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Hilarius ApS

Langs Hegnet 58
2800 Kgs. Lyngby

CVR no. 21 16 20 00

Annual report for 2018

(21th Financial year)

Adopted at the annual general meeting
on 21 June 2019

Jesper Kalko
chairman

Table of contents

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Hilarius ApS for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2018 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2018.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Kgs. Lyngby, 21 June 2019

Executive board

Jesper Kalko
director

Independent auditor's report

To the shareholder of Hilarius ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Hilarius ApS for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent companyfinancial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2018 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements and parent company ” section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Management's responsibilities for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the parent company the financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 ISAs and the additional requirements applicable in Denmark 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 and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review
Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

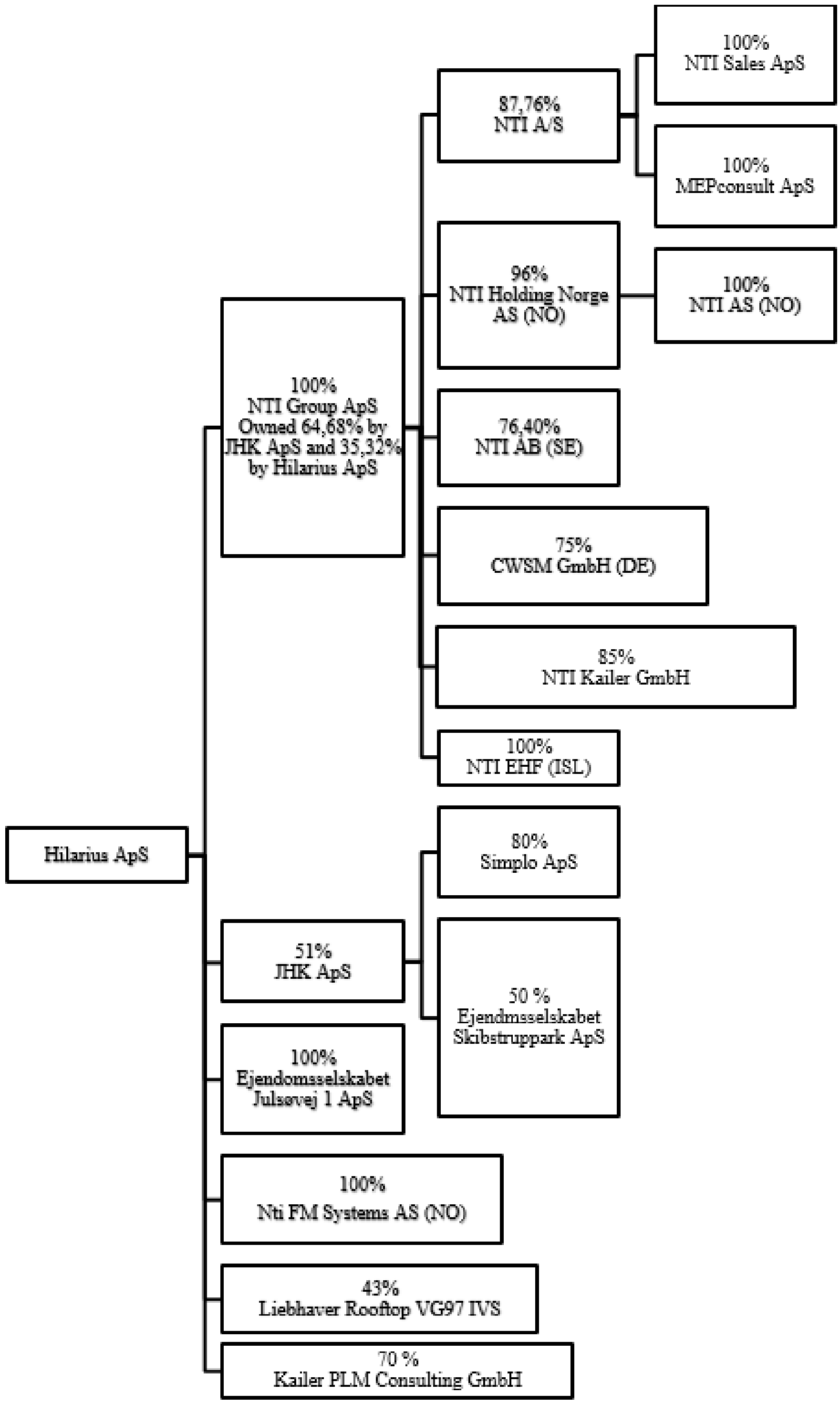
Hellerup, 21 June 2019
CVR no. 33 25 68 76
Crowe

Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

The company	Hilarius ApS Langs Hegnet 58 2800 Kgs. Lyngby	
	CVR no.:	21 16 20 00
	Reporting period: Incorporated:	1 January - 31 December 2018 24. September 1998
	Domicile:	Lyngby-Taarbæk
Executive board	Jesper Kalko, director	
Auditors	Crowe Statsautoriseret Revisionsinteressentskab v.m.b.a. Rygårds Allé 104 2900 Hellerup	

Group chart



100%
NTI Sales ApS
87,76%
NTI A/S
100%
MEPconsult ApS
96%
NTI Holding Norge AS (NO)
100%
NTI AS (NO)
100%
NTI Group ApS
Owned 64,68% by JHK ApS and 35,32% by Hilarius ApS
76,40%
NTI AB (SE)
75%
CWSM GmbH (DE)
85%
NTI Kailer GmbH
100%
NTI EHF (ISL)
80%
Simplo ApS
Hilarius ApS
51%
JHK ApS
50 %
Ejendmsselskabet Skibstruppark ApS
100%
Ejendomsselskabet Julsøvej 1 ApS
100%
Nti FM Systems AS (NO)
43%
Liebhaver Rooftop VG97 IVS
70 %
Kailer PLM Consulting GmbH

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	Group				
	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	514.749	411.448	387.275	338.615	316.741
Gross profit	189.223	173.830	163.757	140.475	130.584
Profit/loss before amortisation/depreciation and impairment losses	29.267	24.904	28.795	21.913	22.784
Profit/loss before net financials	22.107	23.706	28.795	21.913	22.784
Net financials	-577	11.432	1.908	2.196	3.068
Profit/loss for the year	9.666	19.204	14.414	12.944	14.690
Balance sheet total	319.697	287.847	263.396	244.019	210.283
Investment in property, plant and equipment	-741	-15.275	-801	-3.478	-869
Equity	156.151	150.694	133.742	120.010	112.325
Financial ratios					
Gross margin	36,8%	42,2%	42,3%	41,5%	41,2%
Return on assets	7,3%	8,6%	11,3%	9,6%	11,4%
Solvency ratio	48,8%	52,4%	50,8%	49,2%	53,4%
Return on equity	6,3%	13,5%	11,4%	11,1%	13,8%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Management's review

Business activities

The Group (NTI) is the market leader in Denmark, and one of the biggest suppliers of CAD/CAM/GIS and document management in Europe. We have branches in Værløse, Ringsted, Vejle, Aarhus and Aalborg, plus an R&D department in Aarhus. NTI AS in Norway, NTI AB in Sweden, NTI CWSM GmbH in Germany and NTI ehf in Iceland are also owned by the Group. The company conducts its activities on the basis of a concept as turnkey supplier of hardware, software, courses, consultancy and development, along with technical service. Program development of NTItools, the Mdoc document management system available in special versions for the construction industry, EDSH and FM are also major activities.

The customer base is very diverse. It ranges from one-man businesses through small and medium-sized enterprises to some of the biggest corporations in the country. No customer accounts for more than 5% of turnover.

Industry

NTI supplies a turnkey CAD and CAM concept used for construction and design by industrial enterprises for: modelling 2D constructions through to complicated 3D constructions, with strength calculations and sheet unfolding, which can be combined in turn with simulation and linked to administrative systems. We supply CAM solutions for the actual production process.

NTI focuses on productivity, which can be achieved using our various solutions, including the development of digital prototypes and resource-saving products.

The construction industry

NTI provides a turnkey concept to the construction industry covering everything from 2D construction modelling to more complicated 3D constructions with intelligent objects, which can be combined with visualising, strength calculations, volume extracts and linked to administrative systems.

Our programs for the construction industry take into account the need of engineering design studios for communications with the wide range of parties involved, including: architects, consultant engineers, contractors, developers and so on. There is considerable focus on BIM and sustainable construction.

GIS

Even though Denmark has a highly advanced infrastructure, we continue to encounter major problems. NTI has therefore built up a highly successful department in recent years specialising in Geographical Information Systems (GIS).

Mdoc - world class document management

Mdoc is a simple, logically-structured document management system, able to manage all electronic documents and provide rapid overview. It is also simple to use. The program is in widespread use within the construction industry, industry and by public authorities and other entities.

Management's review

Mdoc FM - A complete solution for operation and maintenance (O&M)
Mdoc FM is a simple, logically-structured Facility Management system for handling O&M data.

It manages all electronic documents and provides rapid overview, yet is simple to use.

Mdoc FM makes it possible to manage property portfolios of any size, and to present them in a structured manner. The system provides full control of O&M work for a portfolio, and can send reminders, provide a total overview of status and other functions.

The customer portfolio is rapidly growing, and includes public and private sector building owners and administrators, along with housing companies.

Software development in general
NTI has a staff of highly-qualified personnel focusing on specialist development of software. The products this department has produced (in addition to Mdoc and Mdoc FM) include the highly successful NTItools, which are bundles of tools for significantly increasing productivity for the users of a range of Autodesk products. NTItools are also supplied in special editions to the construction and manufacturing industries.

In addition to this product portfolio, NTI also develops specialist software solutions.

General products and services
NTI has an extensive staff of personnel who are specialists within their field, with wide-ranging expertise within soft- and hardware solutions. They are typically drawn from such backgrounds as architects, engineers or design, with additional practical experience.

Courses
NTI is Denmark's biggest provider of professional courses within CAD, CAM, GIS and document management. We have training centres located in all 5 of the Danish regions. Apart from the 80+ standard courses, we also offer company-specific courses. All our courses are specified on and in a course magazine distributed digitally along with our CAD magazine, totalling 30,000 copies several times a year.

The range has most recently been expanded by online courses.

Consultancy
The future will mean streamlining the use of CAD tools, and making it possible to re-use digital data throughout the rest of the organisation. That's why professional consultancy is necessary when investing in new or existing CAD systems.

Sale of software online
NTI has started to sell software solutions online via cadbutik.dk. Sales have gone extremely well, and are expected to contribute a rising income flow in the forthcoming period.

Management's review

HR
Our business concept is based on advising on the sale of technical IT solutions, and consultancy for implementation of the same, plus software development. Consequently, we make heavy demands on the specialist skills of our personnel within the areas we work in.

That's why it is important for NTI to be able to recruit and retain qualified personnel with the necessary skills. To ensure we can, we have an HR department that focuses heavily on ensuring that our people have the right skills level through courses and personal development.

CSR policy
NTI bears a social responsibility which includes ethical, working environment and the natural environment. Our customers can justifiably expect that we account for our CSR policy, just as NTI lays down similar criteria we expect our suppliers to fulfil.

The company's CSR policy is reviewed in detail at

Websites and the social media
NTI runs a number of websites (and www.cadbutik.dk). We are also active on Facebook and LinkedIn.

Autodesk Platinum Partner
NTI works closely with the world's biggest developer of CAD programs (Autodesk), and is the only Nordic distributor with the status of Autodesk Platinum Partner, not to mention being the only Danish member of the Autodesk Platinum Club, in recognition of being the partner with the highest increase in sales.

NTI therefore represents the top of Autodesk's Value Added Reseller (VAR) programme, which covers Autodesk software solutions linked with well-proven, measurable technical expertise within specific areas.

We work directly with Autodesk, giving us extensive access to support from them. Such a close relationship gives NTI the very best means of being able to give our customers maximum return on their investment in software from Autodesk.

Authorised Training Centre
Autodesk has appointed NTI as an Autodesk Training Centre (ATC). Authorisation means that our trainers are regularly monitored by Autodesk to ensure that everyone attending our courses gets the full benefit. Our trainers are able to constantly update their knowledge of Autodesk products by attending courses on the new software programs, updates released, etc.

Microsoft Gold Certified Partner
NTI has achieved the top level within the Microsoft Partner Program. Gold Certified Partners are independent businesses that display engagement and expertise within one or more Microsoft competences. They can bring a wide range of experience to a project, obtained through years of working with similar projects. NTI always uses Microsoft-certified consultants, giving us access to professional

support from Microsoft when we need it.

Business review
The group income statement for the year ended 31 December shows a profit of DKK 9.665.707, and the balance sheet at 31 December 2018 shows equity of DKK 156.150.528.

The company's expected development, including special assumptions and uncertain factors
The group expects a continued development in net revenue, and results are expected to be roughly the same size as in 2018.

Knowledge resources
NTI has a vision of being:

One of the biggest knowledge centres and suppliers of design and construction solutions in Europe.

An ambition to become a market leader within its field means that NTI has to be at the forefront of technological development. We have a wide range of products from a single supplier (Autodesk), plus a number of lesser suppliers, including our own R&D Department. Products are often sold that are a component of a larger solution, with courses, consultancy or, at the very least, competent advice, to get a customer started.

Apart from having to control high quality, well-functioning suppliers, it is important for NTI to be able to recruit and retain the best people within our field, as their know-how is a major asset to us. We also need to ensure a dynamic knowledge environment, to ensure that our personnel can share their own valuable know-how.

The loss of skilled personnel therefore represents a risk to NTI. To minimise that risk, we run a program of initiatives designed to promote job satisfaction amongst our existing personnel. We regularly hold status meetings with relevant personnel to ensure that we have the necessary human resources now and for the immediate future, and if the conclusion is that we are short in any respect, to expand the workforce.

We regularly hold departmental meetings to ensure that our personnel provide demonstrations to each other, to share their knowledge and to eliminate vulnerability in the event of them leaving. We therefore maintain focus on the 'truck factor'. At such meetings and via informal interaction, our personnel acquire new knowledge and share existing knowledge, to constantly maintain focus on the new products coming onto the market within our field.

We send representatives to the various trade conferences and events run by our main supplier, Autodesk, and by our lesser suppliers to ensure that we are up to date on plans for the future concerning the various products.

Management's review

We have organised our own R&D Department so that we have 'product owners' acting as the link between software developers and the sales team. We also ensure optimum knowledge-sharing here to avoid vulnerability in the event of illness or resignations.

The advice we provide to customers and our range of solutions implies a level of complexity that makes us dependent on having highly-skilled personnel. We therefore focus constantly on recruiting such people, and frequently conduct activities to retain them. Our average level of seniority is just under 8 years, which indicates that our policy is successful.

We regularly undertake restructuring and adaptations (including within our personnel) to constantly ensure that we work as effectively as possible and use our human resources to the optimum.

Product range and competition:
We have elected to eliminate our vulnerability and risk of losing our customers to competitors by having a wide range of products. Most of our competitors have specialised within the construction industry, or within the industrial segment. We have opted to go for both these sectors. This has proven to be a major advantage, e.g. when there has been a downturn in the construction industry, NTI has still been able to maintain a healthy business due to success and growth in other areas.

Autodesk is easily the company's biggest supplier, but our own products, courses and consultancy help ensure that we can sell our own solutions to customers who are not interested in Autodesk products.

To eliminate the risk of losing key customers, we have elected to have a wide range of customers, consisting of small, medium-sized and large businesses. The smallest customers are serviced by our Sales Centre, to make maximum use of the time of sales personnel.

Statutory report on corporate social responsibility
Policies on environment
Because we are not a manufacturing business, our impact on the environment consists of that emanating from offices, including the use of electronics in the form of computers and peripherals, office supplies, telephones etc. We encourage our personnel to be aware of electricity consumption for electronics and lighting, and we buy energy-saving light bulbs and eco-friendly electronics whenever possible. In order to protect the environment, we have switched to e-invoicing, and to generally communicating via email with our customers as much as possible. Such moves save considerable amounts of paper, and thereby protect the environment. We also encourage all our personnel to only print what is absolutely necessary. The default setting on all our printers is black and white, and duplex printing.

We also focus on organic food, the purchase of organic fruit, and our impact on the environment, areas in which we have a social responsibility.

We believe strongly in correctly sorting our waste, including batteries, paper, cardboard etc., and re-use packaging when shipping goods etc. Waste sorting became mandatory in all departments in early 2019, eliminating personal waste bins and replacing them with communal bins with instructions on what they can contain. Food waste is also sorted. Such measures were introduced in consultation with local authorities where we have locations, to ensure that our waste is correctly disposed of with regard to recycling.

Policies on social conditions and labor practices

NTI takes CSR very seriously. We also constantly seek to adapt and improve the working environment to ensure maximum employee satisfaction. The Danish Working Environment Authority (WEA) has been extremely satisfied with its visits to our departments. Our awareness concerning the working environment's importance is expressed on the physical and psychological levels. On the former, we ensure that all our personnel have their own IT equipment, ergonomic chairs and desks, which can be individually adapted to their comfort requirements, and good lighting. On the latter, we also focus strongly on the prevention of stress, providing a range of measures designed to promote employee satisfaction.

NTI’s 6 key values describe the overall way in which our personnel act. They also emphasise our focus on orderliness in general – internally and externally.

Management's review

Our 6 values are:

Aligning expectations
- Open and constructive communication at all levels
- Communication on what the customer can expect of us, and when
- We shall create realistic expectations and fulfil them

Mutual respect
- Respect for the skills and business areas of customers
- Respect for the differences in organisations and people
- Respect for each other's strengths and weaknesses, and openness concerning them

Reliability
- We can be counted on internally and externally
- We are loyal internally and externally
- The customer shall be assured that we are the right partner

Engagement
- We are passionate about everything we do, and the customer can see that we are
- Our engagement is so strong that we are prepared to make the extra effort whenever it is needed
- We inspire each other and our customers with our engagement

Cooperation
- A high level of internal cooperation, backing each other up, sharing knowledge and helping each other
- Accessibility towards customers and colleagues
- The customer's preferred partner

Humility
- We are experts in our field, and as such we are not afraid to search for and share knowledge when we need to
- We are humble concerning the work we do for customers, our situation and expertise
- We are humble about our success and aware of constant change

NTI focuses strongly on the health of our personnel, and on avoiding accidents. We have had very few accidents at work, and those that have occurred were, for example, incurred during ball games at personnel social events. We ensure that our personnel have access to healthy nutritious lunches and fruit served during the day. We have also concluded various discount agreements with regard to fitness centres, and established NTI running clubs to promote health.

NTI focuses strongly on the environment and sustainable construction. We advise our customers on sustainable construction and do of course want to do what we can to protect the environment.

Management's review

We have elected to take on social responsibility by offering internships when possible and practical, and by employing autism sufferers. We also protect jobs in DK by avoiding outsourcing functions abroad at lower cost.

Policies on human rights, anti-corruption and bribery
NTI condemns the use of forced and child labour. However, these have not been areas that have caused problems for us to date.

We generally do not have any suppliers or partners in what are designated high-risk countries (according to the CSR Compass), where there is often little control by the authorities over social and environmental issues. We do collaborate with China concerning the programming of certain computer programs, and have visited the supplier in question to careful check its working methods. We were particularly concerned about observation of human rights and working environment rules, and whether corruption was in practice. Because the work involved requires a high level of skill from well-educated workers, problems such as child labour etc. were not an issue for us. Because jobs in the IT industry in China are overwhelmingly male-dominated, we were concerned about discrimination, but we are totally dependent on the selection by our Chinese supplier of the best experts within our niche, who are apparently men. We were informed that pay rates were reasonable compared to the going rate in China. We have also concluded a partnership with a Danish representative in China from NNE, who makes regular inspections on our behalf.

We have elected to have our own software developed in Denmark to be able to retain jobs here, and avoid the risk of doubtful conditions with suppliers abroad. That gives us full control over how people are treated and consistent observance of our CSR.

Autodesk, our main supplier, is an American business with a well-embedded CSR policy.

We are generally very aware of setting standards for our suppliers and sub-suppliers to ensure that they, in turn, are aware of their own social responsibility. Naturally, we condemn any form of abuse of human rights and any form of corruption. However, we have experienced suppliers that have given us cause for concern on such matters.

We always focus on a relevant CSR policy being in place in our dealings with suppliers.

Autodesk was rated as holding 6th place in the top ten technological software businesses according to CRO Magazine. Autodesk was also rated as number 1 in the Best Corporate Management category.

Overall, we believe in being a socially-aware company that takes its social responsibility seriously, and in running our business in a manner that is ethically correct. We set standards for our suppliers and partners and are also prepared to meet the standards our customers set for us.

Management's review

Statutory report on the underrepresented gender
NTI regards it as self-evident that there is no discrimination in our company, whether sexual, gender-related, freedom of organisation, religious or ethnic. We have a very wide range of personnel and believe that diversity in the composition of our workforce is a major strength, rather than a weakness. We have provisions in our personnel handbook governing sex and other discrimination, and harassment, which are consistently enforced in practice. Fortunately, we have not experienced any problems of this sort to date. Our HR Department consistently encourages the personnel to ensure their own well-being and that of their colleagues by reporting any suspicion of anyone in trouble, to facilitate investigation into the root cause.

In late 2018 and early 2019, HR implemented a personality profiler, called 'Insights', that also helps highlight the many advantages of our diversity. Only 10% of the workforce have not been profiled to date. Completion of the programme is planned.

We do not operate any form of proactive policy of quotas for the employment of particular employee groups, as we are convinced that the best person for the job should be given the job. The same applies in relation to ethnicity and religious beliefs. Given our strong conviction on the strength of our diversity, the result is that we are a highly diverse business within the areas and types of person referred to above.

There is strong over-representation of male candidates within several employee groups when we advertise a vacancy. These include, for example, the R&D, Consultancy, IT and Technical Sales Departments. This is of course a problem that we regret, but there is little we can do about it. We adopt a very positive view of the under-represented gender (women in this case) and select the best candidate for the job based on overall assessment.

For example, we recruited a female Country Manager for Sweden early in 2019, because she was the best candidate, and we have a number of women in the management team who are there because of their ability alone.

By the end of 2018, employee distribution looks like this (total 278):

Woman: 57
Men: 221

Accounting policies

The annual report of Hilarius ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning large reporting class C entities.

The accounting policies are identical for both the parent company financial statements and the consolidated financial statements.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company Hilarius and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the group chart.

On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Accounting policies

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Entities disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Intra-group business combinations
For business combinations such as the purchase and sale of investments, mergers, divisions, inflows of assets and share exchanges, etc. when participating in companies under the controlling influence of the parent company, the book value method is used, where the aggregation is considered to have been carried out at the time of acquisition without adjustment of comparative figures. Differences between the agreed consideration and the acquired company's carrying amount are recognized in equity.

Minority interests
In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate share of subsidiaries' profit/loss and equity is presented separately under appropriation of profit and in a main item under equity.

Income statement

Segment information
Information is provided on business segments and geographical markets. The segment information is provided in consideration of the group's accounting policies, risks and management control.

Revenue
Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Income from services, comprising service contracts and extended warranties relating to products and contracts sold is recognised on a straight-line basis as the services are provided.

Expenses for raw materials and consumables
Costs of raw materials and consumables include the raw materials and consumables used in generating the year’s revenue.

Other operating income
Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other operating expenses
Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Accounting policies

Other external costs
Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Value adjustments of investment properties
Value adjustments of investment property comprise the year's changes in the fair value of investment property.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries and associates
The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the parent company's income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year
The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The parent company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed to be 5 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence term, however maximally 5 years.

Tangible assets

Items of land and buildings and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Forests and other land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	
Øvrige bygninger	50	years
Andre anlæg, driftsmateriel og inventar	2-3	years
Indretning af lejede lokaler	3	years

Assets costing less than DKK 25.000 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Investment properties

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties is measured at cost, comprising the purchase price, including purchase costs.

Interest expenses on loans are not recognised in cost during erection and reconstruction periods.

Accounting policies

On subsequent recognition, investment property is measured at cost less the year's depreciation and impairment losses. investment properties are measured at fair value. Value adjustments of investment properties on subsequent recognition, investment property is measured at cost less the year's depreciation and impairment losses.

The fair value reflects the price for which the property should exchange on the balance sheet date between well-informed and willing parties in an arm's length transaction. The determination of fair value involves significant accounting estimates.

In management's assessment, the fair value for the current year could not be determined based on market information. Accordingly, values have been determined based on discount models.

The fair value of each individual investment properties at 31 December 2018 has been determined using a return-based valuation model. Calculations are based on the budget for the coming year, adjusted for any fluctuations characterised as non-recurring events. These normal earnings are capitalised based on an individually determined return rate. The resulting value is adjusted for any non-operating assets, such as cash and cash equivalents, deposits, etc., provided these are not separately disclosed elsewhere in the balance sheet, to arrive at the fair value.

The estimates used are based on information and assumptions which management considers reasonable, but which are, inherently, uncertain and unpredictable. Actual events and circumstances are likely to be different from those assumed in the calculations, since anticipated events frequently do not occur as expected. These variations may be material.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Hilarius ApS is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, cf. the above description of the statement of goodwill.

Accounting policies

Impairment of fixed assets
The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Stocks
Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables
Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments
Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Securities and investments
Securities and investments, which consist of listed shares and bonds, are measured at fair value at the balance sheet date. Non-listed securities are measured at fair value on the basis of the estimated value in use.

Equity
Reserve for net revaluation according to the equity method
The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries and associates relative to the cost.

Accounting policies

Dividends
Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities
Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income
Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Accounting policies

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to equity.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Accounting policies

Financial highlights

Definitions of financial ratios.

Gross margin ratio $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Return on assets $$\frac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$$

Solvency ratio $$\frac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$$

Return on equity $$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

Income statement
1 January 2018 - 31 December 2018

	Note	Group		Parent Company	
		2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK
Revenue	1	**514.748.919**	**411.448**	**0**	**0**
Other operating income		2.738.465	2.695	554.749	730
Expenses for raw materials and consumables		-285.764.763	-198.277	0	0
Other external costs		-42.499.642	-42.036	-193.633	-119
Gross profit		**189.222.979**	**173.830**	**361.116**	**611**
Staff costs	2	-159.956.291	-148.926	0	0
Profit/loss before amortisation/depreciation and impairment losses		**29.266.688**	**24.904**	**361.116**	**611**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-7.125.987	-5.481	-37.308	0
Other operating costs		-956.489	-632	-930.289	-632
Profit/loss on ordinary activities before fair value adjustments		**21.184.212**	**18.791**	**-606.481**	**-21**
Value adjustments of assets held for investment	4	923.000	4.915	0	0
Profit/loss before net financials		**22.107.212**	**23.706**	**-606.481**	**-21**
Income from investments in subsidiares		0	0	5.576.669	11.629
Income from investments in associates		-118.080	3.500	3.858.735	3.730
Financial income	5	4.026.950	12.838	4.208.915	5.290
Financial costs	6	-4.486.125	-4.906	-3.840.126	-387
Profit/loss before tax		**21.529.957**	**35.138**	**9.197.712**	**20.241**

Income statement
1 January 2018 - 31 December 2018 (continued)

	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
		DKK	TDKK	DKK	TDKK
Tax on profit/loss for the year	7	-5.625.703	-6.698	467.995	-1.037
Profit/loss before minority interests		**15.904.254**	**28.440**	**9.665.707**	**19.204**
Minority interests' share of net profit/loss of subsidiaries		-6.238.547	-9.236	0	0
Profit/loss for the year		**9.665.707**	**19.204**	**9.665.707**	**19.204**

Distribution of profit 8

Balance sheet at 31 December 2018

	Note	Group 2018 DKK	Group 2017 TDKK	Parent Company 2018 DKK	Parent Company 2017 TDKK
Assets					
Acquired patents		97.268	42	0	0
Goodwill		18.819.227	19.746	0	0
Intangible assets	9	**18.916.495**	**19.788**	**0**	**0**
Investment properties	10	39.128.498	38.205	13.731.498	13.731
Land and buildings	11	27.415.492	25.153	27.415.492	25.153
Prepayments for property, plant and equipment	11	0	3.157	0	3.157
Other fixtures and fittings, tools and equipment	11	2.306.446	1.976	0	0
Leasehold improvements	11	46.645	92	0	0
Tangible assets		**68.897.081**	**68.583**	**41.146.990**	**42.041**
Investments in subsidiaries	12	0	0	35.336.276	29.335
Investments in associates	13	25.000	118	23.719.608	19.971
Other fixed asset investments		105.667	1.378	0	1.272
Other receivables		591.018	877	196.938	503
Deposits		110.476	77	0	0
Fixed asset investments		**832.161**	**2.450**	**59.252.822**	**51.081**
Total non-current assets		**88.645.737**	**90.821**	**100.399.812**	**93.122**
Finished goods and goods for resale		487.729	530	0	0
Stocks		**487.729**	**530**	**0**	**0**

Balance sheet at 31 December 2018 (continued)

	Note	Group 2018 DKK	Group 2017 TDKK	Parent Company 2018 DKK	Parent Company 2017 TDKK
Assets					
Trade receivables	14	115.591.301	83.419	9.438	149
Receivables from subsidiaries		0	0	14.046.906	15.288
Other receivables		12.835.189	6.472	5.928.556	338
Corporation tax		0	0	679.818	0
Joint taxation contributions receivable		0	0	2.868.307	0
Prepayments	15	4.134.031	1.627	0	0
Receivables		**132.560.521**	**91.518**	**23.533.025**	**15.775**
Current asset investments		34.447.331	40.827	34.442.444	40.822
Securities		**34.447.331**	**40.827**	**34.442.444**	**40.822**
Cash at bank and in hand		**63.555.835**	**64.151**	**6.778.228**	**7.664**
Total current assets		**231.051.416**	**197.026**	**64.753.697**	**64.261**
Total assets		**319.697.153**	**287.847**	**165.153.509**	**157.383**

Balance sheet at 31 December 2018

		Group		Parent Company	
	Note	2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK

Equity and liabilities

	Note	Group 2018 DKK	Group 2017 TDKK	Parent 2018 DKK	Parent 2017 TDKK
Share capital		125.000	125	125.000	125
Reserve for net revaluation under the equity method		0	0	40.387.892	31.161
Retained earnings		152.025.528	146.569	111.637.636	115.408
Proposed dividend for the year		4.000.000	4.000	4.000.000	4.000
Equity	16	**156.150.528**	**150.694**	**156.150.528**	**150.694**
Minority interests	17	**29.975.387**	**26.554**	**0**	**0**
Provision for deferred tax	18	1.226.042	915	8.208	0
Total provisions		**1.226.042**	**915**	**8.208**	**0**
Mortgage loans		4.149.688	4.379	4.149.688	4.379
Total non-current liabilities	19	**4.149.688**	**4.379**	**4.149.688**	**4.379**
Short-term part of lon-term debt	19	248.220	246	248.220	246
Other credit institutions		1.493.460	80	0	0
Trade payables		42.702.556	28.045	0	0
Payables to subsidiaries		0	0	4.536.841	301
Corporation tax		224.405	1.554	0	1.554
Other payables		47.105.825	44.695	60.024	209
Deferred income	20	35.827.029	30.166	0	0
Deposits		594.013	519	0	0
Total current liabilities		**128.195.508**	**105.305**	**4.845.085**	**2.310**
Total liabilities		**132.345.196**	**109.684**	**8.994.773**	**6.689**
Total equity and liabilities		**319.697.153**	**287.847**	**165.153.509**	**157.383**

Rent and lease liabilities	21
Contingencies, etc.	22
Mortgages and collateral	23
Related parties and ownership structure	24

Balance sheet at 31 December 2018 (continued)

		Group		Parent Company	
	Note	2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK

Equity and liabilities

Fee to auditors appointed at the general meeting	25				

Statement of changes in equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	125.000	146.488.354	4.000.000	150.613.354
Net effect from merger and acquisition under the uniting of interests method	0	79.169	0	79.169
Adjusted equity at 1 January 2018	125.000	146.567.523	4.000.000	150.692.523
Ordinary dividend paid	0	0	-4.000.000	-4.000.000
Exchange adjustment, foreign	0	-207.702	0	-207.702
Net profit/loss for the year	0	5.665.707	4.000.000	9.665.707
Equity at 31 December 2018	**125.000**	**152.025.528**	**4.000.000**	**156.150.528**

Parent Company

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	125.000	31.160.191	115.407.332	4.000.000	150.692.523
Ordinary dividend paid	0	0	0	-4.000.000	-4.000.000
Other equity movements	0	-207.702	0	0	-207.702
Net profit/loss for the year	0	9.435.403	-3.769.696	4.000.000	9.665.707
Equity at 31 December 2018	**125.000**	**40.387.892**	**111.637.636**	**4.000.000**	**156.150.528**

Cash flow statement
1 January 2018 - 31 December 2018

	Note	Group 2018 DKK	Group 2017 TDKK
Net profit/loss for the year		9.665.707	19.204
Adjustments	26	16.583.544	8.132
Change in working capital	27	-19.120.334	-4.012
Cash flows from operating activities before financial income and expenses		**7.128.917**	**23.324**
Financial income		4.026.950	12.694
Financial expenses		-4.486.125	-4.730
Cash flows from ordinary activities		**6.669.742**	**31.288**
Corporation tax paid		-5.468.780	-6.373
Cash flows from operating activities		**1.200.962**	**24.915**
Purchase of intangible assets		-5.018.703	-2.835
Purchase of property, plant and equipment		-740.994	-15.275
Fixed asset investments made etc		-25.000	-102
Sale of fixed asset investments etc		3.239.550	0
Minority interests		-2.817.300	-2.964
Cash flows from investing activities		**-5.362.447**	**-21.176**
Repayment of mortgage loans		-227.055	-233
Dividend paid		-4.000.000	-1.500
Cash flows from financing activities		**-4.227.055**	**-1.733**
Change in cash and cash equivalents		**-8.388.540**	**2.006**
Cash at bank and in hand		64.151.015	64.975
Current asset investments		40.827.325	38.532
Overdraft facility		-80.094	-615
Cash and cash equivalents		104.898.246	102.892
Cash and cash equivalents		**96.509.706**	**104.898**

Cash flow statement
1 January 2018 - 31 December 2018 (continued)

	Note	Group 2018 DKK	Group 2017 TDKK
Analysis of cash and cash equivalents:			
Cash at bank and in hand		63.555.835	64.151
Current asset investments		34.447.331	40.827
Overdraft facility		-1.493.460	-80
Cash and cash equivalents		**96.509.706**	**104.898**

Notes

1 Information on segments

Activities - primary segment

t.kr.	IT software	Group total
2018		
Revenue	514.749	514.749
2017		

Geographical - secondary segment

	Denmark	Norway	Sweden	Germany	Iceland	Group total
2018						
Revenue	231.574	121.200	74.743	81.815	5.417	514.749
2017						
Revenue	206.381	115.665	65.361	24.041	0	411.448

	Group		**Parent Company**	
	2018	2017	2018	2017
	DKK	TDKK	DKK	TDKK
2 Staff costs				
Wages and salaries	137.898.869	128.130	0	0
Pensions	4.953.469	4.806	0	0
Other social security costs	13.448.015	12.284	0	0
Other staff costs	3.655.938	3.706	0	0
	159.956.291	**148.926**	**0**	**0**
Average number of employees	278	250	0	0

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed.

Notes

		Group		Parent Company	
		2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Depreciation intangible assets	5.900.641	4.131	0	0
	Depreciation tangible assets	1.225.346	1.350	37.308	0
		7.125.987	**5.481**	**37.308**	**0**

4	**Value adjustments of assets held for investment**				
	Value adjustments of investment properties due to operational im-provements	923.000	0	0	0
	Value adjustments of investment properties due to changed required rate of return	0	4.915	0	0
	Value adjustments of investment properties	**923.000**	**4.915**	**0**	**0**
		923.000	**4.915**	**0**	**0**

Notes

		Group		Parent Company	
		2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK
5	**Financial income**				
	Income from fixed asset investments	1.967.700	7.488	1.967.700	0
	Interest received from subsidiaries	0	0	407.093	434
	Interest received from associates	3.118	3	0	0
	Other financial income	2.056.132	4.847	1.834.122	4.356
	Other adjustments of financial income	0	500	0	500
		4.026.950	**12.838**	**4.208.915**	**5.290**

6	**Financial costs**				
	Impairment losses on financial assets	0	3.491	0	0
	Other financial costs	4.486.125	1.415	3.840.126	387
		4.486.125	**4.906**	**3.840.126**	**387**

7	**Tax on profit/loss for the year**				
	Current tax for the year	5.468.780	5.733	-476.203	1.024
	Deferred tax for the year	311.043	962	8.208	0
	Adjustment of tax concerning previous years	-154.120	3	0	13
		5.625.703	**6.698**	**-467.995**	**1.037**

8	**Distribution of profit**				
	Proposed dividend for the year	4.000.000	4.000	4.000.000	4.000
	Retained earnings	5.665.707	15.204	-3.769.696	11.443
		9.665.707	**19.204**	**9.665.707**	**19.204**

Notes

9 Intangible assets

Group

	Acquired patents	Goodwill
Cost at 1 January 2018	109.098	41.601.408
Exchange adjustment	1.519	-183.608
Additions for the year	103.806	4.914.897
Cost at 31 December 2018	214.423	46.332.697
Impairment losses and amortisation at 1 January 2018	48.087	21.855.446
Exchange adjustment	1.191	-174.740
Depreciation for the year	67.877	5.832.764
Impairment losses and amortisation at 31 December 2018	117.155	27.513.470
Carrying amount at 31 December 2018	**97.268**	**18.819.227**

Notes

10 Assets measured at fair value

	Group	Parent Company
	Investment properties	Investment properties
Cost at 1 January 2018	33.290.698	13.731.498
Cost at 31 December 2018	33.290.698	13.731.498
Revaluations at 1 January 2018	4.914.800	0
Revaluations for the year	923.000	0
Revaluations at 31 December 2018	5.837.800	0
Carrying amount at 31 December 2018	**39.128.498**	**13.731.498**

Sensitivity in determination of fair value of investment properties

Calculation of fair value is based on a normalized operating profit of kr. 1,614, expected rental rate of 100% and a return requirement of 6.5% (6.5% 2017). The return requirement is determined taking into account the location of the property, maintenance stand and occupancy rate.

The property is well maintained and used for office rental with location in Risskov. The vacancy rate has historically been low.

The Group has also invested in a property with a market value corresponding to a cost price of DKK 13,731,498. The property is currently empty, but is expected to be leased with a return that ensures that the current fair value can be maintained.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0,50%	Base	0,50 %
	DKK	DKK	DKK
Rate of return	6,00	6,50	7,00
Fair value	27.466.000	25.397.000	23.623.000
Change in fair value	2.069.000	0	-1.774.000

Notes

11 Tangible assets

Group

	Land and buildings	Prepayments for property, plant and equipment	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2018	25.152.800	3.156.596	11.488.367	1.068.685
Exchange adjustment	0	0	-90.673	0
Additions for the year	0	2.250.000	1.597.590	0
Disposals for the year	0	-3.106.596	-413.812	0
Transfers for the year	2.300.000	-2.300.000	0	0
Cost at 31 December 2018	27.452.800	0	12.581.472	1.068.685
Impairment losses and depreciation at 1 January 2018	0	0	9.427.729	976.692
Exchange adjustment	0	0	-89.143	0
Depreciation for the year	37.308	0	1.142.690	45.348
Reversal of impairment and depreciation of sold assets	0	0	-206.250	0
Impairment losses and depreciation at 31 December 2018	37.308	0	10.275.026	1.022.040
Carrying amount at 31 December 2018	**27.415.492**	**0**	**2.306.446**	**46.645**

Notes

11 Tangible assets (continued)

Group

Parent Company

	Land and buildings	Prepayments for property, plant and equipment
Cost at 1 January 2018	25.152.800	3.156.596
Additions for the year	0	2.250.000
Disposals for the year	0	-3.106.596
Transfers for the year	2.300.000	-2.300.000
Cost at 31 December 2018	27.452.800	0
Depreciation for the year	37.308	0
Impairment losses and depreciation at 31 December 2018	37.308	0
Carrying amount at 31 December 2018	**27.415.492**	**0**

Notes

		Group		Parent Company	
		2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK
12	**Investments in subsidiaries**				
	Cost at 1 January 2018			1.493.554	6.659
	Additions for the year			521.948	0
	Disposals for the year			0	-5.165
	Cost at 31 December 2018			2.015.502	1.494
	Revaluations at 1 January 2018			27.841.252	28.153
	Disposals for the year			0	-11.369
	Fair value adjustment of hedging instruments for the year			0	0
	Net profit/loss for the year			5.803.893	11.629
	Received dividend			0	-230
	Other equity movements, net			-97.147	-342
	Depreciation of goodwill			-227.224	0
	Revaluations at 31 December 2018			33.320.774	27.841
	Carrying amount at 31 December 2018			**35.336.276**	**29.335**
	Remaining positive difference included in the above carrying amount at 31 December 2018			16.738.410	

Parent Company
Investments in subsidiaries are specified as follows:

Navn	Registered office	Ownership interest
Ejendomsselskabet Julsøvej 1 ApS	Denmark	100%
JHK ApS	Denmark	51%
NTI FM Systems AS	Norway	100%
NTI Kailer PLM Consulting GmbH	Germany	70%

Notes

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	TDKK	DKK	TDKK
13 Investments in associates				
Cost at 1 January 2018	118.080	-14.052	16.652.490	118
Additions for the year	25.000	16.534	0	16.534
Disposals for the year	0	-5.683	0	0
Cost at 31 December 2018	143.080	-3.201	16.652.490	16.652
Revaluations at 1 January 2018	0	4.808	3.318.939	0
Disposals for the year	0	-4.808	0	0
Net profit/loss for the year	-118.080	3.730	3.858.734	3.730
Other equity movements, net	0	-411	-110.555	-411
Revaluations at 31 December 2018	-118.080	3.319	7.067.118	3.319
Carrying amount at 31 December 2018	**25.000**	**118**	**23.719.608**	**19.971**

Group
Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Liebhaver Rooftop VG97 IVS under konkurs	Denmark	43%
Ejendomsselskabet Skibstruppark ApS	Denmark	50%

Parent Company
Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Liebhaver Rooftop VG97 IVS under konkurs	Denmark	43%
NTI Group ApS	Denmark	35,32%

Notes

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	TDKK	DKK	TDKK
14 Receivables				
The following trade receivables fall due for payment more than 1 year after year end	17.084.249	6.361	0	0

15 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

16 Equity

The share capital consists of 125 shares of a nominal value of DKK 1.000. No shares carry any special rights.

17 Minority interests

Minority interests at 1 January 2018	26.554.140	20.282
Share of net profit/loss for the year	6.238.547	9.236
Disposals for the year	-2.817.300	-2.964
Minority interests at 31 December 2018	**29.975.387**	**26.554**

Notes

18 Provision for deferred tax

Provision for deferred tax at 1 January 2018	914.999	-47	0	0
Deffered tax for the year	311.043	962	8.208	0
Provision for deferred tax at 31 December 2018	**1.226.042**	**915**	**8.208**	**0**

Tangible assets	983.476	826	8.208	0
Trade receivables	-37.585	-39	0	0
Prepayments	280.151	132	0	0
Tax loss carry-forward	0	-4	0	0
	1.226.042	**915**	**8.208**	**0**

19 Long term debt

Group	Debt at 1 January 2018	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Mortgage loans	4.624.963	4.397.908	248.220	2.928.690
	4.624.963	**4.397.908**	**248.220**	**2.928.690**

Parent Company	Debt at 1 January 2018	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Mortgage loans	4.624.963	4.397.908	248.220	2.928.690
	4.624.963	**4.397.908**	**248.220**	**2.928.690**

20 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

Notes

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	TDKK	DKK	TDKK
21 Rent and lease liabilities				
Rent and lease liabilities				
Operating lease liabilities. Total future lease payments:				
Within 1 year	336.000	0	0	0
	336.000	**0**	**0**	**0**
Lease liabilities	3.336.316	2.529	0	0

22 Contingencies, etc.

The Group has provided a guarantee for the associates's bank loan, maximised at DKK 25.000.000.

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2013 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment on or after 1 July 2012.

Notes

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	TDKK	DKK	TDKK
23 Mortgages and collateral				
The following assets have been put up as security for debt to mortgage credit institutions:				
Land and buildings	8.049.400	8.049	8.049.400	8.049
	8.049.400	**8.049**	**8.049.400**	**8.049**

The following assets have been put us as security for the group's and associates bankers:				
Floating charges	8.467.910	8.587	-	-
Current asset investments	34.442.444	-	34.442.444	-
	42.910.354	**8.587**	**34.442.444**	**-**

The Group has provided a guarantee against Jyske Bank regarding the provision of guarantees for leases DKK 1.313.357.

The Group has provided a payment guarantee to SKAT at DKK 122.000.

24 Related parties and ownership structure

Controlling interest

Jesper Kalko, Langs Hegnet 58, 2800 Kgs. Lyngby
Jesper Kalko holds the majority of the share capital in the company

Transactions

All transactions with related parties has been effected on market terms.

Notes

		Group		Parent Company	
		2018	2017	2018	2017
		DKK	TDKK	DKK	TDKK
25	**Fee to auditors appointed at the general meeting**				
	Crowe:				
	Audit fee	331.421	302	35.000	35
	Other assurance engagements	11.950	12	0	0
	Non-audit services	169.552	92	65.000	42
		512.923	406	100.000	77
	PWC:				
	Audit fee	49.914	53	0	0
	Non-audit services	17.077	27	0	0
		66.991	80	0	0
	BDO:				
	Audit fee	85.644	83	0	0
	Non-audit services	69.666	77	0	0
		155.310	160	0	0
		735.224	**646**	**100.000**	**77**

Notes

	Group	
	2018	2017
	DKK	TDKK
26 Cash flow statement - adjustments		
Financial income	-4.026.950	-12.694
Financial costs	4.486.125	4.731
Depreciation, amortisation and impairment losses	4.142.039	161
Income from investments in associates	118.080	0
Tax on profit/loss for the year	5.625.703	6.698
Minority interests' share of net profit/loss of subsidiaries	6.238.547	9.236
	16.583.544	**8.132**

27 Cash flow statement - change in working capital		
Change in inventories	42.625	593
Change in receivables	-40.790.245	-6.626
Change in trade payables, etc.	21.627.286	2.021
	-19.120.334	**-4.012**