Real estate	Leasehold improvements	Other equipment, fixtures and fittings	Investment properties	Total
Acquisition costs					
1 January 2017	-	2,749	8,146	626	11,521
Additions	1,114	181	1,903	-	3,198
Disposals	-	-33	-546	-	-579
Exchange differences	-	-64	-204	-1	-269
31 December 2017	1,114	2,833	9,299	625	13,871
Additions	-	344	2,493	7	2,844
Additions from business combinations	-	26	99		125
Disposals	-	-2	-763	-630	-1,395
Exchange differences	-	-23	57	-2	32
31 December 2018	1,114	3,178	11,185	-	15,477
Transfer to right-of-use assets	-	-445	-2,885	-	-3,330
Additions	-	407	1,591	-	1,998
Disposals	-	-28	-422	-	-450
Disposal of Group companies	-	-43	-193	-	-236
Reclassification <sup>1)</sup>	-	268	-268	-	-
Exchange differences	-	79	98	-	177
31 December 2019	1,114	3,416	9,106	-	13,636
Accumulated depreciation and impairment					
1 January 2017	-	-1,292	-3,879	-90	-5,261
Depreciation	-17	-237	-1,358	-15	-1,627
Disposals	-	4	336	-	340
Exchange differences	-	11	111	-	122
31 December 2017	-17	-1,514	-4,790	-105	-6,426
Depreciation	-6	-275	-1,621	-8	-1,910
Disposals	-	-	379	112	491
Exchange differences	-	7	-	1	8
31 December 2018	-23	-1,782	-6,032	-	-7,837
Transfer to right-of-use assets	-	92	1,096	-	1,188
Depreciation	-13	-271	-1,244	-	-1,528
Disposals	-	5	265	-	270
Disposal of Group companies	-	11	70	-	81
Exchange differences	-	-26	-52	-	-78
31 December 2019	-36	-1,971	-5,897	-	-7,904
Net carrying amount as of 31 December 2017	1,097	1,319	4,509	520	7,445
Net carrying amount as of 31 December 2018	1,091	1,396	5,153	-	7,640
Net carrying amount as of 31 December 2019	1,078	1,445	3,209	-	5,732

<sup>1)</sup> During the review of property, plant and equipment, reclassifications were made to ensure a uniformity of disclosures.

#### 14 - Property, plant and equipment (continued)

The Group's investment property was rented to a third party and was sold in 2018. The loss of EUR k -35 has been included in other operating expense.

The net carrying amount of the assets held under finance lease amounted to EURk 61 and EURm 2.1 at the end of 2018 for "Leasehold improvements" and "Other equipment, fixtures and fittings" (IT-hardware and cars), respectively (2017: EURk 70 and EURm 2.2). As per 1 January 2019 these items were transferred to right-of-use assets.

Assets acquired under finance lease arrangements in 2018 amounted to EURk 727 (2017: EURk 1,030), e.g non-cash additions to property, plant and equipment.

#### 15 - Investments in associated companies

(EUR k)	2019	2018	2017
1 January	115	205	214
Additions	-	3	36
Disposals	-40	-104	-
Share of result from associated companies	-24	7	-29
Dividends received	-10	-	-
Exchange differences	-	4	-16
31 December 2019	41	115	205
Share of result applying the equity method	10	79	3
Impairment	-34	-72	-32
Share of result from associated companies	-24	7	-29

The associated companies are considered individually immaterial.

#### 16 - Other financial assets

(EUR k)	2019	2018	2017
Loans to investments in Trifork Labs	2,234	1,436	1,242
Deposits for lease contracts	1,155	808	679
Expected credit loss allowance	-2	-	-
Total other financial assets	3,387	2,244	1,921
of which non-current	2,868	2,244	1,921
of which current	519	-	-

## 17 - Trade receivables and contract assets

(EUR k)	2019	2018	2017
Trade receivables - third parties	19,991	18,396	15,170
Trade receivables - related parties	505	-	-
Allowance	-260	-302	-513
Total trade receivables	20,236	18,094	14,657

The net change of 2019 of EURm 2.1 is primarily derived from organic operational growth. The net change of 2018 of EURm 3.5 is primarily derived from business combinations.

Trade receivables are non-interest bearing and are generally on terms of 20 to 60 days.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is a combination of two approaches; review of individual receivables and a portfolio approach where the provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., startup companies and other than startup companies). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In 2017, the Group applied the incurred loss model under IAS 39 and reviewed its receivables periodically to determine an adequate impairment provision. Impairment provisions were recorded for accounts where collection was uncertain.

(EUR k)		2019			2018		2017
	Gross carrying amount	Expected credit loss allowance	Total	Gross carrying amount	Expected credit loss allowance	Total	Net carrying amount
Trade receivables							
Not due	14,666	-15	14,651	11,121	-11	11,110	10,568
Due < 30 days	4,337	-21	4,316	4,909	-25	4,884	3,432
Due 30 - 90 days	1,193	-71	1,122	1,472	-74	1,398	479
Due > 90 days	300	-153	147	894	-192	702	178
Total trade receivables	20,496	-260	20,236	18,396	-302	18,094	14,657
Contract assets	2,188	-2	2,186	2,593	-3	2,590	
Total	22,684	-262	22,422	20,989	-305	20,684	

### Development of allowance

(EUR k)	2019	2018	2017
1 January	-305	-513	-134
Incorporation of expected credit loss-model	-	-55	
Addition	-156	-179	-384
Utilization	4	419	1
Reversal	190	20	-
Exchange differences	5	3	4
31 December	-262	-305	-513

18 - Financial liabilities			
(EUR k)	2019	2018	2017
Borrowings from financial institutions	20,166	21,318	17,207
Lease liabilities	15,288	1,853	2,017
Others	473	450	752
Financial liabilities related to financing activities	35,927	23,621	19,976
Deferred payments	-	-	855
Contingent considerations	949	333	296
Redemption amount of put-options	4,089	7,903	3,887
Financial liabilities related to business combination and acquisition of non-controlling interests	5,038	8,236	5,038
Total financial liabilities	40,965	31,857	25,014
of which non-current	25,988	20,513	15,942
of which current	14,977	11,344	9,071

Contingent considerations related to business combinations and acquisition of non-controlling interests

(EUR k)	2019	2018	2017
1 January	333	296	1,227
Addition	937	1,019	-
Settled in cash	-	-240	-
Fair value adjustment recognized in profit or loss	-322	-740	-888
Exchange differences	1	-2	-43
31 December	949	333	296

An amount of EUR k 949 relates to the acquisition the remaining non-controlling interests (49%) of Invokers A/S: The contingent consideration arrangement comprises a pay-out of EUR k 949 in 2021 in case the company meets an EBIT-target of DKK k 5,000 in 2020. If the target is missed, there will be no pay-out. The company achieved an EBIT of DKK k 5,063 in 2019 and has budgeted an EBITDA of DKK k 14,866 for 2020 (amortization/depreciation expected to be approx. DKK k 1,700). Therefore, the Group assesses the target to be achievable and assumes payment to become due.

An amount of EUR k 0 relates to the acquisition of Testhuset A/S:

The original contingent consideration arrangement comprises three equal tranches to be paid in 2019, 2020 and 2021 subject to meeting increasing EBITDA targets for 2018, 2019 and 2020 (significantly unobservable input level 3). If the target for a given year is not met, no amount for that year is due. After meeting the minimum threshold per year, the earn-out amount increases up to a maximum amount for that year. The maximum amount to be paid for all three years in total is EUR 1m. The maximum amount remaining for 2020 is EUR k 339. Targets for 2018 and 2019 were not met, thus the liability was decreased.

Redemption amount of put-options

(EUR k)	2019	2018	2017
1 January	7,903	3,887	3,725
Addition	-	4,944	-
Expiry of put-options	-3,142	-	-
Adjustment recognized in retained earnings	-669	-916	162
Exchange differences	-3	-12	-
31 December	4,089	7,903	3,887



## 18 - Financial liabilities (continued)

Major non-controlling interests have a put option to sell their shares to the Group. The liability is measured at the present value of the redemption amount as if the Group had to acquire the remaining shares at the reporting dates. Changes in the liability amount are recognized in equity.

In 2019 the Group acquired the remaining non-controlling interests of Invokers A/S. The respective put-options by the non-controlling interests expired.

### Changes in liabilities arising from financing activities

(in EUR k)	Current debts to financial institutions and others	Current lease liabilities	Non-current debts to financial institutions and others	Non-current lease liabilities	Total
1 January 2017	7,460	177	11,381	1,108	20,126
Financing cash flows (net)	-888	-353	500	-	-741
New leases	-	-	-	1,088	1,088
Reclassifications	768	834	-768	-834	-
Exchange differences	-19	-1	-475	-2	-497
31 December 2017	7,321	657	10,638	1,360	19,976
Financing cash flows (net)	190	-885	3,441	-	2,746
New leases	-	-	-	727	727
Reclassifications	2,783	1,167	-2,783	-1,167	-
Exchange differences	65	-	112	-5	172
31 December 2018	10,359	939	11,408	915	23,621
Initial application of new lease standard	-	2,798	-	11,744	14,542
Financing cash flows (net)	-2,480	-3,674	1,204	-	-4,950
New leases	-	1,157	-	6,186	7,343
Cancellation of lease contracts	-	-430	-	-2,885	-3,315
Disposal of Group companies	-	-258	-	-1,323	-1,581
Reclassifications	3,099	3,124	-3,099	-3,124	-
Exchange differences	334	9	-186	110	267
31 December 2019	11,312	3,665	9,327	11,623	35,927

## 19 - Defined benefit pension liabilities

The Group's pension plan in Switzerland qualifies as defined benefit plan. All other plans are defined contribution plans.

### Swiss pension plan

Pension funds are subject to regulatory supervision and are governed by the BVG ["Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge": Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans]. This requires pension plans to be managed by a separate and legally independent entity. The governing body of the pension plan (Employee Benefit Committee) is responsible for general management, drafting the pension fund regulations, defining the investment strategy and determining how the benefits will be funded. The Employee Benefit Committee comprises employee and employer representatives.

The beneficiaries of the plan are insured against the economic consequences of old age, disability and death. Benefits paid to the beneficiaries are governed by the pension fund regulations but minimum benefits are also prescribed by the law (BVG). The benefits paid are based on the retirement savings capital of the insured person, which is accrued through annual contributions and interest. Annual contributions are made by the employer and the employee and depend on the insured salary and the age of the plan participant. Upon retirement, plan participants can choose between receiving a life time annuity or a lump sum payment of savings capital.

The pension arrangements for employees in Switzerland are covered by a multi-employer plan administered by Swiss Life Collective BVG Foundation. This is a separate legal foundation and 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, this plan is treated as a defined benefit plan, although it has many of the characteristics of a defined contribution plan.

The major risks for the pension fund are the investment risk, interest rate risk, disability risk and risk of longevity. The pension fund has re-insured these risks. The contract rolls over automatically by one year and the next possible ordinary termination date for both parties is at the end of 2020.

The following weighted actuarial assumptions were applied in determining the defined benefit obligation (DBO):

	2019	2018	2017
Discount rate	0.3%	0.9%	0.7%
Estimated future salary increases	1.5%	1.5%	1.5%

The net defined benefit liability developed as follows:

(EUR k)	2019	2018	2017
1 January	704	790	617
Cost of defined benefit plans, through profit and loss	236	190	198
Remeasurement, in other comprehensive income	439	-175	149
Employer contributions	-182	-135	-123
Exchange differences	26	34	-51
31 December	1,223	704	790

Present value of the DBO

(EUR k)	2019	2018	2017
1 January	1,494	1,624	1,131
Service cost	230	185	194
Interest expense	13	12	7
Ordinary employee contributions	182	163	332
Additional contributions by plan participants	234	-	-
Benefits paid	-66	-379	-95
Actuarial (gains)/losses	418	-180	149
Exchange differences	55	69	-94
31 December	2,560	1,494	1,624

Fair value of plan assets

(EUR k)	2019	2018	2017
1 January	790	834	513
Interest income at discount rate	7	6	3
Ordinary employer contributions	182	135	123
Ordinary employee contributions	182	163	332
Additional contributions by plan participants	234	-	-
Benefits paid	-66	-379	-95
Return on plan assets (excluding interest income at discount rate)	-21	-5	-
Exchange differences	28	36	-42
31 December	1,336	790	834

Components of defined benefit cost in profit or loss

(EUR k)	2019	2018	2017
Service cost in personnel costs	-230	-190	-198
Net interest in financial expenses	-6	-	-
Total	-236	-190	-198

## 19 - Defined benefit pension liabilities (continued)

### Remeasurement of the net defined benefit liability in other comprehensive income

(EUR k)	2019	2018	2017
Remeasurement of the net defined benefit liability			
- Actuarial gain/(loss) from changes in financial assumptions	-112	66	-
- Actuarial gain/(loss) from experience adjustments	-306	114	-149
Return on plan assets (excluding interest income at discount rate)	-21	-5	-
Total	-439	175	-149

The Macaulay duration is 19.6 years (2018: 18.8 years / 2017: 19.9 years).

### Sensitivity

(in EUR k)	2019	2018	2017
Increase of discount rate by 0,5%	-144	-146	-107
Decrease of discount rate by 0,5%	169	171	126

### Breakdown of the fair value of plan assets by investment category

(in EUR k)	2019	2018	2017
Premiums payable	-102	-76	-65
Receivables from an insurance company (collective foundation)	1,438	866	899
Total	1,336	790	834

The Trifork Group expects employer contributions of EUR 212 for 2020.

## 20 - Deferred tax position

### Net deferred tax position

(EUR k)	2019	2018	2017
1 January	-2,990	-2,962	-3,258
Net deferred tax recognized in profit or loss	402	150	255
Net deferred tax recognized in other comprehensive income	50	52	-
Additions from business combinations	-	-220	-
Disposal of Group companies	-1	-	-
Exchange differences	-50	-10	41
31 December	-2,589	-2,990	-2,962

Recognized in the statement of financial position as:

(in EUR k)	2019	2018	2017
Deferred tax assets	343	116	-
Deferred tax liabilities	-2,932	-3,106	-2,962
Total	-2,589	-2,990	-2,962

Deferred tax positions relate to the following items:

(in EUR k)	2019		2018		2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets and property, plant and equipment	76	-2,827	95	-3,498	-	-3,000
Leases (net)	62	-135	-	-	-	-
Trade receivables	32	-	-	-	19	-
Other current assets	-	-	-	-73	-	-
Other current liabilities	-	-141	162	-	-	-
Defined benefit pension liabilities	146	-	60	-	-	-
Other non-current liabilities	-	-	229	-	-	-
Tax losses carried forward	198	-	37	-	19	-
Total deferred tax assets/(liabilities)	514	-3,103	583	-3,571	38	-3,000
Offsetting	-171	171	-465	465	-38	38
Total deferred tax assets/(liabilities), as disclosed	343	-2,932	118	-3,106	-	-2,962

Deferred tax assets of EUR k 198 (2018: EUR k 37 / 2017: EUR k 19) were recognized in respect of available tax losses carried forward of EUR k 1.039 (2018: EUR k 183 / 2017: EUR k 95).

Tax losses carried forward are only recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized.

#### Unrecognized tax losses carried forward

(EUR k)	2019	2018	2017
Expiry in:			
1 year	-	-	-
2 - 5 years	199	-	-
more than 5 years	733	-	-
do not expire	3,838	3,502	2,550
Total unrecognized tax losses carried forward	4,770	3,502	2,550

#### 21 - Other current liabilities

(EUR k)	2019	2018	2017
Liabilities to government authorities (VAT, social security, etc.)	2,624	2,374	1,600
Other liabilities	2,381	1,689	1,234
Accrued personnel expenses	4,569	4,343	2,699
Total	9,574	8,406	5,533

#### 22 - Shareholders' equity

##### a. Number of shares (CHF 0.1 nominal value, issued and fully paid-in)

	2019	2018	2017
Issued shares as per 31 December	18,637,230	18,537,230	18,537,230
Treasury shares	-144,462	-123,485	-464,433
Outstanding shares as per 31 December	18,492,768	18,413,745	18,072,797



## 22 - Shareholders' equity (continued)

### b. Authorized capital

The extraordinary General Meeting of 19 December 2019 authorized the Board of Directors to increase the share capital of the company at any time up to 19 December 2021 by an amount not exceeding CHF k 146 (EUR k 134) through the issue of up to 1,462,770 registered shares, payable in full, each with a nominal value of CHF 0.10 (EUR 0.09) and excluding shareholders' subscription rights.

With effective date as of 20 December 2019 the Board of Directors exercised an authorized share capital increase by 100,000 shares (EUR k 9). A premium of EUR k 871 was allocated to the retained earnings.

The available authorized capital as of 31 December 2019 amounts to CHF k 136 (EUR k 125). This equates to 1,362,770 registered shares.

### c. Conditional capital

The extraordinary General Meeting of 19 December 2019 authorized the conditional capital of CHF k 50 (EUR k 46) by issuing a maximum of 500,000 registered shares with a par value of CHF 0.10 (EUR 0.09) each, to be fully paid up, excluding shareholders' subscription rights.

### d. Dividends

The Annual General Meeting of 12 April 2019 approved a dividend of EUR 0.105 per registered share to be paid from the capital contribution reserve. A dividend of EUR k 1,960 was paid out on 16 April 2019. As per 31 December 2019 the capital contribution reserve of Trifork Holding AG amounts to EUR k 888.

The Board of Directors will submit a proposal to the Annual General Meeting of Trifork Holding AG on 16 April 2020 to pay a dividend for the reporting period of EUR 0.047 per registered share.

### e. Transactions with treasury shares

	Number of shares	Average price	Total amount (in EUR k)
1 January 2017	237,943	1.62	385
Acquisitions	345,366	5.42	1,872
Disposals	-118,876	5.39	-641
31 December 2017	464,433	3.48	1,617
Acquisitions	269,615	5.61	1,513
Disposals	-207,175	6.32	-1,309
Acquisition of Group companies	-403,388	6.17	-2,489
Result from transactions with treasury shares transferred to retained earnings			1,316
Exchange differences			86
31 December 2018	123,485	5.94	733
Acquisitions	240,696	6.94	1,671
Capital increase	100,000	8.80	880
Disposals	-70,265	7.49	-526
Acquisition of non-controlling interests	-249,454	8.59	-2,143
Result from transactions with treasury shares transferred to retained earnings			578
Exchange differences			57
31 December 2019	144,462	8.65	1,250

## 23 - Non-controlling interests

The Group companies Netic A/S, Aalborg (DK) and Testhuset A/S, Ballerup (DK) which both operate primarily in Denmark and are controlled by Trifork Group, have significant non-controlling interests.

For these non-controlling interests put options exists. Therefore, Trifork has derecognized the non-controlling interests at the reporting date and accounts for the difference between the amount derecognized and the present value of the redemption liability of put-options in retained earnings.

In late 2019, the Group acquired the remaining non-controlling interest (49%) of Invokers A/S, Copenhagen (DK).

2019 (EUR k)	Netic A/S	Testhuset A/S	Invokers A/S
Non-controlling interests <sup>1)</sup>	12.0%	30.0%	n/a
Share of net income	148	-50	267
Share of shareholders' equity	1,058	329	-

2018 (EUR k)	Netic A/S	Testhuset A/S	Invokers A/S
Non-controlling interests <sup>1)</sup>	12.0%	30.0%	49.0%
Share of net income	199	-19	94
Share of shareholders' equity	971	341	708

2017 (EUR k)	Netic A/S	Testhuset A/S	Invokers A/S
Non-controlling interests <sup>1)</sup>	12.0%	n/a	n/a
Share of net income	158		
Share of shareholders' equity	1,068		

<sup>1)</sup> Voting rights equal capital share.

Condensed financial information of the respective companies, including goodwill and fair value adjustments recognized on acquisition of the Group companies, but before elimination of intercompany transactions:

2019 (in EUR k)	Netic A/S	Testhuset A/S	Invokers A/S
Income statement			
			01/01 - 31/10/2019
Revenue	18,284	7,430	6,074
Net income	1,237	-166	544
Total comprehensive income	1,237	-166	544
Statement of financial position			
Current assets	5,713	1,467	-
Non-current assets	19,883	5,237	-
Total assets	25,596	6,704	-
Current liabilities	6,217	1,189	-
Non-current liabilities	4,836	379	-
Total liabilities	11,053	1,568	-
Net assets	14,543	5,136	-
Cash flow statement			
			01/01 - 31/10/2019
Cash flow from operating activities	1,842	-62	1,247
Change in cash and cash equivalents	-1,333	-418	-166
Dividends paid to non-controlling interests	-201	-80	-197

23 - Non-controlling interests (continued)			
2018 (in EUR k)	Netic A/S	Testhuset A/S	Invokers A/S
Income statement	01/06 - 31/12/2018		01/09 - 31/12/2018
Revenue	16,751	4,480	2,171
Net income	1,660	-64	191
Total comprehensive income	1,657	-64	191
Statement of financial position			
Current assets	4,003	1,859	1,928
Non-current assets	16,761	4,886	1,898
Total assets	20,764	6,745	3,826
Current liabilities	3,279	1,075	1,021
Non-current liabilities	2,501	99	114
Total liabilities	5,780	1,174	1,135
Net assets	14,984	5,571	2,691
Cash flow statement	01/06 - 31/12/2018		01/09 - 31/12/2018
Cash flow from operating activities	3,272	286	-269
Change in cash and cash equivalents	224	172	-277
Dividends paid to non-controlling interests	-97	-	-
2017 (in EUR k)	Netic A/S		
Income statement			
Revenue	11,981		
Net income	1,313		
Total comprehensive income	1,312		
Statement of financial position			
Current assets	4,644		
Non-current assets	16,743		
Total assets	21,387		
Current liabilities	3,613		
Non-current liabilities	3,122		
Total liabilities	6,735		
Net assets	14,652		
Cash flow statement			
Cash flow from operating activities	2,603		
Change in cash and cash equivalents	374		
Dividends paid to non-controlling interests	-274		

Other non-controlling interests are individually not material.

## 24 - Related parties

Business relationships exist between Trifork Holding AG and its subsidiaries as well as members of the Board of Directors and Executive Management. Furthermore, related parties include entities, in which the aforementioned circle of people have control, joint control or significant influence, associated companies and investments in Trifork Labs. All business transactions with related parties are carried out at arm's length.

### Group companies

An overview of consolidated subsidiaries is provided in the section "Companies of Trifork Group". Transactions between Trifork Holding AG and its subsidiaries as well as between subsidiaries of the Group were eliminated in the consolidated financial statements.

Trifork A/S and Trifork GmbH are responsible for certain administrative and staff-related assignments for subsidiaries, associated companies and Labs investments, including IT-operations, maintenance, bookkeeping, a shared sales organization and management tasks. These assignments are invoiced at fixed prices to the related parties.

### Compensation of the Board of Directors and Executive Management

(in EUR k)	2019	2018	2017
Short-term benefits (salaries - cash)	3,372	3,026	3,015
Post-employment benefits (pension plans)	405	473	370
Total	3,777	3,499	3,385

### Transactions with related parties

2019 (in EUR k)	Amounts owed by related parties	Services provided to related parties	Services received from related parties	Net lease payments to related parties	Assets sold to related parties	Assets acquired from related parties
Associated companies	225	454	63	-	-	-
Investments in Trifork Labs	2,009	1,188	133	-	-	-
Executive Management	-	-	27	257	-	-
Total	2,234	1,642	223	257	-	-

2018 (in EUR k)	Amounts owed by related parties	Services provided to related parties	Services received from related parties	Net lease payments to related parties	Assets sold to related parties	Assets acquired from related parties
Associated companies	36	157	324	-	-	-
Investments in Trifork Labs	1,400	639	20	-	-	-
Executive Management	-	-	-	351	70	-
Total	1,436	796	344	351	70	-

2017 (in EUR k)	Amounts owed by related parties	Services provided to related parties	Services received from related parties	Net lease payments to related parties	Assets sold to related parties	Assets acquired from related parties
Associated companies	-	100	164	-	-	-
Investments in Trifork Labs	1,265	472	119	-	750	-
Executive Management	-	-	-	341	-	286
Total	1,265	572	283	341	750	286

Disclosure of transactions and balances related to investments in Trifork Labs includes only those entities in which the Group has significant influence.



25 - Financial instruments			
<u>Financial assets</u>			
(in EUR k)	2019	2018	2017
Other financial assets	3,387	2,244	1,921
Trade receivables	20,236	18,094	14,657
Other current receivables	1,201	287	640
Cash and cash equivalent	5,952	9,687	5,599
Total - at amortized cost*	30,776	30,312	22,817
Investments in Trifork Labs - at fair value through profit and loss	32,531	19,685	14,738
Total financial assets	63,307	49,997	37,555

\* The fair value of financial assets at amortized costs approximate their carrying amounts due to being either of short-term nature or by considering potential credit losses to their nominal value.

<u>Financial liabilities</u>			
(in EUR k)	2019	2018	2017
Redemption amount of put-options	4,089	7,903	3,887
Deferred payments	-	-	855
Borrowings from financial institutions	20,166	21,318	17,207
Lease liabilities	15,288	1,853	2,017
Trade payables	5,774	3,650	3,524
Others	473	450	752
Total - at amortized cost*	45,790	35,174	28,242
Contingent consideration - at fair value through profit and loss	949	333	296
Total financial liabilities	46,739	35,507	28,538

\* The fair value of financial liabilities at amortized costs approximate their carrying amounts due to being either of short-term nature or by having floating interest rates.

#### Financial instruments through profit and loss

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 – Inputs to the valuation are quoted prices available in active markets. The type of investments listed under Level 1, include unrestricted securities listed in active and liquid markets.

Level 2 – Inputs to the valuation are other than quoted prices in active markets, which are either directly or indirectly observable. Investments, which are included in this category, include restricted securities in active markets, securities traded in other than active markets, derivatives, corporate bonds and loans.

Level 3 – Inputs to the valuation are unobservable and significant to overall fair value measurement. The inputs to the determination of fair value require significant management judgment or estimation. Positions that are included in this category include investments in Trifork Labs and contingent consideration liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

## Investments in Trifork Labs

(EUR k)	Level 1	Level 3	Total
1 January 2017	1,795	4,073	5,868
Acquisitions	-	547	547
Disposals	-	-2,339	-2,339
Fair value adjustments	-435	11,120	10,685
Exchange differences	-	-23	-23
31 December 2017	1,360	13,378	14,738
Acquisitions	-	515	515
Additions from business combinations	-	201	201
Transfers	-1,360	1,360	-
Disposals	-	-5,714	-5,714
Fair value adjustments	-	9,999	9,999
Exchange differences	-	-54	-54
31 December 2018	-	19,685	19,685
Acquisitions	-	4,751	4,751
Disposals	-	-1,335	-1,335
Fair value adjustments	-	9,524	9,524
Dividends received	-	-204	-204
Exchange differences	-	110	110
31 December 2019	-	32,531	32,531

In 2019 Trifork Group sold a position of 5% in the share of a Group Company, which led to a loss of control and the deconsolidation of the company in the Trifork segment and the recognition of the retained investment of 46% in Trifork Labs with a fair value of EURk 3,653 (refer to section "IV. Changes in the scope of consolidation")

There were no transfers between Levels 1, 2 and 3 fair value measurements in 2019 and 2017. In 2018 Trifork transferred a financial asset measured at fair value from Level 1 to Level 3 as the stock exchange listing for these equity instruments was suspended.

The line item disposal includes the fair value of the investments disposed at the time of disposal, after revaluation to fair value. Fair value adjustments for the current year are recorded in line item "fair value adjustment of investments in Trifork Labs" in the income statement. Disaggregation into realized and unrealized gains or losses is disclosed in Note 6.

The fair value of Level 3 investments is derived from DCF-valuation models or recent transactions (new capital investments by third parties).

## Contingent consideration

(EUR k)	Level 3
1 January 2017	1,227
Fair value adjustments	-888
Exchange differences	-43
31 December 2017	296

## 25 - Financial instruments (continued)

### Contingent consideration (continued)

(EUR k)	Level 3
Additions from business combinations	1,019
Settled in cash	-240
Fair value adjustments	-740
Exchange differences	-2
31 December 2018	333
Additions from acquisition of non-controlling interests	937
Fair value adjustments	-322
Exchange differences	1
31 December 2019	949

As of 31 December 2019, the liability consists of a contingent consideration related to the acquisitions of Testhuset A/S and Invokers A/S (2018: Testhuset A/S / 2017: OpenCredo Ltd.). Refer also to Note 18.

Fair value adjustments are recorded as other financial income, refer to Note 7.

## 26 - Financial risk management

The Trifork Group is, as a result of its operations, its investing and financing activities, exposed to a variety of financial risks, including market risk (currency, interest and equity price risk), credit risks and liquidity risks.

The Group manages its financial risks centrally. The overall framework for the financial risk management is defined in the Group's financial policy and approved by the Board of Directors.

The Group's financial management is solely to manage and reduce the financial risks that are a direct result of the Group's operations and its investing and financing activities. 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.

### Market risks

#### Currency risks

The major currencies that the different business units in the Group operate in are EUR, CHF, DKK, USD and GBP. The nature of all Group Companies is that they most often invoice their customers and are invoiced by vendors in the same currency as their functional currency and thus they have only minor positions of either receivables or liabilities in other currencies than the functional currency and the respective risk is not considered significant (natural hedge).

At all times the Group monitors the net exposure to different currencies other than EUR, which is the reporting currency in the Group and netting any net exposure internally between the business units within the Group before using any other financial instruments. In the financial years 2019, 2018 and 2017 the Group did not cover any currency risks through derivative financial instruments.

#### Interest risk

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.

As of 31 December 2019, Trifork Group has net debt of EUR k -14,214 (2018: EUR k -11,631 / 2017: EUR k -11,608).

The Group's credit facilities are all at a variable interest rate. All interest rates are fixed every three months and all rates are tied to the development of the general market rate for each currency.

For the Group's bank deposits, liabilities with financial institutions, variable lease liabilities and other liabilities with variable interests, an increase of 1%-points, compared to the balance sheet interest rates, would have a negative impact on earnings before tax and shareholders' equity of EUR k -142 (2018: EUR k -116 / 2017: EUR k -116). A similar decrease in interest rates would result in a corresponding positive impact.

### Equity price risk

With its investments in Trifork Labs the Group is exposed to equity price risks of the individual investments. Changes in valuations can have an impact on earnings before tax.

The investments are exposed to a variety of market risk factors, which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the underlying investments. Therefore, a sensitivity analysis is deemed to be of limited explanatory value for investments in Trifork Labs and contingent consideration liabilities.

In order to demonstrate the sensitivity, the average change in the OMX Copenhagen SmallCap index for the reporting period is calculated and used as input to the sensitivity analysis. The result of this is a change of 16,1% in 2019. If the value of the investments (based on year-end values) had increased or decreased by the same percentage with all other variables held constant, the impact on earnings before tax would have been EUR k 5,230 in 2019 (2018: -8,6%, EUR k -1,762, 2017: 11,2%, EUR k 1,656).

On actual terms, Trifork Group accounts for fair value gains for the investments in Trifork Labs in 2019 of EUR k 9,524 (2018: EUR k 9,999 / 2017: EUR k 10,582).

The maximum amount at risk are the for Trifork Labs is the total investment and EUR k -339 for contingent consideration liabilities (maximal contractual payments vs. carrying amount).

### Liquidity risk

It is the Group's policy in connection with credit facilities to ensure maximum flexibility by diversifying borrowing on maturity, renegotiation dates and counter parties, taking pricing into account. The Group's liquidity reserve consists of cash and cash equivalents and unutilized credit facilities. The Group aims to have sufficient cash resources to continue to act appropriately in case of unforeseen demands for liquidity.

The following table includes the contractually agreed cash flows (principal and interest) of the Group's financial liabilities in the corresponding time span:

2019 (in EUR k)	Carrying amount	Contractual payments	< 1 year	1- 5 years	> 5 years
Redemption amount of put-options	4,089	4,233	-	4,233	-
Contingent consideration liabilities	949	949	-	949	-
Borrowings from financial institutions	20,166	20,815	11,418	9,397	-
Lease liabilities	15,288	16,121	3,984	11,149	988
Trade payables	5,774	5,774	5,774	-	-
Others	473	439	55	221	163
Total financial liabilities	46,739	48,331	21,231	25,949	1,151
2018 (in EUR k)	Carrying amount	Contractual payments	< 1 year	1- 5 years	> 5 years
Redemption amount of put-options	7,903	8,384	-	8,384	-
Contingent consideration liabilities	333	344	-	344	-
Borrowings from financial institutions	21,318	22,238	10,655	11,583	-
Lease liabilities	1,853	1,956	998	958	-
Trade payables	3,650	3,650	3,650	-	-
Others	450	493	55	221	217
Total financial liabilities	35,507	37,065	15,358	21,490	217
2017 - (in EUR k)	Carrying amount	Contractual payments	< 1 year	1- 5 years	> 5 years
Redemption amount of put-options	3,887	4,172	-	4,172	-
Contingent consideration liabilities	296	296	206	90	-
Deferred payments	855	855	855	-	-
Borrowings from financial institutions	17,207	18,096	7,593	10,503	-
Lease liabilities	2,017	2,183	725	1,458	-
Trade payables	3,524	3,524	3,524	-	-
Others	752	851	69	273	509
Total financial liabilities	28,538	29,977	12,972	16,496	509



## 26 - Financial risk management (continued)

### Liquidity risk (continued)

The liquidity situation breaks down as follows as of the reporting date.

(in EUR k)	2019	2018	2017
Cash and cash equivalents	5,952	9,687	5,599
Committed credit lines	22,079	21,626	17,820
Borrowings from financial institutions	-20,166	-21,318	-17,207
Total	7,865	9,995	6,212

Management considers capital resources and access to new credit facilities to be reasonable in relation to the current need for financial flexibility.

The Group is not subject to any collateral security other than deposits paid.

### Credit risk

Credit risks arise from the possibility that the counterparty to a transaction may not be able or willing to discharge its obligations, thereby causing the Group to suffer a financial loss. These risks are primarily related to receivables, contract assets, cash and other financial assets. The management of credit risk is based on internal credit limits for customers and counter parties.

#### *Receivables and contract assets*

Trade receivables and contract assets are subject to active risk management. Doubtful accounts are assessed for impairment individually. Indications of possible impairment include significant financial difficulty or insolvency of the customer as well as situations where financial restructuring is probable or the customer has already defaulted. Due to the varied customer structure, there are no generally applicable credit limits across the Group. However, customers' credit-worthiness is tested systematically, taking into account the financial situation, past experience and/or other factors. The likelihood of risk concentrations in this area is limited by the fact that the Group's customer base is broad, geographically diversified and spread across different business units.

The Group does not hold any specific collateral for trade receivables and contract assets as of year-end 2019 (2018: none / 2017: none).

Management does not expect any material losses from receivables and contract assets in excess of the allowances recognized. The maximum risk of default is the total carrying amount of the non-current financial assets and receivables set out in Note 20. Note 13 contains disclosures on maturities, expected credit loss calculation and allowance development of trade receivables and contract assets.

#### *Cash and cash equivalents*

Current bank balances are held exclusively with banks that enjoy an excellent credit rating. The risk of default is mitigated by maintaining business relationships with a number of banks and other financial institutions and by monitoring the credit risk continuously.

### Capital management

Capital management at the Trifork Group focuses on safeguarding the Group's ability to long-term profitable growth and healthy development, generating an appropriate return for shareholders and optimizing financial ratios while considering cost of capital.

The Group can adjust the dividend payout, return capital to shareholders or issue new shares to reach these targets and increase or reduce external financing.

No adjustments or changes were made to the capital management objectives or policies in the reporting periods 2017 to 2019.

The Group uses equity ratio to monitor the capital structure. The equity ratio expresses shareholders' equity as a percentage of total capital. It is a long-term goal of the Trifork Group to keep a conservative self-financing ratio. Equity ratios as of 31 December are:

(in EUR k)	2019	2018	2017
Equity attributable to the shareholders of Trifork Holding AG	55,757	42,368	31,567
Total assets	122,065	96,270	75,733
Equity ratio	45.7%	44.0%	41.7%

Further, Management reviews also financial gearing for capital management. Financial gearing measures to Group's financial leverage. Gearing ratios as of 31 December are:

(in EUR k)	2019	2018	2017
Borrowings from financial institutions	20,166	21,318	17,207
Cash and cash equivalents	-5,952	-9,687	-5,599
Net debt	14,214	11,631	11,608
Shareholders' equity	57,334	44,335	33,236
Financial gearing factor (x)	0.25	0.26	0.35

#### 27 - Guarantees and pledged assets

Trifork Holding AG issued a guarantee in favor of a financial institution to cover the interest-bearing liabilities of a non-consolidated Labs investment of EUR k 500 as per 31 December 2019 (2018: EUR k none / 2017: EUR k none).

To secure interest-bearing liabilities of EUR k 3,347 (2018: EUR k 3,348 / 2017: EUR k 3,358) the Group has entered into negative pledge agreements for the shares held in Trifork A/S, Trifork GmbH, Trifork B.V and Trifork Ltd. until full repayment of the loan. No repayment is required until an IPO-event of Trifork Group.

To secure interest-bearing liabilities of EUR k 7,746 (2018: EUR k 9,300 / 2017: EUR k 6,669) the Group has entered into negative pledge agreements for the shares held in Netic A/S, Testhuset A/S and Invokers A/S until full repayment of the liabilities.

Furthermore, the usual general terms and conditions of the financial institutions offer options for offsetting credit against open obligations.

#### 28 - Leasing (disclosures according to IAS 17 for 2018 and 2017)

##### Operating lease arrangements

(EUR k)	2018	2017
< 1 year	2,492	2,270
1 - 5 years	4,647	5,300
> 5 years	66	36
Total	7,205	7,606

##### Finance lease arrangements

2018	Leasehold improvements	Other equipment, fixtures and fittings	Total
(in EUR k)			
< 1 year	19	979	998
1 - 5 years	54	905	959
Total minimum lease payments	73	1,884	1,957
Discounted interest	-9	-95	-104
Present value of minimum lease payments	64	1,789	1,853
2017	Leasehold improvements	Other equipment, fixtures and fittings	Total
(in EUR k)			
< 1 year	14	642	656
1 - 5 years	58	1,303	1,361
Total minimum lease payments	72	1,945	2,017
Discounted interest	-17	-136	-153
Present value of minimum lease payments	55	1,809	1,864

29 - Government grants			
(EUR k)	2019	2018	2017
R&D - WBSO (NL)	355	335	305
R&D expenditure credit (UK)	288	301	452
Research and innovation (EU)	-	-	150
Total government grants	643	636	907

The received grants are recognized in the income statement as:

(EUR k)	2019	2018	2017
Personnel costs	355	335	305
Other operating income	288	301	602
Total government grants	643	636	907

### 30 - Events after the reporting date

The consolidated financial statements were approved and released for publication by the Board of Directors on 17 March 2020.

The consolidated financial statements are subject to approval by the Annual General Meeting scheduled for 16 April 2020.

Between 31 December 2019 and the date on which these financial statements were published the following event took place:

As of 7 January 2020 Trifork Group signed a purchase agreement to acquire 50.1% of the shares in SAPBASIS ApS, Ballerup, Denmark.

SAPBASIS ApS has deep technical SAP competencies which is required to secure smooth and stable SAP operations, which is the foundation on which customers build their core business applications. This brings the Trifork Group in a position to deliver all services under one delivery service model bringing additional value to our customers. SAPBASIS ApS accounted revenues of EUR m 1.5 in 2019. The maximum acquisition price is EUR m 1.6.

## V. Companies of Trifork Group

Company <sup>1)</sup>	Registered office	Activity	Share capital in local currency	Capital share/voting rights in %		
				2019	2018	2017
<b>Trifork A/S</b>	<b>Aarhus, Denmark</b>	■○□	DKK	<b>18,000,000</b>	<b>100%</b>	<b>100%</b>
Trifork Public A/S	Aarhus, Denmark	■○	DKK	737,000	100%	100%
Netic A/S	Aalborg, Denmark	■○	DKK	500,000	88%	88%
Testhuset A/S	Ballerup, Denmark	■○	DKK	509,259	70%	70%
Invokers A/S	Copenhagen, Denmark	■○	DKK	500,000	100%	51%
Invokers Smart Enterprise SL <sup>2)</sup>	Barcelona, Spain	■	EUR	3,000	100%	n/a
Trifork eHealth ApS	Copenhagen, Denmark	■○	DKK	100,000	51%	51%
Trifork Medical ApS	Aarhus, Denmark	■○	DKK	320,000	-	-
<b>Trifork GmbH</b>	<b>Schindellegi, Switzerland</b>	○□	CHF	<b>920,000</b>	<b>100%</b>	<b>100%</b>
<b>Trifork Academy Inc.</b>	<b>San Francisco, USA</b>	□	USD	<b>3</b>	<b>100%</b>	<b>100%</b>
<b>Trifork Ltd.</b>	<b>London, United Kingdom</b>	□	GBP	<b>1</b>	<b>100%</b>	<b>100%</b>
Open Credo Ltd.	London, United Kingdom	■○	GBP	1,522	100%	100%
Code Node Space & Events Ltd.	London, United Kingdom	◆	GBP	100	100%	51%
The Perfect App Ltd.	London, United Kingdom	■	GBP	10,000	100%	100%
Trifork Leeds Ltd.	Leeds, United Kingdom	■○	GBP	40,000	-	-
<b>Trifork B.V.</b>	<b>Amsterdam, Netherlands</b>	■○	EUR	<b>18,000</b>	<b>100%</b>	<b>100%</b>
<b>Trifork Eindhoven B.V.</b>	<b>Eindhoven, Netherlands</b>	■○	EUR	<b>1,000</b>	<b>100%</b>	<b>100%</b>
<b>Trifork Germany GmbH</b>	<b>Berlin, Germany</b>	□	EUR	<b>25,000</b>	<b>100%</b>	<b>100%</b>
<b>Erlang Solutions Ltd.</b>	<b>London, United Kingdom</b>	■○	GBP	<b>103,218</b>	<b>51%</b>	<b>51%</b>
Erlang Solutions AB	Stockholm, Sweden	■○	SEK	100,000	51%	51%
Erlang Solutions Inc.	Newcastle, USA	■○	USD	100	51%	51%
Erlang Solutions SP. Z O.O. <sup>3)</sup>	Krakow, Poland	■	PLN	5,000	51%	51%
Erlang Solutions Hungary Kft.	Budapest, Hungary	■	EUR	15,000	51%	51%
<b>Duckwise ApS</b>	<b>Aarhus, Denmark</b>	■○	DKK	<b>163,265</b>	<b>75%</b>	<b>75%</b>
<b>Trifork Academy and Software Solutions SL <sup>3)</sup></b>	<b>Palma, Spain</b>	■	EUR	<b>3,000</b>	<b>100%</b>	<b>100%</b>
<b>Trifork Finance AG</b>	<b>Schindellegi, Switzerland</b>	■○	CHF	<b>100,000</b>	<b>100%</b>	<b>100%</b>
<b>Trifork Labs AG <sup>4)</sup></b>	<b>Schindellegi, Switzerland</b>	✦	CHF	<b>100,000</b>	<b>100%</b>	<b>75%</b>
Trifork Labs ApS <sup>5)</sup>	Aarhus, Denmark	✦	DKK	367,647	100%	100%
<b>Trifork Learning Solutions B.V.</b>	<b>Amsterdam, Netherlands</b>	■	EUR	<b>18,000</b>	<b>-</b>	<b>95%</b>
<b>Programmable Infrastructure Solutions AG <sup>6)</sup></b>	<b>Schindellegi, Switzerland</b>	✦	CHF	<b>150,000</b>	<b>46%</b>	<b>51%</b>
Container Solutions B.V.	Amsterdam, Netherlands	■○	EUR	1,000	-	51%
Container Solutions AG	Schindellegi, Switzerland	■○	CHF	100,000	-	51%
Container Solutions Software Ltd.	London, United Kingdom	■○	GBP	1,000	-	51%
Container Solutions Canada Inc	Montreal, Canada	■○	CDN	50,000	-	51%
Container Solutions CS GmbH	Berlin, Germany	■○	EUR	25,000	-	51%
Container Solutions Labs Ltd.	Edinburgh, United Kingdom	■○	GBP	73	-	38%

■ Software development ○ Sales ✦ Subholding Company ◆ Service company □ Academy

<sup>1)</sup> List includes active companies only

<sup>2)</sup> Incorporated in 2019

<sup>3)</sup> Incorporated in 2017

<sup>4)</sup> Renamed from Duckwise AG in 2019

<sup>5)</sup> Renamed from Trifork Ventures ApS in 2018

<sup>6)</sup> With reduction of the shareholding to 46% the company has been deconsolidated

**Bold** = Directly held by the company / Regular = Indirectly held subsidiaries

# Statutory Auditor's Report

## 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 income statement, statement of financial position, statement of changes in shareholders' equity and notes (pages 114 to 120), for the year ended 31 December 2019.

#### *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 2019 comply with Swiss law and the company's articles of incorporation.

#### *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, 17 March 2020

### Ernst & Young Ltd

Tobias Meyer  
Licensed audit expert  
(Auditor in Charge)

Andreas Forster  
Licensed audit expert





# Financial Statements of Trifork Holding AG

## Content

## page

Income Statement	114
Statement of Financial Position	115
Statement of Changes in Shareholders' Equity	116

## Notes

I. Company information	117
II. Accounting policies	117
1 Other financial income	117
2 Administrative expenses	118
3 Financial expenses	118
4 Investments	118
5 Share capital	118
6 Authorized capital	118
7 Conditional capital	118
8 Dividend	119
9 Treasury shares	119
10 Full time equivalents	119
11 Guarantees	119
12 Pledged assets	119
13 Interests held by the members of the Board of Directors and Executive Management	120
14 Events after the reporting period	120

## Income Statement for the year ended 31 December 2019

(CHF k)	Note	2019	2018
Dividend income		8,249	3,927
Gain/(loss) from sale of investments		739	-
Other financial income	1	1,102	460
<b>Total income</b>		<b>10,090</b>	<b>4,387</b>
Impairment of investments		-147	-
Administrative expenses	2	-1,537	-1,193
Financial expenses	3	-1,133	-715
Direct taxes		-	-3
<b>Total expenses</b>		<b>-2,817</b>	<b>-1,911</b>
<b>Net income</b>		<b>7,273</b>	<b>2,476</b>

## Statement of Financial Position for the year ended 31 December 2019

(CHF k)	Note	2019	2018
<b>Assets</b>			
Cash and cash equivalents		1,116	320
Other current receivables			
from third parties		355	334
from investments		165	-
Loans to investments		6,432	8,089
Total current assets		8,068	8,743
Investments	4	63,226	44,851
Total non-current assets		63,226	44,851
Total assets		71,294	53,594
<b>Shareholders' equity and liabilities</b>			
Interest-bearing current liabilities			
to third parties		603	-
to investments		11,966	1,620
Other current liabilities			
to third parties		255	131
to investments		382	6
Accrued liabilities and deferred income		179	96
Total current liabilities		13,385	1,853
Interest-bearing non-current liabilities		4,522	5,435
Total non-current liabilities		4,522	5,435
Total liabilities		17,907	7,288
Share capital	5	1,864	1,854
Capital contribution reserve	8	965	2,226
Other capital reserve		24,638	24,638
General legal reserve		866	866
Legal reserve for treasury shares held by Group companies		967	-
Retained earnings		24,479	17,545
Treasury shares	9	-392	-823
Shareholders' equity		53,387	46,306
Total shareholders' equity and liabilities		71,294	53,594

## Statement of Changes in Shareholders' Equity for the year ended 31 December 2019

(CHF k)

	Share capital	Capital contri- bution reserve	Other capital reserves	General legal reserve	Legal reserve for treasury shares held by Group companies	Retained earnings	Treasury shares	Share- holders' equity
1 January 2018	1,854	5,049	23,315	866	-	15,069	-2,066	44,087
Net income	-	-	-	-	-	2,476	-	2,476
Dividends	-	-2,823	-	-	-	-	-	-2,823
Transactions with treasury shares	-	-	1,323	-	-	-	1,243	2,566
31 December 2018	1,854	2,226	24,638	866	-	17,545	-823	46,306
Net income	-	-	-	-	-	7,273	-	7,273
Capital increase	10	957	-	-	967	-967	-	967
Dividends	-	-2,218	-	-	-	-	-	-2,218
Transactions with treasury shares	-	-	-	-	-	628	431	1,059
31 December 2019	1,864	965	24,638	866	967	24,479	-392	53,387

# Notes

## I. Company information

Trifork Holding AG ("the company") is a privately held company incorporated in Switzerland with its registered offices at Neuhoferstrasse 10, 8834 Schindellegi (Feusisberg).

The Company is the parent company of Trifork Group.

## II. Accounting policies

### GENERAL

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

### LOANS TO INVESTMENTS

Loans granted in foreign currency are measured at the rate prevailing as of the reporting date.

### INTEREST-BEARING LIABILITIES

Interest-bearing liabilities are measured at their nominal value. Maturities of less than one year are disclosed as current liabilities, while those longer than one year are disclosed as non-current liabilities.

Interest-bearing liabilities in foreign currencies are measured at the exchange rate prevailing as of the reporting date.

### TREASURY SHARES

As of the time of acquisition, treasury shares are recognized as a deduction of shareholders' equity measured at initial cost. In case of a later divestiture the gain or loss is recognized in retained earnings in accordance with the FIFO principle (until 2018 in other capital reserves).

### PRINCIPLE OF IMPARITY

For long-term financial liabilities, unrealized foreign exchange losses are recognized in the income statements while unrealized foreign exchange gains are deferred.

### NON-DISCLOSURE OF THE CASH FLOW STATEMENT AND ADDITIONAL NOTES INFORMATION

Trifork Holding AG prepares consolidated financial statements in accordance with generally accepted accounting standards (IFRS). Therefore, and following the legal requirements, it does not present a statement of cash flows or notes with regard to interest-bearing liabilities and audit fees.

1 - Other financial income		
(CHF k)	2019	2018
Interest income		
from third parties	-	8
from investments	108	109
Gains from exchange differences	994	343
Total other financial income	1,102	460



2 - Administrative expenses		
(CHF k)	2019	2018
Board of Director fees	-278	-182
Management fees to investments	-715	-646
Consultancy services	-111	-275
IPO-related costs	-178	-
Others	-255	-90
Total administrative expenses	-1,537	-1,193

3 - Financial expenses		
(CHF k)	2019	2018
Impairment of loans to investments	-299	-
Interest expenses		
to third parties	-163	-164
to investments	-112	-46
Fees to financial institutions	-13	-11
Losses from exchange differences	-546	-494
Total financial expenses	-1,133	-715

#### 4 - Investments

A list of Group companies held directly and indirectly by Trifork Holding AG with the percentage of the capital share/voting rights is included in the Consolidated Financial Statement of the Trifork Group in sections "V. Companies of Trifork Group".

#### 5 - Share capital

The share capital of CHF k 1,864 (2018: CHF k 1,854) consists of 18,637,230 (2018: 18,537,230) registered shares with a par value of CHF 0.10 (2018: CHF 0.10) 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.

#### 6 - Authorized capital

The extraordinary General Meeting as of 19 December 2019 has authorized the Board of Directors to increase the share capital of the company at any time up to 19 December 2021 by an amount not exceeding CHF k 146 through the issue of up to 1,462,770 registered shares, payable in full, each with a nominal value of CHF 0.10 and excluding shareholders' subscription rights.

With effective date as of 20 December 2019 the Board of Directors exercised an authorized share capital increase by 100,000 shares (CHF k 10). A premium of CHF k 957 was allocated to the capital contribution reserve.

The available authorized capital as of 31 December 2019 amounts to CHF k 136. This equates to 1,362,770 registered shares.

#### 7 - Conditional capital

The extraordinary General Meeting as of 19 December 2019 authorized the conditional capital by a maximum amount of CHF k 50 by issuing a maximum of 500,000 registered shares with a par value of CHF 0.10 each, to be fully paid up, excluding shareholders' subscription rights.

## 8 - Dividend

The Annual General Meeting of 12 April 2019 approved a dividend of CHF 0.12 per registered share to be paid from the capital contribution reserve. The dividend of CHF k 2,218 was paid out on 16 April 2019. As per 31 December 2019 the capital contribution reserve of Trifork Holding AG – taking into account the authorized capital increase - amounts to CHF k 965.

## 9 - Treasury shares (held by Trifork Holding AG)

	Units	Average price (CHF)	Total amount (in CHF k)
1 January 2018	464,433	4.45	2,066
Acquisitions	269,615	6.67	1,798
Disposals	-207,175	7.10	-1,470
Acquisition of Group companies	-403,388	7.17	-2,894
Result from transactions with treasury shares transferred to other capital reserves			1,323
31 December 2018	123,485	6.67	823
Acquisitions	240,696	7.92	1,905
Disposals	-70,265	8.71	-612
Acquisition of non-controlling interests	-249,454	9.43	-2,352
Result from transactions with treasury shares transferred to retained earnings			628
31 December 2019	44,462	8.82	392

As of 31 December 2019, Trifork A/S holds 100,000 shares of Trifork Holding AG (2018: 0)

## 10 - Full time equivalents

Trifork Holding AG does not have any employees (2018: 0).

## 11 - Guarantees

Trifork Holding AG issued guarantees in favor of financial institutions to cover the interest-bearing liabilities of Group companies of CHF k 9,657 as per 31 December 2019 (2018: CHF k 10,441).

Trifork Holding AG issued a guarantee in favor of a financial institution to cover the interest-bearing liabilities of an Investment of CHF k 544 as per 31 December 2019 (2018: none).

## 12 - Pledged assets

To secure interest-bearing liabilities of CHF k 4,043 (2018: CHF k 4,043) the company has negatively pledged the shares held in Trifork A/S, Trifork GmbH, Trifork B.V and Trifork Ltd. until full amortization of the loan. No amortization is required until an IPO-event of Trifork Group.

### 13 - Interests held by the members of the Board of Directors and Executive Management

	2019		2018	
	Number of registered shares as of 31 December	Share of voting rights	Number of registered shares as of 31 December	Share of voting rights
Olivier Jaquet (Chairman) <sup>1)</sup>	43,090	0.2%	n/a	-
Johan Blach Petersen (Chairman) <sup>2)</sup>	n/a	-	242,231	1.3%
Lars Dybkjaer (Member) <sup>3)</sup>	3,716,884	19.9%	3,711,884	19.9%
Joern Larsen (Member and CEO)	4,458,568	23.9%	4,534,099	24.3%
Casey Rosenthal (Member) <sup>1)</sup>	-	-	n/a	-
Kristian Wulf-Andersen (Member and CFO)	316,149	1.7%	329,083	1.8%

<sup>1)</sup> Since 12 April 2019

<sup>2)</sup> From 12 April 2019

<sup>3)</sup> GRO Holding I ApS

### 14 - Events after the reporting date

The financial statements were released for publication by the Board of Directors on 17 March 2020.

The financial statements are subject to approval by the Annual General Meeting scheduled for 16 April 2020.

Between 31 December 2019 and the date on which these financial statements were published the following event took place:

As of 7 January 2020 Trifork A/S, a company held directly by Trifork Holding AG, signed a purchase agreement to acquire 50.1% of the shares in SAPBASIS ApS, Ballerup, Denmark.

# Proposal of the Board of Directors for the appropriation of the capital contribution reserve, the other capital reserves, the general legal reserves and the retained earnings

(CHF k)	2019	2018
<b>Capital contribution reserve</b>		
Balance carried forward from prior year	2,226	5,049
Dividend from capital contribution reserve	-2,218	-2,823
Allocation to capital contribution reserve	957	-
Capital contribution reserve as of 31 December and at the disposal of the General Meeting	965	2,226
Dividend proposed	-965	-2,226
Capital contribution reserve to be carried forward to new account	-	-
<b>Other capital reserves</b>		
Balance carried forward from prior year	24,638	23,315
Transactions with treasury shares	-	1,323
Other capital reserves as of 31 December and at the disposal of the General Meeting	24,638	24,638
Transfer of accumulated net gains to retained earnings	-1,289	-
Other capital reserves to be carried forward to new account	23,349	24,638
<b>General legal reserve</b>		
Balance carried forward from prior year	866	866
General legal reserve as of 31 December and at the disposal of the General Meeting	866	866
Reversal	-456	-
General legal reserve to be carried forward to new account	410	866
<b>Retained earnings</b>		
Balance carried forward from prior year	17,545	15,069
Net income	7,273	2,476
Transactions with treasury shares	628	-
Allocation to legal reserve for treasury shares held by Group companies	-967	-
Retained earnings as of 31 December and at the disposal of the General Meeting	24,479	866
Allocation from other capital reserves	1,289	-
Allocation from general legal reserve	456	-
Retained earnings to be carried forward to new account	26,224	17,545

All shares outstanding as per record date are eligible for the dividend except for treasury shares; as a result, the total dividend amount payable depends on the number of treasury shares held on the distribution date and may change slightly.

# Ratios and Key Figures

The financial highlights have been prepared on the basis of the CFA Society Denmark "Recommendations & Ratios" (January 2019), using the following definitions:

EBITDA margin	$\frac{\text{Earnings before financial items, taxes, depreciation and amortization} \times 100}{\text{Revenue}}$
EBITA margin	$\frac{\text{Earnings before financial items, taxes, and amortization} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Earnings before financial items and taxes} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity excl. NCI} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net income excl. NCI} \times 100}{\text{Average equity excl. NCI}}$
Basic earnings per share (EPS basic)	$\frac{\text{Net income excl. NCI} \times 100}{\text{Average number of shares outstanding}}$
Diluted earnings per share (EPS diluted)	$\frac{\text{Net income excl. NCI} \times 100}{\text{Average number of shares diluted}}$
Equity value per share	$\frac{\text{Equity excl. NCI} \times 100}{\text{Year-end number of shares}}$
Dividend yield	$\frac{\text{Dividend} \times 100}{\text{Net income excl. NCI}}$
Return on invested capital	$\frac{\text{Earnings before financial items and taxes} \times 100}{\text{Average assets}}$
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity incl. NCI}}$



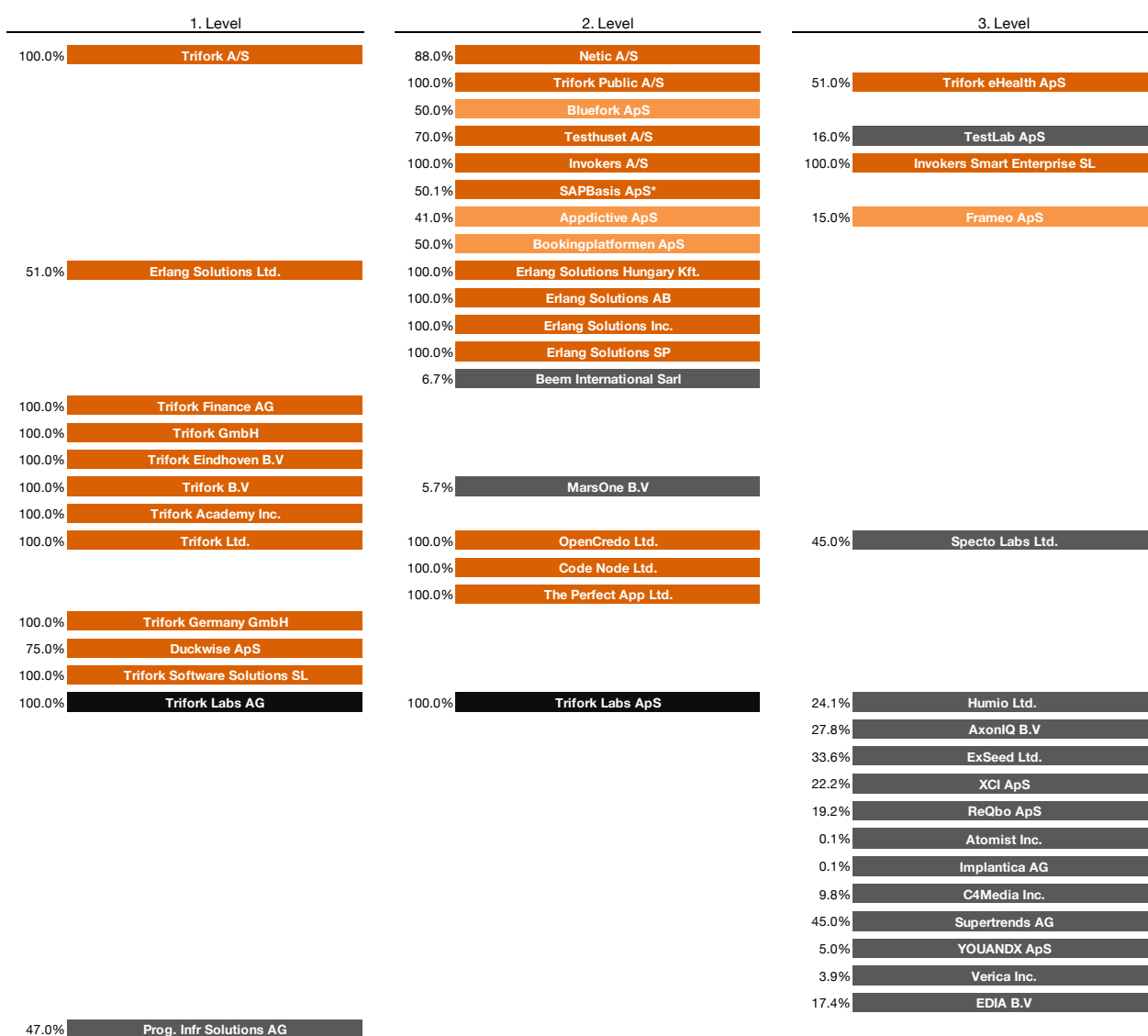
# Trifork Group Structure

## Organizational structure and development

The organization chart shows the ownership structure of all companies and associated companies in the Trifork Group. Trifork Holding AG is the ultimate holding company of all other companies. Companies in "1. Level" in this way are 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 the Trifork or Trifork Labs segment and if they are consolidated as subsidiaries, associated companies or financial investments.

## Trifork Holding AG

Group Structure, December 2019



\* Investment in 2020

- Trifork subsidiary
- Trifork associated
- Trifork Labs subsidiary
- Trifork Labs investment

## Trifork Holding AG

Neuhofstrasse 10  
8834 Schindellegi  
Switzerland

### Denmark

Aalborg  
Aarhus C, Aarhus N  
Copenhagen  
Esbjerg

### Sweden

Stockholm

### United Kingdom

London

### Germany

Berlin

### Switzerland

Zürich

### Poland

Krakow

### Hungary

Budapest

### Holland

Amsterdam  
Eindhoven

### Spain

Barcelona  
Palma

### United States

San Francisco  
Chicago

# 2019 TRIFORK WORLD MAP

**TRIFORK.**  
...think software