

# INTERIM REPORT FOR Q2 2016/17

(THE PERIOD 01.01.2017 – 31.03.2017)

## EXPECTATIONS MAINTAINED - CHALLENGES IN SUPPLY CHAIN AFFECTS REVENUE AND EBIT NEGATIVELY IN Q2

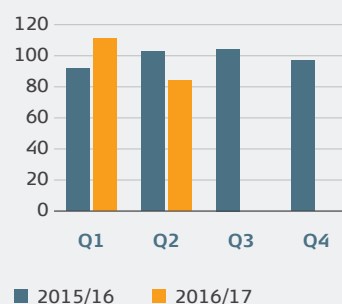
The Supervisory Board of RTX A/S has today considered and adopted the Group's interim report for the second quarter of the 2016/17 financial year (covering the period 01.01.2017 – 31.03.2017).

### SUMMARY FOR THE SECOND QUARTER OF 2016/17 FOR THE RTX GROUP

- Net revenue amounted to DKK 84.1 million for Q2 of the 2016/17 financial year, which is DKK 18.5 million less than last year's net revenue of DKK 102.6 million. The decline was 18.0%. Corrected for the USD exchange rate effect, net revenue in Q2 2016/17 decreased by 20.1% compared to Q2 2015/16. Revenue apportioned across RTX's business units as follows:
  - Business Communications decreased by DKK 21.1 million corresponding to a decline of 29.8%. After exchange effect the decline is 31.8%. The decreased revenue is due to changes in the supply chain, which have postponed revenue from Q2 to Q3 2016/17.
  - Design Services rose by DKK 2.5 million corresponding to an increase of 8.0%. After exchange effect the increase is 6.4%.
- The Group's gross profit was DKK 46.8 million in 2016/17, which is a decline of DKK 14.9 million compared to DKK 61.6 million in 2015/16, and as a consequence of the revenue mix, the gross margin decreased to 55.6% from 60.1% in 2015/16.
- In the quarter, capacity costs rose by DKK 7.2 million. This is primarily due to the significant own financed investments in development projects (headset platforms and a platform for gaming headset as mentioned in our annual report 2015/16). The high level of activity in both operations and own financed development projects has made it necessary to increase staff by 41 more employees compared to last year.

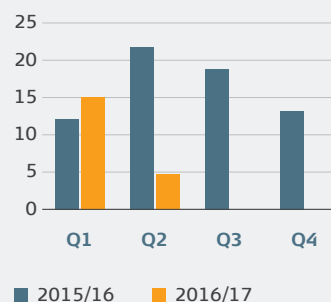
### REVENUE PER QUARTER

(MILLION DKK)



### EBIT PER QUARTER

(MILLION DKK)



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- With reference to company announcement no. 18/2017 RTX has in Q2 launched a new product range complementing the existing communication solutions. The new product range consists of variants of headsets for office environments. The products were presented at RTX's stand at the CeBIT Fair in Hannover and has been well received by potential customers. In the quarter, RTX has also achieved a significant agreement with one of the leading brands within gaming headset, where RTX will deliver the wireless technology. Management expects increased revenue from this agreement in the coming financial year. These investments mean that RTX has capitalised DKK 4.8 million in the second quarter of 2016/17.
- Operating profit (EBIT) amounted to DKK 4.7 million compared to DKK 21.8 million last year.
- The Group's cash flow from operating activities in Q2 amounted to DKK 26.4 million compared to DKK 17.2 million in the same period last year.

#### SUMMARY OF THE FIRST SIX MONTHS OF 2016/17 FOR THE RTX GROUP

- In the first six months of 2016/17 RTX realised net revenue of DKK 195.4 million, which is in line with last year's net revenue. Corrected for exchange effects and ceased income from lease the decline in revenue corresponds to 0.7%. Revenue apportioned across RTX's business units as follows:
  - Business Communications decreased by DKK 4.8 million corresponding to a decline of 3.6%. After exchange effect the decline is 5.4%.
  - Design Services rose by DKK 6.6 million corresponding to an increase of 10.7%. After exchange effect the increase is 9.3%.
- The Group's gross profit was DKK 106.9 million compared to DKK 115.8 million in 2015/16, and as a consequence of the revenue mix, the gross margin decreased to 54.7% from 59.6% in 2015/16.
- Compared to the first six months in 2015/16, capacity costs rose by DKK 12.1 million. This is primarily due to the significant own financed investments in development projects (headset platforms and a platform for gaming headset as mentioned in our annual report 2015/16). The high level of activity in both operations and own financed development projects has made it necessary to increase staff by 41 more employees compared to last year. Furthermore, capacity costs in Q1 2016/17 included external lease compared to last year.
- Operating profit (EBIT) amounted to DKK 19.7 million compared to DKK 33.9 million in 2015/16.
- The Group's cash flow from operating activities in the first six months amounted to DKK 13.8 million compared to DKK 19.9 million in the same period last year.
- Despite the unsatisfying development in Q2 Management maintains the announced expectations for 2016/17. RTX expects revenue in the range of DKK 420-435 million, EBIT in the range of DKK 68-75 million and EBITDA in the range of DKK 73-80 million.

RTX A/S

Peter Thostrup      Peter Røpke  
Chairman              President & CEO

#### ENQUIRIES AND FURTHER INFORMATION:

CEO

Peter Røpke, tel +45 96 32 23 00

#### APPENDICES

Interim report for Q2 2016/17 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 Thursday, 4 May 2017 at 1 pm, 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 interim report for the second quarter of 2016/17.

To register for the meeting, please email  
hannah.larsen@abgsc.dk.

# GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS (NON-AUDITED)

Amounts in DKK million	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
<b>INCOME STATEMENT ITEMS</b>					
Revenue	84.1	102.6	195.4	194.5	395.6
Gross profit	46.8	61.6	106.9	115.8	229.4
Operating profit/loss (EBIT)	4.7	21.8	19.7	33.9	65.8
EBITDA	5.9	23.1	22.0	36.5	70.0
EBITDA %	7.0%	22.6%	11.3%	18.8%	17.7%
Net financials	-0.2	-0.4	0.0	0.1	2.7
Profit/loss before tax (EBT)	4.5	21.4	19.8	34.0	68.5
Profit/loss for the period	3.2	16.6	15.0	26.3	49.5
<b>BALANCE SHEET ITEMS</b>					
Cash and current asset investments	159.0	183.3	159.0	183.3	202.5
Total assets	306.3	320.3	306.3	320.3	355.4
Equity	257.6	269.5	257.6	269.5	280.6
Liabilities	48.7	50.8	48.7	50.8	74.9
<b>OTHER KEY FIGURES</b>					
Development costs (own) before capitalisation	11.0	5.4	18.3	11.8	25.9
Capitalised development costs	4.8	-	6.5	-	1.0
Depreciation, amortization and impairment	1.2	1.4	2.2	2.7	4.2
Cash flow from operations	26.4	17.2	13.8	19.9	57.2
Cash flow from investments	-8.0	32.0	-14.4	30.5	24.4
Investments in property, plant and equipment	2.6	0.6	7.1	1.9	5.8
Increase/decrease in cash and cash equivalents	-15.4	21.7	-43.8	15.6	31.7
<b>KEY RATIOS</b>					
Growth in net turnover (percentage)	-18.0	11.7	0.5	15.3	13.2
Profit margin (percentage)	5.6	21.2	10.1	17.4	16.6
Return on invested capital (percentage)	3.5	14.3	16.8	22.3	45.8
Return on equity (percentage)	1.2	6.1	5.6	9.8	18.1
Equity ratio (percentage)	84.1	84.1	84.1	84.1	78.9
<b>EMPLOYMENT</b>					
Average number of full-time employees	228	187	226	185	193
Revenue per employee <sup>1)</sup> (DKK '000)	369	549	865	1,051	2,050
Operating profit/loss per employee <sup>1)</sup> (DKK '000)	21	117	87	183	341
<b>SHARES</b>					
Average number of shares in circulation ('000)	8,787	8,820	8,808	8,731	8,805
Average number of diluted shares ('000)	8,978	9,052	8,994	9,075	9,014
<b>SHARE DATA. DKK PER SHARE AT DKK 5</b>					
Profit/loss for the period (EPS), per share <sup>1)</sup>	0.4	1.9	1.7	3.0	5.6
Profit/loss for the period, diluted (DEPS), per share <sup>1)</sup>	0.4	1.8	1.7	2.9	5.5
Dividends, per share (DKK)	-	-	-	-	2.0
Equity value, per share	29.4	30.3	29.4	30.3	31.6
Listed price, per share	190.5	81.5	190.5	81.5	113.0

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 2015/16 in the accounting policies.

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

# MANAGEMENT REPORT

## COMMENTS ON DEVELOPMENTS FOR THE SECOND QUARTER OF THE 2016/17 FINANCIAL YEAR

### WITH REFERENCE TO THE GROUP'S FINANCIAL FIGURES FOR THE SECOND QUARTER OF 2016/17

The Group posted revenue of DKK 84.1 million for the second quarter of the 2016/17 financial year compared to DKK 102.6 million for the same period last year, which corresponds to a decline of 18.0%. Adjusted for exchange effects the decline was 20.1%.

In Q2, Business Communications posted revenue of DKK 49.7 million compared to DKK 70.8 million in the same period last year, a decline of DKK 21.1 million corresponding to 29.8% compared to last year. Adjusted for exchange rate effects the decline was 31.8%. During the quarter, the business unit has transferred a considerable part of the supply chain to new suppliers. The effects are only expected to temporarily influence revenue and profit in Q2, and the business unit expects to catch up on the postponed revenue in Q3 2016/17. With reference to company announcement no. 18/2017, the business unit has in Q2 launched a new product range complementing the existing communication solutions. The products are variants of headsets for use in office environments. The products were launched at RTX's stand at the CeBIT fair in Hannover. As for other prod-

ucts from RTX, these products will be customised, distributed and sold in the customers' brands. The first launches are expected at the end of the financial year 2016/17.

Design Services posted revenue of DKK 34.4 million for the second quarter compared to DKK 31.9 million last year, an increase of DKK 2.5 million corresponding to 8.0% compared to last year. Corrected for exchange rate effects, the increase amounted to 6.4%. The increase in the quarter mainly comes both from the demand for RTX's customer-financed development projects and modules. Furthermore, a major agreement has been signed in the quarter with one of the leading brands within gaming headsets.

The total revenue decline resulted in a decrease in gross profit of DKK 14.9 million for the second quarter 2016/17 compared to last year, and as a consequence of the revenue mix, the Group's gross margin declined to 55.6% from 60.1% for the second quarter of 2015/16.

Capacity costs (i.e. other external costs and staff costs) amounted to DKK 45.7 million, which is DKK 7.2 million higher than last year. The main reasons for the increase in the capacity costs are an increased activity level and a growing order book, therefore RTX has increased staff to 228 employees in the second quarter of 2016/17 compared to 187 in the second quarter of 2015/16. Furthermore, RTX has made significant investments in own development projects.

Development costs totalled DKK 11.0 million for the second quarter compared to last year's DKK 5.4 million.

As planned, depreciation fell to DKK 1.2 million in Q2 2016/17 from DKK 1.4 million in Q2 2015/16, primarily as a consequence of the sold premises.

Operating profit (EBIT) for the second quarter of 2016/17 was DKK 4.7 million against DKK 21.8 million for the same period last year.

Net financial income resulted in a cost of DKK 0.2 million compared to the same period last year when net financial income was a cost of DKK 0.4 million. The changes are the result of USD exchange rate fluctuations.

Profit before tax for the second quarter of 2016/17 amounted to DKK 4.5 million compared to a profit of DKK 21.4 million for the same period last year.

Profit after tax for the second quarter of 2016/17 amounted to DKK 3.2 million compared to DKK 16.6 million for the same period last year.

As currently announced in Q2 the company used the authorisation 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 84.1% at the end of the second quarter compared to 84.1% last year. The Group's balance sheet total was DKK 306.3 million at the end of the second quarter. This is a decline of DKK 14.0 million compared to the same time last year.

The Group realised a positive cash flow from operation activities in Q2 2016/17 of DKK 26.4 million compared to DKK 17.2 million in Q2 2015/16. Shareholder focused initiatives adopted by the Annual General Meeting affected the Group's total cash flow by DKK 33.7 million in Q2 2016/17 compared to DKK 20.4 million in 2015/16.

The Group's total cash funds and current securities less bank debt totalled DKK 159.0 million at the end of the quarter, which is a decline of DKK 24.3 million compared to the same period last year.

#### **OUTLOOK FOR THE 2016/17 FINANCIAL YEAR**

On 29 November 2016 Management announced the expectations for the financial year 2016/17 (cf. announcement no. 74/2016). The company expects revenue to be in the range of DKK 420-435 million and EBIT to be between DKK 68-75 million. EBITDA is expected to be between DKK 73-80 million for the 2016/17 financial year.

#### **RISKS AND UNCERTAINTIES FOR THE 2016/17 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 2016/17:

#### **29 August 2017**

Interim report for Q3 2016/17

#### **28 November 2017**

Annual report for 2016/17

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# 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 second quarter of the financial year 2016/17 (covering the period 1 January to 31 March 2017).

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 31 March 2017 and of its financial perfor-

mance and cash flow for the second quarter of 2016/17.

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, 2 May 2017

## EXECUTIVE BOARD

Peter Røpke  
CEO

## SUPERVISORY BOARD

Peter Thostrup  
Chairman

Jesper Mailind  
Deputy Chairman

Christian Engsted

Lars Christian Tofft

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	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
Revenue	3	84,137	102,640	195,399	194,469	395,555
Value of work transferred to assets	4	4,799	-	6,543	-	985
Costs of sales etc.		-37,373	-40,995	-88,546	-78,656	-166,155
Other external expenses		-12,165	-10,612	-23,533	-20,790	-43,027
Staff costs		-33,514	-27,886	-67,871	-58,483	-117,376
Depreciation, amortization and impairment	4	-1,194	-1,360	-2,244	-2,684	-4,217
<b>Operating profit/loss (EBIT)</b>		<b>4,690</b>	<b>21,787</b>	<b>19,748</b>	<b>33,856</b>	<b>65,765</b>
Financial income	5	614	910	729	1,253	3,308
Financial expenses	5	-769	-1,334	-691	-1,112	-593
<b>Profit/loss before tax</b>		<b>4,535</b>	<b>21,363</b>	<b>19,786</b>	<b>33,997</b>	<b>68,480</b>
Tax of profit/loss for the period		-1,328	-4,811	-4,751	-7,662	-18,980
<b>Profit/loss for the period after tax</b>		<b>3,207</b>	<b>16,552</b>	<b>15,035</b>	<b>26,335</b>	<b>49,500</b>
<b>Profit/loss per share (EPS)</b>						
Profit/loss for the period (DKK)		0.4	1.9	1.7	3.0	5.6
Profit/loss for the period, diluted (DKK)		0.4	1.8	1.7	2.9	5.5

## STATEMENT OF COMPREHENSIVE INCOME (NON-AUDITED)

Amounts in DKK '000	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
Profit/loss for the period	3,207	16,552	15,035	26,335	49,500
Items that can be reclassified subsequently to the income statement					
Exchange rate adjustments of foreign subsidiaries	-433	-1,307	1,117	-522	59
Fair value adjustment of short-term current asset investments	23	17	46	-241	422
<b>Other comprehensive income, net of tax</b>	<b>-410</b>	<b>-1,290</b>	<b>1,163</b>	<b>-763</b>	<b>481</b>
<b>Comprehensive income for the period</b>	<b>2,797</b>	<b>15,262</b>	<b>16,198</b>	<b>25,572</b>	<b>49,981</b>

# GROUP BALANCE SHEET

## (NON-AUDITED)

Amounts in DKK '000	31 March 2017	31 March 2016	30 Sep. 2016
<b>Assets</b>			
Own completed development projects	1,119	2,015	1,567
Own ongoing development projects	7,528	-	985
Goodwill	7,797	7,797	7,797
<b>Intangible assets</b>	<b>16,444</b>	<b>9,812</b>	<b>10,349</b>
Plant and machinery	8,232	2,700	4,736
Other fixtures, tools and equipment	3,765	1,449	1,843
Leasehold improvements	800	911	855
<b>Tangible assets</b>	<b>12,797</b>	<b>5,060</b>	<b>7,434</b>
Deposits	7,752	7,684	7,723
Deferred tax assets	19,719	30,488	22,097
<b>Other long-term assets</b>	<b>27,471</b>	<b>38,172</b>	<b>29,820</b>
<b>Total long-term assets</b>	<b>56,712</b>	<b>53,044</b>	<b>47,603</b>
<b>Inventories</b>	<b>15,181</b>	<b>17,214</b>	<b>20,632</b>
Trade receivables	50,013	54,230	63,709
Contract development projects in progress	20,779	6,944	14,074
Income taxes	26	-	-
Other receivables	1,415	1,713	2,874
Accruals	3,180	3,857	4,056
<b>Receivables</b>	<b>75,413</b>	<b>66,744</b>	<b>84,713</b>
Short-term current asset investments	18,305	33,947	18,258
Short-term current asset investments for sale (trading portfolio)	89,669	70,682	89,401
<b>Total short-term current asset investments</b>	<b>107,974</b>	<b>104,629</b>	<b>107,659</b>
<b>Cash at bank and in hand</b>	<b>51,027</b>	<b>78,675</b>	<b>94,809</b>
<b>Total short-term assets</b>	<b>249,595</b>	<b>267,262</b>	<b>307,813</b>
<b>Total assets</b>	<b>306,307</b>	<b>320,306</b>	<b>355,416</b>



# GROUP BALANCE SHEET

## (NON-AUDITED)

Amounts in DKK '000	31 March 2017	31 March 2016	30 Sep. 2016
<b>Equity and liabilities</b>			
Share capital	47,164	47,492	47,164
Share premium account	288,598	298,403	288,598
Retained earnings	-78,116	-76,429	-55,199
<b>Equity</b>	<b>257,646</b>	<b>269,466</b>	<b>280,563</b>
Provisions	261	395	261
<b>Long-term liabilities</b>	<b>261</b>	<b>395</b>	<b>261</b>
Prepayments received from customers	1,430	441	801
Trade payables	22,800	18,701	37,157
Contract development projects in progress	1,974	918	4,710
Income taxes	193	1,542	4,354
Provisions	1,722	6,107	3,476
Other payables	20,281	22,736	24,094
<b>Short-term liabilities</b>	<b>48,400</b>	<b>50,445</b>	<b>74,592</b>
<b>Total liabilities</b>	<b>48,661</b>	<b>50,840</b>	<b>74,853</b>
<b>Total equity and liabilities</b>	<b>306,307</b>	<b>320,306</b>	<b>355,416</b>

# EQUITY STATEMENT FOR THE GROUP

## (NON-AUDITED)

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total
<b>Equity at 1 October 2015</b>	<b>45,687</b>	<b>296,090</b>	<b>-75,871</b>	<b>265,906</b>
Profit/loss for the period	-	-	26,335	26,335
Exchange rate adjustments of foreign subsidiaries	-	-	-522	-522
Fair value adjustment of short-term current asset investments	-	-	-241	-241
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-763</b>	<b>-763</b>
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>25,572</b>	<b>25,572</b>
Share-based remuneration	-	-	1,908	1,908
Acquisition of treasury shares	1,805	2,313	-	4,118
Dividends for 2014/15	-	-	-17,208	-17,208
Acquisition of treasury shares	-	-	-10,830	-10,830
<b>Other transactions</b>	<b>1,805</b>	<b>2,313</b>	<b>-26,130</b>	<b>-22,012</b>
<b>Equity at 31 March 2016</b>	<b>47,492</b>	<b>298,403</b>	<b>-76,429</b>	<b>269,466</b>
<b>Equity at 1 October 2016</b>	<b>47,164</b>	<b>288,598</b>	<b>-55,199</b>	<b>280,563</b>
Profit/loss for the period	-	-	15,035	15,035
Exchange rate adjustments of foreign subsidiaries	-	-	1,117	1,117
Fair value adjustment of short-term current asset investments	-	-	46	46
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,163</b>	<b>1,163</b>
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>16,198</b>	<b>16,198</b>
Share-based remuneration	-	-	2,150	2,150
Other regulations related to share-based remuneration	-	-	2,000	2,000
Dividends for 2015/16	-	-	-17,558	-17,558
Acquisition of treasury shares	-	-	-25,707	-25,707
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>-39,115</b>	<b>-39,115</b>
<b>Equity at 31 March 2017</b>	<b>47,164</b>	<b>288,598</b>	<b>-78,116</b>	<b>257,646</b>

Share capital of DKK 47,164,190 consists of 9,432,838 shares at DKK 5.

The Group holds 682,557 treasury shares at 31 March 2017 (609,385 shares at 31 March 2016).

There are no shares carrying special rights.

# GROUP CASH FLOW STATEMENT

## (NON-AUDITED)

Amounts in DKK '000	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
Operating profit/loss (EBIT)	4,690	21,787	19,748	33,856	65,765
<b>Reversal of items with no effect on cash flow</b>					
Depreciation, amortization and impairment	1,194	1,360	2,244	2,684	4,217
Other items with no effect on cash flow	1,145	-178	-794	-244	-3,617
Exchange rate correction on cash items	-386	-1,053	-133	986	3,844
<b>Change in working capital</b>					
Change in inventories	2,889	8,116	4,585	6,623	2,492
Change in receivables	26,826	1,842	9,326	-8,750	-27,281
Change in trade payables etc.	-10,292	-14,471	-17,093	-13,702	13,176
<b>Cash flow from operating activities</b>	<b>26,066</b>	<b>17,403</b>	<b>17,883</b>	<b>21,453</b>	<b>58,596</b>
Financial income received	614	910	729	1,253	853
Financial expenses paid	-99	-1,334	-230	-1,112	-421
Income taxes paid	-172	269	-4,546	-1,706	-1,814
<b>Cash flow from operations</b>	<b>26,409</b>	<b>17,248</b>	<b>13,836</b>	<b>19,888</b>	<b>57,214</b>
Investments in own development projects	-4,799	-	-6,543	-	-985
Acquisition of property, plant and equipment	-2,622	-648	-7,104	-1,921	-5,765
Deposits on leaseholds	-	-7,125	-6	-7,148	-7,161
Refunded deposits regarding leaseholds	-	-1,531	-	-1,531	-1,531
Income from sale of buildings	-	71,308	-	71,308	71,308
Acquisition and sale of short-term securities	-612	-30,045	-700	-30,227	-31,427
<b>Cash flow from investments</b>	<b>-8,033</b>	<b>31,959</b>	<b>-14,353</b>	<b>30,481</b>	<b>24,439</b>
Repayment of long-term liabilities	-	-7,032	-	-10,863	-10,863
Income from capital increase	-	4,118	-	4,118	5,871
Acquisition of treasury shares	-16,176	-7,351	-25,707	-10,830	-27,735
Paid dividend	-18,865	-18,275	-18,865	-18,275	-18,274
Dividend for treasury shares	1,307	1,066	1,307	1,066	1,067
<b>Cash flow from financing activities</b>	<b>-33,734</b>	<b>-27,474</b>	<b>-43,265</b>	<b>-34,784</b>	<b>-49,934</b>
Increase/decrease in cash and cash equivalents	-15,358	21,733	-43,782	15,585	31,719
Cash and cash equivalents at the beginning of the period, net	66,385	56,942	94,809	63,090	63,090
<b>Cash and cash equivalents at the end of the period, net</b>	<b>51,027</b>	<b>78,675</b>	<b>51,027</b>	<b>78,675</b>	<b>94,809</b>
Cash and cash equivalents at the end of the period, net, is composed as follows:					
Cash at bank and in hand	51,027	78,675	51,027	78,675	94,809
Bank debt	-	-	-	-	-
<b>Cash and cash equivalents at the end of the period, net</b>	<b>51,027</b>	<b>78,675</b>	<b>51,027</b>	<b>78,675</b>	<b>94,809</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 2015/16, 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 2015/16 for a more detailed description of the accounting policies.

The applied accounting policy is unchanged compared to the annual report for 2015/16. New or amended standards and interpretations becoming effective for the financial year 2016/17 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 2016.

# NOTES

## 3. SEGMENT INFORMATION

Amounts in DKK '000	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
<b>Revenue, business segments</b>					
Design Services	34,415	31,853	68,853	62,225	126,279
Business Communications	49,721	70,786	126,545	131,319	268,352
Non-allocated items	1	1	1	925	924
<b>Total</b>	<b>84,137</b>	<b>102,640</b>	<b>195,399</b>	<b>194,469</b>	<b>395,555</b>
<b>EBIT</b>					
Design Services	3,972	4,176	5,233	8,142	13,535
Business Communications	1,057	17,847	17,741	28,557	54,844
Non-allocated items	-339	-236	-3,226	-2,843	-2,614
<b>Total</b>	<b>4,690</b>	<b>21,787</b>	<b>19,748</b>	<b>33,856</b>	<b>65,765</b>
<b>Segment assets</b>					
Design Services	46,679	33,009	46,679	33,009	38,633
Business Communications	64,909	58,302	64,909	58,302	76,150
Non-allocated items	194,719	228,995	194,719	228,995	240,633
<b>Total</b>	<b>306,307</b>	<b>320,306</b>	<b>306,307</b>	<b>320,306</b>	<b>355,416</b>
<b>Revenue, geographical segments</b>					
Denmark	1,412	1,431	2,869	3,363	4,458
Other Europe	58,699	69,909	140,763	134,904	279,765
Asia and Australia	11,613	8,352	21,507	17,611	37,736
North and South America	12,413	21,775	28,370	36,329	68,093
Africa	-	1,173	1,890	2,262	5,503
<b>Total</b>	<b>84,137</b>	<b>102,640</b>	<b>195,399</b>	<b>194,469</b>	<b>395,555</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	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
Development costs before capitalization	10,981	5,393	18,253	11,760	25,859
Capitalized	-4,799	-	-6,543	-	-985
Total amortization and impairment losses on development projects	224	794	448	1,666	2,114
<b>Development costs recognized in the profit/loss account</b>	<b>6,406</b>	<b>6,187</b>	<b>12,158</b>	<b>13,426</b>	<b>26,988</b>

## 5. GROUP FINANCIAL ITEMS

Amounts in DKK '000	Q2 2016/17	Q2 2015/16	H1 2016/17	H1 2015/16	FY 2015/16
Interest income from bonds available for sale	614	241	729	465	853
Exchange rate gains, net	-	-	-	-	-
Exchange rate gains on bonds	-	669	-	788	2,455
<b>Financial income</b>	<b>614</b>	<b>910</b>	<b>729</b>	<b>1,253</b>	<b>3,308</b>
Interest costs	1	13	1	42	45
Exchange rate losses, net	614	1,228	29	880	172
Exchange rate loss on bonds	56	-	432	-	-
Other financial costs	98	93	229	190	376
<b>Financial expenses</b>	<b>769</b>	<b>1,334</b>	<b>691</b>	<b>1,112</b>	<b>593</b>