Crowe Statsautoriseret Revisionsinteressentskab v.m.b.a.

Rygårds Allé 104
DK-2900 Hellerup

Telefon +45 39 29 25 00
www.crowe.dk

NTI Group ApS

Lejrvej 15
3500 Værløse

CVR no. 39 08 46 94

Annual report for 2019

(3rd Financial year)

Adopted at the annual general meeting
on 30 August 2020

David Brice
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of NTI Group ApS for the financial year 1 January - 31 December 2019.

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

In our 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 2019 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2019.

In our 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.

Værløse, 28 August 2020

Executive board

Jesper Kalko director	Steen Alexander director

Independent auditor's report

To the shareholder of NTI Group ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of NTI Group ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial 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 2019 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 2019 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.

- 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.

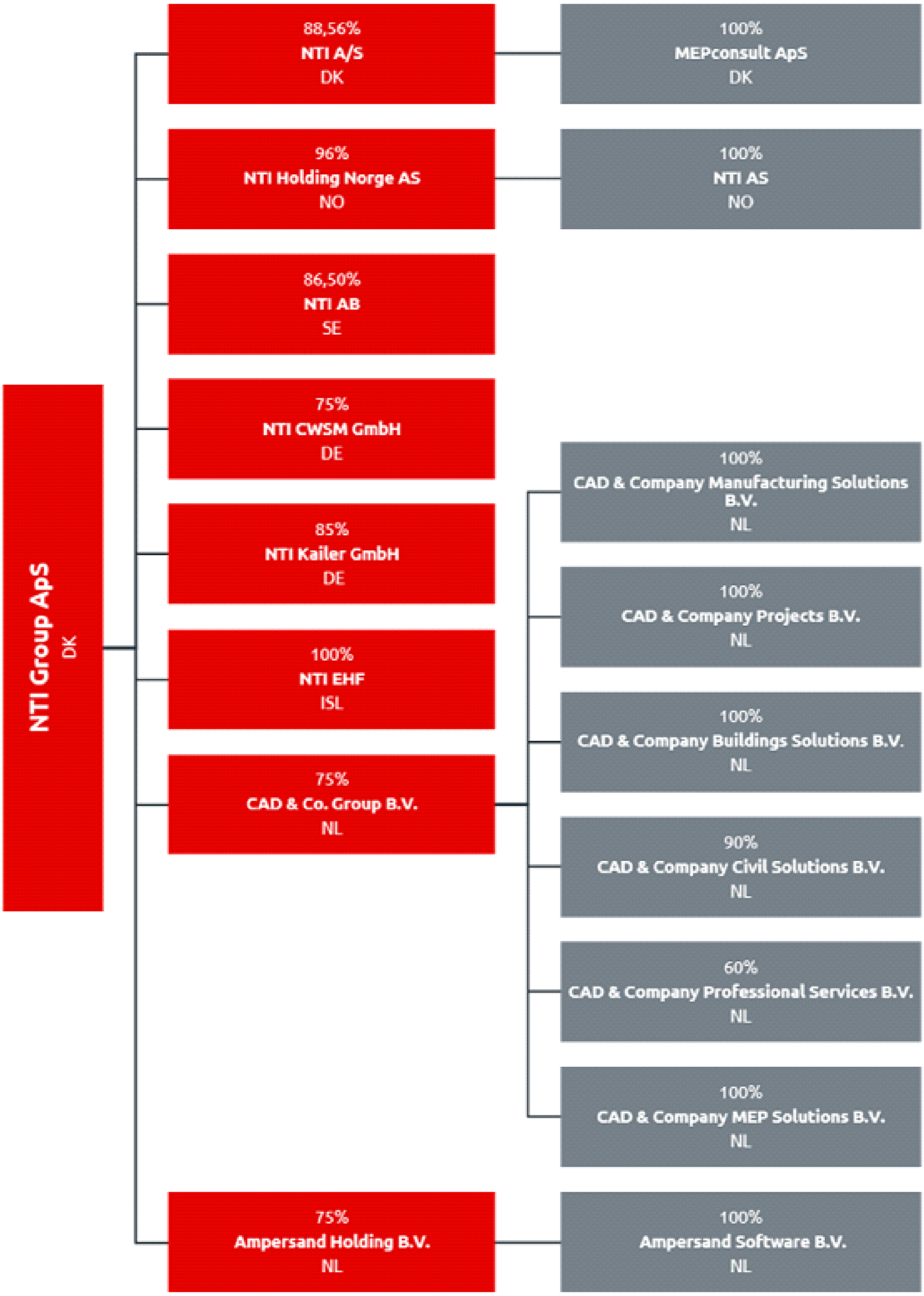
Hellerup, 28 August 2020
CVR no. 33 25 68 76
Crowe

Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

The company	NTI Group ApS Lejrvej 15 3500 Værløse	
	CVR no.:	39 08 46 94
	Reporting period:	1 January - 31 December 2019
	Incorporated:	13. November 2017
	Domicile:	Furesø
Executive board	Jesper Kalko, director Steen Alexander, director	
Auditors	Crowe Statsautoriseret Revisionsinteressentskab v.m.b.a. Rygårds Allé 104 2900 Hellerup	
Consolidated financial statements	The company is reflected in the group report of the parent company Hilarius ApS.	

Group chart


NTI Group ApS
DK
88,56%
NTI A/S
DK
100%
MEPconsult ApS
DK
96%
NTI Holding Norge AS
NO
100%
NTI AS
NO
86,50%
NTI AB
SE
75%
NTI CWSM GmbH
DE
85%
NTI Kailer GmbH
DE
100%
NTI EHF
ISL
75%
CAD & Co. Group B.V.
NL
100%
CAD & Company Manufacturing Solutions B.V.
NL
100%
CAD & Company Projects B.V.
NL
100%
CAD & Company Buildings Solutions B.V.
NL
90%
CAD & Company Civil Solutions B.V.
NL
60%
CAD & Company Professional Services B.V.
NL
100%
CAD & Company MEP Solutions B.V.
NL
75%
Ampersand Holding B.V.
NL
100%
Ampersand Software B.V.
NL

Financial highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	Group		
	2019	2018	2017
	TDKK	TDKK	TDKK
Key figures			
Revenue	622.998	502.378	400.839
Gross profit	204.034	180.512	166.989
Profit/loss before amortisation/depreciation and impairment losses (EBITDA)	36.492	25.293	21.675
Profit/loss before net financials (EBIT)	27.300	18.442	16.194
Net financials	-907	-175	-202
Profit/loss for the year	15.709	11.260	10.562
Balance sheet total	269.822	198.703	162.342
Investment in property, plant and equipment	-3.082	-1.541	-1.100
Equity	78.508	72.434	56.213
Financial ratios			
Gross margin	32,8%	35,9%	41,7%
Return on assets	11,7%	10,2%	20,0%
Solvency ratio	29,1%	36,5%	34,6%
Return on equity	20,8%	17,5%	37,6%

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 review
NTI Group ("NTI") with a revenue of more than DKK 620 million, is one of the largest Autodesk Platinum partners in Europe with approx. 340 employees. The headquarter is located outside Copenhagen, Denmark. NTI has subsidiaries in Denmark, Sweden, Norway, Iceland, Germany and The Netherlands.

NTI Group is member of the Hilarius Group.

NTI at a glance
NTI is a leading full-service supplier of solutions for digital information management for the mechanical design, construction and engineering industry in Europe. We are delivering knowledge, education and consulting along with the software and hardware.

By combining our design- and construction specialists across Europe, we invite our customers to leverage from a pool of industry experts, when addressing their challenges such as digital transformation, Smart-Industry 4.0, Digital Twins and the European BIM-protocol.

Our areas of expertise

- NTI leads with its strong partnership with Autodesk and we are recognized for our thought leadership in BIM, 3D-design and digitalization. We support and advice on implementation processes, innovation and digitization processes in the construction, installation, civil engineering & infrastructure and manufacturing space in Europe.

Our solutions

- We make our knowledge and expertise accessible through our local teams and our own developed software solutions. We support you through our technology solutions as well as our training and knowledge sharing activities.

Our customer base

- The customer base is very diverse. It ranges from oneman businesses through small and mediumsized enterprises to some of the biggest international corporations. No customer accounts for more than 5% of turnover.

Mission, vision & our promise

- It is our vision to be the leading advisor and our customer's preferred partner in delivering technology and consulting services to the design and construction industry in Europe.
- It is our mission to help our customers develop profitable, better and more sustainable designs and constructions in an increasingly challenging world.
- We will meet your expectations through a close cooperation based on commitment, reliability, humility and mutual respect.

Management's review

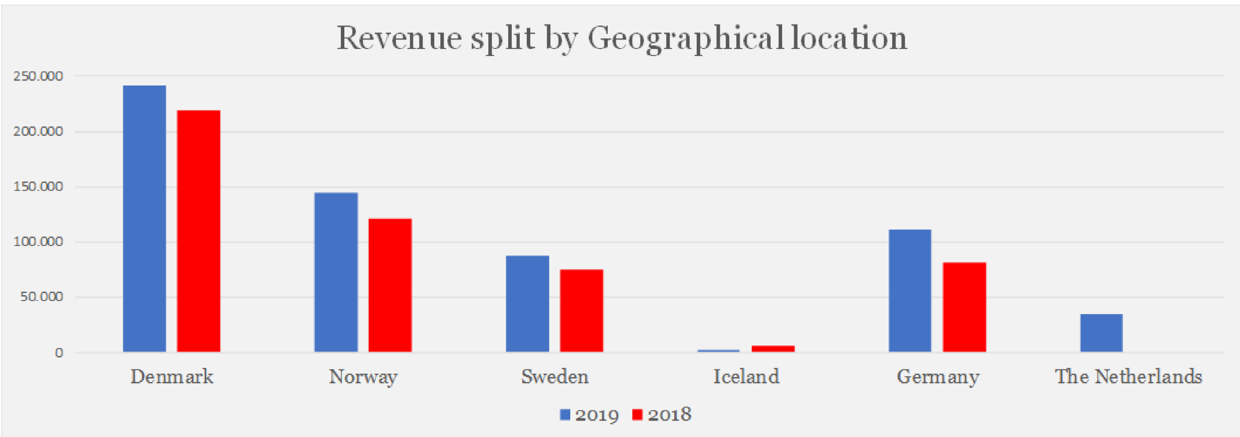
Financial review

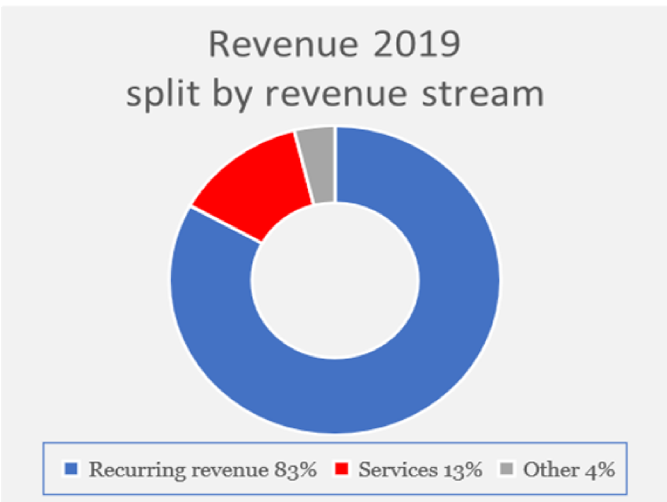
2019 was a satisfactory year for NTI. Revenue growth was 24 %, of which 17 % was organic. EBITDA increased to DKK 36,5 million with an EBITDA margin of 5,9%. The share of recurring revenue increased to 83%.

In November 2019, NTI acquired CAD & Company Group in the Netherlands, hence DKK 150 million was added to NTI's yearly revenue and with a good profitability. The revenue impact in 2019 was DKK 34,7 million.

The group's income statement for the year ended 31 December 2019 shows a profit of DKK 15.709.440, and the balance sheet at 31 December 2019 shows equity of DKK 78.508.447.

The cash position and Equity of the group is very solid, both measured on the balance sheet date and the forthcoming 12 months. The Annual Report has therefore been prepared based on the assumption of normal going concern principles. In addition, no events have occurred after the end of the financial year that could significantly affect the company's financial position. Please also refer to below section.





Key ratios

1´000 DKK	2019	2018
Revenue	622.998	502.378
EBITDA	36.492	25.293
EBITDA margin %	5,9%	5,0%
EBIT	27.300	18.442
EBIT margin %	4,4%	3,7%

EBITDA growth compared to 2018	Revenue growth compared to 2018
+44%	+24%

Management's review

Significant events occurring after the end of the financial year
The COVID-19 pandemic that occurred in January 2020 has no effect on the annual accounts for 2019. It is still too early to assess the overall future impact for NTI. The health situation and our staff are our first priority. These matters are prioritised locally in our businesses, and at all times in line with local health authority recommendations. In each business we must align capacity to demand and fluctuations in business volume, and in some cases, we are now preparing our businesses for a lower business volume.

The COVID-19 crisis has not created uncertainty about NTI's ability to continue operating. The staff has been reduced on a smaller scale in a prioritization of reduction of fixed expenses to ensure a favourable situation, both short and long term. This ensures that NTI gets through the crisis in the best possible way, and in the long-term support continued growth and development within a 3-5 years perspective.

Expected development of the company, including specific prerequisites and uncertainties
The Company’s outlook for the future will be negatively affected by the COVID 19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak. Company Management has tried to estimate the effect of COVID 19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Management's review

The company's knowledge resources if of particular importance to its future earnings
General risks:
The group's major operational risks are related to fulfilling the requirements of its biggest supplier Autodesk, for the ability to service customers at a highly professional level, and thus to be able to attract and retain personnel with the necessary skills.

Knowledge resources
NTI – as an Autodesk Platinum partner - works closely with one of the world's biggest developer of CAD/CAM software programs (Autodesk).

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

As we work directly with Autodesk, we have access to support from them globally. This close relationship enables NTI to give our customers maximum return on their investment in software from Autodesk.

With the ambition to stay within the Top-5 Autodesk reseller market leaders in Europe, NTI invests significantly in staying on the forefront of technological development. The product offering from Autodesk combined with supporting software from a variety of other suppliers, including software (NTI TOOLS) developed by our own R&D department, qualify NTI as one of the strongest partners in the industry. NTI provides complete solutions including products, courses and consultancy in order to support the customers in achieving the most optimal solution for their businesses.

Thus, apart from having high quality 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. This demands a dynamic knowledge environment to ensure that our employees can share valuable know-how.

The loss of skilled personnel represents a risk to NTI. To minimise that risk, NTI drives several initiatives designed to promote job satisfaction and continuous skill development amongst our employees. The employee turnover in the NTI group is very low.

Management's review

Statutory report on corporate social responsibility
NTI bears a social responsibility, which includes ethics, working environment as well as environmental protection. We constantly seek to adapt and improve the working environment to ensure maximum employee satisfaction and fully compliance with national standards.

Environmental measures
The fact that NTI as a company is not in the manufacturing business, our impact on the environment consists mainly of wisely use of our natural resources, 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; we use energy-saving light bulbs and eco-friendly electronics whenever possible. In order to protect the environment, we have switched to e-invoicing to our customers when 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.

In addition, we focus on serving organic food and fruits to our guests and our employees.

We believe strongly in correctly sorting our waste, including batteries, paper, cardboard etc., and re-use packaging when shipping goods etc. Waste sorting, 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.

Finally, we try to avoid unnecessary travel by car or by airplane, using video meetings, Teams and Skype calls to the greatest extent possible, both internally as well as with our customers.

Suppliers in high-risk countries
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.

NTI has prioritized to keep software development within NTI’s European entities, which secure compliance with our CSR policy.

Autodesk (our main supplier by far) is an American business with a well-embedded CSR policy.

Management's review

The CSR polices of our suppliers
We are generally 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.

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

Autodesk operates according to the following sustainability approach[1] to which NTI agrees and complies with:

> *Autodesk on sustainability:*
>
> *Autodesk's approach:*
>
> *In collaboration with our suppliers, business partners, and customers, we employ best practices that promote social and environmental responsibility at all levels and improve our direct impact on people and the planet.Environmental policy*
>
> *[Autodesk's] environmental policy underpins our efforts within our own operations, with our suppliers and business partners, and in support of our customers' efforts to improve their environmental performance.*
>
> *Human rights policy*
>
> *[Autodesk's] resolve to help design and build a safe and liveable world for everyone on this planet is core to everything we do.*
>
> *Code of conduct*
>
> *[Autodesk's] Partner Code of Conduct, established in 2013, ensures that our resellers and distributors comply with our high standards.*

NTI's CSR policy can be reviewed in detail at www.nti.biz

[1]Source: https://www.autodesk.com/sustainability/overview

Management's review

Policies on the underrepresented gender
NTI regards it as selfevident that there is no discrimination in our company, whether sexual, genderrelated, 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 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 wellbeing and that of their colleagues by reporting any suspicion of anyone in trouble, to facilitate investigation into the root cause.

NTI has implemented a personality profiler, called 'Insights', that also helps highlight the many advantages of our diversity.

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 offered 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 overrepresentation of male candidates within several employee groups when we advertise a vacancy, especially for open positions in the R&D, Consultancy, IT and Technical Sales Departments. This follows the general trend in society where the male gender dominates our professional areas. We adopt a very positive view of the underrepresented gender (women in this case) and select the best candidate for the job based on overall assessment. The example being that we recruited a female Country Manager for Sweden early in 2019, simply because of she was the best candidate for the job. In addition, we have a number of women in the management team who are there because of their skills and capacities alone.

By the end of 2019, employee distribution based on the average number of employees through 2019 looks like this (total 277):

Woman: 62
Men: 215

Accounting policies

The annual report of NTI Group ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

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 2019 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 installments 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 NTI moder 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.

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
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.

Tax on profit/loss for the year
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.

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
Other 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.

Accounting policies

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	
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	3-5	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.

Investments in subsidiaries

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 NTI Group 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.

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).

Accounting policies

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.

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.

Accounting policies

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.

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 2019 - 31 December 2019

	Note	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
		DKK	TDKK	DKK	TDKK
Revenue	1	**622.998.168**	**502.378**	**0**	**0**
Other operating income		2.851.368	1.350	4.068.469	173
Expenses for raw materials and consumables		-371.635.031	-282.178	0	0
Other external costs		-50.180.296	-41.038	-1.459.399	-272
Gross profit		**204.034.209**	**180.512**	**2.609.070**	**-99**
Staff costs	2	-167.542.140	-155.219	-2.796.987	0
Profit/loss before amortisation/depreciation and impairment losses		**36.492.069**	**25.293**	**-187.917**	**-99**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-9.192.385	-6.825	0	0
Other operating costs		0	-26	0	0
Profit/loss before net financials		**27.299.684**	**18.442**	**-187.917**	**-99**
Income from investments in subsidiares		0	0	16.908.983	11.376
Financial income	4	435.339	185	1.101	12
Financial costs	5	-1.342.203	-360	-839.543	0
Profit/loss before tax		**26.392.820**	**18.267**	**15.882.624**	**11.289**
Tax on profit/loss for the year	6	-7.893.213	-5.174	-173.184	-29
Profit/loss before minority interests		**18.499.607**	**13.093**	**15.709.440**	**11.260**
Minority interests' share of net profit/loss of subsidiaries		-2.790.167	-1.833	0	0
Profit/loss for the year		**15.709.440**	**11.260**	**15.709.440**	**11.260**
Distribution of profit	7				

Balance sheet at 31 December 2019

	Note	Group 2019 DKK	Group 2018 TDKK	Parent Company 2019 DKK	Parent Company 2018 TDKK
Assets					
Acquired patents		56.179	83	0	0
Goodwill		46.655.600	17.910	0	0
Intangible assets	8	**46.711.779**	**17.993**	**0**	**0**
Other fixtures and fittings, tools and equipment		3.733.084	2.197	0	0
Leasehold improvements		10.638	47	0	0
Tangible assets	9	**3.743.722**	**2.244**	**0**	**0**
Investments in subsidiaries	10	0	0	95.100.091	56.923
Other receivables		391.679	394	0	0
Fixed asset investments		**391.679**	**394**	**95.100.091**	**56.923**
Total non-current assets		**50.847.180**	**20.631**	**95.100.091**	**56.923**
Finished goods and goods for resale		2.448.174	487	0	0
Stocks		**2.448.174**	**487**	**0**	**0**
Trade receivables	11	123.583.871	114.232	0	0
Receivables from subsidiaries		0	0	449.082	11.019
Other receivables		14.946.310	13.623	530.002	41
Deferred tax asset	14	748.943	287	0	0
Prepayments	12	2.407.910	4.134	0	0
Receivables		**141.687.034**	**132.276**	**979.084**	**11.060**
Current asset investments		4.953	5	0	0
Securities		**4.953**	**5**	**0**	**0**

Balance sheet at 31 December 2019 (Fortsat)

	Note	Group 2019 DKK	Group 2018 TDKK	Parent Company 2019 DKK	Parent Company 2018 TDKK
Assets					
Cash at bank and in hand		**74.835.081**	**45.304**	**0**	**271**
Total current assets		**218.975.242**	**178.072**	**979.084**	**11.331**
Total assets		**269.822.422**	**198.703**	**96.079.175**	**68.254**

Balance sheet at 31 December 2019

	Note	Group 2019 DKK	Group 2018 TDKK	Parent Company 2019 DKK	Parent Company 2018 TDKK
Equity and liabilities					
Share capital		500.000	500	500.000	500
Reserve for net revaluation under the equity method		0	0	3.362.221	2.415
Retained earnings		67.499.013	66.659	64.136.792	64.244
Non-controlling interests		10.509.434	5.275	0	0
Equity	13	**78.508.447**	**72.434**	**67.999.013**	**67.159**
Other payables		12.637.834	0	9.738.220	0
Total non-current liabilities	15	**12.637.834**	**0**	**9.738.220**	**0**
Banks		18.628.319	0	15.904.926	0
Other credit institutions		0	1.493	0	0
Trade payables		52.416.382	42.247	0	0
Payables to subsidiaries		0	0	25.837	0
Corporation tax		5.422.310	3.825	0	0
Joint taxation contributions payable		0	0	173.184	29
Other payables		55.259.778	42.877	2.237.995	1.066
Deferred income	16	46.949.352	35.827	0	0
Total current liabilities		**178.676.141**	**126.269**	**18.341.942**	**1.095**
Total liabilities		**191.313.975**	**126.269**	**28.080.162**	**1.095**
Total equity and liabilities		**269.822.422**	**198.703**	**96.079.175**	**68.254**

Significant events occurring after the end of the financial year	17
Rent and lease liabilities	18
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Statement of changes in equity

Group

	Share capital	Retained earnings	Proposed extraordinary dividend	Non-controlling interests	Total
Equity at 1 January 2019	500.000	66.659.314	0	5.275.287	72.434.601
Extraordinary dividend paid	0	0	-15.000.000	0	-15.000.000
Exchange adjustment, foreign	0	130.259	0	0	130.259
Purchase of minority shares	0	0	0	2.443.980	2.443.980
Net profit/loss for the year	0	709.440	15.000.000	2.790.167	18.499.607
Equity at 31 December 2019	**500.000**	**67.499.013**	**0**	**10.509.434**	**78.508.447**

Parent Company

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Proposed extraordinary dividend	Total
Equity at 1 January 2019	500.000	2.545.764	64.113.550	0	67.159.314
Extraordinary dividend paid	0	0	0	-15.000.000	-15.000.000
Exchange adjustment, foreign	0	130.259	0	0	130.259
Net profit/loss for the year	0	686.198	23.242	15.000.000	15.709.440
Equity at 31 December 2019	**500.000**	**3.362.221**	**64.136.792**	**0**	**67.999.013**

Cash flow statement
1 January 2019 - 31 December 2019

	Note	Group 2019	Group 2018
		DKK	TDKK
Net profit/loss for the year		15.709.440	11.260
Adjustments	23	20.896.407	13.912
Change in working capital	24	36.688.092	-15.393
Cash flows from operating activities before financial income and expenses		**73.293.939**	**9.779**
Financial income		435.339	185
Financial expenses		-1.342.203	-358
Cash flows from ordinary activities		**72.387.075**	**9.606**
Corporation tax paid		-8.040.074	-5.246
Cash flows from operating activities		**64.347.001**	**4.360**
Purchase of intangible assets		-36.312.976	-3.883
Purchase of property, plant and equipment		-3.081.577	-1.541
Minority interests		2.443.980	-2.859
Cash flows from investing activities		**-36.950.573**	**-8.283**
Dividend paid		-15.000.000	0
Cash flows from financing activities		**-15.000.000**	**0**
Change in cash and cash equivalents		**12.396.428**	**-3.923**
Cash at bank and in hand		45.303.859	47.814
Current asset investments		4.888	5
Overdraft facility		-1.493.460	-80
Cash and cash equivalents		43.815.287	47.739
Cash and cash equivalents		**56.211.715**	**43.816**

Cash flow statement
1 January 2019 - 31 December 2019 (Fortsat)

		Group	
	Note	2019	2018
		DKK	TDKK
Analysis of cash and cash equivalents:			
Cash at bank and in hand		74.835.081	45.304
Current asset investments		4.953	5
Overdraft facility		-18.628.319	-1.493
Cash and cash equivalents		**56.211.715**	**43.816**

Notes

1 Information on segments

Activities - primary segment

t.kr.	IT software	Group total
2019		
Revenue	622.998	622.998
2018		
Revenue	502.378	502.378

Geographical - secondary segment

	Denmark	Norway	Sweden	Germany	Iceland	The Netherlands	Group total
2019							
Revenue	242.017	144.714	87.773	111.244	2.520	34.730	622.998
2018							
Revenue	219.495	121.200	74.743	81.523	5.417	0	502.378

Notes

	Group		Parent Company	
	2019	2018	2019	2018
	DKK	TDKK	DKK	TDKK
2 Staff costs				
Wages and salaries	146.072.635	133.345	2.737.635	0
Pensions	4.792.028	4.879	51.778	0
Other social security costs	13.811.420	13.339	7.574	0
Other staff costs	2.866.057	3.656	0	0
	167.542.140	**155.219**	**2.796.987**	**0**
Including remuneration to the Executive and Supervisory Boards				
Executive Board	1.182.000	264	0	0
	1.182.000	**264**	**0**	**0**
Average number of employees	277	266	0	0

Notes

		Group		Parent Company	
		2019	2018	2019	2018
		DKK	TDKK	DKK	TDKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Depreciation intangible assets	7.551.260	5.669	0	0
	Depreciation tangible assets	1.641.125	1.156	0	0
		9.192.385	**6.825**	**0**	**0**

4	**Financial income**				
	Interest received from subsidiaries	0	0	0	11
	Other financial income	435.339	185	1.101	1
		435.339	**185**	**1.101**	**12**

5	**Financial costs**				
	Interest paid to subsidiaries	0	0	7.691	0
	Other financial costs	1.342.203	360	831.852	0
		1.342.203	**360**	**839.543**	**0**

6	**Tax on profit/loss for the year**				
	Current tax for the year	8.040.074	5.246	173.184	29
	Deferred tax for the year	-146.898	78	0	0
	Adjustment of tax concerning previous years	37	-151	0	0
		7.893.213	**5.173**	**173.184**	**29**

Notes

		Group		Parent Company	
		2019	2018	2019	2018
		DKK	TDKK	DKK	TDKK
7	**Distribution of profit**				
	Extraordinary dividend for the year	15.000.000	0	15.000.000	0
	Reserve for net revaluation under the equity method	0	0	686.198	1.219
	Retained earnings	709.440	11.260	23.242	10.041
		15.709.440	**11.260**	**15.709.440**	**11.260**

8 Intangible assets

Group

	Acquired patents	Goodwill
Cost at 1 January 2019	192.842	45.196.575
Exchange adjustment	159	72.814
Additions for the year	28.546	36.284.430
Cost at 31 December 2019	221.547	81.553.819
Impairment losses and amortisation at 1 January 2019	109.955	27.286.248
Exchange adjustment	161	60.711
Depreciation for the year	55.252	7.551.260
Impairment losses and amortisation at 31 December 2019	165.368	34.898.219
Carrying amount at 31 December 2019	**56.179**	**46.655.600**

Notes

9 Tangible assets

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	12.374.963	1.068.685
Exchange adjustment	68.745	0
Additions for the year	3.138.690	0
Disposals for the year	-404.483	0
Cost at 31 December 2019	15.177.915	1.068.685
Impairment losses and depreciation at 1 January 2019	10.177.968	1.022.040
Exchange adjustment	64.368	0
Depreciation for the year	1.549.865	36.007
Reversal of impairment and depreciation of sold assets	-347.370	0
Impairment losses and depreciation at 31 December 2019	11.444.831	1.058.047
Carrying amount at 31 December 2019	**3.733.084**	**10.638**

Notes

	Group		Parent Company	
	2019	2018	2019	2018
	DKK	TDKK	DKK	TDKK
10 Investments in subsidiaries				
Cost at 1 January 2019	0	0	54.508.449	46.717
Additions for the year	0	0	37.229.421	7.791
Cost at 31 December 2019	0	0	91.737.870	54.508
Revaluations at 1 January 2019	0	0	2.415.505	1.509
Exchange adjustment	0	0	130.259	-313
Year result	0	0	21.792.399	15.472
Received dividend	0	0	-16.092.528	-10.157
Depreciation of goodwill	0	0	-4.883.414	-4.096
Revaluations at 31 December 2019	0	0	3.362.221	2.415
Carrying amount at 31 December 2019	**0**	**0**	**95.100.091**	**56.923**
Remaining positive difference included in the above carrying amount at 31 December 2019	0		34.212.932	

Parent Company

Investments in subsidiaries are specified as follows:

Navn	Registered office	Ownership interest
NTI A/S	Denmark	88,56%
NTI Kailer GmbH	Germany	85%
NTI Sweden AB	Sweden	86,5%
NTI EHF	Iceland	100%
NTI Holding Norge AS	Norway	96%
NTI CWSM GmbH	Germany	75%
Ampersand Holding B.V.	Netherland	75%
CAD & Company Group B.V.	Netherland	75%

Notes

	Group		Parent Company	
	2019	2018	2019	2018
	DKK	TDKK	DKK	TDKK
11 Receivables				
The following trade receivables fall due for payment more than 1 year after year end	9.610.510	17.084	0	0

12 Prepayments

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

13 Equity

The share capital consists of 500 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes

		Group		Parent Company	
		2019	2018	2019	2018
		DKK	TDKK	DKK	TDKK
14	**Provision for deferred tax**				
	Provision for deferred tax at 1 January 2019	-286.798	-365	0	0
	Deferred tax recognised in income statement	-146.898	78	0	0
	Provisions for deferred tax through mergers and business combinations	-315.247	0	0	0
	Provision for deferred tax at 31 December 2019	**-748.943**	**-287**	**0**	**0**
	Property, plant and equipment	-950.956	-529	0	0
	Trade receivables	-36.187	-38	0	0
	Prepayments	267.243	280	0	0
	Tax loss carry-forward	-29.043	0	0	0
	Transferred to deferred tax asset	748.943	287	0	0
		0	**0**	**0**	**0**
	Deferred tax asset				
	Calculated tax asset	748.943	287	0	0
	Carrying amount	**748.943**	**287**	**0**	**0**

Notes

15 Long term debt

Group	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Other payables	0	12.637.834	0	0
	0	**12.637.834**	**0**	**0**

Parent Company	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Other payables	0	9.738.220	0	0
	0	**9.738.220**	**0**	**0**

16 Deferred income

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

17 Significant events occurring after the end of the financial year

The COVID-19 pandemic that occurred in January 2020 has no effect on the annual accounts for 2019. It is still too early to assess the overall future impact for NTI. The health situation and our staff are our first priority. These matters are prioritised locally in our businesses, and at all times in line with local health authority recommendations. In each business we must align capacity to demand and fluctuations in business volume, and in some cases, we are now preparing our businesses for a lower business volume.

The COVID-19 crisis has not created uncertainty about NTI's ability to continue operating. The staff has been reduced on a smaller scale in a prioritization of reduction of fixed expenses to ensure a favourable situation, both short and long term. This ensures that NTI gets through the crisis in the best possible way, and in the long-term support continued growth and development within a 3-5 years perspective.

Notes

	Group		Parent Company	
	2019	2018	2019	2018
	DKK	TDKK	DKK	TDKK
18 Rent and lease liabilities				
Lease liabilities	1.610.000	3.254	0	0

19 Contingent liabilities

The company is jointly taxed with its parent company, Hilarius ApS (management company), 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.

20 Mortgages and collateral

The following assets have been put up as security for the group's banks:				
Floating charges	4.110.669	8.468	-	-
	4.110.669	**8.468**	**-**	**-**

The Group has provided a guarantee against Jyske Bank regarding the provision of guarantees for leases DKK 942.000.

21 Related parties and ownership structure

Controlling interest

Hilarius ApS, Langs Hegnet 58, 2800 Kgs. Lyngby
Hilarius ApS 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	
	2019	2018	2019	2018
	DKK	TDKK	DKK	TDKK
22 Fee to auditors appointed at the general meeting				
Crowe:				
Audit fee	187.901	131	25.000	25
Other assurance engagements	0	7	0	0
Non-audit services	95.078	85	75.000	50
	282.979	223	100.000	75
PWC:				
Audit fee	107.210	50	0	0
Non-audit services	0	17	0	0
	107.210	67	0	0
BDO:				
Audit fee	68.283	86	0	0
Non-audit services	47.148	70	0	0
	115.431	156	0	0
LFK Partner				
Audit fee	148.724	107	0	0
Non-audit services	392.271	22	0	0
	540.995	129	0	0
G&P Accountants en Adviseurs				
Audit fee	51.764	0	0	0
Non-audit services	17.383	0	0	0
	69.147	0	0	0
	1.115.762	**575**	**100.000**	**75**

Notes

	Group	
	2019	2018
	DKK	TDKK
23 Cash flow statement - adjustments		
Financial income	-435.339	-185
Financial costs	1.342.203	360
Depreciation, amortisation and impairment losses	9.306.163	6.730
Tax on profit/loss for the year	7.893.213	5.174
Minority interests' share of net profit/loss of subsidiaries	2.790.167	1.833
	20.896.407	**13.912**

24 Cash flow statement - change in working capital		
Change in inventories	-1.960.683	35
Change in receivables	-9.261.640	-40.528
Change in trade payables, etc.	47.910.415	25.100
	36.688.092	**-15.393**