

INTERIM REPORT FOR Q3 2017/18

(the period 01.04.2018 - 30.06.2018)

FULL YEAR GUIDANCE MAINTAINED DESPITE INCREASING LEAD TIME ON KEY COMPONENTS AND UNFAVOURABLE US DOLLAR EFFECT IN Q3

The Board of Directors of RTX A/S has today considered and approved the Group's interim report for the third quarter of 2017/18 (covering the period 01.04.2018 – 30.06.2018)

SUMMARY OF THE THIRD QUARTER OF 2017/18 FOR THE RTX GROUP

- Net revenue amounted to DKK 114.2 million in Q3 of 2017/18, corresponding to a decline of 8.1% or DKK 10.1 million less than last year's revenue of DKK 124.3 million. Corrected for the USD exchange rate effect, net revenue in Q3 2017/18 decreased by 1.7% compared to Q3 2016/17.
- Revenue apportioned across RTX's business units as follows:
 - Business Communications revenue amounted to DKK 77.8 million in Q3 2017/18 compared to DKK 87.1 million in Q3 2016/17 corresponding to a decline of 10.7% or DKK 9.3 million (corrected for exchange rate effect the decline was 3.8%).
 - Design Services revenue declined by DKK 0.8 million amounting to DKK 36.4 million in Q3 2017/18 corresponding to a revenue decline of 2.2% compared to Q3 of 2016/17 (corrected for exchange rate effect revenue increased by 3.1%).
- Gross profit amounted to DKK 63.3 million in Q3 2017/18 declining by DKK 4.1 million or 6.1% following the effects of the declining revenue. Due to the revenue mix the gross margin increased by 1.2 %-points to 55.4% in Q3 2017/18 compared to 54.2% in Q3 2016/17.
- Capacity cost increased by 11.7% in Q3 2017/18 driven by continued investments in own financed development projects combined with the fact that RTX increased the number of employees from 228 at the end of Q3 last year to 247 at the end of Q3 2017/18 due to the continued activity increase. The increased number of own financed development projects has resulted in capitalization of DKK 4.8 million in Q3 of 2017/18 compared to DKK 4.6 million in the same period last year.
- Operating profit (EBIT) declined by DKK 10.3 million amounting to DKK 13.5 million in Q3 2017/18 compared to DKK 23.8 million in the same period last year. The decline in operating profit (EBIT) must be seen in the light of the disruptions in the supply chain last year.
- Cash flows from operations amounted to DKK 18.1 million in Q3 of 2017/18 compared to DKK 9.0 million in Q3 of 2016/17.

ANNOUNCEMENT

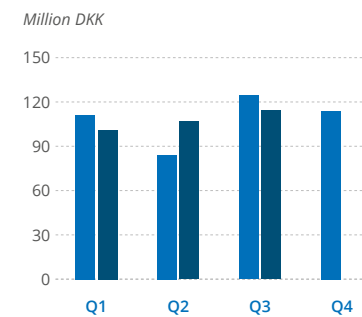
to Nasdaq Copenhagen A/S and the media

Nørresundby, 28 August 2018

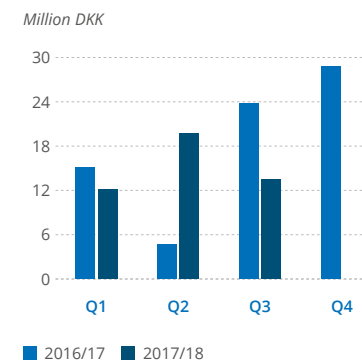
Announcement no. 10/2018

No. of pages: 12

REVENUE PER QUARTER



EBIT PER QUARTER





SUMMARY OF THE FIRST NINE MONTHS OF 2017/18 FOR THE RTX GROUP

- In the first nine months of 2017/18 RTX realized a growth in revenue by 0.7% reaching DKK 321.8 million corresponding to an increase in revenue of DKK 2.2 million compared to the same period last year. Corrected for exchange rate effects the growth in revenue corresponds to 9.9%.
- Revenue apportioned across RTX's business units as follows:
 - Business Communications experienced a decline of 0.6% in revenue corresponding to DKK 1.3 million, reaching DKK 212.3 million for the first nine months of 2017/18 compared to DKK 213.6 million in the same period last year. Corrected for exchange rate effect the growth was 9.9%.
 - Design Services increased revenue by 3.3% corresponding to DKK 3.5 million reaching DKK 109.5 million for the first nine months of 2017/18. Corrected for exchange rate effect the increase was 9.8%.
- Gross profit increased by 6.2% reaching DKK 185.1 million corresponding to an increase of DKK 10.8 million compared to the same period last year. Due to the positive development in the revenue mix the gross margin increased by 3.0% points reaching 57.5% compared to 54.5% in the same period last year.
- Capacity costs have increased by 7.7% in the first nine months of 2017/18 as compared to the same period last year. The increased capacity cost is driven by increased staff to meet the higher level of activity. The increased number of own financed development projects has resulted in capitalization of DKK 14.5 million in 2017/18 compared to DKK 11.1 million in the same period last year.
- Operating profit (EBIT) amounted to DKK 45.2 million after the first nine months of 2017/18, increasing by 3.8% as compared to DKK 43.6 million in the same period last year.
- Cash flows from operations in the first nine months of 2017/18 amounted to DKK 56.3 million compared to DKK 23.0 million in 2016/17.

OUTLOOK FOR 2017/18

- With a satisfactory underlying growth, but challenged by the depreciation of US Dollars in the first nine months of 2017/18 compared to the same period last year, Management maintains the expectations for revenue between DKK 460-490 million, EBITDA between DKK 72-87 million and EBIT between DKK 58-73 million.

RTX A/S

PETER THOSTRUP
Chairman

PETER RØPKE
CEO

ENQUIRIES AND FURTHER INFORMATION:

CEO
Peter Røpke, tel +45 96 32 23 00

APPENDICES

Interim report for Q3 2017/18
comprising:

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

On Friday, 31 August 2018 at 9 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 interim report for the third quarter of 2017/18.

To register for the meeting, please email
ABGSCEvents-Copenhagen@abgsc.dk.

Group financial highlights and key ratios

(non-audited)

Amounts in DKK million	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
INCOME STATEMENT ITEMS					
Revenue	114.2	124.3	321.8	319.7	433.5
Gross profit	63.3	67.4	185.1	174.3	238.5
Operating profit/loss (EBIT)	13.5	23.8	45.2	43.6	72.3
EBITDA	15.7	25.1	50.6	47.1	77.2
EBITDA %	13.8	20.2	15.7	14.7	17.8
Net financials	2.3	-1.6	0.7	-1.6	-1.9
Profit/loss before tax (EBT)	15.8	22.2	45.9	42.0	70.4
Profit/loss for the period	12.2	17.1	35.8	32.1	58.2
BALANCE SHEET ITEMS					
Cash and current asset investments	150.4	145.9	150.4	145.9	151.3
Total assets	352.1	330.5	352.1	330.5	353.0
Equity	285.2	264.7	285.2	264.7	283.0
Liabilities	66.9	65.8	66.9	65.8	70.0
OTHER KEY FIGURES					
Development costs (own) before capitalization	9.4	9.1	26.8	27.3	36.9
Capitalized development costs	4.8	4.6	14.5	11.1	17.4
Depreciation, amortization and impairment	2.2	1.3	5.4	3.6	4.9
Cash flow from operations	18.1	9.0	56.3	23.0	46.7
Cash flow from investments	-7.8	-25.0	-22.0	-39.3	-37.0
Investments in property, plant and equipment	2.3	0.4	6.3	7.5	8.9
Increase/decrease in cash and cash equivalents	10.4	-32.7	-1.9	-76.3	-61.4

Amounts in DKK million	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
KEY RATIOS					
Growth in net turnover (percentage)	-8.2	19.1	0.7	7.0	9.6
Profit margin (percentage)	11.8	19.2	14.1	13.6	16.7
Return on invested capital ²⁾ (percentage)	72.2	105.3	72.2	105.3	92.1
Return on equity ²⁾ (percentage)	22.5	14.5	22.5	14.5	20.7
Equity ratio (percentage)	81.0	80.1	81.0	80.1	80.2
EMPLOYMENT					
Average number of full-time employees	247	227	241	227	227
Revenue per employee ¹⁾ (DKK '000)	462	548	1,335	1,408	1,910
Operating profit/loss per employee ¹⁾ (DKK '000)	55	105	188	192	318
SHARES					
Average number of shares in circulation ('000)	8,568	8,697	8,552	8,808	8,735
Average number of diluted shares ('000)	8,683	8,858	8,691	8,994	8,916
SHARE DATA. DKK PER SHARE AT DKK 5					
Profit/loss for the period (EPS), per share ¹⁾	1.4	2.0	4.2	3.6	6.7
Profit/loss for the period, diluted (DEPS), per share ¹⁾	1.4	1.9	4.1	3.6	6.5
Dividends, per share (DKK)	-	-	-	-	2.0
Equity value, per share	33.3	30.6	33.3	30.6	32.9
Listed price, per share	191.0	162.0	191.0	162.0	180.0

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 2016/17 in the accounting policies.

¹⁾ Not annualized.

²⁾ Calculated over a 12 months' period. Key ratios regarding previous periods were corrected.

Management report

Comments on developments for the third quarter of the 2017/18 financial year

WITH REFERENCE TO THE GROUP'S FINANCIAL FIGURES FOR THE THIRD QUARTER OF 2017/18

The Group posted revenue of DKK 114.2 million for third quarter of 2017/18 financial year equivalent to a decrease of 8.1% compared to DKK 124.3 million in the same period last year. Adjusted for exchange rate effects, revenue decreased by 1.7% compared to last year. Revenue in the quarter is negatively affected by especially the increasing lead time on electronic components extending the lead time in the supply chain combined with unfavourable USD effect.

Business Communications realized revenue of DKK 77.8 million in Q3, a decline of DKK 9.3 million compared to DKK 87.1 million in the same period last year. Corrected for exchange rate effects the decline was 3.8%. The negative revenue development is predominantly due to the fact that the unit realized an extraordinary high revenue in the third quarter last year at a higher USD exchange rate, contributed by order spillover rooted in supply chain challenges in the second quarter of last year. Further, the global supply level of key components impacts the lead time in the supply chain with expectedly temporary effects on revenue and profit in the third quarter. The investment in RTX's own business headset and handset programs continued as planned in the third quarter of 2017/18. With the new

product ranges and based on the recently signed contracts with major international customers in Q1 2017/18 and Q2 2017/18 Business Communications is expected to increase activity level in the coming fiscal year.

Design Services realized revenue of DKK 36.4 million in Q3 compared to DKK 37.2 million in the same period of 2016/17 corresponding to a minor decline of 2.2%. Adjusted for exchange rate effects revenue increased by 3.1%. The slightly lower revenue in Q3 2017/18 as compared to third quarter last year is mainly driven by a temporary lower demand for customized modules due to a key customer's delay in development activities. Further, the development of own financed gaming platforms progresses as planned.

Gross profit declined by DKK 4.1 million in Q3 2017/18 as a consequence of the lower revenue, amounting to DKK 63.3 million compared to DKK 67.4 million last year. The development in the product mix improved the gross margin by 1.2%-points reaching 55.4% compared to 54.2% in the same period last year.

Capacity costs increased during the period in consequence of an increased level of activity in both business units and amounted to DKK 52.3 million in Q3 of 2017/18 compared to DKK 46.9 million in the same period last year. The higher level of activity is driven by a higher demand for customer financed development projects resulting in additionally 19 employees in the end of Q3 2017/18 compared to end of Q3 2016/17. As an effect of the increase in investments in own financed development projects, the capitalized amount was DKK 4.8 million in Q3 of 2017/18.

Depreciations rose according to plan to DKK 2.2 million in Q3 2017/18 from DKK 1.3 million in Q3 of 2016/17 primarily due to higher investments in operations equipment and own financed development projects.

Operating profit (EBIT) amounted to DKK 13.5 million compared to DKK 23.8 million in the same period last year. This development is mainly due to the higher activity level in Q3 2016/17, an unfavorable US dollar exchange rate in 2017/18 and an increase in capacity costs.

Net financial income resulted in an income of DKK 2.3 million compared to a cost of DKK 1.6 million in the same period last year. The primary reason for the development is the exchange rate fluctuations. Profit before tax for Q3 of 2017/18 amounted to DKK 15.8 million compared to DKK 22.2 million in the same period last year.

Profit after tax amounted to DKK 12.2 million in Q3 of 2017/18 compared to DKK 17.1 million for the same period last year.

The company share capital was reduced by nominal DKK 1.0 million in Q3 2017/18 as decided by the general assembly. The equity ratio amounted to 81.0% at the end of Q3 compared to 80.1% last year.

The Group's balance sheet total was DKK 352.1 million at the end of the third quarter compared to DKK 330.0 million at the same time last year corresponding to an increase of DKK 22.1 million. The increase is mainly attributed to our strategic decision to develop own projects and closely linked to the new contracts with two major international customers signed in Q1 2017/18 and Q2 2017/18.



FINANCIAL CALENDAR

Expected publication of financial information for the financial year 2017/18:

27 NOVEMBER 2018

Annual report for 2017/18

The Group realized a positive cash flow from operations in Q3 of 2017/18 of DKK 18.1 million compared to DKK 9.0 million in Q3 of 2016/17. Last year's cash flow from operations was negatively affected by working capital normalizing after an unusual low level in Q2 of 2016/17 due to the activity drop.

Management is currently exploring further growth opportunities and accordingly has no plans to effectuate a new share repurchase program in this financial year. Cash flows from financing improved by DKK 16.7 million in Q3 2017/18 compared to Q3 2016/17 due to the share repurchase program last year.

The Group's total cash funds and current securities less bank debt totaled DKK 150.4 million at the end of Q3, i.e. an increase of DKK 4.5 million compared to the same period last year.

OUTLOOK FOR THE 2017/18 FINANCIAL YEAR

With a satisfactory underlying growth, but challenged by the depreciation of US Dollars in the first nine months of 2017/18 compared to the same period last year, Management maintains the expectations for revenue between DKK 460-490 million, EBITDA between DKK 72-87 million and EBIT between DKK 58-73 million.

RISKS AND UNCERTAINTIES FOR THE 2017/18 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 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 uncertainties 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.

Statement by the Management on the interim report

The Board of Directors and the Executive Board have today considered and approved the interim report of RTX A/S for the third quarter of the financial year 2017/18 (covering the period 1 April to 30 June 2018).

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 2018 and of its financial performance and cash flow for the third quarter of 2017/18.

We consider Management's report 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, 28 August 2018

Executive Board

Peter Røpke
CEO

Kristian Frederiksen
CFO

Board of Directors

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	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Revenue	3	114,152	124,287	321,843	319,685	433,503
Value of work transferred to assets	4	4,774	4,597	14,487	11,140	17,427
Costs of sales etc.		-50,887	-56,881	-136,761	-145,427	-195,046
Other external expenses		-13,806	-13,170	-36,826	-36,703	-47,382
Staff costs		-38,535	-33,693	-112,143	-101,564	-131,300
Depreciation, amortization and impairment	4	-2,214	-1,327	-5,380	-3,571	-4,921
Operating profit/loss (EBIT)		13,484	23,813	45,220	43,560	72,281
Financial income	5	2,379	446	1,790	763	1,492
Financial expenses	5	-107	-2,051	-1,139	-2,330	-3,393
Profit/loss before tax		15,756	22,208	45,871	41,993	70,380
Tax of profit/loss for the period		-3,530	-5,113	-10,092	-9,864	-12,178
Profit/loss for the period		12,226	17,095	35,779	32,129	58,202
Profit/loss per share (EPS) ¹⁾						
Profit/loss for the period (DKK)		1.4	2.0	4.2	3.6	6.7
Profit/loss for the period, diluted (DKK)		1.4	1.9	4.1	3.6	6.5

¹⁾ Not annualized.

Group Statement of Comprehensive Income

(non-audited)

Amounts in DKK '000	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Profit/loss for the period	12,226	17,095	35,779	32,129	58,202
Items that can be reclassified subsequently to the income statement					
Exchange rate adjustments of foreign subsidiaries	1,817	-1,838	360	-722	-1,663
Fair value adjustment of short-term current asset investments	0	48	-8	94	134
Other comprehensive income, net of tax	1,817	-1,790	352	-628	-1,529
Comprehensive income for the period	14,043	15,305	36,131	31,501	56,673

Group Balance Sheet

(non-audited)

Amounts in DKK '000	30.06.18	30.06.17	30.09.17
ASSETS			
Own completed development projects	5,987	895	671
Own ongoing development projects	25,979	12,125	18,412
Goodwill	7,797	7,797	7,797
Intangible assets	39,763	20,817	26,880
Plant and machinery	8,613	7,888	7,720
Other fixtures, tools and equipment	3,169	3,356	3,086
Leasehold improvements	2,966	770	1,438
Tangible assets	14,748	12,014	12,244
Deposits	7,708	7,714	7,696
Deferred tax assets	15,444	19,279	21,221
Other long-term assets	23,152	26,993	28,917
Total long-term assets	77,663	59,824	68,041
Inventories	20,216	19,463	24,147
Trade receivables	76,021	79,135	84,006
Contract development projects in progress	19,885	18,577	16,472
Income taxes	-	2,471	3,403
Other receivables	3,056	1,688	3,100
Accruals	4,773	3,383	2,533
Receivables	103,735	105,254	109,514
Short-term current asset investments	-	18,352	18,392
Short-term current asset investments for sale (trading portfolio)	120,469	110,081	100,865
Total short-term current asset investments	120,469	128,433	119,257
Cash at bank and in hand	29,973	17,501	32,045
Total short-term assets	274,393	270,651	284,963
Total assets	352,056	330,475	353,004

Amounts in DKK '000	30.06.18	30.06.17	30.09.17
EQUITY AND LIABILITIES			
Share capital	44,714	45,714	45,714
Share premium account	252,367	270,723	270,723
Retained earnings	-11,924	-51,719	-33,462
Equity	285,157	264,718	282,975
Provisions	258	261	258
Long-term liabilities	258	261	258
Prepayments received from customers	481	76	581
Trade payables	26,422	38,058	38,607
Contract development projects in progress	3,040	3,626	2,543
Income taxes	5,545	-	1,572
Provisions	1,263	1,626	1,282
Other payables	29,890	22,110	25,186
Short-term liabilities	66,641	65,496	69,771
Total liabilities	66,899	65,757	70,029
Total equity and liabilities	352,056	330,475	353,004

Group Equity Statement

(non-audited)

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total
Equity at 1 October 2016	47,164	288,598	-55,199	280,563
Profit/loss for the period	-	-	32,129	32,129
Exchange rate adjustments of foreign subsidiaries	-	-	-722	-722
Fair value adjustment of short-term current asset investments	-	-	94	94
Other comprehensive income	-	-	-628	-628
Comprehensive income for the period	-	-	31,501	31,501
Share-based remuneration	-	-	3,314	3,314
Other regulations related to share-based remuneration	-	-	9,339	9,339
Cancellation of treasury shares	-1,450	-17,875	19,314	-11
Dividends for 2015/16	-	-	-17,558	-17,558
Acquisition of treasury shares	-	-	-42,430	-42,430
Other transactions	-1,450	-17,875	-28,021	-47,346
Equity at 30 June 2017	45,714	270,723	-51,719	264,718

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total
Equity at 1 October 2017	45,714	270,723	-33,462	282,975
Profit/loss for the period	-	-	35,779	35,779
Exchange rate adjustments of foreign subsidiaries	-	-	360	360
Fair value adjustment of short-term current asset investments	-	-	-8	-8
Other comprehensive income	-	-	352	352
Comprehensive income for the period	-	-	36,131	36,131
Share-based remuneration	-	-	3,965	3,965
Deferred tax related to share-based remuneration	-	-	-1,743	-1,743
Cancellation of treasury shares	-1,000	-18,356	19,345	-11
Dividends for 2016/17	-	-	-16,959	-16,959
Acquisition of treasury shares	-	-	-19,201	-19,201
Other transactions	-1,000	-18,356	-14,593	-33,949
Equity at 30 June 2018	44,714	252,367	-11,924	285,157

Share capital of DKK 44,714,190 consists of 8,942,838 shares at DKK 5. The Group holds 374,849 treasury shares at 30 June 2018 (483,007 shares at 30 June 2017). There are no shares carrying special rights.

Group Cash Flow Statement

(non-audited)

Amounts in DKK '000	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Operating profit/loss (EBIT)	13,484	23,813	45,220	43,560	72,281
Reversal of items with no effect on cash flow					
Depreciation, amortization and impairment	2,214	1,327	5,380	3,571	4,921
Other items with no effect on cash flow	2,956	-2,932	3,725	-3,726	-731
Change in working capital					
Change in inventories	3,026	-2,649	3,371	1,936	-5,873
Change in receivables	-4,893	-27,396	3,101	-18,070	-19,723
Change in trade payables etc.	-2,463	16,910	-7,084	-183	155
Cash flow from operating activities	14,324	9,073	53,713	27,088	51,030
Financial income received	393	34	1,961	763	761
Financial expenses paid	2,484	-105	-704	-335	-434
Income taxes paid	947	-13	1,318	-4,559	-4,700
Cash flow from operations	18,148	8,989	56,288	22,957	46,657
Investments in own development projects	-4,774	-4,597	-14,487	-11,140	-17,427
Acquisition of property, plant and equipment	-2,264	-361	-6,280	-7,465	-8,868
Deposits on leaseholds	-46	-4	-12	-10	-11
Acquisition and sale of short-term securities	-709	-20,000	-1,212	-20,700	-10,733
Cash flow from investments	-7,793	-24,962	-21,991	-39,315	-37,039

Amounts in DKK '000	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Acquisition of treasury shares	-	-16,723	-19,201	-42,430	-53,419
Dividends paid	-	-	-18,286	-18,865	-17,557
Dividends for treasury shares	-	-	1,327	1,307	-
Cash flow from financing activities	-	-16,723	-36,160	-59,988	-70,976
Increase/decrease in cash and cash equivalents	10,355	-32,696	-1,863	-76,346	-61,358
Exchange rate correction on cash items	573	-830	-209	-962	-1,406
Cash and cash equivalents at the beginning of the period, net	19,045	51,027	32,045	94,809	94,809
Cash and cash equivalents at the end of the period, net	29,973	17,501	29,973	17,501	32,045
Cash and cash equivalents at the end of the period, net, is composed as follows:					
Cash at bank and in hand	29,973	17,501	29,973	17,501	32,045
Cash and cash equivalents at the end of the period, net	29,973	17,501	29,973	17,501	32,045

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 2016/17 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 2016/17 for a more detailed description of the accounting policies.

The applied accounting policy is unchanged compared to the annual report for 2016/17. New or amended standards and interpretations becoming effective for the financial year 2017/18 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 2017.

3 SEGMENT INFORMATION

Amounts in DKK '000	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Revenue, business segments					
Design Services	36,401	37,206	109,517	106,058	143,962
Business Communications	77,751	87,081	212,326	213,627	289,541
Total	114,152	124,287	321,843	319,685	433,503
EBIT					
Design Services	1,026	2,350	6,011	7,583	17,987
Business Communications	16,360	21,772	47,110	39,513	57,485
Non-allocated items	-3,902	-309	-7,901	-3,536	-3,191
Total	13,484	23,813	45,220	43,560	72,281
Segment assets					
Design Services	55,648	57,130	55,648	57,130	61,089
Business Communications	88,586	90,074	88,586	90,074	101,064
Non-allocated items	207,822	183,271	207,822	183,271	190,851
Total	352,056	330,475	352,056	330,475	353,004
Revenue, geographical segments					
Denmark	2,787	1,301	9,396	4,170	7,225
Other Europe	66,544	84,869	195,763	225,631	296,708
Asia and Australia	28,365	19,275	66,583	40,782	64,228
North and South America	16,400	17,132	46,828	45,502	60,043
Africa	56	1,710	3,273	3,600	5,299
Total	114,152	124,287	321,843	319,685	433,503

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 DEVELOPMENT COSTS

Amounts in DKK '000	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Development costs before capitalization	9,383	9,053	26,815	27,306	36,877
Value of work transferred to assets (capitalized)	-4,774	-4,597	-14,487	-11,140	-17,427
Total amortization and impairment losses on development projects	866	224	1,604	672	896
Development costs recognized in the profit/loss account	5,475	4,680	13,932	16,838	20,346

5 FINANCIAL ITEMS

Amounts in DKK '000	Q3 2017/18	Q3 2016/17	9M 2017/18	9M 2016/17	FY 2016/17
Exchange rate gains, net	1,508	-	-	-	-
Fair value of investments in trading portfolio	648	412	-	-	731
Other interest income	223	34	1,790	763	761
Financial income	2,379	446	1,790	763	1,492
Exchange rate losses, net	-	1,946	435	1,975	2,959
Fair value of investments in trading portfolio	-	-	392	20	-
Other financial costs	107	105	312	335	434
Financial expenses	107	2,051	1,139	2,330	3,393