Thor Denmark Holding ApS

Bredevej 2, 2830 Virum

CVR No 35 86 87 71

Annual report for

01.01.2019
-
31.12.2019

The Annual Report was presented and adopted at the Annual General Meeting of the Company on: 31 August 2020

Chairman

Emil Bergander

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Company Information

Company
Thor Denmark Holding ApS
Bredevej 2
2830 Virum

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Executive Management
Anders Svanholm Rosenbeck

Board of Directors
Vagn Ove Sørensen
Simon Philip Guy Lee
Filip Göran Bredinger
Sabine VanderLinden
Victor Erik Englesson
Erik Gunnar Bertman

Audit
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management review

Main activity
THOR’s purpose is to own shares, directly or indirectly, in Tia Technology A/S (Tia). For more information, please refer to the annual report for Tia.

2019 highlights for the Group
Revenue for 2019 was DKK 194 million and the profit after tax was a profit of DKK 5.4 million.

2019 highlights for Tia

Leadership and strategy

On August 1st Anders S. Rosenbeck, previously COO, took over the role as CEO. During the Fall of 2019, the new CEO led an update of Tia’s strategy, defining the guiding north star for Tia in the coming years. The leadership also implemented a new organizational structure, which supports the ambitions and goals set out in the strategy.

The strategy is focused on designing and developing best-in-class, standard software for insurers and delivering Tia’s professional services to safeguard quality and best practices to the benefit of Tia’s valued customer base. The company will continue to drive digitalization and work to make Tia Cloud the preferred delivery method for the software solutions. Finally, Tia will continue to focus on developing as a workplace and community where people thrive.

Digital and data solutions high on the agenda
In addition to a continued focus on the development of Tia Enterprise, Designers and world-class APIs for insurance eco-system integrations, Tia also released several other solutions in 2019. This was in line with the strategy towards delivering functionality in the digital cloud as a menu of plug and play solutions as well continuing the development of the successful Tia BI Suite.

Tia Cloud
Customer demand for a fully serviced cloud solution continues to grow. Tia already began preparing for this demand in 2017 and has since invested significantly in this area. In 2018, the first two Tia Cloud customers went live successfully and in 2019 new as well as existing customers started the migration into a fully operated Tia Cloud solution.

Introducing TIM for Professionel Services
Tia experience strong demand for its professional services while co-operation with Tia partners continue. Increasingly with the move towards SaaS as the preferred option, customers require software vendors, such as Tia, to take a larger role in the implementation and upgrades of the solution. In 2019, Tia took further steps towards delivering the unrivalled services to customers. The Tia Implementation Methodology (TIM) is a comprehensive best practice framework when it comes to implementing the Tia solution, and this was released in early 2019 after a year of development.

Strategy and objectives

Special risks
Tia has no significant exposure to business risks other than what is usual for the industry and type of business.

Research and Development
Tia maintains a focus on delivering a leading value proposition to the insurance software industry. Only a smaller fraction of Tia's total investment goes to maintaining the existing solution. The main focus is developing new solutions or new functionality to existing solutions.

In 2019, Tia capitalised DKK 33m out of a total R&D cost of DKK 63m.

Intellectual capital resources
Throughout the year, Tia continued to invest in expanding employee knowledge of both technology and insurance-related fields, to ensure the best possible utilisation of the new technological opportunities that cater specifically to insurance market needs. There is an ongoing effort to ensure that Tia employees have a

Corporate Social Responsibility
CSR is important for Tia and its stakeholders. The Group has formulated a Code of Conduct and certain policies approved by the Board of Directors, to secure that employees are committed to being socially responsible while carrying out their work. Although Tia's activities have a limited impact on the environment, the company focuses on improving where possible. For example, by having optimal facilities to support a virtual working environment, Tia is reducing the number of flights between its main offices in Denmark, Lithuania and South Africa. Tia also encourages employees to exercise, offering training facilities and running events.

Events after the balance sheet date
Management considers the implications of COVID-19 a subsequent event that occurred after the balance sheet date (31 December 2019), and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event). Tia has not been severely impacted by COVID-19 nor the comprehensive governmental responses to the situation. The company delivers mission critical solutions and services to a diversified customer base, primarily consisting of large and well-invested insurance companies.

No additional events have occured after the balance sheet date.

Key figures

	2019 IFRS TDKK	2018 IFRS TDKK	2017 IFRS TDKK	2016 IFRS TDKK	2015 ÅRL TDKK
5 years key figures					
Profit and loss accounts					
Net revenue	193.852	189.575	142.572	98.328	132.367
Gross profit	181.372	181.012	138.961	87.996	95.177
EBITDA before special items	45.986	48.017	36.048	20.779	13.840
Operating profit/loss before special items	12.169	19.075	(1.263)	(13.933)	(14.027)
Profit/loss before financial income and expenses	8.772	178.231	(16.508)	(27.779)	(43.194)
Net financials	(3.179)	(5.430)	(7.479)	(7.310)	(8.501)
Profit/loss for the period	5.446	165.521	(22.686)	(28.631)	(42.668)
Balance sheet					
Balance sheet total	729.424	688.486	652.124	601.211	624.736
Equity	502.152	499.811	330.102	319.543	318.124
Invested capital including goodwill	574.156	567.415	503.197	496.930	495.533
Net interest-bearing debt	67.390	80.303	170.805	181.854	181.819
Investment in property, plant and equipment	20.110	1.076	488	510	659
Cash flows					
Operating activities	35.386	171.708	22.789	(4.622)	13.654
Investment activities	(70.573)	(63.482)	(43.877)	(25.964)	(35.671)
Financing activities	32.477	(96.666)	18.766	24.072	9.534
Empolyees					
Average number of employees	214	190	131	90	90
Key Ratios					
Revenue per employees	906	998	1.088	1.093	1.471
Gross margin (%)	94%	95%	97%	89%	72%
Profit margin (%)	6%	10%	-1%	-14%	-33%
Return on equity (%)	1%	40%	-7%	-9%	-27%
Financial gearing (%)	13,4%	16,1%	51,7%	56,9%	57,2%

Special items includes arbitration cost, acquisition costs, restructuring cost and provision for certain settlement costs on customer projects.

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thor Denmark Holding ApS for the financial year 1 January – 31 December 2019.

The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements and the consolidated Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and the Group of the results of the Company and Group operations and cash flows for the financial year 1 January – 31 December 2019.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Virum, 23 April 2020

Executive Management

Anders Svanholm Rosenbeck

Board of Directors

Vagn Ove Sørensen Chairman	Simon Philip Guy Lee
Filip Göran Bredinger	Sabine VanderLinden
Victor Erik Englesson	Erik Gunnar Bertman

Independent Auditor's Report

To the Shareholders of Thor Denmark Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Thor Denmark Holding Group for the financial year 1 January - 31 December 2019, which comprise statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies for both the Group and the Parent Company ("financial statements").

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 Financial Statements* section of our report. We are independent of the Company 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for 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 International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 Parent Company to cease to continue as a going concern.

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

· Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely 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.

Hellerup, 23 April 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Statement of profit and loss

		Group		Parent	
		2019	2018	2019	2018
	Note	TDKK	TDKK	TDKK	TDKK
Net revenue	3	193.852	189.575	0	0
Cost of goods sold		(12.480)	(8.563)	0	0
Gross profit		**181.372**	**181.012**	**0**	**0**
Other external expenses		(31.993)	(37.759)	(646)	(352)
Staff expense	4, 5, 6	(103.393)	(95.236)	0	0
EBITDA before special items		**45.986**	**48.017**	**(646)**	**(352)**
Depreciation, amortisation and impairment	7	(33.817)	(28.942)	0	0
Operating profit/loss before special items		**12.169**	**19.075**	**(646)**	**(352)**
Special items	8	(3.397)	159.156	0	162.839
Operating profit/loss after special items		**8.772**	**178.231**	**(646)**	**162.487**
Finance income	9	1.453	540	1	179
Finance expenses	10	(4.632)	(5.970)	(2.244)	(4.687)
Profit/loss before income tax		**5.593**	**172.801**	**(2.889)**	**157.979**
Income tax expenses	11	(147)	(7.280)	636	(4.761)
Profit/loss for the period		**5.446**	**165.521**	**(2.253)**	**153.218**

Statement of comprehensive income

	Notes	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Profit for the period		5.446	165.521	(2.253)	153.218
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of subsidaries (net)		(21)	(67)	0	0
Income tax relating to these items	11	0	0	0	0
Other comprehensive income for the period, net of tax		**(21)**	**(67)**	**0**	**0**
Total comprehensive income for the period		**5.425**	**165.454**	**(2.253)**	**153.218**

Balance sheet

		Group		Parent	
		2019	2018	2019	2018
	Notes	TDKK	TDKK	TDKK	TDKK
Goodwill		564.748	564.748	0	0
Acquired contracts		11.196	11.898		
Completed development projects		45.037	42.440	0	0
Software		87	225	0	0
Development projects in progress		20.513	15.900	0	0
Intangible assets	12	**641.581**	**635.211**	**0**	**0**
Land and buildings		28.487	0	0	0
Other fixtures and fittings, tools and equipment		3.328	1.471	0	0
Leasehold improvements		74	152	0	0
Tangible assets	13	**31.889**	**1.623**	**0**	**0**
Investments in subsidiaries	14	0	0	579.787	579.787
Deferred tax asset	15	0	0	1.815	1.179
Deposits		1.022	1.613	0	0
Financial assets		**1.022**	**1.613**	**581.602**	**580.966**
Total non-current assets		**674.492**	**638.447**	**581.602**	**580.966**
Trade receivables	16	36.950	33.734	0	0
Other receivables		2.672	1.939	0	0
Income tax receivable		3.847	0	170	0
Prepayments		1.843	2.036	57	57
Receivables		**45.312**	**37.709**	**227**	**57**
Cash		**9.620**	**12.330**	**0**	**0**
Total current assets		**54.932**	**50.039**	**227**	**57**
Total assets		**729.424**	**688.486**	**581.829**	**581.023**

Balance sheet

		Group		Parent	
	Notes	2019 TDKK	2018 TDKK	2019 TDKK	2018 TDKK
Share capital		10.610	10.535	10.610	10.535
Reserve for foreign currency translation		(90)	(69)	0	0
Retained earnings		491.632	489.345	520.852	526.264
Total equity	18	**502.152**	**499.811**	**531.462**	**536.799**
Credit institutions	19	75.138	34.925	35.138	34.925
Lease obligations	21	25.070	0	0	0
Other payables		1.872	23.900	0	0
Deferred tax liabilities	15	13.875	13.143	0	0
Total non-current liabilities		**115.955**	**71.968**	**35.138**	**34.925**
Credit institutions	19	0	33.808	0	0
Lease obligations	21	4.299	0	0	0
Trade payables		10.407	6.525	62	0
Payables to related parties		0	0	13.589	9.165
Current income tax liabilities		0	1.294	0	0
Other payables		42.868	35.228	1.578	134
Deferred revenue		53.743	39.852	0	0
Total current liabilities		**111.317**	**116.707**	**15.229**	**9.299**
Total liabilities		**227.272**	**188.675**	**50.367**	**44.224**
Total equity and liabilities		**729.424**	**688.486**	**581.829**	**581.023**

Statement of changes in equity

Group

	Share capital	Reserve for foreign currency translation	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 01.01.2018	10.534	(2)	319.570	330.102
Profit for the period	0	0	165.521	165.521
Exchange differences regarding subsidiaries in another currency	0	(67)	0	(67)
Total comprehensive income for the period	10.534	(69)	485.091	495.556
Transactions with owners in their capacity as owners				
Sale of treasury shares	0	0	4.181	4.181
Capital increase	1	0	73	74
Equity at 31.12.2018	**10.535**	**(69)**	**489.345**	**499.811**
Profit for the period	0	0	5.446	5.446
Exchange differences regarding subsidiaries in another currency	0	(21)	0	(21)
Income tax relating to these items	0	0	0	0
Total comprehensive income for the period	10.535	(90)	494.791	505.236
Transactions with owners in their capacity as owners				
Purchase of treasury shares	0	0	(3.930)	(3.930)
Capital increase	75	0	771	846
Equity at 31.12.2019	**10.610**	**(90)**	**491.632**	**502.152**

Statement of changes in equity

Parent

	Share capital	Reserve for foreign currency translation	Retained earnings	Total
	TDKK	**TDKK**	**TDKK**	**TDKK**
Equity at 01.01.2018	10.534	(2)	371.801	382.333
Profit for the period	0	0	153.218	153.218
Exchange differences regarding subsidiaries in another currency		2		2
Total comprehensive income for the period	10.534	0	525.019	535.553
Transactions with owners in their capacity as owners				
Sale of treasury shares	0	0	1.172	1.172
Capital increase	1	0	73	74
Equity at 31.12.2018	**10.535**	**0**	**526.264**	**536.799**
Profit for the period	0	0	(2.253)	(2.253)
Exchange differences regarding subsidiaries in another currency	0	0	0	0
Total comprehensive income for the period	10.535	0	524.011	534.546
Transactions with owners in their capacity as owners				
Purchase of treasury shares	0	0	(3.930)	(3.930)
Capital increase	75	0	771	846
Equity at 31.12.2019	**10.610**	**0**	**520.852**	**531.462**

Cash flow statement

		Group		Parent	
		2019	2018	2019	2018
	Notes	TDKK	TDKK	TDKK	TDKK
Profit/loss for the period		5.446	165.521	(2.253)	153.218
Non-cash items	23	37.143	41.652	1.607	9.269
Change in working capital	23	(1.129)	(30.438)	1.339	(12.389)
Cash flows from operating activities before financial income and expenses		41.460	176.735	693	150.098
Financial income		142	30	1	179
Financial expenses		(3.611)	(4.495)	(2.244)	(4.687)
Cash flows from ordinary activities		**37.991**	**172.270**	**(1.550)**	**145.590**
Income taxes paid		(2.605)	(562)	0	0
Net cash flow from operating activities		**35.386**	**171.708**	**(1.550)**	**145.590**
Purchase of intangible assets		(33.870)	(62.047)	0	0
Purchase of property, plant and equipment		(36.755)	(1.076)	0	0
Sale of fixed asset investments etc.		15	166	0	0
Purchase of fixed asset investments etc.		37	(525)	0	0
Capital increase in subsidiaries		0	0	0	0
Net cash flow from investing activities		**(70.573)**	**(63.482)**	**0**	**0**
Capital increase		846	74	846	74
Repayment of loans from credit institutions		(33.808)	(100.921)	210	(118.947)
Proceeds from credit institutions		40.000	0	0	0
Lease obligations		29.369	0	0	0
Repayment of payables to group enterprises		0	0	4.424	(27.895)
Sale of equity investments		(3.930)	4.181	(3.930)	1.172
Cash flow from financing activities	23	**32.477**	**(96.666)**	**1.550**	**(145.596)**
Net cash flow for the year		(2.710)	11.560	0	(6)
Cash and cash equivalents, beginning of the year		12.330	770	0	6
Cash and cash equivalents, end of the year		**9.620**	**12.330**	**0**	**0**

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1. Accounting policies

The Annual Report for the period 1 January - 31 December 2019 comprise the consolidated financial statement of the parent company Thor Denmark Holding ApS and subsidiaries controlled by the parent company (the group) as well as separate financial statements for the parent company, Thor Denmark Holding ApS.

Adoption of new and amended standards

The group has adopted all new IFRSs, amendments and interpretations that are effective from 1 January 2019, of which only IFRS 16 has had a material effect.

In addition the IASB has issued a number of new standards, amendments and interpretations which are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. None of these standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

With effect from 1 January 2019, the Company has implemented IFRS 16 Leases applying the modified retrospective approach. As permitted under the transition provisions in the standard, the comparative figures have not been restated but presented in accordance with the previous IFRS standard on leases (IAS 17) as disclosed in the annual report 2018.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease liabilities using the incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2,7 %. The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

In the adoption of IFRS 16, the group has used the following practical expedients permitted by the standard:
•Accounting for operating leases with a remaining lease term of 12 months or less as at 1 January 2019 as short-term leases.
•Excluding initial direct costs for measurement of the right-of-use asset at the date of initial application.
•Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Differences between the operating lease commitments at 31 December 2018 as disclosed in the annual report 2018 and lease liabilities recognized in the opening balance as of 1 January 2019 in accordance with IFRS 16 are specified in note 21.

The associated right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised in the balance sheet as at 31 December 2018.

Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

On consolidation, elimination is made of intra-group income and costs, shareholdings, intra-group balances and dividend and realized and unrealized profits or losses on transactions between the consolidated companies.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment if indications of impairment exists.

Foreign currency translation

Functional and presentation currency

Items in the financial statements of each of the reporting companies of the Group are measured in the currency of the primary economic environment in which the company operates (the functional currency). The functional currency of the Parent company, TIA Technology A/S is DKK.

The financial statements are presented in Danish kroner (DKK). The financial statements have been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
b) Income and expenses for each income statement are translated at average exchange rates; and
c) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:
- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.
Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Intragroup business combinations

Intragroup business combinations are accounted under the 'pooling of interests' method. Under this method, the enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is reconised directly in equity. The pooling of interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Revenue

Revenue consists of initial license fees, recurring license fees and consulting services. Initial license fee revenue is generally recognised when the software is delivered. Annual license fee revenue is recognised over time on a straight line basis over the license period, which is typically renewed once a year. Sale of services revenue is recognised as services are performed.

Software licenses

Fixed term license agreements give the right to use the software for a determined period of time, which can be extended at the end of the initial term.

The main performance obligation related to software license agreements is a right-to-use software license. The right to use the software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades and is functional without upgrades or technical support from Tia.

Revenue from sale of standard software licenses is recognised at point-in-time when delivered, provided the delivery does not depend on client acceptance of its functionality. If there is a requirement for client acceptance of functionality, the license revenue is recognised at the time of acceptance.

Implementation

Implementation service relates to the implementation of new and existing software licenses. Implementation services are recognised over time as the work is performed. Fixed fee agreements are recognized based on percentage of completion.

Hosting and maintenance
Performance obligations for hosting and maintenance fees include hosting/infrastructure services and unspecified future upgrades and system maintenance. Revenue from hosting and maintenance agreements is recognized on a straight-line basis over the contract period.

Transaction price allocation
The total transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Deferred revenue
Prepaid software license fees are recognised as deferred revenue until the criterias and conditions for revenue recognition in relevant agreements are met.

Contract liabilities
Contract liabilities represent mainly prepayments from clients for unsatisfied or partially satisfied performance obligations in relation to implementation, hosting and maintenance agreements. For hosting and maintenance agreements billing generally occurs at periodic intervals (e.g. quarterly or yearly) prior to revenue recognition, resulting in liabilities. Contract liabilities also includes deferred revenue regarding software license.
Payment terms
Typical payment terms on the contracts are net 30 days.

Cost of goods sold
Cost of goods sold comprises external consulting fees, travel expense and 3rd party licence fee.

Other external expenses
Other external expenses comprise expenses for consulting fees not charged to customers, travel expenses not charged to customers, distribution, sale, marketing, administration premises, bad debts and office expenses, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment

Amortisation, depreciation and impairment comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and non-realised capital gains/losses on transactions in foreign currency, amortisation of financial assets and liabilities etc.

Income tax and deferred tax

The company is jointly taxed with the parent company Thor Denmark Holding ApS and the Danish subsidiaries. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish tax payment scheme. Additions, deductions and allowances are recognised under financial income or financial costs.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU’s, or groups of CGU’s, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Software

Separately acquired software is measured at historical cost and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of software over its estimated useful lives of 3 years.

Development projects

Development projects regarding the entity's own developed software are measured at cost less accumulated amortisation and impairment losses.

Development projects on clearly defined and identifiable products and processes, for which the technical rate utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to develop, market or apply the product or procss in question, are recognised as intangible assets.

Research expenditure and development expenditure that do not meet the criteria in above are recognised as an expense in the income statement as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The cost of development projects comprise costs such as salaries and benefits that are directly attributable to the development projects.

Amortisation is calculated using the straight-line method to allocate the cost of development projects over their estimated useful lives of 3 years.

The amortisation begins when the development project is at a stage where its commercial potentials can be utilized in the manner intended by Management.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life (Goodwill) and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Tangible assets

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost comprise the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line baisis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment: 3 years

Leasehold improvements: 3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses arising from disposal of tangible assets are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Gains and losses are recognized in the profit and loss account as other operating income or other operating costs.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Financial assets

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If there is any indication of impairment, investments are tested for impairment as described in the accounting policies applied by the Group. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

Dividends from investments in subsidiaries are recognised as income in the Parent's income statement under financial income in the financial year in which the dividends are declared.

Equity instruments

Equity instruments include equity securities in the parent company, Thor Denmark Holding ApS.

Investments are designated as financial assets measured at fair value through other comprehensible income.

After initial measurement, equity investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income.

Equity investments is derecognised when the group has transferred its rights to receive cash flows from the asset to a third party.

Other financial assets comprise deposits.

Receivables

Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

For receivables from group companies the expected loss in the first 12 month are measured and the receivables are supervised. If credit risk is significantly changed expected creditloss in the lifetime is measured.

Prepayments

Prepayments comprise various prepaid expenses such as rent and insurance. Prepayments are measured at cost.

Equity

Reserve for development cost

The reserve for development costs consists of capitalised development costs less amortisations and impairment loss.

Reserve for foreign currency translation

The reserve for exchange adjustments consists of exchange rate differences that occur when translating the foreign subsidiaries financial statements from their functional currency into the the Group's presentation currency. On disposal of the net investment, the reserve for exchange adjustments of that foreign subsidiary is recognised in the income statement. Reduction of a net investment in a foreign operation which does not result in loss of control is not treated as a disposal.

Dividend distribution

Dividends are recognised as a liability in the period in which they are adopted at the Annual General Meeting.

Financial liabilities

On initial recognition, financial liabilities are measured at fair value less any transaction costs. These liabilities are subsequently measured at amortised cost. Subsequently liabilities are measured at amortised cost applying the effective interest method

Other liabilities

Other debt or liabilities covering trade creditors and other debt are recognized at amortized cost, which is usually equivalent to the nominal value.

Leases

As explained above, the Company has changed its accounting policy for leases where the it is the lessee. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments include among other fixed payments and variable lease payments that are based on an index or a rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Contracts may contain both lease and non-lease components. For all leases, the Company has elected not to separate the lease and non-lease components and instead accounts for these as a single component.

The lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily determinable, the incremental borrowing rate is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, any initial direct costs and restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Variable lease payments that do not depend on an index or a rate and payments associated with leases with a lease term of 12 months or less and low-value assets are recognised as an expense in the income statement, included in other operating expenses.

Until 31 December 2018, leases were classified as either finance leases or operating leases. A lease was classified at the inception date as operating leases. Operating lease payments were recognized as an operating expense in the income statement on a straight-line basis over the lease term.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group has not designated derivaties as hedging instruments. Changes in fair value are recignised in profil and loss under financial items.

Share-based payment

The group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (shares) of the group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed as a staff expense is determined by reference to difference between the fair value of the shares granted and the purchase price of the shares.

Statement of cash flow

The cash flow statement shows the Group's and the parent company's cash flows during the year distributed on operating, investing and financing activities, changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are calculated using the indirect method and as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Consolidated Key Figures

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

* Gross margin is calculated as the gross profit divided by revenue.
* Profit margin is calculated as operation profit before special items divided by revenue.
* Return on equity is calculated as net profit or loss for the year diveded by the average equity.
* EBIT-margin is calculated as operating profit (EBIT) before special items divided by revenue.
* Return on invested capital including goodwill is calculated as operating profit (EBIT) before special items, divided by average invested capital including goodwill.
* Revenue/invested capital including goodwill is calculated as revenue divided by average invested capital including goodwill.
* Financial gearing is calculated as net interest less bearing debt divided by equity.

* EBIT (Eamings Before Interest and Tax) is defined as operating profit before special items.

Invested capital including goodwill is defined as net working capital plus property, plant and equipment and intangible assets as well as accumulated amortisation of goodwill, and minus other provisions and other long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Receivables and income tax payables as well as cash are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

2. Critical accounting estimates and judgements

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Impairment testing of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Development projects

For development projects in progress an impairment test is performed annually. The impairment test is performed on the basis of various factors, including future expected use of the outcome of the project, the fair value of the estimated future earnings or savings, interest rates and risks.

For development projects in progress, Management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition.

The development projects are evaluated on technical as well as commercial criteria.

Notes

	Group		Parent	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK
3. Net revenue				
License revenue	105.584	120.426	0	0
Application maintenance (product)	38.343	12.148	0	0
Sale of services:				
PS Project revenue	25.645	41.858	0	0
Implementation revenue	24.280	15.143	0	0
	193.852	**189.575**	**0**	**0**

4. Staff expenses

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Wages and salaries	131.386	107.714	0	0
Pensions, defined contribution plans	13.771	9.818	0	0
Other staff costs	1.001	693	0	0
	146.158	**118.225**	**0**	**0**
Capitalized as part of the development projects	(33.869)	(22.989)	0	0
Recognized as special items	(8.896)	0	0	0
	103.393	**95.236**	**0**	**0**
Average number of full time employees	214	190	0	0

Key Management Compensation

Key Management includes Board of Directors and Executive Management and the extended Executive Leadership in Thor, in total six persons by end 2019. The compensation paid or payables to key management for employee services is shown below:

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Wages and salaries	9.459	16.243	0	0
Pensions, defined contribution plans	495	684	0	0
Termination benefits	0	0	0	0
Share based payments (Note 5)	0	0	0	0
	9.954	**16.927**	**0**	**0**
Compensation to the Board of Directors and Executive Management				
Compensation to the Board of Directors	747	781	0	0
Compensation to the Executive Management	4.693	4.478	0	0
	5.440	**5.259**	**0**	**0**

Compensation to Key Management and to Board of Directors and Executive Management has been paid from the subsidiary TIA Technology A/S.

5. Share based payments

Employee share scheme

A share based payment scheme under which shares may be issued by the company to employees for a cash consideration of DKK 0-1 or a cash consideration of fair value of the shares has been approved by shareholders at 30 December 2016. The scheme are available to executive management and certain key employees.

Both types of share issues are subject to leaver provisions and are therefore recognised over four years from grant date and treated as equity settled share based payments.

	2016		
	Number	**Fair value**	**Purchase prise**
		DKK	**DKK**
Preference A - shares, in Thor Denmark Holding ApS, granted at fair value	175.017	27,81	27,81
Preference B - shares, in Thor Denmark Holding ApS, granted at DKK 0-1	37.488	27,81	0-1
Ordinary B - shares, in Thor Denmark Holding ApS, granted at DKK 0-1	160.665	1,00	0-1

Shares issued under the scheme may not be sold until the earlier of four years after issue or cessation of employment by the Group. In all other respects the shares rank equally with other fully-paid preference and ordinary shares on issue, se note 18.

The grant date fair value of the scheme amounts to TDKK 1.005 and is expensed from 30 December 2016 until 30 December 2020.

The fair value of the shares has been based on a valuation of the company.

Fair value estimates of the company are measured using valuation techniques according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation guidelines.

In determining the valuation management utilizes comparable trading multiples, determines appropriate public companies based on industry, size, development stage, revenue generation and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value (EV) with EBITDA or Sales. The trading multiple or the enterprise value is then adjusted for discounts/premium with regard to such considerations as illiquidity and other differences, advantages and disadvantages between the unlisted security and the comparable public compaines based in company specific facts and circumstances.

	Group		Parent	
	2019	**2018**	**2019**	**2018**
	TDKK	**TDKK**	**TDKK**	**TDKK**

6. Research and development

Costs for development of new projects, which do not fulfil the requirements for recognition in the balance sheet are expensed immediately in the income statement:

Staff expenses	17.454	24.386	0	0
	17.454	**24.386**	**0**	**0**

7. Amortisation and depreciation

Amortisation of intangible assets	27.500	27.565	0	0
Depreciation of tangible assets	6.317	1.377	0	0
	33.817	**28.942**	**0**	**0**

8. Special items

South-east asia, shutdown	1.888	0	0	0
Strategic projects	5.359	0	0	0
Restructuring costs	7.807	500	0	0
Settlement of earn-out	(11.657)	0	0	0
Acquisition costs	0	400	0	0
Rebranding	0	1.000	0	0
Settlement of customer agreements	0	1.783	0	0
Arbitration case, net of expenses	0	(162.839)	0	(162.839)
	3.397	**(159.156)**	**0**	**(162.839)**

9. Financial income

Interest income, banks	141	11	0	0
Exchange rate adjustments	1.311	510	1	179
Fair value gain on derivatives	0	0	0	0
Other interest income	1	19	0	0
	1.453	**540**	**1**	**179**

10. Financial expenses

Interest expenses, bank borrowings	2.583	2.506	1.885	2.324
Exchange rate adjustments	1.021	1.475	11	548
Other financial expenses, including bank fees	1.028	1.989	348	1.815
	4.632	**5.970**	**2.244**	**4.687**

11. Tax on profit for the year

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Current tax:				
Current tax on profits for the year	1.670	(2.309)	0	0
Current tax on profits for previous years	6	1.684	0	0
Foreign withholding tax	(1.091)	(562)	0	0
Total current tax income	585	(1.187)	0	0
Deferred tax:				
Changes in deferred tax	(732)	(6.093)	636	(4.761)
Total deferred tax	**(732)**	**(6.093)**	**636**	**(4.761)**
Income tax for the period	**(147)**	**(7.280)**	**636**	**(4.761)**
Income tax is specified as follows:				
Calculated 22.0% tax on profit for the year before income tax	(1.230)	(38.016)	636	(34.755)
Tax effects of:				
Higher/lower tax rate in subsidiaries	0	0	0	0
Foreign withholding tax	1.091	562	0	0
Non-deductable expenses	(243)	180	0	0
Non-taxable income	0	29.994	0	29.994
Other	235	0	0	0
	(147)	**(7.280)**	**636**	**(4.761)**
Effective tax rate	2,6%	4,2%	22,0%	3,0%

12. Intangible assets

Group

	Goodwill TDKK	Acquired contracts TDKK	Completed develop-ment projects TDKK	Software TDKK	Develop-ment projects in progress TDKK	Total TDKK
Cost:						
At 01.01.2018	540.707	0	210.584	5.180	10.169	766.640
Additions during the year	24.634	12.600	2.417	0	22.989	62.640
Reclassifications	0	0	17.258	0	(17.258)	0
Adjustment to prior year acquisition	(593)	0	0	0	0	(593)
At 31.12.2018	564.748	12.600	230.259	5.180	15.900	828.687
Amortisation and impairment:						
At 01.01.2018	0	0	160.402	4.807	0	165.209
Amortisation charge	0	702	27.417	148	0	28.267
At 31.12.2018	0	702	187.819	4.955	0	193.476
Carrying amount 31.12.2018	**564.748**	**11.898**	**42.440**	**225**	**15.900**	**635.211**

	Goodwill TDKK	Acquired contracts TDKK	Completed develop-ment projects TDKK	Software TDKK	Develop-ment projects in progress TDKK	Total TDKK
Cost:						
At 01.01.2019	564.748	12.600	230.259	5.180	15.900	828.687
Additions during the year	0	0	0	0	33.870	33.870
Reclassifications	0	0	29.257	0	(29.257)	0
Adjustment to prior year acquisition	0	0	0	0	0	0
At 31.12.2019	564.748	12.600	259.516	5.180	20.513	862.557
Amortisation and impairment:						
At 01.01.2019	0	702	187.819	4.955	0	193.476
Amortisation charge	0	702	26.660	138	0	27.500
At 31.12.2019	0	1.404	214.479	5.093	0	220.976
Carrying amount 31.12.2019	**564.748**	**11.196**	**45.037**	**87**	**20.513**	**641.581**

Impairment test for goodwill
Goodwill is monitored by management on a continous basis.

The Group tests whether goodwil has suffered any impairment on an annual basis. The carried amount of goodwill, TDKK 57,041 is related to the purchase of TIA Technology 2 ApS (Assurator ApS) in 2017, goBundl ApS and Tia Technology 3 ApS (AppConsult ApS) in 2018. The entities are monitored by management as single cash generating unit. The recoverable amount of TIA is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Market research estimates that the standard insurance software solutions market will continue to grow. The forecast period involves growth in revenue based on winning new customers, as well as selling to existing customers and growth in professional services.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate is set to match expected long-term inflation.

Key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:

	2019	2018
Information and assumptions 2019	**TDKK**	**TDKK**
Goodwill	564.748	564.748
Sales (% annual growth rate)	5,6%	17%
Operating costs (annual growth rate)	2%	12%
Long term growth rate	2%	2%
Pre-tax discount rate	7%	9%
Recoverable amount	943.167	1.406.000

Sales is the average annual growth rate over the five-year forecast period. It is based on current industry trends and includes long term inflation forecasts for each territory.

Operating costs consist to a large degree of salary costs for R&D and SG&A, which do not vary significantly with sales volumes or prices. Another part of salary costs relate to professional services consultants, which varies with the development in professional serices sales volume. As SaaS offerings grow increasingly popular with customer, costs for hosting, which is directly linked to revenue, start to have an impact. Management forecasts these costs based on the current structure of the business, accounting for increased geographical and product scope, adjusting for inflationary increases and these do not reflect any future restructorings or cost saving measures. The growth disclosed is the expected average annual growth rate for the five-year forecast period. The recoverable amount is sensitive to the expected growth rate in the five-year forecast period.

Impairment test for capitalized development projects in progress
TIA tests whether capitalised development projects in progress has suffered any impairment on an annual basis. The capitalised procjects are viewed as a whole, as the projects all relate to TIA core, and are not marketable as individual assets. The sum of the capitalised development projects is TDKK 20.513. The recoverable amount is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Market research estimates that the standard insurance software solutions market will continue to grow. The forecast period involves growth in revenue based on winning new customers, as well as selling to existing customers and growing in professional services.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rate is set to match expected long-term inflation.

13. Property, plant and equipment

Group

	Land and buildings TDKK	Other fixtures and fittings, tools and equip-ment TDKK	Leasehold improve-ments TDKK	Total TDKK
Cost:				
At 01.01.2018	0	3.392	1.346	4.738
Exchange differences	0	0	0	0
Additions during the year	0	1.076	0	1.076
Disposals for the year	0	(246)	0	(246)
At 31.12.2018	0	4.222	1.346	5.568
Amortisation and impairment:				
At 01.01.2018	0	2.492	1.116	3.608
Amortisation charge	0	398	78	476
Reversal of depreciation of sold assets	0	(139)	0	(139)
At 31.12.2018	0	2.751	1.194	3.945
Carrying amount 31.12.2018	**0**	**1.471**	**152**	**1.623**
Cost:				
At 01.01.2019	0	4.222	1.346	5.568
Net effect from change of accounting policy	15.776	869	0	16.645
Additions during the year	17.710	2.400	0	20.110
Disposals for the year	0	(649)	0	(649)
At 31.12.2019	33.486	6.842	1.346	41.674
Amortisation and impairment:				
At 01.01.2019		2.751	1.194	3.945
Amortisation charge	4.999	1.197	78	6.274
Reversal of depreciation of sold assets	0	(434)	0	(434)
At 31.12.2019	4.999	3.514	1.272	9.785
Carrying amount 31.12.2019	**28.487**	**3.328**	**74**	**31.889**

	2019 TDKK	2018 TDKK

14. Investments in subsidiaries

	2019 TDKK	2018 TDKK
Parent		
Cost at 1 January	579.787	579.787
Additions during the year	0	0
Cost at 31 December	579.787	579.787
Amortisation and impairment 31 December	0	0
Carrying amount 31 December	**579.787**	**579.787**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Vote and ownership
Tia Technology A/S	Virum	100%
Tia Technology UAB	Lithuania	100%
TIA South Africa (Pty) Ltd.	South Africa	100%

15. Deferred tax

	Group		Parent	
	2019 TDKK	2018 TDKK	2019 TDKK	2018 TDKK
At 01.01.2019	(13.143)	(4.277)	1.179	5.940
Adjustments regarding previous years	0	0	0	0
Deferred tax reccognised in the income statement	(732)	(6.093)	636	(4.761)
Deferred tax from acquisitions	0	(2.773)	0	0
Deferred tax reccognised in other comprehensive income	0	0	0	0
At 31.12.2019	**(13.875)**	**(13.143)**	**1.815**	**1.179**
Deferred tax relates to:				
Intangible assets	(16.903)	(15.309)	0	0
Property, plant and equipment	(6.286)	1	0	0
Lease obligation	6.461	0	0	0
Provisions	0	0	0	0
Tax loss carry-forwards	2.853	2.165	1.815	1.179
	(13.875)	**(13.143)**	**1.815**	**1.179**

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
16. Trade receivables				
Trade receivables and other receivables at 31.12.2019	36.950	33.734	0	0
Less provision for impairment of trade receivables	0	0	0	0
Trade receivables net	**36.950**	**33.734**	**0**	**0**

Management has evaluated the impact of IFRS 9 and the expected loss model on the receivables and consider the effects to be immaterial for the annual report 2019.

Movement on the Group provision for impairment of trade receivables are as follows:				
Opening balances	0	0	0	0
Allowances during the year	0	0	0	0
Reversed allowances	0	0	0	0
At 31.12.2019	**0**	**0**	**0**	**0**

Allocation of overdue net receivables (not written off) by maturity period are as follows:				
Up to 30 days	30.030	6.822	0	0
Between 31 and 90 days	5.034	4.938	0	0
Between 91 and 365 days	0	3.598	0	0
Overdue net receivables at 31.12.2019	**35.064**	**15.358**	**0**	**0**

17. Financial assets and liabilities
Carrying amount

Financial assets:				
Financial assets at amortised cost:				
Trade receivables	36.950	33.734	0	0
Other receivables	2.672	1.939	0	0
Deposit	1.022	1.613	0	0
Cash and cash equivalents	9.620	12.330	0	0
Financial assets at amortised cost:	50.264	49.616	0	0
Total Financial assets at fair value	0	0	0	0
Total	**50.264**	**49.616**	**0**	**0**

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Financial liabilities:				
Financial liabilities at amortised cost:				
Borrowings	75.138	68.733	35.138	34.925
Payables to related parties	0	0	13.589	9.165
Trade payables	10.407	6.525	62	0
Other payables	44.740	59.128	1.578	134
Total Financial liabilities at amortised cost	130.285	134.386	50.367	44.224
Total Financial liabilities at fair value	0	0	0	0
Total	**130.285**	**134.386**	**50.367**	**44.224**

Fair values are approximately the same as the carrying amounts.

18. Share capital

The share capital is broken down as follows:

	Number of shares	Nominal value, TDKK
A-shares	9.260.881	9.261
B-shares	1.349.111	1.349
Share capital at 31.12.2019		**10.610**

Class A shares have a preference right of return and carry one voting right per share. Class B shares do not carry voting rights.

Group	Number of shares	Nominal value, DKK	% of share capital
Treasury shares:			
Treasury shares at 01.01.2019	8.016	8.016	0,08%
Shares sold	-30.000	-30.000	-0,28%
Shares outstanding	0	0	0,00%
Shares purchased	213.904	213.904	2,02%
Treasury shares at 31.12.2019	**191.920**	**191.920**	**1,81%**

Parent	Number of shares	Nominal value, DKK	% of share capital
Treasury shares:			
Treasury shares at 01.01.2019	5.091	5.091	0,05%
Shares sold	-30.000	-30.000	-0,28%
Shares purchased	213.904	213.904	2,02%
Treasury shares at 31.12.2019	**188.995**	**188.995**	**1,78%**

	TDKK
Changes in share capital:	
Share capital at 01.01.2019	10.535
Shares issued	75
Shares outstanding	0
Share capital at 31.12.2019	**10.610**

The amount of treasury shares relate to previously acquired shares in connection with settlement of certain Management Incentive Programmes for former emplyees.

Capital management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The management and board of directors monitor the share and capital structure to ensure that the Group's capital resources support the strategic goals. Through a close dialogue with its main lender and with one majority shareholder, the Group has been able to decide on funding of strategic initiatives within a very short time frame.

19. Credit institutions

General description of the loan.

	Principal	Average nominal interest rate	Average effective rate of interest	Term	Carrying amount
Revolving credit facility	40.000	CIBOR +2%	2,00%	Loan in DKK	40.000

20. Contract liabilities

The group has recognised the following revenue-related contract liabilities:

	2018 TDKK	2018 TDKK
License revenue	53.743	39.852
Application maintenance (product)	0	0
Sale of services:		
PS Project revenue	0	0
Implementation revenue	0	0
	53.743	**39.852**

There were no significant changes in the contract liability balances during the reporting period.

Revenue recognised that was included in the contract liability balance at the beginning of the period:

License revenue	38.030
Application maintenance (product)	0
Sale of services:	
PS Project revenue	0
Implementation revenue	0
	38.030

Unsatisfied performance obligations

The Group has the following aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

Aggregate amount of the transaction price that are partially or fully unsatisfied as at 31 December	1.823
	1.823

Management expects that the remaining transaction price allocated to the unsatisfied contracts as of 31 December 2019 will be recognised as revenue during the next reporting period (TDKK 1.346).

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

21. Leases

Differences between the operating lease commitments at 31 December 2018 as disclosed in the annual report 2018 and lease liabilities recognized in the opening balance as of 1 January 2019 in accordance with IFRS 16 are specified as follows:

	Group TDKK
Operating lease commitments disclosed as at 31 December 2018	16.645
Discounting effect	2,7%
Short-term leases not recognised as a liability	0
Low-value assets not recognised as a liability	0
Adjustments at initial recognition (different treatment of extension options, indexation etc.)	0
Lease liability recognised as at 1 January 2019	**16.645**
Of which are:	
Current lease liabilities	2.794
Non-current liabilities	13.851
	16.645

Lease includes contracts for lease of buildings and other fixtures and cars. The lease agreements are terminated between 18 - 75 months.

Right-of-use assets	**Group TDKK**
Land and buildings	33.486
Other fixtures and fittings, tools and equipment	869
	34.355

Lease liabilities	
Current	4.299
Non-current	25.070
	29.369

Additions to the right-of-use assets during the 2019 financial year were TDKK 17.710 for the group.

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	**Group TDKK**
Land and buildings	4.999
Other fixtures and fittings, tools and equipment	404
	5.403
Interest expense (included in finance expenses)	416
Expense relating to short-term leases (included in other operating expenses)	0
Expense relating to leases of low value assets that are not short-term leases (included in other operating expenses)	0
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses)	0

The total cash outflow for leases in 2019 was TDKK 5.403 for the group and TDKK 2.987.

In the previous year, the Company had entered into lease which were classified as 'operating leases' under IAS 17 Leases. The lease commitments for those leases were as follows:

	Group TDKK
Within one year from the balance sheet date	7.508
One to five years from the balance sheet date	7.897
More than five years after the balance sheet date	3.522
	18.927
Costs recognised in the income statement	7.127

22. Related parties

The Groups ultimate parent is Thor Holding S.à.r.l., 23, Rue Aldringen, L-1118 Luxembourg

The disclosure of “Key management compensation” is presented in note 4.

The following transactions were carried through with related parties:

	Parent	
	2019	**2018**
	TDKK	**TDKK**
Transactions with subsidiaries:		
Payable to subsidiaries	13.589	9.165

23. Commitments and contingent liabilities

Operating leases

Other commitments

Thor Denmark Holding ApS has pledged a guarantee to Nordea Bank Danmark for the subsidiaries Tia Technology A/S S as security for their credit facilities with a total credit facility of 80,000 TDKK and liability of 40,000 TDKK as of 31 December 2019.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

24. Cash flow statement

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Adjustments				
Financial income	(1.453)	(540)	(1)	(179)
Financial expenses	4.632	5.970	2.244	4.687
Depreciation, amortisation and impairment losses, including los	33.817	28.942	0	0
Tax on profit/loss for the year	147	7.280	(636)	4.761
	37.143	**41.652**	**1.607**	**9.269**

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Change in working capital				
Change in receivables	(3.756)	(21.269)	(57)	(57)
Change in trade payables, etc.	2.627	(9.169)	1.396	(12.332)
	(1.129)	**(30.438)**	**1.339**	**(12.389)**

	Group 2019 TDKK	Group 2018 TDKK	Parent 2019 TDKK	Parent 2018 TDKK
Changes in liabilities arising from financing activities				
Debt as at 1 January	134.386	241.809	44.224	203.395
Cashflow	14.192	(6.517)	1.506	(12.332)
Proceeds from borrowings	27.172	0	0	0
Repayment of borrowings	(33.808)	(100.906)	4.637	(146.839)
Contingent considerations from acquisition	(11.657)	0	0	0
Foreign currency	0	0	0	0
Other non-cash movements	0	0	0	0
Debt as at 31 December	**130.285**	**134.386**	**50.367**	**44.224**

Notes

25. Financial risk management

Financial risk factors

The Financial risks of the group are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. Group finance identifies and evaluates in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk

The group operates internationally and sales revenue is exposed to foreign exchange risk, primarily with respect to the NOK and ZAR. Foreign exchange risk arises from recurring license sales denominated in local currency. Increases or decreases in the exchange rate of such foreign currencies against the functional currency, the DKK, can affect the group's results and cash position negatively or positively. The exchange risk is limited by the fact that license fees are paid annually in advance. Professional services are invoiced monthly with dynamic exchange rate conversion and are therefore generally not impacted materially by exchange rate fluctuations.

Management has set up a policy to manage the foreign exchange risk against the DKK. Foreign exchange risk arise when long-term license agreements are denominated in local currency using the exchange rate at the time of signing.

The Groups cost of goods sold and operating expenses are mainly incurred in DKK or EUR. The Group has transactions in other currencies, but the foreign exchange risks related to this are not considered material.

Interest rate risk

Thor's interest rate risk is limited and arises from long-term borrowing related to the acquisition of TIA.

The borrowing was reduced with the proceeds received from the arbitration case.

Credit risks

The Group has no material credit risk. Recurring license fees are paid in advance, and professional serices are paid monthly.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The maximum exposure corresponds to the carrying amount of receivables.

Liquidity risk

Cash flow forecasting is performed by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times to avoid breach of borrowing limits or any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans and compliance with internal balance sheet ratio targets.

The group has undrawn borrowing facilities of DKK 21m on the revolving credit facity that may be available for future operating activities and to settle capital commitments.

Notes

25. Financial risks (continued)

The table below analyses the group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	**Less than 1 year TDKK**	**1-5 years TDKK**	**>5 years TDKK**	**Total TDKK**
At 31.12.2018				
Credit institutions	1.021	69.754	0	70.775
Trade payables	6.525	0	0	6.525
Other payables	35.228	23.900	0	59.128
	42.774	**93.654**	**0**	**136.428**
At 31.12.2019				
Credit institutions	0	75.138	0	75.138
Lease obligations	4.299	18.236	6.834	29.369
Trade payables	10.407	0	0	10.407
Other payables	42.868	1.872	0	44.740
	57.574	**95.246**	**6.834**	**159.654**

Parent	**Less than 1 year TDKK**	**1-5 years TDKK**	**>5 years TDKK**	**Total TDKK**
At 31.12.2018				
Credit institutions	852	35.777	0	36.629
Trade payables	0	0	0	0
Other payables	134	0	0	134
Intercompany	9.165	0	0	9.165
	10.151	**35.777**	**0**	**45.928**
At 31.12.2019				
Credit institutions	857	34.281	0	35.138
Lease obligations	0	0	0	0
Trade payables	62	0	0	62
Other payables	1.578	0	0	1.578
Intercompany	13.589	0	0	13.589
	16.086	**34.281**	**0**	**50.367**

Notes

26. Events after the balance sheet date

Management considers the implications of COVID-19 a subsequent event that occurred after the balance sheet date (31 December 2019), and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event). Tia has not been severely impacted by COVID-19 nor the comprehensive governmental responses to the situation. The company delivers mission critical solutions and services to a diversified customer base, primarily consisting of large and well-invested insurance companies.

No additional events have occured after the balance sheet date.

27. Business combinations

On 1 March 2018 the group acquired 100 % of the share capital in the subsidiary goBundl ApS. Further on the 11 October 2018 the group acquired 100% of the share capital in the subsidiary AppConsult ApS (Tia Technology 3 ApS). The companies provides IT consulting services to TIA customers, and also develops insurance applications.

On 28 February 2017 the group acquired 100% of the share capital in the subsidiary Tia Technology 2 ApS, a Danish TIA implementation partner. Tia Technology 2 ApS provides IT consulting services to TIA customers, and also develops insurance applications, incl. the solution SIPAS.

With these acquisitions TIA significantly strengthens Professional Services, as well as best-practice guidance and tools and thereby builds a critical mass to support customers through projects, regardless of scope and scale.

Details of the purchase consideration are as follows:

	2019	**2018**
	TDKK	**TDKK**
Cash paid	0	12.490
Contingent consideration	0	25.000
Total consideration	0	37.490

The goodwill of TDKK 57.041 arising from the acquisitions is attributable to the workforce and expected growth in the acquired business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Fair value of the assets and liabilities acquired is summarized in the following table, which discloses recognised amounts of identifiable assets acquired and liabilities assumed:

	2019	**2018**
	TDKK	**TDKK**
Net assets acquired		
Development projects	0	0
Acquired contracts	0	12.600
Tangible assets	0	469
Deposits	0	15
Trade receivables (Gross amount TDKK 4.366)	0	4.366
Other receivables	0	161
Cash	0	2.663
Deferred revenue	0	0
Deferred tax liabilities	0	2.772
Other debt	0	4.646
Net assets	0	12.856
Consideration paid	0	37.490
Goodwill	0	24.634
Cash flows from acquisition:		
Total consideration	0	37.490
Less contingent consideration	0	(25.000)
Less cash received	0	(2.663)
	0	9.827

Transaction costs of approximately TDKK 400 has been incurred in 2018.