

# INTERIM REPORT FOR Q3 2015/16

(THE PERIOD 01 APRIL - 30 JUNE 2016)

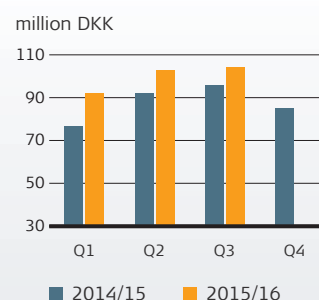
## Growth in revenue and EBIT

The Supervisory Board of RTX A/S has today considered and adopted the Group's interim report for the third quarter of the 2015/16 financial year (covering the period 01.04.2016 - 30.06.2016).

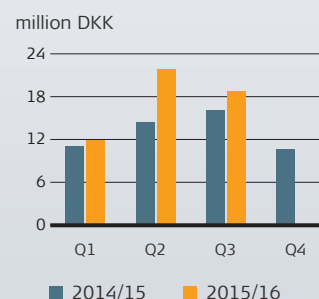
### SUMMARY OF THE THIRD QUARTER FOR THE RTX GROUP

- Net revenue amounted to DKK 104.3 million in the third quarter of the 2015/16 financial year corresponding to a revenue increase of 8.9% compared to last year's net revenue of DKK 95.8 million. Growth over the quarter was negatively affected by the exchange rate for USD, and at the same time it was negatively affected by the ceased income from leaseholders, as the premises in Nørresundby was sold. Adjusted for the mentioned effects, revenue growth was 12%. Revenue apportioned across RTX's business units was as follows:
  - Business Communications rose by DKK 8.2 million corresponding to an increase of 12.7% (after exchange effect 15.0%).
  - Design Services increased revenue by DKK 1.2 million corresponding to an increase of 4.1% (after exchange effect 5.7%).
- The Group's gross profit increased from DKK 52.8 million to DKK 61.6 million and as a consequence of the revenue mix, the Group's gross margin increased from 55.1% to 59.1%.
- Capacity costs were affected by increased external lease costs as a consequence of the sale of the premises in Nørresundby (see announcement 76/2015) and increased staff costs as a consequence of the higher level of activity.
- Operating profit (EBIT) totalled DKK 18.8 million compared to DKK 16.1 million last year corresponding to a growth of 16.8%.

### REVENUE PER QUARTER



### EBIT PER QUARTER



#### RTX A/S

Strømmen 6  
DK-9400 Nørresundby  
Denmark

Tel +45 96 32 23 00  
Fax +45 96 32 23 10  
VAT DK 17 00 21 47

Web [www.rtx.dk](http://www.rtx.dk)  
E-mail [info@rtx.dk](mailto:info@rtx.dk)

- Result after tax amounted to DKK 15.8 million compared to DKK 14.7 million last year corresponding to an increase of 7.3%.
- The Group's cash flow from operating activities for the third quarter was DKK 22.6 million compared to DKK 13.5 million for the same period last year.

#### SUMMARY OF THE FIRST THREE QUARTERS YEAR TO DATE OF 2015/16 FOR THE RTX GROUP

- Net revenue amounted to DKK 298.8 million in the first three quarters of 2015/16 equivalent to an increase of 13.0% compared to last year's revenue of DKK 264.4 million. Adjusted for the exchange rate and lease income effects, the growth in revenue was 9.0%. Revenue apportioned across RTX's business units was as follows:
  - Business Communications increased by DKK 25.8 million corresponding to an increase of 14.5% (after exchange effect 8.2%).
  - Design Services increased revenue by DKK 10.3 million corresponding to an increase of 12.3% (after exchange effect 10.6%).
- The Group's gross profit increased from DKK 148.2 million to DKK 177.5 million and as a consequence of the revenue mix, the Group's gross margin increased from 56.0% to 59.4%.
- Capacity costs were affected by increased staff costs and higher lease costs.
- Operating profit (EBIT) totalled DKK 52.7 million compared to DKK 41.7 million last year corresponding to a growth of 26.2%.
- Result after tax amounted to DKK 42.1 million, which was on par with last year's result.
- The Group's cash flow from operating activities for the first three quarters was DKK 42.5 million compared to DKK 40.0 million for the same period last year.
- RTX maintains the announced expectations to the financial year 2015/16 in which we expect revenue in the range of DKK 385-400 million, EBIT in the range of DKK 60-67 million and an EBITDA in the range of DKK 64-71 million.
- In accordance with announcement no 41/2016 Peter Røpke has been appointed CEO in RTX. Peter Røpke will join RTX on 1 September 2016.

RTX A/S

Peter Thostrup  
Chairman

Jacob Vittrup  
Acting CEO

---

#### ENQUIRIES AND FURTHER INFORMATION:

Acting CEO  
Jacob Vittrup,  
tel +45 96 32 23 00

---

#### APPENDICES

Interim report for Q3 2015/16 comprising:

- Group financial highlights and key ratios
  - Management report
  - Group income statement
  - Statement of comprehensive income
  - Group balance sheet
  - Group equity statement
  - Group cash flow statement
  - Notes
- 

On Friday, 26 August 2016 at 12 am, RTX will hold a meeting for investors and analysts at  
ABG Sundal Collier,  
Forbindelsesvej 12,  
2100 Copenhagen.

At this meeting, the Company's management will comment on the Group's interim report for the third quarter of 2015/16. To register for the meeting, please email [hannah.larsen@abgsc.dk](mailto:hannah.larsen@abgsc.dk).

# GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS

## (NON-AUDITED)

Amounts in DKK million	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
<b>INCOME STATEMENT ITEMS</b>					
Revenue	104.3	95.8	298.8	264.4	349.5
Gross profit	61.6	52.8	177.5	148.2	196.2
Operating profit/loss (EBIT)	18.8	16.1	52.7	41.7	52.3
EBITDA	19.5	17.8	56.0	46.7	59.0
EBITDA %	18.7%	18.6%	18.8%	17.6%	16.9%
Net financials	1.6	-1.4	1.7	0.5	0.7
Profit/loss before tax (EBT)	20.4	14.7	54.4	42.2	53.0
Profit/loss for the period	15.8	14.7	42.1	42.1	48.9
<b>BALANCE SHEET ITEMS</b>					
Cash and current asset investments	199.8	129.6	199.8	129.6	136.9
Total assets	346.3	350.1	346.3	350.1	343.1
Equity	279.6	260.7	279.6	260.7	265.9
Liabilities	66.7	89.4	66.7	89.4	77.2
<b>OTHER KEY FIGURES</b>					
Development costs (own) before capitalization	6.9	6.3	18.7	17.5	22.7
Capitalized development costs	-	1.3	-	2.7	2.7
Depreciation, amortization and impairment	0.7	1.7	3.4	4.9	6.7
Cash flow from operations	22.6	13.5	42.5	40.0	53.2
Cash flow from investments	-0.2	-8.4	30.3	-41.3	-46.5
Investments in property, plant and equipment	0.2	0.1	2.1	1.4	3.1
Increase/decrease in cash and cash equivalents	14.6	3.5	30.2	-16.0	-11.0
<b>KEY RATIOS</b>					
Growth in net turnover (percentage)	8.9	27.2	13.0	20.6	21.2
Profit margin (percentage)	18.0	16.8	17.6	15.8	15.0
Return on invested capital (percentage)	15.7	8.9	35.9	23.6	29.9
Return on equity (percentage)	5.7	5.8	15.4	17.3	19.8
Equity ratio (percentage)	80.7	74.5	80.7	74.5	77.5
<b>EMPLOYMENT</b>					
Average number of full-time employees	193	170	188	164	166
Revenue per employee <sup>1)</sup> (DKK '000)	541	563	1,589	1,612	2,105
Operating profit/loss per employee <sup>1)</sup> (DKK '000)	101	95	285	254	315
<b>SHARES</b>					
Average number of shares in circulation ('000)	8,892	8,660	8,787	8,601	8,621
Average number of diluted shares ('000)	8,975	12,310	9,047	11,869	9,084
<b>SHARE DATA. DKK PER SHARE AT DKK 5</b>					
Profit/loss for the period (EPS), per share <sup>1)</sup>	1.8	1.7	4.8	4.9	5.7
Profit/loss for the period, diluted (DEPS), per share <sup>1)</sup>	1.8	1.2	4.7	3.6	5.4
Dividends, per share (DKK)	-	-	-	-	2.0
Equity value, per share	31.5	28.5	31.5	28.5	30.7
Listed price, per share	110.0	72.5	110.0	72.5	87.0

Note: The Group's financial year runs from 1 October to 30 September.

Definitions of the key ratios used are stated in the annual report for 2014/15 in the accounting policies.

<sup>1)</sup> Not annualized.

# MANAGEMENT REPORT

## COMMENTS ON DEVELOPMENTS FOR THE THIRD QUARTER OF THE 2015/16 FINANCIAL YEAR

### WITH REFERENCE TO THE GROUP'S FINANCIAL FIGURES FOR THE THIRD QUARTER OF 2015/16

The Group posted revenue of DKK 104.3 million for the third quarter of the 2015/16 financial year compared to DKK 95.8 million for the same period last year, which corresponds to an increase of 8.9%. Revenue in the quarter is negatively affected both by the USD exchange rate and the sale of the premises as per 1 January 2016, which has negatively affected revenue by DKK 0.9 million. Adjusted for these effects the increase in revenue in the quarter was 12.0%.

Business Communications posted a revenue increase of DKK 8.2 million, corresponding to 12.7%, for the third quarter 2015/16. Corrected for exchange rate effects the increase amounted to 15.5%. In the quarter, the sale increased to both major customers as well as small and medium-sized customers. In the quarter an agreement was reached to develop a 2.4 GHz based communication system for a major Chinese distributor. In contrast to DECT, 2.4 GHz is used all over the world, so the system will help Business Communications in the future to deliver communication solutions for new geographical markets, where DECT based solutions are not applicable. The system is launched in cooperation with the customer in the second half of the next financial year. Furthermore, at the end of this financial year and in the coming

year, the business unit will invest in the development of a new product range complementing the existing communication solutions. The target group for these new products is the business unit's existing customers.

Design Services posted revenue of DKK 31.6 million for the third quarter, corresponding to an increase of 4.1% compared to last year. Corrected for exchange rate effects the increase amounted to 5.7%. The increase mainly comes from the demand for RTX's customer-financed development projects, and during the quarter new significant development contracts have been signed within the audio segment, which will affect the next financial year positively. In the quarter, the business unit has finalized an innovation project within one of the core technological areas. The innovation project is expected to attract a new customer group to the business unit during the coming years.

The revenue growth resulted in an increase in gross profit of DKK 8.9 million for the third quarter 2015/16, and as a consequence of the revenue mix, the Group's gross margin increased from 55.1% to 59.1% for the third quarter of 2015/16.

Overhead costs (i.e. other external costs and staff costs) amounted to DKK 42.1 million, which is DKK 5.8 million higher than last year. There are two main reasons for the increase. As a consequence of the increased activity level and the growing order book in both business units, RTX has increased staff by 23 new employees compared to last year. After the sale of the premises as per 1 January 2016, capacity costs now include costs for external lease of the building.

Development costs totalled DKK 6.9 million for the third quarter compared to last year's figure of DKK 6.3 million.

As planned, depreciation fell from DKK 1.7 million in the third quarter of 2014/15 to DKK 0.7 million for the third quarter of 2015/16, primarily because of the sale of the premises.

Operating profit (EBIT) for the third quarter of 2015/16 was DKK 18.8 million against DKK 16.1 million for the same period last year.

Net financial income resulted in an income of DKK 1.6 million compared to the same period last year when net financial income resulted in an expense of DKK 1.4 million. The changes are the result of exchange rate fluctuations for USD and income from the company's securities portfolio.

Profit before tax for the third quarter of 2015/16 amounted to DKK 20.4 million compared to a profit of DKK 14.7 million for the same period last year.

Profit after tax for the third quarter of 2015/16 amounted to DKK 15.8 million compared to DKK 14.7 million for the same period last year.

In the third quarter, the company used the authorization from the Annual General Meeting to undertake further share buybacks during the quarter, which had a negative impact on equity. The equity ratio amounted to 80.7% at the end of the third quarter compared to 74.5% last year. The Group's balance sheet total was DKK 346.3 million at the end of the third quarter. This is a decrease of DKK 3.8 million compared to the same time last year.

Despite the rise in activity over the quarter, the working capital increased by DKK 2.1 million, and was DKK 4.9 million better than last year. The Group posted a positive cash flow from operating activities in the third quarter of 2015/16 of DKK 22.6 million compared to DKK 13.5 million for the third quarter of 2014/15. Shareholder focused initiatives adopted by the Company's Annual General Meeting affected the Group's total cash flow by DKK 8.9 million in the third quarter of 2015/16 compared to DKK 2.4 million in 2014/15. The Group's total cash funds and current securities less bank debt totalled DKK 199.8 million at the end of the quarter, which is an increase of DKK 70.2 million compared to the same period last year.

#### **OUTLOOK FOR THE 2015/16 FINANCIAL YEAR**

On 20 April 2016 Management raised the expectations for 2015/16 (see announcement no. 26/2016). Man-

agement still expects revenue to be in the range of DKK 385-400 million and EBIT to be between DKK 60-67 million. EBITDA is expected to be between DKK 64-71 million for the 2015/16 financial year.

#### **RISKS AND UNCERTAINTIES FOR THE REMAINDER OF THE 2015/16 FINANCIAL YEAR**

##### *Statements on future conditions*

The above statements on the Group's future conditions, including, in particular, future revenue and operating profit (EBIT), reflect the Management's current outlook and carry some uncertainty. These statements can be affected by a number of risks and uncertainties which mean that actual developments can be different from the indicated outlook. These risks and uncertainty factors include – but are not limited to – general business and economic conditions, dependence on partners, the time of delivery of components,

integration of acquired companies and foreign exchange and interest rate fluctuations.

#### **FINANCIAL CALENDAR**

Expected publication of financial information for the financial year 2015/16:

#### **29 November 2016**

Annual report 2015/16

---

# STATEMENT BY THE MANAGEMENT ON THE INTERIM REPORT

The Supervisory Board and the Executive Board have today considered and adopted the interim report of RTX A/S for the third quarter of the financial year 2015/16 (covering the period 1 April to 30 June 2016).

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and further Danish disclosure requirements for the interim reporting for

listed companies. The interim report has not been audited or reviewed by the Company's auditor.

We consider the applied accounting policies appropriate for the interim report to provide, in our opinion, a true and fair view of the Group's assets, liabilities and financial position as at 30 June 2016 and of its financial performance and cash flow for the third quarter of 2015/16.

We consider Management's review to give a true and fair view of the Group's activities and finances, profit/loss for the period and the Group's financial position as a whole, as well as a true and fair description of the most material risks and uncertainties facing the Group.

Nørresundby, 25 August 2016

## EXECUTIVE BOARD

Jacob Vittrup  
Acting CEO

## SUPERVISORY BOARD

Peter Thostrup  
*Chairman*

Jesper Mailind  
*Deputy Chairman*

Katrin Calderón

Thomas Sieber

Jens Hansen

Rune Strøm Jensen  
*Employee representative*

Flemming Vendbjerg Andersen  
*Employee representative*

Kurt Heick Rasmussen  
*Employee representative*

## GROUP INCOME STATEMENT

(NON- AUDITED)

Amounts in DKK '000	Note	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
Revenue	3	104,342	95,777	298,811	264,379	349,502
Value of work transferred to assets	4	-	1,298	-	2,685	2,685
Costs of sales etc.		-42,702	-42,988	-121,358	-116,220	-153,266
Other external expenses		-10,885	-8,047	-31,675	-24,311	-33,584
Staff costs		-31,256	-28,257	-89,739	-79,877	-106,299
Depreciation, amortization and impairment	4	-682	-1,669	-3,366	-4,922	-6,746
<b>Operating profit/loss (EBIT)</b>		<b>18,817</b>	<b>16,114</b>	<b>52,673</b>	<b>41,734</b>	<b>52,292</b>
Financial income	5	1,664	216	2,293	2,063	2,221
Financial expenses	5	-99	-1,622	-587	-1,601	-1,557
<b>Profit/loss before tax</b>		<b>20,382</b>	<b>14,708</b>	<b>54,379</b>	<b>42,196</b>	<b>52,956</b>
Tax of profit/loss for the period		-4,606	-11	-12,268	-48	-4,055
<b>Profit/loss for the period after tax</b>		<b>15,776</b>	<b>14,697</b>	<b>42,111</b>	<b>42,148</b>	<b>48,901</b>
<b>Profit/loss per share (EPS)</b>						
Profit/loss for the period (DKK)		1.8	1.7	4.8	4.9	5.7
Profit/loss for the period, diluted (DKK)		1.8	1.2	4.7	3.6	5.4

## STATEMENT OF COMPREHENSIVE INCOME

(NON-AUDITED)

Amounts in DKK '000	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
Profit/loss for the period	15,776	14,697	42,111	42,148	48,901
Items that can be reclassified subsequently to the income statement					
Exchange rate adjustments of foreign subsidiaries	636	-1,099	114	3,257	3,236
Fair value adjustment of short-term current asset investments	558	-173	317	-400	-490
<b>Other comprehensive income, net of tax</b>	<b>1,194</b>	<b>-1,272</b>	<b>431</b>	<b>2,857</b>	<b>2,746</b>
<b>Comprehensive income for the period</b>	<b>16,970</b>	<b>13,425</b>	<b>42,542</b>	<b>45,005</b>	<b>51,647</b>

# GROUP BALANCE SHEET

## (NON-AUDITED)

Amounts in DKK '000	30 June 2016	30 June 2015	30 Sept. 2015
<b>Assets</b>			
Own completed development projects	1,791	1,905	3,681
Own ongoing development projects	-	2,685	-
Goodwill	7,797	7,797	7,797
<b>Intangible assets</b>	<b>9,588</b>	<b>12,387</b>	<b>11,478</b>
Land and buildings	-	71,442	-
Plant and machinery	2,565	1,810	2,008
Other fixtures, tools and equipment	1,385	1,282	1,727
Leasehold improvements	884	50	53
<b>Tangible assets</b>	<b>4,834</b>	<b>74,584</b>	<b>3,788</b>
Deposits	7,697	558	560
Deferred tax assets	26,553	38,893	36,900
<b>Other long-term assets</b>	<b>34,250</b>	<b>39,451</b>	<b>37,460</b>
<b>Total long-term assets</b>	<b>48,672</b>	<b>126,422</b>	<b>52,726</b>
<b>Inventories</b>	<b>20,590</b>	<b>19,938</b>	<b>24,377</b>
Trade receivables	60,549	60,375	45,399
Contract development projects in progress	10,826	9,862	9,088
Income taxes	-	483	134
Other receivables	2,295	1,264	1,493
Accruals	3,578	2,184	1,452
<b>Receivables</b>	<b>77,248</b>	<b>74,168</b>	<b>57,566</b>
<b>Short-term current asset investments</b>	<b>106,540</b>	<b>71,467</b>	<b>73,818</b>
<b>Cash at bank and in hand</b>	<b>93,250</b>	<b>58,115</b>	<b>63,090</b>
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>71,528</b>
<b>Total short-term assets</b>	<b>297,628</b>	<b>223,688</b>	<b>290,379</b>
<b>Total assets</b>	<b>346,300</b>	<b>350,110</b>	<b>343,105</b>



# GROUP BALANCE SHEET

(NON-AUDITED)

Amounts in DKK '000	30 June 2016	30 June 2015	30 Sept. 2015
<b>Equity and liabilities</b>			
Share capital	46,867	45,687	45,687
Share premium account	288,226	296,090	296,090
Retained earnings	-55,487	-81,080	-75,871
<b>Equity</b>	<b>279,606</b>	<b>260,697</b>	<b>265,906</b>
<b>Long-term liabilities</b>			
Mortgage debt	-	9,893	-
Provisions	395	937	395
<b>Long-term liabilities</b>	<b>395</b>	<b>10,830</b>	<b>395</b>
<b>Short-term liabilities</b>			
Current portion of long-term mortgage debt	-	1,297	-
Trade payables	32,517	33,712	26,178
Contract development projects in progress	1,245	2,228	2,513
Income taxes	2,147	485	2,123
Provisions	5,778	3,095	3,911
Other payables	24,612	37,766	29,686
<b>Short-term liabilities</b>	<b>66,299</b>	<b>78,583</b>	<b>64,411</b>
<b>Liabilities related to assets held for sale</b>	<b>-</b>	<b>-</b>	<b>12,393</b>
<b>Total liabilities</b>	<b>66,694</b>	<b>89,413</b>	<b>77,199</b>
<b>Total equity and liabilities</b>	<b>346,300</b>	<b>350,110</b>	<b>343,105</b>

# EQUITY STATEMENT FOR THE GROUP

## (NON-AUDITED)

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total
Equity at 1 October 2014	44,374	294,230	-111,039	227,565
Profit/loss for the period	-	-	42,148	42,148
Exchange rate adjustments of foreign subsidiaries	-	-	3,257	3,257
Fair value adjustment of short-term current asset investments	-	-	-400	-400
Other comprehensive income	-	-	2,857	2,857
Comprehensive income for the period	-	-	45,005	45,005
Share-based remuneration	-	-	1,841	1,841
Exercise of warrants	1,313	1,860	-	3,173
Paid dividend for 2013/14	-	-	-8,486	-8,486
Acquisition of treasury shares	-	-	-8,401	-8,401
Other transactions	1,313	1,860	-15,046	-11,873
Equity at 30 June 2015	45,687	296,090	-81,080	260,697
Equity at 1 October 2015	45,687	296,090	-75,871	265,906
Profit/loss for the period	-	-	42,111	42,111
Exchange rate adjustments of foreign subsidiaries	-	-	114	114
Fair value adjustment of short-term current asset investments	-	-	317	317
Other comprehensive income	-	-	431	431
Comprehensive income for the period	-	-	42,542	42,542
Share-based remuneration	-	-	2,862	2,862
Exercise of warrants	2,285	2,918	-	5,203
Annulment of treasury shares	-1,105	-10,782	11,876	-11
Paid dividend for 2014/15	-	-	-17,208	-17,208
Acquisition of treasury shares	-	-	-19,688	-19,688
Other transactions	1,180	-7,864	-22,158	-28,842
Equity at 30 June 2016	46,867	288,226	-55,487	279,606

Share capital of DKK 46,866,690 consists of 9,373,338 shares at DKK 5.

The Group holds 493,597 treasury shares at 30 June 2016 (443,879 shares at 30 June 2015).

There are no shares carrying special rights.

# GROUP CASH FLOW STATEMENT

## (NON-AUDITED)

Amounts in DKK '000	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
Operating profit/loss (EBIT)	18,817	16,114	52,673	41,734	52,292
<b>Reversal of items with no effect on cash flow</b>					
Depreciation, amortization and impairment	682	1,669	3,366	4,922	6,746
Other items with no effect on cash flow	-532	-27	210	4,911	8,516
<b>Change in working capital</b>					
Change in inventories	-3,680	-3,068	2,943	-8,845	-14,779
Change in receivables	-10,721	-7,176	-19,471	-16,561	789
Change in trade payables etc.	16,501	7,436	2,799	13,262	-1,085
<b>Cash flow from operating activities</b>	<b>21,067</b>	<b>14,948</b>	<b>42,520</b>	<b>39,423</b>	<b>52,479</b>
Financial income received	1,664	216	2,293	2,063	2,221
Financial expenses paid	-99	-1,622	-587	-1,601	-1,557
Income taxes paid	-56	-11	-1,762	93	64
<b>Cash flow from operations</b>	<b>22,576</b>	<b>13,531</b>	<b>42,464</b>	<b>39,978</b>	<b>53,207</b>
Investments in own development projects	-	-1,298	-	-2,685	-2,685
Acquisition of property, plant and equipment	-228	-71	-2,149	-1,409	-3,073
Deposits on leaseholds	-	-	-7,148	-	-116
Refunded deposits regarding leaseholds	-	-	-1,531	-	-
Income from sale of buildings	-	-	71,308	-	-
Acquisition of short-term bonds	-	-7,030	-32,194	-37,189	-40,661
Income from sale of short-term asset investments	-	-	1,967	-	-
<b>Cash flow from investments</b>	<b>-228</b>	<b>-8,399</b>	<b>30,253</b>	<b>-41,283</b>	<b>-46,535</b>
Repayment of long-term liabilities	-	-331	-10,863	-967	-1,293
Income from capital increase	1,085	1,125	5,203	3,173	3,173
Acquisition of treasury shares	-8,858	-2,435	-19,688	-8,402	-11,078
Paid dividend	-	-	-18,275	-8,875	-8,875
Dividend for treasury shares	-	-	1,066	389	389
<b>Cash flow from financing activities</b>	<b>-7,773</b>	<b>-1,641</b>	<b>-42,557</b>	<b>-14,682</b>	<b>-17,684</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>14,575</b>	<b>3,491</b>	<b>30,160</b>	<b>-15,987</b>	<b>-11,012</b>
Cash and cash equivalents at the beginning of the period, net	78,675	54,624	63,090	74,102	74,102
<b>Cash and cash equivalents at the end of the period, net</b>	<b>93,250</b>	<b>58,115</b>	<b>93,250</b>	<b>58,115</b>	<b>63,090</b>
Cash and cash equivalents at the end of the period, net, is composed as follows:					
Cash at bank and in hand	93,250	58,115	93,250	58,115	63,090
Bank debt	-	-	-	-	-
<b>Cash and cash equivalents at the end of the period, net</b>	<b>93,250</b>	<b>58,115</b>	<b>93,250</b>	<b>58,115</b>	<b>63,090</b>

# NOTES

## 1. ACCOUNTING POLICIES

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, and further Danish disclosure requirements for interim reporting for listed companies. An interim report has not been prepared for the Parent.

The accounting policies applied in this interim report are consistent with those applied in the Company's annual report for 2014/15, which was presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We refer to the annual report for 2014/15 for a more detailed description of the accounting policies.

The applied accounting policy is unchanged compared to the annual report for 2014/15. New or amended standards and interpretations becoming effective for the financial year 2015/16 have no material impact on the interim report.

## 2. ESTIMATES AND ASSUMPTIONS

The preparation of interim reports requires management to make financial estimates and assumptions that affect the application of accounting policy and recognised assets, obligations, income and expenses. Actual results might be different from these estimates.

The material estimates that management make when applying the accounting principles of the Group, and the material uncertainty connected with these estimates and assumptions are unchanged in the preparation of the interim report compared to the preparation of the annual report as per 30 September 2015.

# NOTES

## 3. SEGMENT INFORMATION

Amounts in DKK '000	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
<b>Revenue, business segments</b>					
Design Services	31,566	30,334	93,791	83,510	110,195
Business Communications	72,776	64,602	204,095	178,314	235,902
Non-allocated items	-	841	925	2,555	3,405
<b>Total</b>	<b>104,342</b>	<b>95,777</b>	<b>298,811</b>	<b>264,379</b>	<b>349,502</b>
<b>EBIT</b>					
Design Services	1,658	5,060	8,002	13,058	15,473
Business Communications	17,159	14,010	44,671	37,426	45,704
Non-allocated items	-	-2,956	-	-8,750	-8,885
<b>Total</b>	<b>18,817</b>	<b>16,114</b>	<b>52,673</b>	<b>41,734</b>	<b>52,292</b>
<b>Segment assets</b>					
Design Services	34,505	33,092	34,505	33,092	28,241
Business Communications	70,455	68,756	70,455	68,756	62,544
Non-allocated items	241,340	248,262	241,340	248,262	252,320
<b>Total</b>	<b>346,300</b>	<b>350,110</b>	<b>346,300</b>	<b>350,110</b>	<b>343,105</b>
<b>Revenue, geographical segments</b>					
Denmark	686	2,479	4,049	8,433	10,370
Other Europe	75,133	68,214	210,037	188,585	250,444
Asia and Australia	10,515	12,453	28,126	31,777	41,758
North and South America	16,355	12,405	52,684	33,114	42,998
Africa	1,653	226	3,915	2,470	3,932
<b>Total</b>	<b>104,342</b>	<b>95,777</b>	<b>298,811</b>	<b>264,379</b>	<b>349,502</b>

Revenue is broken down by geographical area according to customer location. The Group balance sheet illustrates that the Group's assets are mainly owned by the parent company in Denmark. The geographical split of the assets is thus mainly in Denmark.

# NOTES

## 4. GROUP DEVELOPMENT COSTS

Amounts in DKK '000	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
Development costs before capitalization	6,899	6,288	18,659	17,543	22,708
Capitalized	-	-1,298	-	-2,685	-2,685
Total amortization and impairment losses on development projects	224	740	1,890	2,222	3,131
<b>Development costs recognized in the profit/loss account</b>	<b>7,123</b>	<b>5,730</b>	<b>20,549</b>	<b>17,080</b>	<b>23,154</b>

## 5. GROUP FINANCIAL ITEMS

Amounts in DKK '000	Q3 2015/16	Q3 2014/15	01.10.15- 30.06.16	01.10.14- 30.06.15	FY 2014/15
Interest income	-	-	-	-	69
Interest income from bonds available for sale	387	216	852	600	716
Exchange rate gains, net	624	-	-	1,463	1,393
Exchange rate gains on bonds	653	-	1,441	-	-
Other interest income	-	-	-	-	43
<b>Financial income</b>	<b>1,664</b>	<b>216</b>	<b>2,293</b>	<b>2,063</b>	<b>2,221</b>
Interest costs	1	43	43	148	178
Exchange rate losses, net	-	300	256	-	-
Exchange rate loss on bonds	-	1,215	-	1,196	1,032
Other financial costs	98	64	288	257	347
<b>Financial expenses</b>	<b>99</b>	<b>1,622</b>	<b>587</b>	<b>1,601</b>	<b>1,557</b>