TRIFORK.
...think software

ANNUAL REPORT 2020

The Year of Change

Contents

LETTER OF THE CEO

2020 – the year of change: Change is the only constant

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Once a year, we like to take our legendary race yacht, L4, out to break a new record. She needs to earn all the team effort and hard work we invest in every year. Breaking a record gives headlines and PR, and in this way, there is a balance. On a cold, windy January morning, we headed out from Palma with our pro team - legendary Spanish, Dutch, Norwegian and Danish Viking ancestors, as tough as they come. Sailors that, combined, had sailed around the world more than 25 times. The weather forecast looked good. The start was fairly calm and at the south coast of Mallorca ,the sea was calm too. However, a change was coming, and the weather went from calm to stormy. Rounding Cap de Formentor to turn west along the North coast, we faced one of the worst storms in the history of Spain. It was later named Gloria.

When you face change and challenges, you must adapt - change is the only constant.

After a few tough hours, L4 had broken a 15-year-old record sailing around the island of Mallorca. That was a challenging start to the year - but more was to come.

In March 2020, Covid-19 started spreading in Europe, resulting in suffering and sorrow throughout the world, and in lockdowns in most countries. At Trifork, we were very fortunate and only had very few incidents with illness related to Covid-19, and our overall sick leave was only 2% in 2020.

We believe that our organization of small agile teams, that are empowered to take actions that work best in a given environment, is an important factor to our resilience in this changing world

In the first 4-5 months after the initial lockdowns, several of our customers had to postpone ongoing development and find ways to handle the new way of working with remote and distributed teams. Our teams of business units supported this process admirably, and I would like to thank everyone at Trifork for their commitment and leadership in keeping the spirit up as well as keeping our customers happy. I don't believe we will ever go back to working the same way as we did before. We will find a balance between working remotely and working co-located in small autonomous teams, which very much reflects our DNA. We stay committed to developing innovative solutions within our six business areas - Digital Health, FinTech, Smart Building, Smart Enterprise, Cyber Protection and Cloud Operation - by creating smart and user-friendly software.

The lockdowns prevented us from inspiring our customers and community of software developers at our GOTO Conferences. But instead, we created a whole new online and virtual universe of conferences and events by building a virtual copy of our CodeNode conference center and by introducing a new book club for software professionals. This made our connections to thought-leaders within the software community even closer than before. Our YouTube tech channel has grown to more than 210,000 subscribers with more than 19 million views of the published sessions and is now one of the largest in the world.

The impact from Covid-19, with additional pressure on the healthcare systems, show us the importance of continuous improvements of IT-systems in this sector, in order to increase capacity and make services more flexible. Trifork is very committed to being a part of this development as we keep innovating new solutions within Digital Health.

In the second half of 2020, Trifork, together with the Danish Organization of General Practitioners and the Danish Ministry of Health, successfully launched a new mobile app, “My Doctor”, as a digital channel for communication between the citizens and their doctors. The app, which has more than one million downloads in Denmark, provides a broad spectrum of services including ordering prescriptions, viewing test results and booking video consultations.

The world has changed far beyond healthcare and we are all challenged in the way we do business, unveiling the need to rethink business models and accelerate digitization - a task that is in our hearts and minds and where our dedicated, skilled and creative employees can excel and make a difference when teaming up and developing solutions with our customers.

This, I believe, has been the reason for us being able to keep productivity up in the second half of 2020, and once again increase both revenue and profit despite the challenging year. For 2020, we in our Trifork segment grew revenue to EURm 115, while EBITDA ended at EURm 20.2, meeting our expectations.

In September 2020, we reached an agreement to acquire the consultancy, Nine, and within only 6 months, we feel that Nine and all their fantastic employees are an integrated part of the Trifork Family.

In 2016, we co-founded Humio, a company that offers modern log management where customers can log events and search for them in real time. At the end of 2020, Humio was approached by CrowdStrike and a USDm 400 deal was signed. At the time of the deal, Trifork was still the largest shareholder of Humio. We are looking forward to a continued collaboration with Humio and have the ambition to continue the journey as partners. Other Trifork Labs companies are on their way with new, exciting products.

March 2021 was a month of sustainability for Trifork. We announced an investment in Dryp, a cleantech company that develops sensors in the water sector. The Dryp sensor can provide important information on the flow of water in our environment. Ultimately, our purpose is to use this collaboration to improve the water quality in the oceans as well as our drinking water. According to WHO, 3 billion people live off the oceans and for each km2 of ocean, an average of 13,000 pieces of garbage can be found. It is so important we change this now.

One way to better this situation is to build smarter. In our new Trifork Smart Building, we will accumulate waste water and reuse rain water in the building. The Dryp sensors play an important part of this system.

With Dryp's technology, the discharge of wastewater from our Smart Building can be planned and adapted to the municipality's drainage system. If all new buildings did this, we could drastically reduce overflow of untreated water into nature.

In the same month, we also announced another cleantech investment in Upcycling Forum. This company’s value statement is “From Waste to Value”. Trifork will help Upcycling Forum develop a platform that makes it easy for builders to buy recycled construction materials and use them in new buildings. Here, our Smart Building will be a statement of how this can be done. We hope many more companies will follow.

Jørn Larsen
CEO, Trifork Group

Overall, Trifork sees opportunities for growth. We believe that we fit in a changing world and there will be a constant need for creating solutions using new and smarter technologies.

02

FY2020

Key figures & main events

TRIFORK GROUP

45 EURm
Net income

828
Employees

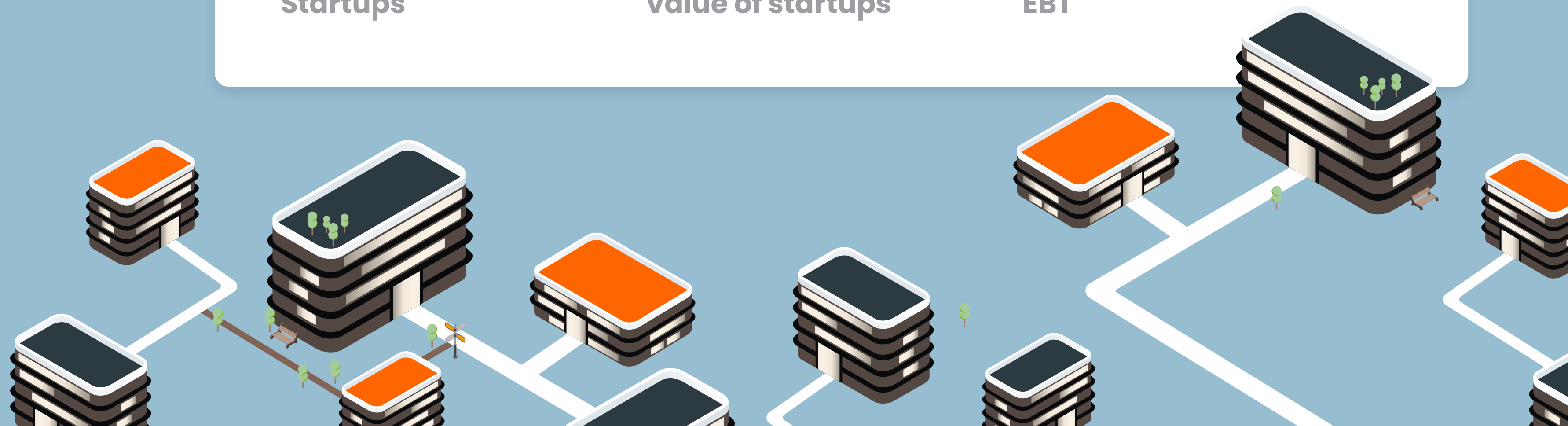
48
Business Units

TRIFORK SEGMENT

115 EURm	**20** EURm	**17** %
Revenue	Adjusted EBITDA	Adjusted EBITDA-margin

TRIFORK LABS SEGMENT

20	**76** EURm	**39** EURm
Startups	Value of startups	EBT



Financial highlights and key figures

(EUR k)	2020	2019	2018	2017	2016
Trifork Group Income statement					
Revenue from contracts with customers	115,358	106,428	86,508	64,523	63,119
- thereof organic	103,973	99,044	80,230	62,142	57,423
- thereof from acquisitions	11,381	7,384	6,278	2,381	5,696
Special items	-955	-270	-	-	-
Adjusted EBITDA	17,930	15,907	10,066	7,490	8,172
Adjusted EBITA	11,210	10,674	8,161	5,847	6,834
Adjusted EBIT	7,898	8,505	6,126	3,954	5,150
EBITDA	16,975	15,637	10,066	7,490	8,172
EBITA	10,255	10,404	8,161	5,847	6,834
EBIT	6,408	8,235	6,126	3,954	5,150
Net financial result	40,634	9,508	9,904	11,067	-359
Net income	44,658	16,349	14,769	13,741	3,650
Trifork Segment					
Adjusted EBITDA	20,168	16,469	10,701	7,922	8,518
Adjusted EBITA	13,448	11,236	8,796	6,279	7,180
Adjusted EBIT	10,136	9,067	7,066	4,652	5,798
Trifork Labs Segment					
Net financial result	41,396	9,599	10,699	10,433	-158
EBT	39,158	9,037	9,759	9,734	-806
Trifork Group Financial position					
Investments in Trifork Labs	75,861	32,531	19,685	14,738	5,868
Intangible assets	72,990	33,445	34,840	29,140	30,284
Total assets	229,109	122,065	96,271	75,733	66,297
Equity attributable to the shareholders of Trifork Holding AG	80,494	55,757	42,369	31,567	23,442
Net liquidity/(debt)	-37,393	-14,214	-11,631	-11,608	-13,071
Cash flow					
Cash flow from operating activities	17,787	10,514	6,563	8,937	4,425
Cash flow from investing activities	-31,516	-4,560	-1,358	-4,835	-12,854
Cash flow from financing activities	25,877	-9,850	-1,109	-3,885	2,958
Free cash flow	14,373	7,490	3,175	5,365	363
Net change in cash and cash equivalents	12,005	-3,735	4,088	95	-5,470

The financial highlights and key ratios have been prepared on the basis of the CFA Society Denmark "Recommendations & Ratios" (February 2021).

For the definitions refer to page 129.

(EUR)	2020	2019	2018	2017	2016
Share data (in EUR)					
Basic earnings / share (EPS basic)	2.33	0.83	0.75	0.74	0.19
Diluted earnings / share (EPS diluted)	2.33	0.83	0.75	0.74	0.19
Dividend / share	0.580	0.047	0.105	0.129	0.050
Dividend yield	25.0%	5.8%	14.3%	17.8%	27.1%
Employees					
Average number of employees (FTE)	795	626	504	424	431
Financial margins and ratios					
Trifork Group					
Adjusted EBITDA-margin	15.5%	14.9%	11.6%	11.6%	12.9%
Adjusted EBITA-margin	9.7%	10.0%	9.4%	9.1%	10.8%
EBITDA-margin	14.7%	14.7%	11.6%	11.6%	12.9%
EBITA-margin	8.9%	9.8%	9.4%	9.1%	10.8%
EBIT-margin	5.6%	7.7%	7.1%	6.1%	8.2%
Equity ratio	35.1%	45.7%	44.0%	41.7%	35.4%
Return on equity	63.4%	31.1%	37.0%	49.0%	14.8%
Trifork Segment					
Organic revenue growth[1]					
- Inspire	-75.8%	12.8%	-3.4%	17.2%	-30.7%
- Build	6.0%	15.4%	26.6%	-7.9%	10.5%
- Run	20.8%	22.6%	58.8%	255.8%	-61.1%
EBITDA-margin	16.7%	15.2%	12.4%	12.3%	13.5%
- Inspire	-78.3%	-3.6%	4.8%	-2.1%	-7.1%
- Build	19.4%	16.3%	11.3%	10.7%	12.0%
- Run	22.2%	27.4%	24.1%	24.8%	35.7%
Adjusted EBITDA-margin	17.5%	15.5%	12.4%	12.3%	13.5%
Adjusted EBITA-margin	11.7%	10.6%	10.2%	9.7%	11.4%
Adjusted EBIT-margin	8.8%	8.5%	8.2%	7.2%	9.2%

1 Organic growth by sub-segments is calculated from adjusterd revenue

An outline of the year

Financial Highlights of 2020

Despite the global impact of the Covid-19 pandemic resulting in multiple lockdowns, since March 2020, the Trifork Group has managed to grow in both revenue and profit.

The financial highlights focus on adjusted profit-ratios, in which cost for special items (such as one-off costs related to acquisitions) are excluded.

Adjusted EBIT does not take into account a one-off amortization on a purchased development project since this sets off against an equal gain in the financial result (earn-out liabilities).

Trifork Group

- With a total revenue of EURm 115.4, the Trifork Group achieved a consolidated growth rate of 8.4% and an adjusted growth rate of 13.8% (whereby 2.6% was organic and 11.2% was acquisitional growth). Disregarding the Inspire segment which was impacted by Covid-19 the adjusted growth in Build and Run totaled 21.5% (whereof 9.3% was organic and 12.2% acquisitional growth).
  Nine A/S was an accretive acquisition and had a positive impact on the growth in 2020, but only had a four month impact on the results as Nine was acquired in September 2020.
- EBT (earnings before tax) for 2020 was EURm 47.0, compared to EURm 17.7 in 2019.
- Net income for 2020 amounted to EURm 44.7, which is an increase of EURm 28.4 compared to 2019.
- Equity attributable to shareholders of Trifork Holding AG as of 31 December, 2020, was EURm 80.5, giving an Equity Ratio of 35.1% at the end of 2020, compared to 45.7% at the end of 2019.

Trifork Segment

- Adjusted EBITDA of EURm 20.2 for 2020 is equal to an 17.5% EBITDA-margin and represents growth of 22,5% compared to 2019.
- Adjusted EBITA was EURm 13.4, which equals a 11.7% EBITA-margin and an increase of 19.7% compared to 2019.
- Adjusted EBIT was EURm 10.2, which equals a 8.8% EBIT-margin and an increase of 11.8% compared to 2019.

Trifork Labs Segment

- Positive fair value adjustment on Trifork Labs investments was EURm 41.3, compared to EURm 9.5 in 2019. The high increase in value was primarily driven by the exit of the investment in Humio Ltd., agreed in December 2020. The respective proceeds were received in March 2021.

Main Events

- Due to the Covid-19 situation world-wide, the GOTO concept has been transformed into online events. The first event was completed at GOTO Chicago, where we hosted more than 450 attendees with great success. We continuously perform other online events presenting new technologies and methods and our Youtube tech channel continues to increase in the number of subscribers. We now have more than 210,000 and have had over 20 million views of our videos.
- The Covid-19 situation has also caused an increased urgency with some of our Digital Health customers where we worked very hard with them to develop new digital solutions to improve their readiness to implement countermeasures to fight the effects of the pandemic.
- In the beginning of Q2, we saw several companies hesitate and pause existing engagements or postponed decisions on new development tasks. Many were nervous about how things would develop and needed additional time to decide what the right investments would be. In Q3, many customers restarted engagements again.
- In 2020, we completed three acquisitions:
  SAPBasis: In January 2020, Trifork acquired 50.1% of the SAP consulting and operations company, SAPBASIS. This company has deep technical SAP competencies which is required to secure smooth and stable SAP operations for our customers. They are experts in building platforms as a foundation on which customers can build their core business applications.
  Trifork Smart Device: In March 2020, Trifork injected cash into MM Technologies (now Trifork Smart Device) resulting in a 70% ownership. This company is very experienced in building hardware components to connect industry devices to the network/cloud and collect data. One product has already been launched and is being used in Trifork solutions for our customers.
  Nine: In September 2020, Trifork acquired 70% of the software development company, Nine. Nine is focused on developing Smart Enterprise solutions in the Danish Public sector.
- The growth effect from the new acquisitions was EURm 11.4 on revenue and the 2019 deconsolidation of two business units resulted in the non-organic effect of EURm -5.0, compared to what was consolidated in 2019.
- **Trifork Labs**
  After participating in an investment round in early 2020, an agreement to exit Humio Ltd. was signed in December 2020. In addition, there was new financing in two other Lab companies, of which Trifork partially exited one of them.

03

The Trifork Group

Overview

Trifork is a next-gen IT and business service provider that strives to be at the forefront of technological innovation. We inspire and teach customers and colleagues about new technological possibilities, build innovative software solutions and operate and maintain these for our customers. Since our inception in 1996, we have been motivated by pushing the boundaries of how new technologies and methods can be discovered, applied and developed into novel solutions that can enable our customers to become industry leaders.

We aspire to maintain a position on the top of the "technology wave" in the IT service sector by continuously challenging the status quo for our customers. We have just over 800 employees across 25 offices in Denmark, Berlin, Zürich, Amsterdam, Eindhoven, London, Stockholm, Krakow, Budapest, Barcelona, Palma, Chicago and San Francisco.

Trifork's ability to stay at the forefront of technology and to challenge status quo for customers is captured by our distinct go-to-market model and very special model for R&D.

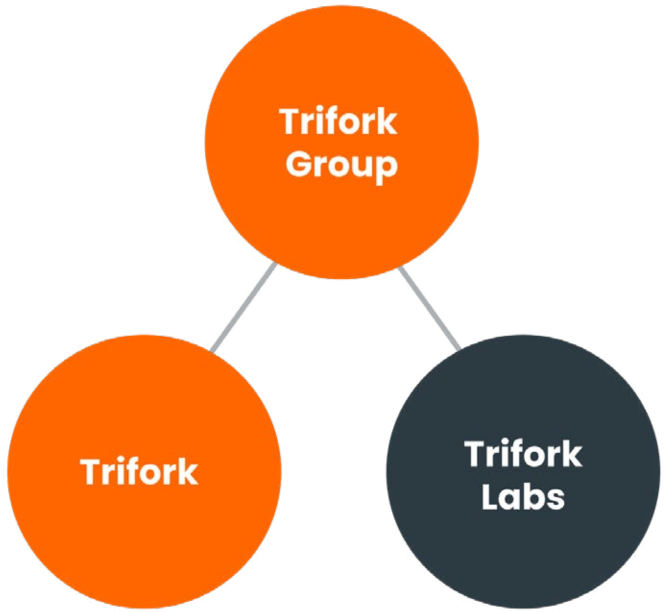
This is organized into two segments, Trifork and Trifork Labs.

In the **Trifork segment**, our go-to-market model consists of three interrelated sub-segments: **Inspire**, where we discover technology new ideas and trends and share knowledge of these and inspire customers through Design Thinking workshops. **Build**, where we create prototypes of customer products and develop the software. **Run**, where we provide cloud operations, managed services and continuous development support for the customer products we develop.

In the **Trifork Labs segment**, we found, co-found or invest at a very early phase in new startups as a part of our overall research and development strategy. We want to be close to technology inventors and bring this knowledge to use in the development of solutions for customers in the Trifork segment. We focus on investments in:

- software product companies that invent new technology
- companies building technology that can be a business driver for Trifork
- companies that can be a strategic partner

Trifork is a next-gen IT and business service provider that strives to be at the forefront of technological innovation



Competitive strengths

1

Positioned in attractive next-gen segment of growing IT market, driven by digital transformation

While many traditional IT players service the declining legacy IT market, we are entirely focused on the **fast-growing, next-gen** technology market, which represents the architecture of information and communication technology based on the newest and most modern technologies.

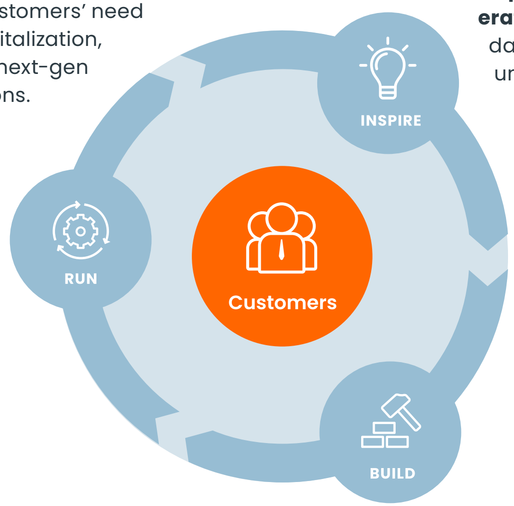
The high growth in the next-gen technology market is driven primarily by the growing demand for digital transformation and high-value added services.

We approach customers in this market with our full circle go-to-market model of "Inspire-Build-Run".

2

Full circle go-to-market model of "Inspire-Build-Run"

Our go-to-market model that consists of three interrelated segments **"Inspire", "Build" and "Run"** is at the core of Trifork's success and enables us to continuously explore, learn and deliver next-gen solutions to our customers, alongside their digitalization journeys. The go-to-market model mimics what we believe to be a natural flow for successful modern software development and aligns with our ambition of having all software development revolve around the customers' need for digitalization, using next-gen solutions.



3

Established innovation company with next-gen capabilities

Within the next-gen IT market, we focus on a specific range of quickly growing market segments through six different business areas in our core geographies (**Denmark**, **Netherlands**, **UK** and **Switzerland**). The six business areas consist of **three verticals** (**FinTech**, **Digital Health** and **Smart Building**) where we have deep domain knowledge and **three horizontals** (**Smart Enterprise**, **Cyber Protection** and **Cloud Operation**) where the services are the foundation of the verticals or are delivered as unique services to our customers.

4

Growth driven by repeat stacked business with blue-chip and other customers

We have long-standing relationships with a diverse base of blue-chip customers across all our vertical and horizontal business areas within both the private and public sectors. In both sectors, customers continuously entrust us to solve complex operational challenges. We strive to accompany customers throughout the entire lifecycle of their solution and constantly **keep the customer-developed products agile and up-to-date.** As part of this go-to-market model, we can develop various stacked solutions for the same customer. This creates a stable base of repeat stacked business and also recurring revenue through long-term support contracts, licenses and/or cloud operations operated by Trifork.

5

Cutting edge R&D capabilities fueled by venture financed Trifork Labs

Trifork Labs leads our venture-financed R&D activities. Trifork has been active in founding, co-founding and investing in tech startups that develop innovative software solutions, for more than 20 years and currently holds stakes in 20 different startups.

In the process of working with startup companies, we gain valuable know-how from their technological development and become familiar with emerging disruptive technologies at an early stage. Trifork Labs investments are focused on three investment criteria. First, the target must be a software product company that invents new technology. Second, the investment should build technology to support our go-to-market model. Finally, investments are evaluated based on their potential to become a strategic partner to Trifork with potential synergies that can be expected from the investment. Trifork's main focus in these investments is to support the R&D.

6

Established track record of growth and profitability

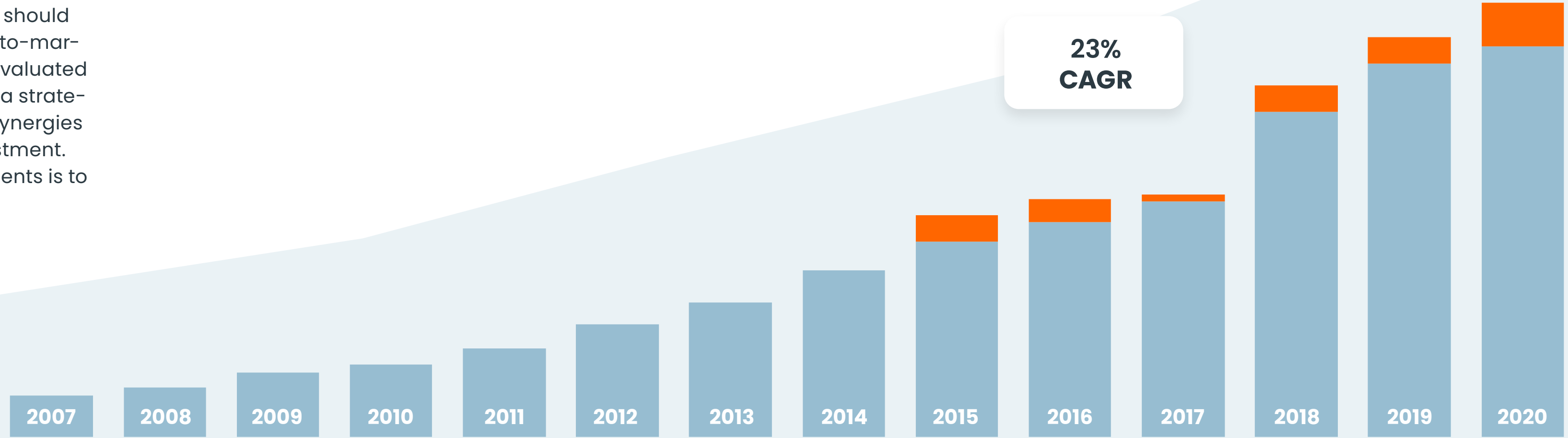
Since 2007, Trifork has shown a solid track record of growth with a revenue CAGR of 23%. The growth has been continuously supported by strategic acquisitions.

In the same period, there has not been a single year without profit and in the recent years profit has increased every year.

7

Self-managed Teal organisation ensures motivation, entrepreneurial culture and agile delivery model

Trifork has developed an organizational model that is based on a group of individual and largely autonomous business units that share a joint corporate DNA, culture and philosophy. This organizational model, which has been integral to Trifork's business, is known as a Teal organizational model and enables us to adapt & achieve scale and encourages entrepreneurial spirit, motivation, innovation, collaboration and talent attraction and retention.



Strategy

Our key strengths have positioned us well to take advantage of the continued growth in demand for innovative and disruptive solutions in the next-gen technology market. Our strategy is focused on:

- I building a foundation for further growth by perfecting the "Trifork Way"
- II defending and growing our market position in Europe
- III diversifying the revenue mix with an emphasis on recurring revenue growth
- IV seeking out joint ventures and targeted strategic acquisitions
- V accelerating strategic and operational partnerships

I Build a foundation for further growth – perfecting the "Trifork Way"

A central pillar of Trifork's strategy is to continuously develop its core competencies and capabilities in order to maintain our market position as a disruptive and innovative provider of next-gen technology, who are able to offer its customers solutions grounded in the latest cutting-edge technologies. Additionally, we aim to ensure that all business units are trained in the "Trifork Way". The main focus areas in this regard are to (1) strengthen next-gen capabilities by continued focus on developing the technical skills of our employees through education and inspiration, (2) advance the Teal organizational model and train all new business units in the "Trifork Way" of doing business, and (3) Scale R&D efforts by continuing to solidify the position of our Trifork Labs segment as an integral part of Trifork.

II Defend and grow Trifork's market position in Europe

Building on Trifork's existing market position, we intend to defend and grow our current position in Europe in our core geographies. In Denmark, we plan to maintain our organic, sustainable growth and to prioritize product development while maintaining pricing discipline. We are also planning to seek out opportunistic growth in Denmark. In the United Kingdom, we aim to substantially increase our market share through organic and inorganic growth. In the Netherlands, we intend to focus on product development, strengthening our existing customer relationships and maintaining our current market position. In Switzerland, we aim to strengthen our market share by focusing both on organic growth as well as on opportunities for inorganic growth, thereby increasing the share of our revenue represented by the operations in Switzerland.

III Diversify Trifork's revenue mix, with an emphasis on recurring revenue growth in our Run segment

Trifork intends to increase the proportion of its total revenues from recurring revenue streams, seeking to build a stable base of recurring revenue through long-term support contracts, repeat business, cloud operations and other products delivered and operated principally within the Run segment. Historically, Trifork's margins in the Run phase of continuous development and ongoing operational support have been higher than those in the Inspire or Build phases of new software development

IV Seek out strategic collaborations and targeted tactical acquisitions

Trifork aims to co-develop cutting-edge solutions with blue chip partners through strategic collaborations as well as undertake tactical and capability-driven acquisitions within its six horizontal and vertical business areas. Our primary objective, when considering potential joint venture relationships, is in the development of new software solutions that can support relationships between Trifork and our customers and effectively complement the existing Build and Run product offering.

V Accelerate strategic and operational partnerships

We seek to strengthen and grow our re-seller relationships and operational partnerships with leading companies in the technology industry, including Apple, Google Cloud and SAP, and operational partnerships with major technology companies and important Silicon Valley start-ups. We expect that the strengthening of these relationships will allow us to continuously expand our capabilities and product offerings while leveraging the go-to market setup of our partners to expand Trifork's presence. Trifork is particularly focused on developing its relationships with vendors within the Smart Enterprise business area as such relationships enable us to offer additional flexibility in addressing our customers' needs.

Go-to-market model

Trifork's go-to-market model is based on its three segments, Inspire, Build and Run, which we consider to be the three phases of our relationship with each customer. The go-to-market model is designed to ensure that our customers are at the center of all activities carried out by Trifork, and Trifork maintains a strong customer relationship throughout the software development journey. At each phase of the go-to-market model, we validate ideas, concepts and products against customer needs and the business value that such ideas, concepts and products represent. Our go-to-market model is vital to Trifork's success as it provides the right know-how and enables us to be close to innovation.

Inspire

The aim of the Inspire phase in our go-to-market model is to enable ideation. The Inspire phase can be broken down into two parts. The first part revolves around the GOTO brand, and includes our conference activities. Conferences are a source of inspiration for both customers and our employees, and serve as a customer acquisition channel. GOTO conferences are enterprise software development conferences, hosted by developers and designed for team leads, software developers, architects, and project managers. The ambition for each GOTO conference is to facilitate the best content, on the most important technological topics, presented by thought leaders in the fields of software development and technological innovation. The main objective of the GOTO conferences are to promote inspiration and allow for validation and feedback on new tech ideas. Furthermore, the GOTO concept is an efficient way of promoting the Trifork brand and identifying potential new customers. The second part of the Inspire phase, delivered by the Trifork Design Thinking teams, is tied to specific customers, and serves as a bridge to the Build phase. This part of the Inspire phase includes specialized workshops designed to help customers refine and deliver innovative digital solutions and concepts. We inspire and build software solutions in these workshops based on a design thinking approach - an approach emphasizing system design. The entire design thinking approach focuses on small-scale testing of solutions and the continuous refinement of a prototype.

Build

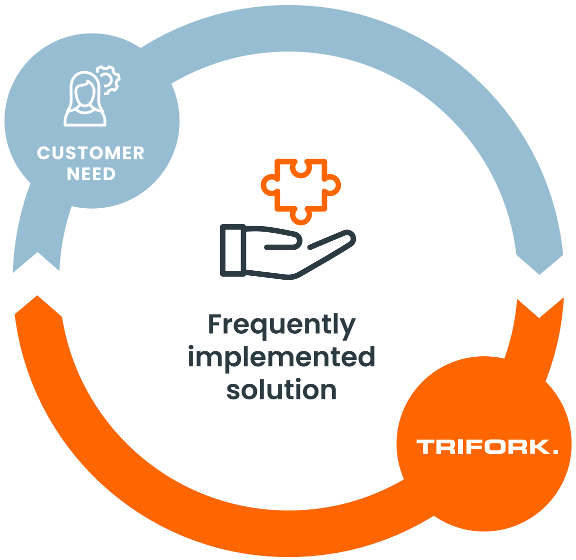
Based on the ideation generated by the Inspire process, we support our customers in bringing new ideas to production by developing software solutions, using next-gen technologies. This takes place in the Build phase of the go-to-market model, which is largely executed in the form of development "sprints", often through agile "Scrum" development processes. The "Scrum" framework for software development includes frequent customer touch-points and a string of smaller development phases to ensure that development is constantly refined and that all parties involved in the development process are aligned on shared goals. Each smaller development phase is known as a sprint and each sprint typically lasts two to four weeks. At the end of each sprint, our teams present the outcomes of the sprint to the customer. Subsequently, we set new goals together with the customer for the following sprint. These sprints continue throughout the execution phase and conclude with the finalization of the product. We consider an agile software development process to be instrumental for developing novel solutions, applying next-gen technology and an effective means of meeting customer expectations and mitigating development risks.

The Build phase most often takes place after the Inspire workshops, where we, together with the customer, have already developed a functioning prototype or at least a strategic roadmap. Then, we are often asked to develop a fully featured solution. We estimate that the conversion rate from customer-specific Inspire workshops through to the Build phase has been approximately 70%. Based on close collaboration with the customer, we develop tailor-made software solutions, often including standard components, open source components and components owned by Trifork. The agile nature of the working process enables us to deliver bespoke software and fully functional systems in three to six months. We offer product development solutions, mobile first solutions, SAP solutions, design and migration as well as cloud-based operations, application development and testing, focusing on design and user experience.

Run

Generally, once the Build phase has been completed and a solution implemented, Trifork offers to operate and maintain the product solution over time. Where we enter into a service agreement like this, we continuously update and upgrade customers' platforms with the newest technology, keeping the solutions we have developed up-to-date. We always strive to ensure recurring business with our customers. Alternatively, where we have developed a cloud operation solution, we will offer to manage and potentially also host, the customer's private, public or hybrid cloud systems. Trifork has established recognized re-seller relationships/strategic partnerships with all of the major global public cloud platforms, including Google Cloud, Amazon Web Services and Microsoft Azure. In addition, with the acquisition of Netic A/S in 2016, Trifork acquired capabilities in cloud strategy consulting. Our products are typically developed so as to be agnostic between public and private clouds, which ensures a high degree of flexibility for our customers.

When a particular concept has been implemented a number of times for different customers, it becomes a candidate for Trifork's standard product portfolio. We will sometimes hold the IPR for such concepts, but different setups are agreed upon with customers from time to time. Generally, the revenue potential from Run grows as the number of such commoditized software products grows. Panteos is an example of a software product, which is a niche product in mortgage deed administration.



Business Areas

Trifork delivers its services across three distinct verticals (FinTech, Digital Health and Smart Building) and three megatrend-driven horizontals (Smart Enterprise, Cyber Protection and Cloud Operation).

Within the verticals, where we provide deep domain knowledge, and within the horizontals, where Trifork has attracted some of the best talent in the industry, we have created solutions for, and continuously assist, a number of blue-chip customers.

FinTech

VOCALINK mastercard

YOUNG

bankdata

Digital Health

xsana

GeriMedica

DANISH HEALTH DATA AUTHORITY

Smart Building

GRUNDFOS

kamstrup

Danfoss

Smart Enterprise

VIKING LIFE-SAVING EQUIPMENT

DANISH BUSINESS AUTHORITY

Vestas

Cyber Protection

Cyber Protection customers prefer to remain confidential

Cloud Operations

JYSK

University of Zurich UZH

AALBORG UNIVERSITY

FinTech

The FinTech Market

The FinTech market generally comprises of financial organizations, operating in regulated industries with complex technological requirements, including banks and insurance companies. Typical FinTech solutions include management of data from multiple systems, partners and users, while maintaining a high level of security and user-friendliness. IDC projects in the FinTech market within Trifork's core geographies are expected to grow at a CAGR of 8% from 2020 to 2024.

The financial industry in Europe has historically relied on legacy technology, such as ageing core systems, while being conservative in their digital ambitions. For the financial industry, however, modernization of legacy IT systems has in recent years become a key priority, which in turn is expected to drive growth for new and innovative solutions going forward. The current ambition in the industry is to drive efficiency, enhance customer experience, and reshape business models to cope with a declining interest rate environment.

In the banking industry, the entrance of new and innovative vendors has changed the playing field and enhanced customers' expectations with respect to digital and user-friendly solutions. Consumer banks now need to provide online and mobile solutions not just for core banking transactions, but also for person-to-person transfers, private banking and mobile payments. Similarly for insurance companies, digital transformation is becoming increasingly relevant as companies seek to implement systems that enhance customer experiences and enable a greater degree of self-service.

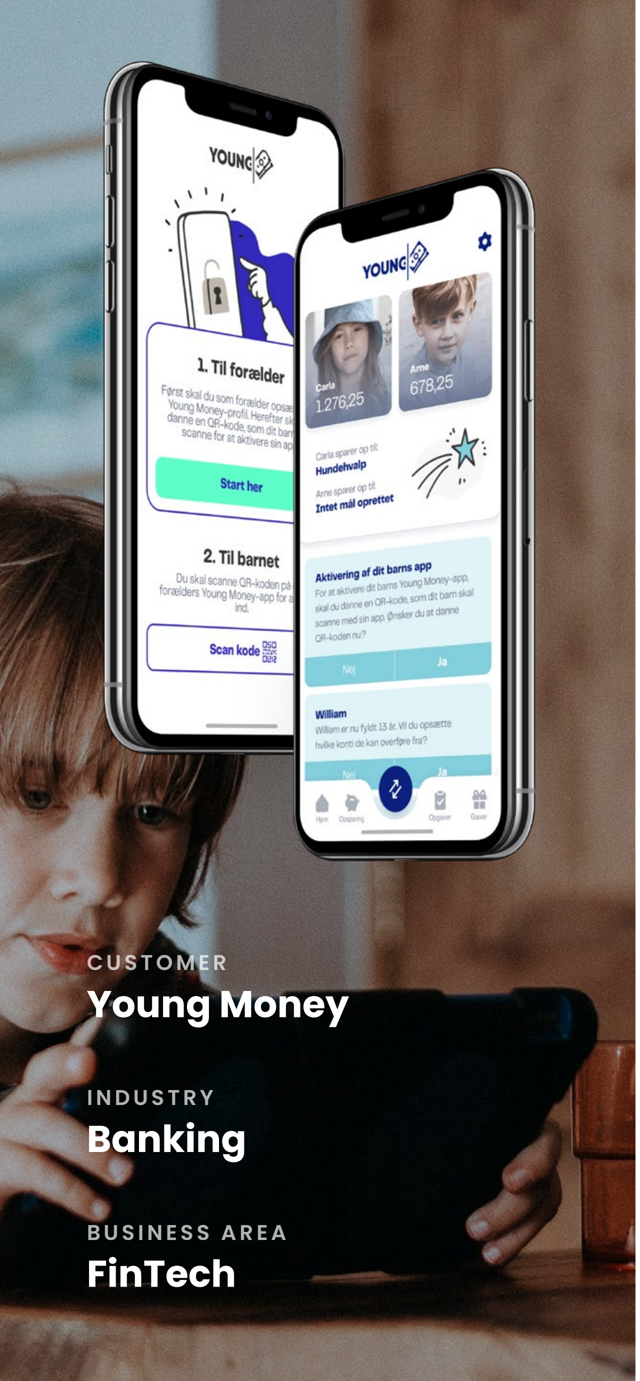
Our FinTech Business

We empower FinTech customers in their digital transformation journeys by building FinTech ecosystems, developing advance mobile payments to challenge established organizations, digitalizing transaction processes and bringing existing applications into the cloud. We strive to make FinTech companies ready for the next generation of technologies. With 15+ years of dedicated industry experience, Trifork has assisted various bank and non-bank customers in building novel solutions. Selected key customers include MobilePay and Klarna in the Nordics and VocaLink/Mastercard internationally.

Within the FinTech business area, we specifically focus on single-purpose solutions, financial institutions and cross-sector solutions. Single-purpose solutions are tailored in scope and seek to empower end-users with the latest innovations, for example, by leveraging existing data to simplify the user experience. Financial institution solutions focus on building digital eco-systems and platforms to reduce operating costs through automation and the use of machine learning and artificial intelligence. Lastly, cross-sector solutions focus on delivering scalable platforms for private to public initiatives, mitigating the increasing regulatory compliance burden on organizations operating within the FinTech business area.

STRATEGIC PRIORITIES

- Expanding vertically through investment in resources and new capabilities
- Focusing on partnerships and ecosystems
- Leveraging cross-selling and competencies with Nine
- Increasing productization of services and acquiring specialist products



CUSTOMER
Young Money

INDUSTRY
Banking

BUSINESS AREA
FinTech

spar Nord Nykredit Arbejdernes Landsbank

CASE STORY

Trifork co-creates leading digital banking universe for children and parents with major Danish banks

Background

In Denmark, citizens and residents can not get NemID, which you need to access existing digital solutions, until they are 15 years old. In 2017, Spar Nord saw an opportunity in the market to provide children earlier access to mobile banking, adapted to their needs.

Security competencies was the starting point for Trifork when we joined as technology partner in 2018. In 2019, Nykredit joined and became a co-owner of the solution and in 2020, Arbejdernes Landsbank joined too. This strong combination of domain knowledge by the banks and technical expertise from Trifork paved the way for a successful collaboration and winning solution.

Solution

Young Money is a digital solution available to all banks seeking to offer their family segment of customers a 100% parent-controlled digital and user-friendly money & savings universe for children. The overall goal is to help them learn about money and its value.

The app:

- Offers dual-interface for children under 18 and their parents
- Provides children a financial overview with easy access to their pocket money and helps them keep track of their own spending & savings goals
- Provides security to parents, who can monitor their children's spending and transfer money easily
- Provides a digital and paper solution for giftcards
- Ensures unique and easy onboarding using a QR code
- Is a sector solution to the NemID issue, as it offers children from age 7 access to their accounts via their parents' NemID
- Young Money will support the upcoming MitID solution

How do you develop a solution that is secure enough to be applied in the banking world?

There were many legal, technical, and security barriers that the team was up against. They applied Microsoft Azure KeyVault/Hardware Security Module, combined with Trifork developed cryptography, to enable a secure way of handling sensitive data.

Trifork redesigned the architecture to a cloud native application and moved the solution to Microsoft Azure Cloud, in order to allow easier implementation for future banks. This was accomplished in just four months. Young Money was one of the first customer centric solutions that used cloud technology. The security part of the app is based on Trifork Identity Manager, which links two phones together in a safe and secure way - via this platform, the migration to the upcoming national MitID in Denmark will be seamless.

"Young Money is a true end-to-end digital product, with a high degree of user customization. The co-creation across banks and a leading tech partner has delivered a great product in a very short time – I believe this could set standards for how we will work in the future."

Torsten Terp
CEO, Young Money and Head of Customer Engagement & Digital Innovation, Nykredit

Results

This new digital banking universe has opened up a world for children aged 7-17 and now gives banks the ability to offer a product that didn't exist before. The unique team set-up was the key to success – because despite the solution being created by three different organisations, it cultivated an environment of effective team work and true co-creation.

Arbejdernes Landsbank introduced Young Money in the first quarter of 2021 and the next bank will launch in Q2. More Danish banks are expected to join the Young Money universe in 2021.

35K+
active users

12.5K
transfers per month

4
banks

Digital Health

STRATEGIC PRIORITIES

- Growing business in Denmark with a focus on public sector projects, mobile solutions and new technologies
- Expanding presence in Switzerland through leveraging the existing team, forming new partnerships and acquisitions
- Strengthening alliance with Dawn Health with a view to offer products to large pharmaceutical players
- Growing outside the core business through penetration of new markets and productization

The Digital Health Market

The Digital Health market within our core geographies consists primarily of spending on digital solutions by governmental or government-sponsored institutions and pharmaceutical companies. Health care institutions handle large amounts of sensitive personal data, such as medical records, medicine prescriptions and doctor's appointments that need to be processed with the highest level of security and with due regard to applicable data protection rules and regulations. In the health care sector, data security and reliability are top priorities as security breaches, breakdowns or other interruptions could have significant adverse implications.

The Digital Health market is expected to grow at a CAGR of 9% from 2020 to 2024, according to IDC. The market growth is expected to be driven primarily by a demand for digitalization - an expectation which has been further strengthened by the outbreak of the Covid-19 pandemic. When Covid-19 reached Europe, the development of new digital solutions was accelerated to cope with the situation, resulting in a multitude of new solutions being introduced, such as remote consultancy and infection monitoring systems.

As an example, Trifork developed a telemedicine solution within a few weeks of the outbreak in Denmark, which enabled doctors and patients to continue consultations online through the My Doctor application.

Generally, digitalization in the health care sector is centered around enhancing efficiency and streamlining processes. Trifork has a long history of servicing health care institutions and has, for instance, contributed to digitalizing the sector in Denmark, in collaboration with the Danish Health Authority. Among other things, the Group develops and operates the nationwide shared medication record in Denmark, in addition to IoT-based systems and self-service solutions. The adoption of AI is also gaining popularity, with the aim of reducing the risk of human errors and enhancing the efficiency and precision of diagnostics.

Our Digital Health Business

We are committed to improving the life of patients and healthcare personnel. We build the software solutions necessary to enable digital health ecosystems, national healthcare IT infrastructures and technology-enabled decision support systems, without jeopardizing patient data, privacy or security. We have pioneered digital healthcare solutions by developing award winning cross-sector solutions, advanced digital assistants, clinical treatment support systems and life-science solutions. We operate in both the public sector across silos (for example, doctors, pharmacies, homecare and citizens) and in the private sector (for example, with multinational pharmaceutical companies).

Within the Digital Health business area, we specifically focus on cross-sector solutions, private hospital solutions, patient empowerment solutions and solutions within the life sciences sector. Cross-sector solutions include, for example, solutions that track an individual patient across the various components of a national healthcare system. Private hospital solutions include treatment support systems, including systems that enable physicians to improve patient treatment (for example, by reducing prescription errors and centralizing patient medical data) and hospitals to improve patient flow, while decreasing cost. Patient empowerment solutions include software applications permitting patients affected by chronic disease to take an active part in their treatment through self-monitoring devices and digital assistants, minimizing time in the hospital. Lastly, solutions targeting life sciences include everything from consumer products to MedTech devices.

INDUSTRY
Healthcare

BUSINESS AREA
Digital Health

CASE STORY

Trifork's role in Denmark's leading digital healthcare system

Forefront of digitization

Denmark is one of the most digitalized countries in the world with a solid IT infrastructure, and this has contributed to getting the nation through the corona crisis fairly gently.

With the development of several solutions, Trifork has supported Denmark's digital lead since the country closed down in the spring of 2020. The existing **My Doctor App** became a central tool for both citizens and GPs, and now has more than 1 million downloads. Virtual waiting rooms and video consultations were urgently developed and rolled out within weeks. On the whole, there has been enormous support and goodwill for the development and cooperation across public and private sectors.

The municipalities quickly saw the possibilities in video consultations, therefore the **Contact Doctor App** was also developed in the spring of 2020, so that citizens without NemID (secure digital login) could also get in virtual contact with their doctors, with the help of staff.

In addition, Trifork was responsible for handling sensitive personal data regarding Covid-19 test results in the **Danish Infection App**.

Tests and vaccines

In addition to developing systems that ensure access to data from all corners of the Danish healthcare system, Trifork has been involved in the development of several solutions that play a significant role in both the test and vaccination system.

Of all EU countries, Denmark was the fastest in getting citizens vaccinated, in relation to population size*. This is also due to Denmark's digital lead. Unlike many other EU countries, Denmark already had a vaccination register and it did not have to be developed first. As a supplier of **the Danish Vaccination Register (DDV)**, where the Danish Health Data Authority is the system owner and the Danish Institute for Infectious Disease (SSI - Statens Seruminstitut) is the data owner, Trifork played an important role in connection with the entire Covid-19 vaccination roll out effort.

In close collaboration with the Danish Health Data Authority and SSI in November 2020, Trifork further developed the Vaccination Register. Trifork is responsible for the technical support of establishing vaccination plans for those next on the Danish Health Data Authority's vaccination list, whereby invitations to citizens are sent out via e-Boks (Danish Secure Digital Post) or by physical letter.

A reporting module has also been developed in which vaccinators register the vaccinations submitted. This module was also developed in a short time and was launched on Christmas Eve 2020. Over Christmas, the first nursing home residents in Denmark were vaccinated and the systems stood the test of time.

There is ongoing monitoring of capacity so that the expectation of up to 400,000 vaccinations daily can be handled. Both operational monitoring and support around the systems are also performed by Trifork.

"The Danish Healthcare system is recognized as one of the leading European countries in terms of digitization. This has been invaluable to Denmark throughout the pandemic."

Lisbeth Nielsen
Director, Danish Health Data Authority

In the wake of the vaccines, there is a great need to document the vaccination status, in order for society to safely reopen. Trifork has therefore developed the integration between DDV and Sundhed.dk (the Danish Health Portal), so that citizens can download and print a Vaccination Passport.

It has proven invaluable that the Danish healthcare system is digitized at a completely different level than many other countries, but also that Denmark has an efficient and experienced public sector that will continue to deliver solutions at a high standard.

* Source: Our World in Data (January 19, 2021)

Smart Building

The Smart Building Market

The Smart Building market comprises of the organizations' investments in intelligent solutions with IoT technology as the backbone. Measured by money spent on IT and installation services, the largest application areas include smart grid, freight management, omni-channel operations and smart building/smart home solutions.

The markets are driven by a desire to reduce the environmental footprint while increasing efficiency, reducing costs and improving customer experiences. The Danish market is expected to exhibit particularly high demand for Smart Building solutions in the years to come.

Service capabilities are an increasingly decisive factor when customers choose an IoT provider as integration with existing systems is paramount. In addition to integration, service providers need to have capabilities in data management and analytics. These essential elements of IoT solutions are difficult for organizations to master, relying solely on in-house IT resources, given the need for highly specialized personnel and technical knowledge. Trifork has developed innovative solutions to address these essential needs and has among other solutions, built private cloud solutions to handle secure connections to several thousand IoT devices.

Our Smart Building Business

We aim to fulfil the need for technological solutions supporting smart buildings and smart factories, thereby actively contributing towards CO2 neutral ambitions and a growing demand for frictionless user interaction and digital connection with the physical world. Open networks, connectivity, relationships with inventors of building components, resource providers (such as power and water utilities) and an intuitive user experience are key elements of the demand for smarter solutions.

Within the Smart Building business area, we assist our customers in creating intuitive and engaging user experiences and securely bridging IoT ecosystems to our customers' existing digital offerings.

Our customers in the Smart Building business area benefit from Trifork's data-driven innovation, for example, where we have implemented securely-bridged digital twins in the cloud in combination with edge computing and artificial intelligence. Trifork believes that open application programming interfaces (APIs), facilitating communications across systems, are advantageous.

We often take responsibility for all hardware and software components included in our Smart Building product offerings.

Through our IoT vendor relationships, we run more than 200,000 active smart devices worldwide and support the operations of these devices via public cloud or on-premises networks.

STRATEGIC PRIORITIES

- Increasing focus on Smart Factory concepts to increase revenue from existing customers
- Deeper penetration of existing markets by marketing existing product offerings
- Creating a new Smart Building business unit in Spain
- Growing outside the existing geographies with a focus on Germany

CUSTOMER
Semco Maritime

INDUSTRY
Offshore

BUSINESS AREA
Smart building

CASE STORY

Smart AI asset management for automatic corrosion detection

Background

Semco Maritime is one of the leading partners in the offshore industry in both Wind and Oil & Gas.

Semco has an Innovation & Digitalization department that works heavily on facilitating innovative developments and improving their product and service portfolio through digitalization.

From this initiative, "Automatic Corrosion Management" was born. Trifork played a big role in technically validating the idea and worked closely with Semco to find a solution that was economically feasible for a Proof of Concept (POC). Semco's overall goal is to also help their customers lower maintenance costs and operating expenses, while simultaneously extend the lifetime of their assets.

Challenge

Offshore environments are extremely tough – assets are typically exposed to very harsh weather conditions as well as the changing tides and the various strengths of waves. This means that everything from steel to aluminium corrodes and rusts.

Furthermore, sending technicians out to identify and monitor corrosion is very costly, and it is only possible a few months a year, as the weather is too jarring for any kind of repairs on offshore assets in the autumn and winter.

As a result, technicians will have needed to identify and locate the corrosion by summertime and initiate planning and repairs immediately, as small unplanned breakdowns can be very costly. If severe damages require a shutdown of the asset as well as onshore repairs, the costs are in the millions.

Solution

Based on Semco's idea, Trifork helped create a solution to identify corrosion using Machine Learning (ML) and to monitor the asset in close to real-time.

For the POC, we developed a system that aids in identifying corrosion using images and we used the Google Cloud ML service to implement the solution as well as Google Cloud's labelling service to do annotations.

ML is primarily used for corrosion detection, while a management tool is utilised to gain an overview of the rig, allowing technicians to navigate the 3D environment, where they can then identify the corrosion and plan the preparations beforehand. The solution:

- Detects corrosion and visually marks areas in a 3D scan with exact coordinates
- Automatically generates a corrosion report
- Helps manage the corrosion – from inspection to repair & quality control

Results

Semco and Trifork succeeded in getting one step closer to a fully automated corrosion management system. The project has gained interest from the wind industry and automatic corrosion detection will now also take place on "Offshore Wind" – a project that was granted funding from the EU's regional fund. Similarly, the project won "Product Innovation of the Year 2020" at the German Renewable Awards.

"We were surprised to find such a serious collaboration partner in Esbjerg. It was really good to have the Trifork team based so locally, and who could quickly understand and execute on our needs. Their flexibility of bringing experts together from elsewhere to collaborate on the project also worked very well for us."

Alexia Jacobsen
Head of Innovation, Semco Maritime

Trifork takes great pride in being a long-term technology partner for Semco Maritime, and we continue to work with them on various IoT and Microsoft Azure Cloud Service solutions.

Smart Enterprise

STRATEGIC PRIORITIES

- Growing and expanding on core geographies and additional growth in Sweden and Spain through the creation of new business units
- Increasing revenue share of 'Run' business
- Developing relevant products for existing customers by leveraging partnerships
- Growth through acquisitions, primarily in Switzerland, the Netherlands and the UK

The Smart Enterprise Market

The Smart Enterprise market comprises of the organizations' IT and services spending on Smart Enterprise software, which includes mobility and AI solutions. Organizations invest in enterprise software to optimize, streamline and automate business processes that have been managed across multiple isolated systems in the past or even by pen and paper. In addition, the Smart Enterprise market extends to the demand for transformation of ERP systems and other processes into user-friendly solutions.

Trifork has broad experience within this market and has, for instance, assisted Banedanmark (who are responsible for the maintenance and traffic control of the Danish railway network) in developing a digital tool for their field workers and administrative personnel, where paper-based processes were replaced by iPads, GPS, Siri and automatic validation of data. The market for Smart Enterprise solutions is expected to grow with the highest ratios in Switzerland.

Growth in the Smart Enterprise market is expected to be driven primarily by expanding use cases for enterprise systems, in addition to the introduction of new technologies for which optimal use may require external IT services. The expansion in use cases is driven in turn by an increasing ability and motivation to create enterprise systems that are fully mobile. As blue-collar and field workers do not typically have permanent access to computers, mobile applications are increasingly used to reach and interact with this key part of the work force, and the industries employing such workers are thus becoming part of the addressable market.

In addition, the use cases for enterprise systems are expanded as employees have started working from home more frequently. As access to high-speed data at home is becoming more common, the physical boundaries of the workplace have blurred, which is a trend that has been accelerated by the Covid-19 outbreak. Consequently, more users now require application access from home, and systems must accommodate remote access going forward.

Rapid technological development in recent years is another significant driver of growth in the Smart Enterprise market. The market has seen advances in the use of artificial intelligence, and many systems are now available using cloud technology. However, utilizing such services can be very complex and requires skills that most organizations do not have internally, thus increasing the demand for third party services, not only for the development of such systems, but for their ongoing operation and maintenance too.

Our Smart Enterprise Business

In the Smart Enterprise business area, we seek to facilitate revolutionary user experiences for our customers through user-centric solutions, most often developed through Trifork's re-seller relationships/strategic partnerships with SAP and Apple.

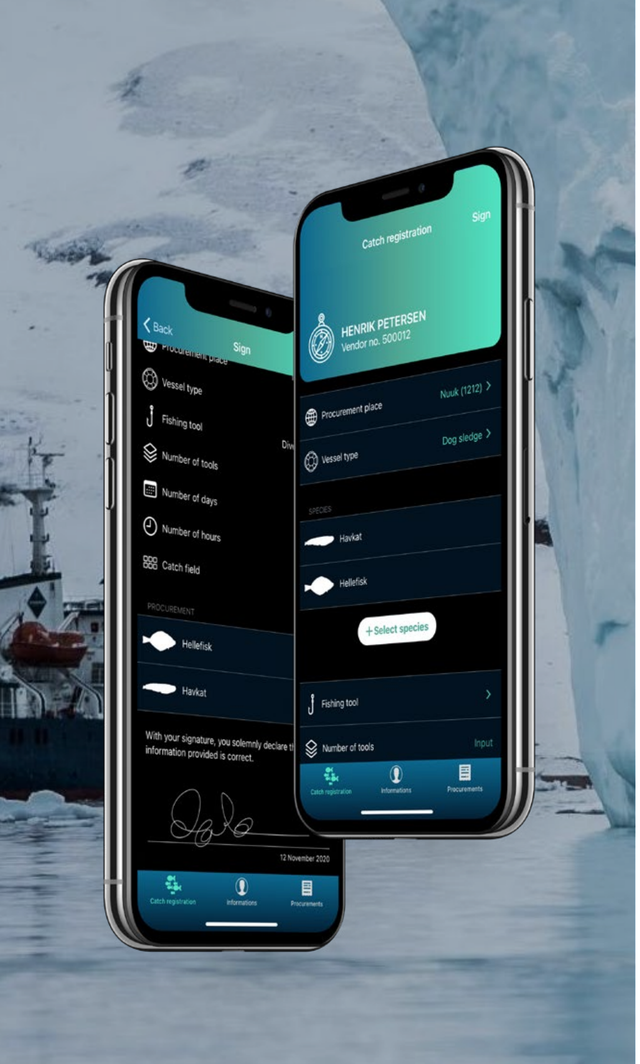
Smart enterprise software can permit organizations to gain competitive advantages, for example, by allowing enterprise process optimization. Within the Smart Enterprise business area, we help our customers implement new technologies and mobilize standard ERP systems, fostering improved workflows and user experiences. Our teams help customers throughout the entire process from design to development, and from implementation to operations, by leveraging the SAP Cloud Platform to deliver and support digitalized enterprise.

Furthermore, we are one of six companies in the world that Apple has selected to support its focus on "fast start" apps to the enterprise segment.

CUSTOMER
Royal Greenland

INDUSTRY
Fishing

BUSINESS AREA
Smart Enterprise



CASE STORY

Documenting sustainable fishing with user-friendly iOS apps

Challenge

In Greenland, 2,200 independent fishermen in small boats make a living from line-catching fish in a truly sustainable way. While Royal Greenland has made great strides to support sustainable fishing and continuously improve conditions for the local fishermen that supply Royal Greenland, they have been searching for ways of optimizing the process of documenting compliance with governmental requirements – on boats as well as at the procurement locations – in part to make it easier for the fishermen to obtain the highly coveted MSC (Marine Stewardship Council) certification of the applicable part of the catch.

Solution

Royal Greenland has created a digital solution that transforms pen and paper processes into purely digital transactions. The solution is a highly intuitive and user-friendly iOS based native app for iPhone that enables fishermen to submit their catch data fast and easy, even with limited smartphone experience through an extended use of pictograms.

To support the circular flow of data between the fishermen and Royal Greenland, two additional apps have been launched for data entry and approvals by staff at the procurement locations.

The maintenance and full monitoring of the business-critical applications is covered by Trifork Smart Enterprise. Royal Greenland hereby ensures that the applications are compatible with new versions of iOS, and that new planned features are launched as part of a set budget – giving Royal Greenland the complete overview of their total cost of ownership.

Results

The solution has succeeded in solidifying Royal Greenland's supplier relationship with the local fishermen and in streamlining the entire procurement process. With their end users as the focal point, Royal Greenland harvests business optimization benefits through digital transformation:

- increase documented quality of goods
- full compliance with governmental regulations
- optimize time spent on registration
- protection of digital signatures by Apple privacy settings
- improve pricing through MSC certifications
- build loyalty amongst local fishermen
- perfect match between staff allocation and incoming amounts of fish at procurement locations
- create strong market position

"With these groundbreaking apps, Royal Greenland strengthen our supplier loyalty, optimize internal processes and help local fishermen prove that they fulfill the sustainability requirements that allow them to obtain higher price for their catch."

Lars Bo Hassinggaard
Corporate IT Manager, Royal Greenland

Tech

The foundation for the entire app suite is the SAP Cloud Platform (Cloud Foundry). For the native iOS apps, SAP Cloud Mobile Services provides offline capabilities, push notifications, authentication, device registration, logging, etc. For the web app, the latest Angular technology and Material Design framework is used, and it integrates with data in HANA like the iOS apps as well as the SAP backend.

2.2K
fishermen

70K
purchase orders annually

DKK 4B
worth of fish annually

Cyber Protection

STRATEGIC PRIORITIES

- Focusing sales resources on top 200 to 1,000 customers in Denmark
- Target larger customers by leveraging partnerships
- Developing "Analytics-as-a-Service" concept further
- Growth through acquisitions to add competencies and create stronger position in market

The Cyber Protection Market

The Cyber Protection market consists of the organizations' spending on software and service solutions that prevent or limit malicious cyber threats imposed by criminal organizations, among other bad actors. IT security remains a top priority for organizations and is gradually perceived as a business enabler that creates the foundation for trust in a digital economy. Typical offerings within the market include managed security services that accommodate skill shortage in organizations, secure log collection, and general consulting with organizations on their security strategies. The Cyber Protection market within the core geographies is expected to grow, driven by an increasing threat level in combination with a skill shortage within organizations.

For organizations, cyber security is no longer about only protecting the integrity of systems infrastructure and applications, but extends to protecting the organization from loss of data residing on numerous devices, in different clouds and even on premises. Despite measures being taken to prevent cyber attacks, security breaches do happen and being able to identify, analyze and remedy breaches is at least as important as minimizing the risk of a breach. The growing cost of security breaches combined with the increased sophistication of attacks and continuous expansion of threat vectors has resulted in a skill and resource shortage in many organizations, which drives the Cyber Protection market towards outside service providers. Trifork has broad expertise within this field, and has among other customers, assisted a Danish organization with a security gap analysis. The analysis identified areas of improvement from a security perspective that was turned into an investment plan with initiatives and technologies that could resolve the security fragilities. Trifork then assisted with the implementation of the investment plan.

Our Cyber Protection Business

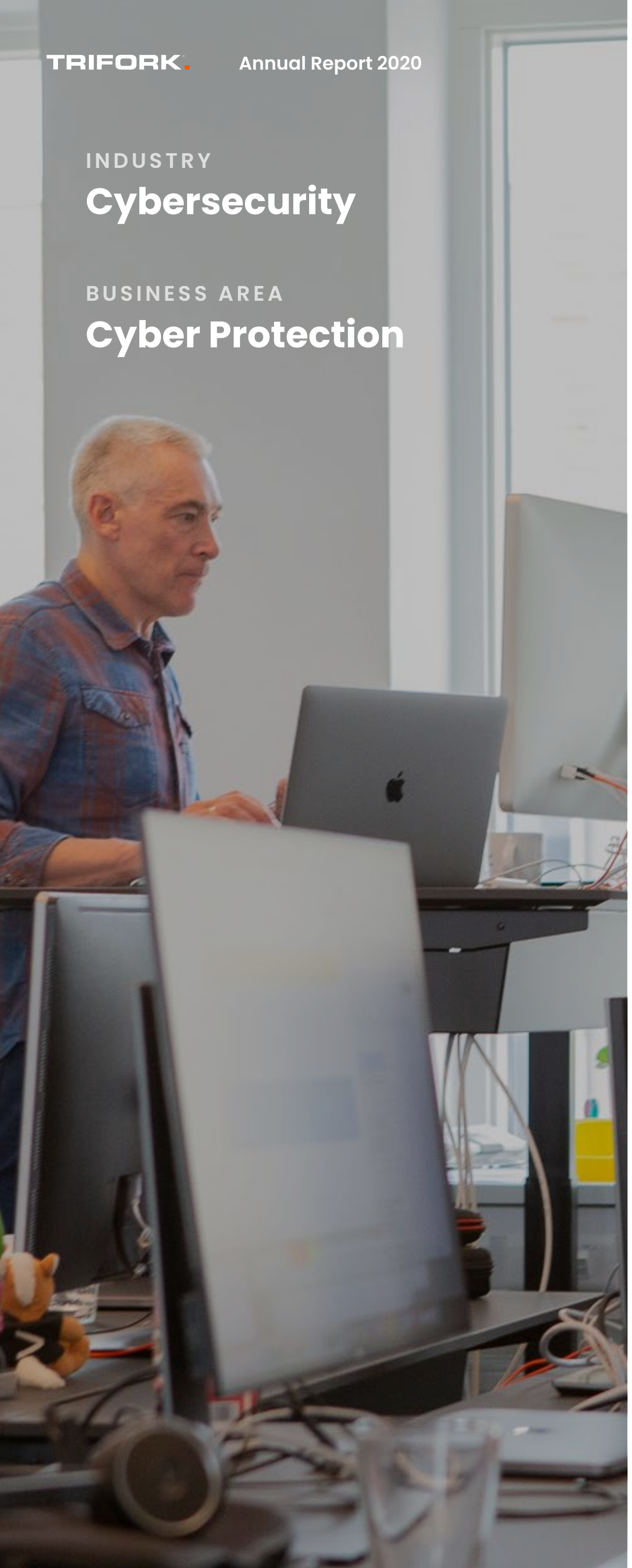
We seek to ensure that customer data is accessible, confidential, reliable and secured, while minimizing the risk of security breaches. Specifically, we seek to bridge the gap between governance and technology, ensuring that our customers are in control of their data.

Within the Cyber Protection business area, we target both public and private customers. Our offering ranges from initial security consultancy, log management, big data analytics, secure system and infrastructure design to full scale Security Operation Centers (SOC).

We operate a 24/7 staffed and operational SOC to provide security-as-a-service. Our ability to capture and decode high-speed data traffic, handle big data, and implement machine learning is a key differentiator for us within the cyber security market.

In recent years, we have moved up the value chain, moving away from acting as a component supplier delivering one-off solutions to becoming a full-service security provider. This allows us to target all sectors within the Cyber Protection business area.

Due to the nature of the solutions we offer, it is required that we maintain a high degree of confidentiality with respect to the identity of our customers and their operational needs.



INDUSTRY

Cybersecurity

BUSINESS AREA

Cyber Protection

CASE STORY

Netic establishes round the clock Security Operations Center to offer customers Managed Security Services

Netic Security & Analytics was established in 2018 as an independent business unit within Netic, with the aim of offering customers managed services within security and data analytics, and the objective of conquering substantial market share within these areas.

Since its establishment, Netic Security & Analytics has grown both in revenue and in number of employees, which in turn has led to an increase in scope of the services offered.

Partnership with IBM

In early 2019, Netic and IBM agreed to form a partnership centered around IBM security software and Netic's competencies on security services in general.

"IBM's visions for Cyber Protection match our own. On top of that, their global experience working with security partners has been a great catalyst for us to develop and expand on our managed security offerings to Danish customers."

Karsten Thygesen
CTO & Head of Security & Analytics, Netic

One of the aims of this partnership was to establish an around the clock Security Operations Center (SOC) in Netic, based on IBM security software and of course to grow Netic's revenue for the Security & Analytics business unit.

These goals were achieved in 2020 with the establishment of the Netic SOC and the milestone of an annual revenue of DKK 50 million.

On top of that, in October 2020, IBM awarded Netic "Outstanding Security Partner 2020" for the Nordic region.

"Netic's strong security and project management competencies have contributed to Netics winning several new and large contracts within IBM Security. A fantastic partnership."

Ulla Theil
Business Partner & ECO Systems
Director, IBM Denmark

The award was underlined by the fact that Netic managed to secure the largest deal for IBM Security in the EMEA region in 2020, selling IBM security software to an undisclosed Danish Government customer.

Managed services sets the stage for further growth

Going into 2021, Netic, as the Trifork Cyber Protection business unit, is set to increase both in terms of employed security consultants and revenue. The strategy is to increase market share with managed security services and to position Netic as a trusted partner for our customers across verticals within security, as Netic already is a trusted partner in the field of application operations.

The means to do just that are in place. A highly skilled team of dedicated security experts and a very strong sales pipeline together serve as the foundations for continued growth of the Trifork Cyber Protection business area.

Cloud Operations

The Cloud Operations Market

The Cloud Operations market comprises of the companies' spending on both public and private cloud initiatives. Cloud is becoming the standard deployment model for both applications and infrastructure across Europe, to bring greater flexibility and efficiency to organizations' IT infrastructure.

This development is exemplified by the European Commission's Digital Strategy, which sets a vision for a digitally transformed, user-focused and data-driven administration by 2022, in which cloud computing serves as a key enabler. Besides attending to its own strategic ambitions, the European Commission has actively promoted cloud computing to organizations and public administrations since the first European Cloud Computing Strategy in 2012.

The Cloud Operations market is heavily influenced by developments in the public cloud market, which is associated with three main vendors. However, as recent EU privacy regulations have been pushing more companies to private cloud environments, the significance of the private cloud as a driver in the market has increased. At the same time, the requirements for the technical capabilities of IT service providers and the products they deliver have increased. To cope with the changing regulatory landscape and the demand for solutions that are flexible and capable of being migrated from local storage to private or public cloud and vice versa, we have turned to developing solutions that are agnostic between cloud environments. We have also developed new applications that are cloud-native, even if they are to be implemented locally in the first instance, allowing for a potential move to cloud-based infrastructure in the future.

As more companies bring solutions into the cloud, the need for cloud services grows. Such services typically entail integration with a patchwork of existing applications and systems, while legacy applications need to be cloud enabled. Development of new cloud applications exceeds the capabilities of most in-house IT departments, and with the introduction of multiple cloud environments, the need for external IT services has increased.

Our Cloud Operations Business

Our ambition in the Cloud Operations business area is to improve the everyday lives of developers in our customers' organizations by advising, educating, designing, implementing, and running cloud-based solutions that suit each individual organization. We have a pragmatic approach to cloud technology, and our product offering spans from data storage on-premises to multi- and hybrid cloud solutions as well as public cloud solutions (where we work with all of the major global public cloud platforms: Amazon (AWS), Microsoft (Azure) and Google (Google Cloud Platform).

Our products are typically developed so as to be agnostic between public and private clouds, which ensures a high degree of flexibility for our customers. Our services range from advising and designing infrastructure solutions, to implementing and maintaining complete cloud-based solutions.

We assist our customers' decision-making on the most appropriate cloud solutions, balancing innovation while minimizing total cost. As a result of our experience with Google Cloud, we have established a close working relationship with Google.

STRATEGIC PRIORITIES

- Increasing complex and hybrid market position in Denmark by using productized solutions
- Expanding on-premise clouds, focusing on a new platform and Netic datacenter
- Building new and strengthening existing partnerships
- International growth using dedicated KAM resources and potential M&A opportunities

CUSTOMER

Nederlandse Loterij

INDUSTRY

Lottery

BUSINESS AREA

Cloud Operations

CASE STORY

Nederlandse Loterij and Trifork - a winning ticket for tomorrow's challenges

Background

In 2017, Nederlandse Loterij (the national lottery and sports betting operator in the Netherlands) decided to change from a primarily single-vendor software solution, to a best-of-breed landscape, in which the different aspects of their business are supported by systems from multiple vendors.

This both reduces vendor lock-in and enables the organisation to adapt more rapidly to the changing requirements and future possibilities in the Dutch market for online betting and gaming. This decision, however, presents a challenge in terms of integrating these different back-end systems and Nederlandse Loterij's's different clients (game-specific websites and mobile apps, customer services, in-lane solutions, etc.) in a way that ensures the overall platform is robust, scalable and resilient to changes in the individual systems.

Solution

Using an agile approach, Trifork is building a gateway that is based on a cloud-native architecture and a suite of microservices is deployed to Amazon Web Services (AWS).

This infrastructure is completely configured through software. As a result, new environments can be stood up and updated quickly and reliably without manual steps. Build pipelines ensure that deploying a new release to every environment can be performed with a single click. Services are decoupled and can therefore be scaled individually and on-demand.

The system applies observability best practices to ensure that everything can be monitored and measured. By defining its own APIs, the Gateway clients are decoupled from the implementation details of the various backends involved in the lotteries operations.

In 2019, Trifork started a second project for Nederlandse Loterij: to build a new subscriptions backend, responsible for collections, billing and provisioning of tickets for subscription-based players.

"Trifork's Gateway solution has been vital in enabling the move to an integrated best-of-breed IT infrastructure. As a result, we've gained full insight into the performance of all systems involved, and new partners and services can be onboarded quickly and reliably."

Arjen Aggenbach
IT Architect, Nederlandse Loterij

Results

Over the last three years, the Gateway has helped the migration to the new central lottery system by providing its own APIs, which mostly remained unchanged while the new system was rolled out for each game.

In this process, the Gateway assumed many new responsibilities, like orchestrating calls between the player account management system and the central system. This way, clients like websites, mobile apps, and in-lane solutions were able to use the new backends with minimum effort, leaving all the implementation details to the Gateway.

In 2020, the new subscriptions system that Trifork built was put into production for the first games, ensuring business continuity as games were brought onto the new platform.

In the first half of 2021, the final game, Staatsloterij - by far the biggest and most complex game - was launched on the platform, completing the original project.

Trifork Labs & Investments

The objective of Trifork Labs is to lead the venture-financed research and development (R&D) activities of the Trifork Group.

For more than 20 years, Trifork has been active in founding and investing in tech start-ups that develop innovative software solutions. In the process of working with start-up companies, Trifork gains valuable know-how from their technological development, ensuring that it becomes familiar with emerging disruptive technologies at an early stage.

Trifork Labs investments are determined based on three well-defined investment criteria: first, the target must be a software product company that invents new technology. Second, the investment should build technology to support the Inspire, Build, or Run part of the go-to-market model. Finally, investments are evaluated based on their potential to become a strategic partner to Trifork and potential synergies that can be expected from the investment.

www.axoniq.io

AxonIQ B.V. (21.5%)

In 2017, Trifork co-founded the company, AxonIQ, with Jeroen Speekenbrink (CEO) and Allard Bujize (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.

As of 2020, the Axon Framework has more than 6 million unique downloads, adding about 230.000 every month and is continuously growing.

Organizations like Standard Chartered Bank, Lidl, Toyota, Ford, IBM and Tech Mahindra as well as the Dutch, Belgian, US and Norwegian governments trust AxonIQ and use their products.

CEO Jeroen Speekenbrink

AxonIQ

www.humio.com

Humio Ltd. (20.3%)

Trifork co-founded the company Humio in the beginning of 2016 with the focus of 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 December 2020, Trifork signed an agreement to exit all our shares in Humio. Despite the exit, we will continue to resell and use Humio in many of our customer solutions.

CEO Geeta Schmidt

humio

Trifork Labs & Investments

Trifork's main focus in these investments is to support the R&D and our intention is not to function as an incubator or investment fund.

Trifork Labs has historically generated positive financial results. Since 2016, Trifork Labs has generated positive gain on financial assets of EURm 81, as measured by the aggregate realized and unrealized gains less Trifork's cost in respect to its active investments.

ExSeed Health Ltd. (21.9%)

www.exseedhealth.com

Trifork co-founded ExSeed Health in 2017 with Morten G. Ulsted as CEO & co-founder, who has a background from Novo Nordisk's Leadership Development program, and Emil Andersen as 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 in 2020 started throughout all of Europe as direct sales and sale through partners.

CEO Morten G. Ulsted

exseed®

Verica Inc. (2.6%)

www.verica.io

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 and want to follow this development from the front row.

Casey Rosenthal and Aaron Rinehart founded Verica in November 2018 and in 2019, Trifork participated in an early stage investment in the company. Already in 2020, the company closed an investment with a major capital increase.

CEO Casey Rosenthal

VERICA

Programmable Infrastructure Solutions (24%)
Cloud Migration and solutions

C4Media (9.8%)
Online communication

EDIA (17.4%)
AI in language processing

ReQbo (19.4%)
AI system for eliminating preasure ulcers

TestLab (16%)
Prototype and remote user testing

Beem International Sarl (6.7%)
Employee communication

XCI (22.2%)
Cyber protection

Implantica Mediswiss (0.1%)
Medical implants

Atomist (0.2%)
Tools for program developing process

Youandx (4.3%)
Speaker screening and validation

MarsOne (5.7%)
Human settlement on Mars

TSBOne (39.1%)
Smart Building innovation

Dawn Labs (49.9%)
Digital Health products

Firmnav (15%)
ML powered search engine

Upcycling Forum (17.8%)
Sustainability by reuse of building materials

Dryp
Water utilities with access to information

Arkyn Studios (48%)
FastStart apps for SAP

Kashet (1%)
Mobile first banking

Business model enablers

Trifork makes use of a differentiated setup, including five key business model enablers to continuously innovate and develop smart software solutions: i) Trifork Labs, ii) Teal organizational model, iii) Employees and group leadership, iv) Strategic and operational partnerships and v) Acquisitions.

Teal organization

Trifork is organized in a so-called Teal organizational model composed of business units that share a common corporate DNA, culture and philosophy. This setup enables Trifork to have a dynamic and scalable governance model that cultivates entrepreneurial spirit, innovation and collaboration. Within the six vertical and horizontal business areas, Trifork is organized in small business units of, ideally, 12 to 42 employees providing each business unit an informal and direct style of internal communication.

This setup allows for a flat organizational hierarchy where each individual is empowered to take ownership and responsibility. These agile organizational principles, applied by Trifork for more than 20 years, have recently been defined as the "Teal organizational model" by Frederic Laloux in his 2014 book, "Reinventing Organizations".

Employee base and group leadership

Trifork is constantly looking for new "best-in-class" employees that can inspire and be part of maintaining its competitiveness in the newest technologies. Our business model requires that our developers and architects have both a broad and deep knowledge in their field. Therefore, employees are carefully selected for the different teams within the organization. The majority of our employees come from well-recognized universities all over Europe. A shared value among the Trifork employees is their curiosity to learn and develop their competencies. An important part of our culture called the "Trifork DNA" is the tagline "Think Software."

All business units appoint a unit leader who is responsible for the growth of the unit, the wellbeing and development of the employees and the customer satisfaction level.

Business units are informally grouped into six clusters, matching Trifork's business areas, which are led by the respective Chief Commercial Officers (CCOs). The CCOs focus on customer product development activities in the pipeline, prioritization of future product development, M&A and strategy across business units. The CCOs form part of the overall leadership team together with Jacob Strange (CEO of Nine). The CCOs and the CEO of Nine report to Jørn Larsen (CEO) and Kristian Wulf-Andersen (CFO), who form the Executive Management of the Group.

Strategic and operational partnerships

Trifork has established operational partnerships with major technology companies and important Silicon Valley start-ups. Selected operational partnerships include Azure, Humio and AxonIQ. Working with the best partners is a key objective for us as it enables the full go-to-market model.

Selected strategic partnerships include partnerships with Apple, for example, in the Smart Enterprise business area where Trifork has supported Apple by assisting customers in the implementation of "fast start" apps; as well as Google Cloud and SAP, where Trifork has expertise in designing applications for ERP-systems based on SAP technology.

Acquisitions

Trifork's strategy is that its future growth should primarily be organic. Nevertheless, Trifork has historically supported organic growth through selected acquisitions and expects to continue to pursue new acquisitions on a targeted basis in order to expand and enhance its technical capabilities and balance its customer and revenue mix.

In general, Trifork's investment decisions are based on the following evaluation criteria:

- Global: Will the investment benefit Trifork's globalization
- Frontrunner: Is the company a first mover in the utilization of new technology or an expert in technology areas that could complement solutions being marketed by Trifork?
- Product business: Does the company have or is it developing products with a substantial scalable revenue potential?
- Business partner: Does the acquisition allow Trifork to obtain a competitive advantage or other synergies?
- Customer: Is the company an innovation partner that can help Trifork create loyal and strategic customers?

History and key events

Trifork was founded in Denmark in 1996. Between 2007 and 2014, Trifork shares were listed on Nasdaq Copenhagen. At the beginning of 2014, the headquarters was moved to Schindellegi, Switzerland, and Trifork Holding AG was established as the holding company of the Trifork Group. As part of this reorganization, Trifork was delisted from Nasdaq Copenhagen.

Trifork's milestones and entry into new markets have been supported by the following significant acquisitions:

In 2011, Trifork acquired a controlling stake in Erlang Solutions Ltd., headquartered in London, in order to expand Trifork's presence to Stockholm, London and Krakow and offer its customers end-to-end solutions in telecommunications, messaging, payment systems and process control.

In 2012, Trifork acquired Orangell, headquartered in Amsterdam. Orangell was renamed to Trifork right after the acquisition. The product offering complemented that of Trifork and enabled Trifork to expand in the Dutch market.

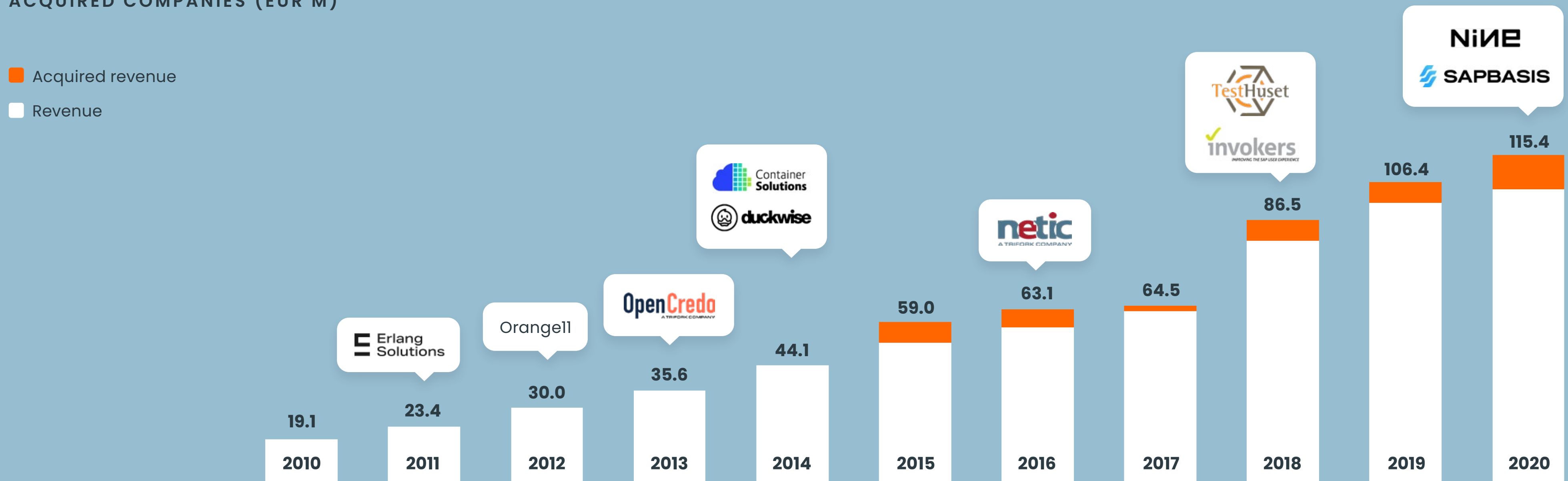
In 2015, Trifork acquired control of Open Credo Ltd. , headquartered in London, expanding the Trifork's footprint in the United Kingdom. Trifork acquired all remaining shares in 2016.

In 2016, Trifork acquired an 88% stake in Netic A/S, headquartered in Denmark. The acquisition enhanced Trifork's capacity to deliver ongoing operational support to its customers.

In 2018, Trifork acquired 51% of Invokers A/S, headquartered in Copenhagen, in order to kick-start the Trifork Smart Enterprise business area and give Trifork the ability to deliver solutions integrating SAP-backend with mobile front-end, and to increase focus on Design Thinking. In 2019, all remaining shares were acquired and the company was renamed to Trifork Smart Enterprise.

In 2020, Trifork acquired a 70% stake in Nine A/S, a Danish next-gen IT company, strengthening and anchoring Trifork's role as a provider of software development services to the Danish public sector, thereby increasing the diversity of the customer and revenue mix.

TRIFORK GROUP REVENUE & ACQUIRED COMPANIES (EUR M)



Covid-19

The Covid-19 pandemic and related counter-measures and restrictions imposed by governments including, business closures, travel restrictions and cancellations of gatherings and events, have materially impacted how Trifork conducts business and have affected the results of operations. In particular, Covid-19 has impacted Trifork in the following ways:

I physical GOTO conferences have been postponed and/or replaced by online events;

II virtual conferences, events, and other forms of virtual business development have been expanded;

III customers have put new software development activities on hold and

IV Trifork experienced reduced cash flows from operating activities

Trifork's Inspire segment was particularly affected by the Covid-19 pandemic. Revenue decreased compared to 2019 for the Inspire segment, as physical GOTO conferences could not be held and customers were willing to pay less for virtual conferences than for in-person events. Trifork made certain investments in the course of GOTO's pivot to virtual means of inspiring Trifork's customers and the broader software development community, including the GOTO YouTube channel, the GOTO book club, and virtual hosting software.

Trifork's Build and Run segments were also impacted by the Covid-19 pandemic, as certain temporary discounts were provided early on in the pandemic that had the effect of reducing the revenue in both segments, particularly in the second quarter of 2020. The Build segment was also affected by customers opting to defer product development activities. By the end of 2020, the activity level on most engagements were back to normal again.

At the same time, Covid-19 created opportunities for Trifork. For example, the Digital Health business area has seen significant growth as demand for digitalization rose. Trifork developed a telemedicine solution in Denmark within a few weeks of the outbreak of Covid-19, which enabled doctors and patients to continue consultations online through the MyDoctor app. Existing trends towards digitalization, and in particular the demand for next-gen technologies, continue to drive demand for Trifork's services and solutions, notwithstanding the impact of the Covid-19 pandemic.

Positively affected by the aforementioned factors, and disregarding the Inspire segment, the Trifork Group achieved an adjusted organic growth rate of 9.3% in 2020, highlighting the strong momentum in the business.

Case story on page 21

Trifork's role in Denmark's leading digital healthcare system

04

TRIFORK GROUP

Financial Reviews 2020

Trifork Group

Financial targets

EURm	03.2020	08.2020	Result
Revenue	115.0	115.0	115.4
Adjusted EBITDA	17.0	17.0	17.9

Financial statement

The management of the Trifork Group is satisfied with the results achieved in 2020.

When taking the economic impact of the Covid-19 pandemic impact into account, the growth in the Trifork segment revenue is in line with the expectations. EBITDA was also satisfying in most of our units and acceptable overall.

Trifork Labs outperformed the expectations with the successful exit of Humio Ltd. as highlight, with a total valuation of USDm 400 of the company. Further, there were new financing in two other Lab companies, of which Trifork partially exited in one of them.

The consolidated revenue for the Trifork Group was EURm 115.4, which is within the target range of the year. The EBITDA of EURm 17.9 was slightly above the original target.

Development in revenue

The Trifork Group revenue was EURm 115.4, which equals 8.4% growth compared to 2019, where EURm 106.4 was achieved. Adjusted for the deconsolidation of two business units in 2019, the growth rate amounts to 13.8%. This growth was in the low end of the company's ambition to obtain an annual 15-25% revenue growth, but considered acceptable in relation to the Covid-19 impacts.

Whereas the sub-segment Build grew 13.2% and Run 23.1% compared to 2019, the Inspire sub-segment with its conferences suffered from the pandemic and revenue decreased 75.8%.

Acquisitional growth reported in 2020 is for the period Jan-Dec from SAPBASIS ApS, Mar-Dec from Trifork Smart Device ApS and Sep-Dec for Nine A/S.

In 2020 none of the investments in Trifork Labs contributed 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 were substantial in 2020, this is not shown as an increasing activity in the Trifork Group.

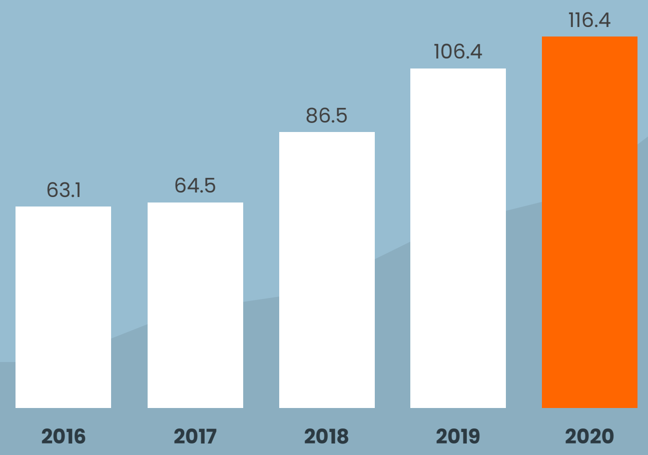
Origin of growth

In 2020, 18.5% of the adjusted growth was organic and 81.5% came from acquisitions.

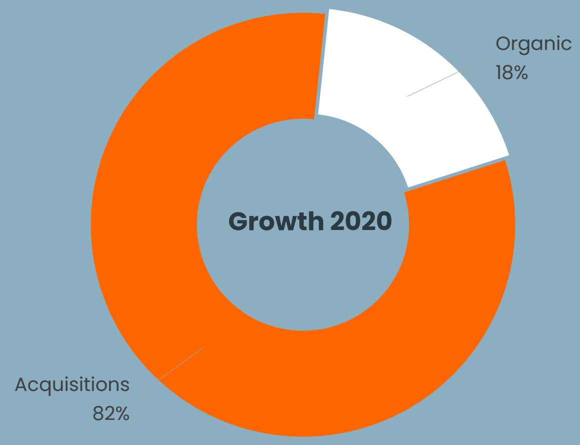
Trifork will continue to focus on growth of-revenue in Europe to strengthen the Trifork Group and make it more resillient. Activities in more markets reduce the overall risk exposure if one market shows poor performance and it also provides further business opportunities.

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

TRIFORK GROUP REVENUE (EURM)



ORIGIN OF GROWTH



Revenue divided into segments

The two overall segments in the Trifork Group are defined as Trifork and Trifork Labs. The external revenue in 2020 was divided in the following way (as no Trifork Labs investment is consolidated into Trifork Group, Trifork Labs does not contribute to the Group revenue).

Revenue (EURm)	**2020**	**2019**
Trifork	115.4	106.4
Trifork Labs	0.0	0.0
Trifork Group	**115.4**	**106.4**

Employees

In 2020, the Group grow organically but also by the acquisitions of SAPBASIS ApS, Trifork Smart Device ApS and Nine A/S. Both areas contributed to increase the average FTE reported for the Trifork Group.

End of 2020, the total number of employees within companies consolidated in the Trifork Group accounted to 828 compared to 691 end of 2019. Despite a revenue drop in the Inspire business, Trifork did not reduce the number of employees accordingly, on one hand in order to invest in alternatives, such as online conference, a new virtual book-club and our Youtube tech-channel and on the other hand also to be able to continue with physical conferences as soon as lock-downs related to Covid-19 allows for this.

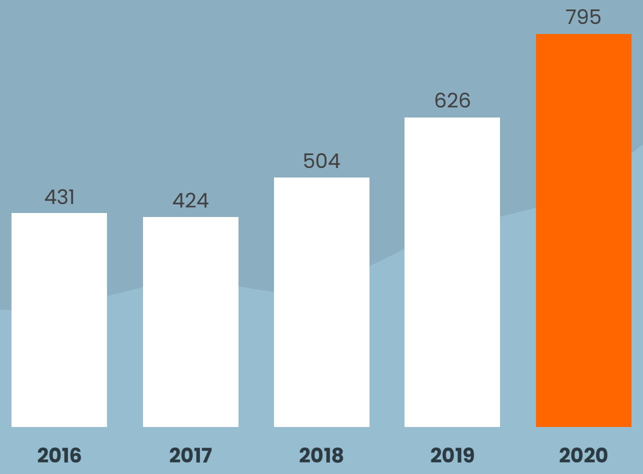
The average number of Full Time Employees (FTE) was calculated to 795 for 2020. This is an increase of 169 FTE compared to 2019.

Costs

The most significant cost in the Trifork Group is personnel costs. In 2020, total personnel costs were EURm 64.1 compared to EURm 55.8 in 2019. Personnel cost per employee has decreased by 9.5% compared to 2019. Main reason for the decrease is the larger scale through the acquisitions. Personnel costs as a proportion of revenue were a little higher in 2020 with 55.6% compared to 52.4% in 2019. The reason for this is primarily to be found in the decrease of revenue in the Inspire sub-segment. The future development in this KPI is estimated to be positive with a lower ratio, driven by resuming the conference business and an increased product based revenue in the Trifork segment.

Adjusted for the effects of deconsolidations, revenue has grown by 13.8% to EURm 115.4 from 2019 to 2020.

FULL TIME EMPLOYEES



Development in adjusted EBITDA

In 2020, the Trifork Group realized EURm 17.9 adjusted EBITDA*, an increase of 12.7% compared to 2019.

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

Adjusted EBITDA (EURm)	2020	2019
Trifork	20.2	16.5
Trifork Labs	-2.3	-0.6
Trifork Group	**17.9**	**15.9**

As with revenue the primary driver for EBITDA was the Trifork segment with EURm 20.2. This was a 22.5% growth compared to 2019 and equal to an 17.5% adjusted EBITDA-margin.

The negative EBITDA of EURm -2.3 represents all the cost of driving the Labs organization. This is seen as an expected result in relation to the nature of Trifork Labs. Part of the costs represent a variable cost element based on the achieved fair value increase.

Overall, the results obtained in 2020 correspond to an adjusted EBITDA margin of 15,5% compared to 14.9% in 2019. This development is considered satisfactory since the result in 2019 also included a positive one-off effect of EURm 3.1 from the deconsolidation of two business units.

Development in adjusted EBITA

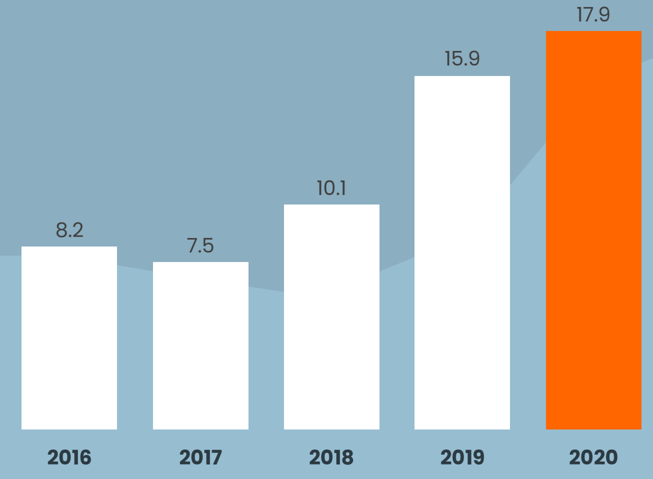
In 2020, the Trifork Group realized an adjusted EBITA* of EURm 11.2, which is a 5,0% increase compared to 2019, where EURm 10,7 was achieved. The 2020 adjusted EBITA equals an 9.7% adjusted EBITA-margin compared to 10.0% in 2019.

Adjusted EBITA (EURm)	2020	2019
Trifork	13.5	11.3
Trifork Labs	-2.3	-0.6
Trifork Group	**11.2**	**10.7**

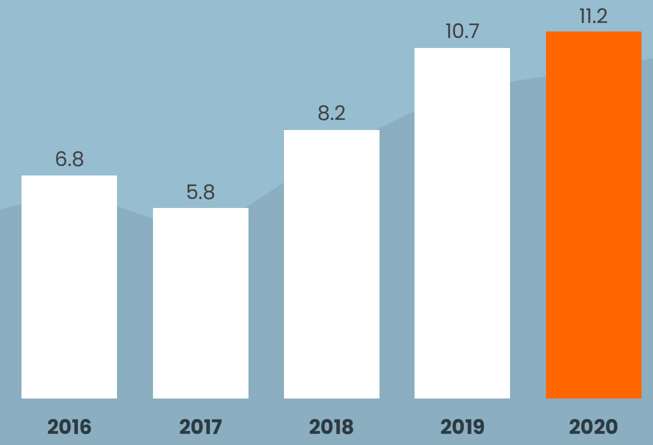
The analysis by EBITA eliminates the differences in lease accounting to other accounting frameworks that consider lease cost as operating expense (except for lease interest expense of EURm 0.5).

* adjusted for special items (IPO-preparation and one-off cost related to acquisitions)

TRIFORK GROUP ADJUSTED EBITDA (EURM)



TRIFORK GROUP ADJUSTED EBITA (EURM)



Development in adjusted EBIT

In 2020, the Trifork Group realized an EURm 7.9 adjusted EBIT* compared to EURm 8.5 in 2019. The decrease was driven by the additional cost included on EBITDA in Trifork Labs. The Trifork segment increased from EURm 9.1 to 10.2 equal to a 11.8% increase compared to 2019.

Adjusted EBIT (EURm)	**2020**	**2019**
Trifork	10.2	9.1
Trifork Labs	-2.3	-0.6
Trifork Group	**7.9**	**8.5**

The Trifork Group 2020 adjusted EBIT equals an adjusted EBIT-margin of 6.8% compared to 8.0% in 2019.

Despite an extraordinary impairment of EURm 0.2 depreciation, amortization and impairment were at the expected level.

Development in EBT

In 2020, the Trifork Group reached EURm 47.0 EBT (earnings before tax), which equals an increase of EURm 29.3 compared to 2019, where EURm 17.7 was realized.

EBT (EURm)	**2020**	**2019**
Trifork	7.9	8.7
Trifork Labs	39.1	9.0
Trifork Group	**47.0**	**17.7**

The 2020 financial result totaled EURm 40.6 compared to EURm 9.5 in 2019.

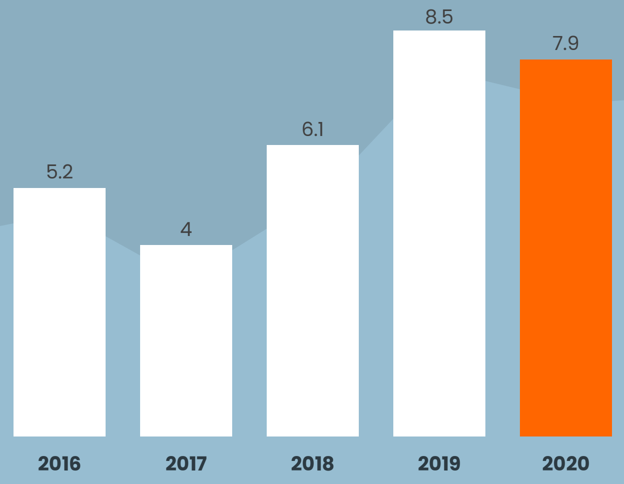
The main contributors in 2020 were

- Changes in fair-value valuations of investments of EURm 41.3 in Trifork Labs compared to EURm 9.5 in 2019. The exit of Humio Ltd. contributes for the significant part of the amount.
- Net interests on capital of EURm -1.3 compared to EURm -0.8 in 2019. The increase was primarily due to additional interest cost to acquisition loans.
- Fair value adjustments on contingent consideration liabilities of EURm 0.8.
- Positive net result of foreign exchange of EURm 0.6 in 2019 compared to EURm 0.0 in 2020.

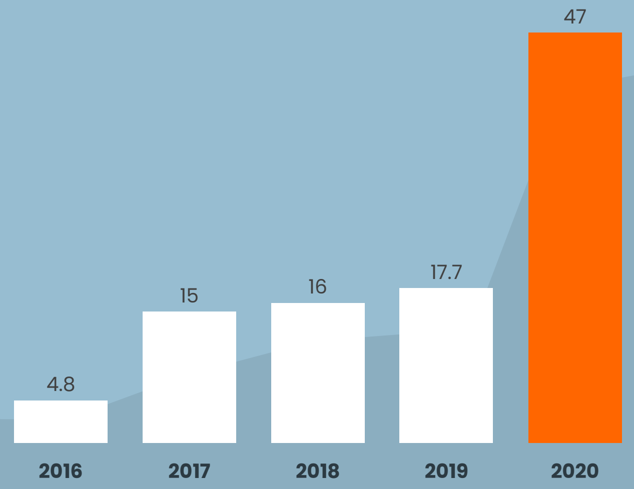
Management considers the earnings before tax for 2020 as very satisfying, compared to the EBIT result achieved.

* adjusted for special items (IPO-preparation and one-off cost related to acquisitions) and a one-off amortization on a purchased development project since this sets off against an equal gain in the financial result (earn-out liabilities)

TRIFORK GROUP ADJUSTED EBIT (EURM)



TRIFORK GROUP EBT (EURM)



Net income

In 2020, the Group net income totaled EURm 44.7, which equals an increase of EURm 28.4 compared to 2019, where EURm 16.3 was realized.

In 2020, EURm 1.4 of the profit belongs to non-controlling interests. In 2019, this was EURm 1.1.

The result corresponds to a EUR 2.33 earning per share.

Management considers this result satisfying.

The effective tax rate for the Group was 5.1% in 2020 and 7.9% in 2019. The low tax-rate is primarily due to the high relief on profit from investments in Trifork Labs and to a minor extend R&D credits in UK and NL.

The result gives a total 63.4% return on equity compared to 31.1% in 2019. Management considers this level very satisfactory.

Total comprehensive income

In 2020, total comprehensive income (TCI) ended at EURm 44.3 compared to EURm 15.9 in 2019.

The main contributor was

- Actuarial loss on pension liabilities of EURm 0.4

Balance and equity

TOTAL ASSETS

Total assets increased by 87.7% from EURm 122.1 as of 31 December 2019 to EURm 229.1 as of 31 December 2020.

The main contributors were

- Net change in fair-value of financial assets of EURm 43.3 in Trifork Labs investments
- EURm 57.7 of new assets acquired through business combinations of SAPBASIS ApS, Trifork Smart Device ApS and Nine A/S.

NON-CURRENT ASSETS

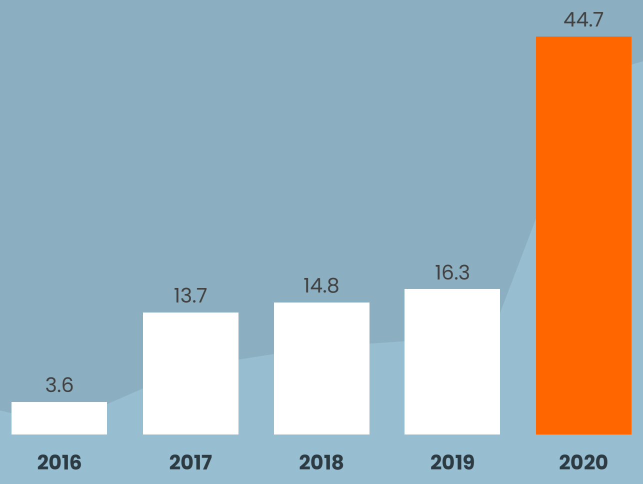
Non-current assets have seen a EURm 34.0 increase, the most significant reason for this being that described under "Total assets" above and the reclassition of the investment in Humio Ltd of EURm 56.1 to current assets.

Product development capitalized at the end of 2020 accounted for EURm 3.2 in total compared to EURm 3.6 as of end 2019. The decrease is mainly due to the fact that the development cost used on smaller products in 2020 has not been capitalized in the balance sheet. Further details are to be found in note 4.6 of the consolidated financial statements.

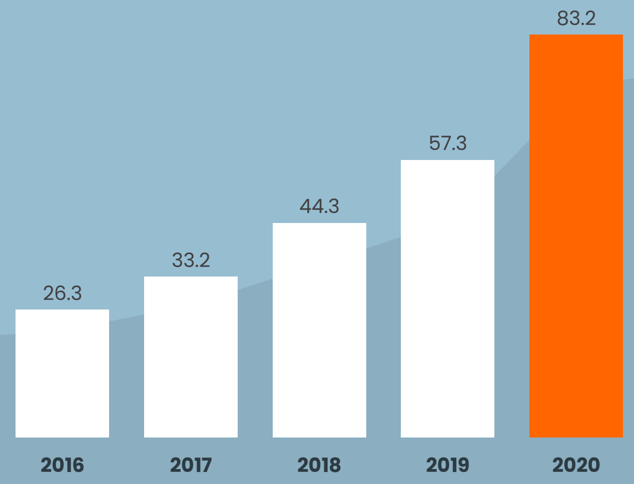
TREASURY SHARES

During the period, the Group has seen a significant decrease in the number of treasury shares compared to end of 2019. This is - amongst others - a result of using treasury shares as a mean of financing the acquisitions in SAPBASIS ApS and Nine A/S. End of 2020, the company held 31,093 treasury shares.

TRIFORK GROUP NET INCOME (EURM)



TRIFORK GROUP EQUITY (EURM)



SHAREHOLDERS' EQUITY

As of 31 December 2020, Group equity amounts to EURm 83.2, which is a 45.1% increase compared to end 2019 where the equity was EURm 57.3.

A total of EURm 2.7 of the shareholders' equity is allocated to non-controlling interests (NCI).

Equity ratio (excl. NCI) at the end of 2020 is 35.1% compared to 45.7% end of 2019.

Cash flow and investments

OPERATING ACTIVITIES

In 2020, net cash flows from operating activities amounted to EURm 17.8 compared to EURm 10.5 in 2019. This increase is mainly due to the effect from acquisitions and delayed payments of liabilities to Danish government institutions as they extended payment terms as part of Covid-19 support.

Trade receivables increased from EURm 20.2 in 2019 to 25.5 in 2020. Compared to total revenue for the year this is equal to a ratio of 21.9% compared to 19.0% in 2019. The target for the Group is to have a ratio below 20%. The ratio in 2020 was impaired the significant reduction of conference revenue.

INVESTING ACTIVITIES

Cash flows from investing activities amounted to EURm -31.5 compared to EURm -4.6 in 2019.

The main contributors were

- Acquisition of Group companies of EURm -26.2
- Investments in Trifork Labs of EURm 2.7
- Investment in product development of EURm -1.3
- Net investment in PPE of EURm -2.1

FINANCING ACTIVITIES

Cash flows from financing activities amounted to EURm 25.9 compared to EURm -9.9 in 2019.

The main contributors were

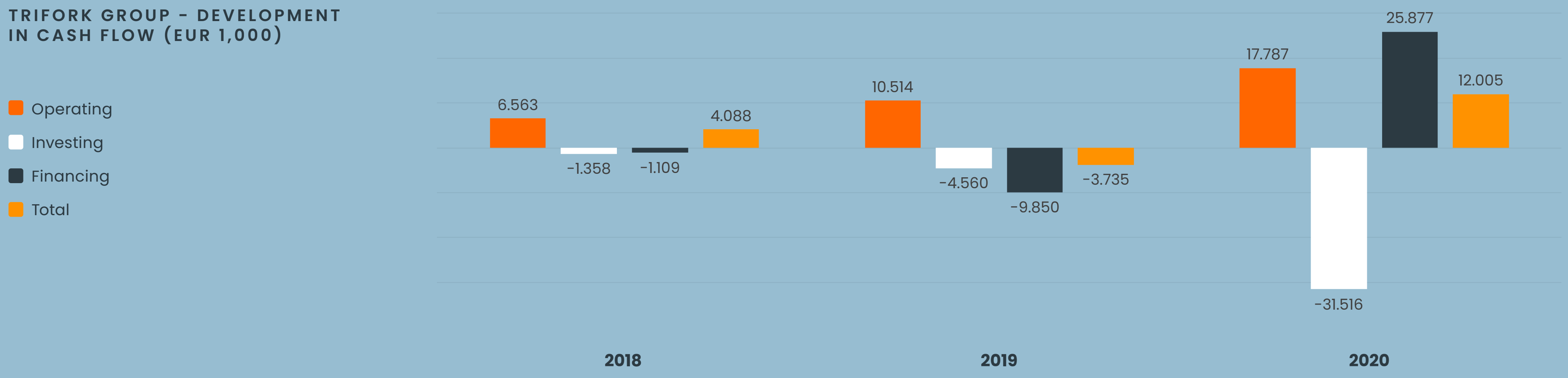
- Net increase of borrowings of EURm 35.0, mainly to finance the acquisitions and investments in Trifork Labs
- Interest paid of EURm -1.6
- Lease payments of EURm -3.9
- Net acquisition of treasury shares for EURm -1.8
- Dividends of EURm -1.9, paid to Trifork Holding AG shareholders and to minorities in subsidiaries

Events after the reporting date

On 18 February 2021, Trifork Labs ApS signed the final share purchase agreement selling its entire investment in Humio Ltd.

According to this agreement, the Labs investment in Humio Ltd. is valued at EURm 56.1. Therefore, the sale of the investment does not lead to a fair value adjustment of the Labs investment in 2021.

TRIFORK GROUP - DEVELOPMENT IN CASH FLOW (EUR 1,000)



Trifork Segment

Financial targets

EURm	03.2020	08.2020	Result
Revenue	115.0	115.0	115.4
Adjusted EBITDA	17.0	17.0	20.2

Financial statement

The management finds the results of the Trifork segment for 2020 within its expectations. The growth in revenue is in line with the targets and EBITDA is satisfying, considering the Covid-19 impacts in 2020.

The consolidated revenue for the Trifork segment was EURm 115.4, which meets the original target. The adjusted EBITDA* of EURm 20.2 is EURm 3.2 more than the original target of EURm 17.0.

Development in revenue

The Trifork revenue of EURm 115.4 was a 13.8% growth compared to 2019, adjusted for deconsolidation effects. This growth was in the low end of the company's ambition to obtain an annual 15-25% revenue growth, but considering acceptable in relation to the Covid-19 impacts.

* adjusted for special items (IPO-preparation and one-off cost related to acquisitions) in subsegment "Other".

Revenue streams and sub-segments

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

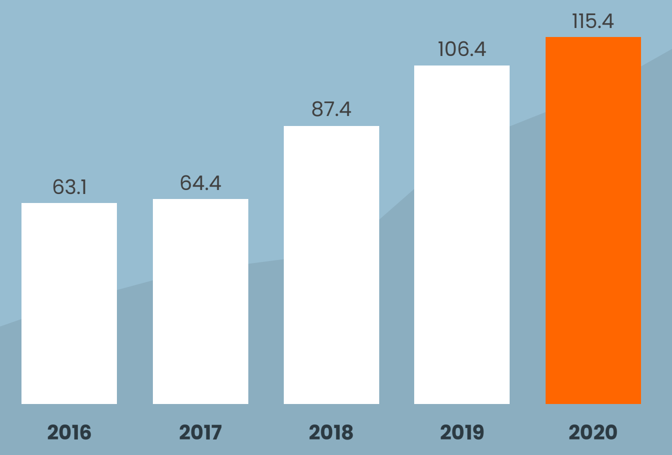
The services are delivered within the three sub-segments:

- Inspire (Inspirational workshops and organizing conferences and trainings on software development),
- Build (development of innovative software solutions for customers) and
- Run (delivery and operation of software products and related services for customers)

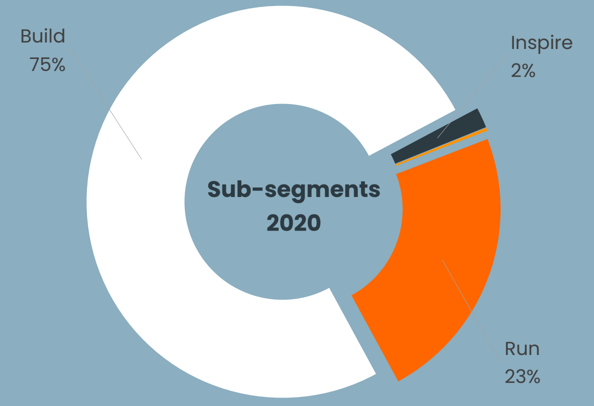
Revenue in the different sub-segments has shown the following results:

Revenue (EURm)	2020	2019
Inspire	2.0	8.1
Build	86.7	76.6
Run	26.4	21.4
Other	0.3	0.3
Trifork	**115.4**	**106.4**

TRIFORK REVENUE (EURM)



TRIFORK SUB-SEGMENTS



- **Inspire**
  With a revenue of EURm 2.0 Inspire delivered 1.7% of total revenue in Trifork. Revenue dropped by 75.8% compared to 2019, as the Covid-19 situation did not allow to arrange physical conferences. The organization initiated GOTO conferences and a new book-club in a virtual environment, however, sales prices do not reach the same level as for conferences on site.
- **Build**
  With a revenue of EURm 86,7 Build delivered 75.2% of total Trifork revenue. The increase of EURm 10.1 was equal to a growth of 13.2% compared to 2019. The new acquisitions in 2020 contributed primarily with revenue increase in the Build sub-segment.
- **Run**
  With a revenue of EURm 26.4 Run delivered 22.9% of total Trifork revenue. Compared to 2019 this was an increase of EURm 5.0 equal to 23.1%. Most Run based revenue in 2020 comes from the sale of Trifork's own products and related services.

Development in adjusted EBITDA

In 2020, the Trifork segment realized EURm 20.2 adjusted EBITDA equal to an adjusted EBITDA-margin of 17.5% and an increase of 22.5% compared to 2019.

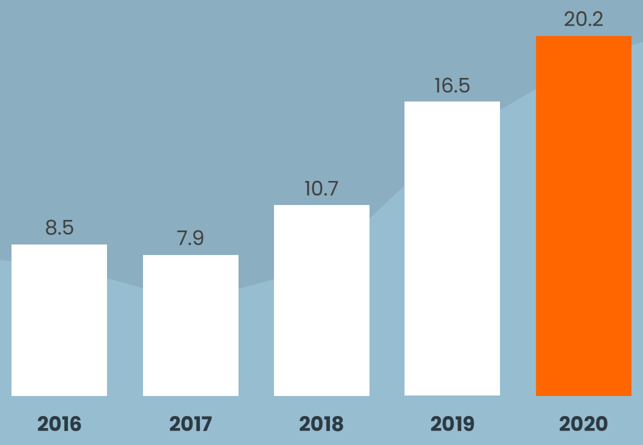
Adjusted EBITDA was divided in the following way between the different business areas:

Adjusted EBITDA (EURm)	**2020**	**2019**
Inspire	-1.5	-0.3
Build	16.8	12.5
Run	5.9	5.9
Other	-1.0	-1.6
Trifork	**20.2**	**16.5**

In 2020, the Covid-19 pandemic highly affected the Inspire business. The physical GOTO conferences had to be cancelled and the team had to create alternative platforms for the GOTO concept. Meanwhile, virtuel GOTO conferences were held, a new book-club was created and the GOTO Youtube channel has gained higher importance. The costs for these initiatives lead to a negative result in 2020. For the set-up of the new concepts as well as to be ready for the time physical conferences are again allowed, Trifork kept the Inspire team together and has not cut personnel.

The Build sub-segment increased in growth both organically and by acquisitions (considering the deconsolidation effect in 2019). On reported figures, the sub-segment grew by 34.3% and contributes an adjusted EBITDA-margin of 19.4%, compared to 16.3% in the previous year. The margin improvment exceeds management mid-term target of 15.0%.

TRIFORK ADJUSTED EBITDA (EURM)



From 2019 to 2020, adjusted EBITDA grew from EURm 16.5 to EURm 20.2

This represents an increase of 22.5%

The Run sub-segment focuses on creating recurring revenue streams by selling Trifork products and related services on long-term contracts. The effect of this was a significant increase in revenue on our own products. In 2020, the Group made further investments in Cyber Protection and Digital Health products, changed its strategy towards the licensing of log monitoring tools and provided discounts to customers highly affected by Covid-19. Adjusted EBITDA remained stable at EURm 5.9 and equals to an adjusted EBITDA-margin of 22.2%.

Overall for all of the Trifork segment the results achieved in 2020 correspond to an adjusted EBITDA-margin of 17.5% compared to a margin of 15.5% in 2019.

Development in adjusted EBITA

In 2020, the Trifork segment realized an adjusted EBITA of EURm 13.4, which is 19.7% increase compared to 2019, where EURm 11.2 was achieved. The 2020 adjusted EBITA-margin was at 11.7% compared to 10.6% in 2019.

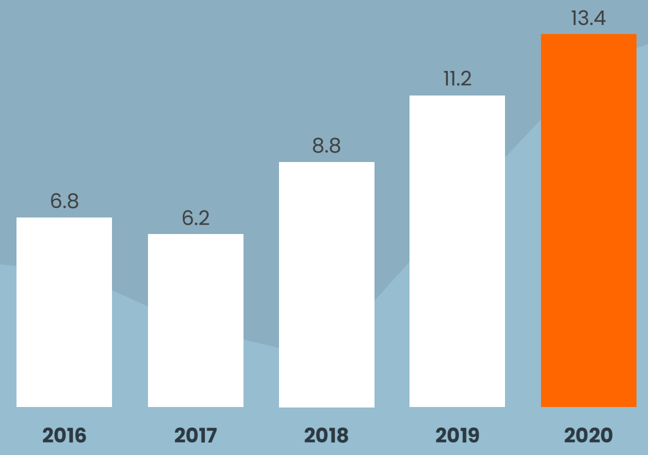
Development in adjusted EBIT

In 2020, the Trifork segment realized an EURm 10.2 adjusted EBIT*, which is 11.8% increase compared to 2019, where EURm 9.1 was achieved. The 2020 adjusted EBIT equals an 8.8% adjusted EBIT-margin compared to 8.5% in 2019.

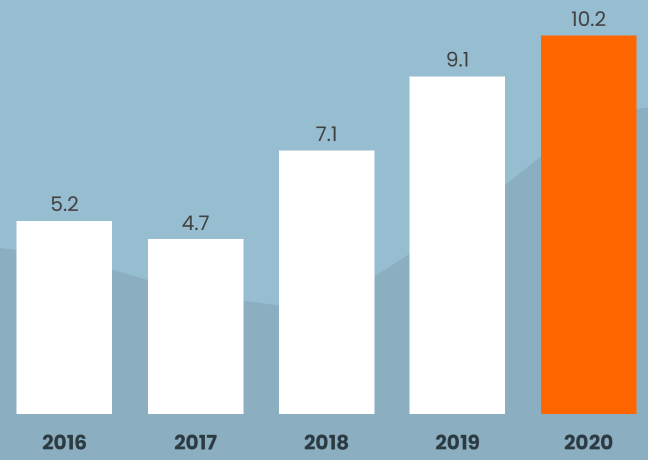
During 2020 depreciation and amortization occurred as expected and a minor impairment was made. The corrections amounted to less than EURm 0.2. In 2021 no extraordinary depreciation/amortizations are expected.

* adjusted for special items (IPO-preparation and one-off cost related to acquisitions) and a one-off amortization on a purchased development project since this sets off against an equal gain in the financial result (earn-out liabilities)

TRIFORK ADJUSTED EBITA (EURM)



TRIFORK ADJUSTED EBIT (EURM)



Description of sub-segments

Inspire

The Inspire sub-segment is primarily engaged in developing and implementing the GOTO conferences as well as partner conferences in Europe and the USA. Inspirational design thinking workshops and training in agile processes and software development are also part of the deliveries.

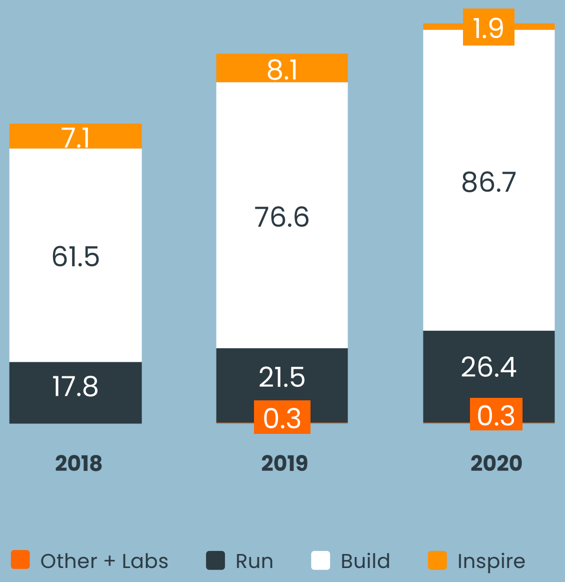
Build

The Build sub-segment is engaged in building innovative software solutions to the customers of Trifork. The services include building solutions for banks, governments, agencies or leading industrial manufacturers. Solutions are primarily done on a time and material basis or as fixed price deliveries in cases where Trifork is responsible for the whole implementation of a solution. Most often, strategic partnerships are engaged in with the major customers.

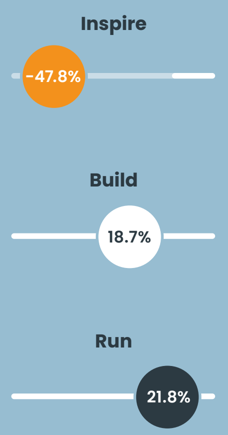
Run

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.

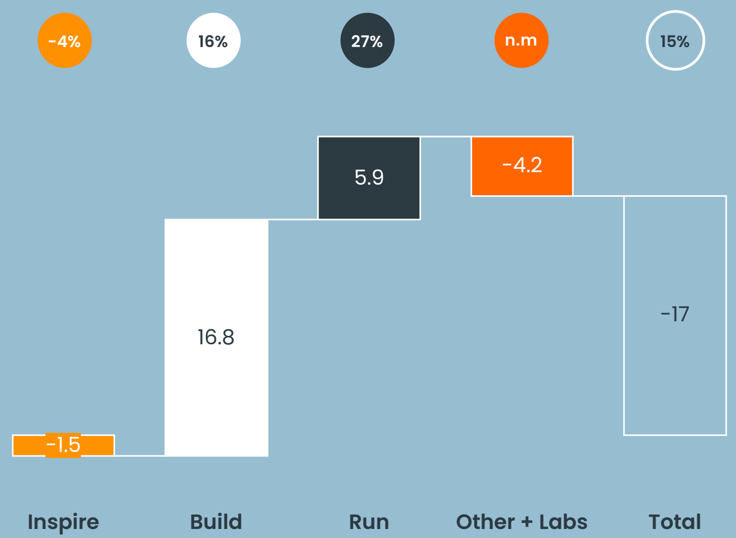
REVENUE BY SEGMENTS (EURM)



CAGR 2018-2020



EBITDA (NON-IFRS) AND MARGINS BY SEGMENTS 2020 (EURM)



Trifork Labs Segment

Financial targets and results

The 2020 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 2019.

In 2020, Trifork Labs continued the work with the existing investments and participated in two financing rounds, together with other investors. Besides this the Group co-founded three new startups, invested in three additional early stage product companies and prepared the exit of Humio Ltd at a total valuation of USDm 400. This exit was closed in early March 2021. Further, one investment succeeded with its IPO at the Nasdaq First North Premier, Stockholm.

In total, all the activities gave more than EURm 16 in new external funding to 3 startups and together with the fair value adjustment based on the exit-agreement for Humio Ltd. the financial impact for Trifork Labs was EURm 39.2 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 2020, Trifork Labs did not consolidate any of the investments in the Trifork Group financial reporting of Revenue, EBITDA and EBIT and thus these accounts only show the cost of running the investment activities.

EURm	2020	2019
EBITDA	-2.2	-0.6
EBIT	-2.2	-0.6

EBITDA/EBIT of EURm -2.2 were at the expected level (2019: EURm -0.6) and refer to management cost for the Labs segment, part of which is variable in relation to the annual fair valuation adjustments.

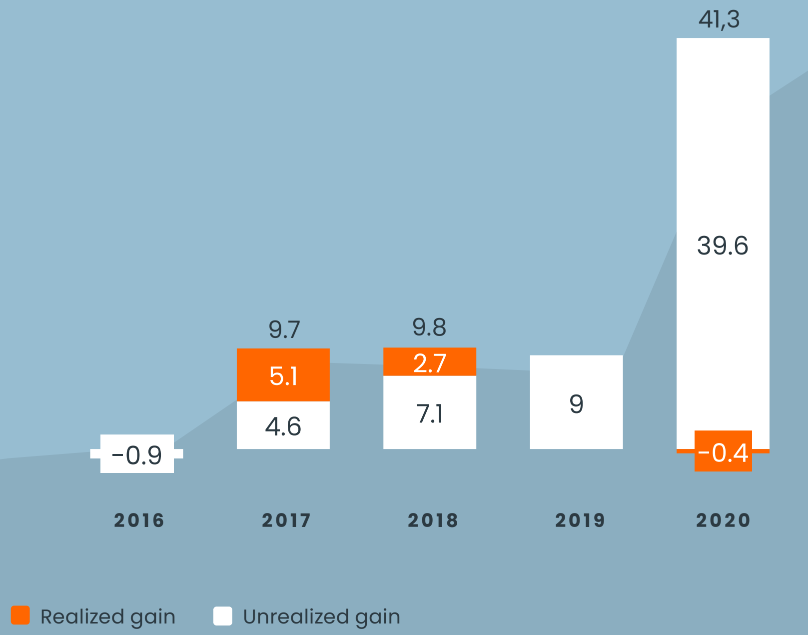
Development in EBT

EBT (earnings before tax) for 2020 was EURm 39.2 compared to EURm 9.0 in 2019. The result is to a large extend generated from the fair value adjustments of Humio Ltd.

This profit is equal to 51.6% return on the value of the financial assets.

EURm	2020	2019
EBT	39.2	9.0

TRIFORK LABS EBT (EURM)



Total profit from investments

The graph aside shows the overall financial development and results from the Trifork Labs investments in the period from 2016 to 2020.

End of 2020 the total accumulated cashed in profit from exits accounted for EURm 11.0. 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 2020 accounted for EURm 5.5 out of the total value of EURm 75.9. Based on this the accumulated unrealized profit can be calculated to EURm 70.4.

Financial assets

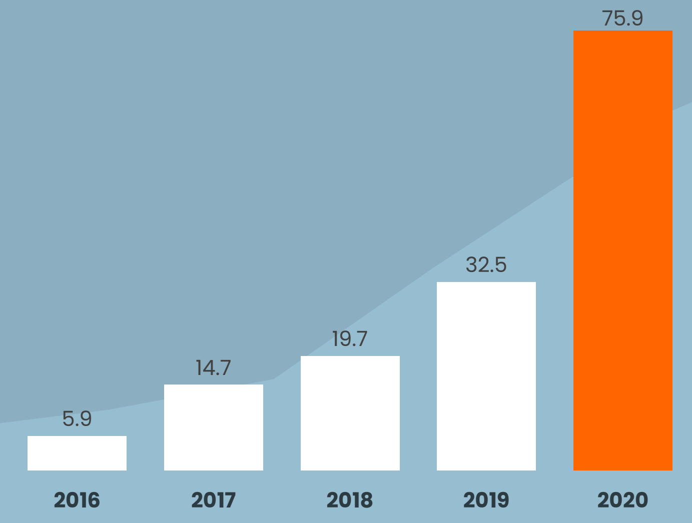
The 2020 development in financial assets has been affected by new investments of EURm 3.0 and fair-value adjustments of EURm 41.3.

In total the value of the financial assets developed from EURm 32.5 end of 2019 to EURm 75.9 end of 2020.

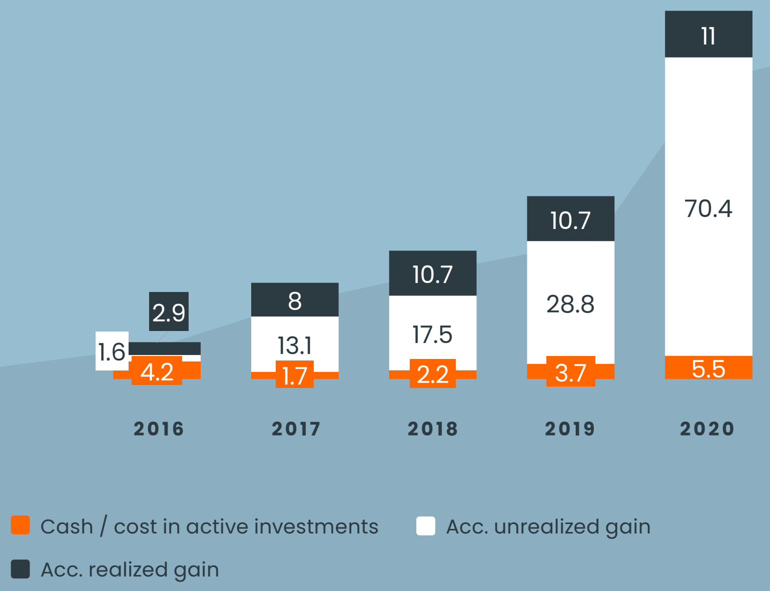
EURm	2020	2019
Financial assets	75.9	32.5

From 2019 to 2020 the fair value of current financial investments grew from EURm 32.5 to EURm 75.9

TRIFORK LABS FINANCIAL ASSETS(EURM)



TRIFORK LABS INVESTMENTS (EURM)



05

Corporate Governance

Overview

The Company is committed to exercising good corporate governance at all times, and the Board of Directors and the Executive Management of the Company continuously seek to safeguard that the group management structure and control systems are suitable and working efficiently.

The basis for the management of the Company is applicable law and the Articles of Association as well as what the Company deems to be best practice for groups of a similar size and with the same international outreach as Trifork. Internal procedures have been developed on this basis and are maintained continuously. The aim of these procedures is to ensure an active, safe and efficient governance of the Company.

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

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

The Board of Directors and the Executive Management continuously evaluate the potential 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, 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 of Directors and/or the Executive Management and assessed, considering how serious an effect they will have on the individual business unit and the Company as a whole.

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

Significant risks are continuously monitored and assessed by the Board of Directors and/or the Executive Management, based on consideration of importance.

Independently of the above, the Board of Directors 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's 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. The Exexutive Management has created a formal reporting process, 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, the Executive 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 of Directors' 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 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 Annual General Meeting report on possible, significant weaknesses in the internal Group system of control in the audit report to the Board of Directors.

Board of Directors

CHAIRPERSON

Julie Galbo

Julie Galbo has been Chairperson since 2020. Julie has 20+ years of private and public sector experience in financial services. She is currently chairperson of Fundamental Fondsmæglerselskab A/S and a member of the Board of Directors of DNB Bank ASA. She was a member of the Group Executive Management of Nordea and the Executive Management in Nordea Asset Management. Previously, she held various public sector positions, including Head of State Capital Injections with the Danish Ministry of Business and Deputy Director General with the DK Financial Supervisory Authority. Julie obtained Master of Law from the University of Copenhagen and from Aarhus University and completed a management program at INSEAD.

Nomination & Remuneration Committee (member)

BOARD MEMBER (VICE CHAIRPERSON)

Olivier Jaquet

Olivier Jaquet has been Chairman and Vice-Chairman of the Board of Directors since 2019. He is an independent entrepreneur, investor and board member in a number of investment, real estate and start-up companies. Olivier has worked for over 20 years in the financial sector where he was a multiple CEO of Credit Suisse Life, Credit Suisse Trust, Clariden Leu and Centrum Bank. During his time at Credit Suisse, he was a member of the Board of Directors in several subsidiaries of Credit Suisse Group and the Credit Suisse Pension Fund. Olivier obtained his doctorate in law from the University of Basel.

Nomination & Remuneration Committee (Chair)

Audit & Risk Committee (Member)

Board of Directors

CEO, BOARD MEMBER

Jørn Larsen

Jørn Larsen founded Trifork in 1996 and has been the CEO of Trifork since then. He began his professional career with A.P. Møller Maersk in 1984 and entered the IT-business in 1994 with Dator A/S in Denmark. Jørn is a serial entrepreneur in the Nordic technology sector and has co-founded more than 50 start-ups. Jørn obtained a mechanical engineering degree as well as a civil engineering degree in Computer Science from the University of Aalborg.

CFO, BOARD MEMBER

Kristian Wulf-Andersen

Kristian Wulf-Andersen joined Trifork as Group CFO in 2007. He was the co-founder and CFO of the IT-infrastructure company, Interprise Consulting A/S, until it was acquired by Trifork in 2007. He began his professional career with Siemens Nixdorf A/S and later Siemens Business Services A/S as IT consultant, trainer and management consultant. Kristian was educated and served as officer in the Royal Danish Airforce for 5 years and obtained a B.Sc. in Economics from Aarhus Business School.

Board of Directors

BOARD MEMBER

Casey Rosenthal

Casey Rosenthal has been a member of the Board of Directors since 2018. Casey is the founder and CEO of Verica.io and is a member of the Board of Directors of Erlang Solutions Ltd. Previously, he was an engineering manager at Netflix in the Traffic Engineering and the Chaos Engineering Teams. Casey also models human behavior using personality profiles in Ruby, Erlang, Elixir, Prolog, Scala, and other languages. He speaks frequently on the topics of Chaos Engineering and Complexity. He holds a BA in Philosophy from Ohio University.

Nomination & Remuneration Committee (Member)

BOARD MEMBER

Maria Hjorth

Maria Hjorth has been a member of the Board of Directors since 2020. Maria is currently the CEO of VP Securities, the Central Securities Depository of Denmark. She is also a member of the Board of Directors of Maj Invest, an asset management company and Asetek, a technology company, both based in Denmark. Previously, she was the CEO of Mercer Denmark, and at Danske Bank as Head of International Corporate Banking and Head of Business Development for Business Banking, Denmark. She has also worked in M&A at Carnegie Investment Bank. Maria holds a MSc in Economics from the University of Copenhagen and a MSc in Business Psychology from the University of Westminster in London.

Audit & Risk Committee (Chair)

Board of Directors

BOARD MEMBER

Lars Lunde

Lars Lunde has been a member of the Board of Directors since 2020. Lars is a founding partner of GRO Capital, a Nordic-based private equity fund, specialized in investing in and developing mid-sized B2B software companies. He is chairing or is a member of the Board of Directors for the GRO Capital funds and a number of their portfolio companies, including Trifork, Tacton and Adform. He has previously been member of the Board of Directors of Boyum IT Solutions. Prior to GRO Capital, he was a managing director at the investment bank, Carnegie. Lars holds a MSc. in Economics from the University of Copenhagen.

Audit & Risk Committee (Member)

Executive Management

The Board of Directors has delegated the operative and day-to-day management of the Company and the Group to the Executive Management headed by the CEO, subject to the duties and powers reserved to the Board of Directors by Swiss law, the Articles of Association or the Organisational Rules. The Executive Management is responsible for implementing and achieving the Company's corporate objectives and for the management and control of all Group companies. The Executive Management is directly supervised by the Board of Directors and its Committees

The Executive Management is headed by the CEO and comprises two members, specifically the CEO and the Chief Financial Officer (CFO)

FOUNDER, CEO
Jørn Larsen

CFO
Kristian Wulf-Andersen

Corporate Social Responsibility (CSR)

CSR

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 business model 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 competencies
- Making a difference
- Committed employees
- Distribution of gender
- Human rights and democracy

Attracting and developing compentencies

Trifork must attract and develop competencies in system development. Trifork must show the way to new technologies and give employees the platform to excel at the forefront of technological development. On the other hand, we have high expectations of our employees and want them to retain a 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.

Trifork attracts and develops comptencies for the company by letting our own software pilots influence the conference program as well as teach 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 to acquire knowledge from the people and companies who have made a difference worldwide. Another specific action is our "Hackerdays", where innovation and passion run free.

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

The results of these benefits is reflected 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 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 with regards to this policy include:

- Trifork contributes with innovation and commitment to national solutions for the healthcare sector, which are designed to improve work conditions for clinicians, in order to reduce the number of medical errors and thereby, the financial burden placed on society. The Shared Medication Record and the Vaccination Register are two national healthcare solutions, which are the result of the actions of this policy.
- Likewise, Trifork has focused on the development of the clinician's mobile workplace, which, with the use of situation specific IT, creates an environment for home-care, nurses or doctors, which ensures better treatment of the citizen.
- Trifork has initiated several measures which are intended to increase the use of the mobile platform for both ordinary citizens as well as the industry, which help 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, therefore minimizing their carbon footprint.
- We are investing in the development of 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

Our employees are the most important resource at Trifork, and thus, they are the pivotal point of our CSR activities. The average age in 2020 was 38.4 years compared to 37.0 years in 2019.

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. This way, the employees are guaranteed important influence on their own tasks and have close contact with the sponsor of the task in question.

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

In 2020, the employee's weekly average work time was 37.6 hours. The average sick leave was 2.0%, which was -1.4% point lower than in 2019.

The success of Trifork is dependent on committed and action-oriented employees who can create the best value for our customers. Both management and employees at 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

The diversity of gender is divided between 79.8% men and 20.2% women. 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 top-level of the company 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. The target was achieved in 2020, as two of seven sitting board members are women.

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

In the Inspire segment, the target is to have 50% of women in management. Currently, 75% are women. In Build and Run, which are very dominated by men, there is no specific target but also no restriction. Currently 15% 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 become part of the "Trifork Family". Trifork does not treat any employee differently from another due to nationality, gender or DNA. At our conferences, we focus on being open-minded and treat all groups of people with respect.

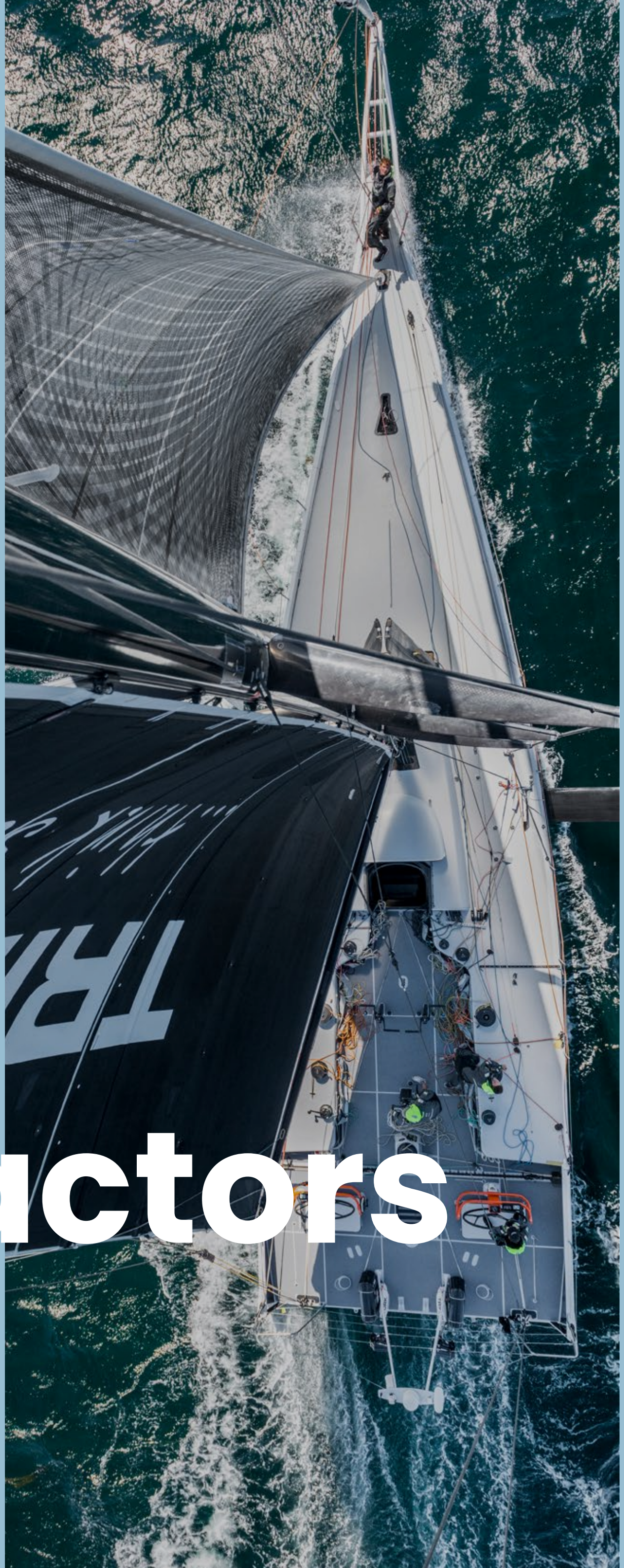
Trifork makes a difference by communicating knowledge and being a pioneer in humanizing software solutions

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 situations 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 at Trifork, and the fact that whether Trifork treats employees and participants at our conferences respectfully has never been questioned. Trifork is involved in several activities supporting the defense of existing, as well as the growth of new democracies.

Trifork has decided to publish a full ESG report in the future. This will be a separate report published on the investor-site of the Company (investor.trifork.com).



06

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.

Dependency on customers

Trifork's success depends on its ability to retain customers and win additional work from new and existing customers.

We are generally not the exclusive supplier of IT services to our customers and, therefore, there is an inherent risk of loosing customers to our competitors. Further, customers may decide to insource a part of their software development or outsource to low cost areas. In addition to retaining existing customers, our success also depends in large part on our ability to attract additional work from new and existing customers. Therefore, our success is dependant on Trifork's performance for our existing customersand our ability to attract new customers.

Development, marketing and implementation of attractive IT services

Our results of operations could be negatively affected if we cannot adapt, expand and develop our IT services and develop new products and features in response to changes in technology, customer demand, or market developments, or if competitors adapt, expand or develop their IT services more succesfully than we do.

The market for IT and business services is characterised by intense competition, rapid technological change, frequent new product introductions and technology enhancements. Trifork's future success depends on its ability to continue to develop, market and implement IT services that are attractive, timely and cost-efficient for existing and new customers.

Dependency on senior management and employees

The nature of our business entails that we employ highly qualified IT professionals and competition for such personnel is intense. Trifork may not be able to successfully attract, hire, integrate, motivate, train and retain qualified personnel, including including project managers, IT engineers and other senior technical personnel, senior management and other key employees.

Covid-19 and future epidemics and pandemics

Covid-19 has materially impacted certain areas of Trifork, including the GOTO conference concept, and is expected to continue to materially impact certain areas of Trifork and future epidemics or pandemics, or other public health crises, may impact Trifork, the industry in which we operate and our customers. Trifork is subject to the risk of reduced customers' IT expenditure levels including as a result of the ongoing Covid-19 pandemic.

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 balances risk profile

Acquisitions and Labs investments

Trifork may not be successful at identifying, acquiring or integrating other businesses or technologies and its estimates and assessments of synergies and earnings potential in acquired companies may not live up to expectations. Specifically for the acquisition of Nine A/S, the financial, operational or strategic synergies underlying the motivation for the acquisition may not materialize and result in significant expenses and reduce profitability. In addition, Trifork has co-founded and invested in numerous startup companies through the Trifork Labs segment and may incur substantial losses on such investments, and there can be no assurance that the strategic rationale underlying such investments are realised.

Risk of claims and penalties

Errors, defects and failures in the products delivered by Trifork may result in legal claims from customers, including claims for being in material breach of underlying customer contracts.

Trifork's relationship with customers depends on its reputation and negative media coverage and public scrutiny may damage Trifork's reputation and limit demand for the Group's products and services

Trifork's brand and reputation as a leading next-gen IT service company delivering cutting edge software solutions are important corporate assets that help drive demand for Trifork's products and distinguish the us from our competitors. However, the brand and reputation may suffer if errors, defects, delays or failures are discovered in the products or services provided to our customers.

Privacy and data protection

The Group is subject to data protection laws, privacy requirements and other regulatory restrictions in the various jurisdictions in which the Group operates. Trifork may come into possession of sensitive personal data, act as processor of or otherwise handle such personal data, including health and financial data, for instance as a result of our focus on Digital Health and FinTech. This information needs to be handled in compliance with such laws and regulations. Privacy and data protection compliance breaches or failure to protect confidential and proprietary information could harm the Group's reputation and expose it to litigation.

Strategic partnerships

Strategic partnerships are an integral part of the value offering of Trifork and should such partners decide not to engage with Trifork in the future, it could have a material adverse effect on the Trifork's business, financial condition and/or results of operations. There can be no assurance that the current strategic partnerships will continue to be available. Further, new opportunities to enter into strategic partnerships may not present themselves to Trifork.

Infrastructure and cyber protection

Any disruption in data centre operations or telecommunications systems failures could harm the Trifork's ability to deliver its IT services, damage its reputation or otherwise materially adversely affect its business. In addition, Trifork may not be able to protect itself or its IT solutions against cyber threats that have the potential to significantly disrupt Trifork and its customers' businesses and cause reputational harm.

Currency risk

The company has activities in United Kingdom, the Netherlands, Switzerland, Denmark, USA, 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.

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Shareholders

STOCK EXCHANGE:
Not listed

SECTOR:
Technology

ISIN:
CH0236907504

NOM. PCS. SIZE:
CHF 0.1

NUMBER OF SHARES:
18,637,230

VOTING LIMITATIONS:
No

An investment in Trifork is an investment in Innovation

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

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

Share capital

The ordinary share capital of the Company amounts to CHF 1,863,723 and is divided into 18,637,230 registered shares with a nominal value of CHF 0.10 per share. The share capital is fully paid up. There is only one class of shares and each share carries one vote. The Articles of Association do not provide for any voting restrictions or restrictions on transferability of the shares.

Treasury shares

Information about treasury shares can be found on the investor website:

https://investor.trifork.com/corporate-governance/ir-communication/.

Ownership

At the end of 2020, Trifork Holding AG had 589 registered shareholders, who owned 100% of the share capital. Ten major shareholders owned 73.0% of the registered share capital.

End of 2020, members of the Board of Directors and Executive Management in Trifork Holding AG owned/represented 46.5% of the share capital in the company.
End of 2020, the following investors were registered with a shareholding of more than 5% of the share capital:

Name	Shares	%
Jørn Larsen	4,506,278	24.2
GRO Holding I ApS	3,760,384	20.2
Kresten Krab Thorup	3,308,840	17.8
Trifork Holding AG	31,093	0.2
Others	7,030,635	37.7
Total	**18,637,230**	**100.0**

Statutes / Authorizations

According to the Swiss Code of Obligation, the company may hold 1,863,723 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. Unless otherwise provided for by Swiss law or in the Articles of Association, the General Meeting passes its resolutions and carries out its elections with an absolute majority of the shares represented at the General Meeting.

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 136,277 through the issue of up to 1,362,770 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 a potential capital increase, acquisitions and/or an Employee share program.

To support employee share programs, the extraordinary General Meeting of 19 December 2019 created a conditional capital of up to CHF 50,000 allowing for the issuance of a maximum of 500,000 registered shares with a nominal value of CHF 0.1 per share, to be fully paid up, excluding shareholders' subscription rights, by exercising option and/or conversion rights granted to employees of the Company or of Group companies in accordance with a plan to be drawn up by the Board of Directors.

General meeting of shareholders

The Ordinary General Meeting of shareholders will be held on Thursday, April 29th, 2021.

The Board of Directors recommend to the company's Ordinary General Meeting to pay out a dividend of EURm 10,804 to shareholders based on the results in 2020.

Financial calendar 2021	
16.03.2021	Annual report 2020
29.04.2021	Ordinary General Meeting
04.05.2021	Interim report Q1 2021
24.08.2021	Interim report Q2/HY 2021
02.11.2021	Interim report Q3 2021

Shareholder inquiries

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

Email: investor@trifork.com

CEO Jørn Larsen
Phone: +41 79 430 96 97 or

CFO Kristian Wulf-Andersen
Phone: +41 79 962 24 10

No.	Date	Announcement
2020 Company announcements		
1	07.01.2020	Trifork acquisition
2	15.01.2020	Trifork financial calendar
3/4	17.03.2020	Trifork 2019 annual report / Trifork Ordinary General Meeting
5	27.03.2020	Trifork Treasury shares
6	05.05.2020	Trifork Q1-2020 on budget
7	25.08.2020	Trifork H1-2020
8	03.09.2020	Trifork completes new acquisition
9	22.10.2020	Trifork Extraordinary General Meeting on November 12, 2020
10	03.11.2020	Trifork nine-month reporting 2020
11	13.11.2020	Julie Galbo and Maria Hjorth elected to the Board of Directors
12	18.11.2020	Update on price offered in relation to repurchase of treasury shares
13	08.12.2020	Financial calender 2021
2021 Company announcements		
1	18.02.2021	Trifork exit investment in Humio

Statement by the Board of Directors and Executive Management

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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 2020.

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 2020 and of the results of the Group's operations and cash flows for the financial period 1 January to 31 December 2020.

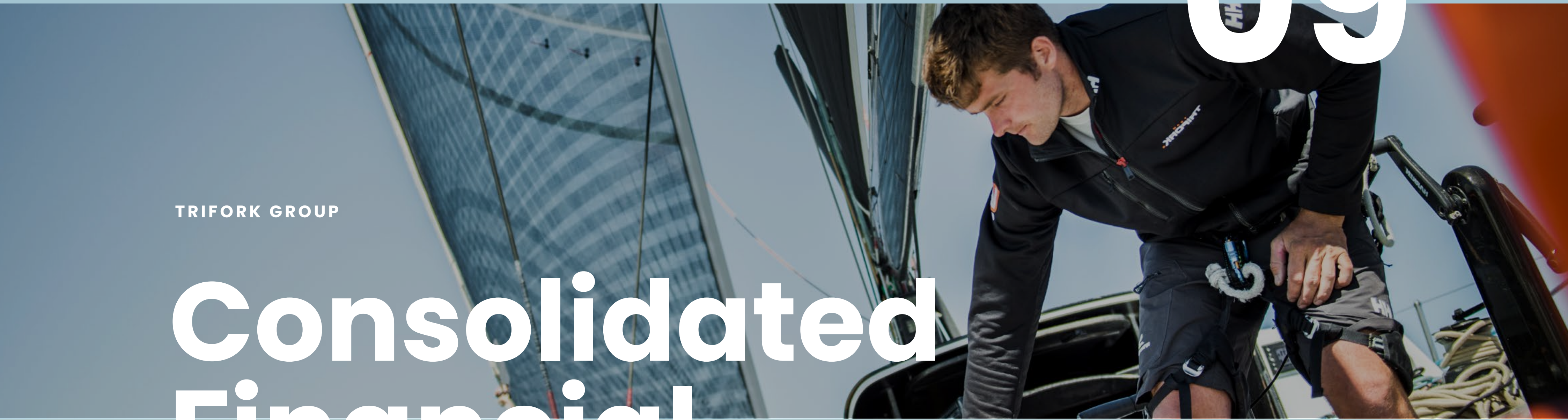
In our opinion, the parent company financial statements for the period from 1 January to 31 December 2020 comply with Swiss law and the company's articles of incorporation.

In our opinion, the management's review includes a true and fair review of 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 be approved at the annual general assembly.

Schindellegi, 16 March 2021

Julie Galbo (Chairperson)
Olivier Jaquet (Board member)
Jørn Larsen (CEO, Board member)
Kristian Wulf-Andersen (CFO, Board member)
Casey Rosenthal (Board member)
Maria Hjorth (Board member)
Lars Lunde (Board member)



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TRIFORK GROUP

Consolidated Financial Statements 2020

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Consolidated financial statements

Consolidated Income Statement

for the year ended 31 December

(in EUR k)	Notes	2020	2019	2018
Revenue from contracts with customers	2.1/2	115,358	106,428	86,508
Rental income		320	1,191	1,247
Other operating income		770	3,831	409
Operating income		**116,448**	**111,450**	**88,164**
Cost of goods and services purchased	2.3	-22,751	-27,542	-21,516
Personnel costs	3.1	-64,149	-55,795	-42,567
Other operating expenses	2.4	-12,573	-12,476	-14,015
Operating expenses		**-99,473**	**-95,813**	**-78,098**
Earnings before financial items, tax, depreciation and amortization		**16,975**	**15,637**	**10,066**
Depreciation, amortization and impairment	2.5	-10,567	-7,402	-3,940
Earnings before financial items and tax		**6,408**	**8,235**	**6,126**
Fair value adjustments on investments in Trifork Labs	5.1	41,259	9,524	9,999
Share of results from associated companies	4.5	15	-24	7
Other financial income	2.6	882	412	822
Other financial expenses	2.6	-1,474	-1,014	-653
Result on foreign exchange	2.6	-48	610	-270
Financial result		**40,634**	**9,508**	**9,904**
Earnings before tax		**47,042**	**17,743**	**16,030**
Income tax expense	2.7	-2,384	-1,394	-1,261
Net income		**44,658**	**16,349**	**14,769**
Attributable to shareholders of Trifork Holding AG		43,216	15,240	13,691
Attributable to non-controlling interests		1,442	1,109	1,078
Earnings per share of Trifork Holding AG, basic (in EUR)	2.8	2.33	0.83	0.75
Earnings per share of Trifork Holding AG, diluted (in EUR)	2.8	2.33	0.83	0.75

Consolidated Statement of Comprehensive Income

for the year ended 31 December

(in EUR k)	2020	2019	2018
Net income	**44,658**	**16,349**	**14,769**
Items that my be reclassified to profit or loss, after tax			
Currency translation adjustment for foreign operations	36	-38	-219
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	-362	-389	228
Other comprehensive income	**-326**	**-432**	**9**
Total comprehensive income	**44,332**	**15,917**	**14,778**
Attributable to shareholders of Trifork Holding AG	42,934	14,748	13,776
Attributable to non-controlling interests	1,398	1,169	1,002

Consolidated Statement of Financial Position
for the year ended 31 December

Assets (in EUR k)	Note	2020	2019	2018
Intangible assets	4.6	72,990	33,445	34,840
Right-of-use assets	4.7	21,470	15,546	-
Property, plant and equipment	4.8	6,144	5,732	7,640
Investments in Trifork Labs	5.1	19,755	32,531	19,685
Investments in associated companies	4.5	15	41	115
Other non-current financial assets	4.9	3,956	2,868	2,244
Deferred tax assets	2.7	224	343	116
Total non-current assets		**124,554**	**90,506**	**64,640**
Trade receivables	6.1	25,226	20,236	18,094
Contract assets	6.1	2,107	2,186	2,590
Other current financial assets	4.9	340	519	-
Other current receivables		559	1,201	288
Prepaid expenses		2,260	1,465	972
Investments in Trifork Labs	5.1	56,106	-	-
Cash and cash equivalents		17,957	5,952	9,687
Total current assets		**104,555**	**31,559**	**31,631**
Assets		**229,109**	**122,065**	**96,271**

Liabilities and shareholders' equity (in EUR k)	Note	2020	2019	2018
Share capital	7.1	1,562	1,562	1,553
Treasury shares	7.1	-524	-1,250	-733
Retained earnings		81,043	57,121	43,184
Currency translation adjustment		-1,587	-1,676	-1,635
Equity attributable to shareholders of Trifork Holding AG		**80,494**	**55,757**	**42,369**
Non-controlling interests	8.2	2,702	1,577	1,967
Total shareholders' equity		**83,196**	**57,334**	**44,336**
Non-current financial liabilities	7.3	66,879	25,988	20,513
Other non-current liabilities	3.2	6,119	1,223	704
Deferred tax liabilities	2.7	5,580	2,932	3,106
Total non-current liabilities		**78,578**	**30,143**	**24,323**
Current financial liabilities	7.3	40,297	14,977	11,344
Trade payables		4,754	5,774	3,650
Contract liabilities		4,015	2,492	3,440
Current tax liabilities		2,481	1,771	772
Other current liabilities	6.2	15,788	9,574	8,406
Total current liabilities		**67,335**	**34,588**	**27,612**
Total liabilities		**145,913**	**64,731**	**51,935**
Liabilities and shareholders' equity		**229,109**	**122,065**	**96,271**

Consolidated Statement of Changes in Shareholders' Equity

for the year ended 31 December

in EUR k	Share capital	Treasury shares	Retained earnings	Currency translation adjustment	Equity attributable to the shareholders of Trifork Holding AG	Non-controlling interests	Total equity
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	-	2,489	-	-	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 a Group company	-	-	-	-	-	-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**
Net income	-	-	43,216	-	43,216	1,442	44,658
Other comprehensive income	-	-	-362	81	-281	-45	-326
Total comprehensive income	**-**	**-**	**42,854**	**81**	**42,935**	**1,397**	**44,332**
Dividends	-	-	-905	-	-905	-961	-1,866
Transactions with treasury shares	-	-2,050	228	-	-1,822	-	-1,822
Additions from business combinations	-	2,776	-2,391	-	385	4,967	5,352
Changes in liabilities towards non-controlling interests	-	-	-15,864	8	-15,856	-4,278	-20,134
31 December 2020	**1,562**	**-524**	**81,043**	**-1,587**	**80,494**	**2,702**	**83,196**

Consolidated Cash Flow Statement

for the year ended 31 December

(in EUR k)	Notes	2020	2019	2018
Net income		**44,658**	**16,349**	**14,769**
Adjustments for:				
Depreciation, amortization and impairment	2.5	10,567	7,402	3,940
Non-cash other operating income		-350	-3,592	-11
Other financial result	2.6	640	-8	102
Share of result from associated companies	4.5	-15	24	-7
Fair value adjustment from investments in Trifork Labs	5.1	-41,259	-9,524	-9,999
Income taxes	2.7	2,384	1,394	1,261
Adjustment for other non-cash items		776	-	55
Changes in net working capital		3,680	-984	-1,604
Income taxes paid		-3,294	-547	-1,943
Cash flow from operating activities		**17,787**	**10,514**	**6,563**
Acquisition of Group companies, deferred purchase price payments		-	-	-1,118
Acquisition of Group companies, net of cash acquired	4.1	-26,201	-	-2,896
Sale of Group companies, net of cash disposed	4.2	-	-59	18
Purchase of intangible assets	4.6	-1,306	-1,026	-1,271
Purchase of property, plant and equipment	4.8	-2,108	-1,998	-2,117
Sale of property, plant and equipment		127	229	927
Purchase of associated companies	4.5	-	-	-3
Sale of associated companies	4.5	-	40	104
Dividends received from associates companies	4.5	41	10	-
Purchase of investments in Trifork Labs	5.1	-2,678	-1,098	-515
Sale of investments in Trifork Labs	5.1	728	-	5,714
Dividends received from investments in Trifork Labs	5.1	-	204	-
Loans granted		-357	-1,225	-474
Repayment loans granted		151	273	191
Interest received		87	90	82
Cash flow from investing activities		**-31,516**	**-4,560**	**-1,358**

(in EUR k)	Notes	2020	2019	2018
Proceeds from borrowings		36,547	1,833	5,084
Repayment of borrowings		-1,511	-3,108	-2,337
Payment of lease liabilities	7.3	-3,926	-3,674	-
Interest paid		-1,561	-861	-653
Acquisition of non-controlling interests		-	-1,247	-
Purchase of treasury shares	7.1	-7,283	-593	-1,550
Sale of treasury shares	7.1	5,477	526	1,307
Dividends paid		-1,866	-2,726	-2,960
Cash flow from financing activities		**25,877**	**-9,850**	**-1,109**
Exchange differences on cash and cash equivalents		-143	161	-8
Change in cash and cash equivalents		**12,005**	**-3,735**	**4,088**
Cash and cash equivalents at the beginning of the period		5,952	9,687	5,599
Cash and cash equivalents at the end of the period		**17,957**	**5,952**	**9,687**

Contents

Notes to the Consolidated Financial Statements

The notes are grouped into eight sections related to key areas. The sections contain the relevant financial information as well as a description of the significant accounting estimates, assumptions and judgments and the accounting policies applied for the topics of the individual notes.

SECTION 1

SECTION 2

SECTION 3

SECTION 4

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Notes to the Consolidated Financial Statements

SECTION 5

SECTION 6

SECTION 7

SECTION 8

SECTION 1

Basis of preparation

This section introduces the accounting policies and significant accounting estimates, assumptions and judgments of the Trifork Group.

An even more detailed description of accounting policies and significant estimates, assumptions and judgments related to reported amounts is presented in the respective notes.

The purpose is to provide transparency on the disclosed amounts and to describe the relevant accounting policy, and significant estimates, assumptions and judgments for each note.

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NOTE 1.1

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 segments:

- "Trifork" focuses on software development and operations of IT-systems, including conferences and trainings.
- "Trifork Labs" focuses on investments in tech startup companies and are the Group's driver for R&D innovation.

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

The historical cost principal is applied, except for certain financial instruments (investments in Trifork Labs, contingent consideration liabilities, derivatives).

The consolidated financial statements are presented in Euro and all amounts are in thousand (EUR k), unless otherwise stated. Due to rounding, numbers presented throughout this report may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

Apart from changes due to the implementation of new or amended standards and interpretations as described in note 1.2, accounting policies as described below and in the respective notes are unchanged from last year.

§ Accounting Policies

The overall accounting policies applied to the consolidated financial statements as a whole are described below. The accounting policies related to specific line items are described in the notes to which they relate. The description of accounting policies in the notes forms part of the overall description of Trifork's accounting policies:

2.2	Revenue from contracts with customers
2.3	Cost of goods and services purchased
2.7	Income taxes
3.1	Personnel costs
3.2	Pension and similar obligations
4.1	Acquistion of businesses
4.2	Business disposed/loss of control
4.4	Redemption amount of put-options
4.5	Investmens in associated companies
4.6	Intangible assets
4.7	Right-of-use assets
4.8	Property, plant and equipment
4.9	Other financial assets
5.1	Investments in Trifork Labs
6.1	Trade receivables and contract assets
7.1	Shareholders. equity
7.2	Financial instruments
7.3	Financial liabilities

Consolidation

The consolidated financial statements are prepared based on the financial statements of Trifork Holding AG and its subsidiaries as of 31 December 2020, 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.

The list of the principal subsidiaries is provided in the Note 8.6 Trifork Group companies.

Changes in the scope of consolidation are disclosed in Notes 4.1 Acquisition of businesses and Note 4.2 Businesses disposed/loss of control.

All assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full on consolidation.

NOTE 1.1

General information (continued)

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 Group 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 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.

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 to profit or loss.

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

		Exchange rates at period end			Average exchange rates for the period		
	Unit	2020	2019	2018	2020	2019	2018
DKK	1	0.1344	0.1339	0.1339	0.1341	0.1339	0.1342
CHF	1	0.9211	0.9199	0.8907	0.9345	0.8989	0.8663
GBP	1	1.1073	1.1736	1.1077	1.1253	1.1407	1.1304
USD	1	0.8143	0.8937	0.8731	0.8776	0.8933	0.8472

NOTE 1.2

Changes in accounting policies

The accounting policies adopted in these consolidated financial statements 2020 are consistent with those applied in 2019 except as outlined below:

Adoption of new and revised IFRS standards

The Group has applied new and amended International Financial Reporting Standards (IFRSs) on 1 January 2020:

Standard	Subject
IFRS 3	Definition of a Business (amendment)
IAS 1 & IAS 8	Definition of Material (amendments)
Conceptual framework	Revised Conceptual Framework for Financial Reporting

The changes do not materially impact on the financial position and performance or cash flow of the Trifork Group nor have they led to additional disclosures in these financial statements.

Other minor changes in IFRS also became effective but are not relevant for the Group.

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 2021 onwards:

Standard	Subject
IFRS 9, IAS 39 & IFRS7	Interest rate benchmark reform - phase 2 (amendments - 2021)
IFRS 3	Reference to the conceptual framework (amendment - 2022)
IAS 37	Onerous contracts - Costs of fulfilling a contract (amendment - 2022)
Annual improvements	Collective standard with amendments to various IFRS with the primary goal of eliminating inconsistencies and clarifying terminology (2022)
IAS 1	Classification of liabilities as current and non-current (2023)

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

Changes in presentation

Compared to the prior year the structure of the notes to these consolidated financial statements has been redesigned in order to help users find the most relevant information grouped into sections.

The Group has also chosen to voluntarily present an additional year of comparative information for 2018.

As the Group adopted IFRS 16 Leases in 2019 using the modified retrospective approach without restating comparative information for 2018, lease accounting and disclosures for 2018 are still based on IAS 17.

NOTE 1.3

Accounting estimates, assumptions and judgments

Determining the carrying value of certain assets and liabilities requires estimates, assumptions and judgments regarding future events. These 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 described in the notes to which they relate.

! Significant accounting estimates, assumptions and judgments

2.7	Income taxes
4.3	Contingent consideration liabilities
4.4	Redemption amounts of put-options
4.6	Intangible assets
5.1	Investment in Trifork Labs

SECTION 2

Results for the year

This section covers notes related to the performance for the financial year, including segment information showing operating segment and sub-segment revenues and operating results.

2

NOTE 2.1

Segment information

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

The results of the segments are monitored by the Executive Management at the level of Earnings before financial items, taxes, depreciation and amortization (Trifork) and of EBT (Trifork Labs).

Trifork

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

'Others' mainly comprise of management services to individual Labs investments.

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 innovate 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 2018, a few investments were controlled by Trifork and thus consolidated until the Group lost control, refer to Note 4.2.

2020 (in EUR k)	Inspire	Build	Run	Other	Trifork	Labs	Elimination	Total
Revenue								
- from external customers	1,945	86,705	26,422	286	115,358	-	-	115,358
- from other segments	-	-	-	878	878	-	-878	-
Total segment revenue	**1,945**	**86,705**	**26,422**	**1,164**	**116,236**	**-**	**-878**	**115,358**
Earnings before financial items, tax, depreciation and amortization	**-1,522**	**16,810**	**5,866**	**-1,941**	**19,213**	**-2,238**	**-**	**16,975**
Depreciation and amortization	-165	-4,929	-3,327	-1,393	-9,814	-	-	-9,814
Impairment	-	-	-753	-	-753	-	-	-753
Earnings before financial items and tax	**-1,687**	**11,881**	**1,786**	**-3,334**	**8,646**	**-2,238**	**-**	**6,408**
Financial result	n/a	n/a	n/a	n/a	-762	41,396	-	40,634
Earnings before tax (EBT)	**n/a**	**n/a**	**n/a**	**n/a**	**7,884**	**39,158**	**-**	**47,042**
Average number of employees	**19**	**577**	**124**	**73**	**793**	**2**	**-**	**795**

NOTE 2.1

Segment information (continued)

2019 (in EUR k)	Inspire	Build	Run	Other	Trifork	Labs	Elimination	Total
Revenue								
- from external customers	8,051	76,578	21,458	341	106,428	-	-	106,428
- from other segments	-	-	-	553	553	-	-553	-
Total segment revenue	**8,051**	**76,578**	**21,458**	**894**	**106,981**	**-**	**-553**	**106,428**
Earnings before financial items, tax, depreciation and amortization	**-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 tax	**-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 (EBT)	**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 (in EUR k)	Inspire	Build	Run	Other	Trifork	Labs	Elimination	Total
Revenue								
- from external customers	7,140	61,502	17,818	19	86,479	29	-	86,508
- from other segments	-	-	-	970	970	130	-1,100	-
Total segment revenue	**7,140**	**61,502**	**17,818**	**989**	**87,449**	**159**	**-1,100**	**86,508**
Earnings before financial items, tax, depreciation and amortization	**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 tax	**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 (EBT)	**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**

GEOGRAPHICAL INFORMATION

(in EUR k)	Revenue from external customers[1]	Non-current assets[2]
2020		
Denmark	83,808	79,974
UK	9,736	9,879
Netherlands	8,418	6,281
USA	2,821	1,017
Switzerland	1,727	1,951
Others	8,848	1,502
Total	**115,358**	**100,604**
2019		
Denmark	63,423	35,649
UK	13,075	5,701
Netherlands	7,458	7,822
USA	3,382	1,181
Switzerland	2,106	2,612
Others	16,984	1,758
Total	**106,428**	**54,723**
2018		
Denmark	53,624	26,113
UK	10,368	5,499
Netherlands	9,268	1,141
USA	2,989	1,212
Switzerland	2,869	2,041
Others	7,390	6,474
Total	**86,508**	**42,480**

1 The geographical information is based on the locations of the customers.

2 Intangible assets, right-of-use assets and property, plant and equipment.

NOTE 2.2

Revenue from contracts with customers

A. Revenue streams

(in EUR k)	2020	2019	2018
Inspire	1,945	8,051	7,140
Build	86,705	76,578	61,502
Run:			
- Licenses and support	7,626	7,940	10,807
- Hardware	2,644	1,180	1,803
- Hosting and security	16,152	12,339	5,237
Other	286	340	19
Total revenue	**115,358**	**106,428**	**86,508**

B. Revenue by business area

(in EUR k)	2020	2019	2018
Inspire	1,945	8,051	7,140
Digital health	14,572	12,676	11,264
Smart enterprise	49,237	39,740	31,021
Smart building	2,859	1,737	3,662
Cloud operations	21,735	19,092	17,833
Cyber protection	8,057	3,561	3,010
Fintech	16,668	21,231	12,559
Others	285	340	19
Total revenue	**115,358**	**106,428**	**86,508**

C. Timing or revenue recognition

(in EUR k)	2020	2019	2018
Goods and services transferred at a point in time	7,657	5,819	7,477
Services transferred over time	107,701	100,609	79,031
Total revenue	**115,358**	**106,428**	**86,508**

D. Contract liabilities

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

- for Inspire: Prepayments for GOTO Conferences are made only for the next upcoming conference, and;
- for Build: Trifork Group delivers its services to customers following the agile-approach (short-term and numerous independent cycles), and;
- for Licenses and support/Hosting and security: Although having long-term contracts with customers, (pre-)payments are only requested for short-term periods.

§ Accounting policies

Revenue from contracts with customers is recognized 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. Inspire 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. Build 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. Run revenue represents revenue earned from providing customers with the following goods or services:

a. Licenses and support. The Group recognizes revenue from right-to-use software licenses at the point in time when the customer obtains control over the software. Revenue from support and right-to-access licenses 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.

NOTE 2.3

Costs of goods and services purchased

(in EUR k)	2020	2019	2018
Costs of goods and services purchases	-22,751	-27,542	-21,516

Accounting policies

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

NOTE 2.4

Other operating expenses

(in EUR k)	2020	2019	2018
Sales and marketing expenses	-1,723	-2,820	-2,167
Service cost for leased property[1]	-1,951	-2,033	-4,543
Administration expenses	-8,841	-7,587	-7,246
- of which IPO-preparation costs	*-852*	*-270*	-
- of which lease cost of short term and low value contracts	*-20*	*-78*	-
Others	-58	-36	-59
Total other operating expenses	**-12,573**	**-12,476**	**-14,015**

1 2018: Including lease expenses.

NOTE 2.5

Depreciation, amortization and impairment

(in EUR k)	2020	2019	2018
Depreciation of property, plant and equipment	-1,846	-1,528	-1,910
Depreciation of right-of-use assets	-4,874	-3,705	-
Amortization of intangible assets	-3,094	-1,993	-1,962
Impairment of intangible assets	-753	-176	-68
Total depreciation, amortization and impairment	**-10,567**	**-7,402**	**-3,940**

In 2020, acquired intangible assets were impaired due to not living-up to the business plan. The corresponding contingent liability was simultaneously adjusted by EUR k 535 to EUR k 0 (see Note 4.3).

In 2019, an ongoing development project (software) was fully impaired as Management viewed the business case as not being realistic anymore.

The impairment recognized in 2018 related to the sale of Trifork Medical ApS.

NOTE 2.6

Other financial result

A. Other financial income

(in EUR k)	2020	2019	2018
Interest income	87	90	82
Reversal of impairment losses on other financial assets	41	-	-
Fair value adjustments on contingent consideration liabilities	754	322	740
Total other financial income	**882**	**412**	**822**

B. Other financial expenses

(in EUR k)	2020	2019	2018
Interest expenses	-1,426	-918	-653
- of which lease interests	*-487*	*-259*	*-78*
- of which net interest for defined benefit plans	*-4*	*-6*	-
Impairment losses on other financial assets	-48	-96	-
Total other financial expenses	**-1,474**	**-1,014**	**-653**

C. Result of foreign exchange

(in EUR k)	2020	2019	2018
Foreign exchange gains	1,534	1,712	694
Foreign exchange losses	-1,582	-1,102	-965
Total result on foreign exchange	**-48**	**610**	**-271**

NOTE 2.7

Income taxes

A. Income tax recognizesd in profit or loss and other comprehensive income

(in EUR k)	2020	2019	2018
Tax expense recorded in the income statement			
Current income tax expense	-2,861	-1,796	-1,411
Deferred tax (expense)/income	477	402	150
Total tax expense recorded in the income statement	**-2,384**	**-1,394**	**-1,261**
Tax effect recorded in other comprehensive income			
Deferred income tax from remeasurement of defined benefit plans	62	50	52
Total tax effect recorded in other comprehensive income	**62**	**50**	**52**

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 are attributed. The change in the expected tax rate mainly relates to the change in the mix of pre-tax results achieved by the individual companies.

The following analysis explains the main 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).

(in EUR k)	2020	2019	2018
Earnings before tax	47,043	17,743	16,031
Weighted applicable tax rate	23.6%	21.3%	22.8%
Expected income tax expense	**-11,147**	**-3,785**	**-3,658**
Effect of changes in tax rates	-	21	-
Non-taxable income			
- from investments	9,337	2,367	2,396
- others	92	489	225
Non-deductible expenses	-384	-526	-46
Tax privileged expenses (R&D)	-	-	200
Unrecognized tax losses from current period	-367	-79	-111
Recognized tax losses from earlier periods	267	117	
Derecognized tax losses from earlier periods	-	-	-327
Others	-182	2	60
Actual income tax expense	**-2,384**	**-1,394**	**-1,261**
Effective tax rate	5.1%	7.9%	7.9%

NOTE 2.7

Income taxes (continued)

B. Deferred tax assets and liabilities

DEFERRED TAX ASSETS/(LIABILITIES), NET

(in EUR k)	2020	2019	2018
1 January	**-2,589**	**-2,990**	**-2,962**
Net deferred tax recognized in profit or loss	477	402	150
Net deferred tax recognized in other comprehensive income	62	50	52
Additions from business combinations	-3,302	-	-220
Disposal of Group companies	-	-1	-
Exchange differences	-4	-50	-10
31 December	**-5,356**	**-2,589**	**-2,990**

RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION AS:

(in EUR k)	2020	2019	2018
Deferred tax asset	224	343	116
Deferred tax liability	-5,580	-2,932	-3,106
Total	**-5,356**	**-2,589**	**-2,990**

Significant accounting estimates, assumptions and judgments

Some Group companies have tax losses that can be carried forward. These lapse after seven years in Switzerland and in most other countries there is no limitation period. Deferred tax assets are recognized on tax loss carryforwards if it is probable that they can be offset against future taxable profits. If there is uncertainty as to the future development of earnings at a given Group company, no deferred tax assets are recognized.

UNRECOGNIZED TAX LOSSES CARRIED FORWARD

(in EUR k)	2020	2019	2018
Expiry in:			
- 1 year	-	-	-
- 2 to 5 years	48	199	-
- more than 5 years	1,533	733	-
- do not expire	4,478	3,838	1,742
Total unrecognized tax losses carried forward	**6,059**	**4,770**	**1,742**

NOTE 2.7

Income taxes (continued)

DEFERRED TAX ASSETS/(LIABILITIES) RELATE TO THE FOLLOWING ITEMS:

	2020		2019		2018	
(in EUR k)	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	103	-5,574	76	-2,827	95	-3,498
Leases (net)	241	-73	62	-135	-	-
Trade receivables	38	-	32	-	-	-
Other current assets	-	-14	-	-	-	-73
Current liabilities	5	-185	-	-141	162	-
Defined benefit liabilities	123	-	146	-	60	-
Other non-current liabilities	-	-107	-	-	229	-
Tax losses carried forward	87	-	198	-	37	-
Total deferred tax assets/(liabilities)	**597**	**-5,953**	**514**	**-3,103**	**583**	**-3,571**
Offsetting	-373	373	-171	171	-465	465
Total deferred tax assets/(liabilities), net	**224**	**-5,580**	**343**	**-2,932**	**118**	**-3,106**

Deferred tax assets of EUR k 87 (2019: EUR k 198 / 2018: EUR k 37) were recognized in respect of available tax losses carried forward of EUR k 450 (2019: EUR k 1.039 / 2018: EUR k 183). 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.

§ Accounting policy

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 non-tax-deductible goodwill and other items where temporary differences - excluding business combinations – have occurred at the time of acquisition without affecting profit or taxable income.

Deferred income tax liabilities are provided for taxable temporary differences arising from investments in subsidiaries and associates, except for deferred tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 2.8

Earnings per share

(in EUR k)	2020	2019	2018
Net income attributable to the shareholders of Trifork Holding AG (in EUR k)	**43,216**	**15,240**	**13,691**
Weighted average number of shares issued	18,637,230	18,544,922	18,537,230
Weighted average number of treasury shares	-53,685	-235,518	-293,959
Number of shares used for calculating earnings per share	**18,583,545**	**18,309,404**	**18,243,271**
Earnings per share (basic/diluted - in EUR)	**2.33**	**0.83**	**0.75**

SECTION 3

Compensation

The employees of Trifork Group form the backbone of all revenue generating activities.

In this section, details regarding the employee compensation are outlined.

3

NOTE 3.1

Personnel costs

(in EUR k)	2020	2019	2018
Wages and salaries	-61,310	-53,947	-41,311
Social security costs	-1,927	-1,363	-1,222
Pension expense related to defined contribution plans	-2,672	-1,957	-1,562
Pension expense related to defined benefit plans	387	-230	-190
Government grants on personnel costs	564	355	335
Salary refunds received	440	321	220
Personnel costs capitalized as development projects	369	1,026	1,163
Total personnel costs	**-64,149**	**-55,795**	**-42,567**
Average number of employees	**795**	**626**	**504**

For details related to defined benefit plans, please refer to Note 3.2.

§ **Accounting policy**

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

NOTE 3.2

Pension and similar obligations

(in EUR k)	2020	2019	2018
Non-current liability for holiday funds payable	5,077	-	-
Defined benefit liabilities	1,042	1,223	704
Other non-current liabilities	**6,119**	**1,223**	**704**

A. Pension

The Group's pension plan in Switzerland qualifies as defined benefit plan. All other plans are defined contribution plans.

Swiss pension funds are subject to regulatory supervision and are governed by the BVG [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 is responsible for general management, drafting the pension fund regulations, defining the investment strategy and determining how the benefits will be funded. It comprises employee and employer representatives.

The plan beneficiaries 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.

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.

In 2020, a new plan, effective 1 January 2021, was introduced for salaries exceeding CHF k 129. Plan participants are able to choose from various investment strategies to suit their personal risk profile. The Group's obligation is limited to the annual contributions to be made. The plan is classified as defined contribution scheme and Group has recognized a settlement gain of EUR k 726.

The following weighted actuarial assumptions were applied in determining the defined benefit obligation (DBO):

(in EUR k)	2020	2019	2018
Discount rate	0.2%	0.3%	0.9%
Estimated future salary increases	1.5%	1.5%	1.5%
Mortality assumptions	BVG 2015 GT	BVG 2015 GT	BVG 2015 GT

The net defined benefit liabilities developed as follows:

(in EUR k)	2020	2019	2018
1 January	**1,223**	**704**	**790**
Cost of defined benefit plans, in profit and loss	-384	236	190
Remeasurement, in other comprehensive income	424	439	-175
Employer contributions	-221	-182	-135
Exchange differences	-	26	34
31 December	**1,042**	**1,223**	**704**
Breakdown of the net defined benefit liability			
Present value of the DBO	3,519	2,560	1,494
Fair value of plan assets	-2,477	-1,336	-790
Net defined benefit asset/(liability)	**1,042**	**1,223**	**704**

Present value of the DBO

(in EUR k)	2020	2019	2018
1 January	**2,560**	**1,494**	**1,624**
Current service cost	339	230	185
Interest expense	8	13	12
Ordinary employee contributions	221	182	163
Additional contributions by plan participants	974	234	-
Benefits paid	-254	-66	-379
Settlement gain	-726	-	-
Actuarial (gains)/losses	408	418	-180
Exchange differences	-11	55	69
31 December	**3,519**	**2,560**	**1,494**

NOTE 3.2

Pension and similar obligations (continued)

Fair value of plan assets

(in EUR k)	2020	2019	2018
1 January	**1,336**	**790**	**834**
Interest income at discount rate	4	7	6
Ordinary employer contributions	221	182	135
Ordinary employee contributions	221	182	163
Additional contributions by plan participants	974	234	-
Benefits paid	-254	-66	-379
Return on plan assets (excluding interest income at discount rate)	-11	-21	-5
Exchange differences	-14	28	36
31 December	**2,477**	**1,336**	**790**

Components of defined benefit cost in profit or loss

(in EUR k)	2020	2019	2018
Service cost in personnel costs	387	-230	-190
Net interest in financial expenses	-4	-6	-
Total	**383**	**-236**	**-190**

Remeasurement of the net defined benefit liabilities in other comprehensive income

(in EUR k)	2020	2019	2018
Remeasurement of the net defined benefit liabilities			
- Actuarial gain/(loss) from changes in financial assumptions	-86	-112	66
- Actuarial gain/(loss) from experience adjustments	-322	-306	114
Return on plan assets (excluding interest income at discount rate)	-12	-21	-5
Total	**-420**	**-439**	**175**

The Macaulay duration is 18.8 years (2019: 19.6 years / 2018: 18.8 years).

Sensitivity

(in EUR k)	2020	2019	2018
Increase of discount rate by 0,5%	-138	-144	-146
Decrease of discount rate by 0,5%	160	169	171

Breakdown of the fair value of plan assets by investment category

(in EUR k)	2020	2019	2018
Receivables from an insurance company (collective foundation)	2,477	1,336	790

The Trifork Group expects employer contributions of EUR 86 for 2021.

§ Accounting policy

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 cost of defined benefit plans is determined using actuarial valuations and recorded as follows:

- Service cost (current and past service costs from plan amendments, gains and losses from curtailments and settlements): in profit and loss, within personnel costs
- Net interest on the net defined benefit liabilities or assets: in 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 any asset ceiling: in other comprehensive income

NOTE 3.2

Pension and similar obligations (continued)

B. Holiday funds payable

The Danish Holiday Act has been modernized and introduces the concept of "concurrent holiday", meaning that employees may take holiday in the same year as when the holiday is accrued.

Holidays earned in the transitional period will be frozen and maintained in the Group statement of financial position. It will be paid upon retirement to the respective employees. The liability is subject to annual indexation determined by government.

The respective liability is EUR k 5,077 (2019/2018: EUR k 0). The respective expense is included in wages and salaries in Note 3.1.

§ Accounting policy

The indexation of the frozen holiday funds starts at the same time as the accrual period of the frozen holiday funds has ended, and the new holiday law actually enters into force - that is, from 1 September 2020.

Once a year, the companies will be notified by the government of which indexation applies for a backward period for the frozen holiday funds that have not yet been paid into the fund. The indexation reflects the addition of interest and is, therefore, presented as other financial expenses in the income statement.

The indexing is calculated per commenced month in which the holiday funds have not been paid into the Employees' Holiday Funds but kept within the company.

SECTION 4

Capital investments

This section focuses on the capital investments of Trifork Group that support the organic and acquisitional growth.

Additionally, also liabilities related to acquisitional activities are part of this section in order to understand the transactions as a whole.

4

NOTE 4.1

Acquisition of businesses

2020

In 2020, the Group acquired control of SAPBASIS ApS, MM Technologies ApS and Nine A/S.

The purchase price allocations are not final as at 31 December 2020. The provisionally assessed fair values of assets identified and liabilities assumed of companies as at acquisition date are as follows:

(in EUR k)	SAPBASIS ApS	MM Technologies ApS	Nine A/S	Total
Intangible assets	1,388	96	13,567	15,051
Right-of-use assets	305	-	1,815	2,120
Property. plant and equipment	17	2	146	165
Other non-current assets	287	1	-	288
Trade receivables	449	6	4,814	5,269
Other current assets	266	297	7,699	8,262
Deferred tax liabilities	-305	-19	-2,977	-3,301
Other non-current liabilities	-252	-	-3,115	-3,367
Current liabilities	-281	-26	-8,867	-9,174
Net assets acquired	**1,874**	**357**	**13,082**	**15,313**
Non-controlling interests	-935	-107	-3,925	-4,967
Net assets acquired. attributable to shareholders of Trifork Holding AG	**939**	**250**	**9,157**	**10,346**
Goodwill	584	51	25,958	26,593
Purchase price	**1,523**	**301**	**35,115**	**36,939**
- of which contingent consideration	558	-	4,081	4,639
- of which Trifork shares transferred	386	-	2,390	2,776
- allocation of Trifork shares transferred, subject to put-option, to contingent consideration	-	-	-2,390	-2,390
- of which cash consideration	**579**	**301**	**31,034**	**31,914**
Acquired cash and cash equivalents	-261	-278	-5,174	-5,713
Net outflow of cash and cash equivalents	**318**	**23**	**25,860**	**26,201**
Non-controlling interests at the time of acquisition	49.9%	30.0%	30.0%	

SAPBASIS APS

The acquisition took place at the beginning of January 2020. EUR k 1,262 of customer relationships have been recognized as intangible assets and are amortized over an estimated useful life of 10 years. Further, EUR k 126 of order backlog have been recognized as intangible assets and are amortized by contract fulfilment. Goodwill of EUR k 584 is justified by the expertise of SAPBASIS ApS in its specific field of action and is not tax deductible.

The fair value of the 44,307 Trifork shares transferred amounts to EUR k 386 and has been determined by using the Trifork treasury shares price model.

The contingent consideration payments are subject to achieving operational results in the financial years 2020 – 2022 and are due from 2021 (refer to Note 4.3 for further information).

The non-controlling interests are calculated based on the share of identifiable net assets.

In 2020, SAPBASIS ApS contributed revenue of EUR k 2,008 and earnings before tax of EUR k 481 to Trifork Group. If the acquisition had taken place on 1 January 2020, the impact on revenue and earnings before tax would not be materially different.

Transaction costs related to the acquisition are immaterial.

MM TECHNOLOGIES APS (RENAMED TO TRIFORK SMART DEVICE APS)

The acquisition took place at the beginning of March 2020. EUR k 67 of development projects (unpatented) and EUR k 29 of customer relationships have been recognized as intangible assets and are amortized over an estimated useful life of 5 and 10 years. Goodwill of EUR k 51 is justified by market potential of the development projects and is not tax deductible.

The non-controlling interest is calculated based on the share of identifiable net assets.

In 2020, MM Technologies ApS contributed revenue of EUR k 37 and earnings before tax of EUR k 74 to Trifork Group. If the acquisition had taken place on 1 January 2020, the total revenue of the Trifork Group would have been EUR k 7 higher and the earnings before tax for the period would have increased by EUR k 15.

Transaction costs related to the acquisition are immaterial.

NINE A/S

The acquisition took place at the beginning of September 2020. EUR k 12,478 of customer relationships have been recognized as intangible assets and are amortized over an estimated useful life of 10 years. Further, EUR k 1.089 of order backlog have been recognized as intangible assets and are amortized by contract fulfilment. Goodwill of EUR k 25,958 is justified by the expertise of Nine A/S in its specific field of action and assumed synergies and is not tax deductible.

The Group delivered 191,000 Trifork shares to the sellers of Nine A/S and entered into a put-option arrangement on these shares. The sellers are entitled to put back 50% of the shares at a fixed price of EUR 21 per share and 50% of the shares between EUR 0 and EUR 21 per share, depending on the accumulated EBIT of Nine A/S for the period 2021 - 2022. The put-option can be exercised in early 2023. Management considers this arrangement as a contingent consideration and has recognized the fair value of EUR k 4,081 at acquisition date, refer to Note 4.3 for further explanation.

The weighted average cost of the 191,000 Trifork shares delivered (EUR k 2,390) has been transferred to retained earnings at the acquisition date.

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 2020, Nine A/S contributed revenue of EUR k 9,336 and earnings before tax of EUR k 1,575 to Trifork Group. If the acquisition had taken place on 1 January 2020, the total revenue of the Trifork Group would have been EUR k 15,121 higher and the earnings before tax for the period would have increased by EUR k 1,840.

Transaction costs related to the acquisition amount to EUR k 103 and are included in other operating expenses.

2018

In 2018 the Group acquired control of Testhuset A/S and Invokers A/S (renamed to Trifork Smart Enterprise A/S). The purchase price allocations were finalized in 2019. The fair values were as follows:

(in EUR k)	Testhuset A/S	Trifork Smart Enterprise A/S	Total
Intangible assets	532	567	1,099
Property, plant and equipment	93	31	124
Other non-current assets	245	40	285
Trade receivables	1,571	988	2,559
Other current assets	346	484	830
Deferred tax liabilities	-95	-125	-220
Other non-current liabilities	-11	-	-11
Current liabilities	-1,082	-785	-1,867
Net assets acquired	**1,599**	**1,200**	**2,799**
Non-controlling interests	-480	-588	-1,068
Net assets acquired, attributable to shareholders of Trifork Holding AG	**1,119**	**612**	**1,731**
Goodwill	4,049	1,304	5,353
Purchase price	**5,168**	**1,916**	**7,084**
- of which contingent consideration	1,019	-	1'019
- of which Trifork shares transferred	1,498	992	2,490
- of which cash consideration	**2,651**	**924**	**3,575**
Acquired cash and cash equivalents	-247	-433	-680
Net outflow of cash and cash equivalents	**2,404**	**491**	**2,895**
Non-controlling interests at the time of acquisition	30%	49%	

2019

No acquisitions were made.

NOTE 4.1

Acquisition of businesses (continued)

TESTHUSET A/S

The acquisition took place at the beginning of June 2018. EURm 0.4 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 is not tax deductible.

The fair value of the 244,082 Trifork shares transferred amounts to EUR k 1,498 and has been determined by using the Trifork treasury shares price model.

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 Trifork Group. If the acquisition had taken place on 1 January 2018, the total revenue of the 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 (RENAMED TO TRIFORK SMART ENTERPRISE 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 is not tax deductible.

The fair value of the 159,306 Trifork shares transferred amounts to EUR 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 Trifork Group. If the acquisition had taken place on 1 January 2018, the total revenue of the 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 a consideration of EUR k 4,297, of which EUR k 1,205 was settled in cash, EUR k 2,143 by transferring 249,454 Trifork shares and EUR k 941 is contingent (refer to Note 4.3).

§ Accounting policy

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 business. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets.

In business combinations the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at acquisition-date fair value. Goodwill is not amortized but 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.

NOTE 4.2

Businesses disposed / loss of control

2020

No businesses were disposed

2019

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 EUR k 3,653.

The transaction resulted in a gain from disposal of Group Companies EUR k 3,100 included in "other operating income" of EUR k 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, non-controlling interests 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 of EUR k 119 included in "other operating income" of EUR k 3,831 and disposed cash and cash equivalents of EUR k 7.

(in 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 derecognized	-675
Investment retained in Trifork Labs	-3,653
Consideration received in cash	-377
Deferred consideration (loan)	-410
Currency translation adjustment reclassified to profit or 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**

2018

TRIFORK MEDICAL APS

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.

§ Accounting policy

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.

NOTE 4.3

Contingent consideration liabilities

(in EUR k)	Level 3
1 January 2018	**296**
Additions from business combinations	1,019
Settled in cash	-240
Fair value adjustments recognized in profit or loss	-740
Exchange differences	-2
31 December 2018	**333**
Additions from acquisition of non-controlling interests	937
Fair value adjustments recognized in profit or loss	-322
Exchange differences	1
31 December 2019	**949**
Additions from business combinations	4,639
Other additions	535
Fair value adjustments recognized in profit or loss	-743
Exchange differences	-2
31 December 2020	**5,378**

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

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.

An amount of EUR k 4,082 relates to the acquisition of Nine A/S:

As part of the transaction Trifork entered into a put-option arrangement with the sellers of Nine A/S for the 191,000 Trifork shares delivered at acquisition date. The sellers are entitled to put back 50% of the shares to Trifork at a fixed price of EUR 21 per share and 50% of the shares between EUR 0 and EUR 21 per share, depending on the accumulated EBIT of Nine A/S for the period 2021 - 2022. The put option can be exercised in early 2023. The weighted average cost of the Trifork shares delivered has been transferred to retained earnings at the acquisition date. Should the put-option on the Trifork shares expire unexercised, the put-option liability will be reclassified to retained earnings. Trifork Group assumes the targets to be met and accounts for the total liability.

An amount of EUR k 0 relates to the acquisition of software products (completed development projects):

The contingent consideration arrangement comprises a pay-out of up to EUR k 807 in 2021. Subject to the earn-out payment are new or expanded sales agreements (licenses, SaaS) for the products acquired. According to business planning, Trifork Group expects the amount becoming due to be EUR k 0.

An amount of EUR k 355 relates to the acquisition of SAPBASIS ApS:

The contingent consideration arrangement comprises a total pay-out of up to EUR k 647 in 2021, 2022 and 2023 in case the company meets defined EBIT-targets in 2020, 2021 and 2022. If the target is missed by more than 10%, there will be no pay-out.

Based on recent results and the future expectations for SAPBASIS ApS, Trifork Group is of the view that for 2020 100%, for 2021 35% and for 2022 29% of the maximum amounts become due.

An amount of EUR k 941 relates to the acquisition of the remaining non-controlling interests (49%) of Trifork Smart Enterprise A/S:

The contingent consideration arrangement comprises a pay-out of EUR k 941 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 5,072 in 2020. Therefore, the target is achieved and payment is 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. The maximum amount to be paid for all three years in total is EUR 1m. Targets for were not met, thus no payment became due.

Fair value adjustments are recorded as other financial income or expense, refer to Note 2.6.

Significant accounting estimates, assumptions and judgments

In connection with determination of the purchase price of acquired subsidiaries 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.

Accounting policy

Refer to accounting policy in Note 7.2.

NOTE 4.4

Redemption amount of put-options

(in EUR k)	2020	2019	2018
1 January	**4,089**	**7,903**	**3,887**
Addition	20,013	-	4,944
Expiry of put-options	-	-3,142	-
Adjustment recognized in retained earnings	114	-669	-916
Exchange differences	24	-3	-12
31 December	**24,240**	**4,089**	**7,903**

In 2020, Trifork Group acquired 70% of the shares of Nine A/S. The sellers have put-options, subject to certain conditions, on the remaining non-controlling interest.

In 2019, the Group acquired the remaining non-controlling interests of Trifork Smart Enterprise A/S. The respective put-options by the non-controlling interests expired.

Significant accounting estimates, assumptions and judgments

As the Group has a contractual obligation to acquire additional shares in case defined financial conditions are met and the put-options are exercised by the sellers, it must estimate the respective financial liabilities.

Estimating future cash flows based on contractually agreed option prices formulas requires management to make assumptions about relevant input parameters such as future results and may result in significant changes to recognized liabilities in future periods.

§ Accounting policy

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 or losses continue to be allocated to the non-controlling interests when the Group has not acquired a present ownership interest in these interests. The non-controlling interests subject to put-options are derecognized at each reporting date as if acquired. Liabilities from written put-options are measured at the present value of the redemption amount. These financial liabilities are remeasured at each reporting date and the resulting differences are recorded in retained earnings without any impact on the income statement.

NOTE 4.5

Investments in associated companies

(in EUR k)	2020	2019	2018
1 January	**41**	**115**	**205**
Additions	-	-	3
Disposals	-	-40	-104
Share of result from associated companies	15	-24	7
- of which share of result applying the equity method	*15*	*10*	*79*
- of which impairment	*-*	*-34*	*-72*
Dividends received	-41	-10	-
Exchange differences	-	-	4
31 December	**15**	**41**	**115**

The associated companies are considered individually immaterial.

§ Accounting policy

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.

NOTE 4.6

Intangible assets

(in EUR k)	Goodwill	Completed development projects	Ongoing de-velopment projects	Customer relation-ships/ order backlog	Total
Acquisition cost					
1 January 2018	**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
Disposals 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**
Additions	-	1,325	369	147	1,841
Additions from business combinations	26,593	67	-	14,984	41,644
Disposals	-	-210	-	-314	-524
Transfers	-	821	-821	-	-
Exchange differences	-35	-15	1	-93	-142
31 December 2020	**44,662**	**14,114**	**317**	**32,014**	**91,107**
Accumulated amortization and impairment					
1 January 2018	-	-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**

(in EUR k)	Goodwill	Completed development projects	Ongoing de-velopment projects	Customer relation-ships/ order backlog	Total
Amortization	-	-1,084	-	-909	-1,993
Impairment	-	-	-176	-	-176
Disposals	-	-	221	-	221
Disposals of Group companies	-	35	-	-	35
Exchange differences	-	-79	-	-38	-117
31 December 2019	**-**	**-9,332**	**-**	**-5,511**	**-14,843**
Amortization	-	-1,356	-	-1,738	-3,094
Impairment	-	-753	-	-	-753
Disposals	-	210	-	314	524
Exchange differences	-	22	-	27	49
31 December 2020	**-**	**-11,209**	**-**	**-6,908**	**-18,117**
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**
Net carrying amount as of 31 December 2020	**44,662**	**2,905**	**317**	**25,106**	**72,990**

In 2020, the Group acquired completed development project of EUR k 535 that is subject to a contingent consideration (see Note 4.3).

Expenditure on research and development recognized in the income statement (personnel costs) amount to EUR k -1,373 (2019: EUR k -1,637 / 2018: EURk -1,230)

ONGOING DEVELOPMENT PROJECTS

Additions to ongoing development projects relate to internal development costs (capitalization of personnel costs). Refer also to Note 3.1.

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

NOTE 4.6

Intangible assets (continued)

GOODWILL

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

in EUR k	2020	2019	2018
Build sub-segment			
Trifork A/S	224	223	223
Trifork Public A/S	577	575	575
Trifork B.V.	3,756	3,756	3,756
Erlang Solutions Ltd.	1,136	1,157	1,122
Open Credo Ltd.	1,240	1,314	1,241
Duckwise ApS	5	5	5
Testhuset A/S	4,054	4,038	4,039
Trifork Smart Enterprise A/S	1,308	1,302	1,303
SAPBASIS ApS	587	-	-
Trifork Smart Device ApS	51	-	-
Nine A/S	25,966	-	-
Total	**38,904**	**12,370**	**12,264**
Run sub-segment			
Netic A/S	5,758	5,734	5,736
Total Goodwill	**44,662**	**18,104**	**18,000**

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).

Significant accounting estimates, assumptions and judgments

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.

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

NOTE 4.6

Intangible assets (continued)

	2020			2019			2018		
	CAGR Net sales	Average EBITDA margin	Pre-tax discount rate	CAGR Net sales	Average EBITDA margin	Pre-tax discount rate	CAGR Net sales	Average EBITDA margin	Pre-tax discount rate
Build sub-segment									
Trifork A/S	8.4%	17.5%	11.4%	7.1%	16.6%	11.5%	9.0%	15.9%	12.1%
Trifork Public A/S	11.1%	20.0%	11.4%	5.2%	21.0%	11.5%	5.0%	20.0%	12.1%
Trifork B.V.	8.3%	18.3%	11.4%	12.6%	12.7%	11.9%	8.1%	11.9%	12.2%
Erlang Solutions Ltd.	16.5%	11.9%	12.0%	12.0%	12.1%	12.6%	10.3%	12.2%	13.1%
Open Credo Ltd.	0.2%	11.7%	12.0%	5.9%	10.3%	12.6%	9.1%	12.8%	13.1%
Duckwise ApS	14.1%	14.9%	11.4%	13.7%	13.9%	11.5%	19.4%	20.2%	12.1%
Testhuset A/S	7.7%	12.1%	11.4%	9.5%	11.7%	11.5%	12.2%	13.0%	12.1%
Trifork Smart Enterprise A/S	11.4%	14.9%	11.4%	21.3%	15.3%	11.5%	19.8%	12.0%	12.1%
SAPBASIS ApS	15.0%	27.5%	11.4%	-	-	-	-	-	-
Trifork Smart Device ApS	101.7%	36.0%	11.5%	-	-	-	-	-	-
Nine A/S	10.6%	23.1%	11.4%	-	-	-	-	-	-
Run sub-segment									
Netic A/S	8.5%	16.9%	11.4%	9.9%	16.5%	11.5%	7.9%	19.4%	12.1%

§ Accounting policy

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.

Development expenditure on individual projects is recognized as an intangible asset only 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.

NOTE 4.6

Intangible assets (continued)

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 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 relationships	*5-20 years*
Order backlog	*in accordance with contract terms*

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 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.

At each reporting date, the Group assesses whether there is any indication that an intangible asset (other than Goodwill) may be impaired. If any such indication exists, the recoverable amount of such asset is estimated. Where it is not possible to determine the recoverable amount of an individual intangible 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 intangible asset (other than Goodwill) 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 asset or cash generating unit in prior periods.

NOTE 4.7

Right-of-use assets

(in EUR k)	Offices	IT-Hardware	Cars	Total
2020				
Additions	9,669	460	334	10,463
Depreciation	-3,919	-566	-389	-4,874
Net carrying amount as of 31 December	**15,420**	**3,131**	**1,398**	**19,949**
2019				
Additions	6,362	503	560	7,425
Depreciation	-2,981	-392	-332	-3,705
Net carrying amount as of 31 December	**12,829**	**1,697**	**1,020**	**15,546**

For the expense relating to short-term leases and variable lease payment not included in the measurement of lease liabilities refer to Note 2.4.

For the interest expense on lease liabilities refer to Note 2.6.

For the maturity analysis of lease liabilities refer to Note 7.5.

Total cash outflow for leases amounted to EUR k 4,413 (2019: EUR k 3,933), refer to Notes 2.6 (for the interest part) and 7.3 (for the financial liability part).

§ Accounting policy

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

Since 1 January 2019, the Group recognizes a right-of-use asset (ROU asset) and a lease liability at the lease commencement date, except for leases with a duration of less than 12 months and leases of low value assets as well as variable lease payments not depending on an index or rate 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 and if not readily determinable an incremental borrowing rate which is the aggregation of the risk-free rate, increased by an individual risk factor and adjusted for the respective currency and lease duration.

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

At inception, the ROU asset comprises the initial lease liability, initial direct costs and any 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.

NOTE 4.8

Property, plant and equipment

(in EUR k)	Real estate	Leasehold improve-ments	Other equipment, fixtures and fittings	Invest-ment proper-ties	Total
Acquisition cost					
1 January 2018	**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
Disposals of Group companies	-	-43	-193	-	-236
Reclassifications [1]	-	268	-268	-	-
Exchange differences	-	79	98	-	177
31 December 2019	**1,114**	**3,416**	**9,106**	**-**	**13,636**
Additions	-	861	1,246	-	2,107
Additions from business combinations	-	-	165	-	165
Disposals	-	-35	-160	-	-195
Exchange differences	-	-71	106	-	35
31 December 2020	**1,114**	**4,171**	**10,463**	**-**	**15,748**
Accumulated depreciation and impairments					
1 January 2018	-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**

1 During the review of property, plant and equipment, reclassifications were made to ensure a uniformity of disclosures.

(in EUR k)	Real estate	Leasehold improve-ments	Other equipment, fixtures and fittings	Invest-ment proper-ties	Total
Transfer to right-of-use assets	-	92	1,096	-	1,188
Depreciation	-13	-271	-1,244	-	-1,528
Disposals	-	5	265	-	270
Disposals of Group companies	-	11	70	-	81
Exchange differences	-	-26	-52	-	-78
31 December 2019	**-36**	**-1,971**	**-5,897**	**-**	**-7,904**
Depreciation	-13	-402	-1,431	-	-1,846
Disposals	-	35	77	-	112
Exchange differences	-	28	6	-	34
31 December 2020	**-49**	**-2,310**	**-7,245**	**-**	**-9,604**
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**
Net carrying amount as of 31 December 2020	**1,065**	**1,861**	**3,218**	**-**	**6,144**

The Group's investment property was rented to a third party and was sold in 2018. The loss of CHF k -35 has been included in other operating expenses.

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). 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, e.g non-cash additions to property, plant and equipment.

NOTE 4.8

Property, plant and equipment (continued)

§ Accounting policy

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 (except land)	*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/expense.

At each reporting date, the Group assesses whether there is any indication that an item of property, plant and equipment may be impaired. If any such indication exists, the recoverable amount of such asset is determined. Where it is not possible to estimate the recoverable amount of an individual property, plant and equipment 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 such 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 asset or cash generating unit in prior periods.

NOTE 4.9

Other financial assets

(in EUR k)	2020	2019	2018
Loans to investments in Trifork Labs	3,015	2,234	1,436
Deposits for lease contracts	1,293	1,155	808
Expected credit loss allowance	-12	-2	-
Total non-current financial assets	**4,296**	**3,387**	**2,244**
- of which non-current	3,956	2,868	2,244
- of which current	340	519	-

§ Accounting policy

Refer to accounting policy in Note 7.2.

SECTION 5

Investment in Trifork Labs

The investments in Trifork Labs are a speciality of Trifork and form the venture funded research and development of the Group.

Relevant items, such as new acquisitions, exits and valuation adjustments are outlined in this section.

5

NOTE 5.1

Investments in Trifork Labs

(in EUR k)	Level 1	Level 3	Total
1 January 2018	**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
- of which realized	-	*2,685*	*2,685*
- of which unrealized	-	*7,314*	*7,314*
Exchange differences	-	-54	-54
31 December 2018	**-**	**19,685**	**19,685**
- of which non-current	-	19,685	19,685
Acquisitions	-	4,751	4,751
Disposals	-	-1,335	-1,335
Fair value adjustments	-	9,524	9,524
- of which realized	-	*204*	*204*
- of which unrealized	-	*9,320*	*9,320*
Dividends received	-	-204	-204
Exchange differences	-	110	110
31 December 2019	**-**	**32,531**	**32,531**
- of which non-current	-	32,531	32,531
Acquisitions	-	2,953	2,953
Transfers	144	-144	-
Disposals	-	-1,050	-1,050
Fair value adjustments	87	41,172	41,259
- of which realized	-	*-399*	*-399*
- of which unrealized	*87*	*41,571*	*41,658*
Exchange differences	5	163	168
31 December 2020	**236**	**75,625**	**75,861**
- of which non-current	236	19,519	19,755
- of which current	-	56,106	56,106

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 securities listed in active and liquid markets.

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.

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.

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 adjustments on investments in Trifork Labs" in the income statement.

NOTE 5.1

Investments in Trifork Labs (continued)

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 and updated business plans leading to a new valuation.

The fair value of Level 3 investments is derived from DCF-valuation models or recent transactions (new capital investments by third parties).

On 17 December 2020, Trifork Labs ApS signed a term sheet for the sale of its entire investement in Humio Ltd. According to this term sheet the Labs investment in Humio Ltd. is valued at EUR k 56.106 (see Note 8.5), which led to an unrealized fair value adjustment of EUR k 37,846. A potential escrow receivable of EUR k 1,489 is not recognized as fair value adjustment as the Group has not sufficient information to assess the recoverability. The investment as been reclassified as current.

As of 21 September 2020, one of Trifork's Labs investments was listed on the Nasdaq First North Premier and the fair value of EUR k 144 was reclassified from Level 3 to Level 1.

In 2019, Trifork Group disposed a 5% ownership interest in Programmable Infrastructure Solutions AG following a change in strategy, which led to the deconsolidation of the company in the Trifork segment and the recognition of the remaining 46% stake at fair value of EUR k 3,653 as an acquisition of a Trifork Labs investment (refer to Note 4.2).

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.

Significant accounting estimates, assumptions and judgments

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 7.5. 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 invest- ments 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.

Accounting policy

Equity investments held by Trifork Labs (the Group's driver for R&D innovation) 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.

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

SECTION 6

Working capital items

This section provides information related to the Group's working capital items, especially current receivables and payables.

6

NOTE 6.1

Trade receivables and contract assets

(in EUR k)	2020	2019	2018
Trade receivables - third parties	25,065	19,991	18,396
Trade receivables - related parties	468	505	-
Expected credit loss allowance	-307	-260	-302
Total trade receivables	**25,226**	**20,236**	**18,094**

The net change in 2020 of EUR m 5.0 is primarily derived from acquisitions. The net change in 2019 of EUR m 2.1 is primarily derived from activity growth.

Estimates on expected credit losses have been updated in 2020 due to potential impacts of the Covid-19 pandemic.

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.

	2020			2019			2018		
	Gross carrying amount	**Expected credit loss allowance**	**Total**	**Gross carrying amount**	**Expected credit loss allowance**	**Total**	**Gross carrying amount**	**Expected credit loss allowance**	**Total**
Trade receivables									
Not due	17,319	-40	17,279	14,666	-15	14,651	11,121	-11	11,110
Due < 30 days	6,046	-28	6,018	4,337	-21	4,316	4,909	-25	4,884
Due 30 - 90 days	1,378	-54	1,324	1,193	-71	1,122	1,472	-74	1,398
Due > 90 days	790	-185	605	300	-153	147	894	-192	702
Total trade receivables	**25,533**	**-307**	**25,226**	**20,496**	**-260**	**20,236**	**18,396**	**-302**	**18,094**
Contract assets	**2,112**	**-5**	**2,107**	**2,188**	**-2**	**2,186**	**2,593**	**-3**	**2,590**
Total	**27,645**	**-312**	**27,333**	**22,684**	**-262**	**22,422**	**20,989**	**-305**	**20,684**

NOTE 6.1

Trade receivables and contract assets (continued)

(in EUR k)	2020	2019	2018
1 January	**-262**	**-305**	**-513**
Incorporation of expected credit loss-model	-	-	-55
Addition	-169	-156	-179
Utilization	58	4	419
Reversal	57	190	20
Exchange differences	4	5	3
31 December	**-312**	**-262**	**-305**

§ Accounting policy

Refer to accounting policy in Note 7.2.

NOTE 6.2

Other current liabilities

(in EUR k)	2020	2019	2018
Liabilities to government authorities (VAT, social security, etc.)	8,099	2,624	2,374
Other liabilities	2,940	2,381	1,689
Accrued personnel expenses	4,749	4,569	4,343
Total	**15,788**	**9,574**	**8,406**

The increase in liabilities to government authorities comes from the Covid-19 support in Denmark. The government authorities have extended their payment terms.

NOTE 6.3

Leases (disclosures according to IAS 17 for 2018)

Operating lease arrangements

(in EUR k)	2018
< 1 year	2,492
1 - 5 years	4,647
> 5 years	66
Total	**7,205**

Finance lease commitments

2018 (in EUR k)	Leasehold improvements	Other equipment, fixtures and fittings	Total
< 1 year	19	979	998
1 - 5 years	54	905	959
Total minimum lease payments	**73**	**1,884**	**1,957**
Discounted interests	-9	-95	-104
Present value of minimum lease payments	**64**	**1,789**	**1,853**

The carrying amount of property, plant and equipment subject to finance lease is disclosed in Note 4.8.

SECTION 7

Capital structure and financing

This section includes notes related to capital structure and financing, including financial risks.

As a consequence of its operations, investments and financing, Trifork Group is exposed to a number of financial risks that are monitored, managed and addressed.

7

NOTE 7.1

Shareholders' equity

A. Number of shares (CHF 0.1 nominal value, issued and fully paid-in)

	2020	2019	2018
Issued shares as per 31 December	18,637,230	18,637,230	18,537,230
Treasury shares	-31,093	-144,462	-123,485
Outstanding shares as per 31 December	**18,606,137**	**18,492,768**	**18,413,745**

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 increased share capital from authorized share capital in an amount of EUR k 9 (100,000 shares). A premium of EUR k 871 was allocated to the retained earnings.

The available authorized capital as of 31 December 2020 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 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. Dividend

The Annual General Meeting of 16 April 2020 approved a dividend of EUR 0.05 per registered share to be paid from the Company's capital contribution reserve, included in the retained earnings of the consolidated financial statements. The dividend of EUR k 905 was paid out on 21 April 2020. As per 31 December 2020 the capital contribution reserve of Trifork Holding AG amounts to EUR k 10.

The Board of Directors will submit a proposal to the Annual General Meeting of Trifork Holding AG on 29 April 2021 to pay a dividend for the reporting period of 0.58 per registered share.

Dividends per share paid in 2020 amounted to EUR 0.05 per share (2019: EUR 0.11 per share, 2018: EUR 0.13 per share).

NOTE 7.1

Shareholders' equity (continued)

	Number of shares	Average price	Total amount (in EUR k)
1 January 2018	**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**
Acquisitions	581,524	12.55	7,299
Disposals	-459,586	11.92	-5,477
Acquisition of Group companies	-235,307	11.80	-2,776
Result from transactions with treasury shares transferred to retained earnings			228
31 December 2020	**31,093**	**16.84**	**524**

§ Accounting policy

Share capital equals the nominal value of all shares issued.

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.

NOTE 7.2

Financial instruments

Financial assets

(in EUR k)	2020	2019	2018
Other financial assets	4,296	3,387	2,244
Trade receivables	25,226	20,236	18,094
Other current receivables	559	1,202	287
Cash and cash equivalent	17,957	5,952	9,687
Total - at amortized cost[1]	**48,038**	**30,777**	**30,312**
Investments in Trifork Labs - at fair value through profit or loss (Levels 1 and 3, see Note 5.1)	75,861	32,531	19,685
Total financial assets	**123,899**	**63,308**	**49,997**

Financial liabilities

(in EUR k)	2020	2019	2018
Redemption amount of put-options	24,240	4,089	7,903
Borrowings from financial institutions	55,350	20,166	21,318
Lease liabilities	21,851	15,288	1,853
Trade payables	4,754	5,774	3,650
Other	357	473	450
Total - at amortized cost[2]	**106,552**	**45,790**	**35,174**
Contingent consideration liabilities - at fair value through profit and loss (Level 3)	5,378	949	333
Total financial liabilities	**111,930**	**46,739**	**35,507**

1 The fair value of short-term financial assets at amortized costs approximate their carrying amounts.

2 The fair value of financial liabilities at amortized costs approximate their carrying amounts due to being either of short-term nature or by virtue of floating interest rates that are regularly reset.
The carrying amount of redemption amount of put-options is also considered to be an approximation of fair value as the strike prices are variable amount based on the performance of the underlying company.

NOTE 7.2

Financial instruments (continued)

Financial instruments through profit and loss

For details of investments in Trifork Labs refer to Note 5.1.

For details of contingent consideration liabilities refer to Note 4.3.

§ Accounting policy

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.

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.

For other financial assets, such as loans to investments in Trifork Labs, the Group has established a provision matrix based on forward-looking factors specific to the debtors nature and the economic environment.

NOTE 7.2

Financial instruments (continued)

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.

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.

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.

NOTE 7.3

Financial liabilities

(in EUR k)	2020	2019	2018
Borrowings from financial institutions	55,350	20,166	21,318
Lease liabilities	21,851	15,288	1,853
Others	357	473	450
Financial liabilities related to financing activities	**77,558**	**35,927**	**23,621**
Contingent consideration liabilities	5,378	949	333
Redemption amount of put-options	24,240	4,089	7,903
Financial liabilities related to business combination and acquisition of non-controlling interests	**29,618**	**5,038**	**8,236**
Total financial liabilities, as presented in the statement of financial position	**107,176**	**40,965**	**31,857**
- of which non-current	66,879	25,988	20,513
- of which current	40,297	14,977	11,344

For details on contingent consideration liabilities, refer to Note 4.3.

For details on the redemption amount of put-options, refer to Note 4.4.

NOTE 7.3

Financial liabilities (continued)

Changes in liabilities arising from financing activities

(in EUR k)	Current borrowings from financial institutions and others	Current lease liabilities	Non-current borrowings from financial institutions and others	Non-current lease liabilities	Total
1 January 2018	**7,321**	**657**	**10,638**	**1,360**	**19,976**
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 IFRS 16 Leases	-	2,798	-	11,744	14,542
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**
Cash flows (net)	591	-3,926	34,444	-	31,109
New leases	-	251	-	10,211	10,462
New leases from business combinations	-	162	-	1,959	2,121
Cancellation of lease contracts	-	-232	-	-1,550	-1,782
Reclassifications	22,548	4,587	-22,548	-4,587	-
Exchange differences	97	85	-65	-397	-280
31 December 2020	**34,548**	**4,592**	**21,158**	**17,259**	**77,557**

§ **Accounting policy**

Refer to accounting policy in Note 7.2.

NOTE 7.4

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). This guarantee was cancelled in 2020.

To secure interest-bearing liabilities of EUR k 32,256 (2019/2018: EUR k 0) the Group has pledged the shares held in Nine A/S until full repayment of the liabilities.

To secure interest-bearing liabilities of EUR k 3,360 (2019: EUR k 3,347 / 2018: EUR k 3,348) 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 Holding AG.

To secure interest-bearing liabilities of EUR k 7,563 (2019: EUR k 7,746 / 2018: EUR k 8,854) the Group has entered into negative pledge agreements for the shares held in Netic A/S and for the assets in Testhuset A/S, Trifork Smart Enterprise A/S, Nine A/S and SAPBASIS ApS until full repayment of the liabilities.

Furthermore, the usual general terms and conditions of the financial institutions may include options for offsetting credit against open obligations.

NOTE 7.5

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. On a monthly basis, Management reviews the Group's risk exposure in areas such as customers, backlogs, 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 payables in other currencies than the functional currency and the respective risk is not considered significant.

At all times the Group monitors the net exposure to different currencies other than EUR, which is the reporting currency of 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 2020, 2019 and 2018 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.

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 -374 (2019: EUR k -142 / 2018: 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 a significant 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 predictive value for investments in Trifork Labs.

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 44.9% in 2020. 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 be EUR k 14,616 in 2020 (2019: 16.1%, EUR k 5,230, 2018: -8.6%, EUR k -1,762).

On actual terms, Trifork Group fair value gains for the investments in Trifork Labs in 2020 of EUR k 41,259 (2019: EUR k 9,524 / 2018: EUR k 9,999).

The maximum amounts at risk for Trifork Labs is the total investment.

NOTE 7.5

Financial risk management (continued)

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.

The maximum amounts at risk for contingent consideration liabilities is EUR k 1,099 (maximal contractual payments vs. carrying amount).

(in EUR k)	Carrying amount	Contractual payments	< 1 year	1- 5 years	> 5 years
2020					
Redemption amount of put-options	24,240	24,328	-	24,328	-
Contingent consideration liabilities	5,378	5,378	1,156	4,222	-
Borrowings from financial institutions	55,350	57,015	35,269	21,738	8
Lease liabilities	21,851	23,273	5,035	15,378	2,860
Trade payables	4,754	4,754	4,754	-	-
Other	357	382	55	221	106
Total financial liabilities	**111,930**	**115,129**	**46,268**	**65,887**	**2,974**
2019					
Redemption amount of put-options	4,089	4,233	-	4,233	-
Contingent consideration liabilities	949	949	-	949	-
Borrowings from financial institutions	20,166	20,841	11,432	9,409	-
Lease liabilities	15,288	16,121	3,984	11,149	988
Trade payables	5,774	5,774	5,774	-	-
Other	473	507	123	221	163
Total financial liabilities	**46,739**	**48,425**	**21,313**	**25,961**	**1,151**
2018					
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	-	-
Other	450	493	55	221	217
Total financial liabilities	**35,507**	**37,065**	**15,358**	**21,490**	**217**

NOTE 7.5

Financial risk management (continued)

The liquidity situation breaks down as follows as of the reporting date:

(in EUR k)	2020	2019	2018
Cash and cash equivalents	17,957	5,952	9,687
Committed credit lines	55,634	22,079	21,626
Borrowings from financial institutions	-55,350	-20,166	-21,318
Total	**18,241**	**7,865**	**9,995**

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 already 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' creditworthiness is tested systematically, considering 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 2020 (2019/2018: 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 Notes 4.9 and 6.1. Note 6.1 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 have a solid 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 2018 to 2020.

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)	2020	2019	2018
Equity attributable to the shareholders of Trifork Holding AG	80,494	55,757	42,368
Total assets	229,109	122,065	96,270
Equity ratio	**35.1%**	**45.7%**	**44.0%**

Further, Management reviews also financial gearing for capital management. Financial gearing expresses to Group's financial leverage. Gearing ratios as of 31 December are:

(in EUR k)	2020	2019	2018
Borrowings from financial institutions	55,350	20,166	21,318
Cash and cash equivalents	-17,957	-5,952	-9,687
Net debt	**37,393**	**14,214**	**11,631**
Shareholders' equity	83,196	57,334	44,336
Financial gearing ratio	**0.45x**	**0.25x**	**0.26x**

SECTION 8

Other disclosures

This section includes other disclosures required by IFRS, but which are of secondary importance to the understanding of the financial performance of Trifork Group.

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NOTE 8.1

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 Note 8.6. 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)	2020	2019	2018
Board of Directors			
Short-term benefits (fixed fee - cash)	171	250	158
Executive Management			
Short-term benefits (base compensation - cash)	1,066	785	750
Short-term benefits (variable compensation - cash)	1,460	374	373
Short-term benefits (Social security contributions - cash)	203	70	55
Post-employment benefits (pension plans	110	91	51
Total Executive Management	**2,839**	**1,320**	**1,229**
Total	**3,011**	**1,570**	**1,387**

NOTE 8.1

Related parties (continued)

Transactions with related parties

(in EUR k)	Amounts owed by related parties	Services provided to related parties	Services received from related parties	Leases from related parties	Shares in investments sold to related parties
2020					
Associated companies	359	162	10	-	-
Investments in Trifork Labs	2,454	1,440	234	-	650
Board of Directors	-	-	1	-	-
Executive Management	-	23	-	106	-
Total	**2,813**	**1,625**	**244**	**106**	**650**
2019					
Associated companies	225	454	63	-	-
Investments in Trifork Labs	2,009	1,188	133	-	400
Executive Management	-	10	27	257	-
Total	**2,234**	**1,652**	**223**	**257**	**400**
2018					
Associated companies	36	157	324	-	-
Investments in Trifork Labs	1,400	639	20	-	-
Executive Management	-	-	-	351	-
Total	**1,436**	**796**	**344**	**351**	**-**

Disclosure of transactions and balances related to investments in Trifork Labs includes only those entities in which the Group has significant influence.

NOTE 8.2

Non-controlling interests

The Group companies Netic A/S, Aalborg (DK), Testhuset A/S, Ballerup (DK) and Nine A/S, Copenhagen (DK) which all operate primarily in Denmark and are controlled by Trifork Group, have significant non-controlling interests.

For non-controlling interests in Netic A/S, Testhuset A/S and Nine A/S 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 for put-options in retained earnings.

In late 2019, the Group acquired the remaining non-controlling interest (49%) of Invokers A/S, Copenhagen (DK).

(in EUR k)	Netic A/S	Testhuset A/S	Nine A/S
2020			
Non-controlling interests[1]	12.0%	30.0%	30.0%
Share of net income	203	-31	368
Share of shareholders' equity[2]	1,072	300	4,294

(in EUR k)	Netic A/S	Testhuset A/S	Trifork Smart Enterprise A/S
2019			
Non-controlling interests[1]	12.0%	30.0%	n/a
Share of net income	148	-50	267
Share of shareholders' equity	1,058	329	-
2018			
Non-controlling interests[1]	12.0%	30.0%	49.0%
Share of net income	199	-19	94
Share of shareholders' equity	971	341	708

1 Voting rights equal capital share.
2 Non-controlling interests are subject to put-options, amount represents accumulated non-controlling interests prior to derecognition.

NOTE 8.2

Non-controlling interests (continued)

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:

	2020			2019			2018		
(in EUR k)	Netic A/S	Testhuset A/S	Nine A/S	Netic A/S	Testhuset A/S	Trifork Smart Enterprise A/S	Netic A/S	Testhuset A/S	Trifork Smart Enterprise A/S
Income statement			**02/09 - 31/12**			**01/01 - 31/10**		**01/06 - 31/12**	**01/09 - 31/12**
Revenue	22,690	7,566	9,319	18,284	7,430,00	6,074	16,751	4,480	2,171
Net income	1,688	-102	1,225	1,237	-166	544	1,660	-64	191
Total comprehensive income	**1,691**	**-102**	**1,228**	**1,237**	**-166**	**544**	**1,657**	**64**	**191**
Statement of financial position									
Current assets	7,421	1,961	9,907	5,713	1,467	-	4,003	1,859	1,928
Non-current assets	18,019	5,115	39,274	19,883	5,237	-	16,761	4,886	1,898
Total assets	**25,440**	**7,076**	**49,181**	**25,596**	**6,704**	**-**	**20,764**	**6,745**	**3,826**
Current liabilities	5,764	1,116	4,854	6,217	1,189	-	3,279	1,075	1,021
Non-current liabilities	4,995	906	5,738	4,836	379	-	2,501	99	114
Total liabilities	**10,759**	**2,022**	**10,592**	**11,053**	**1,568**	**-**	**5,780**	**1,174**	**1,135**
Net assets	**14,681**	**5,054**	**38,589**	**14,543**	**5,136**	**-**	**14,984**	**5,571**	**2,691**
Cash flow statement			**02/09 - 31/12**			**01/01 - 31/10**		**01/06 - 31/12**	**01/09 - 31/12**
Cash flow from operating activities	6,462	1,081	-1,182	1,842	-62	1,247	3,272	286	-269
Change in cash and cash equivalents	3,522	805	-1,352	-1,333	-418	-166	224	172	-277
Dividends paid to non-controlling interests	-193	-	-	-201	-80	-197	-97	-	-

Other non-controlling interests are individually not material.

NOTE 8.3

Government grants

(in EUR k)	2020	2019	2018
Research and development - WBSO (NL)	389	355	335
Research and development expenditure credit (UK)	211	288	301
Covid-19 related grants	175	-	-
Total government grants	**775**	**643**	**636**

Recognized in the income statement as:

(in EUR k)	2020	2019	2018
Personnel costs	564	355	335
Other operating income	211	288	301
Total government grants	**775**	**643**	**636**

NOTE 8.4

Fees to independent Group auditor

(in EUR k)	2020	2019	2018
Statutory audit	272	266	276
Audit related engagements	88	8	10
Total audit-related services	**360**	**274**	**286**
Tax consultancy	25	30	9
Other services	397	-	-
Total non-audit services	**422**	**30**	**9**
Total fees to independent Group auditor	**782**	**304**	**295**

NOTE 8.5

Events after the balance sheet date

On 18 February 2021, Trifork Labs ApS signed a share purchase agreement selling its entire investment in Humio Ltd. According to this agreement the Labs investment in Humio Ltd. is valued at EUR k 56,106.

The 2020 consolidated financial statements were approved and released for publication by the Board of Directors on 15 March 2021. The consolidated financial statements are subject to approval by the Annual General Meeting scheduled for 29 April 2021.

NOTE 8.6

Trifork Group companies

Company[1]	Registered office	Activity	Share capital in local currency		Capital share / voting rights in % 2020	2019	2018
Trifork A/S	**Aarhus, Denmark**	●●●	**DKK**	**18,000,000**	**100%**	**100%**	**100%**
Trifork Public A/S	Aarhus, Denmark	●●	DKK	737,000	100%	100%	100%
Netic A/S	Aalborg, Denmark	●●	DKK	500,000	88%	88%	88%
Testhuset A/S	Ballerup, Denmark	●●	DKK	509,259	70%	70%	-
Trifork Smart Enterprise A/S[2]	Copenhagen, Denmark	●●	DKK	500,000	100%	100%	51%
Trifork Smart Enterprise SL[3]	Barcelona, Spain	●	EUR	3,000	100%	100%	n/a
SAPBASIS ApS	Ballerup. Denmark	●●	DKK	81,000	50,1%	-	-
Trifork Smart Device ApS	Aarhus, Denmark	●●	DKK	158,335	70%	-	-
Nine A/S	Copenhagen, Denmark	●●	DKK	500,000	70%	-	-
Dawn Health ApS[4]	Copenhagen, Denmark	●●	DKK	400,000	51%	51%	51%
Trifork GmbH	**Schindellegi, Switzerland**	●●	**CHF**	**920,000**	**100%**	**100%**	**100%**
Trifork Academy Inc.	**San Francisco, USA**	●	**USD**	**3**	**100%**	**100%**	**100%**
Trifork Ltd	**London, United Kingdom**	●	**GBP**	**1**	**100%**	**100%**	**100%**
Open Credo Ltd.	London, United Kingdom	●●	GBP	1,522	100%	100%	100%
Code Node Space & Events Ltd.	London, United Kingdom	●	GBP	100	100%	100%	51%
The Perfect App Ltd.	London, United Kingdom	●	GBP	10,000	100%	100%	100%
Trifork B.V.	**Amsterdam, Netherlands**	●●	**EUR**	**18,000**	**100%**	**100%**	**100%**
Trifork Eindhoven B.V.	**Eindhoven, Netherlands**	●●	**EUR**	**1,000**	**100%**	**100%**	**100%**
Trifork Germany GmbH	**Berlin, Germany**	●	**EUR**	**25,000**	**100%**	**100%**	**100%**
Erlang Solutions Ltd.	**London, United Kingdom**	●●	**GBP**	**103,218**	**51%**	**51%**	**51%**
Erlang Solutions AB	Stockholm, Sweden	●●	SEK	100,000	51%	51%	51%
Erlang Solutions Inc.	Newcastle, USA	●●	USD	100	51%	51%	51%
Erlang Solutions SP. Z O.O.	Krakow, Poland	●	PLN	5,000	51%	51%	51%
Erlang Solutions Hungary Kft.	Budapest, Hungary	●	EUR	15,000	51%	51%	51%
Duckwise ApS	**Aarhus, Denmark**	●●	**DKK**	**163,265**	**75%**	**75%**	**75%**
Trifork Academy and Software Solutions SL[5]	**Palma, Spain**	●	**EUR**	**3,000**	**100%**	**100%**	**100%**
Trifork Labs AG[6]	**Schindellegi, Switzerland**	●	**CHF**	**100,000**	**100%**	**100%**	**75%**
Trifork Labs ApS	Aarhus, Denmark	●	DKK	367,647	100%	100%	100%
Trifork Learning Solutions B.V.	**Amsterdam, Netherlands**	●	**EUR**	**18,000**	**-**	**-**	**95%**
Programmable Infrastructure Solutions AG[7]	**Schindellegi, Switzerland**	●	**CHF**	**150,000**	**24%**	**46%**	**51%**
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 Ltd.	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	-	-	51%

- ● Software development
- ● Sales
- ● Service Company
- ● Academy
- ● Subholding company

1 List includes active companies only
2 Renamed from Invokers A/S in 2020
3 Incorporated in 2019 / renamed from Invokers Smart Enterprise SL in 2020
4 Renamed from Trifork eHealth ApS in 2020
5 Incorporated in 2019
6 Renamed from Duckwise AG in 2019
7 Decrease of shareholding to 46% led to loss of of control and deconsolidation, refer to Note 4.2

Bold - Directly held by Trifork Holding AG
Regular - Indirectly held subsidiaries

Statutory auditor's report

Zurich, 16 March 2021
Ernst & Young Ltd

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 2020 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 118) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, 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.

Tobias Meyer
Licensed audit expert (Auditor in Charge)

Andreas Forster
Licensed audit expert

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TRIFORK HOLDING AG

Financial Statements 2020

Contents

Financial statements

Income Statement

(in CHF k)	Notes	2020	2019
Dividend income		9,652	8,249
Gain/(loss) from sale of investments		1,096	739
Other financial income	1	1,115	1,102
Total income		**11,863**	**10,090**
Impairment of investments		-	-147
Administrative expenses	2	-2,332	-1,537
Financial expenses	3	-1,385	-1,133
Direct taxes		-53	-
Total expenses		**-3,770**	**-2,817**
Net income		**8,093**	**7,273**

Statement of Financial Position

(in CHF k)	Note	2020	2019
Cash and cash equivalents		367	1,116
Other current receivables			
- from third parties		-	355
- from investments		284	165
Loans to investments		8,167	6,432
Accruals		62	-
Total current assets		**8,880**	**8,068**
Investments	4	63,196	63,226
Loans to investments		737	-
Total non-current assets		**63,933**	**63,226**
ASSETS		**72,813**	**71,294**
Interest-bearing current liabilities			
- to third parties		1,430	603
- to investments		3,943	11,966
Other current liabilities			
- to third parties		333	255
- to investments		941	382
Accrued liabilities and deferred income		492	179
Total current liabilities		**7,139**	**13,385**
Interest-bearing non-current liabilities		5,271	4,522
Total non-current liabilities		**5,271**	**4,522**
Total liabilities		**12,410**	**17,907**
Share capital	5	1,864	1,864
Capital contribution reserve	8	11	965
Other capital reserve		23,349	24,638
General legal reserve		410	866
Legal reserve for treasury shares held by Group companies		-	967
Retained earnings		35,338	24,479
Treasury shares	9	-569	-392
Shareholders' equity		**60,403**	**53,387**
LIABILITIES AND SHAREHOLDERS' EQUITY		**72,813**	**71,294**

Statement of Changes in Shareholders' Equity

(in CHF k)	Share capital	Capital contri-bution reserve	Other capital reserve	General legal reserve	Legal reserve for treasury shares held by Group companies	Retained earnings	Treasury shares	Total equity
1 January 2019	**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**
Net income	–	–	–	–	–	8,093	–	8,093
Dividends	–	-954	–	–	–	–	–	-954
Transactions with treasury shares	–		–	–	-967	1,021	-177	-123
Reallocations	–	–	-1,289	-456	–	1,745	–	–
31 December 2020	**1,864**	**11**	**23,349**	**410**	**–**	**35,338**	**-569**	**60,403**

Notes to the Consolidated Financial Statements

Company 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.

§ 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 exchange 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 divesture the gain or loss is recognized in retained earnings in accordance with the FIFO principle.

Principle of imparity

For long-term financial assets and 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.

NOTE 1

Other financial income

(in CHF k)	2020	2019
Interest income		
- from investments	157	108
Gains from exchange differences	958	994
Total other financial income	**1,115**	**1,102**

NOTE 2

Administrative expenses

(in CHF k)	2020	2019
Board of Director fees	-183	-278
Management fees from investments	-714	-715
Consultancy services		
- from investments	-89	-
- from third parties	-53	-111
IPO-related costs	-906	-178
Others	-387	-255
Total administrative expenses	**-2,332**	**-1,537**

NOTE 3

Financial expenses

(in CHF k)	2020	2019
Impairment of receivables and loans to investments	-49	-299
Interest expenses		
- to third parties	-180	-163
- to investments	-124	-112
Fees to financial institutions	-20	-13
Losses from exchange differences	-1,012	-546
Total other financial income	**-1,385**	**-1,133**

NOTE 4
Investments

The 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 statements of Trifork Group in Note 8.6.

NOTE 5
Share capital

The share capital of CHF k 1,864 (2019: CHF k 1,864) consists of 18,637,230 (2019: 18,637,230) registered shares with a par value of CHF 0.10 (2019: CHF 0.10) each.

The share capital is fully paid up. The shares are registered under ISIN: CH0236907504.

All shares have identical rights and there is only one share class.

NOTE 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 2020 amounts to CHF k 136. This equates to 1,362,770 registered shares.

NOTE 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.

NOTE 8
Dividend

The Annual General Meeting of 14 April 2020 approved a dividend of CHF 0.12 per registered share to be paid from the capital contribution reserve. The dividend of CHF k 954 was paid out on 21 April 2020. As per 31 December 2020 the capital contribution reserve of Trifork Holding AG amounts to CHF k 11.

NOTE 9
Treasury shares

	Units	Average price	Total amount (in CHF k)
1 January 2019	**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**
Acquisitions	71,217	16.08	1,146
Disposals	-84,586	12.09	-1,023
Result from transactions with treasury shares transferred to retained earnings			54
31 December 2020	**31,093**	**18.29**	**569**

As of 31 December 2020, Trifork A/S holds 0 shares of Trifork Holding AG (2019: 100,000).

NOTE 10
Full time equivalents

Trifork Holding AG does not have any employees (2019: 0).

NOTE 11
Guarantees

Trifork Holding AG issued a guarantee in favor of a financial institution to cover the interest-bearing liabilities of a Group company of CHF k 43,553 as per 31 December 2020 (2019: CHF k 9,657).

Trifork Holding AG issued a guarantee in favor of a financial institution to cover the interest-bearing liabilities of an Investment of CHF k 0 as per 31 December 2020 (2019: 544).

NOTE 12

Pledged assets

To secure interest-bearing liabilities of CHF k 4,078 (2019: 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.

NOTE 13

Interests held by the members of the Board of Directors and Executive Management

	2020		2019	
	Number of registered shares as of 31 December	Share of voting rights	Number of registered shares as of 31 December	Share of voting rights
Julie Galbo (Chairperson)[1]	3,940	0.0%	n/a	-
Olivier Jaquet (Vice-Chairperson)[2]	64,145	0.3%	43,090	0.2%
Lars Lunde (Member)[3]	3,760,384	20.2%	3,716,884	19.9%
Jørn Larsen (Member and CEO)	4,506,278	24.2%	4,458,568	23.9%
Casey Rosenthal (Member)	2,058	0.0%	-	0.0%
Kristian Wulf-Andersen (Member and CFO)	313,439	1.7%	316,149	1.7%
Maria Hjorth (Member)[1]	3,940	0.0%	n/a	-

1 From 12 November 2020
2 Chairperson until 12 November 2020
3 Representing GRO Holding I ApS (until 12 November 2020 represented by Lars Dybkjaer)

NOTE 14

Events after the balance sheet date

The 2020 financial statements were approved and released for publication by the Board of Directors on 15 March 2021.

The financial statements are subject to approval by the Annual General Meeting scheduled for 29 April 2021.

Proposal of the Board of Directors for the appropriation of available earnings

(in CHF k)	2020
Balance carried forward from prior year	24,479
Allocation from other capital reserves	1,289
Allocation from general legal reserve	456
Allocation to legal reserve for treasury shares held by Group companies	967
Transactions with treasury shares	54
Net income	8,093
Retaine earnings at the discretion of the General Meeting	**35,338**
Dividend proposed	-11,954
Balance carried forward to new account of the retained earnings	**23,384**

Statutory auditor's report

Zurich, 16 March 2021
Ernst & Young Ltd

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 sharehodlers' equity and notes (pages 120 to 127), for the year ended 31 December 2020.

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 2020 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.

Tobias Meyer
Licensed audit expert (Auditor in Charge)

Andreas Forster
Licensed audit expert

Rations and Key Figures

The financial highlights have been prepared on the basis of the CFA Society Denmark "Recommendations & Ratios" (February 2021), using the following definitions:

EBITDA margin

$$\frac{\textit{Earnings before financial items, taxes, depreciation and amortization x 100}}{\textit{Revenue}}$$

EBITA margin

$$\frac{\textit{Earnings before financial items, taxes, and amortization x 100}}{\textit{Revenue}}$$

EBIT margin

$$\frac{\textit{Earnings before financial items and taxes x 100}}{\textit{Revenue}}$$

Free cash flow

$$\textit{Cash flow from operations} - \textit{Capex}$$

Equity ratio

$$\frac{\textit{Equity excl.NCI x 100}}{\textit{Total assets}}$$

Return on equity

$$\frac{\textit{Net income excl.NCI x 100}}{\textit{Average equity excl.NCI}}$$

Basic earnings per share (EPS basic)

$$\frac{\textit{Net income excl.NCI x 100}}{\textit{Average number of shares outstanding}}$$

Diluted earnings per share (EPS diluted)

$$\frac{\textit{Net income excl.NCI x 100}}{\textit{Average number of shares diluted}}$$

Dividend yield

$$\frac{\textit{Divident x 100}}{\textit{Net income excl.NCI}}$$

Financial gearing

$$\frac{\textit{Net interest} - \textit{bearing debt}}{\textit{Equity incl.NCI}}$$

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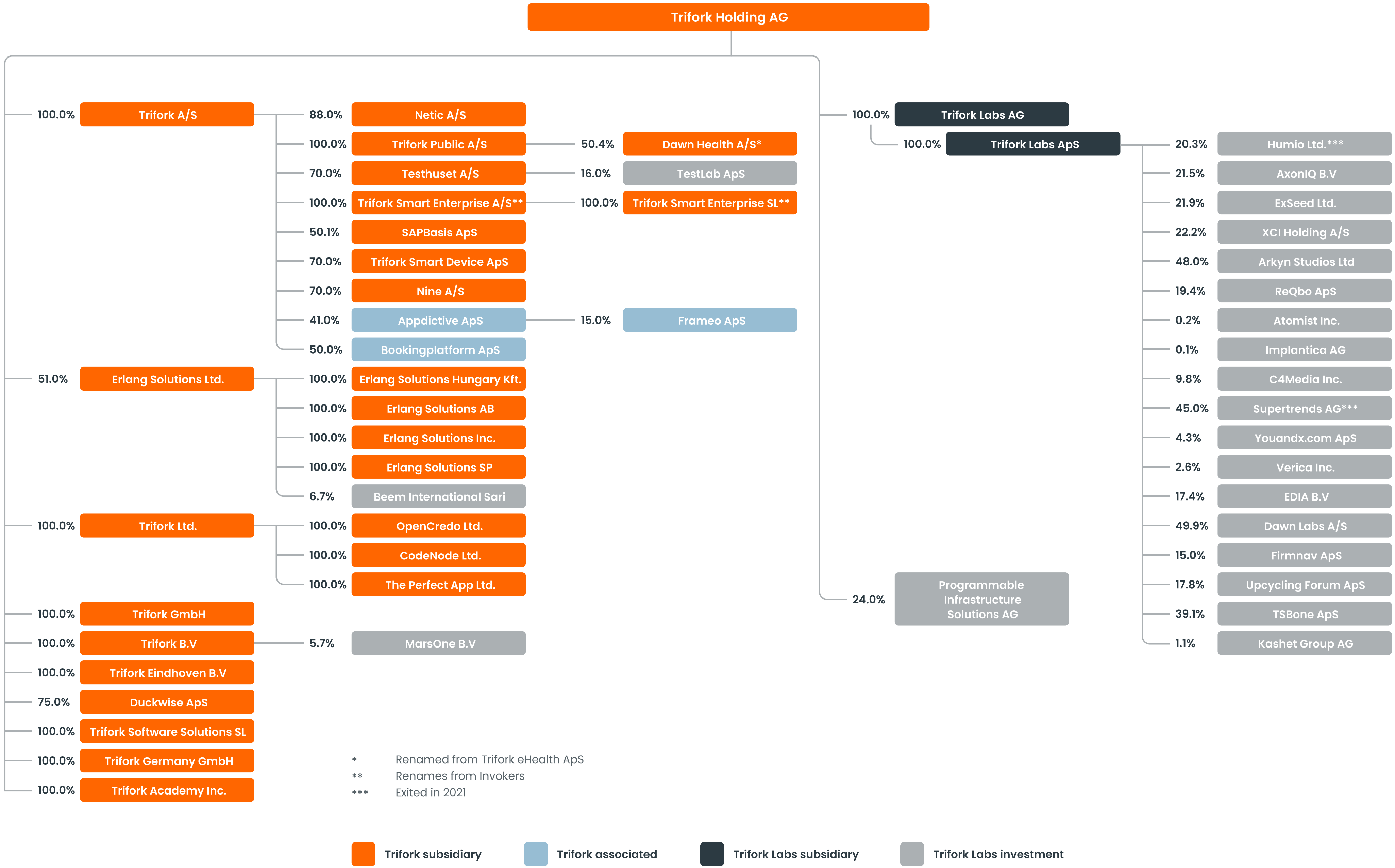
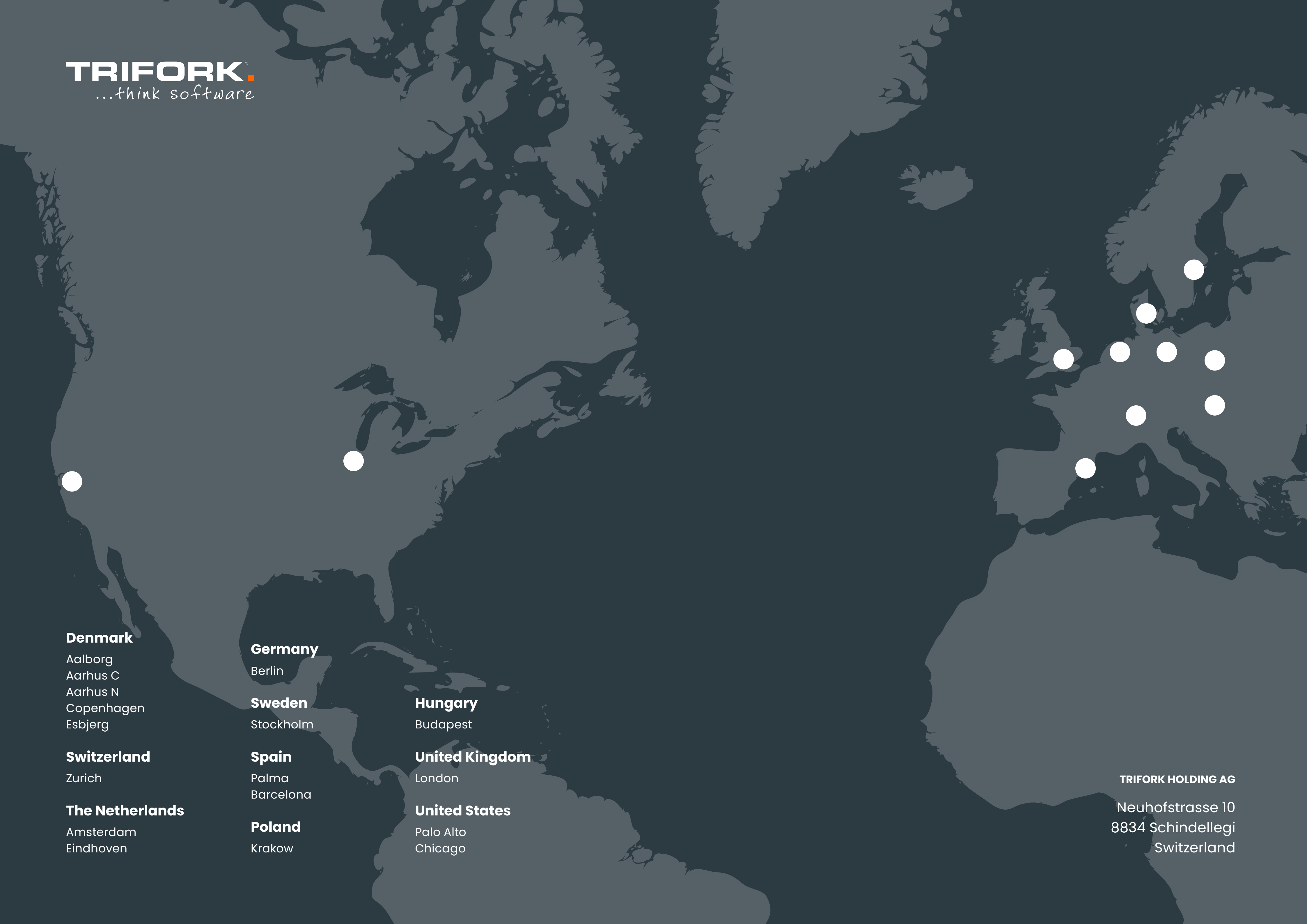
TRIFORK GROUP

Structure



* Renamed from Trifork eHealth ApS
** Renames from Invokers
*** Exited in 2021

TRIFORK.
...think software



Denmark
Aalborg
Aarhus C
Aarhus N
Copenhagen
Esbjerg

Switzerland
Zurich

The Netherlands
Amsterdam
Eindhoven

Germany
Berlin

Sweden
Stockholm

Spain
Palma
Barcelona

Poland
Krakow

Hungary
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United Kingdom
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United States
Palo Alto
Chicago

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