TRIFORK GROUP

ANNUAL REPORT
CHE-474.101.854

2018

ACCELERATING

TRIFORK.
...think software

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

The conference activities of Trifork are an important source of inspiration for our software innovation projects, customers and employees. In 2018 more than 7,500 people participated in the Trifork conferences, world-wide.

End of 2018, Trifork employs 600 passionate and talented people in 45 Business Units in Canada, Denmark, Germany, Netherlands, Hungary, Sweden, Switzerland, Poland, United Kingdom and United States.

Trifork has delivered annual growth in revenue and positive results every year since it was founded. In 2018 total revenue was EURm 88, EBITDA EURm 10 and EBT EURm 16.

CEO-letter

Accelerating

Growth

With a growth of 33.8% compared to 2017 the Group accelerated and we outperformed our general growth-targets of an annual growth of 15-25%.

Our structure with our two main segments (Trifork and Trifork Labs) has proven to work. The transparency of the results achieved in each segment helps us in the day-to-day management of the Group as well as this also gives our investors a better understanding of how the dynamics of the Trifork Group are working - and where value is created.

With total revenue of EURm 87.8 the growth compared to 2017 was EURm 22.2 where EURm 15.9 was organic and EURm 6.3 came from acquisitions. The organic growth has been driven by our very engaged employees that have shown the initiative, professionalism, passion and energy to make this happen in a good way where they are keeping Trifork in front of the technological development as a true next-gen IT development company.

Due to our way of structuring the company with a very flat hierarchy and distributed responsibility the growth has happened very naturally and through many different units. This without stressing the organization or creating additional overheads. We are satisfied with the way the organizational model works and will continue to refine this model in the future.

Expanding the Group

In 2018 two new companies were acquired and added to the Trifork family and the Trifork Group grew to 600 employees.

Testhuset: Trifork acquired 70% of the Danish company Testhuset. This acquisition will strengthen the delivery of high quality software solutions for private and public customers.

Invokers: Trifork acquired 51% of the company Invokers. The acquisition will strengthen the delivery of innovative and user friendly software solutions to SAP enterprise customers in Denmark as well as in the rest of the countries where Trifork operates.

We feel that the DNA of the companies fits well into the strategy and culture of Trifork.

Earnings from operations

EBITDA for 2018 totaled EURm 10.1 which was an increase of 34.4% compared to 2017. Divided on segments our Trifork segment totaled EURm 10.7 and our Trifork Labs segment totaled EURm -0.6.

Effect of investments

In our Trifork Labs segment we succeeded to get new external fundings to some of our startups and made profitable exits from past investments. In total this contributed with a profit of EURm 10 on EBT and raised more than EURm 8 to our startups. We are very satisfied with this development.

Expectations for 2019

Trifork Group

In 2019, we target total revenue of EURm 100 and an EBITDA of EURm 14. This corresponds to 14.0% growth in revenue and 39.1% growth in EBITDA.

Trifork segment

Through our conferences we will continue to meet up and engage with all of our international network of technical experts. This to get inspired, get in depth knowledge about the latest technologies and to spot the new trends to watch and work on in the future.

Trifork will still focus the expansion in Europe and to bring the services from our most recent acquisitions to both Europe and America.

In 2018 we have made even closer partnerships with some of the world-leading technology companies like Google, SAP and Apple. We look forward to intensify these in 2019 and create a lot of new exciting solutions for our customers.

Growth is primarily expected to be organic but the acquisitions completed in 2018 will also bring some acquisitive growth.

All estimated revenue and EBITDA are based on the existing organization and without any new acquisitions.

Trifork Labs segment

The target for Trifork Labs is to continue with the same strategy and development of our startups as in 2018, with focus on investments in:

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

The goal for 2019 is to found or invest in at least two new startups and increase the value of our existing investments. We expect to complete two new external funding rounds to our startups.

Jørn Larsen
CEO, Trifork Group

Trifork 2018 key figures

88 EURm
Revenue

10 EURm
EBITDA

20%
CAGR (5-years)

45
Business units

16 EURm
EBT

600
Employees

18%
EBT-margin

Financial highlights and Key Ratios

EUR 1,000	2018	2017	2016	2015	2014
Revenue	87,755	65,578	63,119	59,039	44,097
Gross profit	52,283	39,573	39,960	35,745	24,083
Earnings Before Tax, Interest, Depreciation and Amortization (EBITDA)	10,066	7,490	8,172	8,865	5,231
Profit from operations (EBIT)	6,126	3,954	5,150	7,033	3,898
Financial items	9,905	11,067	-359	2,650	920
Profit before tax (EBT)	16,031	15,021	4,791	9,683	4,818
Profit for the period	14,769	13,741	3,650	8,548	4,251
Total comprehensive income	14,778	13,292	2,376	9,284	4,312
Balance sheet					
Non-current assets	64,640	53,449	43,730	25,173	20,605
Annual investment in tangible assets	2,117	2,168	1,780	2,359	1,100
Trifork Labs investments	19,685	14,738	5,868	5,218	4,762
Current assets	31,631	22,284	22,567	25,224	21,331
Total assets	96,270	75,733	66,297	50,396	41,935
Equity	44,335	33,236	26,300	27,151	13,918
Non-current liabilities	24,323	19,695	18,764	6,946	6,421
Current liabilities	27,612	22,802	21,233	16,300	21,595
Cash flow					
Cash flow from operations	6,564	9,555	4,425	4,635	5,082
Cash flow from investments	-1,358	-4,836	-12,854	-57	-8,753
Cash flow from financing activities	-1,109	-3,888	2,958	3,059	5,568
Net change in cash and cash equivalents	4,096	831	-5,470	7,637	1,896
Key ratios					
Gross margin	59.6%	60.3%	63.3%	60.5%	54.6%
EBITDA-margin	11.5%	11.4%	12.9%	15.0%	11.9%
EBIT-margin	7.0%	6.0%	8.2%	11.9%	8.8%
Equity ratio	44.0%	42.3%	36.5%	46.0%	29.8%
Return on Equity	41.5%	50.9%	15.4%	48.0%	37.6%
Return on invested capital	6.4%	5.2%	7.8%	14.0%	9.3%
Average number of employees	504	424	431	340	276
Per share data					
Dividend yield %	14%	18%	27%	-	34%
Dividend in EUR 1,000	1,940	2,398	932	0	1,300
Dividend in EUR per share	0.105	0.129	0.050	-	0.075
Basic Earnings in EUR per share of CHF 0.1 (EPS-Basic)	0.75	0.74	0.19	0.35	0.22
Diluted Earnings in EUR per Share of CHF 0.1 (EPS-D)	0.75	0.74	0.19	0.35	0.22
Equity value in EUR per share	2.29	1.65	1.31	1.25	0.72
Number of shares (1,000)	18,537	18,537	18,537	18,537	17,326

The key ratios have been calculated in accordance with IAS 33 and "Recommendations and Ratios 2015" issued by the Danish Society of Financial Analysts. For definitions see page 69.

An Outline of the Year

Financial highlights in 2018

In 2018, the Trifork Group exceeded our original growth target of 15-25%. With total revenue of EURm 87.8 the growth reached 33.8% compared to 2017. 71.5% of the growth was organic and 28.5% came from acquisitions.

EBITDA of EURm 10.1 for 2018 is equal to an 11.5% EBITDA margin and represents growth of 34.4% compared to 2017.

EBIT was EURm 6.1, which equals a 7.0% EBIT margin and an increase of 55.0% against 2017.

EBT (Profit before tax) for 2018 was EURm 16.0, an increase of EURm 1.0 (6.7%) compared to 2017.

Net Profit for 2018 amounted to EURm 14.8 which is an increase of EURm 1.0 (7.5%) compared to 2017.

The total comprehensive income for 2018 was EURm 14.8, representing an increase of EURm 1.5 (11.2%) compared to 2017.

Equity at 31.12.2018 was EURm 44.3, giving an Equity Ratio end of 2018 of 44.0% compared to 42.3% in 2017.

Revenue per employee was EURm 0.174, an increase of 12.4% compared to 2017 where EURm 0.155 was achieved.

Main events

The GOTO concept has increased significant in size at the annual recurring conferences in Amsterdam, Berlin, Chicago and Copenhagen. Partner conferences have been agreed with two partners and will continue in 2019.

The Trifork Accelerate concept has been implemented throughout Europe and shows growth in several countries.

Two new acquisitions were completed and the Trifork Group grew to 600 employees:

Testhuset: Trifork acquired 70% of the Danish company Testhuset. This acquisition will strengthen the delivery of high quality software solutions for private and public customers in Denmark.

Invokers: Trifork acquired 51% of the company Invokers. The acquisition will strengthen the delivery of innovative and user friendly software solutions to SAP customers in Denmark as well as in the rest of the countries where Trifork operates.

Trifork intensified our partnerships with some of the world-leading technology companies: Google, SAP and Apple. These partnerships are expected to grow in 2019.

We renamed Trifork Incuba to Trifork Labs. In Trifork Labs we co-founded and invested in two new associated product companies in 2018:

XCI : Trifork co-founded the company XCI. The purpose of the company is to develop a product to the market for Cyber protection.

ReQbo : Trifork invested in the company ReQbo that develops solutions for pressure ulcer prevention, capable of intelligently predicting formation of pressure ulcers even before they appear. Trifork is taking part in the development of the software platform for the products.

Trifork Labs in 2018 also made one exit and one partial exit of our investments and succeeded to raise new capital to three of our startups. In total more than EURm 8 was raised in new capital from external investors.

Financial expectations in 2019

Trifork target to increase revenue by 14% compared to 2018. In total EURm 100 is targeted.

The increase in revenue is expected to be from both organic growth as well as growth from acquisitions.

Trifork target to reach an EURm 14.0 EBITDA, corresponding to an EBITDA margin of 14% and a growth of 39% compared to 2018.

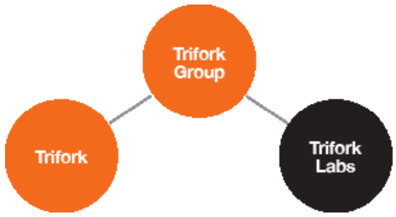
In 2019 Trifork has an overall goal of generating 24% of total revenue from the sales of products and product related services with an EBITDA-margin significantly higher than the rest of the business.

For Trifork Labs the goal for 2019 is to increase the value of our investments as well as founding or investing in at least two new startups and complete two new external funding rounds to our existing startups.

The Trifork Group

Trifork Group Structure

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



The Trifork segment focuses on inspiring customers to build new software solutions and to deliver projects and solutions to customers. Within this segment services are delivered in the three business areas: Academy, Services and Products.

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

The organizational chart displayed on page 107 shows which companies that are reported for in the two segments.

Trifork

The most important thing for Trifork is to be on the technological forefront, to teach and inspire our customers about new possibilities, to build disruptive software solutions and to deliver operations of these to our clients. This is what Trifork, as the core part of the Trifork Group is all about.

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

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

In our Products business area we deliver software solutions to our customers and handle maintenance and operations for them on an ongoing basis.

Trifork Labs

For the past 20 years the Trifork Group has been involved in founding and investing in tech startup companies focused on development of software products. During the last three years our strategy and focus toward this area has been increased and Trifork Labs is in front all of these investments.

The purpose of Trifork Labs is to maximize the success of our startups and support them to the best of our ability. We will advise the startups, make seed investments and help them with fund-raising, administration and organization. In the end they might continue to be a part of the Trifork Group or they might be exited to a third party. The important part for Trifork is that the value of the companies increases continuously and that we are part of delivering new innovation to software products available to companies and people around the world.

Trifork Group Synergy

Many times the idea for a new startup is formed within the network of Trifork. Together with Trifork, entrepreneurs with the energy to challenge or disrupt an existing market come up with an idea for a new product. In such cases Trifork Labs can verify the business idea and provide the initial funding if it is found to be solid, innovative and likely to be successful. If not the startup can be abandoned without any additional risk for Trifork.

The Trifork Group mission is:

We believe we can change the world with software.

Think and build smarter solutions that makes

life better and easier for all of us

The Trifork DNA

The following chapter outlines what we call the "Trifork DNA". Here we present the future of our company in terms of our mission and vision. Our tag-line, "Think Software" refers to how we think and work, what inspires us and how Trifork brings value to our customers. It is important to understand that our uniqueness lies in making "Think Software" operational in a clever way.

For both customers, employees and shareholders, it is important to be aware of our corporate culture and corporate values.

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

Trifork is constantly looking for new "best-in-class" employees and in the Talent section of this chapter, we discuss Employer Branding, along with elements of inspiring and challenging our employees. The leadership requirements in Trifork are closely connected to the teams, as leaders have the responsibility of supporting the ambitions of our employees. We require our leaders to work actively with a number of soft skills in order to be successful.

Our mission

Since its inception in 1996, Trifork has been motivated by pushing the limits and boundaries of what new technologies and methods can do for mankind. We challenge our customers on the status quo and we provide the competitive advantage. Furthermore, Trifork helps our customers give their products and services a digital edge. It is our ultimate goal to make a substantial difference for our customers. Trifork wishes to be a company that stays on top of the "technology wave".

Our mission statement reads as follows:

We believe we can change the world with software.

Think and build smarter solutions that makes life better and easier for all of us.

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

- Trifork was among the first software companies to introduce software to health care in Denmark. We introduced new systems to nurses and doctors, which increased the quality and safety of the caring and treatment of patients.
- Trifork was among the first innovators that introduced mobile technology for mobile phones and tablets to on-line banking. Consumer, private and business banking have been much more convenient with smart software on hand-held devices, compared to earlier.
- Trifork played an important role in introducing mobile payment to markets such as Denmark, Sweden, Finland and Switzerland.
- Trifork has also played an important part in making significant exams digitally in markets like Switzerland and the Netherlands.
- Trifork helped industrial manufacturers digitize their products and connect them to the Internet. As there are too many examples of devices being hacked and compromised, our key message to our customers is to stay connected in a secure and safe way.
- Trifork helped customers take early advantage of cloud technology that reduces CO2 emissions.

Currently Trifork is working on the "smart home" of today and has developed concepts for operating smart homes in a better way. People often have several remote controls and multiple apps / systems that from time to time are incompatible, collide or work against each other and they risk ending up very confused and frustrated. At Trifork our mission is to change and improve such situations. Technology should be an improvement and not a stress-factor. At the same time, we take a sustainable approach and aim to make homes less resource consuming, e.g. the consumption of water and energy from remote sources.

It is in our DNA to endlessly develop new ideas and to launch new forefront projects in the future – simply to make a better world for our customers by the aid of software technology.

Our vision

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

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

Our vision statement reads:

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

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

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

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

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

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

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

Think Software

In collaboration with the Danish health authorities we have developed a system where Danish citizens can access their medicine data and auto renew prescription medicine for allergies. This app reduces the load on the health system every spring where the pollen allergy becomes a big problem for many people. By giving fast access to the right treatment we improve the life quality of Danish citizens. Our vision for this system is to think more software to improve the safety and compliance so more of the medicine ends in the right person at the right time. Further more we believe that people should have more insight into what affects their own health and thereby take ownership of own health. This system is a good example of how we "Think Software".

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

It gives us an advantage of diversity when bringing new software solutions to the surface. Our developers and architects are experienced in working with both well-established as well as new software technologies – we are fully capable of evaluating business needs against a range of possible solution-paths, both in terms of process and technology. Our talented team of graphic designers and usability specialists aim to make any technical solution implemented with an easy-to-use and visually appealing design focusing on humanizing technology.

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

Culture

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

PASSION FOR TECHNOLOGY

Fundamental to our culture is the passion for technology. Next generation technologies arise in a constant flow and where many see this as challenges we see it as opportunities. Most changes are evolutions of todays technologies and to keep systems up to date and fit is one source of work and taking advantage of new capabilities is another. One such new capability is machine learning and artificial intelligence. In 2018 we used machine learning to optimize and improve quality of support centers in Fintech.

CURIOSITY

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

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

HEALTHY LIFESTYLE

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

TRIFORK FAMILY TRAINING

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

Talent

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

Leadership

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

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

FIND THE RIGHT CHALLENGES

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

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

HAVE THE RIGHT PARTNERS

As mentioned earlier it's really key that we work with the right technology partners. Finding the right partners requires investment in time and effort and this is one area where we work together across the group. Each unit will invest in building a special and close relationships with 2-3 partners. All the units combined will then work with around 25 partners. All units can leverage the partnerships we have and in this way synergies materializes. It takes leadership to maintain partnerships and it means that one unit member will, along with other tasks, have the responsibility to grow the right partnerships.

FINDING THE RIGHT TALENT

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

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

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

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

The Trifork Business

The Business Model

Software becomes an increasing part of almost everything. From the field of Enterprises to the back office software plays an important role. Many businesses are converting their business to a serviced based model and that requires extensive use of software and a high level of integration. Modern people expect that every daily task can be done from their mobile device, speaking a command or soon just sending a thought. The consequence is that the most valuable companies in the world are software companies. Apple, Amazon, Google, Netflix, Facebook , etc., tops the list.

One of the most successful internet pioneers Marc Andreessen who founded Netscape is today partner at the Venture Capital company "Andreessen Horowitz". Marc wrote an article with the title: "Why software is eating the world". In this article he explains why every company eventually will have to become a software company.

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

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

The figure below illustrates how we put our customer in center of our different activities. At all levels we validate ideas, trends, concepts and products up against customer needs.

CONFERENCES

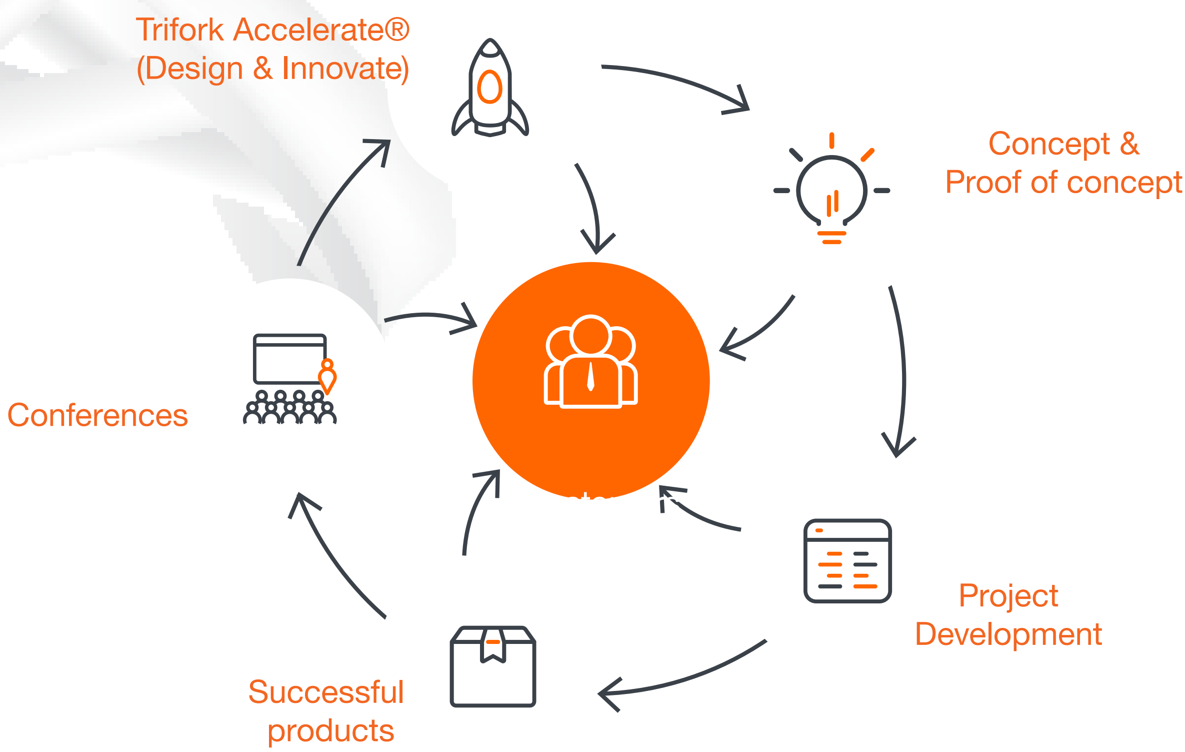
We produce conferences and master classes for a number of reasons. First we work with leading external experts who invent digital technologies of the future. By inviting our customers and colleagues we validate where we are on the hype curve. We measure how attractive our conference programs are and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

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

Our GOTO conferences are keeping track of a number of technology super trends:

Quantum Computing, General Artificial Intelligence, Smart Buildings, Everything in the cloud, Everyday robotics, Human enhanced by technology, Software powered healthcare, Open Banking, Massive Cyber treats, Fully integrated smart enterprise.

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



KEY PARTNERS

Trifork has established partnerships with world leading technology companies as well as a range of Silicon Valley technology startups. The startups can be very mature and more than 10 years in business or they can be leading edge new companies.

The partnerships include training for Trifork in specific technologies and products. We use the partner technologies in our innovative work with our customers. The partnerships also allow us to get support and expertise on short notice.

A selected list of key partners:

- Apple: Since the inception of the iPhone Trifork has developed advanced mobile applications. From mid 2018 the relationship with Apple has grown and together with SAP we are developing Smart Enterprise applications that can optimize processes in large companies. Apple is known for making user friendly and well designed products. We are now helping to take this approach to the Enterprise.
- SAP: The far majority of the largest companies in the world uses the ERP-system from SAP. Software is becoming an increasingly integrated part of how any Enterprise is performing its business. As a consequence systems from the very front-end to the ERP-level needs to be integrated. This is a rather new development and we see an interesting market in making sure that applications are well designed and deeply integrated into the ERP software. We call this business area Smart Business.
- Google Cloud: Most companies are considering to operate all or parts of their software systems in the cloud. In 2018 Trifork deepened its collaboration with Google Cloud experts. We like to help companies getting ready for the cloud, operate their systems in the cloud and assisting them taking advantage of Artificial Intelligence. Google has some of the most advanced Machine Learning and Artificial Intelligence technologies.
- JetBrains: A software tool company that makes the best developer tools for MS .Net development and is also the inventor of the Kotlin programming language used for Android development as well as backend systems.
- Splunk: A software tool company that makes the best developer tools for MS .Net development and is also the inventor of the Kotlin programming language used for Android development as well as backend systems.
- HashiCorp: A company that has a range of products to make it easier to deploy and manage systems in the cloud. Terraform is the leading products they build.
- Verica: In 2018 we co-founded a company who has some of the best people in regard to Chaos-Engineering. As companies operate their systems in the cloud and follow micro service patterns to architect their software there is an increasingly need to make them robust. Therefore more and more companies run systems to attack their own software to find weaknesses. These systems are often architected from the chaos ideas early used by Netflix. Netflix calls them chaos monkeys. Verica is a startup that will offer chaos engineering as a service.
- Axoniq: A Startup from 2017 that Trifork Labs co-founded. The company is behind a very popular technology for building systems on event-driven architectures. This architecture is among the 10 most important technologies according to Gartner.
- Humio: A startup from 2016 co-founded by Trifork Labs that offers a high performance log management without limits for Developers and DevOps. Query, aggregate, and visualize application data instantly, on-premise or in the cloud.

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

ACCELERATE

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

CONCEPTS

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

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

CUSTOMER PRODUCT DEVELOPMENT

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

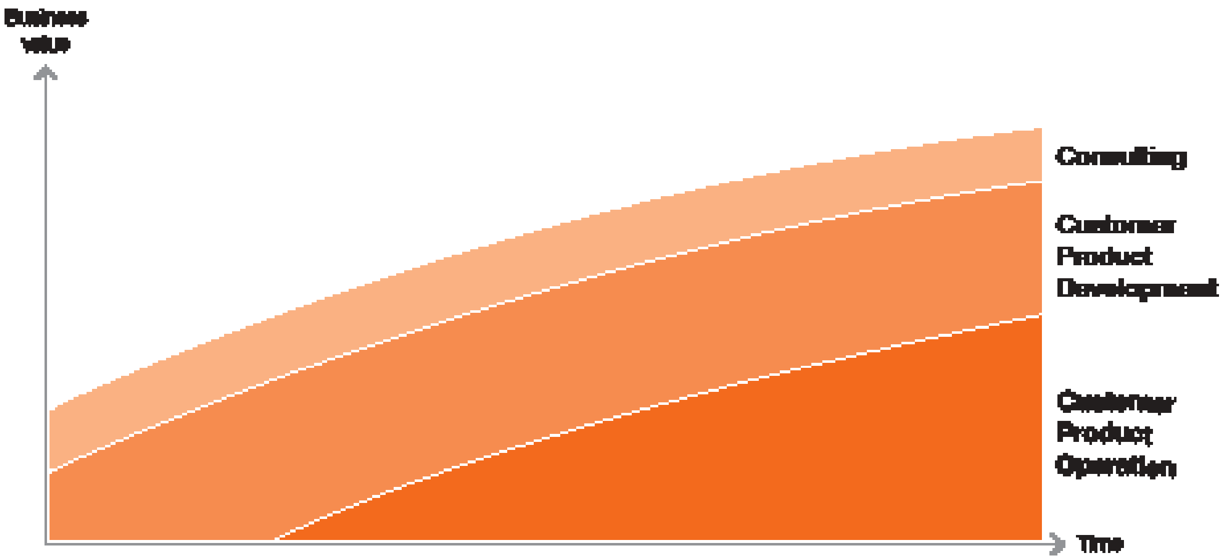
The software can either be installed at the premises of the customer, hosted/operated by Trifork in the cloud or at our hosting centers. Many customers chose Trifork to operate and host the system allowing the customer to focus on their core business, without having to worry about monitoring or updating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

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

TRIFORK PRODUCTS

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

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



KEY BUSINESS AREAS

The key business areas that Trifork is focusing on are:

- Digital Health
- Cloud Native
- Cyber Protection
- Smart Enterprises
- Fin-tech and
- Smart Buildings and IoT

Digital Health
Changes in regulation, technology, user behavior and demography are challenging the health care sector. Trifork is committed to building digital health ecosystems, national infrastructures and decision support systems without jeopardizing patient data, privacy or security. We want to improve life for patients and healthcare personnel.

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

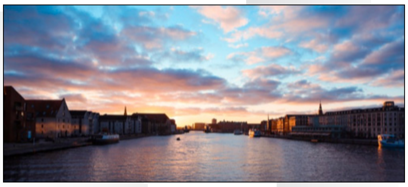
Cyber Protection
It is crucial that customer data is accessible, confidential, reliable and secured, to minimize hacking and fight crime. Trifork is bridging the gap between governance and technology to make solutions work. We want to protect our customers data and let them stay in control.

Smart Enterprises
Enterprises have not yet harvested the full potential of their enterprise software investments. Trifork delivers user-centric solutions with fast adoption and compelling ROI, based on partnerships with SAP and Apple. We want to build enterprise solutions that revolutionizes internal user experience for our customers.

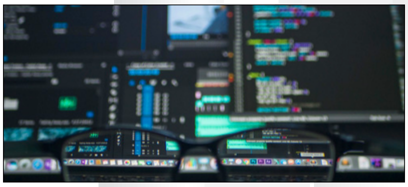
Fintech
Trifork empower our customers on their digital transformation - whether it's building Fintech ecosystems, challenging the payment space, digitalizing transaction processes or bringing them into the cloud. We can make Fintech companies ready for the Next Generation of Fintech.

Smart Buildings and IoT
With CO2 neutral ambitions, climate change, environmental movements and a growing demand for frictionless user interactions, Trifork aims to fulfill the need for smart buildings. Open networks, connectivity and partnerships are key in succeeding without compromising the user experience. Trifork wants to be one of the drivers in making things smarter and save our planet for tomorrow.

Accelerating **Digital Health** to improve Everyday life

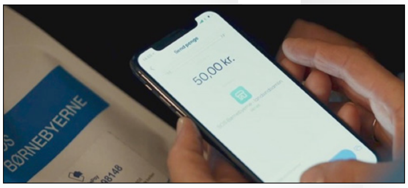


Building **Cloud Native** Confidence



Cyber Protection

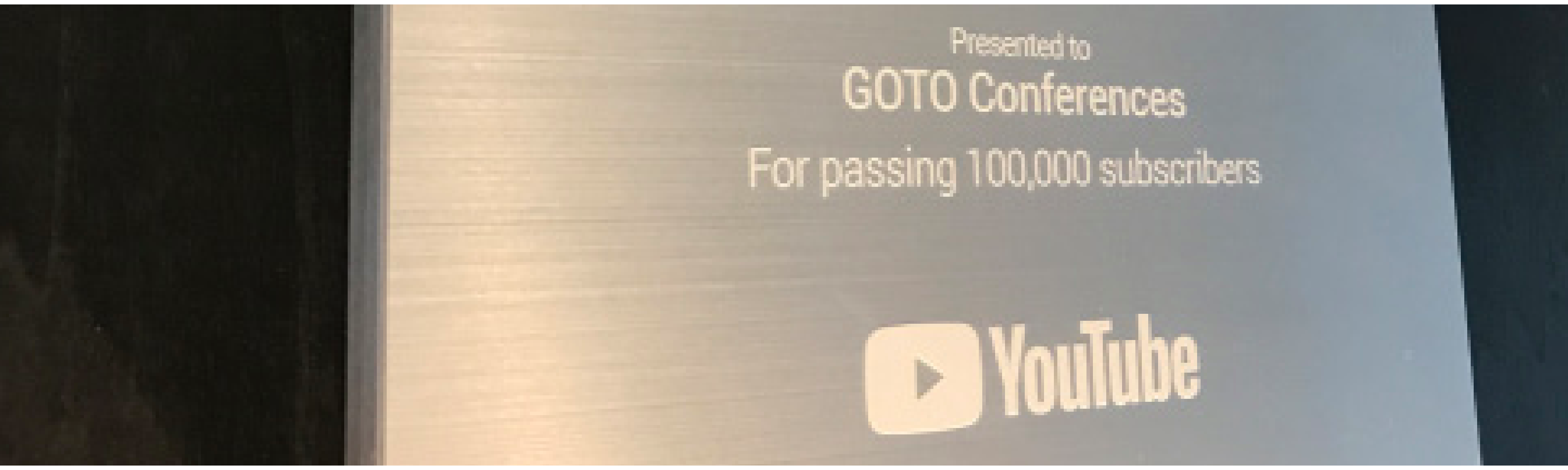
Business Value through User Experiences creates **Smart Enterprises**



Next Generation **Fintech** to Increase Competitive Advantage

Protect our Planet and people with **Smart Buildings**

TRIFORK
...think software



Trifork Tech-talk Channel

In 2018 Trifork's conference series "GOTO Conferences" was recognized for running one of the world's largest channels for contemporary tech-talks on YouTube. Reaching its first milestone of 100,000+ subscribers, GOTO Conferences was awarded with the "YouTube Silver Creator Award".

The channel features presentations about the latest trends in technology and processes used in modern software engineering. The videos are recorded at the four GOTO Conferences, which take place in Amsterdam, Berlin, Chicago and Copenhagen. The goal is to host a platform where learning truly is a life-long process and to educate people around the world about the latest trends and developments in creating state-of-the-art software solutions and products.

Why run the channel?

We believe that software can and should be used to make the world a better place and that in the future almost every product will incorporate software in some way or another. But software needs to be developed in the right way and with the proper mindset in order to secure business value and create a benefit for the users.

GOTO Conferences teach us exactly that. Yet not everyone has the opportunity to attend our conferences. Trifork believes that this knowledge should be accessible to anyone who is interested in learning from it. Therefore, we decided to video record most of the talks presented at GOTO Conferences and make them available for free to the public.

Key figures

- In June 2018 the channel reached 100,000 subscribers. By the end of 2018 this number was increased to 110,000+
- 1,000+ videos have been released since the channel was crated in October 2011
- The most-viewed video on the GOTO Conferences YouTube channel is an "Introduction to NoSQL" by Martin Fowler with 740,000+ views
- The top 5 most-viewed videos have been watched more than 2.1M times. All videos together have been viewed 8.5M times
- The total watch time of videos has been 179 Years and 26 Days!
- On average three new GOTO videos are posted every week

The GOTO Conferences not only inspire attendees at their events but also captures an even broader audience via the YouTube Channel online. The speakers, talks and topics at the conferences are hand-picked by program committees, which mainly consist of Trifork employees. They research the latest technological trends and get inspired by key tech-influencers.

The speakers at GOTO Conferences are some of the most knowledgeable people within their field. Many of them are inventors of technologies or methods, or founders of world-known tech companies.

To name a few:

- Sir Tim Berners-Lee, Inventor of the Internet
- Yukihiro Matsumoto, Creator of the Ruby programming language
- Mary Shaw, Software Architecture Visionary
- James Gosling, Father of the Java programming language
- Bjarne Stroustrup, the creator of the C++ programming language

Through its involvement in the program committees and by empowering its employees to attend GOTO Conferences, Trifork ensures to stay ahead of the curve.

For more information on the conferences visit: gotocon.com

App support

The best way to enjoy GOTO Conferences videos is through the GOTO Play app, which is available on iOS and Android. GOTO Play lets users favorite and download talks and therefore videos can also be viewed offline when no cellular reception is available. GOTO Play is the platform where all GOTO videos are published first.

What's next

We will continue to stay ahead of the hype-curve and record the talks at GOTO Conferences. The next targets for the channel are to reach a total of one million subscribers and become the worlds largest tech channel on YouTube.

/GotoConferences

goto; play ttps://blog.gotocon.com/goto-play

Organization

Trifork is organized as a group of "Business Units" that share a corporate DNA, culture and philosophy. The group units also share services like controlling, accounting, legal, IT, sales and marketing tools and other common functions. The individual units cooperate and that makes them function more efficiently and collaborative. This organizational structure is comprised by an overall flat hierarchy, which facilitates a strong mutual respect between all team members and team leaders in the individual units.
The holding company of the Trifork Group is located in Switzerland and functions as our headquarters. Often the unit leaders and other key members meet here to exchange ideas, best practices and establish alliances.

A Business Unit

A Business Unit consists of 10 to 50 employees working together with a high entrepreneurial spirit. The units themselves are organized in smaller teams depending on the projects or solutions they are involved in. When a unit is small, the growth rate of the unit is relatively high and it is not unusual to see annual growth rates of +25%.

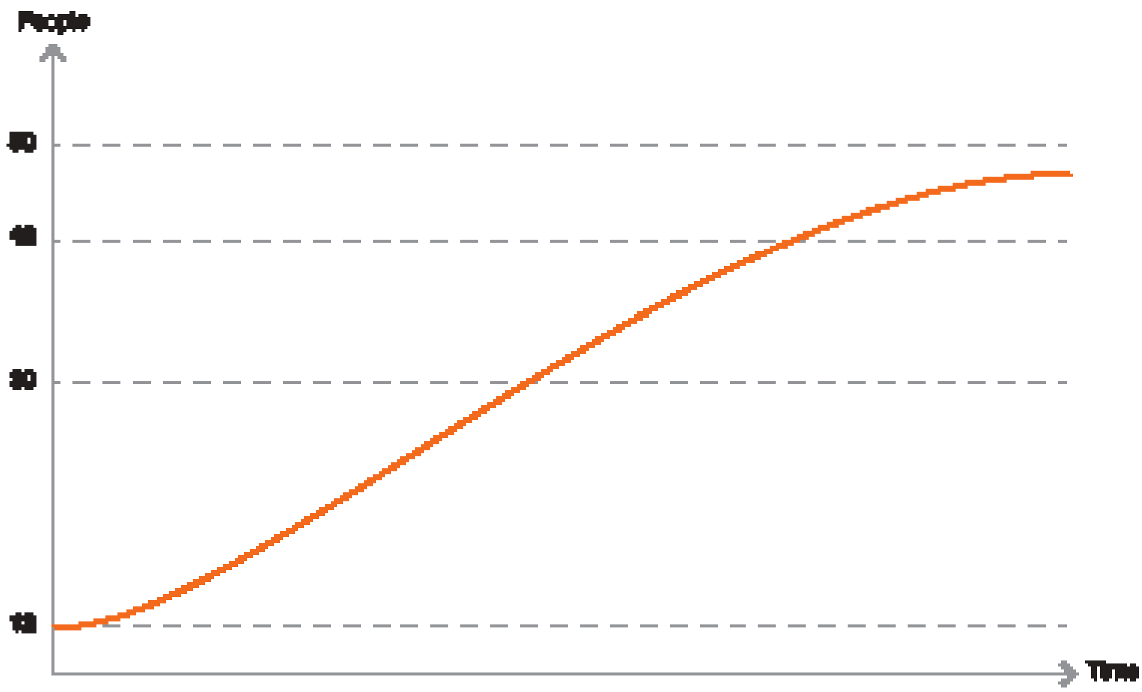
Each unit is responsible for finding their own customers. This is ideally done through a Trifork Accelerate workshop, or alternatively, pitching Trifork Concepts or Trifork Products. Each unit is also responsible for finding its own new young talents to mix with more experienced employees. The mix of young and experienced talent is an important factor to maintain sustainable growth of each unit.

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

The illustration below shows how growth develops in a unit as a function of time. Normally, it takes 3-4 years for a unit to reach its optimal level. This is with without adding a layer of middle management.

SPECIALIZED AND FULL-SERVICE UNITS

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



Accelerated development

The Background

Trackunit is a global company specializing in telematics products and services for construction machine fleets of all sizes. Trackunit was well positioned in the market with telematic boxes, but saw an opportunity to make data driven services even better by enabling their customer to use the value of the data from the telematic boxes.

The Need

Trackunit wanted to help fleet owners to monitor how well their fleets were utilized and where their machines were located. At the same time they wanted operators to be able to find, access and connect in a safe way to the right machines. Thus, the idea of the Trackunit Go App was formed.

The goal was to eliminate downtime and increase the productivity and profitability of the construction sector.

The industry was searching for new ways of streamlining the machinery operations. Trackunit found a bridge between technology and the users of the machines. They realized that implementing the Trackunit Go vision of having “the entire fleet at your fingertips” would have a huge value for their clients and would give Trackunit a strong position in a new growth market.

Trackunit made the promise to make it possible to eliminate down time by 2025 and that they would go in front and lead the industry into the future with them.

The Approach

Trackunit wanted to move fast and make sure that the solution would target the right functionality and user needs. To be sure that all stakeholders and users were aligned a design-print process was initiated using the Trifork Accelerate concept. After the first five-days workshop the result of this was an initial Proof of Concept that validated technologies and user interface. This was delivered by Trifork less than one month after the Workshop. The project was launched the day after the Proof of Concept was verified, and a combined agile team was formed with resources from both Trackunit and Trifork. The first release of the Trackunit Go App and the new AWS cloud-based data processing platform was made in just five months.

The solution was developed with a mobile first approach or user strategy in cooperation with Trifork’s expertise in IoT, data acquisition, cloud technology and application development. The solution uses Amazon’s AWS platform and Kafka, Flink and Cassandra No SQL database for data processing and storage.

The use of the Amazon platform provided a number of benefits, which included supporting secure design, scaling of the solution, built-in redundancy from day one, and the ability to separate operational data from various continents through Amazon’s various data centers.

“It is a revolutionary software platform in its industry”, states Jesper Mygind, VP at Trifork and continues: *“Overall, there are between 10 and 15 technologies and components in the system, which we had one month to turn into a prototype. We combined our IT expertise with Trackunit’s ambitious growth targets and created a platform together. The solution was realized by a joint team of six developers within six months.”*

The Result

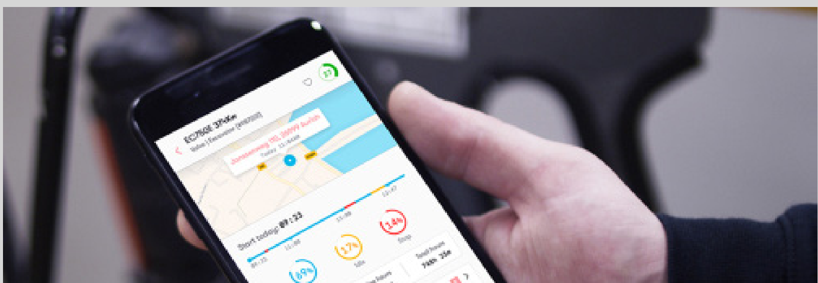
The result was a new platform that allowed fleet owners to monitor their fleets and ensure they were being used as efficiently as possible, and to avoid breakdowns that can delay major construction projects. Furthermore, it enables fleet owners to track how long time each machine has been running, where it is located and how it was operated.

Trackunit used Trifork to perform a technology turn-around in a rapid six-month time-frame, while building up their organization in order to take control over the development going forward. This transformation has helped Trackunit develop a very successful business model.

“With a continued increase in demand for connected machines we are looking for partnerships that can help solve real problems for our customers - and we are always looking for the best in the industry when co-creating new services”

Søren Brogaard
CCO, Trackunit

Søren Brogaard, CCO at Trackunit, expects that the new technology will be a built-in standard on all construction machines within a 10-year time-frame.



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

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

COLLABORATING UNITS

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

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

NETWORK OF UNITS

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

End of 2018 there were in total 45 individual business units in Trifork. The vision for our organizational approach is that the growth of additionally hundreds of units happens with very little overhead.

SHARED SERVICES AND BRAND

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

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

SINGLE LAYER ORGANIZATION

The title of our unit leaders is “VP of Business Development” and depending on the circumstance, they are even given the title of “CEO” of that legal entity. The unit leader has team leaders that often carry roles such as “CTO” or “CFO” of the unit. In this way the organization is kept very flat and efficient. The unit leaders report to Trifork Group management.

Mobility Energinet

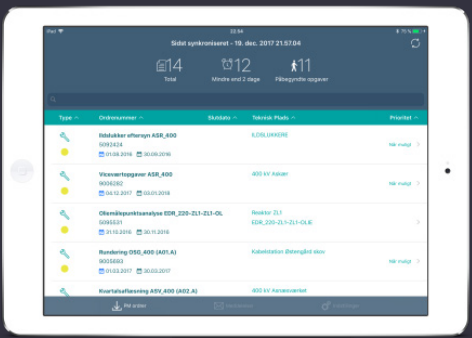
About Energinet

Energinet is an independent public company under the Ministry of Energy, Supply and Climate. They own and develop electricity and gas networks in Denmark, employ more than 1,000 employees and has annual sales of 8-9 billion DKK.

Challenges

Energinet has about 100 people around the country every day, consisting of own employees and subcontractors, who ensure that the main power supply is functioning in Denmark.

The challenge for Energinet was a system based on outdated technology, which became increasingly unstable. In addition, system functions such as logging in and recording measurement and inspection values were slow and complex. This meant that many tasks and data were recorded on paper, and only several days/weeks later uploaded to the systems. This resulted in a large amount of extra work, displeasure among employees and a high error rate in registration.



Solutions and results

Energinet wanted to develop a simple, user-friendly and stable solution where data would flow digitally, built as an extension to their current SAP module, Plant Maintenance.

Based on this Invokers developed the Mobility Energinet solution with SAP Cloud Platform SDK for Apple iOS as an application platform.

Apple's high level of security and intuitive structure combined with SAP Cloud Platform is a unique and powerful combination that ensures the highest level of user-friendliness and the strongest possible structure.

The solution provides Energinet's employees and subcontractors with an optimized tool that ensures accurate and easy handling of daily tasks and data recording on mobile iOS devices.

Employees in the field can log in, get an overview of their individual tasks and register data, with just a few steps. At the same time, the manager, both internal and external, has the overall overview of the status of all tasks and can, from the office, change and prioritize tasks.

The installation of the solution on the individual employee's mobile iOS device, takes place in the same simple way as installing an app and at the same time the solution is so intuitive that it does not require training.

Using Touch ID means both that the security is higher than what any other system can offer and that logging in only takes 0.1 second.

All in all, Mobility Energinet means that Energinet has a significant drop in resource waste and at the same time satisfied employees.

"At Energinet we wanted to streamline data collection from our maintenance contractors. We chose a native app solution from invokers. The whole process has run smoothly and efficiently, and the solution was up and running 3 months after project start. The app has been running steadily and impeccably from day one.

The optimization for us is that the solution gives our data in SAP a huge boost. The app is quick to log in to and super intuitive. Additionally, it's super easy to install, just like a regular app. All users, regardless of user type and level, internal as well as external, can solve the task, many even without any training."

Martin Roskvist Aamand, Team Lead,
Contract Management, Energinet

BUSINESS VALUE THROUGH USER EXPERIENCE

Invokers is part of the Trifork Group. The company is working with implementation of digital solutions that integrate with complex system landscapes like SAP. By managing the entire life cycle of a solution, from design and integration to implementation and support, Invokers has a full overview and can ensure that customers get a smooth and successful implementation process. Invokers believes that the strongest way to create business value is through the end-user experience.

A UNIT LEADER

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

SUSTAINABLE GROWTH

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

GROUP LEADERSHIP

As a unit leader becomes more experienced and has established multiple new units, they become member of a "mentor team". This mentor team facilitates collaboration and coaching between the units.

The Group Leadership team meets frequently at the headquarters in Switzerland to organize and drive Trifork business forward. Over the next 2-3 years, the Trifork Group's main focus is to expand and deepen the organization, along with expanding delivery capabilities in Germany, Denmark, UK, Switzerland and The Netherlands. This is done by intentionally dividing larger units when they reach approximately 42 employees. Then a new unit will be formed with a size of approximately 12 people.

LEADERSHIP TRAINING

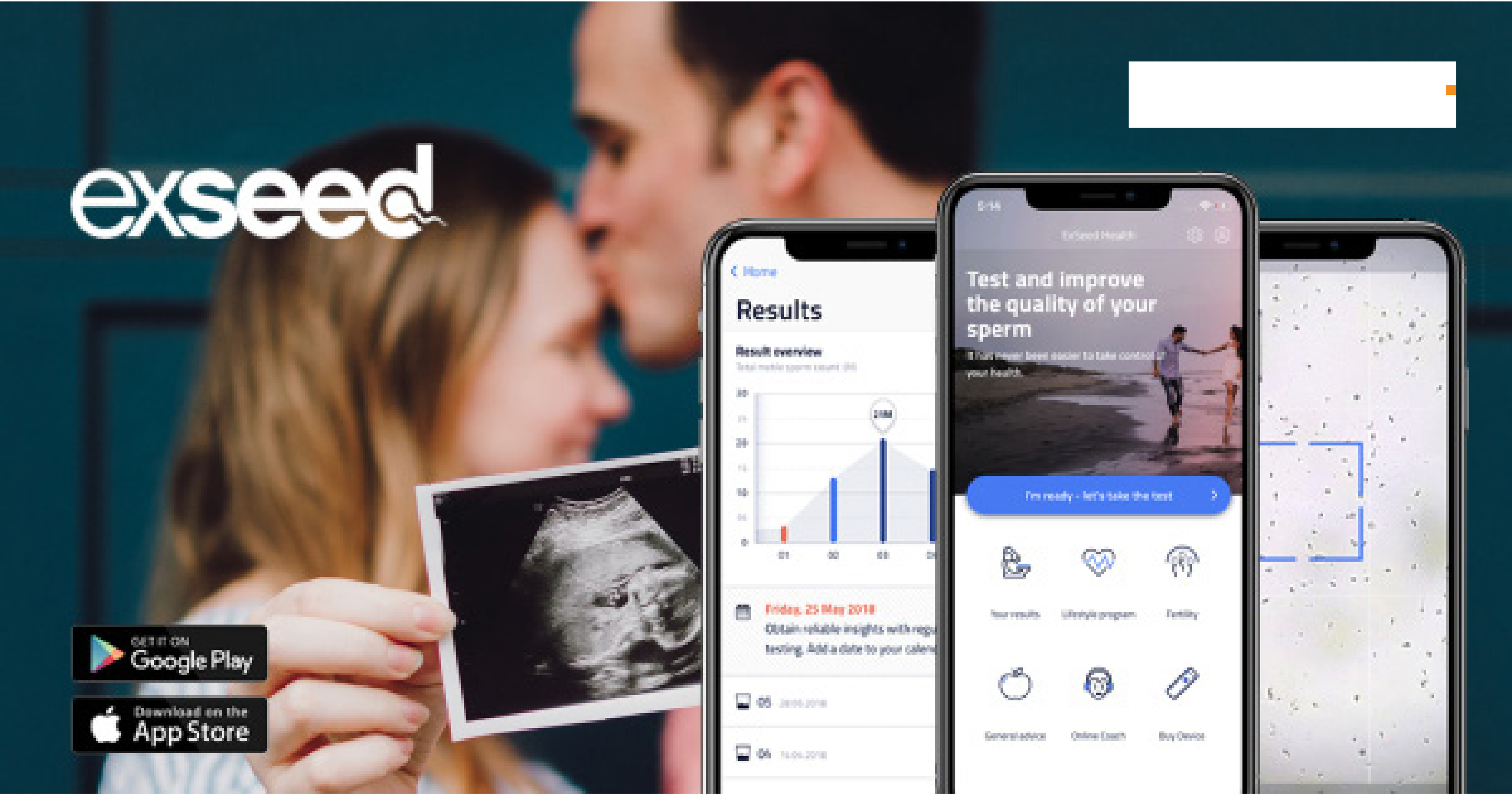
When recruiting, 20% of all new employees should possess leadership potential. The leaders at Trifork ensure our continuous progress and evolution as a company. An annual growth of 15-25% keeps the company young hearted, as a steady flow of new talent is required each year. We prefer to promote young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

GROWTH BY ACQUISITION

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

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

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



Product Startup

From idea to product

ExSeed Health has developed a unique mobile solution which accurately analyzes sperm quality with a smartphone and afterwards gives personalized advice about how to improve the sperm quality and overall health of a man.

International research has shown that lifestyle changes can have a large effect on men's sperm quality and thereby sub-fertile couples' chances of reaching pregnancy.

Via cloud computing, ExSeed makes advanced technology available for consumers and patients and have a clear vision that the product, in conjunction with healthcare professionals and clinics, will have a great impact on the treatment of infertility globally.

Why?

The reason ExSeed Health set out on their mission are some worrying statistics:

Up to 1 in 5 couples experience infertility and 40% of this inability to conceive is male related. In a famous meta-study from 2017 it was further demonstrated that the sperm quality of Western men has dropped by 50% in the last 40 years (1973-2011).

Despite these facts almost all products and services are aimed at women, leading to suboptimal treatment outcomes and an unfair emotional burden on women. This is what ExSeed Health set out to change!

The original idea came from Emil Andersen who today is CSO and co-founder of ExSeed. Emil is a PhD researcher specializing in epigenetics and reproduction and, via his involvement with the fertility clinic at the Copenhagen University Hospital, he could see the type of problems couples would have with infertility and the lack of adequate care and home solutions.

The result and road-map

Now after more than two years in product development mode and multiple patent applications to protect their innovative technologies, ExSeed has launched their first product on two markets, Denmark and Norway, and are eying quick European expansion once they obtain the CE certification as a Medical Device IVD product. This will enable them to truly become partners with clinics and healthcare professionals in the treatment of infertility.

The momentum of ExSeed Health has not gone unnoticed by the media and the company has, amongst others, been listed as Forbes "number one startup to watch" and as number 20 on the worldwide "Disrupt 100" list of companies with the largest potential to disrupt global markets.

"Trifork was there with us right from the beginning, giving us access to their pool of highly talented med-tech developers along with pre-seed funding to get proof of concept on the technology. They recognized the potential of the product and the unmet need – and now two years later we're proud to still have them as an integral partner company."

Morten Gorm Ulsted
CEO, ExSeed

Trifork Labs

Trifork Labs (R&D)

For the past 20 years the Trifork Group has been involved in founding and investing in tech startup companies focused on development of software products. During the last three years our strategy and focus toward this area has been increased. Trifork Labs front all of these investments and is the driver of the Research and Development (R&D) activities in Trifork.

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

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

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

In 2018 Trifork continued our work with the existing investments, founded one new startups and invested in one additional early stage product company. We exited one investments and successfully completed a Series A round with external funding for one of our startups.

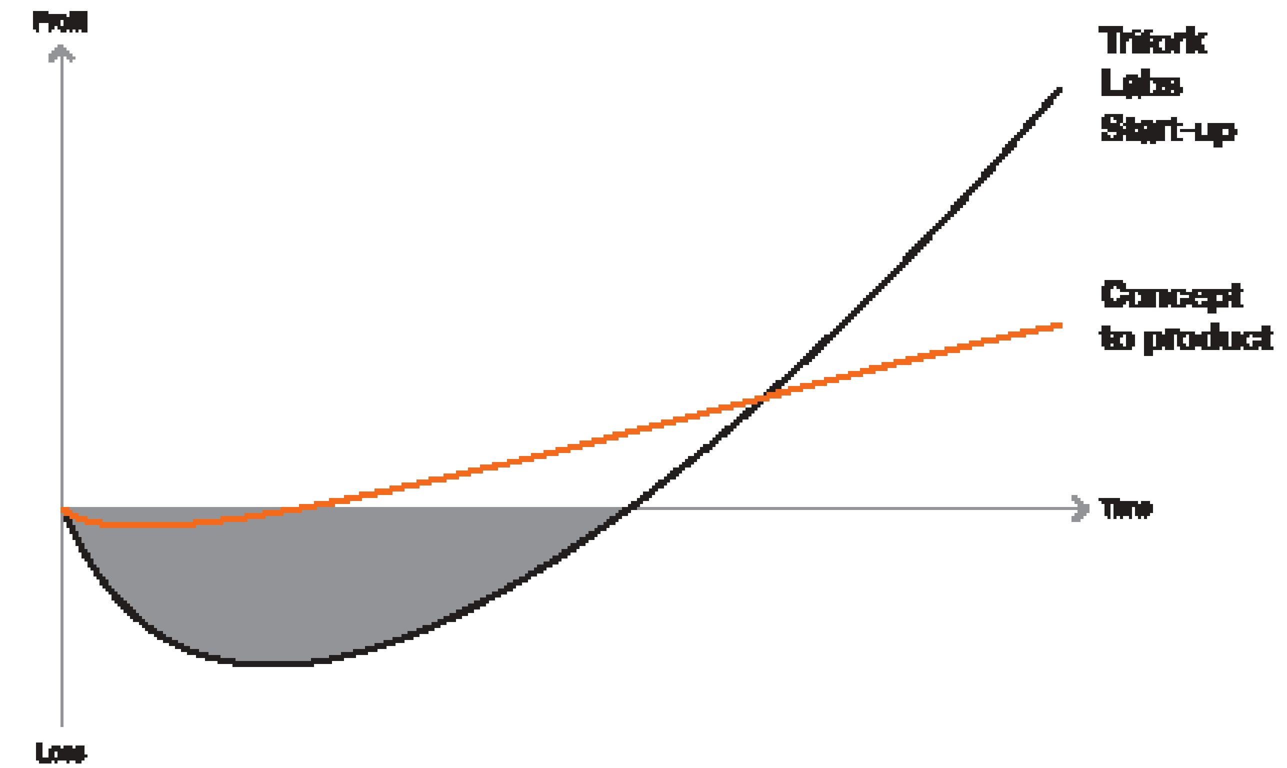
In total all the activities gave more than EURm 8 in new external funding, EURm 10 effect on EBT and EURm 7 in positive cash flow.

Trifork Group Synergy

The investments carried out in the Trifork Segment are primarily focused on building concepts and products that can be used in project deliveries. The characteristics for this kind of investments is often relative low investment and risk and a short time to delivery and revenue stream.

In Trifork Labs the investment in R&D can be taken to the next step with higher investments, risk and profit opportunities as illustrated in the figure below.

Many times the idea for a new product and possible startup is formed within the network of Trifork. Together with Trifork, entrepreneurs with the energy to challenge or disrupt an existing market come up with an idea for a new product. Trifork Labs will verify the business idea and provide the initial funding if the business is found to be vital, innovative and likely to be successful.



Investments

ExSeed Health Ltd. (38%), CEO Morten G. Ulsted

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

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

More info: www.exseedhealth.com

C4Media Inc. (9.8%), CEO Floyd Marinescu

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

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

More info: www.c4media.com

Humio Ltd. (33.7%), CEO Geeta Schmidt

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

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

In January 2019 a Series A round of USDm 9 was completed with the American venture company Accel.

More info: www.humio.com

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

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

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

More info: www.theperfectapp.com

Trifork Learning B.V (95%)

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

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

More info: www.triforklearning.com

ReQbo (19.4%), CEO Jesper Fleischer

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

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

More info: www.reqbo.com

Specto Labs (49%)

SpectoLabs

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

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

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

More info: www.specto.io

Atomist Inc. (0.1%), CEO Rod Johnson

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

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

More info: www.atomist.com

Beem Ltd. (6.7%), CEO Lee Lomax

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

Beem emerged as a 'winner' from the Collider 12 accelerator.

More info: www.wearebeem.com

MarsOne (5.7%), CEO Bas Lansdorp

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

Trifork participated in the development of the software platform of Mars One and was rewarded with a stake in the company. Since the launch of Mars One in 2011, about US$ 7 million has been raised in total.

More info: www.mars-one.com

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

Implantica
Smart Medical Implants

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

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

More info: www.implantica.com

AxonIQ B.V (32.8%), CEO Jeroen Speekenbrink

AxonIQ

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

More info: axoniq.io

AxonIQ

The background

AxonIQ offers an end-to-end development and infrastructure platform for smoothly evolving Event-Driven microservices focused on CQRS and Event Sourcing using the Axon Framework.

In 2017 Trifork co-founded the company AxonIQ with Jeroen Speekenbring (CEO) and Allard Buijze (CTO). Jeroen comming from a role as director in another Trifork company and Allard as the father of the Axon Framework.

The product - Axon

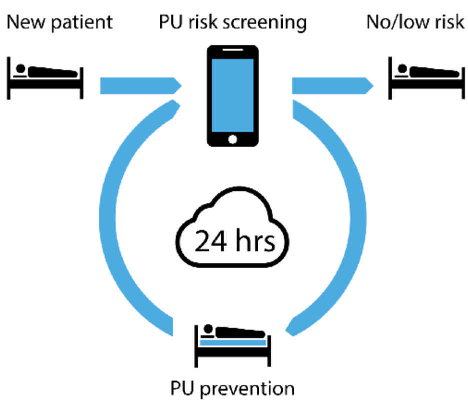
Axon provides a unified, productive way of developing Java applications that can evolve without significant refactoring from a monolith to Event-Driven microservices. Axon includes both a programming model as well as specialized infrastructure to provide enterprise ready operational support for the programming model - especially for scaling and distributing mission critical business applications.

The Axon platform is based on the Axon Framework and newly built Axon Server. Companies that are scaling up and require additional features is offered an Axon Enterprise solution that supports mission-critical environments in large scale production deployments. This includes support for big-data, scalability, security and compliance.

Axon is being used by a wide range of companies in highly demanding sectors such as healthcare, banking, insurance, logistics and public sector.

Allard Buijze explains:
"It's not always feasible or appropriate to implement a fully distributed microservices architecture. While Axon is very suited to this architectural pattern, it also offers the opportunity to create a structured monolith. This is where the application is deployed as monolith, but within it there are relatively separated components. This prevents the big ball of mod that many applications eventually end up as; despite the best intentions and effort of architects and developers. With Axon, modularity is maintained with explicit message-based API's, with the messages defined as commands, events or queries."

reQbo



The background

reQbo is a startup with the game-changing hospital-grade solution Q loop for pressure ulcer (PU) prevention with 75% lower prevalence, capable of intelligently predicting formation of PU even before they appear, based on the clinical validated & automated, real time assessment of the personalized risk score Q scale.

In 2018 Trifork Labs invested in reQbo to get insights to the technology and take part in revolutionizing the prediction and prevention of pressure ulcers.

The pain

PU is highly preventable, but current solutions are ineffective because they lack personalized prevention and dependent highly on nurses' assessment of patients' risk levels in routine care. Thus, 18% of patients still develop PU with a total cost of more than 23 billion $ per year. The US Agency for Healthcare Research and Quality estimates that 230 million $ will be saved for every 1% incidence reduction.

The product - Q Loop

Q loop is a 3 in 1 offering:

- Q scale mobile app for patient monitoring and PU risk screening. Showing 24h of sensor data, schedule of needed postural changes, notifications when patients reach high-risk scores, including a 40% better PU risk predictability than the market standard Braden Scale.
- Q cloud data backbone to collect and analyze data from mattress 24/7. Our software algorithm receives and analyzes hours of saved data integrated in EPR, increasing algorithm robustness.
- Q matt a pressure relieving & multi-sensing mattress, with patented RFID sensors collecting e.g. pressure and temperature data.

Q loop will initially target hospitals with critical care patients, e.g. coma-, surgical- and spinal cord injury-patients, and hereafter long time care centers (LTC), where patients are bedridden for long periods. In the approach to customers the focus will be on the advantages for all stakeholders.

The background

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

The company in the start of 2018 closed their series A round with several international investors and a leading partner in the male fertility market and is looking to finalize production and sales of the product 2018.

Morten G. Ulsted explains - ExSeed product and benefit:

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

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

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

Potential in the market

The global market for fertility services is currently worth USD 40 billion a year and growing at a compound annual growth rate (CAGR) of +4%. Additionally, the market for health apps is at USD 20 billion with a CAGR of +33% and the medical take home devices market is worth USD 26 billion, with a CAGR of +7%. These figures show that the markets for the device and app experience rapid growth and swift adoption of new offerings by consumers. Our primary market focus will be highly developed countries with a high smartphone penetration (approx. 60%) and accompanying decreasing fertility and semen quality rates, and consequently increasing use of ART. Between 10-15% of these men (our primary target group) are actively seeking help to conceive with their partners and we estimate that ExSeed can get a 20% market share of these men.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Targets and Assumptions for 2019

In 2019, Trifork target 14% growth in revenue and 39% growth in EBITDA

Strategy and structure

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

Trifork

The strategy for Trifork is that the growth should come equally from organic and acquisitional expansion. In 2018, the Trifork segment completed two acquisitions of the companies Testhuset and Invokers.

The acquisition of Testhuset has strengthen the delivery of high quality software solutions for private and public customers in Denmark with a longer-term ambition to roll out Testhuset concepts and expertise to all the markets where Trifork operates.

The current market demands rapid delivery of software using innovative technologies and with cost effective operation. Customer requirements are increasingly focused on usability, robustness and performance.

By making the acquisition Trifork is even stronger in delivering user-friendly software solutions of high quality. Testhuset has a very high expertise in advising and ensuring high quality standards throughout the development process. These experiences and all the tools and methodologies that they have developed has given Trifork even more of a competitive edge.

The acquisition of Invokers has given Trifork the opportunity to deliver innovative and user friendly software solutions to SAP customers in Denmark as well as in the rest of the countries where Trifork operates. Invokers is the front-runner in the sweet spot between SAP Cloud Platform and Apple's strategy for enterprise solutions. The company has delivered various business critical mobile solutions for customers like Energinet, Banedanmark & Vestas. Our companies' values and the way we engage with our customers and deliver quality software are very similar, but the technology platforms we are experts in are different and supplement each other. Invokers' dedicated focus and understanding of SAP products will give Trifork a competitive edge towards companies using SAP.

In 2019 new acquisitions could be completed as well but this is not yet included in the current financial estimates for 2019.

In 2018 we invested in and intensified our promotion of the international partnerships with especially Google, Apple and SAP. We believe that these partnerships and the related activities with these partners will bring new business to Trifork in 2019.

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

Trifork Labs

In Trifork Labs investments are made in founding new startups. Most often these have more like a J-curve investment profile than what we focus on in the Trifork segment. In 2019 we want to continue to be a driver for success for these startups and in this way introduce new innovative or disruptive software products. We target to found or invest in at least two new companies in 2019 and to get new external funding to two of our existing investments.

Financial results and growth

- In 2019 the Trifork Group target an increase of 14% in revenue compared to 2018. The target is total revenue of EURm 100.
- The Trifork Group target EBITDA of EURm 14.0. This is an increase of 39% compared to 2018 and equal to an EBITDA-margin of 14.0%

The growth in revenue is expected to come from an extension of the existing business and increased focus on the Trifork Accelerate concept.

In 2019 the target is to generate minimum 24% of total revenue from the sale of solutions, products and related services and to achieve an average EBITDA-margin of minimum 25% on these activities.

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

In Trifork the risk include projects not being delivered on time or if new planned projects are delayed in starting. If product sales decline or if maintenance and support of products prove to be too expensive this will also be a risk.

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

Risk factors

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

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

Currency risk

The company has international activities in United Kingdom, the Netherlands, Switzerland, America, Canada, Sweden, Poland, Germany and Hungary and has expenses as well as income in all of the currencies. Trifork continues to monitor the currency fluctuations and the related risk. The company continues to evaluate the comprehensive exposure of the various currencies and assesses the variance of the individual currencies as well as the correlation between them, in order to counter possible risks.

Hacker attacks

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

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

Technology

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

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

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

Dependency on key employees

The Trifork Group is a medium sized group of companies with highly competent employees resulting in a dependency on key employees, both in terms of management, operations, sales and development.

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

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

Dependency on customers

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

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

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

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

Market

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

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

Acquired companies

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

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

Investments

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

Use of more resources than expected

The delivery of business critical IT-solutions can be delayed and/or demand more resources than expected. A prerequisite for the continued growth of Trifork is that the company continues to deliver solutions on time with the planned use of resources.

Trifork believes that the focus on optimal use and development of the agile principles in software development will help to minimize the risk and ensure that the projects are delivered on schedule and to the required quality standards.

Product liability and insurance coverage

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

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

Intangible rights

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

Group
Financial review 2018

Trifork Group

Financial targets

EURm	03.2018	08.2018	Result
Revenue	75.0	80.0	87.8
EBITDA	9.0	10.0	10.1

Financial statement

The management of the Trifork Group is satisfied with the results achieved in 2018.

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

Trifork Labs matched our expectations and once again proved to be able to give us a significant profit on our investments. In 2018 we made one exit, one partial exit and succeeded with new investment rounds to three of our startups, resulting in total profit on investments of EURm 10.

The consolidated revenue for the Trifork Group was EURm 87.8, which is EURm 12.8 more than the original target for the year of EURm 75.0. The EBITDA of EURm 10.1 was EURm 1.1 more than the original target of EURm 9.0.

Development in revenue

The Trifork Group revenue was EURm 87.8, which equals a 33.8% growth compared to 2017, where EURm 65.6 was achieved. This growth was exceeding the company's ambition to obtain an annual 15-25% revenue growth.

In general all units improved compared to 2017 and especially in the second half of 2018 revenue was improved compared to 2017.

In 2018 two new acquisitions were completed. At first 70% of the company Testhuset was acquired. The results from this entity is incorporated in the group financial statement from June, 2018. In Q3-2018, 51% of the company Invokers was acquired and this has been incorporated in the group financial statements from September, 2018.

The investments in Trifork Labs only contribute very little to the Trifork Group revenue since the status and ownership ratio of the companies most often do not meet the requirements for the Trifork Group to make a full consolidation. So even though the activities in Trifork Labs have been increasing substantially in 2018, only a very small part of the Trifork Group revenue originates from this segment.

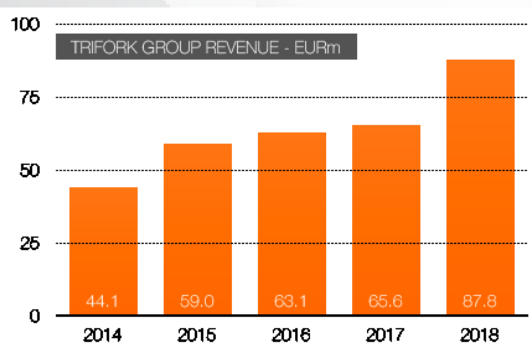
Origin of growth

In 2018, 71.5% of the growth was organic and 28.5% came from acquisitions.

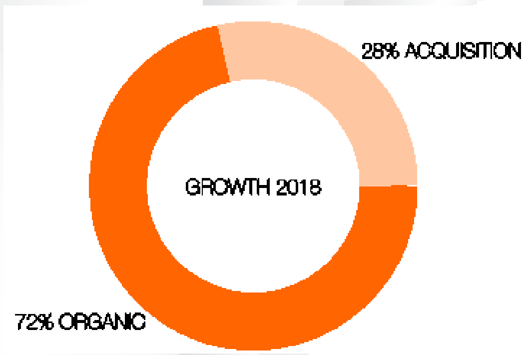
Trifork will continue to focus on growth of international revenue to strengthen the Trifork Group and make it more anti-fragile. We find that activities in more markets reduces the overall risk exposure if one market shows poor performance and it also provides further business opportunities.

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

Development in revenue



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 2018 was divided in the following way:

Revenue (EURm)	2017	2018
Trifork	65.5	87.7
Trifork Labs	0.1	0.1
Trifork Group	65.6	87.8

Employees

In 2018 we saw organic growth in several business units and our two new acquisitions did also contribute to increase the total number of employees within the Trifork Group. The organic growth was 84 employees and 91 employees was added through the acquisitions. End of 2018 the total number of employees within companies consolidated in the Trifork Group accounted to 597. The average number of Full Time Employees (FTE's) was calculated to 504 for 2018. This was an increase of 80 FTE's compared to 2017.

Revenue per employee

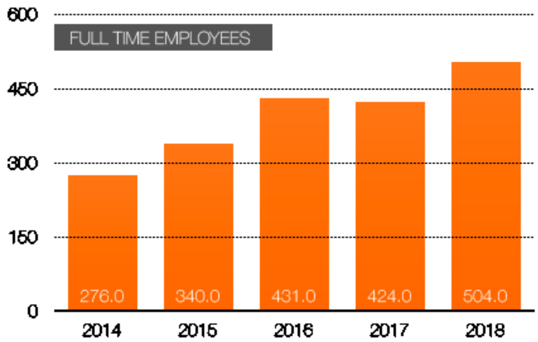
In 2018, Trifork obtained a revenue per employee of EURm 0.174 based on an average of 504 FTE's. This is an increase in revenue per employee of 12.4% compared to 2017. Increase in product-based revenue was the primary driver for the improvement.

In 2019, it is expected that product based revenue and increase in attendees on the GOTO and partner conferences will be the driver on an increase in revenue per employee by 10%.

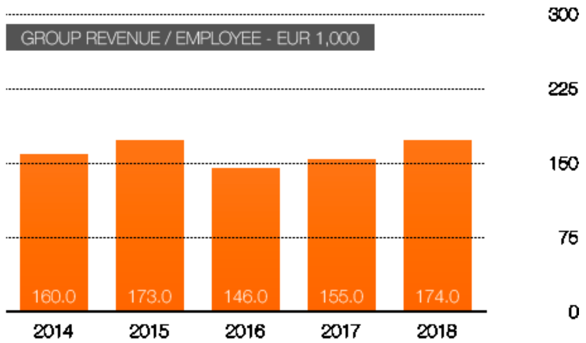
From 2017 to 2018 revenue was improved by 33.8% to EURm 87.8

of this growth 71.5% was organic

Development in full-time-employees



Revenue per employee



Development in EBITDA

In 2018, the Trifork Group realized EURm 10.1 EBITDA, an increase of 34.4% compared to 2017.

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

EBITDA (EURm)	2017	2018
Trifork	7.9	10.7
Trifork Labs	-0.4	-0.6
Trifork Group	7.5	10.1

As with revenue the primary driver for EBITDA was the Trifork segment with EURm 10.7. This was a 35.1% growth compared to 2017 and equal to an 12.1% EBITDA-margin.

The few units in Trifork Labs that were consolidated on EBITDA-level in the Trifork Group reporting showed a negative EBITDA of EURm -0.6 compared to EURm -0.4 in 2017, including all the cost of driving the Labs organization. This is seen as an expected result in relation to the nature of Trifork Labs.

Overall the results obtained in 2018 correspond to an EBITDA margin of 11.5%, which is at the same level as in 2017. In relation to the high growth this is considered acceptable.

Costs

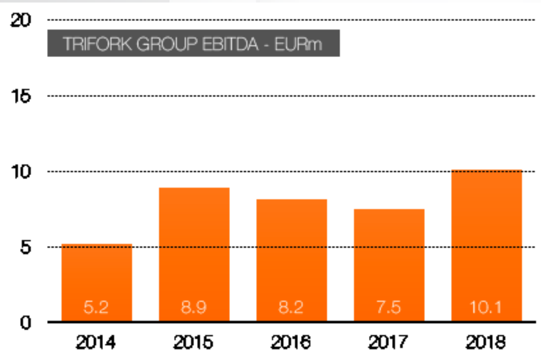
The most significant cost in the Trifork Group is personnel costs. In 2018 total personnel cost was EURm 42.6 compared to EURm 32.8 in 2017. Personnel costs per employee has increased by 9.0% compared to 2017. A part of the reason for the increase is because of the hiring of higher profiled employees with a higher salary level. Personnel costs as a proportion of revenue was a little lower in 2018 with 48.5% compared to 50.0% in 2017. The future development in this KPI is estimated to be positive with a lower ratio, driven by the increase in the product and conference business in the Trifork segment.

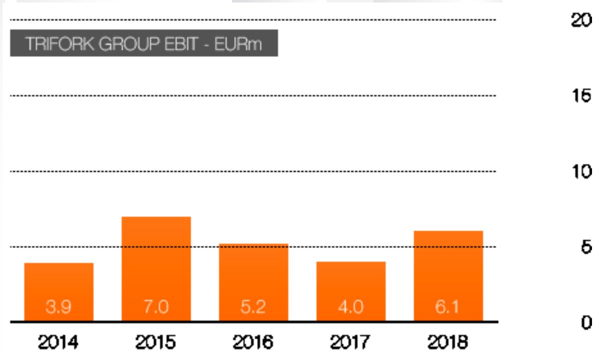
Development in EBIT

In 2018, the Trifork Group realized an EURm 6.1 EBIT, which is a 55.0% increase compared to 2017, where EURm 4.0 was achieved. The 2018 EBIT equals an 7.0% EBIT-margin compared to 6.0% in 2017.

EBIT (EURm)	2017	2018
Trifork	4.7	7.1
Trifork Labs	-0.7	-0.9
Trifork Group	4.0	6.1

During 2018 a few one-off impairments and amortizations were made on a couple of minor old investments. The management made these corrections in order to focus the business on fewer activities and thus remove these activities that no longer would be prioritized. In 2019 no extraordinary depreciation/amortizations are expected.





Development in EBT

In 2018, the Trifork Group reached EURm 16.0 EBT (profit before tax), which equals an increase of 6.7% compared to 2017, where the company realized EURm 15.0.

EBT (EURm)	2017	2018
Trifork	5.3	6.2
Trifork Labs	9.7	9.8
Trifork Group	15.0	16.0

The 2018 result of the financial items totaled EURm 9.9 compared to EURm 11.1 in 2017.

The main contributors in 2018 were:

- Changes in fair-value valuations of investments of EURm 10.0 in Trifork Labs compared to EURm 10.6 in 2017. Most valuations are based on the post-money valuations in relation to new funding rounds
- Net interests on capital of EURm -0.6 compared to EURm -0.3 in 2017
- Fair value adjustments of financial liabilities of EURm 0.7

Impairment tests have been conducted in connection with all reassessments.

Management considers the profit before tax for 2018 as satisfying compared to the EBIT result achieved. In 2019 net interest is estimated to be 10% higher than in 2018 due to the financing of new acquisitions made in 2018.

Profit for the year

In 2018, the Group Net profit after tax totaled EURm 14.8, which equals an increase of 7.5% compared to 2017, where EURm 13.7 was realized.

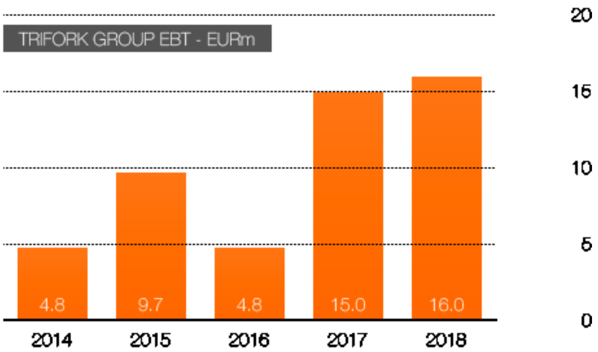
In 2018 EURm 1.1 of the profit belongs to non-controlling interests. In 2017 this was EURm 0.3.

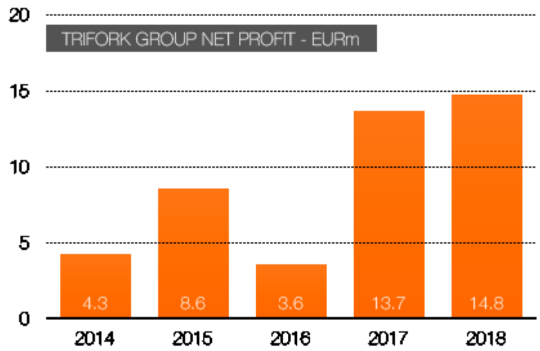
The result corresponds to a EUR 0.75 result per share.

Management considers this result satisfying.

The effective tax for the company in 2018 was 7.9% compared to 8.5% in 2017. The low tax-rate is primarily due to the high relief on profit from investments in Trifork Labs.

The result gives a total 41.5% return on equity compared to 50.9% in 2017. Management considers this level satisfactory.





GROUP FINANCIAL REVIEW 2018

Total comprehensive income

In 2018 total comprehensive income (TCI) ended at EURm 14.8 compared to EURm 13.3 in 2017.

The main contributors were:

- Actuarial gain on pension liabilities of EURm 0.2 and loss on foreign currency translations for foreign operations of EURm -0.2.

Balance and Equity

TOTAL ASSETS

Total assets increased by 27.1% from EURm 75.7 as of 31.12.2017 to EURm 96.3 as of 31.12.2018.

The main contributors were:

- Net change in fair-value of financial assets of EURm 4.9 in Trifork Labs investments
- Intangible assets increased with EURm 5.7 primarily due to acquisitions of Testhuset and Invokers
- Contract assets and trade receivables increased with EURm 5.7 due to increased activity and business combinations
- Cash and cash equivalents increased with EURm 4.1 in relation to sale of financial assets

NON-CURRENT ASSETS

The carrying amount of non-current assets has seen a 11.2 EURm total increase, the most significant reason for this being that described under "Total assets" above.

Product development capitalized at the end of 2018 accounted for EURm 4.2 in total compared to EURm 3.9 as of 31.12.2017. The increase has been part of the product strategy in Trifork where new products have been initiated in development and launched for sale. Most of the development cost used on smaller products in 2018 has been handled as part of normal operations and has not been capitalized in the balance sheet. Further details are to be found in note 11.

TREASURY SHARES

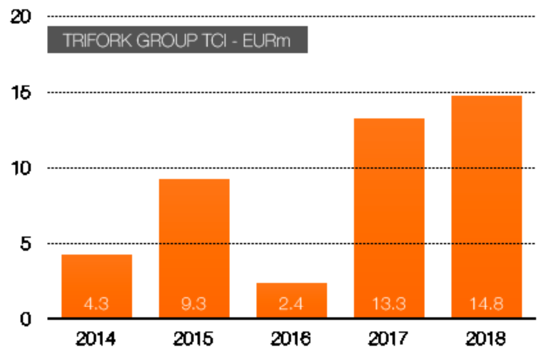
During the period, the company has seen a decrease in the ratio of Trifork Holding AG's ownership of treasury shares compared to end of 2017. This has been a result of using treasury shares as payments in relation to acquisitions completed in 2018. End of 2018 the company held 123,485 treasury shares.

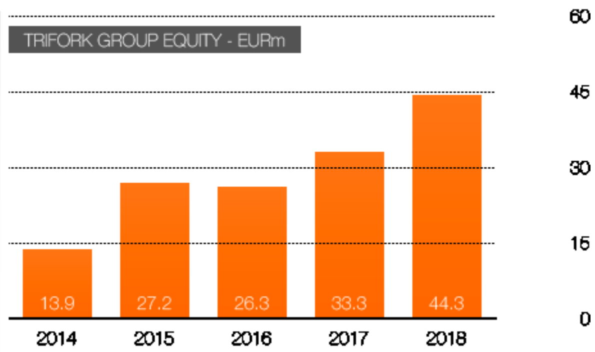
EQUITY

As of 31.12.2018, group equity amounts to EURm 44.3, which is a 33.4% increase compared to end 2017 where the equity was EURm 33.2.

In 2018, equity has been capitalized at 41.5% compared to 50.9% in 2017.

Equity ratio at the end of 2018 is 44.0% compared to 42.3% end of 2017.





Cash flow and investments

OPERATING ACTIVITIES

In 2018, net cash flows from operating activities amounted to EURm 7.9 compared to EURm 8.6 in 2017. Trade receivables increased from EURm 14.7 in 2017 to 18.1 in 2018. Compared to total revenue for the year this is equal to a ratio of 20.6% compared to 22.4% in 2017. The target for the group is to improve this ratio even more and have a ratio of less than 20%.

INVESTING ACTIVITIES

Cash flows from investing activities amounted to EURm -3.3 compared to EURm -4.9 in 2017.

The main contributors were:

- Acquisitions of subsidiaries of EURm -4.0
- Sale of financial assets of EURm 5.7 and new investments of EURm -0.5
- Investment in product development of EURm -1.3
- Purchase of equipment of EURm -2.1
- Sale of tangible assets of EURm 0.9
- Change of loans to associated companies of EURm -2.2

FINANCING ACTIVITIES

Cash flows from financing activities amounted to EURm -0.5 compared to EURm -3.4 in 2017.

The main contributors were:

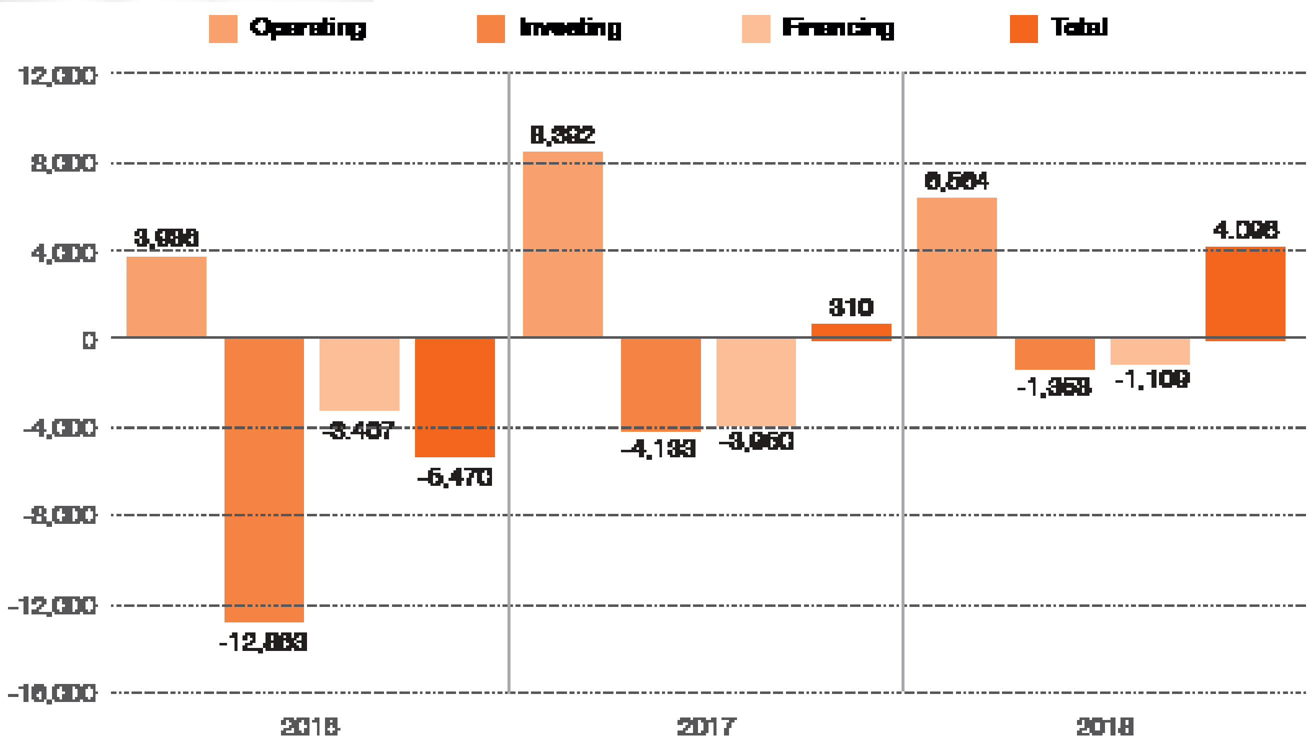
- Repayments of loans of EURm -2.3
- New acquisition loans of EURm 5.1
- Net purchase of treasury shares of EURm -0.2
- In total dividend of EURm -3.0 paid to Trifork Holding AG shareholders and to minorities in subsidiaries

Events after the balance sheet date

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

GROUP FINANCIAL REVIEW 2018

Development in cash flow



Trifork segment
Financial review 2018

Financial targets and results

EURm	03.2018	08.2018	Result
Revenue	75.0	80.0	88.7
EBITDA	9.0	10.0	10.7

Financial statement

The management of the Trifork segment finds the results for 2018 satisfying. The growth in revenue exceeded the expectations and EBITDA was acceptable seen in relation to the high growth rates.

The consolidated revenue for the Trifork segment was EURm 88.7, which is EURm 13.7 more than the original target for the year of EURm 75.0. The EBITDA of EURm 10.7 was EURm 1.7 more than the original target of EURm 9.0.

Development in revenue

The Trifork revenue of EURm 88.7 was a 33.8% growth compared to 2017, where EURm 65.5 was achieved. This growth exceeded the company's ambition to obtain an annual 15-25% revenue growth.

Especially in the second half of 2018 the growth exceeded the original budgets.

Revenue streams and business areas

Based on the defined revenue streams in Trifork these are internally reported in different business areas. Revenue in the different business areas has shown the following results:

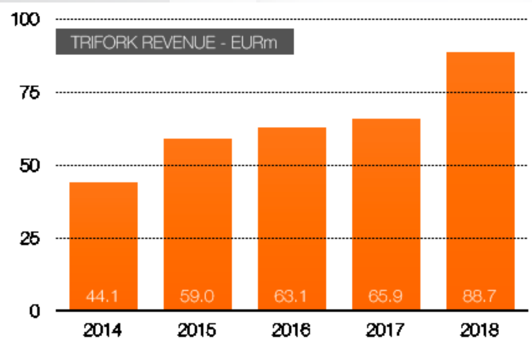
Revenue (EURm)	2017	2018
Academy	7.4	7.1
Services	43.9	62.5
Product	12.6	17.8
Other	1.9	1.3
Trifork	65.8	88.7

Academy: With a revenue of EURm 7.1 Academy delivered 8% of total revenue in Trifork. Revenue was at the same level as in 2017. The result is considered acceptable but not satisfying. In 2018 resources will be focused on increasing the size of th the four GOTO conferences as well as growing our partner-conferences.

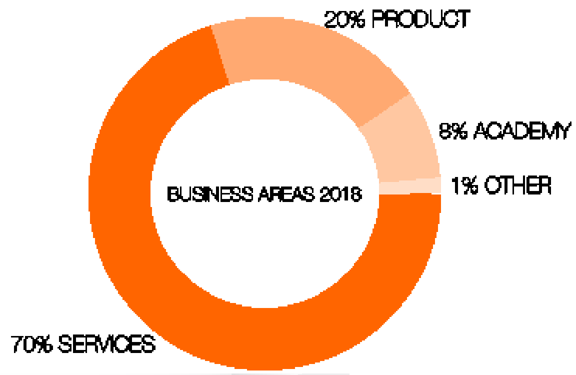
Services: With a revenue of EURm 62.5 Services delivered 70% of total Trifork revenue. The increase of EURm 17.7 was equal to a growth of 43.3% compared to 2017. The new acquisitions contributed primarily with revenue in the Services business area.

Products: With a revenue of EURm 17.8 Product delivered 20% of total Trifork revenue. Compared to 2017 this was an increase of EURm 5.2 equal to 40.9%. Most product based revenue in 2017 came from the sale of Trifork's own products and related services. The increase in revenue on own products is considered satisfying.

Development in revenue



Split of revenue in business areas



Revenue per employee

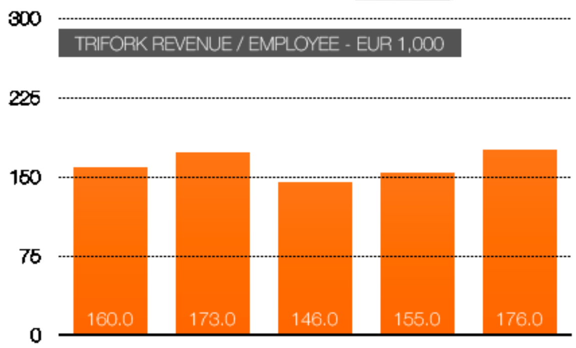
In 2018, Trifork obtained a revenue per employee of EURm 0.176 based on an average of 502 full-time-employees. This is an increase of 12.4% compared to 2017. Increase in product-based revenue was the primary driver for the improvement.

In 2019, it is expected that product based revenue and increase in attendees on the GOTO conferences will be the driver on an increase in revenue per employee by 10%.

From 2017 to 2018 revenue was improved by 33.8% to EURm 88.7.

In 2018 71.5% of all growth was organic.

Revenue per employee



Development in EBITDA

In 2018, the Trifork segment realized EURm 10.7 EBITDA equal to an EBITDA-margin of 12.1% and an increase of 35.1% compared to 2017.

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

EBITDA (EURm)	2017	2018
Academy	-0.2	0.3
Services	4.7	6.9
Products	3.1	4.3
Other	-0.8	-0.9
Trifork segment total	7.9	10.7

During 2017 and 2018 Trifork Academy initiated several new activities on the GOTO conferences to make the four focus conferences in Amsterdam, Berlin, Chicago and Copenhagen larger and more profitable. The result of this started to show in 2018 but is expected to improve again in 2019. EBITDA in this business area was just over break-even in 2018.

The Services business area increased significant in growth both organically and by acquisitions. The high growth (43.3%) and the cost of acquisitions resulted in lower EBITDA-margins in some of the units. Based on this the margin did not improve as much as expected but totaled 11.1% for 2018. Based on the high growth and one-off expenses in relation to the acquisitions this is still found as acceptable by management.

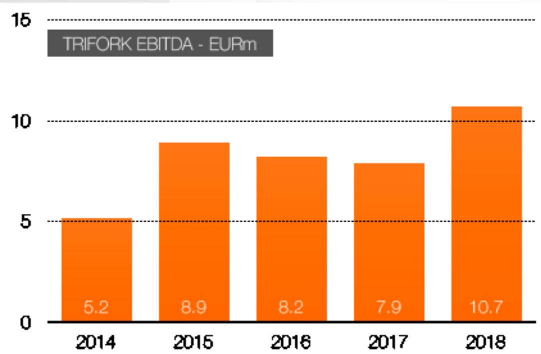
The Products business area focused on creating recurring revenue streams by selling Trifork products and related services on long term contracts. Based on this Products was primarily based on the sale of own products and was not so dependent on partner products. The effect of this was a significant increase in revenue on our own products. Despite the high growth in revenue the business area still achieved an EBITDA of EURm 4.3 equal to an EBITDA-margin of 24.1%.

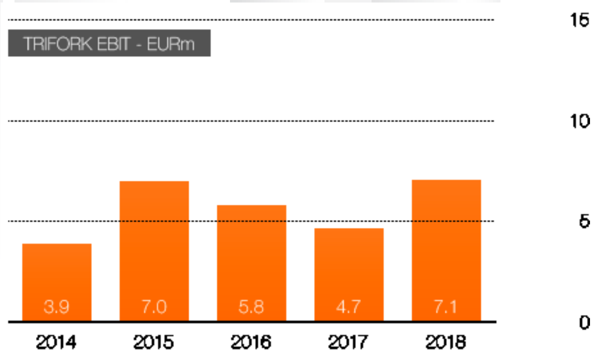
Overall the results obtained in 2018 correspond to an EBITDA margin of 12.1 which was the same level as in 2017. In 2019 EBITDA of EURm 14 is expected.

Development in EBIT

In 2018, the Trifork segment realized an EURm 7.1 EBIT, which is an 51.9% increase compared to 2017, where EURm 4.7 was achieved. The 2018 EBIT equals an 8.0% EBIT-margin compared to 7.2% in 2017.

During 2018 a few minor impairments were made. The management made these corrections in order to focus the business on fewer activities and thus remove the value of activities that no longer would be prioritized. The corrections amounted to less than EURm 0.1. In 2019 no extraordinary depreciation/amortizations are expected.





Description of business areas

Academy

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

Services

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

Product

The Product business area is based on the process and value stream with product development and sale of Trifork developed products as well as business related to the sale of partner products. Products are either sold separately or in relation to projects where Trifork is engaged in relation to developing new solutions for its customers.

2018	Academy	Services	Products	Business area total	Others	Trifork total
Revenue from external customers	7,139,774	62,472,383	17,818,059	87,430,216	1,266,272	88,696,489
EBITDA	346,214	6,940,366	4,286,728	11,573,307	-872,315	10,700,993
Depreciation/amortization	56,868	774,046	1,989,476	2,820,390	814,933	3,635,322
Profit (+) loss (-) from operations (EBIT)	289,346	6,166,320	2,297,251	8,752,918	-1,687,248	7,065,670
Average number of employees	22	344	72	438	64	502
2017	Academy	Services	Products	Business area total	Others	Trifork total
Revenue from external customers	7,392,681	43,924,273	12,647,611	63,964,565	1,881,556	65,846,121
EBITDA	-154,824	4,732,654	3,134,629	7,712,459	269,813	7,982,272
Depreciation/amortization	53,584	512,188	1,959,363	2,525,135	745,177	3,270,312
Profit (+) loss (-) from operations (EBIT)	-208,408	4,160,689	1,175,267	5,127,548	-475,364	4,652,184
Average number of employees	15	283	64	363	59	422

Trifork Labs segment Financial review 2018

Financial targets and results

The 2018 targets for the Trifork Labs segment was to be part of three new startups and to increase the value on the investments (financial assets) with 20% compared to the end of 2017.

In 2018 Trifork Labs continued the work with our existing investments where we invested additional cash in two of them together with other investors. Besides this we founded one new startup, invested in one additional early stage product company, exited one investment and successfully completed a Series A round with external funding for one of our startups.

In total all the activities gave more than EURm 8 in new external funding to our startups and for Trifork Labs the financial impact was EURm 10 in effect on EBT and EURm 8 in positive cash flow. 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.

Only a few investments, where Trifork Labs is in full control of the companies, are consolidated in the financial reporting of Revenue, EBITDA and EBIT and thus these results primarily shows the cost of the investment activities.

EURm	2017	2018
Revenue	0.1	0.2
EBITDA	-0.4	-0.6
EBIT	-0.7	-0.9

Based on this a revenue of only EURm 0.2 was achieved in 2018 which was close to the same level as in 2017 and the EBITDA loss of EURm -0.6 was at the expected level (2017: EURm -0.4).

Depreciations and amortizations amounted to EURm -0.3 which was at the same level as in 2017, resulting in an EBIT-loss of EURm -0.9 compared to EURm -0.7 in 2017.

Development in EBT

EBT (Earnings before tax) for 2018 was EURm 9.8 compared to EURm 9.7 in 2017. The profit came from exits of investments as well as adjustments of fair values on financial assets.

This profit is equal to 49.6% return on the value of the financial assets.

EURm	2017	2018
EBT	9.7	9.8

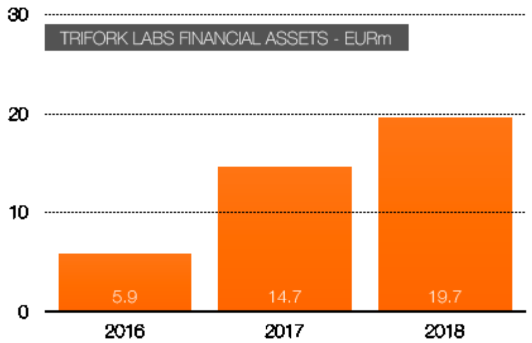
Financial assets

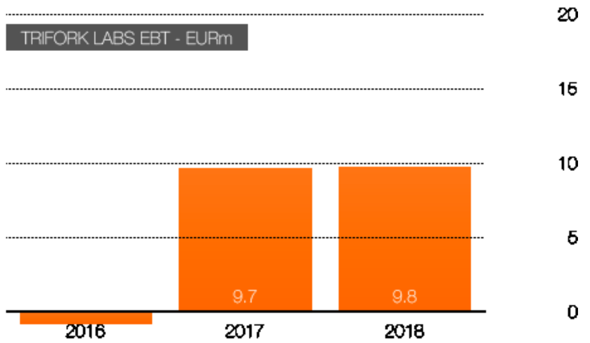
The development in financial assets has been affected by new investments of EURm 0.5, exits of assets of EURm 5.7 and fair-value adjustments of EURm 10.0. During the year a couple of minor startups without any substantial value (less than EURm 0.5) were terminated and impaired.

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

EURm	2017	2018
Financial assets	14.7	19.7

From 2017 to 2018 the fair value of investments grew from EURm 14.7 to EURm 19.7





Corporate Social Responsibility (CSR)

Statutory report on corporate social responsibility

The report on corporate social responsibility for the Group covers the accounting period January 1 to December 31, 2018.

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

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

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

ATTRACTING AND DEVELOPING COMPETENCE

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

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

Actions extending this policy amongst others include the following activity:

- Trifork has created the conference concept GOTOCON.COM, which organizes conferences in Copenhagen, Berlin, Amsterdam and Chicago. With the GOTO brand the conferences attract knowledge and best-practice from all over the world and thus increase the availability of both the right techniques and methods of implementing system development correctly and efficiently.

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

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

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

MAKING A DIFFERENCE

Trifork must contribute to improve the life quality in the world. In our business areas, Trifork must contribute with actions, which create simplicity and the additional reduction in the unnecessary use of the resources. Since the founding of Trifork in 1996, the communication of experience and knowledge about software development has been the epitome of the business and has in this way influenced the world around us in a positive manner. Actions in extension of this policy is the following activities:

- Trifork contributes with innovation and commitment to national solutions for the health care sector, which are designed to improve work conditions for the clinician, in order to reduce the number of medical errors and thereby the financial burden placed on society. The Shared medical chart and the Vaccination Register are two national health care solutions, which are the result of the actions of this policy.
- Likewise, Trifork has focused on the development of the mobile workplace of the clinician, which, with the use of situation specific IT, creates an environment for home-care, nurses or the doctor, which ensures a better treatment of the citizen.
- Trifork has initiated several measures which are intended to increase the use of the mobile platform for both ordinary people and the industry this is to reduce the number of power-consuming computers. Industrially, the power reduction lies in the fact that the mobile phone can be used as an alternative to control panels and thus render demanding control electronics superfluous.

It's our believe that the increased availability of mobile solutions will disconnect services from locations and allow people to access services or work remotely and minimize their carbon footprint.

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

COMMITTED EMPLOYEES

The employees are the most important resource in Trifork, and thus, they are the pivotal point of our CSR activities. The average age in 2018 was 34.2 years compared to 36.3 years in 2017. The diversity of gender is divided between 81% men and 19% women.

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

Actions extending this policy amongst others include the following activity:

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

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

In 2018, the employee's weekly average work time was 35.6 hours. The average sick leave was 2,3%, which was 1.0%-point higher than in 2017.

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

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

DISTRIBUTION OF GENDER

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

Based on this Trifork has a target that at least one third of the Board of Directors should be women. This target was not achieved in 2018 as all four board members were men.

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

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

HUMAN RIGHTS AND DEMOCRACY

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

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

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

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

The result of this action is measured by the diversity of employees in Trifork and the fact that whether Trifork treats employees and participants on our conferences respectfully has never been questioned. Trifork is involved in several activities supporting the defending of existing and the growth of new democracies.

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

Corporate Governance and internal controls

Statutory report on corporate governance

This statutory report on corporate governance covers the period January 1 - December 31, 2018.

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

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

RECOMMENDATIONS FOR GOOD CORPORATE GOVERNANCE

In 2005, the committee on Good Corporate Governance in Denmark published revised recommendations on good corporate governance, which was updated in May 2013 and November 2017 (with effect from 1/1-2018). The recommendations are available for the public on the home page of The Committee on Good Corporate Governance, www.corporate-governance.dk. The recommendations include the role of shareholders and interaction with company management, the policy regarding information and communication, the duties and responsibilities of the board of directors and the management, risk management and audit.

Despite that Trifork is no longer listed on a public stock exchange, the company has decided to keep following these guidelines by either complying with the recommendations or explain why they are not fully or partially complied with. The Board has addressed all the recommendations and published documentation of this on the Trifork web-site under: http://investor.trifork.com/investor-relations/corporate-governance/.

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

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

Risk management and internal control

The purpose of Trifork's internal control and risk management systems is to align the presentation of the accounts in accordance with IFRS and to give the best possible presentation and a true and fair view without any significant flaws or errors.

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

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

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

CONTROL ENVIRONMENT

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

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

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

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

RISK ASSESSMENT

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

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

Risk management

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

Follow-up

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

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

CONTROL ACTIVITIES

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

INFORMATION AND COMMUNICATION

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

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

SHARING KNOWLEDGE

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

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

MONITORING

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

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

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

JOHAN BLACH PETERSEN
Chairman of the Board of Directors

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

Is also board member in: Bila Group A/S (Chairman), JMM Group Holding A/S (Chairman), Kinan A/S, Lindcon Optical Group A/S (Chairman), M2 Group A/S (Chairman), New Owners Invest A/S, Normas Crane Holding A/S, Wave Touch Ltd, Windar Photonics Plc (Chairman), Teknikgruppen A/S (Chairman), Tildas Holding (Chairman), Tuco Marine Group A/S (Chairman), Aage Østergaard Holding A/S (Chairman).

JØRN LARSEN
Board member and CEO

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

Specializes in strategy and business development.

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

KRISTIAN WULF-ANDERSEN
Board member and CFO

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

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

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

LARS DYBKJÆR
Board member

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

Specializes in M&A and business development.

Board of Directors and Management

COMPOSITION AND FUNCTION OF THE BOARD OF DIRECTORS

The Board of Directors of Trifork is composed by 4 members, in a way to safeguard business and managerial cooperation with the continued operation and development of the Trifork Group. The board members are elected one year at a time and reelection is permitted.

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

CONFLICT OF INTERESTS

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

THE WORK OF THE BOARD OF DIRECTORS

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

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

It is the duty of the Board of Directors to ensure that company strategy and general guidelines are established. As a minimum, the Board of Directors meets four times a year to supervise Group development and to make adjustments to the overall business plan, should this be necessary, just as the board supervises the financial development in the Group. In 2018, the board met five times.

AUDIT COMMITTEE

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

EXECUTIVE MANAGEMENT

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

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

POLICY OF COMPENSATION

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

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

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

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

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

Compensation
In 2018, the compensation to the Board of Directors totaled EURt 157.

AUDIT

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

Prior to being nominated to election at the general meeting, the Audit Committee and management assess the Independence, competence etc. of the chartered accountants.

TRIFORK SHARE OWNERSHIP

End of 2018 the Board of Directors and Executive management indirect or direct holds the following shares in Trifork Holding AG:

Name	Shares
Jørn Larsen (CEO)	4,534,099
Johan Blach Petersen	242,231
Kristian Wulf-Andersen (CFO)	329,083
Lars Dybkjær (through GRO Fund I)	38,455
Total	5,143,868

Shareholder information

An investment in Trifork is an investment in innovation

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

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

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

Share capital

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

Repurchase of treasury shares

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

The historical share price that Trifork Holding AG has paid when purchasing treasury shares is displayed in the figure below. End of 2018 this was EUR 6.7 per share, which was the price offered by the company after the publication of the Q3 interim key figures 2018.

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

In 2018 269,615 treasury shares were purchased to an average rate of EUR 5.94.

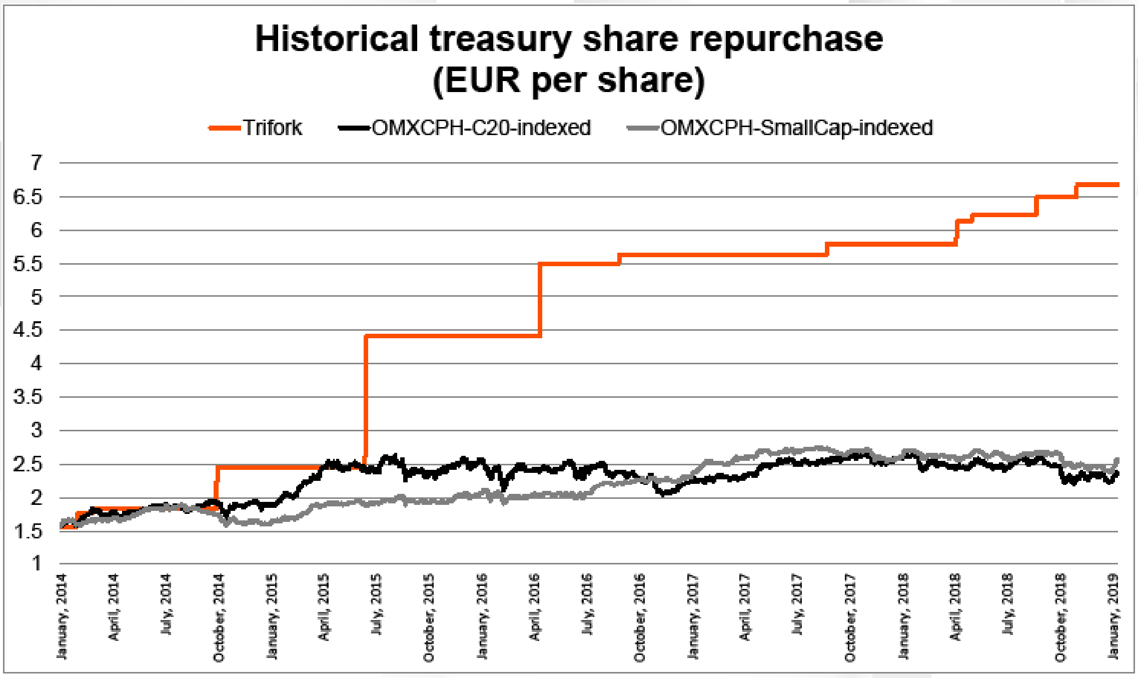
Ownership

At the end of 2018, Trifork Holding AG had 393 registered shareholders, who owned 100% of the share capital. Ten major shareholders owned 75.6% of the registered share capital.

End of 2018 members of the Board of Directors and Executive Management in Trifork Holding AG owned 27.7% of the share capital in the company.

End of 2018 the following investors was registered with a share holding of more than 5% of the share capital:

Name	Shares	%
Jørn Larsen	4,534,099	24.5%
GRO Holding I ApS	3,711,884	20.0%
Kresten Krab Thorup Holding ApS	3,470,383	18.7%
Trifork Holding AG	123,485	0.7%
Others	6,697,379	36.1%
Total	18,537,230	100.0%



SHAREHOLDER INFORMATION

REGISTER OF SHAREHOLDERS

Trifork's registry of shareholders is administered by:

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

Statutes / Authorizations

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

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

The Board of Directors is authorized to increase the share capital of the company at any time up to April 6, 2020 by an amount not exceeding CHF 92,686.20 through the issue of up to 926'862 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 5.50. The subscription rights are excluded to facilitate the participation of new lead investors in relation to the planned IPO, acquisitions and/or an Employee share program.

General Meeting of Shareholders

The Ordinary General Meeting of shareholders will be held on Thursday, April 12th, 2019 at 11:30 am. in the offices of Grunder Rechtsanwälte AG, Zugerstrasse 32, 6341 Baar, Switzerland.

The Board of Directors recommend to the company's Ordinary General Meeting to pay out a dividend of EURm 1.94 to shareholders based on the results in 2018.

Financial calendar 2019	
15.03.2019	Annual report 2018
12.04.2019	Ordinary General Meeting
06.05.2019	Interim update Q1 - 2019
22.08.2019	Interim report half year 2019
31.10.2019	Interim update Q3 - 2019

Shareholder inquiries

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

Email: investor@trifork.com

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

CFO Kristian Wulf-Andersen

2018 Company announcements

No.	Date	Announcement
1	09.03.2018	Trifork annual report 2017
2	03.05.2018	Trifork quarterly announcement Q1-2018
3	01.06.2018	Trifork acquires 70% in Testhuset
4	04.07.2018	Trifork acquires 51% in Invokers
5	23.08.2018	Interim report for the first half of 2018
6	14.09.2018	Acquisition completion and IPO preparations
7	14.09.2018	Trifork acquires stake in Danish MedTech company
8	01.11.2018	Trifork quarterly announcement Q3-2018
9	30.11.2018	Trifork and Netic wins public offering
10	14.12.2018	Trifork exits one of its startups with profit
11	22.12.2018	Trifork financial calendar 2019

Phone: +41 79 962 2410

Statement by the Board of Directors and Executive Management

Today the Board of Directors and the Executive Management have discussed and approved the annual report of Trifork Holding AG for the financial period January 1 to December 31, 2018.

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

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

In our opinion the consolidated financial statements give a true and fair view of the group's financial position on December 31, 2018 and of the results of the group's operations and cash flows for the financial period January 1 to December 31, 2018.

In our opinion, the parent company financial statements for the period from January 1 to December 31, 2018 comply with Swiss law and the company's articles of incorporation.

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

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

Schindellegi, March 15, 2019

Executive management

Jørn Larsen
CEO, Trifork

Kristian Wulf-Andersen
CFO, Trifork

Board of directors in Trifork Holding AG

Johan Blach Petersen
Chairman

Jørn Larsen
Board member

Kristian Wulf-Andersen
Board member

Lars Dybkjær
Board member

Statutory auditor's report

To the General Meeting of Trifork Holding AG, Feusisberg

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

Opinion

We have audited the consolidated financial statements of Trifork Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 58 to 89) give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, 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 stand-alone financial statements and our auditor's reports thereon.

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

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

Responsibility of the Board of Directors for the consolidated financial statements

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Zurich, March 15, 2019

Ernst & Young Ltd

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

Consolidated financial statements

Content	page

Consolidated comprehensive income statement for the year ended December 31, 2018

EUR

Note		2018	2017
4	Revenue from contracts with customers	86,508,022	64,523,314
	Rental income	1,247,069	1,054,309
	Cost of goods and services	-35,472,083	-26,004,554
	Gross profit	52,283,008	39,573,068
5	Personnel cost	-42,566,609	-32,784,374
	Other operating income	349,940	701,438
	Earnings before interest taxes depreciation and amortization (EBITDA)	10,066,339	7,490,132
	Depreciation, amortization and impairment	-3,940,185	-3,536,512
	Profit from operations (EBIT)	6,126,154	3,953,620
6	Financial income	1,516,771	1,969,048
7	Financial expenses	-1,618,635	-1,455,574
13	Result from associated companies	7,252	-28,398
8	Fair value adjustment on Trifork Labs investments	9,999,199	10,582,239
	Profit before tax (EBT)	16,030,741	15,020,935
9	Income tax expense	-1,261,486	-1,280,261
	Profit for the period	14,769,255	13,740,674
	Items for subsequent reclassification to profit or loss, net of tax		
	Foreign currency translation differences for foreign operations	-219,226	-299,290
	Items that are not reclassified subsequently to profit or loss, net of tax		
9, 19	Actuarial gains/(losses) on pension liabilities, net of tax	227,661	-149,158
	Other comprehensive income after tax	8,436	-448,448
	Total comprehensive income	14,777,691	13,292,226

	Profit for the period attributable to:		
	Parent company shareholders	13,691,388	13,478,372
	Non-controlling interests	1,077,867	262,302
	Total comprehensive income attributable to:		
	Parent company shareholders	13,775,984	13,133,965
	Non-controlling interests	1,001,707	158,260
	Earnings per share (EPS)		
24	Basic earnings per share	0.75	0.74
24	Diluted earnings per share	0.75	0.74

Statement of financial position as at December 31, 2018

Assets

EUR

Note	Assets	2018	Restated 2017
	Non-current assets		
11	Intangible assets	34,840,024	29,139,530
12	Tangible assets	7,640,140	7,445,270
13	Investments in associates	115,013	205,184
21e	Trifork Labs investments	19,684,525	14,738,308
	Other receivables	2,243,836	1,920,595
10	Deferred tax asset	116,146	0
	Total non-current assets	64,639,684	53,448,887
	Current assets		
14	Contract assets	2,590,339	362,710
14	Trade receivables	18,093,718	14,657,287
	Other receivables	287,309	818,507
	Prepayments	972,222	846,606
	Cash and cash equivalents	9,687,001	5,599,302
	Total current assets	31,630,588	22,284,412
	Total assets	96,270,272	75,733,299

See note 1 for explanation of the restatement (page 66).

Liabilities and equity

EUR

Note	Liabilities and equity	2018	Restated 2017
	Equity		
17	Share capital	1,552,502	1,552,502
	Retained earnings	43,183,794	33,208,396
	Treasury shares	-733,124	-1,617,342
	Reserve for exchange rate adjustments	-1,634,944	-1,576,872
	Equity attributable to parent company shareholders	42,368,228	31,566,683
16	Non-controlling interests	1,967,108	1,669,767
	Total Equity	44,335,336	33,236,450
	Liabilities		
	Non-current liabilities		
10	Deferred tax liabilities	3,105,880	2,962,330
15	Financial liabilities	20,513,347	15,942,300
20	Defined benefit pension liability	703,763	790,236
	Total non-current liabilities	24,322,990	19,694,866
	Current liabilities		
15	Financial liabilities	11,343,751	9,071,097
	Trade payables	5,339,153	4,758,397
	Income tax payables	772,260	1,190,539
18	Other payables	6,717,130	4,298,992
	Contract liabilities	3,439,652	3,482,957
	Total current liabilities	27,611,946	22,801,982
	Total liabilities	51,934,936	42,496,848
	Total liabilities and Equity	96,270,272	75,733,299

See note 1 for explanation of the restatement (page 66).

Consolidated statement of changes in equity

EUR

Trifork Holding AG	Share capital	Retained earnings	Treasury shares	Reserve for exchange rate adjustments	Equity attributable to parent company shareholders	Non-controlling interests	Total
Equity Jan 1, 2017 previously reported	1,552,502	23,601,096	-385,957	-1,325,343	23,442,298	2,857,599	26,299,897
Restatement	0	-2,526,325	0	0	-2,526,325	-1,198,641	-3,724,966
Equity Jan 1, 2017, restated	1,552,502	21,074,771	-385,957	-1,325,343	20,915,973	1,658,958	22,574,931
Profit for the year	0	13,478,372	0	0	13,478,372	262,302	13,740,674
Other comprehensive income	0	-92,877	0	-251,530	-344,407	-104,041	-448,448
Total Comprehensive Income	0	13,385,495	0	-251,530	13,133,966	158,260	13,292,226
Transactions with owners							
Dividends	0	-932,392	0	0	-932,392	-307,593	-1,239,985
Transactions with treasury shares	0	0	-1,231,385	0	-1,231,385	0	-1,231,385
Changes in liabilities towards non-controlling interests	0	-319,479	0	0	-319,479	157,892	-161,587
Additions of non-controlling interests	0	0	0	0	0	2,250	2,250
Equity Dec 31, 2017	1,552,502	33,208,396	-1,617,342	-1,576,872	31,566,683	1,669,767	33,236,450
Equity Jan 1, 2018	1,552,502	33,208,396	-1,617,342	-1,576,872	31,566,683	1,669,767	33,236,450
Effect adoption of IFRS 9	0	-55,000	0	0	-55,000	0	-55,000
Equity Jan 1, 2018	1,552,502	33,153,396	-1,617,342	-1,576,872	31,511,683	1,669,767	33,181,450
Profit for the year	0	13,691,389	0	0	13,691,389	1,077,867	14,769,255
Other comprehensive income	0	227,661	-84,994	-58,072	84,596	-76,160	8,436
Total Comprehensive Income	0	13,919,050	-84,994	-58,072	13,775,984	1,001,707	14,777,691
Transactions with owners							
Dividends	0	-2,398,102	0	0	-2,398,102	-561,912	-2,960,015
Transactions with treasury shares	0	1,315,858	-1,519,844	0	-203,987	0	-203,987
Disposal of non-controlling interests	0	0	0	0	0	-59	-59
Additions from business combinations	0	0	2,489,056	0	2,489,056	1,067,502	3,556,559
Changes in liabilities towards non-controlling interests	0	-2,806,407	0	0	-2,806,407	-1,209,896	-4,016,303
Equity Dec 31, 2018	1,552,502	43,183,794	-733,124	-1,634,944	42,368,228	1,967,108	44,335,336

See changes in accounting policies (note 1) for explanation of the restatement.

The Board of Directors proposes payment of a dividend of EURm 1.94 for the business year 2018 (2017: EURm 2.4). This equals EUR 0.105 per share compared to EUR 0.129 in 2017.

Consolidated cash flow statement

EUR

Note		2018	Restated 2017
	Profit before tax (EBT)	16,030,741	15,020,935
	Adjustments for non- cash items:		
	Depreciation, amortization and impairment	3,940,185	3,536,512
	Non cash other operating income	-11,332	-542,284
	Financial income	-1,516,771	-1,969,048
	Financial expenses	1,618,635	1,455,574
	Share of results in associated companies	-7,252	28,398
	Fair value adjustment of Trifork Labs investments	-9,999,199	-10,582,239
	Fair value adjustment of financial liabilities and other receivables	0	619,397
	Adjustment for other non-cash items	55,171	0
	Changes in net working capital:		
	Changes in net working capital	-1,355,973	3,187,470
	Net foreign exchange differences	-247,630	240,582
	Adjustment for cash items:		
	Income tax paid	-1,942,867	-1,440,399
	Cash flow from operating activities (A)	6,563,708	9,554,897
	Cash flow from investing activities		
	Acquisition of subsidiaries, prior years	-1,118,119	-2,240,286
22	Acquisition of subsidiaries, net of cash, current year	-2,895,911	0
	Sale of subsidiaries	18,481	0
11	Purchase of intangible assets	-1,270,823	-1,403,902
12	Purchase of tangible assets	-2,116,757	-2,168,421
	Sale of tangible assets	926,615	38,750
13	Purchase of associates	-3,145	-35,595
13	Sale of associates	103,970	0
21e	Purchase of Trifork Labs investments	-514,808	-662,394
21e	Sale of Trifork Labs investments	5,714,215	2,338,695
	Loans granted	-474,294	-815,553
	Repayments from loans	190,529	0
	Interest income received	81,932	113,137
	Total cash flow from investing activities (B)	-1,358,113	-4,835,569
	Cash flow from financing activities		
	Proceeds from borrowings	5,084,060	1,020,931
	Repayment of borrowings	-2,337,169	-1,709,525
	Interest expenses paid	-653,475	-459,642
	Addition of non-controlling interests	0	2,250
	Purchase of treasury shares	-1,549,516	-2,054,825
	Sale of treasury shares	1,306,615	643,854
	Dividend paid (C)	-2,960,015	-1,331,443
	Total cash flow from financing activities	-1,109,499	-3,888,400
	Change in cash and cash equivalents	4,096,097	830,928
	Cash and cash equivalents at the beginning of the period	5,599,302	5,504,161
	Exchange rate adjustments	-8,398	-735,787
	Cash and cash equivalents at the end of the period	9,687,001	5,599,302
	Free cash flow (A + B + C)	2,245,581	3,387,885

Trifork has challenged the composition of cash and cash equivalents in the cash flow statement and decided to align it with the statement of financial position. The comparable figures were adjusted accordingly and results in adjusted proceeds from borrowing in the cash flow from financing activities. The cash flow from financing activities increases by EURt 521.

Notes

1 - Accounting policies

General information

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

The Group's principal activity is divided into two segments: Trifork and Trifork Labs. Trifork focuses on software development and operations of it-systems. Trifork Labs focus on investments in tech startup companies.

The consolidated financial statements of Trifork Holding AG (the Company) and its subsidiaries (together the Group or Trifork Group) for the year ended December 31, 2018 were authorized for issue in accordance with a resolution of the board of directors on March 15, 2019 and are subject to approval by the annual general meeting of shareholders to be held on April 12, 2019.

Basis of the Preparation

The 2018 consolidated financial statements of the Trifork Group have been prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements have been prepared on a historical cost basis, except where IFRS requires or where the Group has chosen to apply fair value.

Changes in accounting policies

The Group generally adopts any standards, interpretations or amendments when they become effective.

The amendment to IAS 28; Exemptions from Applying the Equity Method is part of the Annual Improvements 2014-2016 Cycle and effective on January 1, 2018 was early adopted by Trifork in 2017.

In 2018 Trifork has adopted the following new standards and amendments.

- IFRS 9 Financial Instruments, addresses the classification, measurement and recognition of financial assets and liabilities. It replaces IAS 39, 'Financial Instruments: Recognition and Measurement'. IFRS 9 was adopted on 1 January 2018 and comparative information has not been restated and continues to be presented in accordance with IAS 39.
  IFRS 9 requires financial assets and liabilities to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the Group's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. See table on page 69 for the transition from IAS 39 to IFRS 9.
  The Group's trade receivables and other financial receivables are held to collect contractual cash flows comprising interest and principal payments and thus are classified as subsequently measured at amortized cost. Equity investments held by Trifork Labs (the Group's venture capital organization) have already been classified as financial assets at fair value through profit or loss under IAS 39 in 2017 as a result of the early adoption of the amendment to IAS 28, 'Exemptions from Applying the Equity Method', thus adoption of IFRS 9 on 1 January 2018 has not affected the classification or measurement for these financial assets.
  For financial liabilities, the standard retains most of the IAS 39 requirements. The new standard did not have a significant impact on the classification and measurement of financial instruments. In accordance with the transition provision in IFRS 9, Trifork did not make any adjustments to comparative numbers.
  IFRS 9 changed the Group's accounting for impairment losses for financial assets by replacing the incurred loss approach under IAS 39 with a forward-looking expected credit loss approach. The new impairment model applies to financial assets measured at amortized cost and contract assets. Trifork applies the simplified approach for its trade receivables and recognized life time expected credit losses. Upon adoption of IFRS 9, Trifork recognized an additional impairment allowance on its trade receivables of EUR 55,000.
- IFRS 15 Revenue from Contracts with Customers. Trifork applied IFRS 15 beginning from 1 January 2018 using the modified retrospective approach. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of goods or services and thus has the ability to direct the use and obtain the benefits from the said goods or services. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.
  The adoption of IFRS 15 did not have an impact on the pattern and timing of revenue recognition but leads to more disclosures. Rental income is not within the scope of IFRS 15, thus the revenue for comparative periods is disaggregated. Refer to 'Revenue Recognition" accounting policy below for further explanations.

Revenue form contracts with customers

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

1. Academy revenue represents revenues for organizing conferences and delivering trainings. Revenues from events held are recognized upon completion of the events. Amounts received in advance of event completion represent contract liabilities and are presented as contract liabilities.
2. Service revenue. The Group recognizes revenue from customer specific fixed price software development and consultancy services over time, as determined by the percentage of costs incurred to date compared to the total estimated costs of a contract. For time and materials contracts, the Group recognizes revenue as services are rendered.
3. Product revenue represents revenue earned from providing customers with the following goods or services:
   a. Licenses and support. The Company recognizes revenue from right to use software licenses at the point in time when the customer obtains control over the software. Revenue from support is recognized over the period during which such items are delivered comprising software updates, upgrades, enhancements as well as technical support.
   b. Hardware. Revenue from the sale of Hardware is recognized when control of the goods passes to the customer, usually on delivery of the goods.

c. Hosting and security. The Group provides hosted managed services to its customers offering server hosting, server maintenance and security among others. The Group hosts these services and recognizes revenue on a straight-line basis over the contractual service period which typically ranges from 12 months to 36 years.

Contract balances

Contract assets - A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables - A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities - A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Disaggregated revenue information

The Group has considered how revenue information is used internally by management to evaluate financial performance. Therefore, the Group presents revenue information disaggregated by classes as presented in note 4.

Transaction price of unsatisfied performance obligations

The Group uses the practical expedient in IFRS 15.121 and does not disclose information about the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied when the original expected duration of the underlying contract is one year or less. After applying this practical expedient, the remaining performance obligations to be disclosed at 31 December 2018 are not material.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. IFRIC 22 has no material impact on the Group's consolidated financial statements of 2018.

Standards issued but not yet effective

The following standards and interpretations will become effective for future periods. A description, the estimated impact and the date of adoption of those changes considered relevant for the Group are disclosed below:

- IFRS 16 Leases. Trifork will adopt the standard for the reporting period beginning as of January 1, 2019 by applying the modified retrospective approach, i.e. comparative figures for the preceding year will not be adjusted. Currently, it is expected that the majority of the transition effect relates to real estate leased by Trifork. By applying IFRS 16, straight-line operating lease expense will be replaced by depreciation expense on right-of-use assets and interest expense on lease liabilities. Due to the adoption of IFRS 16, the Group's operating profit will improve, while its interest expense will increase. It is intended to use most of the simplifications available under IFRS 16. The Group has made respective simulations and assets that implementing the standard will increase the statement of financial position with Right-of-use assets and financial liabilities by EURm 10 - 15 as of 1 January 2019. The lease contracts active at the time of adopting the standard will improve the EBITDA by approx. EURm 3.0 and decrease the profit of the Group by EURm 0-0.5.
- IFRIC 23 Uncertainty over income tax treatments is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The Group does not expect that IFRIC 23 will have any material impact on the future financial statements.

As at January 1, 2018	Previous IAS 39 Category	Reported	Effect of first time adoption IFRS 9	IFRS 9 measurement category	
			Re-measurements	Fair value through profit or loss	Amortized cost
Financial assets/Trifork Labs investments	Financial assets at fair value through profit or loss	14,738,308	0	14,738,308	0
Other receivables	Loans and receivables at amortized cost	2,739,102	0	0	2,739,102
Trade receivables	Loans and receivables at amortized cost	14,657,287	55,000	0	14,712,287
Cash and cash equivalents	Loans and receivables at amortized cost	5,599,302	0	0	5,599,302
Total financial assets		37,733,999	55,000	14,738,308	23,050,691
Contingent consideration related to acquisitions	Fair value through profit or loss	296,076	0	296,076	0
Redemption amount of put-options	Financial liabilities at amortized cost	3,886,553	0	0	3,886,553
Deferred payment related to acquisitions	Financial liabilities at amortized cost	855,256	0	0	855,256
Debts to financial institutions	Financial liabilities at amortized cost	17,207,176	0	0	17,207,176
Other financial debt than financial institutions	Financial liabilities at amortized cost	2,768,336	0	0	2,768,336
Trade payables	Financial liabilities at amortized cost	4,758,397	0	0	4,758,397
Total financial liabilities		29,771,794	0	296,076	29,475,718

Restatements

In 2018 Trifork became aware of an error related to the accounting for put option on non-controlling interests. As part of the acquisition of Netic A/S in 2016 Trifork entered into put and call arrangements with the non-controlling interest holders that can be exercised from June 2021. Under IFRS an entity needs to recognize a financial liability for the present value of the redemption amount if it has a contractual obligation to acquire non-controlling interests even if that obligation is subject to the non-controlling interests exercising a put option. The non-controlling interests continue to be recognized and receive an allocation of profit and loss. At each reporting date the put option liability is remeasured and the non-controlling interests are derecognized as they had been acquired at the reporting date.

Any difference between the present value of the redemption amount of the put liability and the carrying amount of non-controlling interests derecognized is recognized in retained earnings according to Trifork's accounting policy. In accordance with IAS 8 Trifork has corrected this error be restating opening balances of the following line items at the beginning of the comparative period January 1, 2017 and December 31, 2017.

This error has no impact on the profits and earnings per share reported for 2017.

During the annual review process of accounting policies and disclosures, Trifork assessed the "loans to Trifork Labs investments" to be presented as a non-current asset rather than as a current asset. Recognition and measurement were correct in accordance with the accounting guidelines at all times.

Restatement of financial position	At Jan 1, 2017			At Dec 31, 2017		
	Reported	Restatement	Restated	Reported	Restatement	Restated
Other receivables	0	1,105,042	1,105,042	0	1,920,596	1,920,596
Total non-current assets	0	1,105,042	1,105,042	51,528,292	1,920,596	53,448,888
Other receivables	2,253,394	-1,105,042	1,148,352	2,739,102	-1,920,596	818,506
Total current assets	23,672,170	-1,105,042	22,567,128	24,205,007	-1,920,596	22,284,411
Retained earnings	23,601,096	-2,526,325	21,074,771	36,054,199	-2,845,804	33,208,395
Total equity attributable to parent company shareholders	23,442,298	-2,526,325	20,915,973	34,412,487	-2,845,804	31,566,683
Non-controlling interests	2,857,599	-1,198,641	1,658,958	2,710,517	-1,040,749	1,669,768
Total equity	26,299,897	-3,724,966	22,574,931	37,123,003	-3,886,553	33,236,451
Financial liabilities	14,889,136	3,724,966	18,614,102	12,055,747	3,886,553	15,942,300
Total non-current liabilities	26,299,897	3,724,966	30,024,863	15,808,314	3,886,553	19,694,867
Total Liabilities	39,997,519	3,724,966	43,722,485	38,610,296	3,886,553	42,496,849

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. There is a presumption that a majority of voting rights results in control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. Subsidiaries are recognized in the consolidated financial statements from the date when the Group obtains control.

The newly acquired identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date.

The cost of the acquisition is measured as the fair value of the consideration transferred and the amount of non-controlling interests recognized.

Contingent consideration arrangements are valued at fair value at the acquisition date and the resulting financial assets and liabilities are subsequently re-measured at fair value with changes recognized in profit or loss.

Costs directly attributable to the acquisition are recognized directly in profit or loss as incurred.

Goodwill is initially measured at cost and tested at least annually for impairment. For the purpose of impairment testing goodwill is allocated to each of the Group's cash-generating units (CGU's) that are expected to benefit from the combination. If the carrying amount of the CGU exceeds its recoverable amount (being the higher of value in use and fair value less costs of disposal), it is written down to the lower recoverable amount. Any impairment of goodwill is not subsequently reversed.

In case of negative goodwill, the fair values of the consideration transferred, the identifiable assets and liabilities are reassessed. After this reassessment any resulting negative amount is recognized in profit or loss.

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

Investments in associated companies

An associate is an entity in the Trifork Segment 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.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within share of results of associated companies in profit or loss.

If the Group's share of losses equals or exceeds its interests in the associate (including receivables that are considered part of the net investment) and the Investment is reduced to zero, the Group discontinues recognizing its share of future losses. Receivables for sales of goods, services and other receivables are written down only if they are deemed non-collectable. A provision is recognized, if the group has a legal or constructive obligation to cover the associates obligations.

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

Foreign Currencies

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

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

Transactions and balances

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

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

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

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

Group companies

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

Most relevant currencies incorporated			
EUR exchange rates at year end	Unit	2018	2017
DKK	1	0.1339	0.1343
CHF	1	0.8907	0.8546
GBP	1	1.1077	1.1271
USD	1	0.8731	0.8338
EUR average exchange rates for the year		2018	2017
DKK	1	0.1342	0.1344
CHF	1	0.8663	0.9007
GBP	1	1.1304	1.1420
USD	1	0.8472	0.8874

The comprehensive income statement

REVENUE
See under changes in accounting policies in regard to adoption of IFRS 15. For 2017, revenue has been recognized in-line with IAS 18. To avoid a presentation in different line items, IFRS 15 terminologies have been adopted for 2017 disclosures.

COST OF GOODS AND SERVICES PROVIDED
Costs of services provided include costs of production, distribution, sales, advertising, administration, premises, etc.

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

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

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

Expenses for defined contribution schemes are recognized in profit or loss in the period the Group receives the related employee services and a corresponding liability is recognized in the balance sheet under other liabilities.

The pension scheme of the Swiss Trifork GmbH represents a defined benefit plan and the service cost and net interest expense are included within personnel costs in profit or loss. The re-measurement of the net defined benefit liability is recognized as an actuarial gain or loss in other comprehensive income, net of related taxes.

FINANCIAL INCOME AND EXPENSES
Financial income and expenses include interest income and expenses on borrowings, foreign exchange gains and losses and fair value adjustments of financial liabilities carried at fair value through profit and loss.

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

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

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

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

However, no deferred tax is recognized on temporary differences relating to 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. In cases where the computation of the tax base can be made for alternative taxation rules, deferred tax is measured on the basis of the expected use of the asset or expected manner of settlement of the liability.

The statement of financial position

INTANGIBLE ASSETS

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

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

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

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

All capitalized development projects are tested for impairment annually.

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

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

Amortization:

Patents and licenses	5 years
Acquired customer base	5-20 years
Capitalized development cost	2-5 years

TANGIBLE ASSETS

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:

Leasehold improvements etc.:	7 years
Other equipment, fixtures and fittings:	3-7 years
Investment properties and real estate:	30 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 tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as other operating income/expenses.

IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL

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

Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined if no impairment loss had been recognized for that non-financial asset or cash generating unit in prior periods.

FINANCIAL ASSETS

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

The Group's financial assets at amortized cost comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

The Trifork Labs segment 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.

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 and Trifork's business knowledge, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

FINANCIAL LIABILITIES

Initial recognition and measurement
Trifork classifies financial liabilities, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at fair value.

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

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

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

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

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

EQUITY

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Treasury shares are accounted for as a reduction of equity at acquisition cost and are not subsequently re-measured. When treasury shares are sold the resulting gain or loss is recognized in equity, net of tax.

Dividends are recognized as a liability upon approval by the general meeting of shareholders.

PROVISIONS

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

LEASING

The Group has entered into leases that transfer substantially all the risks and rewards of ownership of the leased asset to the Group. At commencement of these finance leases an asset and corresponding lease liability are recognized. Lease payments are apportioned between finance charges and reduction of the lease liability.

Expenditure on operating leases is recognized on a straight-line basis over the related lease term in profit or loss.

2 - Accounting estimates and judgments in the consolidated financial statement

Determining the carrying value of certain assets and liabilities requires estimates and assumptions regarding future events. The estimates and assumptions are based on historical experience and other factors that management considers reasonable under the circumstances, but which are uncertain and unpredictable.

Assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may arise. It may be necessary to change previous estimates due to changes in the facts underlying the previous estimates, or because of new information. Estimates that are material to the financial statements are made, for instance with the use of impairment testing, state of completion of work in progress and useful life-time of intangible assets.

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

Trifork Labs fair value measurements:
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 22e. Because of the inherent uncertainty of valuation of private equity in general, the estimate fair value may differ from the values that would have been used had an active market existed for the investments and the difference regarding individual investments could be material. Any gain or loss arising from a change in fair value of investments is included in separate line item in the income statement.

Capitalized development projects:
The carrying amount of development projects not yet available for use amounted to EURm 1.4 in 2018 (2017: EURm 1.5). Capitalized development projects are tested for impairment annually. This has not led to any impairments in 2018. Management's estimates related to impairment tests are based on the fact that all products (both completed and ongoing) are continuously developed and that the company has an ongoing focus on keeping updated sales forecast, marketing expenses, development plans and future earning potential for each product. On the basis of this information, a DCF-model is used to estimate the recoverable amounts for individual assets. The DCF-model uses a budget period for each product equaling the expected lifetime of the product. The maximum budget period is 5 years.
All current development is progressing as planned and there is no information from customers or competitors, indicating that the new products will not be sold to the expected extent. Based on these factors, management has estimated the current development projects, the recoverable amounts in the form of expected future net cash flow, including completion costs.

Impairment testing of goodwill:
Goodwill is tested for impairment annually. Managements estimates related to impairment tests are based on historical results, business plans, future expectations, sales forecast and budgets related to each cash-generating unit to which goodwill has been allocated. On the basis of this information, a DCF-model is used to estimate the present value of each CGU. The discount rates used for the DCF-model are listed in note 11. The tests have not led to any impairments in 2018.

Contingent consideration arrangements:
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 significant change over time. More information is to be found in note 21e. At the end of 2018 the total contingent consideration liability amounted to EURm 0.3 (2017: EURm 0.3).

Redemption amounts for put-options:
When taking control over new businesses, Trifork contractually agreed on put options with the sellers for the remaining minority shareholding. As Trifork has a contractual obligation to acquire additional shares in case defined financial and/or timing conditions are met and the put options are exercised by the sellers, it must estimate the respective financial liabilities.
Management estimates the potential option execution based on business plans, future expectations and current observations.
As of 31 December 2018 Trifork recognized EURm 7.9 as redemption amounts for put-options (2017: EURm 3.9).

EUR

3 - Segment information

The business and operations in the Trifork Group have since 2016 been divided into two operating segments: Trifork and Trifork Labs. The prior name of Trifork Labs was Trifork Incuba presented in the report of 2017. Apart from renaming the segment, no other changes have been implemented. The segments are managed by separate management teams at the level of EBT in both segments.

Trifork

The Trifork segment is focused on delivering services to the customers of Trifork. The services are delivered within three business areas: Academy (conferences and trainings about software development), Services (Development of innovative software in customer projects) and Products (Delivery and operation of software products and related services for customers).

Trifork Labs

The Trifork Labs segment is focused on founding new tech start-ups and investing in selected tech companies that are in the forefront of the technological development with new and innovate software products. A few investments, where Trifork Labs is in full control of the companies, are consolidated in the financial reporting of Revenue, EBITDA and EBIT.

Information about significant customers

In both 2017 and 2018 no single customer has accounted for more than 10% of total revenue in the Group.

2018	Trifork	Trifork Labs	Segments total	Elimination	Group total
Revenue from contracts with customers	86,478,924	29,098	86,508,022	0	86,508,022
Rental income	1,247,069	0	1,247,069	0	1,247,069
Total revenue	87,725,993	29,098	87,755,091	0	87,755,091
Inter-segment revenue	970,496	130,454	1,100,950	-1,100,950	0
Total segment revenue	88,696,489	159,552	88,856,041	-1,100,950	87,755,091
EBITDA	10,700,993	-634,654	10,066,339		10,066,339
Depreciation, amortization and impairment	3,635,322	304,862	3,940,185		3,940,185
Profit (+) loss (-) from operations (EBIT)	7,065,670	-939,516	6,126,154		6,126,154
Profit before tax (EBT)	6,271,152	9,759,588	16,030,741		16,030,741
Average number of employees	502	2	504		

2017	Trifork	Trifork Labs	Segments total	Elimination	Group total
Revenue from contracts with customers	64,472,316	50,998	64,523,314	0	64,523,314
Rental income	1,054,309	0	1,054,309	0	1,054,309
Total revenue	65,526,624	50,998	65,577,623	0	65,577,623
Inter-segment revenue	319,497	59,776	379,273	-379,273	0
Total segment revenue	65,846,121	110,775	65,956,896	-379,273	65,577,623
EBITDA	7,922,496	-432,363	7,490,132		7,490,132
Depreciation, amortization and impairment	3,270,312	266,200	3,536,512	0	3,536,512
Profit (+) loss (-) from operations (EBIT)	4,652,184	-698,564	3,953,620	0	3,953,620
Profit before tax (EBT)	5,286,980	9,733,955	15,020,935	0	15,020,935
Average number of employees	422	2	424		

Reconciliation of profit	2018	2017
Segment EBIT	6,126,154	3,953,620
Financial income	1,516,771	1,969,048
Financial expenses	-1,618,635	-1,455,574
Share of results in associated companies	7,252	-28,398
Fair value adjustment of Trifork Labs investments	9,999,199	10,582,239
Profit before tax	16,030,741	15,020,935
Taxes	-1,261,486	-1,280,261
Net profit	14,769,255	13,740,674

4 - Revenue from contracts with customers	2018	EUR
Revenue streams		
Academy	7,139,774	
Services	61,501,888	
Products:		
- Licenses and support	10,806,820	
- Hardware	1,803,215	
- Hosting and security	5,237,123	
Others	19,202	
Total revenue	86,508,022	
Timing of revenue recognition	2018	
Goods and services transferred at a point in time	7,477,022	
Services transferred over time	79,031,000	
Total revenue	86,508,022	
Type		2017
Rendering of services		57,974,742
Sale of goods		803,896
Fixed price contracts		3,642,820
Royalties and licenses		2,101,855
Total revenue		64,523,314

Since IFRS 15 was applied under the modified retrospective approach from 1/1 2018, the disaggregation on timing of revenue recognition and revenue streams from contracts with customers is only disclosed for 2018.

5 - Personnel cost	2018	2017
Wages and salaries	41,522,367	32,008,574
Pension related to defined contribution plans	1,562,162	1,185,175
Pensions related to defined benefit plans	190,321	197,855
Social security costs	1,221,561	1,178,379
Salary refunds received	-554,739	-422,599
Personnel costs capitalized as development costs	-1,375,063	-1,363,011
Personnel cost total	42,566,609	32,784,374
Average number of employees	504	424

EUR

6 - Financial income	2018	2017
Interest income	81,932	113,137
Exchange rate gains	694,609	962,037
Fair value adjustments on financial liabilities carried at fair value through profit or loss	740,230	893,873
Financial income total	1,516,771	1,969,048

Interest income is from financial assets which are not measured at fair value through profit or loss. Fair value adjustments on financial liabilities relate to contingent consideration on Open Credo investment and contingent consideration on Testhuset investment, note 15.

7 - Financial expenses	2018	2017
Interest expenses	-653,414	-459,642
Exchange rate losses	-965,221	-721,456
Impairment losses from other receivables	0	-274,477
Financial expenses total	-1,618,635	-1,455,574

Interest expenses are from financial liabilities.

8 - Fair value adjustment on Trifork Labs investments	2018	2017
Unrealized fair value adjustments	7,314,036	5,508,482
Realized fair value adjustments	2,685,164	5,073,757
Profit on investments total	9,999,199	10,582,239

The fair value adjustments in 2018 and 2017 have primarily been in relation to new funding rounds with higher valuation in companies where Trifork Labs has ownership.

EUR

9 - Income tax	2018	2017
Current income tax expense	1,411,177	1,535,310
Deferred tax (income)/expense	-149,691	-255,049
Total	1,261,486	1,280,261

Tax impact on other comprehensive income	2018	2017
Tax impact of actuarial result on pension liabilities	-52,261	0
Total	-52,261	0

Income tax	2018	2017
Profit before tax	16,030,741	15,020,935
Weighted applicable tax rate	22.82%	22.26%
Expected tax calculated at applicable tax rate	3,658,271	3,343,433
Tax exempt income from investments	-2,395,914	-2,378,414
Non-deductible expenses	46,324	43,383
Other non-taxable income	-225,103	-203,089
Tax benefit agreements (UK and NL)	-200,468	229
Irrecoverable tax losses	327,269	95,535
Unrecognized tax losses in the current period	110,928	314,871
Other	-59,822	64,313
Effective income taxes	1,261,486	1,280,261
Effective income tax rate	7.87%	8.52%
The Group’s weighted average tax-rate is calculated based on profits (losses) before taxes of Group Companies.		

10 - Net deferred tax position	2018	EUR 2017
Net deferred tax position, January 1	2,962,330	3,257,859
Exchange rate adjustments	9,415	-40,480
Net deferred tax recognized in profit or loss	-149,691	-255,049
Net deferred tax recognized in OCI	-52,261	0
Additions from acquired business combinations	219,941	0
Net deferred tax position, December 31	2,989,735	2,962,330

The deferred tax positions are recognized as non-current assets EURt 116 (prior year EURt 0) and non-current liabilities EURt 3.106 (prior year 2.962).

Deferred tax income of EURt 52 (prior year EURt 0) is recorded in other comprehensive income on actuarial losses on post-employment benefit obligations (note 20).

Deferred tax assets and liabilities are based on the temporary differences between Group valuation and tax valuation:

Deferred tax position relate to the following items:	2018		2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Trade receivables	0	0	19,208	0
Tangible and intangible assets	95,004	3,498,357	0	3,000,543
Accrued expenses and contract liabilities	0	73,102	0	0
Other current liabilities	161,548	0	0	0
Retirement benefit obligations	59,820	0	0	0
Other non current liabilities	228,765	0	0	0
Deferred taxes from losses carried forward	36,586	0	19,005	0
Total	581,724	3,571,459	38,213	3,000,543
Offsetting of balances	-465,578	-465,578	-38,213	-38,213
Total	116,146	3,105,880	0	2,962,330

The movement of available tax loss carry-forwards is as follows:	2018	2017
Available tax loss carry forwards, January 1	953,480	444,916
Tax losses arising in current year	439,379	520,747
Tax losses utilized against current year profits (tax loss carry-backs)	-77,148	0
Expired tax losses during the period	0	0
Currency translation adjustments	-8,575	-12,183
Available tax loss carry-forwards, December 31	1,307,135	953,480

Deferred tax assets of EURt 37 (prior year: EURt 19) were recorded in respect of available tax loss carry-forwards of EURt 183 (prior year: EURt 95). A deferred tax asset from tax loss carry-forwards may only be capitalized if taxable profits are probable.

Unrecognized tax loss carrryforwards amounts to EURm 1.1 (2017: EURm. 0.9)

Tax losses, for which no deferred tax asset was recognized will expire as follows:	2018	2017
Expiry within 12 months	0	0
Expiry in 2-3 years	5,734	0
Expiry in 4-5 years	0	0
Expiry in more than 5 years	13,948	0
No expiry date	1,287,454	953,480
Total	1,307,135	953,480

The Group did not recognize deferred tax assets of EURm 0.1 (2017: EURm 0.1) in respect of losses of the current year amounting to EURm 0.4 (prior year: EURm 0.4).

11 - Intangible assets	Goodwill	Completed development projects	Ongoing development projects	Acquired customer base	Total
					EUR
Cost at January 1, 2018	12,716,787	9,675,179	1,585,821	16,146,814	40,124,600
Exchange rate adjustments	-5,988	16,139	-42,238	71,794	39,707
Additions within the year from internal development	0	0	1,163,242	0	1,163,242
Additions within the year acquired separately	0	107,581	0	0	107,581
Additions from business combinations	5,352,826	100,373	0	998,028	6,451,227
Disposal	-63,738	-132,233	0	-37,767	-233,739
Transfers	0	1,261,445	-1,261,445	0	0
Cost at December 31, 2018	17,999,885	11,028,484	1,445,380	17,178,869	47,652,618
Accumulated amortization at January 1, 2018	0	7,295,629	44,729	3,644,713	10,985,070
Exchange rate adjustments	0	-12,858	-134	23,361	10,369
Amortization for the year	0	1,052,744	0	910,013	1,962,757
Impairments for the year	63,738	0	0	4,130	67,868
Disposal	-63,738	-132,233	0	-17,499	-213,471
Accumulated amortization at December 31, 2018	0	8,203,282	44,594	4,564,717	12,812,594
Net carrying amount at December 31, 2018	17,999,885	2,825,202	1,400,785	12,614,152	34,840,024
Cost at January 1, 2017	12,834,268	8,760,044	1,489,658	16,401,878	39,485,848
Exchange rate adjustments	-117,482	44,998	-174,941	-255,065	-502,489
Additions within the year	0	0	1,363,011	0	1,363,011
Disposal	0	0	-221,771	0	-221,771
Transfers	0	870,137	-870,137	0	0
Cost at December 31, 2017	12,716,787	9,675,179	1,585,821	16,146,814	40,124,600
Accumulated amortization at January 1, 2017	0	6,513,458	0	2,688,304	9,201,762
Exchange rate adjustments	0	-51,569	0	-42,995	-94,564
Amortization for the year	0	833,739	0	999,404	1,833,143
Impairments for the year	0	0	44,729	0	44,729
Accumulated amortization at December 31, 2017	0	7,295,629	44,729	3,644,713	10,985,070
Net carrying amount at December 31, 2017	12,716,787	2,379,550	1,541,092	12,502,101	29,139,530

Apart from goodwill and ongoing development projects, all other intangible assets are considered to have finite useful lives, over which they are amortized.

Additions to ongoing development projects relate to internal development costs (capitalized personnel costs).

Expenditure on research activities amounted to EURm 1.2 in 2018 and EURm 0.5 in 2017.

EUR

Goodwill has been allocated to the following CGU's:				
Services business area	Discount rate 2018	2018	Discount rate 2017	2017
Trifork A/S	12.1%	223,640	12.1%	224,315
Trifork Public A/S	12.1%	574,773	12.1%	576,502
Erlang Solutions Ltd.	13.1%	881,130	13.0%	845,366
Trifork B.V.	12.2%	3,755,551	12.4%	3,755,551
Erlang Solutions Inc.	13.1%	241,036	14.2%	230,203
OpenCredo Ltd.	13.1%	1,240,683	13.0%	1,262,363
Duckwise ApS	12.1%	5,099	12.1%	5,099
Testhuset A/S	12.1%	4,039,039		
Invokers A/S	12.1%	1,302,670		
Total		12,263,620		6,899,399
Products business area				
Trifork Medical ApS		0	12.1%	63,864
Netic A/S	12.1%	5,736,265	12.1%	5,753,524
Total		5,736,265		5,817,387
Goodwill total		17,999,885		12,716,787

Interest in Trifork Medical ApS was sold in 2018, thus goodwill related to this CGU was derecognized. The sale had immaterial impact on the financial statement of EURt 68, thus no other information is disclosed.

The recoverable amount of each cash-generating unit (CGU) to which goodwill has been allocated, has been determined based on value in use calculations using cash flow projections from financial budgets 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 calculation is based on the circumstances of the Group and derived from its weighted average cost of capital (WACC).

Significant 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 carrying amounts of CGU's to exceed their recoverable amount.

Specific information for each CGU:			
Trifork A/S (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	41%	22%	10-15%
EBITDA margin	14%	15%	15.5%
Tax rate	16%	5%	22%

The goodwill related to this CGU originally came from Delta A/S, which was merged with Trifork Finance A/S in 2009 and Trifork Finance A/S was merged with Trifork A/S in 2012.

Trifork Public A/S (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	-1%	13%	5%
EBITDA margin	20%	22%	20%
Tax rate	22%	22%	22%

The goodwill related to this CGU originally came from Trifork Interprise Consulting ApS, which was merged with Trifork Public A/S in 2011.

Specific information for each CGU:			
Erlang Solutions Ltd. (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	-11%	-3%	10%
EBITDA margin	0%	11%	11.4-12.5%
Tax rate	0%	3%	15%

The goodwill related to this CGU originally came from Inaka Inc. which was merged with Erlang Solutions Inc. in 2015. The goodwill related to this CGU is merged with the goodwill from Erlang Solutions Inc. In 2018 and these are tested together.

Trifork B.V (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	18%	19%	10%
EBITDA margin	20%	9%	11.2-12%
Tax rate	78%	0%	20%
OpenCredo Ltd. (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	-44%	11%	5.5-10%
EBITDA margin	3%	3%	5-15%
Tax rate	51%	43%	20%
Duckwise ApS (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	26%	51%	16.8-20%
EBITDA margin	23%	18%	20-21.8%
Tax rate	22%	22%	22%
Testhuset A/S (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue		-5%	10-16.4%
EBITDA margin		5%	9.4-14%
Tax rate		22%	22%
Invokers A/S (Services)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue		46%	15-30%
EBITDA margin		9%	10-12.5
Tax rate		22%	22%
Netic A/S (Products)	Realized in 2017	Realized in 2018	Incorporated in budget period
Growth rate for revenue	41%	33%	10%
EBITDA margin	22%	23%	19%
Tax rate	22%	22%	22%

EUR

12 - Tangible Assets	Real estate	Leasehold improvements	Other equipment, fixtures and fittings	Investment properties	Total
Cost at Jan. 1, 2018	1,114,374	2,832,596	9,297,984	624,557	13,869,511
Exchange rate adjustments	0	-23,359	57,459	-1,888	32,213
Additions	0	343,651	2,493,059	6,949	2,843,659
Additions from business combinations	0	25,530	98,831	0	124,362
Disposal	0	-2,162	-762,641	-629,618	-1,394,420
Cost at Dec. 31, 2018	1,114,374	3,176,257	11,184,693	0	15,475,324
Accumulated depreciation at Jan. 1, 2018	16,896	1,514,093	4,788,949	104,303	6,424,241
Exchange rate adjustments	0	-7,265	69	-313	-7,509
Depreciation for the year	6,289	274,788	1,620,722	7,760	1,909,559
Disposals	0	0	-379,357	-111,749	-491,107
Accumulated depreciation at Dec. 31, 2018	23,185	1,781,616	6,030,383	0	7,835,184
Net carrying amount at Dec. 31, 2018	1,091,189	1,394,641	5,154,311	0	7,640,140
Cost at Jan. 1, 2017	0	2,748,597	8,146,476	625,439	11,520,511
Exchange rate adjustments	0	-64,051	-204,771	-882	-269,704
Additions	1,114,374	181,293	1,902,684	0	3,198,352
Additions from business combinations	0	0	0	0	0
Disposal	0	-33,243	-546,405	0	-579,648
Cost at Dec. 31, 2017	1,114,374	2,832,596	9,297,984	624,557	13,869,511
Accumulated depreciation at Jan. 1, 2017	0	1,292,050	3,879,215	89,820	5,261,084
Exchange rate adjustments	0	-10,941	-111,970	-127	-123,038
Depreciation for the year	16,896	236,716	1,358,114	14,610	1,626,336
Disposals	0	-3,732	-336,410	0	-340,142
Accumulated depreciation at Dec. 31, 2017	16,896	1,514,093	4,788,949	104,303	6,424,241
Net carrying amount at Dec. 31, 2017	1,097,478	1,318,503	4,509,035	520,254	7,445,270

Investment properties	2018	2017
Loss from sold property	-34,948	0
Rental income derived from investment properties	2,683	11,292
Direct operating expenses	-6,213	-13,517
Losses arising from investment properties	-38,477	-2,225

The Group's investment property was sold in 2018. Until disposal it was rented to a third party. The loss of 35t EUR is included in other operating income.

The carrying value of the assets held under financial leases amounted to EURm 2.1 at the end of 2018 (2017: EURm 2.2) for IT-hardware and cars. For Leasehold it amounted to EURt 61 at the end of 2018 (2017: EURt 70). Assets acquired under financial lease arrangements for the current year amounted to EURm 0.7 (prior year EURm 1.1).

13 - Investments in Associates	2018	2017
Carrying amount at January 1	205,184	213,613
Exchange rate adjustments	3,402	-15,653
Additions	3,145	35,595
Disposals	-103,970	0
Result from associated companies	7,252	-28,370
Carrying amount at December 31	115,013	205,184
Share of results of associates	79,355	3,248
Impairment of associates	-72,103	-31,619
Result from associated companies	7,252	-28,370

The associates are considered individual immaterial, thus no financial information or description is disclosed.

	EUR
14 - Trade receivables and contract assets	2018

The opening balance of trade receivables as of 1 January 2018 was EURm 14.6. Trade receivables are non-interest bearing and are generally on terms of 20 to 60 days. The net change within 2018 is EURm 3.5 which primarily is derived from business combinations.

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.

	Expected credit loss rate in addition to individual review	Trade receivables	Contract assets	Total
Gross amount		18,395,936	2,592,932	20,988,868
Not due	0.1%	-11,582	-2,593	-14,175
<30 days	0.5%	-25,040	0	-25,040
30-90 days	5.0%	-73,768	0	-73,768
>90 days	10.0%	-191,828	0	-191,828
Total allowance		-302,218	-2,593	-304,811
Net amount		18,093,718	2,590,339	20,684,057

See note 21f. 'Credit Risk' for information about the movement in the allowance for expected credit losses.

In 2017, the Group applied the incurred loss model under IAS 39 and reviewed its receivables periodically to determine an adequate impairment provision. Impairment provisions were recorded for accounts where collection was uncertain. The aging of these receivables was as follows:

Past due not impaired receivables	31.12.2017
Not due	10,578,706
Overdue by up to one month	3,449,415
Overdue by one to three months	504,609
Overdue with more than three months	396,021
Allowance based on incurred loss model	-271,464
Total	14,657,287

15 - Financial liabilities	2018	2017
Debts to financial institutions	21,318,305	17,207,176
Finance lease liabilities	1,852,508	2,016,581
Other	450,682	751,754
Financial liabilities from financing activities	23,621,495	19,975,511
Deferred payments related to business combinations	0	855,256
Contingent consideration liabilities related to business combinations	332,747	296,076
Redemption amount of put-options	7,902,856	3,886,553
Financial liabilities related to business combinations and acquisition of non-controlling interests	8,235,603	5,037,886
Total financial liabilities	31,857,098	25,013,397
Of which non-current	20,513,347	15,942,300
Of which current	11,343,751	9,071,097

Changes in liabilities arising from financing activities	Jan. 1 2018	Cash flows	Foreign exchange movements	New leases	Other	Dec. 31 2018
Current interest-bearing loans and borrowings, excluding financial leases	7,320,825	190,388	65,647	0	2,782,521	10,359,381
Current obligations under financial leases	655,505	-884,851	-403	0	1,167,464	937,715
Non-current interest-bearing loans and borrowings, excluding financial leases	10,638,109	3,441,355	112,664	0	-2,782,521	11,409,606
Non-current obligations under financial leases	1,361,076	0	-5,325	726,506	-1,167,464	914,793
Total liabilities from financing activities	19,975,515	2,746,892	172,582	726,506	0	23,621,495

EUR

Changes in liabilities arising from financing activities	Jan. 1 2017	Cash flows	Foreign exchange movements	New leases	Other	Dec. 31 2017
Current interest-bearing loans and borrowings, excluding financial leases	7,460,258	-888,221	-18,966	0	767,754	7,320,825
Current obligations under financial leases	176,824	-353,254	-667	0	832,602	655,505
Non-current interest-bearing loans and borrowings, excluding financial leases	11,381,133	500,000	-475,270	0	-767,754	10,638,109
Non-current obligations under financial leases	1,107,660	0	-1,846	1,087,865	-832,602	1,361,076
Total liabilities from financing activities	20,125,875	-741,476	-496,749	1,087,865	0	19,975,515

Contingent liabilities related to business combinations	2018	2017
Liability at January 1	296,076	1,226,593
Exchange rate adjustments	-2,098	-42,920
Settled through payment	-240,340	0
New liability from business combinations within the year	1,019,338	0
Fair value adjustment recognized in profit or loss	-740,230	-887,597
Liability at December 31	332,747	296,076

The liability is related to acquisition of the company Testhuset A/S, where the initial recognition was EURm 1.0. The 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 (significant unobservable input level 3). If the target for a given year is not met, no amount for that year is due. After meeting the minimum threshold per year the earn-out amount increases up to a maximum amount for that year. The maximum amount to be paid for all three years in total is EUR 1m. Expectations for 2018 were not met, thus the liability was decreased.

Redemption amount of put-options	2018	2017
Liability at January 1	3,886,553	3,724,966
Exchange rate adjustments	-11,659	0
Settled through payment	0	0
New put-option agreements entered within the year	4,944,090	0
Adjustment recognized in retained earnings	-916,128	161,587
Liability at December 31	7,902,856	3,886,553

Major non-controlling interests have a put option to sell their shares to the Group. The carrying amount is EURm 7.9 (2017: EURm 3.9). Changes in the liability amount are recognized in equity. The liability is measured at the redemption amount as if the Group had to acquire the remaining shares at the balance-sheet date.

16 - Non-controlling interests			2018
Summarized financial information for the material non-controlling interests, before inter-company eliminations			
Summarized balance sheet	Netic A/S	Testhuset A/S	Invokers A/S
Current assets	4,145,579	1,859,894	1,927,778
Non-current assets	10,889,766	846,669	595,354
Total assets	15,035,344	2,706,562	2,523,131
Current liabilities	3,278,827	1,076,308	1,020,699
Non-current liabilities	2,501,226	98,543	113,663
Total liabilities	5,780,053	1,174,851	1,134,363
Net assets	9,255,291	1,531,712	1,388,769
Allocated to non-controlling interests	1,110,635	459,514	680,497
Summarized income statement			
Revenue	16,750,510	4,480,061	2,171,107
Profit / loss	1,403,490	-63,800	191,077
Income tax expense	464,986	-11,008	52,318
Total comprehensive income for the year	1,385,884	63,679	190,715
Allocated to non-controlling interests	166,306	19,104	93,450

Summarized cash flows	Netic A/S	Testhuset A/S	Invokers A/S
			EUR
Net cash generated from operating activities	3,292,465	241,471	-261,361
Net cash used in investing activities	-1,958,255	-66,016	0
Net cash used in financing activities	-1,110,700	-2,563	-12,809
Cash and cash equivalents at end of year	1,367,516	419,470	159,382
Dividend paid to non-controlling interests	-96,603	0	0

The Group holds 88 % of the voting rights in Netic (DK) with operations primarily in DK.
The Group holds 70 % of the voting rights in Testhuset (DK) with operations primarily in DK
The Group holds 51 % of the voting rights in Invokers (DK) with operations primarily in DK
For these non-controlling interests put options exists. Therefore, Trifork has derecognized them and accounts the redemption amount of the put-options in retained earnings.
Other non-controlling interests are individually not material.

17 - Share capital	2018	2017
Number of shares (CHF 0.1 nominal value, fully paid)		
Issued shares, Jan 1	18,537,230	18,537,230
Issued shares, Dec 31	18,537,230	18,537,230
Treasury shares	-123,485	-464,433
Number of shares outstanding, Dec 31	18,413,745	18,072,797

In 2018 269'615 treasury shares were purchased to an average rate of EUR 5.94 and 207'175 shares were sold at an average rate of EUR 6.32. 403.388 treasury shares were transferred as part of payment for the 2 acquisitions carried out at an average rate of EUR 6.18. This equals a net sale of 340'948 shares. Most of the shares purchases in 2018 were carried out early in 2018 and most of the share sales were carried out late 2018 to a higher treasury share price. Based on this, the average sales price was higher than the purchase price.

18 - Other payables	2018	2017
VAT payables/liabilities	1,730,560	1,114,093
Tax deducted from salaries	518,891	417,381
Employee related liabilities (social expenses, pension, holiday, bonus)	4,467,679	2,767,518
Other payables in total	6,717,130	4,298,992

19 - Related parties

The Group does not have a controlling shareholder. The Group's related parties include the Board and key management personnel and their close family members. Furthermore, related parties include entities, in which the aforementioned circle of people have significant influence over the entity and control or joint control of the Group. Additionally, related parties include associated companies. Trifork A/S and Trifork GmbH is responsible for certain administrative and staff-related assignments for subsidiaries, associated companies and Labs companies, including IT-operations, maintenance, bookkeeping, a shared sales organization and management tasks. These assignments are invoiced to the related parties. In addition, there were no significant transactions with related parties during the year, apart from the usual trade between the Group companies. Borrowings to and trade with related parties are based on usual business conditions (arms length).

Transactions with related parties	Amounts owed by related parties	Purchases from related parties	Sales to related parties	Sold assets to related parties	Reacquired treasury shares
2018					
Associates	35,853	324,026	157,134	0	0
Management	0	0	0	0	0
Trifork Labs investments	1,399,955	19,982	639,236	0	0
2017					
Associates	0	163,668	99,715	0	0
Management	0	0	0	285,767	285,767
Trifork Labs investments	1,265,162	118,725	472,285	750,000	0

Trifork Labs investments includes only entities where Trifork has significant influence.

Compensation of key management personnel of the Group	2018	2017
Fees to Board of Directors	157,345	163,171
Short-term employees benefits	2,869,334	2,852,097
Post-employment pension and medical benefits	472,633	370,174

In general all members of the local management teams have bonus agreements as part of their employment contracts. Bonus agreements are most often based on defined performance targets for the local unit as well as Group targets. In some cases performance bonus is also paid to other employees based on the fulfillment of individual performance targets.

EUR

20 - Accrued pension cost and benefits

Swiss pension plan

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

The Swiss Life Collective BVG Foundation is a separate legal foundation and is funded by employer and employee contributions defined in the pension fund rules.

The pension plan contains a cash balance benefit which is essentially contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan for the purposes of these IFRS financial statements, although it has many of the characteristics of a defined contribution plan.

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

The plan invests in a diversified range of assets in accordance with the investment strategy (however, the asset of Trifork Group and its employees is a receivable from the collective foundation). A potential under-funding may be remedied by various measures such as increasing employer and employee contributions or reducing prospective benefits.

Assumptions applied in the valuation of accrued pension cost	2018	2017
Discount rate at the end of the period	0.85%	0.70%
Future salary increases at the end of the period	1.50%	1.50%
Future pension increases at the end of the period	0.00%	0.00%
Retirement age	M65/W64	M65/W64
Demographic assumptions	BVG 2015 GT	BVG 2015 GT

Reconciliation of net defined benefit liability (asset)	2018	2017
Net defined benefit liability (asset), beginning of period	790,236	617,339
Effect of exchange rate adjustments	33,431	-50,800
Defined benefit cost recognized in profit or loss	190,321	197,855
Defined benefit (income)/cost recognized in other comprehensive income	-175,400	149,158
Ordinary contributions paid by employer	-134,825	-123,315
Net defined liability (asset), end of period	703,763	790,236

Reconciliation of present value of the defined benefit obligation (DBO)	2018	2017
DBO, beginning of period	1,623,950	1,130,696
Effect of exchange rate adjustments	68,701	-93,045
Current service costs	184,555	193,890
Ordinary contribution paid by employees	134,825	123,315
Interest expense on defined benefit obligation	11,848	7,264
Additional contribution paid by employees	28,447	208,407
Benefits paid from plan assets	-378,540	-95,483
Actuarial (gain)/loss on defined benefit obligation	-179,905	148,907
DBO, end of period	1,493,881	1,623,950
Actuarial (gain)/loss arising from changes in demographic assumptions	0	0
Actuarial (gain)/loss arising from changes in financial assumptions	-66,318	0
Actuarial (gain)/loss arising from experience adjustments	-113,587	148,907

Reconciliation of fair value of plan assets	2018	EUR 2017
Fair value of plan assets, beginning of period	833,714	513,356
Effect of exchange rate adjustments	35,270	-42,244
Interest income on plan assets	6,083	3,298
Ordinary contribution paid by employer	134,825	123,315
Ordinary contribution paid by employees	134,825	123,315
Additional contributions paid by employees	28,447	208,407
Benefit paid from plan assets	-378,540	-95,483
Return on plan assets excl. interest income	-4,504	-250
Fair value of plan assets, end of period	790,119	833,714

Components of defined benefit cost in profit or loss	2018	2017
Current service cost employer	188,719	188,151
Interest expense on defined benefit obligation	11,848	7,264
Interest income on plan assets	-6,083	-3,298
Past service cost	-8,894	0
Administration costs	4,730	5,738
Defined benefit cost recognized in profit or loss	190,321	197,856

Components of defined benefit cost in other comprehensive income		
Actuarial (gain)/loss on defined benefit obligation	-179,905	148,907
Return on plan assets excl. interest income	4,504	250
Defined benefit cost in other comprehensive income	-175,400	149,157

Sensitivity analysis	2018	2017
Sensitivity to discount rate assumptions		
a. + 0.5% -Effect on defined benefit obligation	-146,156	-107,416
b. -0.5% - Effect on defined benefit obligation	170,515	125,507

Future cash flows (CHF)	2019	2020	2021	2022	2023
Projected benefits expected to be paid	113,120	111,339	109,557	107,776	105,995

The expected employer contribution for 2019 amounts to CHF 170,000. In the period from 2024 to 2028 total benefit payments of CHF 570,000 are expected. Macaulay duration in years is calculated to 18.8 years (2017: 19,9 years).

Ordinary employer payments to defined contribution plans	1,562,162	1,185,175

21 - Financial risks and financial instruments

THE RISK MANAGEMENT POLICY OF THE GROUP

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

CURRENCY RISKS

The major currencies that the different business units in the Trifork Group operate within are EUR, CHF, DKK, USD and GBP. Further information is to be found in note 21b.

INTEREST RISKS

Trifork has, as a result of the Group's investing and financing activities, a risk exposure related to fluctuations in interest rates in Europe and abroad. The primary interest rate exposure is related to fluctuations in CIBOR and EURIBOR. So far, the group has not considered it necessary to undertake measures to hedge interest rate risks, since it is estimated that net debt is not at a level where this would be beneficial. Further elaboration is given in note 21.c.

LIQUIDITY RISK

It is the Group's policy in connection with a loan to ensure maximum flexibility by diversifying borrowing on maturity and renegotiation dates and counter parties, taking pricing into account. The Group's liquidity reserve consists of unutilized credit facilities. The group aims to have sufficient cash resources to continue to act appropriately in case of unforeseen changes in liquidity. Further information regarding this is given in note 21d.

CREDIT RISKS

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

As part of the Group's risk management, credit exposure to customers and counter parties is monitored monthly or quarterly. Historically, the group has only had minimal losses due to lack of payments from customers or counter parties.

EQUITY PRICE RISK

With its Trifork Labs Investments the Group is exposed to equity price risks of the individual investments.
Further information regarding this is given in note 21e.

21a - Categories of financial instruments

As at December 31, 2018	IFRS 9 Category	Total carrying amount	Fair Value	Fair value level
Trifork Labs investment	Fair value through profit or loss	19,684,525	19,684,525	Level 3
Other non-current receivables	Amortized cost	2,243,836	n/a**	
Other current receivables	Amortized cost	287,309	n/a**	
Trade receivables	Amortized cost	18,093,718	n/a**	
Cash and cash equivalents	Amortized cost	9,687,001	n/a**	
Total financial assets		49,996,388	19,684,525	0
Contingent consideration related to acquisitions	Fair value through profit or loss	332,747	332,747	Level 3
Redemption amount of put-options	Amortized cost	7,902,856	n/a**	
Debts to financial institutions	Amortized cost	21,318,305	n/a**	
Other financial debt than financial institutions	Amortized cost	2,303,190	n/a**	
Trade payables	Amortized cost	5,339,153	n/a**	
Total financial liabilities		37,196,251	332,747	0

* The fair value levels are specified in note 21e.
** The carrying amount is considered a reasonable approximation of fair value.

In 2017, the Group applied IAS 39, thus presentation were as follows	EUR 2017
Assets	Carrying amount
Trade receivables	14,657,287
Other receivables	2,739,102
Cash and cash equivalents	5,599,302
Loans and receivables	22,995,691
Financial assets at fair value through profit / loss	14,738,308
Financial assets	14,738,308
The carrying amount is considered a reasonable approximation of fair value.	
Liabilities	2017
Contingent consideration related to acquisitions	296,076
Financial liabilities measured at fair value through profit or loss	296,076
Redemption amount of put-options	3,886,553
Deferred payment related to acquisitions	855,256
Debts to financial institutions	17,207,176
Other financial debt than financial institutions	2,768,335
Trade payables	4,758,397
Financial liabilities measured at amortized cost	29,475,717

21b - Currency risks (sensitivity to exchange rate fluctuations)

The major currencies that the different business unit in the Trifork Group operate within are EUR, CHF, DKK, USD and GBP. The nature of all business units is that they most often invoice their customers and gets invoiced by vendors in the same currency as their functional currency and thus they have only minor positions of either receivables or liabilities in other currencies than the functional currency and the risk on this is not significant. The Group at all times monitor the net exposure to different currencies other than EUR, which is the reporting currency in the Group and netting any net exposure internally between the business units within the Group before using any other financial instruments. In the financial years 2018 and 2017 the Group did not cover any currency risks through derivative financial instruments.

21c - Interest rate risk

As of Dec 31, 2018, the Trifork group had a net debt in cash of EURm 11.6. The corresponding figure was a net debt in cash of EURm 11.6 as of Dec 31, 2017.

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 and bank loans and other loans with variable interests, an increase of 1%-points, compared to the balance sheet interest rates, will have a negative impact on pre-tax profit and equity of about EURt 116 (in 2018 the impact would have been negative with EURt 116). A similar decrease in interest rates would give a corresponding positive impact on profit and equity.

EUR

21d - Liquidity risk

The Table below includes the contractually agreed cash flows (principal + interest) of the group's financial liabilities in the corresponding time span. The carrying amount is the balance as of Dec 31, 2018 and 2017.

2018	< 6 months	6-12 months	1-5 years	Over 5 years	Total	Carrying amount
Trade payables	5,339,153	0	0	0	5,339,153	5,339,153
Debts to financial institutions	2,937,880	7,716,690	11,583,509	0	22,238,079	21,318,305
Financial lease liabilities	498,807	498,807	958,698	0	1,956,312	1,852,508
Contingent consideration liabilities	0	0	343,548	0	343,548	332,747
Redemption amount of put-options	0	0	8,384,204	0	8,384,204	7,902,856
Other	27,728	27,710	220,629	216,775	492,841	450,682
Total	8,803,568	8,243,206	21,490,587	216,775	38,754,136	37,196,251
2017						
Trade payables	4,758,397	0	0	0	4,758,397	4,758,397
Debts to financial institutions	1,468,235	6,125,236	10,502,340	0	18,095,811	17,207,176
Financial lease liabilities	362,315	362,315	1,457,980	0	2,182,611	2,016,581
Deferred payments related to business combinations	855,256	0	0	0	855,256	855,256
Contingent consideration liabilities	205,697	0	90,379	0	296,076	296,076
Redemption amount of put-options	0	0	4,172,360	0	4,172,360	3,886,553
Other	34,459	34,198	272,856	509,486	850,998	751,754
Total	7,684,359	6,521,749	16,495,915	509,486	31,211,509	29,771,793

Capital resources and access to new credit facilities are considered by management to be reasonable in relation to the current need for financial flexibility. All credit lines are automatically extended each year. DKKm 40 and EURm 0.5 is extended in January, CHFm 0.5 is extended in March and GBPm 0.5 is extended in July.

The Group is not subject to any collateral security other than already paid deposits. Extension of existing credit facilities is expected without any difficulties.

Committed credit lines Dec, 31	2018	2017
of which utilized	11,631,305	11,607,875
of which unutilized	6,647,197	2,854,142
Total	18,278,502	14,462,016

21e - Fair value hierarchy for financial instruments measured at fair value in the balance sheet and profit/loss statement

IFRS requires the Group to disclose fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – Inputs to the valuation are quoted prices available in active markets. The type of investments listed under Level1, include unrestricted securities listed in active markets.

Level 2 – Inputs to the valuation are other than quoted prices in active markets, which are either directly or indirectly observable. Investments, which are included in this category, include restricted securities in active markets, securities traded in other than active markets, derivatives, corporate bonds and loans.

Level 3 – Inputs to the valuation are unobservable and significant to overall fair value measurement. The inputs to the determination of fair value require significant management judgment or estimation. Investments that are included in this category include equity investments in privately held entities.

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. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

EUR

Fair value hierarchy for financial instruments measured at fair value in the balance sheet and profit/loss statement				
2018				
Trifork Labs investments	Level 1	Level 2	Level 3	Total
Carrying amount, January 1	1,359,820	0	13,378,488	14,738,308
Exchange rate adjustments	0	0	-54,451	-54,451
Acquisitions	0	0	514,808	514,808
Additions from business combinations	0	0	200,876	200,876
Transfer	-1,359,820		1,359,820	0
Disposal	0	0	-5,714,215	-5,714,215
Fair value adjustment, realized and unrealized	0	0	9,999,199	9,999,199
Carrying amount, December 31	0	0	19,684,525	19,684,525
2017	Level 1	Level 2	Level 3	Total
Trifork Labs investments				
Carrying amount, January 1	1,794,963	0	4,073,157	5,868,120
Exchange rate adjustments	0	0	-22,752	-22,752
Acquisitions	0	0	546,993	546,993
Disposal	0	0	-2,338,695	-2,338,695
Fair value adjustment, realized and unrealized	-435,143	0	11,119,785	10,684,642
Carrying amount, December 31	1,359,820	0	13,378,488	14,738,308

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.

In 2017 there were no transfers between level 1, 2 and 3 assets.

The line item disposal includes the fair value of the disposed assets at the time of disposal, e.g. after revaluation to fair value. Fair value adjustment for the current year is recorded under the line item Fair value adjustment on Trifork Labs investments in profit/loss. Disaggregation into realized and unrealized gains or losses is disclosed in note 8.

The fair value of Level 3 investments is derived based on DCF-valuation models and valuations done by external parties that most recently have invested new capital in the investment objects.

Changes in valuations can have impact on net profit. In order to demonstrate the sensitivity the average change in the OMX Copenhagen SmallCap index of the past two years is calculated and used as input to the sensitivity analysis. The result of this is a change of -8,9% in 2018. If the value of the investments (based on year-end values) has increased or decreased by the same percentage with all other variables held constant, the impact on net income would have been EURm -1,2 in 2018 (2017: 12.5%, EURm 1.8). The Group is exposed to a variety of market risk factors, which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the underlying investments. Therefore, a sensitivity analysis is deemed to be of limited explanatory value.

Financial liabilities – contingent consideration liability				
2018	Level 1	Level 2	Level 3	Total
Carrying amount, January 1	0	0	296,076	296,076
Disposal settlements	0	0	-240,340	-240,340
Additions	0	0	1,019,338	1,019,338
Fair value adjustment through profit or loss	0	0	-740,230	-740,230
Exchange rate adjustments	0	0	-2,098	-2,098
Carrying amount, December 31	0	0	332,747	332,747
2017	Level 1	Level 2	Level 3	Total
Carrying amount, January 1	0	0	1,226,593	1,226,593
Disposal settlements	0	0	0	0
Additions	0	0	0	0
Fair value adjustment through profit or loss	0	0	-887,597	-887,597
Exchange rate adjustments	0	0	-42,920	-42,920
Carrying amount, December 31	0	0	296,076	296,076

The liability consists of a contingent consideration related to the acquisition of Testhuset A/S. See further under note 15, financial liabilities.

Fair value adjustment for the current year is recorded under the line item financial income in profit/loss.

EUR

21f - Credit risks		
Provision for impairment of trade receivables and contract assets	2018	2017
Carrying amount at January 1	512,666	133,806
Impact of adoption of IFRS 9	55,000	0
Allowance recognized	178,844	383,974
Receivables written off during the year as noncollectable	-419,145	-1,313
Unused amounts reversed	-20,088	0
Exchange rate adjustments	-2,467	-3,802
Carrying amount at December 31	304,811	512,666

The liability consists of a contingent consideration related to the acquisition of Testhuset A/S at 31 Dec 2018 (prior period OpenCredo Ltd.). See further under note 15, financial liabilities.

Fair value adjustment for the current year is recorded under the line item financial income in profit/loss

Bank accounts

Cash deposits in all group companies are distributed over accounts in different banks. The policy of the group is only to use solid and well established banks with good reputations. At 31.12.2018 only Trifork Labs has a net deposit of more than EURm 1.5 in one single bank - but this is balanced with the use of draft facilities in the same bank from other Trifork companies.

21g - Capital management

Management's strategy and overall objectives are to ensure continued development and strengthening of the Group's capital structure that supports long-term profitable growth and healthy development of earnings and balance sheet ratios. The equity ratio (solidity) 31.12.2018 was 44.0% compared to 42.3% as of 31.12.2017. Management regularly reviews whether the Group's capital structure is consistent with Group and shareholder interest. As part of this review, the Board of Directors assesses the Group's capital costs and the risks associated with each type of capital.

Financial gearing	31.12.2018	31.12.2017
Debts to financial institutions	21,318,305	17,207,176
Cash	-9,687,001	-5,599,302
Net debt	11,631,305	11,607,875
Equity	44,335,336	33,236,450
Financial gearing	26.23%	34.93%

22 - Acquisitions of subsidiaries

In 2018 the Group acquired Testhuset A/S and Invokers A/S. The purchase price allocations are not yet definitive. The provisional fair values are as follows: (There were no business combinations in 2017)

Companies - 2018	Testhuset A/S 2018	Invokers A/S 2018
Intangible assets	531,550	566,851
Tangible assets	93,054	31,308
Other non-current assets	245,268	39,695
Current assets	1,917,850	1,470,968
Deferred tax	-95,234	-124,707
Other non-current Liabilities	-10,873	0
Current Liabilities	-1,082,454	-784,619
Net assets acquired	1,599,162	1,199,497
Non-controlling interest	-479,749	-587,754
Net assets acquired, attributable to Trifork	1,119,414	611,743
Goodwill	4,048,587	1,304,239
Consideration transferred	5,168,000	1,915,982

Consideration transferred	5,168,000	1,915,982
Contingent consideration	1,019,338	0
Equity instruments issued	1,497,546	991,511
Cash paid	2,651,117	924,471
Cash acquired	246,693	432,985
Acquisition of subsidiary, net of cash	2,404,424	491,487
Non-controlling interest at time of acquisition	30%	49%

Testhuset A/S

The acquisition was carried out in the start of June, 2018. EURm 0.4 of the purchase price has been allocated to customer relationships based on the revenue estimates on existing customers and by estimating a churn rate of 10%. This amount is to be amortized over 10 years. No other major class of assets have been identified as subject for the allocation and a total sum of EURm 4.0 has been allocated as goodwill with an indefinite lifetime. The Goodwill recognized is not tax deductible.

The value of the equity instruments (244.082 shares) has been determined by using the Trifork treasury shares price model and reflects the fair value.

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

In 2018 Testhuset A/S contributed with revenue of EURm 4.1 and EBITDA of EURm 0 to the consolidated financial statement in the 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 profit for the period would have increased by EURm 0.2.

Transaction costs related to the acquisition is immaterial.

Invokers A/S

The acquisition was carried out in the start of September, 2018. EURm 0.6 of the purchase price has been allocated to customer relationships based on the revenue estimates on existing customers and by estimating a churn rate of 10%. This amount is to be amortized over 10 years. No other major class of assets have been identified as subject for the allocation and a total sum of EURm 1.3 has been allocated as goodwill with an indefinite lifetime. The Goodwill recognized is not tax deductible.

The value of the equity instruments (159.306 shares) has been determined by using the Trifork treasury shares price model and reflects the fair value.

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

In 2018 Invokers A/S contributed with revenue of EURm 2.2 and EBITDA of EURm 0.3 to the consolidated financial statement in the 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 profit for the period would have increased by EURm .0.0.

Transaction costs related to the acquisition is immaterial.

23 - Lease obligations	2018	2017
		EUR
Operating lease arrangements		
< 1 year	2,492,494	2,270,006
> 1 year and < 5 years	4,646,662	5,300,278
> 5 years	65,915	35,497
In 2018 a total of EURm 2.5 was paid to operating lease services (2017: EURm 2.87)		
Offices		
At the end of 2018 Trifork had 30 lease contracts for offices (2017: 20). All of them are subject to the rules for commercial leases. The main leases runs for a period of 1-9 years. The contracts are non-cancellable in the lease period. There is a possibility of renegotiation of all contracts with a renewal for a period of three years. All contracts are fixed annuity and indexed annually.		

Financial lease commitments	2018		2017	
	Other Equipment, Fixtures and fittings	Leasehold	Other Equipment, Fixtures and fittings	Leasehold
< 1 year	978,540	19,075	642,084	13,421
> 1 year and < 5 years	905,050	53,648	1,302,827	58,249
> 5 years	0	0	0	0
Total minimum lease payments	1,883,589	72,723	1,944,911	71,670
Amounts representing finance charges	-94,938	-8,867	-136,137	-16,427
Present value of minimum payments	1,788,652	63,856	1,808,774	55,242
Total present value of minimum payments		1,852,508		1,864,016
The carrying value of the assets covered by the financial lease contracts are disclosed in note 12, tangible assets.				

24 - Earnings per share	2018	2017
Earnings per share for continuing operations	0.75	0.74
Diluted earnings per share for continuing operations	0.75	0.74

There are no potential dilutions.

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

Earnings per share is calculated on basis of:	2018	2017
Attributable to parent company shareholders	13,691,388	13,478,372
Weighted average number of issued shares	18,537,230	18,537,230
Weighted average number of treasury shares	293,959	351,188
Number of shares used for calculating earnings per share	18,243,271	18,186,042

25 - Collateral/securities provided	2018	2017
Total guarantees in relation to credit facilities	9,300	6,669

EUR

26 - Government Grants received	2018	2017
Research and development WBSO (NL)	335,101	305,127
Research and development grants (UK)	300,510	451,756
Research and innovation (EU)	0	149,768
	635,611	906,650

The received grants are included in the profit and loss statement under the lines personnel cost with 335 EURt (2017: 757 EURt) and other operating income with 301 EURt (2017 EURt 150).

27 - Research and development costs	2018	2017
Research and development costs recognized in the profit and loss statement	1,230,078	463,194

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

28 - Events after the balance sheet date

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

The 2018 consolidated financial statement was approved and released for publication by the Board of Directors on the same day.

The consolidated financial statement are subject to approval by the Annual General Meeting scheduled for April 12 2019.

Trifork Holding AG Financial statement

Content	page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TRIFORK
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Report of the statutory auditor

To the General Meeting of Trifork Holding AG, Feusisberg

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Trifork Holding AG, which comprise the balance sheet, income statement and notes (pages 97 to 105), for the year ended 31 December 2018.

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 2018 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

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

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

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

Zurich, March 15, 2019

Ernst & Young Ltd

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

Income statement for the year ended December 31, 2018

CHF

Note		2018	2017
	Dividend income	3,927,320	671,998
3	Financial income	459,654	686,851
	Other operating income	4,500	54,391
	Gain/loss on sale of investments	0	-279,358
	Total income	4,391,474	1,133,882
4	Board of Directors fees	-181,608	-181,152
	External cost	-1,015,141	-896,259
5	Financial expenses	-715,423	-365,362
	Direct taxes	-3,075	-2,976
	Total expenses	-1,915,247	-1,445,749
	Profit for the year	2,476,228	-311,867

Statement of financial position as at December 31, 2018

Assets

CHF

Note	Assets	2018	2017
	Current assets		
	Cash and cash equivalents	319,711	145,467
	Loans to group companies	8,089,213	6,742,940
	Receivables from group companies	0	200,654
	Other receivables	333,915	312,266
	Total current assets	8,742,838	7,401,327
	Non-current assets		
6	Investments	44,850,913	44,737,982
	Other investments	0	0
	Loans to associates	0	217,587
	Total non-current assets	44,850,913	44,955,570
	Total assets	53,593,751	52,356,897

Liabilities and Equity

CHF

Note	Liabilities and Equity	2018	2017
	Current liabilities		
	Trade payables	130,447	72,520
	Payables to group companies	5,459	654,001
	Other debt	96,298	129,633
	Interest-bearing liabilities due to third parties	0	730,379
	Interest-bearing liabilities due to group companies	1,620,414	1,298,408
	Total current liabilities	1,852,618	2,884,940
	Non-current liabilities		
	Interest-bearing liabilities due to third parties	5,435,031	5,350,727
	Total non-current liabilities	5,435,031	5,350,727
	Total liabilities	7,287,649	8,235,667
	Equity		
7	Share capital	1,853,723	1,853,723
	Legal capital reserves		
	- Reserves from capital contributions	2,226,199	5,083,002
	- Other capital reserves	24,637,624	23,314,866
	Legal retained earnings	866,226	866,226
	Voluntary retained earnings		
	- Available earnings	15,069,180	15,381,047
	- Profit for the year	2,476,228	-311,867
8	Treasury shares	-823,078	-2,065,766
	Total equity	46,306,102	44,121,230
	Total liabilities and equity	53,593,751	52,356,897

Notes to the financial statements as at December 31, 2018

1 - Company information

Trifork Holding AG (the Company), founded on January 8, 2014, has its registered office at Neuhofstrasse 10, 8834 Schindellegi, Switzerland, registration number CHE-474.101.854 and is the parent company of the Trifork Group.

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

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

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

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

2 - Accounting policies

2.1 Treasury shares
Treasury shares are recognized at acquisition cost and deducted from equity. In case of resale, the gain or loss is recognized in equity according to the FIFO principle.

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

3 - Financial Income	2018	2017
Interest Income	7,670	10,241
Interest Income from subsidiaries	108,564	201,208
Exchange rate gains	343,420	475,402
Financial Income total	459,654	686,851

4 - Board of Director fees	2018	2017
Salary to Board of Directors	181,608	181,152
In 2018 25.000 shares (previous year: 26.466 shares) were allocated to members of the board. Trifork Holding AG does not have any employees.		

5 - Financial expenses	2018	2017
Interest expenses	-164,412	-153,468
Interest expenses to subsidiaries	-45,820	-31,731
Bank fee	-11,410	-17,994
Exchange rate losses	-493,781	-162,169
Financial expenses total	-715,423	-365,362

6 - Investment					
Name	Ownership	Domicile	Share cap.	Currency	Share in capital and voting rights 2018
Trifork A/S	Direct	Denmark	18,000,000	DKK	100%
Trifork Public A/S	Indirect	Denmark	737,000	DKK	100%
Trifork Labs ApS	Indirect	Denmark	367,647	DKK	100%
Netic A/S	Indirect	Denmark	500,000	DKK	88%
Testhuset A/S	Indirect	Denmark	1,500,000	DKK	71%
Invokers A/S	Indirect	Denmark	500,000	DKK	51%
Trifork eHealth ApS	Indirect	Denmark	100,000	DKK	51%
Trifork GmbH	Direct	Switzerland	920,000	CHF	100%
Trifork Academy Inc	Direct	USA	3	USD	100%
Trifork Ltd	Direct	England	1	GBP	100%
Trifork Leeds Ltd.	Indirect	England	40,000	GBP	75%
Open Credo Ltd.	Indirect	England	1,522	GBP	100%
Code Node Space & Events Ltd.	Indirect	England	100	GBP	51%
Trifork B.V.	Direct	Holland	18,000	EUR	100%
Trifork Eindhoven B.V.	Direct	Holland	1,000	EUR	100%
Trifork Learning Solutions B.V.	Direct	Holland	18,000	EUR	95%
Trifork Germany GmbH	Direct	Germany	25,000	EUR	100%
Erlang Solutions ltd.	Direct	England	103,218	GBP	51%
Erlang Solutions AB	Indirect	Sweden	100,000	SEK	100%
Erlang Solutions Inc.	Indirect	USA	100	USD	100%
Erlang Solutions Hungary Kft.	Indirect	Hungary	15,000	EUR	100%
Duckwise ApS	Direct	Denmark	163,265	DKK	75%
Duckwise AG	Indirect	Switzerland	100,000	CHF	100%
Trifork Finance AG	Direct	Switzerland	100,000	CHF	100%
Programmable Infrastruct. AG	Direct	Switzerland	150,000	CHF	51%
Container Solutions B.V	Indirect	Holland	1,000	EUR	100%
Container Solutions AG	Indirect	Switzerland	100,000	CHF	100%
Container Solutions Software Ltd.	Indirect	England	1,000	GBP	100%
Container Solutions Labs Ltd.	Indirect	Scotland	73	GBP	73%
Container Solutions GmbH.	Indirect	Germany	25,000	EUR	100%
Container Solutions Inc.	Indirect	Canada	40,000	CAD	100%

6 - Investment					
Name	Ownership	Domicile	Share cap.	Currency	Share in capital and voting rights 2017
Trifork A/S	Direct	Denmark	18,000,000	DKK	100%
Trifork Public A/S	Indirect	Denmark	737,000	DKK	100%
Trifork Ventures	Indirect	Denmark	367,647	DKK	100%
ForkID A/S	Indirect	Denmark	1,250,000	DKK	100%
Netic A/S	Indirect	Denmark	500,000	DKK	88%
Netfork A/S	Indirect	Denmark	600,000	DKK	79%
Trifork Medical ApS	Indirect	Denmark	320,000	DKK	75%
Trifork eHealth ApS	Indirect	Denmark	100,000	DKK	51%
Trifork GmbH	Direct	Switzerland	920,000	CHF	100%
Trifork Academy Inc	Direct	USA	3	USD	100%
Trifork Ltd	Direct	England	1	GBP	100%
Trifork Leeds Ltd.	Indirect	England	40,000	GBP	75%
Open Credo Ltd.	Indirect	England	1,522	GBP	100%
Code Node Space & Events Ltd.	Indirect	England	100	GBP	51%
Trifork B.V.	Direct	Holland	18,000	EUR	100%
Trifork Eindhoven B.V.	Direct	Holland	1,000	EUR	100%
Trifork Learning Solutions B.V.	Direct	Holland	18,000	EUR	95%
Trifork Germany GmbH	Direct	Germany	25,000	EUR	100%
Erlang Solutions ltd.	Direct	England	103,218	GBP	51%
Erlang Solutions AB	Indirect	Sweden	100,000	SEK	100%
Erlang Solutions Inc.	Indirect	USA	100	USD	100%
Erlang Solutions Hungary Kft.	Indirect	Hungary	15,000	EUR	100%
Duckwise ApS	Direct	Denmark	163,265	DKK	75%
Duckwise AG	Indirect	Switzerland	100,000	CHF	100%
Trifork Finance AG	Direct	Switzerland	100,000	CHF	100%
Programmable Infrastruct. AG	Direct	Switzerland	150,000	CHF	51%
Container Solutions B.V	Indirect	Holland	1,000	EUR	100%
Container Solutions AG	Indirect	Switzerland	100,000	CHF	100%
Container Solutions Software Ltd.	Indirect	England	1,000	GBP	100%
Container Solutions Labs Ltd.	Indirect	Scotland	73	GBP	73%
Trifork AB	Direct	Sweden	50,000	SEK	100%

7 - Share capital	2018	2017
Issued shares, January 1	18,537,230	18,537,230
Issued shares, December 31	18,537,230	18,537,230

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

8 - Treasury shares	2018	2017
Treasury shares, December 31	123,485	464,433
Number of shares outstanding	18,413,745	18,072,797

In 2018 269'615 treasury shares were purchased to an average rate of CHF 6.67 and 610'563 shares were sold at an average rate of CHF 7.14. This equals a net sale of 340'948 shares. Most of the shares purchased in 2018 were done early in 2018 and most of the shares sold was done late 2018 to a higher treasury share price. Based on this, the average sales price has been higher than the purchase price.

In 2017 345'366 treasury shares were purchased to an average rate of CHF 6.34 and 118'876 shares were sold at an average rate of CHF 6.30. This equals a net purchase of 226'490 shares. Most of the shares purchased in 2017 were done late in 2017 and most of the shares sold was done early in 2017 to a lower treasury share price. Based on this, the average sales price has been lower than the purchase price.

9 - Collateral provided for liabilities of third parties

Collateral provided for liabilities of third parties amount to CHF 6'010k (previous year: CHF 8'297k). These are guarantees issued on behalf of subsidiaries.

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

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

Appropriation of available earnings

Proposal of the Board of Directors to the General Meeting.

Appropriation of available earnings	2018	2017
Balance January 1	15,069,180	15,381,047
Net income	2,476,228	-311,867
Available earnings	17,545,407	15,069,180
Proposed dividend	0	0
Balance carried forward	17,545,407	15,069,180

Appropriation of reserves from capital contributions		
Balance January 1	2,202,198	5,083,002
Available reserves from capital contributions	2,202,198	5,083,002
Proposed dividend at the expense of reserves for capital contributions	-2,202,198	-2,880,804
Balance carried forward	0	2,202,198

At the Ordinary General Meeting of Trifork Holding AG a dividend of CHFm 2.20 will be proposed equal to EURm 1.94.

Ratios and key figures

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

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

Trifork Group structure

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

Trifork Holding AG

Group Structure, December 2018

1. Level	2. Level	3. Level	4. Level
100.0% Trifork A/S	88.0% Netic A/S		
	100.0% Trifork Public A/S	51.0% Trifork eHealth ApS	19.8% ATAH ApS
			12.0% ExSeed Ltd.
	50.0% Bluefork ApS		
	70.0% Testhuset A/S	16.0% TestLab ApS	
	51.0% Invokers A/S		
	41.0% Appdictive ApS	15.0% Frameo ApS	
	50.0% Bookingplatform ApS		
	100.0% Trifork Labs ApS	33.7% Humio ApS	
		32.8% AxonIQ B.V	
		26.0% ExSeed Ltd.	
		29.2% ATAH ApS	
		29.4% XCI ApS	
		19.2% ReQbo	
		0.1% Atomist Inc.	
		0.1% Implantica	
		9.8% C4Media Inc.	
51.0% Erlang Solutions Ltd.	100.0% Erlang Solutions Hungary Kft.		
	100.0% Erlang Solutions AB		
	100.0% Erlang Solutions Inc.		
	100.0% Erlang Solutions SP		
	6.7% Beam International Sarl		
100.0% Trifork Finance AG			
100.0% Trifork GmbH			
100.0% Trifork Eindhoven B.V			
100.0% Trifork B.V	5.7% MarsOne B.V		
95.0% Trifork Learning Solutions B.V			
100.0% Trifork Academy Inc.			
100.0% Trifork Ltd.	100.0% OpenCredo Ltd.	45.0% Specto Labs Ltd.	
	51.0% Code Node Ltd.		
	100.0% The Perfect App Ltd.		
100.0% Trifork Germany GmbH			
75.0% Duckwise ApS	100.0% Duckwise AG		
51.0% Prog. Infr Solutions AG	100.0% Container Solutions B.V	35.0% Remember to Play B.V	
	100.0% Container Solutions Software Ltd.		
	100.0% Container Solutions AG		
	100.0% Container Solutions GmbH		
	100.0% Container Solutions Canada Inc.		
	72.6% Container Solutions Labs Ltd.		
100.0% Trifork Software Solutions SL			

Trifork subsidiary
Trifork associated
Trifork Labs subsidiary
Trifork Labs investment

Trifork Holding AG
Neuhofstrasse 10
8834 Schindellegi
Switzerland

2018 TRIFORK WORLD MAP

Denmark
Aalborg
Aarhus C, Aarhus N
Copenhagen
Esbjerg

Sweden
Stockholm

United Kingdom
London

Germany
Berlin

Switzerland
Zürich

Poland
Krakow

Hungary
Budapest

Holland
Amsterdam
Eindhoven

Spain
Palma

United States
San Francisco
Chicago

Canada
Toronto