

# netcompany

# Q2 | 23

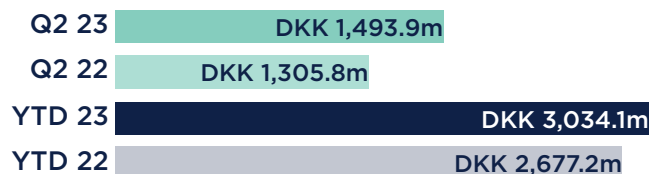
Company Announcement  
Six months ended 30 June 2023

Continued growth  
in uncertain market  
conditions

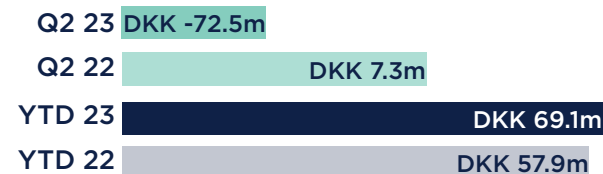
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# Summary

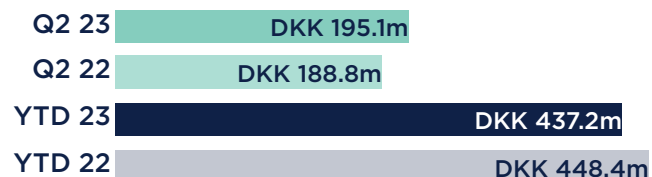
## Revenue increased by 14.4% (constant 15.7%)



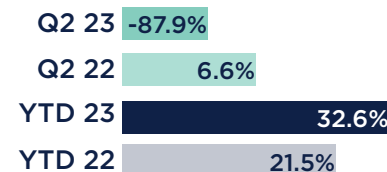
## Free cash flow was DKK -72.5m



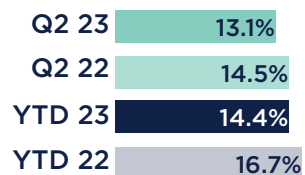
## Adj. EBITDA increased 3.3%



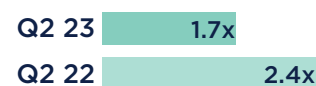
## Cash conversion ratio was negative



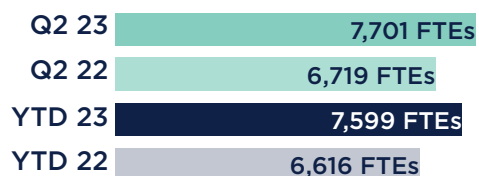
## Adj. EBITDA margin decreased by 1.4pp



## Debt leverage improved by 28.7%



## Average employees increased by 982 FTEs



### Conference call details

In connection with the publication of the results for Q2 2023, Netcompany will host a conference call on 16 August 2023 at 11.00 CEST.

The conference call can be followed live via <https://netcompany-as.eventcdn.net/events/interim-report-Q2-2023>  
For further dial-in details please visit the company's website: [www.netcompany.com](http://www.netcompany.com)

In Q2, we grew revenue 15.7% driven by strong results in the international operation of the Group. Netcompany Norway and Netcompany Netherlands grew 58.5% and 74.8% respectively. In addition, Netcompany UK grew 28.9% and Netcompany-Intrasoft grew 25.1%.

As expected, the uncertain market situation, that impacted our Danish private operation in the previous quarter, continued to impact our private segment in Q2.

Despite uncertain times we have continued to hire outstanding talent and in Q2 we have reached 7,700 full time employees – an increase of 14.6%.

During Q2, we have also seen the first indications that our enhanced “Go-To-Market” approach will lead to new business for the Group. In addition, we continued to win new projects based on proven products in the public segment, which makes me confident that we will achieve our ambition for this year and our mid-term targets for 2026.

**André Rogaczewski**

NETCOMPANY CEO AND CO-FOUNDER

# Performance overview Q2

DKK million	Q2 2023 (reported)	Q2 2023 (constant)*	Q2 2022	% change (reported)	% change (constant)*
Revenue	1,493.9	1,510.5	1,305.8	14.4%	15.7%
Cost of services	-1,091.1	-1,103.3	-941.7	15.9%	17.2%
<b>Gross profit</b>	<b>402.8</b>	<b>407.2</b>	<b>364.0</b>	<b>10.6%</b>	<b>11.9%</b>
<i>Gross profit margin</i>	27.0%	27.0%	27.9%	-0.9pp	-0.9pp
Sales and marketing costs	-13.6	-13.3	-9.5	43.0%	39.6%
Administrative costs	-244.4	-247.3	-198.5	23.1%	24.6%
<b>Adjusted EBITA</b>	<b>144.8</b>	<b>146.6</b>	<b>156.0</b>	<b>-7.2%</b>	<b>-6.0%</b>
<i>Adjusted EBITA margin</i>	9.7%	9.7%	11.9%	-2.3pp	-2.2pp
Other operating income / expense	0.4	0.4	-0.1	-447.9%	-447.4%
<b>EBITA</b>	<b>145.2</b>	<b>147.0</b>	<b>155.8</b>	<b>-6.8%</b>	<b>-5.7%</b>
<i>EBITA margin</i>	9.7%	9.7%	11.9%	-2.2pp	-2.2pp
Amortisation	-34.9	-34.9	-32.7	6.8%	6.9%
<b>Operating profit (EBIT)</b>	<b>110.3</b>	<b>112.1</b>	<b>123.2</b>	<b>-10.5%</b>	<b>-9.0%</b>
<i>Operating profit margin</i>	7.4%	7.4%	9.4%	-2.1pp	-2.0pp
Net financials	-34.7	-34.9	-18.8	85.0%	85.9%
Income / loss, joint venture / associates	-1.8	-1.8	-3.8	-52.4%	-52.4%
<b>Profit / loss before tax</b>	<b>73.8</b>	<b>75.4</b>	<b>100.6</b>	<b>-26.7%</b>	<b>-25.1%</b>
Tax	-18.6	-18.6	-15.6	18.8%	18.9%
<i>Effective tax rate</i>	25.2%	24.7%	15.5%	9.6pp	9.1pp
<b>Net profit / loss</b>	<b>55.2</b>	<b>56.8</b>	<b>85.0</b>	<b>-35.1%</b>	<b>-33.1%</b>
<b>Additional KPIs</b>					
Adjusted EBITDA	195.1	197.2	188.8	3.3%	4.5%
<i>Adjusted EBITDA margin</i>	13.1%	13.1%	14.5%	-1.4pp	-1.4pp
Free cash flow	-72.5	N/A	7.3	-1086.5%	N/A
Cash conversion rate	-87.9%	N/A	6.6%	-94.6pp	N/A

\*Constant currencies measured using average exchange rates for Q2 2022

**CONTINUED** PERFORMANCE OVERVIEW Q2

Reported revenue grew 14.4% (constant 15.7%) in Q2 2023 to DKK 1,493.9m, all organic. Client facing FTEs grew 14.9% and total FTEs at the end of Q2 2023 amounted to 7,701. Revenue from public clients increased by 20.6%, whereas revenue from private clients increased by 3.4% compared to the same period last year.

Gross profit margin was 27%, which was 0.9 percentage point lower than the same period in 2022 – in line with expectations. The lower gross profit margin was mainly driven by lower margin in the Danish business unit.

Sales and marketing costs were 43% higher than the same period in 2022 at DKK 13.6m as a result of the generally higher level of marketing spend realised during the quarter and in line with the enhanced “Go-To-Market” approach.

Administrative costs increased by 23.1% to DKK 244.4m in Q2 2023. Depreciation accounted for DKK 18m of the total increase of DKK 45.9m, caused by increased depreciation related to leases. The main part related to the movement to the new HQ in Copenhagen including termination

and re-establishment costs for Netcompany’s previous headquarter at Grønningen in Copenhagen – as was the case in Q1 2023 too. In addition, costs related to the enhanced “Go-To-Market” model impacted administrative costs by around DKK 7m – also in line with Q1 2023.

As a consequence of the lower gross profit and increased administrative costs, adjusted EBITA margin was 2.3 percentage points lower at 9.7% compared to 11.9% in the same period last year.

Amortisation were DKK 34.9m – in line with the level of amortisation in the same period last year.

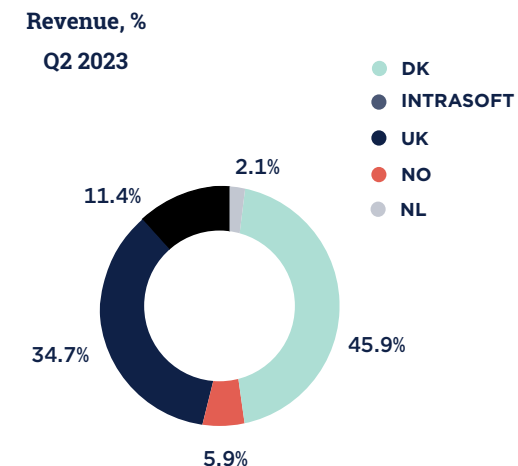
Operating profit (EBIT) was DKK 12.9m lower than for Q2 2022 yielding a margin of 7.4% compared to 9.4% for Q2 2022.

Net financials were negative DKK 34.7m compared to negative DKK 18.8m for the same period last year. The main reason for the increased financial costs was the increase in the interest rate level compared to the same period last year, which led to an increase of DKK 14m in interest costs.

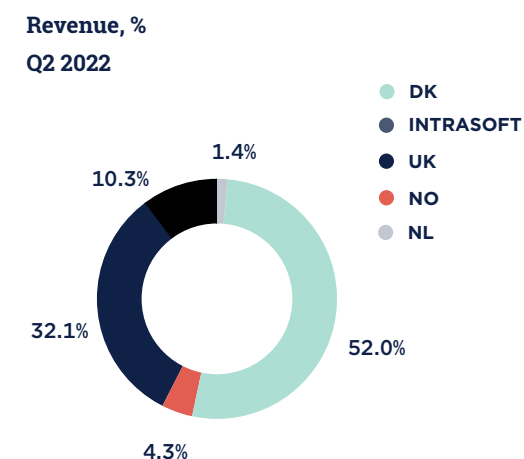
Income taxes in Q2 2023 were DKK 18.6m compared to DKK 15.6m in the same quarter last year. Effective tax rate was 25.2% compared to 15.5% for Q2 2022. Income taxes were impacted positively (lower taxes) in Q2 2022 as a result of a timing effect between the quarters in 2022. Adjusted for this correction, the effective tax rate was 20% in Q2 2022.

# Business Segments Q2

DKK million Constant (2022 rate)	Q2 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,510.5	693.6	524.1	172.9	88.6	31.4
<b>Gross profit</b>	<b>411.6</b>	<b>236.0</b>	<b>121.0</b>	<b>42.4</b>	<b>10.8</b>	<b>1.4</b>
<i>Gross profit margin</i>	27.3%	34.0%	23.1%	24.5%	12.1%	4.5%
Local admin costs	-202.4	-110.6	-45.9	-23.6	-15.1	-7.2
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>209.2</b>	<b>125.4</b>	<b>75.1</b>	<b>18.9</b>	<b>-4.4</b>	<b>-5.8</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	13.9%	18.1%	14.3%	10.9%	-4.9%	-18.4%
Allocated costs from HQ	-12.1	-8.4	0.0	-2.1	-1.0	-0.5
Depreciation	-50.6	-30.6	-13.5	-2.9	-2.1	-1.5
Amortisation	-34.9	-17.3	-10.9	-3.9	-1.9	-1.0
Other operating income / expense	0.4	0.0	0.4	0.0	0.0	0.0
<b>EBIT</b>	<b>112.1</b>	<b>69.1</b>	<b>51.1</b>	<b>10.0</b>	<b>-9.4</b>	<b>-8.8</b>
Client facing FTEs	7,217	2,871	3,204	628	353	161



DKK million Reported	Q2 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,305.8	678.8	419.1	134.1	55.9	18.0
<b>Gross profit</b>	<b>369.0</b>	<b>251.9</b>	<b>87.4</b>	<b>35.9</b>	<b>-3.5</b>	<b>-2.8</b>
<i>Gross profit margin</i>	28.3%	37.1%	20.9%	26.8%	-6.3%	-15.5%
Local admin costs	-167.1	-92.2	-35.3	-18.2	-13.9	-7.6
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>201.9</b>	<b>159.8</b>	<b>52.2</b>	<b>17.7</b>	<b>-17.4</b>	<b>-10.3</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	15.5%	23.5%	12.4%	13.2%	-31.2%	-57.6%
Allocated costs from HQ	-13.1	-9.5	0.0	-2.1	-1.0	-0.5
Depreciation	-32.8	-17.2	-9.8	-2.6	-1.8	-1.3
Amortisation	-32.7	-19.1	-6.3	-4.2	-2.1	-1.0
Other operating income / expense	-0.1	0.0	-0.1	0.0	0.0	0.0
<b>EBIT</b>	<b>123.2</b>	<b>113.9</b>	<b>36.0</b>	<b>8.8</b>	<b>-22.4</b>	<b>-13.1</b>
Client facing FTEs	6,281	2,586	2,784	507	272	133



**CONTINUED BUSINESS SEGMENTS Q2**

**Netcompany Denmark**

Revenue growth in the Danish business unit was 2.2% driven by growth in the public segment of 9.7%, whereas the private segment realised a decline of 7.8% in revenue growth in the second quarter – following the same patterns as seen in the first quarter of the year. Q2 2023 had one working day less compared to last year impacting growth negatively by 1.8 percentage points. Pipeline continues to develop satisfactorily, however in the private segment conversion time is prolonged due to the critical nature of the solutions and the continued macro economic uncertainty.

As realised in Q1, the changed composition of employee churn, with a significantly higher proportion of churn being forced as opposed to voluntary, continued during Q2 2023. The rightsizing of the pyramid structure in Denmark is expected to be finalised during the third quarter.

Adjusted EBITDA margin was 18.1% compared to 23.5 % in Q2 2022. The higher level of forced churn and costs for the enhanced “Go-To-Market” approach were the main reasons for the lower margin. The impact of one working day less was nega-

tive 1.4 percentage points in the quarter. The lower margin in Q2 was in line with expectations.

Client facing FTEs grew 11% in Q2 compared to 14.4% in Q1, impacted by the rightsizing of the pyramid structure.

**Netcompany-Intrasoft**

Revenue in Netcompany-Intrasoft grew by 25.1% to DKK 524.1m in Q2 2023. The growth in Q2 was driven by strong performance in the public and EU area that grew 25.2% supported by equally strong growth in the private segment that grew 24.6%. FTEs grew 15.1% in the second quarter of 2023. During the second quarter two contracts were signed that included an element of software license, related to the products ERMIS (customs Austria) and PERSEUS (social security Greece).

Adjusted EBITDA margin was 14.3% in Q2 2023 compared to 12.4% in the same period last year. The improved margin was a result of the contracts signed that included software license. In addition, the level of utilisation remained at the same high level as realised in Q1 2023, which also impacted margins positively.

**Netcompany UK**

In the UK, the strong growth momentum observed during Q1 was continued into Q2 and revenue grew 28.9% compared to the same period last year. The growth was purely generated in the public segment where revenue grew by 42.9% - in the private segment revenue declined 2.1%. The strong growth in the public segment was supported by continued strong relationships with clients like NHS, HMRC, Ministry of Defence and other large public entities in the UK.

Adjusted EBITDA margin was slightly lower in Q2 2023 compared to the same period last year. The lower margin in Q2 2023 was a result of a significant increase in hours spent on business development and tender writing – activities that enabled the UK to secure two significant contracts early in Q3 – that will be supporting continued high growth in the UK for the years to come. Client facing FTEs grew by 23.9%.

**Netcompany Norway**

Revenue growth in Netcompany Norway was 58.5% in Q2 2023 compared to the same period last year. As in previous quarters, growth was driven by the pri-

vate segment in Norway that grew 83.4% particularly generated by one larger engagement. Revenue in the public segment increased by 42% in Q2 2023. A large part of that growth can be attributed to the negative impact from project adjustments that was realised in Q2 2022 in Norway.

Adjusted EBITDA margin was negative 4.9% compared to negative 31.2% in Q2 2022.

**Netcompany Netherlands**

Revenue in the Dutch business unit grew 74.8% in Q2 2023 – however from a low absolute level. Growth was – in line with previous quarters – generated in the public segment. Growth was driven by higher win ratio of new larger projects and better project pricing as projects that has historically been challenging have now been completed. Consequently, client facing FTEs increased 21.5% – significantly lower than revenue growth.

Adjusted EBITDA was negative 18.4% compared to negative 57.6% in Q2 2022. The current project portfolio and the pipeline opportunities support continued profitable growth in the Netherlands throughout the year and in the years to come.

# Performance overview First 6 months

DKK million	YTD 2023 (reported)	YTD 2023 (constant)*	YTD 2022	% change (reported)	% change (constant)*	Total 2022
Revenue	3,034.1	3,069.6	2,677.2	13.3%	14.7%	5,544.6
Cost of services	-2,191.2	-2,217.0	-1,895.9	15.6%	16.9%	-3,772.2
<b>Gross profit</b>	<b>842.9</b>	<b>852.6</b>	<b>781.3</b>	<b>7.9%</b>	<b>9.1%</b>	<b>1,772.5</b>
<i>Gross profit margin</i>	27.8%	27.8%	29.2%	-1.4pp	-1.4pp	32.0%
Sales and marketing costs	-25.6	-24.9	-18.3	39.8%	36.1%	-41.0
Administrative costs	-475.6	-481.7	-380.0	25.2%	26.8%	-763.9
<b>Adjusted EBITA</b>	<b>341.6</b>	<b>346.0</b>	<b>383.0</b>	<b>-10.8%</b>	<b>-9.7%</b>	<b>967.6</b>
<i>Adjusted EBITA margin</i>	11.3%	11.3%	14.3%	-3.0pp	-3.0pp	17.5%
Other operating income / expense	0.6	0.6	0.1	814.2%	813.3%	5.9
<b>EBITA</b>	<b>342.2</b>	<b>346.6</b>	<b>383.1</b>	<b>-10.7%</b>	<b>-9.5%</b>	<b>973.5</b>
<i>EBITA margin</i>	11.3%	11.3%	14.3%	-3.0pp	-3.0pp	17.6%
Amortisation	-68.7	-68.7	-65.3	5.2%	5.2%	-134.1
<b>Operating profit (EBIT)</b>	<b>273.6</b>	<b>277.9</b>	<b>317.8</b>	<b>-13.9%</b>	<b>-12.5%</b>	<b>839.4</b>
<i>Operating profit margin</i>	9.0%	9.1%	11.9%	-2.9pp	-2.8pp	15.1%
Net financials	-64.3	-64.6	-31.1	106.5%	107.5%	-77.8
Income / loss, joint venture / associates	-4.5	-4.5	-7.9	-42.9%	-42.9%	-5.1
<b>Profit / loss before tax</b>	<b>204.8</b>	<b>208.8</b>	<b>278.8</b>	<b>-26.5%</b>	<b>-25.1%</b>	<b>756.5</b>
Tax	-46.3	-46.5	-61.1	-24.3%	-23.9%	-153.8
<i>Effective tax rate</i>	22.6%	22.3%	21.9%	0.7pp	0.4pp	20.3%
<b>Net profit / loss</b>	<b>158.5</b>	<b>162.3</b>	<b>217.7</b>	<b>-27.2%</b>	<b>-25.4%</b>	<b>602.8</b>
<b>Additional KPIs</b>						
Adjusted EBITDA	437.2	442.6	448.4	-2.5%	-1.3%	1,106.2
<i>Adjusted EBITDA margin</i>	14.4%	14.4%	16.7%	-2.3pp	-2.3pp	20.0%
Free cash flow	69.1	N/A	57.9	19.4%	N/A	602.7
Cash conversion rate	32.6%	N/A	21.5%	11.0pp	N/A	85.2%

\*Constant currencies measured using average exchange rates for 2022

Reported revenue grew 13.3% (constant 14.7%) in the first six months of 2023 to DKK 3,034.1m, all organic. Client facing FTEs grew 15% and the average number of FTEs amounted to 7,599. Revenue in the public segment grew by 18.8%, while revenue in the private segment grew by 3.6% compared to the same period last year.

Gross profit margin was 27.8%, which was 1.4 percentage points lower than the same period in 2022 mainly caused by a lower margin in the Danish business unit.

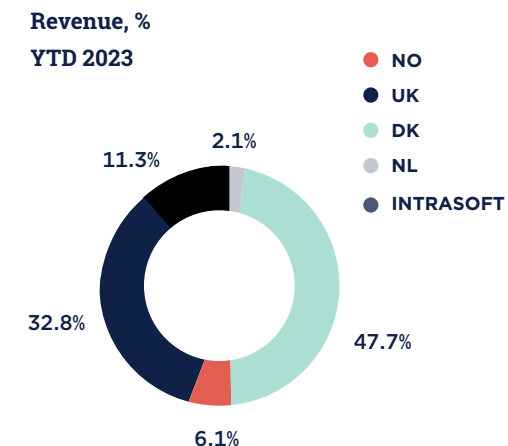
Adjusted EBITDA decreased by DKK 11.2m in the first six months of 2023 to DKK 437.2m. The EBITDA margin was 14.4%, which was 2.3 percentage points lower than the same period in 2022. The decrease in EBITDA margin was a consequence of the lower gross profit margin and increased administrative costs.

Adjusted EBITA decreased by DKK 41.4m in the first six months of 2023 to DKK 341.6m. The adjusted EBITA margin was 11.3%, which was 3 percentage points lower than the same period in 2022.

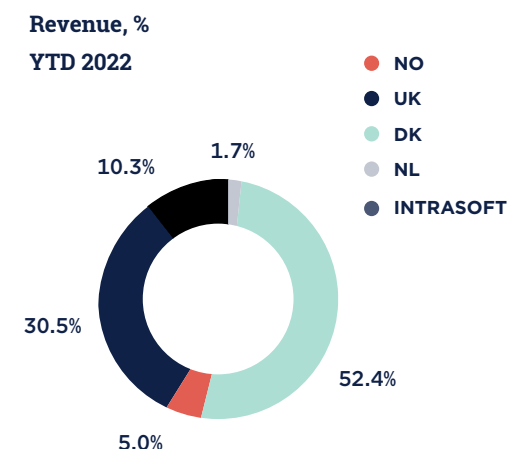


# Business Segments First 6 months

DKK million Constant (2022 rate)	YTD 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	3,069.6	1,462.8	1,006.2	346.7	188.1	65.7
<b>Gross profit</b>	<b>861.8</b>	<b>509.5</b>	<b>219.2</b>	<b>95.0</b>	<b>29.5</b>	<b>8.4</b>
<i>Gross profit margin</i>	<i>28.1%</i>	<i>34.8%</i>	<i>21.8%</i>	<i>27.4%</i>	<i>15.7%</i>	<i>12.8%</i>
Local admin costs	-393.3	-218.3	-88.2	-41.3	-31.8	-13.7
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>468.5</b>	<b>291.2</b>	<b>131.0</b>	<b>53.7</b>	<b>-2.2</b>	<b>-5.2</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	<i>15.3%</i>	<i>19.9%</i>	<i>13.0%</i>	<i>15.5%</i>	<i>-1.2%</i>	<i>-7.9%</i>
Allocated costs from HQ	-26.3	-18.6	0.0	-4.4	-2.2	-1.1
Depreciation	-96.2	-58.7	-24.1	-6.2	-4.2	-3.0
Amortisation	-68.7	-35.0	-20.6	-7.4	-3.8	-1.9
Other operating income / expense	0.6	0.0	0.6	0.0	0.0	0.0
<b>EBIT</b>	<b>277.9</b>	<b>178.9</b>	<b>86.9</b>	<b>35.8</b>	<b>-12.4</b>	<b>-11.2</b>
Client facing FTEs	7,112	2,863	3,155	591	346	158



DKK million Reported	YTD 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	2,677.2	1,404.1	817.6	275.5	133.9	46.1
<b>Gross profit</b>	<b>793.3</b>	<b>544.1</b>	<b>156.5</b>	<b>78.9</b>	<b>9.8</b>	<b>4.0</b>
<i>Gross profit margin</i>	<i>29.6%</i>	<i>38.8%</i>	<i>19.1%</i>	<i>28.6%</i>	<i>7.3%</i>	<i>8.6%</i>
Local admin costs	-317.7	-175.0	-70.3	-32.1	-26.1	-14.2
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>475.6</b>	<b>369.1</b>	<b>86.2</b>	<b>46.8</b>	<b>-16.3</b>	<b>-10.2</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	<i>17.8%</i>	<i>26.3%</i>	<i>10.5%</i>	<i>17.0%</i>	<i>-12.2%</i>	<i>-22.1%</i>
Allocated costs from HQ	-27.2	-19.7	0.0	-4.2	-2.3	-1.0
Depreciation	-65.4	-34.7	-19.2	-5.2	-3.7	-2.6
Amortisation	-65.3	-38.4	-12.2	-8.2	-4.5	-2.0
Other operating income / expense	0.1	0.0	0.1	0.0	0.0	0.0
<b>EBIT</b>	<b>317.8</b>	<b>276.3</b>	<b>54.9</b>	<b>29.2</b>	<b>-26.8</b>	<b>-15.9</b>
Client facing FTEs	6,183	2,541	2,751	483	270	138



**CONTINUED BUSINESS SEGMENTS FIRST 6 MONTHS**

**Netcompany Denmark**

Revenue growth in the Danish business unit was 4.2% driven by growth in the public segment of 11.5%, whereas the private segment realised a decline of 5.4% in revenue in first six months of 2023. The private segment in Denmark was negatively impacted by a more cautious approach in respect of initiation new projects in the first six months of 2023.

Adjusted EBITDA margin was 19.9% compared to 26.3% in the first six months of 2022. The lower margin was an effect of higher level of forced churn, lower utilisation in the private segment, costs related to movement into the new corporate HQ in Denmark and costs related to the enhanced "Go-To-Market" strategy during the first half of 2023.

Depreciation increased by DKK 24m to DKK 58.7m in the first six months of 2023, due to increased depreciation related to leases of which some was due to the termination of the previous HQ at Grønningsen in Copenhagen.

**Netcompany-Intrasoft**

Revenue in Netcompany-Intrasoft grew

by 23.1% to DKK 1,006.2m in the first six months of 2023 – all organic.

The growth was driven by strong performance in both the public and EU area that grew 23.6% and in the private segment that grew 21.5%. Client facing FTEs grew 14.7% in the first six months of 2023.

The pipeline in Netcompany-Intrasoft continues to build and is supported by projects in Greece within the RRF-programme, the customs project in Europe and EU projects in general.

Adjusted EBITDA margin was 13% in the first six months of 2023 compared to 10.5% in the same period last year. The improvement in margin was a result of the contracts including a software license signed and a high level of utilisation in the first six months of 2023.

**Netcompany UK**

Revenue in Netcompany UK grew by 25.8% in the first six months of 2023 to DKK 346.7m.

The strong revenue growth in UK was driven by the continuing growth in the

public sector in UK that grew 38.7% in the first half of 2023 compared to the same period last year.

Adjusted EBITDA margin was 15.5% in the first six months of 2023, slightly lower than in the same period the year before. The reason for the decline in margin, was due to increased focus on preparation of tender material and business development.

**Netcompany Norway**

Revenue growth in Netcompany Norway was 40.5% in the first six months of 2023 compared to the same period last year. The significant growth in revenue was driven by an increase in the private segment, that grew 68.7% in the first six months of 2023. Revenue in the public segment continued its gradual improvement and increased by 22.4%.

Adjusted EBITDA margin was negative 1.2% compared to negative 12.2% for the first six months of 2022. Despite that margins in Norway were still below group levels, there are clear indications that margins will continue to improve throughout 2023.

**Netcompany Netherlands**

Revenue in the Dutch business unit grew 42.6% in the first six months of 2023. The strong revenue growth in the Dutch business unit was solely driven by the public sector. Growth was driven by increased utilisation and better pricing.

Adjusted EBITDA was negative 7.9% compared to negative 22.1% in the first six months of 2022. As in Norway there are clear indications, that margins in the Netherlands will continue to improve throughout 2023.

# Revenue visibility

Netcompany measures revenue visibility on a 12 months rolling basis, based on two main input parameters, which are defined as the total value of committed engagements (which is comprised of fixed price engagements and service agreements), and ongoing time and material engagements with a high likelihood of conversion and/or prolongation, defined as non-contractual committed engagements.

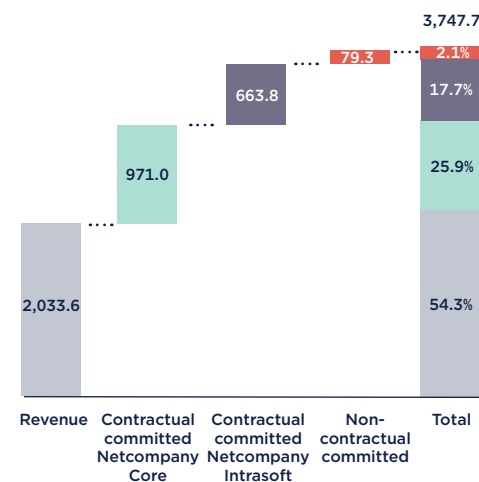
By the beginning of July 2023, revenue visibility for 2023 amounted to DKK 5,476.3m, of which contractual committed revenue amounted to DKK 2,289.1m and non-contractual committed engagements amounted to DKK 153.1m, while realised revenue in the first six months of 2023 amounted to DKK 3,034.1m.

Compared to Q2 2022, revenue visibility improved by 10% from DKK 4,976.7m for 2022 to DKK 5,476.3m for 2023.

Revenue visibility in the public segment for 2023 amounted to DKK 3,747.7m, of which contractual committed revenue amounted to DKK 1,634.8m and non-con-

DKK million

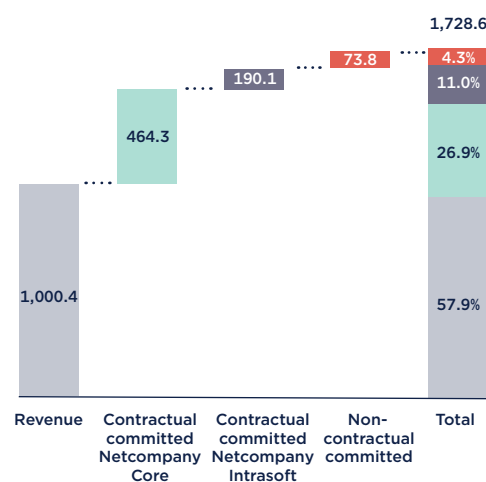
## Public segment



tractual committed engagements amounted to DKK 79.3m, while realised revenue amounted to DKK 2,033.6m in the first six months.

Revenue visibility in the private segment for 2023 amounted to DKK 1,728.6m, of which contractual committed revenue

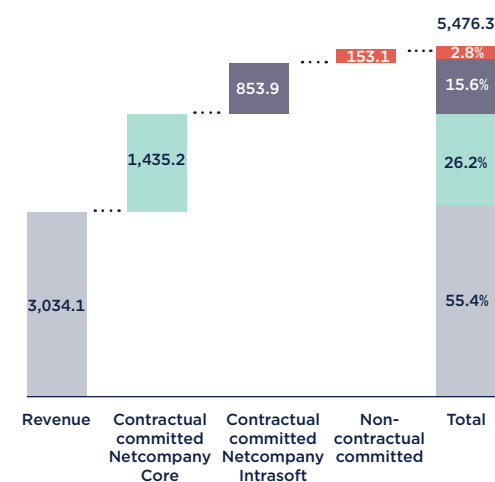
## Private segment



amounted to DKK 654.4m and non-contractual committed engagements amounted to DKK 73.8m, while realised revenue amounted to 1,000.4m in the first six months.

By the beginning of July 2023, the total order backlog for Netcompany-Intrasoft

## Total segment



amounted to DKK 7,508.3m mainly within EU institutions. Of the total order backlog for Netcompany-Intrasoft DKK 853.9m is expected to be released in the last six month of 2023 and DKK 6,654.4m is expected to be released in the period from 2024 and 2030.

# Employees

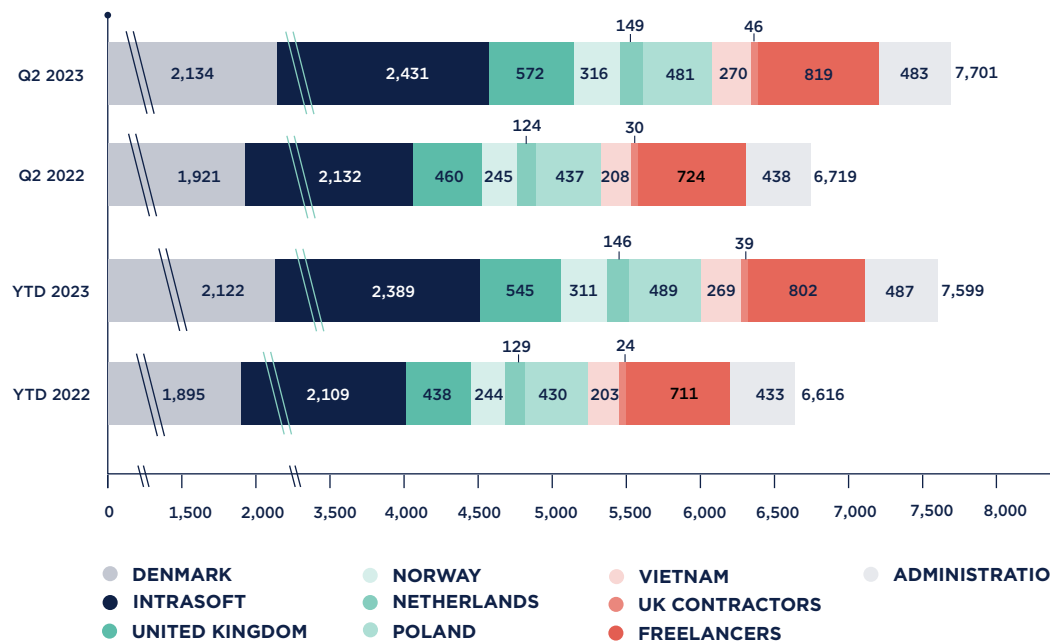
Netcompany employed an average of 7,701 FTEs in Q2 2023, which was an increase of 982 FTEs compared to Q2 2022 (6,719 FTEs).

The number of client facing employees for the Group increased by 936 from 6,281 in Q2 2022 to 7,217 in Q2 2023, while the level of non-client facing employees was 6.3% in Q2 2023 compared to 6.5% in Q2 2022.

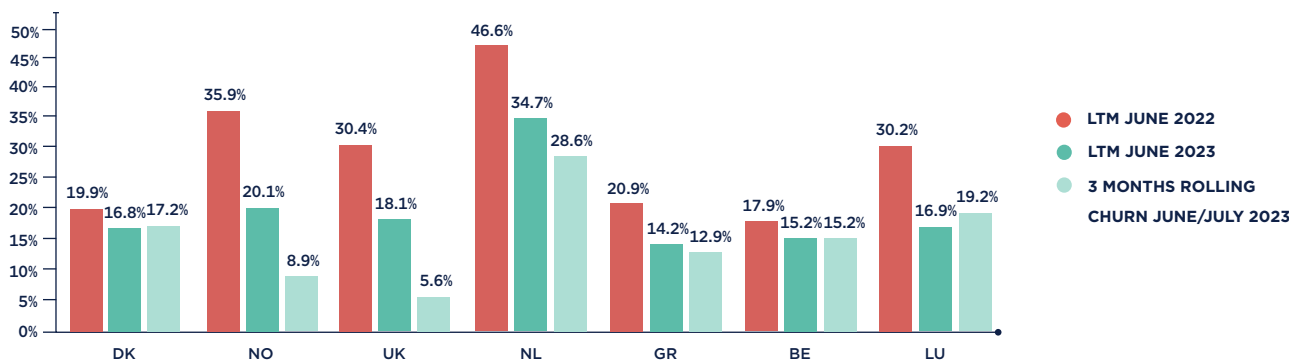
The attrition rate for the last twelve months was 17%, which was a decrease of 7 percentage points compared to the same period last year. On a sequential basis the churn rate decreased compared to Q1 2023 and Q4 2022.

3 months rolling churn rates have overall been declining during Q2 2023 and have been significantly lower in the UK, Norway and Greece. It is expected that churn rates will normalise throughout the Group during the second half of 2023.

Avg. FTEs increased to 7,701 during Q2 2023



Attrition rate



# Cash flow and other significant financial positions

## Free cash flow and cash conversion rate

The Group generated a negative free cash flow of DKK 72.5m in Q2 2023, compared to a positive free cash flow of DKK 7.3m in Q2 2022. The decrease was driven by a negative development in working capital changes in Q2 2023 of DKK 47.1m compared to Q2 2022. This was primarily caused by net increase of work in progress. The tying up of work in progress mainly related to operations in the public sector in Netcompany-Intrasoft initiated under the RRF. Additionally, investments in fixed assets in connection with the new HQ in Denmark and Greece impacted the free cash flow negatively by DKK 32.3m, while financial expenses paid increased by DKK 22m – mainly caused by the increased interest rate level.

Normalised for taxes paid on account<sup>1</sup>, the Group generated a negative free cash flow of DKK 93m in Q2 2023 compared to negative DKK 20.5m in Q2 2022.

Cash conversion rate decreased from 6.6% in Q2 2022 to negative 87.9% in Q2 2023.

Adjusted for taxes paid on account, cash conversion rate decreased from negative 18.9% in Q2 2022 to negative 112.8% in Q2 2023.

For the first six months, Netcompany generated a free cash flow of DKK 69.1m corresponding to an increase of 19.4% compared to the same period last year, mainly driven by improved working capital management.

Cash conversion ratio increased from 21.5% in the first six month of 2022 to 32.6% in the first six month of 2023.

## Trade receivables

At the end of Q2 2023, trade receivables were on level with Q2 2022. Compared to Q2 2022, trade receivables increased by 1.5% from 1,095.7m to DKK 1,112.3m by the end of Q2 2023. In the same period revenue increased 14.4%.

The lower increase in trade receivables compared to revenue was a result of continued faster collection of receivables. As

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
Trade receivables, 30 June 2023	726.8	203.6	67.4	26.8	104.9	-17.3	1,112.3
<i>Paid in the following month</i>	<i>295.6</i>	<i>152.6</i>	<i>57.5</i>	<i>11.9</i>	<i>19.2</i>	<i>0.0</i>	<i>536.7</i>
<i>% paid subsequently</i>	<i>40.7%</i>	<i>74.9%</i>	<i>85.3%</i>	<i>44.6%</i>	<i>18.3%</i>	<i>0.0%</i>	<i>48.3%</i>

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
Trade receivables, 30 June 2022	672.6	209.6	91.6	60.2	82.1	-20.4	1,095.7
<i>Paid in the following month</i>	<i>232.4</i>	<i>180.5</i>	<i>25.6</i>	<i>29.5</i>	<i>8.1</i>	<i>0.0</i>	<i>476.1</i>
<i>% paid subsequently</i>	<i>34.6%</i>	<i>86.1%</i>	<i>27.9%</i>	<i>49.0%</i>	<i>9.8%</i>	<i>0.0%</i>	<i>43.5%</i>

a result, days sales outstanding improved by 9 days from 77 days in Q2 2022 to 68 days in Q2 2023.

The overdue part of trade receivables improved by 4 percentage points from 39.7% by the end of Q2 2022 to 35.7% by the end of Q2 2023. However, trade receivables overdue by more than 90 days increased by 27.8% from DKK 82.1m to DKK 104.9m compared to the same period last year, mainly due to elections in Greece postponing payments.

Trade receivables paid in the following month amounted to DKK 536.7m in July, of which DKK 241.2m was overdue end of June, equal to a repayment of 48.3% of the total balance compared to 43.5% last year.

<sup>1</sup>Taxes paid within the Group are, due to local tax regulations, paid on account in Q1 and in Q4. To adjust for this timing mismatch between expensed and paid corporate income taxes the free cash flow should be viewed in a tax normalised manner to better reflect the underlying development in free cash flow based on operations rather than impact from local tax legislation in Denmark.

**CONTINUED CASH FLOW AND OTHER SIGNIFICANT FINANCIAL POSITIONS**

**Work in progress**

At 30 June 2023, Netcompany's work in progress amounted to DKK 988.4, represented by contract work in progress of DKK 1,444.8m and prepayments received from customers of DKK 456.4m.

Work in progress increased by 28.2% from DKK 771.2m in Q2 2022 to DKK 988.4m in Q2 2023. In the same period revenue increased 14.4%, whereas revenue in the prevailing 12 months (LTM) increased by

27.5%. As work in progress is typically held on Netcompany balance sheet for more than one quarter it is more reasonable to compare the development in work in progress with the LTM revenue growth. In that aspect growth in work in progress and revenue was balanced.

**Funding and liquidity**

Originally, the maturity of the Group bank loan expired in 2025. In April 2023, the loan was prolonged by one year and now

runs to 2026. The loan can be prolonged further by one year.

The combined committed facilities constitute DKK 2,842.5m and an additional facility of DKK 2,000m, available only for new acquisitions. At 30 June 2023, DKK 1,622.5m of the committed lines were utilised on borrowings and DKK 148.9m on guarantees, leaving a total of DKK 3,071.1m available in unutilised funding of which DKK 1,071.1m can be utilised for normal operations if needed with no additional costs or covenants. In addition, Netcompany-Intrasoft had utilised DKK 418.9m on local guarantees, having no impact on the Group facilities except for leverage.

**Risk management**

Please refer to the overview of risk factors provided by the Group in the Annual Report for 2022.

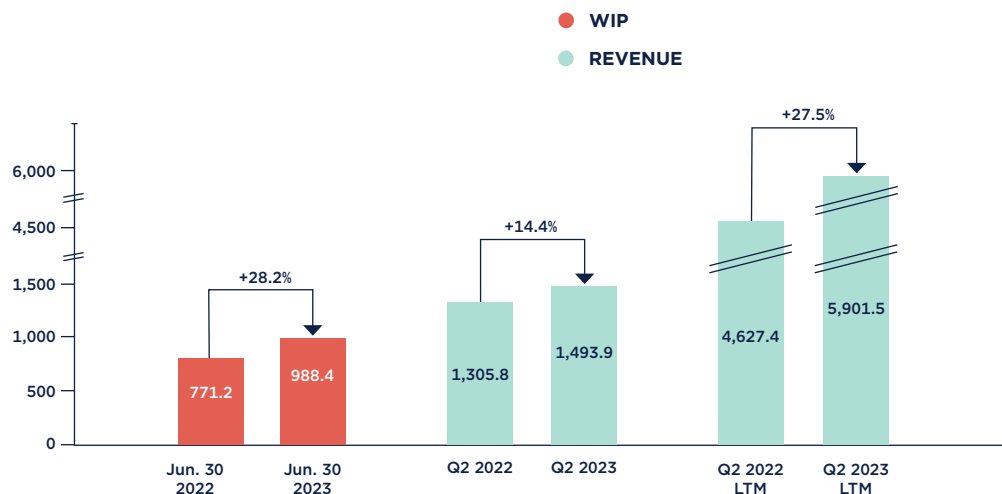
**Capital structure**

In Q2 2023, debt ratio was 1.7x compared to 2.4x in Q2 2022. All covenants are complied with.

**Events after the balance sheet date**

To this date, no events have occurred after the balance sheet date, which would influence the evaluation of this report.

**Work in progress overview (DKK million)**



Including net cash balance as of 30 June 2023 of DKK 36.7m available Group funding was DKK 1,107.8m.

In Q2 2023, Netcompany repaid DKK 100m of the bank loan. In total, Netcompany repaid DKK 300m of the bank loan in the first half of 2023.

# Guidance 2023

<b>Financial metrics in constant currencies</b>	<b>Original Target 2023</b>	<b>Actual performance 2022</b>
Group revenue growth, organic	8-12%	14.9%
Group adjusted EBITDA margin	15-18%	20.0%

Despite negative macro environment impacts on the Danish private segment, Netcompany realised a good start to 2023 with revenue growth of 14.7% and adjusted EBITDA margin of 14.4% for the first six months - both measured in constant currencies.

While there are certain indicators suggesting that the macro environment will stabilise in the second half of 2023, the prolonged conversion time of pipeline cases in the private segment in Denmark is expected to prevail during the second half of 2023 too, and a high level of uncertainty still exists.

Hence, Netcompany maintains expectations to 2023 as previously communicated.

A number of risks to our guidance was given in connection with our Annual Report for 2022. Those risks still exist and could impact our performance for the remaining part of 2023.

Netcompany presented mid-term targets on 1 June to be achieved by the end of 2026. These targets are as follows:

- Revenue of at least DKK 8.5bn
- Adjusted EBITDA margin of at least 20%.
- Cash redistribution to shareholders of at least DKK 2bn.

# Shareholder information

## Capital

Netcompany's share capital is DKK 50m divided into 50m shares. Netcompany holds 389,494 treasury shares equivalent to 0.8% of the share capital. The shares will be used to honor the Group's commitments under its Long-Term Incentive programs.

## Share-based incentive schemes/restricted stock units

In total, 400,772 RSUs in relation to the share-based incentive schemes were issued at 30 June 2023 of which 101,269 were granted to Executive Management and 299,503 were granted to Other Key Management Personnel and Other Employees.

The fair value of the RSUs at grant was DKK 139m. The cost related hereto is expensed over the vesting period. A total amount of DKK 11.2m was recognised as personnel costs in the income statement in Q2 2023.

Additional information on the holdings of Netcompany shares and restricted stock

units by members of the Board of Directors and Executive Management Board is disclosed in the Remuneration Report.

## Acquisition of Netcompany shares related to the acquisition of Intrasoft International S.A.

As part of the acquisition of Intrasoft International S.A, an agreement was made for a senior executive to convert the received cash element of the purchase price into Netcompany shares entailing certain possibilities to sell shares in predefined tranches at the prevailing share price of the time of the transaction.

The last option was exercised in relation to this tranche and executed on 3 July 2023. Netcompany has in that capacity acquired 44,539 treasury shares directly from the senior executive.

## Compliance Review

The Danish Business Authorities have completed their compliance review of Netcompany Group A/S' Annual Reports for 2020 and 2021 as disclosed in the Annual Report for 2022.

Due to the outcome of the compliance review the accounting policies for business combinations has been adjusted resulting in a reduction of goodwill of DKK 120.4m, a reduction of earn-out obligation of DKK 118.4m and a net impact on the equity of DKK 2.1m including the impact from remuneration to be treated as share-based payment.

The impact is not considered material for previous periods of financial reporting and has been updated with effect from 1 January 2023 with no changes to comparison figures.

## Financial Calendar

### 16 August 2023

Interim report for the first 6 months of 2023

### 3 November 2023

Interim report for the first 9 months of 2023



# Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S (“Netcompany” or “the company” and together with all its subsidiaries “the Group”) for the period 1 January 2023 to 30 June 2023. The Q2 2023 report has not been audited or reviewed by the company’s independent auditors.

The interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the EU and additional Danish regulations for the presentation of interim reports by listed companies. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Group’s Annual Report for 2022.

In our opinion, the accounting policies used are appropriate, and the overall presentation of the interim consolidated financial statements gives a true and fair view

of the Group’s assets, liabilities and financial position as at 30 June 2023 and of the results of the Group’s operations and cash flows for the period 1 January 2023 to 30 June 2023.

We further consider that the Management’s Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the period and the financial position, as well as a description of the principal risks and uncertainties that the Group faces in accordance with Danish disclosure requirements for listed companies.

COPENHAGEN, 16 AUGUST 2023

## Executive Management

**André Rogaczewski**  
CEO

**Claus Jørgensen**  
COO

**Thomas Johansen**  
CFO

## Board of Directors

**Bo Rygaard**  
Chairman of the Board

**Juha Christensen**  
Vice Chairman of the Board

**Susan Helen Cooklin**

**Åsa Riisberg**

**Bart Walterus**

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS



# Income statement and Statement of comprehensive income

DKK million	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
<b>Income statement</b>						
Revenue	1	1,493.9	1,305.8	3,034.1	2,677.2	5,544.6
Cost of services	2	-1,091.1	-941.7	-2,191.2	-1,895.9	-3,772.2
<b>Gross profit</b>		<b>402.8</b>	<b>364.0</b>	<b>842.9</b>	<b>781.3</b>	<b>1,772.5</b>
Sales and marketing costs		-13.6	-9.5	-25.6	-18.3	-41.0
Administrative costs	3	-244.4	-198.5	-475.6	-380.0	-763.9
Other operating income / expense		0.4	-0.1	0.6	0.1	5.9
<b>EBITA</b>		<b>145.2</b>	<b>155.8</b>	<b>342.2</b>	<b>383.1</b>	<b>973.5</b>
Amortisation		-34.9	-32.7	-68.7	-65.3	-134.1
<b>Operating profit (EBIT)</b>		<b>110.3</b>	<b>123.2</b>	<b>273.6</b>	<b>317.8</b>	<b>839.4</b>
Financial income	4	5.0	3.5	8.9	8.4	30.3
Financial expenses	4	-39.7	-22.3	-73.2	-39.5	-108.1
Income / loss, joint venture / associates		-1.8	-3.8	-4.5	-7.9	-5.1
<b>Profit / loss before tax</b>		<b>73.8</b>	<b>100.6</b>	<b>204.8</b>	<b>278.8</b>	<b>756.5</b>
Tax on the profit for the period		-18.6	-15.6	-46.3	-61.1	-153.8
<b>Net profit / loss for the period</b>		<b>55.2</b>	<b>85.0</b>	<b>158.5</b>	<b>217.7</b>	<b>602.8</b>
<b>Of which</b>						
Non-controlling interest		0.3	0.3	-0.0	-0.4	-0.6
<i>Netcompany Group A/S' share</i>		<i>55</i>	<i>85</i>	<i>158</i>	<i>218</i>	<i>603</i>
<b>Earnings per share</b>						
Earnings per share (DKK)	5	1.11	1.72	3.20	4.43	12.26
Diluted Earnings per share (DKK)	5	1.10	1.70	3.18	4.38	12.15

**CONTINUED** INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK million	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
Statement of comprehensive income						
<b>Net profit / loss for the period</b>		<b>55.2</b>	<b>85.0</b>	<b>158.5</b>	<b>217.7</b>	<b>602.8</b>
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss:</b>						
Exchange rate adjustments on translating foreign subsidiaries		4.9	-3.0	4.7	-1.9	-8.0
<b>Other comprehensive income items that may not be reclassified to profit or loss:</b>						
Actuarial profit / loss on defined benefit plans		0.0	0.0	0.0	-0.0	0.4
<b>Other comprehensive income, net of tax</b>		<b>4.9</b>	<b>-3.0</b>	<b>4.7</b>	<b>-1.9</b>	<b>-7.6</b>
<b>Of which</b>						
Non-controlling interest		-0.0	0.2	-0.1	0.4	0.2
<i>Netcompany Group A/S' share</i>		4.9	-3.2	4.8	-2.3	-7.8
<b>Total comprehensive income / loss</b>		<b>60.1</b>	<b>82.0</b>	<b>163.2</b>	<b>215.7</b>	<b>595.1</b>
<b>Of which</b>						
Non-controlling interest		0.3	0.6	-0.1	-0.0	-0.4
<i>Netcompany Group A/S' share</i>		59.8	81.4	163.3	215.7	595.6

# Statement of financial position

DKK million	Note	30 June 2023	30 June 2022	31 December 2022
<b>Assets</b>				
Intangible assets		3,749.2	3,867.5	3,879.9
Tangible assets		792.9	309.3	332.2
Investment in joint venture		92.9	95.3	97.4
Investment in associates		8.0	7.3	8.0
Other securities and invest- ments		1.1	1.4	1.3
Other receivables		55.2	30.1	54.9
Deferred tax assets		36.2	26.2	32.7
<b>Total non-current assets</b>		<b>4,735.5</b>	<b>4,337.0</b>	<b>4,406.4</b>
Trade receivables	6	1,112.3	1,095.7	1,112.0
Receivables from joint venture		3.4	7.3	10.0
Receivables from associates		16.4	16.4	16.4
Contract work in progress	7	1,444.8	1,144.3	1,114.5
Other receivables		89.8	46.2	38.3
Prepayments		120.9	110.9	124.4
Tax receivables		40.1	44.5	36.0
<b>Total receivables</b>		<b>2,827.7</b>	<b>2,465.3</b>	<b>2,451.5</b>
Cash		36.7	250.6	336.0
<b>Total current assets</b>		<b>2,864.4</b>	<b>2,715.9</b>	<b>2,787.5</b>
<b>Total assets</b>		<b>7,600.0</b>	<b>7,052.9</b>	<b>7,193.9</b>

DKK million	Note	30 June 2023	30 June 2022	31 December 2022
<b>Equity and liabilities</b>				
Share capital		50.0	50.0	50.0
Treasury shares		-183.6	-302.9	-313.3
Retained earnings		3,820.7	3,416.1	3,783.6
Other reserves		0.4	-0.0	0.4
<b>Equity attributable to Group</b>		<b>3,687.5</b>	<b>3,163.2</b>	<b>3,520.7</b>
Non-controlling interest		6.1	6.6	6.2
<b>Total equity</b>		<b>3,693.6</b>	<b>3,169.7</b>	<b>3,526.9</b>
Borrowings		1,573.9	2,173.8	1,872.4
Lease liabilities		620.0	173.6	180.5
Pension obligations		15.1	17.5	13.8
Other payables		0.0	1.0	0.0
Deferred tax liability		105.1	121.7	111.0
<b>Total non-current liabilities</b>		<b>2,314.1</b>	<b>2,487.6</b>	<b>2,177.6</b>
Borrowings		42.5	51.7	47.3
Lease liabilities		84.7	77.7	85.4
Pension obligations		5.8	1.7	5.8
Prebilled invoices	7	456.4	373.2	433.5
Trade payables		340.2	186.4	265.2
Other payables	8	660.2	696.7	640.6
Provisions		2.5	8.4	11.6
<b>Total current liabilities</b>		<b>1,592.3</b>	<b>1,395.6</b>	<b>1,489.4</b>
<b>Total liabilities</b>		<b>3,906.3</b>	<b>3,883.2</b>	<b>3,667.0</b>
<b>Total equity and liabilities</b>		<b>7,600.0</b>	<b>7,052.9</b>	<b>7,193.9</b>

# Cash Flow statement

DKK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
Operating profit (EBIT)	110.3	123.2	273.6	317.8	839.4
Depreciation and amortisation	85.2	65.5	164.2	130.7	272.7
Non-cash items	14.0	-6.1	21.2	3.6	14.4
Working capital changes	-175.4	-128.3	-161.0	-193.0	-59.3
<b>Total</b>	<b>34.1</b>	<b>54.3</b>	<b>298.0</b>	<b>259.0</b>	<b>1,067.1</b>
Income taxes paid	-6.1	-9.5	-60.9	-132.5	-234.1
Financial income received	1.2	0.9	2.6	3.7	7.3
Financial expenses paid	-28.8	-6.8	-49.1	-21.7	-67.3
<b>Cash flow from operating activities</b>	<b>0.4</b>	<b>39.0</b>	<b>190.6</b>	<b>108.6</b>	<b>773.0</b>
Net cash outflow on acquisition of subsidiaries	0.0	0.0	0.0	0.0	-50.0
Other investments	0.3	-0.2	0.3	4.0	4.4
Capitalisation of intangible assets	-28.8	-19.9	-58.6	-36.9	-98.0
Acquisition of intangible assets	0.0	0.0	0.0	0.0	-20.0
Acquisition of fixed assets	-44.0	-11.7	-62.9	-13.8	-52.2
Disposals of fixed assets	0.0	0.0	0.0	0.0	0.5
Other receivables (deposits)	6.7	1.9	0.1	-3.9	-28.9
<b>Cash flow from investment activities</b>	<b>-65.8</b>	<b>-30.0</b>	<b>-121.1</b>	<b>-50.6</b>	<b>-244.3</b>
Payment of treasury shares	0.0	-50.7	0.0	-101.0	-131.5
Proceeds from borrowings	0.0	2,182.8	0.5	2,182.8	2,182.8
Repayment of borrowings	-102.9	-2,187.9	-305.4	-2,302.9	-2,610.0
Repayment of right of use assets	-38.1	-21.3	-62.9	-42.0	-87.3
<b>Cash flow from financing activities</b>	<b>-141.0</b>	<b>-77.0</b>	<b>-367.8</b>	<b>-263.0</b>	<b>-646.0</b>
<b>Net increase in cash and cash equivalents</b>	<b>-206.4</b>	<b>-68.0</b>	<b>-298.3</b>	<b>-205.1</b>	<b>-117.3</b>
<b>Cash and cash equivalents at the beginning</b>	<b>242.2</b>	<b>322.7</b>	<b>336.0</b>	<b>458.8</b>	<b>458.8</b>
Effect of exchange rate changes on the balance cash held in foreign currencies	0.9	-4.1	-1.0	-3.2	-5.4
<b>Cash and cash equivalents at the end</b>	<b>36.7</b>	<b>250.6</b>	<b>36.7</b>	<b>250.6</b>	<b>336.0</b>

# Statement of changes in Equity

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
<b>Equity at 1 April 2023</b>	<b>50.0</b>	<b>-186.5</b>	<b>40.3</b>	<b>-1.7</b>	<b>0.4</b>	<b>3,714.0</b>	<b>3,616.5</b>	<b>5.8</b>	<b>3,622.3</b>
Profit for the period	0.0	0.0	0.0	0.0	0.0	54.9	54.9	0.3	55.2
Other comprehensive income	0.0	0.0	0.0	4.9	0.0	0.0	4.9	-0.0	4.9
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.9</b>	<b>0.0</b>	<b>54.9</b>	<b>59.8</b>	<b>0.3</b>	<b>60.1</b>
Share-based remuneration for the period	0.0	2.9	9.5	0.0	0.0	-1.2	11.2	0.0	11.2
<b>Total transactions with owners</b>	<b>0.0</b>	<b>2.9</b>	<b>9.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.2</b>	<b>11.2</b>	<b>0.0</b>	<b>11.2</b>
<b>Equity at 30 June 2023</b>	<b>50.0</b>	<b>-183.6</b>	<b>49.8</b>	<b>3.2</b>	<b>0.4</b>	<b>3,767.8</b>	<b>3,687.5</b>	<b>6.1</b>	<b>3,693.6</b>
<b>Equity at 1 January 2023</b>	<b>50.0</b>	<b>-313.3</b>	<b>54.2</b>	<b>-1.6</b>	<b>0.4</b>	<b>3,731.0</b>	<b>3,520.7</b>	<b>6.2</b>	<b>3,526.9</b>
Adjustment related to previous year*	0.0	0.0	118.4	0.0	0.0	-120.4	-2.1	0.0	-2.1
Profit for the period	0.0	0.0	0.0	0.0	0.0	158.5	158.5	-0.0	158.5
Other comprehensive income	0.0	0.0	0.0	4.8	0.0	0.0	4.8	-0.1	4.7
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.8</b>	<b>0.0</b>	<b>158.5</b>	<b>163.3</b>	<b>-0.1</b>	<b>163.2</b>
Share-based remuneration for the period	0.0	129.7	-122.8	0.0	0.0	-1.3	5.6	0.0	5.6
<b>Total transactions with owners</b>	<b>0.0</b>	<b>129.7</b>	<b>-122.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.3</b>	<b>5.6</b>	<b>0.0</b>	<b>5.6</b>
<b>Equity at 30 June 2023</b>	<b>50.0</b>	<b>-183.6</b>	<b>49.8</b>	<b>3.2</b>	<b>0.4</b>	<b>3,767.8</b>	<b>3,687.5</b>	<b>6.1</b>	<b>3,693.6</b>
Equity at 1 April 2022	50.0	-252.3	37.9	7.5	-0.0	3,280.7	3,123.8	6.2	3,130.0
Profit for the period	0.0	0.0	0.0	0.0	0.0	84.7	84.7	0.3	85.0
Other comprehensive income	0.0	0.0	0.0	-3.2	0.0	0.0	-3.2	0.2	-3.0
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.2</b>	<b>0.0</b>	<b>84.7</b>	<b>81.4</b>	<b>0.6</b>	<b>82.0</b>
Treasury Shares for the period	0.0	-50.7	0.0	0.0	0.0	0.0	-50.7	0.0	-50.7
Share-based remuneration for the period	0.0	0.0	8.5	0.0	0.0	0.0	8.5	0.0	8.5
<b>Total transactions with owners</b>	<b>0.0</b>	<b>-50.7</b>	<b>8.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-42.1</b>	<b>-0.2</b>	<b>-42.3</b>
<b>Equity at 30 June 2022</b>	<b>50.0</b>	<b>-302.9</b>	<b>46.4</b>	<b>4.3</b>	<b>-0.0</b>	<b>3,365.4</b>	<b>3,163.2</b>	<b>6.6</b>	<b>3,169.7</b>

**CONTINUED STATEMENT OF CHANGES IN EQUITY**

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
<b>Equity at 1 January 2022</b>	<b>50.0</b>	<b>-241.4</b>	<b>70.2</b>	<b>6.6</b>	<b>0.0</b>	<b>3,145.8</b>	<b>3,031.1</b>	<b>6.8</b>	<b>3,037.9</b>
Profit for the period	0.0	0.0	0.0	0.0	0.0	218.1	218.1	-0.4	217.7
Other comprehensive income	0.0	0.0	0.0	-2.3	-0.0	0.0	-2.3	0.4	-1.9
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.3</b>	<b>-0.0</b>	<b>218.1</b>	<b>215.7</b>	<b>-0.0</b>	<b>215.7</b>
Treasury Shares for the period	0.0	-100.8	0.0	0.0	0.0	0.2	-100.6	0.0	-100.6
Share-based remuneration for the period	0.0	39.3	-23.7	0.0	0.0	1.3	16.9	0.0	16.9
Movement of non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
<b>Total transactions with owners</b>	<b>0.0</b>	<b>-61.5</b>	<b>-23.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>	<b>-83.7</b>	<b>-0.2</b>	<b>-83.9</b>
<b>Equity at 30 June 2022</b>	<b>50.0</b>	<b>-302.9</b>	<b>46.4</b>	<b>4.3</b>	<b>-0.0</b>	<b>3,365.4</b>	<b>3,163.2</b>	<b>6.6</b>	<b>3,169.7</b>
<b>Equity at 1 January 2022</b>	<b>50.0</b>	<b>-241.4</b>	<b>70.2</b>	<b>6.6</b>	<b>0.0</b>	<b>3,145.8</b>	<b>3,031.1</b>	<b>6.8</b>	<b>3,037.9</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.2</b>	<b>0.4</b>	<b>603.4</b>	<b>595.6</b>	<b>-0.4</b>	<b>595.1</b>
<b>Total transactions with owners</b>	<b>0.0</b>	<b>-71.9</b>	<b>-16.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-18.2</b>	<b>-106.0</b>	<b>-0.2</b>	<b>-106.2</b>
<b>Equity at 31 December 2022</b>	<b>50.0</b>	<b>-313.3</b>	<b>54.2</b>	<b>-1.6</b>	<b>0.4</b>	<b>3,731.0</b>	<b>3,520.7</b>	<b>6.2</b>	<b>3,526.9</b>



NOTE 1

## Segment information

### Public Q2

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q2 2023	Q2 2022	% change	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Revenue	1,009.1	836.9	20.6%	423.9	386.4	383.8	307.0	129.1	92.4	41.0	33.5	31.2	17.6
Cost of service	-747.5	-633.1	18.1%	-293.0	-262.4	-292.9	-242.9	-99.2	-71.7	-32.5	-35.7	-29.8	-20.4
<b>Gross profit</b>	<b>261.6</b>	<b>203.8</b>	<b>28.4%</b>	<b>130.9</b>	<b>124.0</b>	<b>90.9</b>	<b>64.1</b>	<b>29.8</b>	<b>20.7</b>	<b>8.6</b>	<b>-2.1</b>	<b>1.4</b>	<b>-2.8</b>
<i>Gross profit margin</i>	25.9%	24.4%	1.6pp	30.9%	32.1%	23.7%	20.9%	23.1%	22.4%	20.8%	-6.4%	4.5%	-16.1%
Allocated costs	-163.4	-130.0	25.7%	-84.5	-61.5	-43.0	-34.2	-19.8	-15.5	-7.5	-10.0	-8.6	-8.8
<b>Adjusted EBITA before HQ costs</b>	<b>98.2</b>	<b>73.8</b>	<b>33.1%</b>	<b>46.4</b>	<b>62.5</b>	<b>48.0</b>	<b>29.9</b>	<b>10.0</b>	<b>5.2</b>	<b>1.0</b>	<b>-12.2</b>	<b>-7.2</b>	<b>-11.6</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	9.7%	8.8%	0.9pp	11.0%	16.2%	12.5%	9.7%	7.8%	5.6%	2.5%	-36.4%	-23.1%	-66.0%
Allocated costs from HQ	-7.8	-8.3	-5.9%	-5.2	-5.6	0.0	0.0	-1.6	-1.5	-0.5	-0.7	-0.5	-0.5
<b>EBITA</b>	<b>90.4</b>	<b>65.5</b>	<b>38.0%</b>	<b>41.3</b>	<b>56.9</b>	<b>48.0</b>	<b>29.9</b>	<b>8.4</b>	<b>3.7</b>	<b>0.5</b>	<b>-12.9</b>	<b>-7.7</b>	<b>-12.1</b>
<i>EBITA margin</i>	9.0%	7.8%	1.1pp	9.7%	14.7%	12.5%	9.7%	6.5%	4.0%	1.2%	-38.4%	-24.8%	-68.7%
Amortisation	-22.9	-21.4	6.7%	-9.6	-11.3	-8.4	-4.7	-3.0	-3.1	-0.9	-1.3	-1.0	-1.0
<b>Operating profit</b>	<b>67.5</b>	<b>44.0</b>	<b>53.2%</b>	<b>31.7</b>	<b>45.5</b>	<b>39.6</b>	<b>25.2</b>	<b>5.4</b>	<b>0.6</b>	<b>-0.4</b>	<b>-14.2</b>	<b>-8.7</b>	<b>-13.0</b>
<i>Operating profit margin</i>	6.7%	5.3%	1.4pp	7.5%	11.8%	10.3%	8.2%	4.2%	0.6%	-1.1%	-42.4%	-27.9%	-74.2%

## CONTINUED Segment information

### Private Q2

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q2 2023	Q2 2022	% change	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Revenue	484.8	468.9	3.4%	269.6	292.3	139.5	112.1	40.1	41.7	35.4	22.3	0.2	0.4
Cost of service	-343.6	-308.6	11.3%	-169.0	-170.0	-109.8	-88.1	-28.3	-26.4	-36.2	-23.7	-0.2	-0.3
<b>Gross profit</b>	<b>141.2</b>	<b>160.3</b>	<b>-11.9%</b>	<b>100.6</b>	<b>122.3</b>	<b>29.7</b>	<b>24.0</b>	<b>11.8</b>	<b>15.3</b>	<b>-0.9</b>	<b>-1.4</b>	<b>-0.0</b>	<b>0.0</b>
<i>Gross profit margin</i>	29.1%	34.2%	-5.1pp	37.3%	41.8%	21.3%	21.4%	29.4%	36.6%	-2.4%	-6.2%	-4.7%	11.1%
Allocated costs	-82.6	-65.0	27.1%	-52.5	-42.3	-16.2	-11.5	-6.1	-5.4	-7.7	-5.7	-0.0	-0.1
<b>Adjusted EBITA before HQ costs</b>	<b>58.6</b>	<b>95.3</b>	<b>-38.5%</b>	<b>48.1</b>	<b>80.1</b>	<b>13.5</b>	<b>12.4</b>	<b>5.7</b>	<b>9.9</b>	<b>-8.6</b>	<b>-7.1</b>	<b>-0.1</b>	<b>-0.1</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	12.1%	20.3%	-8.2pp	17.8%	27.4%	9.7%	11.1%	14.2%	23.7%	-24.2%	-31.6%	-26.4%	-17.4%
Allocated costs from HQ	-4.2	-4.8	-11.6%	-3.2	-3.9	0.0	0.0	-0.5	-0.5	-0.5	-0.4	-0.0	-0.0
Other operating income / expense	0.4	-0.1	N/A	0.0	0.0	0.4	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>54.8</b>	<b>90.4</b>	<b>-39.3%</b>	<b>44.8</b>	<b>76.2</b>	<b>13.9</b>	<b>12.3</b>	<b>5.2</b>	<b>9.4</b>	<b>-9.1</b>	<b>-7.4</b>	<b>-0.1</b>	<b>-0.1</b>
<i>EBITA margin</i>	11.3%	19.3%	-8.0pp	16.6%	26.1%	10.0%	11.0%	13.0%	22.4%	-25.7%	-33.3%	-27.8%	-19.0%
Amortisation	-12.0	-11.2	7.0%	-7.7	-7.8	-2.5	-1.6	-0.9	-1.1	-1.0	-0.8	-0.0	-0.0
<b>Operating profit</b>	<b>42.8</b>	<b>79.1</b>	<b>-45.9%</b>	<b>37.1</b>	<b>68.4</b>	<b>11.4</b>	<b>10.7</b>	<b>4.3</b>	<b>8.3</b>	<b>-10.0</b>	<b>-8.2</b>	<b>-0.1</b>	<b>-0.1</b>
<i>Operating profit margin</i>	8.8%	16.9%	-8.1pp	13.8%	23.4%	8.2%	9.6%	10.8%	19.8%	-28.4%	-36.7%	-30.2%	-22.2%

## CONTINUED Segment information

### Public First 6 months

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	YTD 2023	YTD 2022	% change	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	2,033.6	1,711.5	18.8%	889.2	797.8	741.8	600.5	249.0	186.5	88.4	81.6	65.3	45.1
Cost of service	-1,500.9	-1,274.4	17.8%	-609.9	-533.3	-578.8	-486.7	-185.3	-138.2	-70.0	-75.0	-56.9	-41.2
<b>Gross profit</b>	<b>532.7</b>	<b>437.1</b>	<b>21.9%</b>	<b>279.2</b>	<b>264.5</b>	<b>163.0</b>	<b>113.9</b>	<b>63.7</b>	<b>48.3</b>	<b>18.4</b>	<b>6.6</b>	<b>8.4</b>	<b>3.9</b>
<i>Gross profit margin</i>	26.2%	25.5%	0.7pp	31.4%	33.2%	22.0%	19.0%	25.6%	25.9%	20.8%	8.1%	12.9%	8.6%
Allocated costs	-314.4	-246.9	27.3%	-164.7	-117.9	-82.2	-66.5	-34.4	-27.0	-16.5	-19.0	-16.6	-16.5
<b>Adjusted EBITA before HQ costs</b>	<b>218.3</b>	<b>190.2</b>	<b>14.8%</b>	<b>114.5</b>	<b>146.6</b>	<b>80.8</b>	<b>47.3</b>	<b>29.3</b>	<b>21.3</b>	<b>1.9</b>	<b>-12.4</b>	<b>-8.2</b>	<b>-12.6</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	10.7%	11.1%	-0.4pp	12.9%	18.4%	10.9%	7.9%	11.8%	11.4%	2.2%	-15.2%	-12.5%	-27.9%
Allocated costs from HQ	-17.0	-17.2	-1.4%	-11.4	-11.7	0.0	0.0	-3.3	-3.0	-1.1	-1.5	-1.1	-1.0
<b>EBITA</b>	<b>201.4</b>	<b>173.0</b>	<b>16.4%</b>	<b>103.1</b>	<b>134.9</b>	<b>80.8</b>	<b>47.3</b>	<b>26.1</b>	<b>18.3</b>	<b>0.8</b>	<b>-13.9</b>	<b>-9.3</b>	<b>-13.6</b>
<i>EBITA margin</i>	9.9%	10.1%	-0.2pp	11.6%	16.9%	10.9%	7.9%	10.5%	9.8%	0.9%	-17.0%	-14.2%	-30.2%
Amortisation	-44.6	-42.6	4.6%	-19.4	-22.9	-15.8	-9.1	-5.6	-5.9	-1.9	-2.9	-1.9	-2.0
<b>Operating profit</b>	<b>156.8</b>	<b>130.4</b>	<b>20.2%</b>	<b>83.7</b>	<b>112.0</b>	<b>65.0</b>	<b>38.3</b>	<b>20.5</b>	<b>12.4</b>	<b>-1.2</b>	<b>-16.7</b>	<b>-11.2</b>	<b>-15.6</b>
<i>Operating profit margin</i>	7.7%	7.6%	0.1pp	9.4%	14.0%	8.8%	6.4%	8.2%	6.7%	-1.3%	-20.5%	-17.2%	-34.6%

## CONTINUED Segment information

### Private First 6 months

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	YTD 2023	YTD 2022	% change	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	1,000.4	965.7	3.6%	573.7	606.3	263.5	217.1	84.8	89.0	77.9	52.3	0.5	1.0
Cost of service	-690.3	-621.5	11.1%	-351.7	-338.2	-207.7	-174.8	-57.6	-58.4	-72.9	-49.1	-0.4	-0.9
<b>Gross profit</b>	<b>310.2</b>	<b>344.2</b>	<b>-9.9%</b>	<b>222.0</b>	<b>268.1</b>	<b>55.8</b>	<b>42.2</b>	<b>27.2</b>	<b>30.6</b>	<b>5.0</b>	<b>3.2</b>	<b>0.1</b>	<b>0.1</b>
<i>Gross profit margin</i>	<i>31.0%</i>	<i>35.6%</i>	<i>-4.6pp</i>	<i>38.7%</i>	<i>44.2%</i>	<i>21.2%</i>	<i>19.5%</i>	<i>32.1%</i>	<i>34.4%</i>	<i>6.5%</i>	<i>6.1%</i>	<i>13.8%</i>	<i>7.6%</i>
Allocated costs	-160.5	-124.2	29.2%	-103.2	-80.3	-29.8	-22.5	-11.5	-10.3	-15.9	-10.8	-0.1	-0.3
<b>Adjusted EBITA before HQ costs</b>	<b>149.6</b>	<b>220.0</b>	<b>-32.0%</b>	<b>118.8</b>	<b>187.8</b>	<b>26.0</b>	<b>19.7</b>	<b>15.7</b>	<b>20.3</b>	<b>-10.9</b>	<b>-7.6</b>	<b>-0.0</b>	<b>-0.2</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>15.0%</i>	<i>22.8%</i>	<i>-7.8pp</i>	<i>20.7%</i>	<i>31.0%</i>	<i>9.9%</i>	<i>9.1%</i>	<i>18.5%</i>	<i>22.8%</i>	<i>-14.0%</i>	<i>-14.5%</i>	<i>-4.1%</i>	<i>-22.4%</i>
Allocated costs from HQ	-9.4	-10.0	-6.1%	-7.2	-8.0	0.0	0.0	-1.1	-1.2	-1.1	-0.8	-0.0	-0.0
Other operating income / expense	0.6	0.1	814.2%	0.0	0.0	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>140.9</b>	<b>210.0</b>	<b>-32.9%</b>	<b>111.6</b>	<b>179.8</b>	<b>26.6</b>	<b>19.8</b>	<b>14.6</b>	<b>19.1</b>	<b>-12.0</b>	<b>-8.4</b>	<b>-0.0</b>	<b>-0.2</b>
<i>EBITA margin</i>	<i>14.1%</i>	<i>21.7%</i>	<i>-7.7pp</i>	<i>19.5%</i>	<i>29.7%</i>	<i>10.1%</i>	<i>9.1%</i>	<i>17.2%</i>	<i>21.4%</i>	<i>-15.4%</i>	<i>-16.1%</i>	<i>-5.4%</i>	<i>-24.3%</i>
Amortisation	-24.1	-22.7	6.2%	-15.6	-15.5	-4.8	-3.2	-1.9	-2.3	-1.9	-1.6	-0.0	-0.0
<b>Operating profit</b>	<b>116.8</b>	<b>187.4</b>	<b>-37.7%</b>	<b>96.0</b>	<b>164.3</b>	<b>21.9</b>	<b>16.6</b>	<b>12.7</b>	<b>16.8</b>	<b>-13.8</b>	<b>-10.0</b>	<b>-0.0</b>	<b>-0.3</b>
<i>Operating profit margin</i>	<i>11.7%</i>	<i>19.4%</i>	<i>-7.7pp</i>	<i>16.7%</i>	<i>27.1%</i>	<i>8.3%</i>	<i>7.7%</i>	<i>15.0%</i>	<i>18.8%</i>	<i>-17.7%</i>	<i>-19.2%</i>	<i>-7.4%</i>	<i>-28.2%</i>

## CONTINUED Segment information

### Geographical

#### Segment information related to geographical areas

DKK million	Q2 2023								
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	Total
Revenue from external customers	704.6	197.9	176.3	168.6	77.5	59.7	36.4	72.7	1,493.9

DKK million	Q2 2022								
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	Total
Revenue from external customers	682.6	140.3	136.8	192.8	56.1	33.5	18.7	45.0	1,305.8

### Geographical 6 months and full year

#### Segment information related to geographical areas

DKK million	YTD 2023								
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	Total
Revenue from external customers	1,484.1	372.7	346.0	317.2	168.1	142.1	75.2	128.6	3,034.1

DKK million	YTD 2022								
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	Total
Revenue from external customers	1,414.0	266.9	280.0	394.3	134.6	37.8	47.5	102.2	2,677.2

DKK million	Total 2022								
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	Total
Revenue from external customers	2,915.2	584.0	555.2	672.0	295.2	155.9	109.0	258.1	5,544.6

NOTE 2

## Cost of services

DKK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
Cost of services	-279.8	-240.2	-549.1	-461.0	-983.2
Salaries	-806.8	-696.6	-1,632.9	-1,423.0	-2,764.9
Depreciation	-4.4	-4.9	-9.2	-12.0	-24.1
<b>Cost of services total</b>	<b>-1,091.1</b>	<b>-941.7</b>	<b>-2,191.2</b>	<b>-1,895.9</b>	<b>-3,772.2</b>

NOTE 3

## Administrative costs

DKK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
Administrative costs	-113.0	-94.9	-216.4	-176.8	-369.4
Salaries	-85.5	-75.8	-172.8	-149.7	-280.0
Depreciation	-45.9	-27.9	-86.4	-53.4	-114.5
<b>Administrative costs total</b>	<b>-244.4</b>	<b>-198.5</b>	<b>-475.6</b>	<b>-380.0</b>	<b>-763.9</b>

NOTE 4

## Financial income and expenses

DKK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
<b>Financial income</b>					
Exchange rate adjustments	4.4	3.3	7.7	6.7	27.3
Other financial income	0.6	0.3	1.2	1.7	3.0
<b>Financial income total</b>	<b>5.0</b>	<b>3.5</b>	<b>8.9</b>	<b>8.4</b>	<b>30.3</b>
<b>Financial expenses</b>					
Interest expense, bank loan	-20.7	-6.7	-40.1	-13.3	-41.8
Interest expense, leasing	-6.0	-1.6	-8.3	-3.0	-7.1
Exchange rate adjustments	-8.0	-6.5	-17.1	-11.7	-34.7
Other financial expenses	-5.0	-7.6	-7.7	-11.6	-16.6
Fair value adj. of contingent consideration	0.0	0.0	0.0	0.0	-7.9
<b>Financial expenses total</b>	<b>-39.7</b>	<b>-22.3</b>	<b>-73.2</b>	<b>-39.5</b>	<b>-108.1</b>

## NOTE 5 Earnings per share

DKK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
<b>Earnings per share - EPS (DKK)</b>	<b>1.11</b>	<b>1.72</b>	<b>3.20</b>	<b>4.43</b>	<b>12.26</b>
<b>Diluted earnings per share - EPS-D (DKK)</b>	<b>1.10</b>	<b>1.70</b>	<b>3.18</b>	<b>4.38</b>	<b>12.15</b>
Profit	54.9	84.7	158.5	218.1	603.4
Average number of shares	50.0	50.0	50.0	50.0	50.0
Average number of treasury shares	0.4	0.7	0.5	0.7	0.8
Average number of shares in circulation	49.6	49.3	49.5	49.3	49.2
Average number of outstanding restricted stock units	0.3	0.5	0.3	0.5	0.5
Average number of diluted shares in circulation	49.9	49.7	49.8	49.7	49.7

## NOTE 6 Trade receivables

DKK million	30 June 2023	30 June 2022	31 December 2022
Not overdue	726.8	672.6	746.5
0-30 days overdue	203.6	209.6	224.0
31-60 days overdue	67.4	91.6	61.4
61-90 days overdue	26.8	60.2	33.4
Over 90 days overdue	104.9	82.1	63.2
<b>Total trade receivables excl. expected credit loss</b>	<b>1,129.6</b>	<b>1,116.1</b>	<b>1,128.5</b>
Expected credit loss	-17.3	-20.4	-16.6
<b>Total trade receivables</b>	<b>1,112.3</b>	<b>1,095.7</b>	<b>1,112.0</b>

The Group is continuously conducting individual assessments of bad debt. If this leads to an assessment that the Group will not be able to collect the amount accounted for, an allowance for bad debt is made. At 30 June 2023, the Group recognised a provision for expected credit losses of DKK 17.3m (30 June 2022: DKK 20.4m), and no credit losses have incurred during Q2 2023.

The credit quality of trade receivables at 30 June 2023, is considered satisfactory.

## NOTE 7 Contract work in progress

DKK million	30 June 2023	30 June 2022	31 December 2022
Selling price of work performed on fixed price projects	3,822.9	3,928.7	3,811.9
Invoiced amount on fixed price projects	-2,834.4	-3,157.5	-3,130.9
<b>Total contract work in progress</b>	<b>988.4</b>	<b>771.2</b>	<b>681.0</b>

*Net value – stated on a contract-per-contract basis – is presented in the statement of financial position as follows:*

Contract work in progress	1,444.8	1,144.3	1,114.5
Prebilled invoices	-456.4	-373.2	-433.5
<b>Total contract work in progress</b>	<b>988.4</b>	<b>771.2</b>	<b>681.0</b>

Based on the current project portfolio including monitoring of deliveries on projects, the Group has recognised a provision of DKK 2.5m, covering legal claims and project related risk (DKK 6.9m).

## NOTE 8 Other payables

DKK million	30 June 2023	30 June 2022	31 December 2022
Wages and salaries, payroll taxes, social security costs, etc. payable	98.6	77.2	87.4
Holiday pay obligation	187.4	160.5	97.0
VAT and duties	93.8	95.6	111.0
Contingent purchase price & earn out	0.0	93.4	101.3
Holdback	10.2	60.8	10.2
Other costs payable	270.2	210.1	233.7
<b>Total other payables</b>	<b>660.2</b>	<b>697.7</b>	<b>640.6</b>

For further details on contingent purchase price and earn out, please refer Annual Report 2022 note 29.

Other costs include accruals for fee, administration, sales and other items. Other accruals liabilities have a remaining term of up to one year.



## NOTE 9 **Income Statement classified by function**

DKK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Total 2022
<b>Income statement</b>					
Revenue	1,493.9	1,305.8	3,034.1	2,677.2	5,544.6
Cost of services, incl. depreciation and amortisation	-1,103.6	-948.0	-2,215.2	-1,908.1	-3,803.3
<b>Gross profit</b>	<b>390.3</b>	<b>357.8</b>	<b>818.9</b>	<b>769.1</b>	<b>1,741.3</b>
Sales and marketing costs	-13.6	-9.5	-25.6	-18.3	-41.0
Administrative costs, incl. depreciation, amortisation and special items	-266.7	-224.9	-520.3	-433.1	-866.8
Other operating income / expense	0.4	-0.1	0.6	0.1	5.9
<b>Operating profit (EBIT)</b>	<b>110.3</b>	<b>123.2</b>	<b>273.6</b>	<b>317.8</b>	<b>839.4</b>
Financial income	5.0	3.5	8.9	8.4	30.3
Financial expenses	-39.7	-22.3	-73.2	-39.5	-108.1
Income / loss from joint venture / associates	-1.8	-3.8	-4.5	-7.9	-5.1
<b>Profit / loss before tax</b>	<b>73.8</b>	<b>100.6</b>	<b>204.8</b>	<b>278.8</b>	<b>756.5</b>
Tax on the profit for the period	-18.6	-15.6	-46.3	-61.1	-153.8
<b>Net profit / loss for the period</b>	<b>55.2</b>	<b>85.0</b>	<b>158.5</b>	<b>217.7</b>	<b>602.8</b>

### **Depreciation and Amortisation have been presented as follows in the income statement:**

Cost of services	-17.0	-11.2	-33.1	-24.2	-55.3
Administrative costs	-68.2	-54.3	-131.1	-106.5	-217.4
<b>Depreciation and amortisation</b>	<b>-85.2</b>	<b>-65.5</b>	<b>-164.2</b>	<b>-130.7</b>	<b>-272.7</b>

NOTE 10

## Collateral provided and contingent liabilities

As a part of the contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 567.8m (DKK 483.3m).

There are no collaterals provided for the Group's bank loan.

NOTE 11

## Related party transactions

In Q2 2023, Netcompany recognised revenue from Smarter Airports A/S of DKK 9.1m (DKK 21.8m).

NOTE 12

## Accounting policies

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q2 2023 financial report have been prepared

in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended 31 December 2022 for Net-

company Group A/S, except for amended interpretation of IFRS 3 section B55(a) which state that earn-out payments subject to the selling shareholders continued employment during a specified period of time is expensed as remuneration over

the period in accordance with the outcome of the compliance review of Netcompany Group A/S' Annual Reports for 2020 and 2021 by the Danish Business Authorities.

NOTE 13

## Financial figures and highlights

DKK million	Q2 2023	Q2 2022	% change Q2	YTD 2023	YTD 2022	% change YTD
<b>Income statement</b>						
Public revenue	1,009.1	836.9	20.6%	2,033.6	1,711.5	18.8%
Private revenue	484.8	468.9	3.4%	1,000.4	965.7	3.6%
<b>Revenue by segments, total</b>	<b>1,493.9</b>	<b>1,305.8</b>	<b>14.4%</b>	<b>3,034.1</b>	<b>2,677.2</b>	<b>13.3%</b>
Development revenue	521.2	604.2	-13.7%	1,145.5	1,259.0	-9.0%
Maintenance revenue	938.2	698.9	34.2%	1,850.9	1,412.9	31.0%
License revenue	34.4	2.6	1220.1%	37.6	5.3	606.0%
<b>Revenue by types, total</b>	<b>1,493.9</b>	<b>1,305.8</b>	<b>14.4%</b>	<b>3,034.1</b>	<b>2,677.2</b>	<b>13.3%</b>
Organic revenue	1,493.9	886.7	14.4%	3,034.1	1,859.6	13.3%
Non-organic revenue	0.0	419.1	N/A	0.0	817.6	N/A
<b>Revenue by growth, total</b>	<b>1,493.9</b>	<b>1,305.8</b>	<b>14.4%</b>	<b>3,034.1</b>	<b>2,677.2</b>	<b>13.3%</b>
Adjusted EBITDA	195.1	188.8	3.3%	437.2	448.4	-2.5%
EBITDA	195.5	188.7	3.6%	437.8	448.5	-2.4%
Adjusted EBITA	144.8	156.0	-7.2%	341.6	383.0	-10.8%
EBITA	145.2	155.8	-6.8%	342.2	383.1	-10.7%
Operating profit (EBIT)	110.3	123.2	-10.5%	273.6	317.8	-13.9%
Net financials	-34.7	-18.8	85.0%	-64.3	-31.1	106.5%
Net profit / loss	55.2	85.0	-35.1%	158.5	217.7	-27.2%
<b>Financial position</b>						
Capex	-72.9	-31.6	130.3%	-121.5	-50.7	139.7%
Total assets	7,600.0	7,052.9	7.8%	7,600.0	7,052.9	7.8%
Equity	3,693.6	3,169.7	16.5%	3,693.6	3,169.7	16.5%
Net increase in cash and cash equivalents	-206.4	-68.0	203.5%	-298.3	-205.1	45.5%
Free cash flow	-72.5	7.3	-1086.5%	69.1	57.9	19.4%
Free cash flow (tax normalised)	-93.0	-20.5	1.0%	73.6	106.3	-30.8%

**CONTINUED FINANCIAL FIGURES AND HIGHLIGHTS**

DKK million	Q2 2023	Q2 2022	% change Q2	YTD 2023	YTD 2022	% change YTD
<b>Earnings per share</b>						
Earnings per share (DKK)	1.11	1.72	-35.6%	3.20	4.43	-27.6%
Diluted earnings per share (DKK)	1.10	1.70	-35.4%	3.18	4.38	-27.4%
<b>Employees</b>						
Average number of full-time employees	7,701	6,719	14.6%	7,599	6,616	14.9%
<b>Financial ratios</b>						
Revenue growth	14.4%	58.0%	-43.5pp	13.3%	59.2%	-45.9pp
Gross profit margin	27.0%	27.9%	-0.9pp	27.8%	29.2%	-1.4pp
Adjusted EBITDA margin	13.1%	14.5%	-1.4pp	14.4%	16.7%	-2.3pp
EBITDA margin	13.1%	14.4%	-1.4pp	14.4%	16.8%	-2.3pp
Adjusted EBITA margin	9.7%	11.9%	-2.3pp	11.3%	14.3%	-3.0pp
EBITA margin	9.7%	11.9%	-2.2pp	11.3%	14.3%	-3.0pp
Operating profit margin	7.4%	9.4%	-2.1pp	9.0%	11.9%	-2.9pp
Effective tax rate	25.2%	15.5%	9.6pp	22.6%	21.9%	0.7pp
Return on equity	1.6%	2.9%	-1.3pp	4.6%	7.5%	-2.8pp
Solvency ratio	48.6%	44.9%	3.7pp	48.6%	44.9%	3.7pp
ROIC	1.1%	2.0%	-1.0pp	3.0%	5.2%	-2.2pp
ROIC (Adjusted for Goodwill)	2.9%	6.2%	-3.3pp	8.4%	16.0%	-7.6pp
Cash conversion ratio	-87.9%	6.6%	-94.6pp	32.6%	21.5%	11.0pp
Cash conversion ratio (tax normalised)	-112.8%	-18.5%	-94.3pp	34.7%	39.6%	-4.9pp

# Formulas

Key figures and financial ratios have been compiled in accordance with the following calculation formulas.

<b>Organic revenue</b>	=	Revenue not classified as non-organic revenue	<b>Operating profit margin<sup>1</sup></b>	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	<b>Capex<sup>1,2</sup></b>	=	Cost spent to buy intangible and tangible assets, excluding impact from business acquisitions.
<b>Non-organic revenue</b>	=	Revenue from acquired businesses the first 12 months after acquisition	<b>EBITDA<sup>1,2</sup></b>	=	EBIT + Depreciation and amortisation	<b>Cash conversion ratio<sup>1,2</sup></b>	=	$\frac{\text{Free cash flow} \times 100}{\text{Net profit} - \text{Amortisation and deferred tax of amortisation}}$
<b>Organic Growth<sup>1</sup></b>	=	$\frac{\text{Organic revenue current year} \times 100}{\text{Revenue last year}}$	<b>EBITDA margin</b>	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$	<b>Days sales outstanding<sup>1,2</sup></b>	=	$\frac{\text{Trade receivables} \times \text{days}}{\text{Revenue}}$
<b>Gross profit margin<sup>1,2</sup></b>	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	<b>Adjusted EBITDA</b>	=	EBITDA + Special items + Other operating income	<b>Return on equity<sup>2</sup></b>	=	$\frac{\text{Net profit for the period} \times 100}{\text{Average equity}}$
<b>EBITA<sup>1,2</sup></b>	=	Operating profit + Amortisation	<b>Adjusted EBITDA margin</b>	=	$\frac{\text{Adjusted EBITDA} \times 100}{\text{Revenue}}$	<b>Return on invested capital (ROIC)<sup>1,2</sup></b>	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital}}$
<b>EBITA margin<sup>1,2</sup></b>	=	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$	<b>EPS<sup>1</sup></b>	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares}}$	<b>ROIC (Adjusted for Goodwill)<sup>1</sup></b>	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital} - \text{average Goodwill}}$
<b>Adjusted EBITA</b>	=	EBITA + Special items + Other operating income	<b>EPS diluted<sup>1</sup></b>	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares} + \text{Diluted shares}}$	<b>Solvency (equity ratio)<sup>1</sup></b>	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
<b>Adjusted EBITA margin</b>	=	$\frac{\text{Adjusted EBITA} \times 100}{\text{Revenue}}$	<b>Free cash flow<sup>1,2</sup></b>	=	Cash flow from operating activities - Capex			

<sup>1</sup> Key figures defined according to IFRS.

<sup>2</sup> Key figures defined according to "Recommendations & Financial Ratios" issued by the Danish Finance Society.

# Disclaimer

This report contains forward-looking statements including, but not limited to, the statements and expectations contained in the outlook section. Forward-looking statements are statements (other than statements of historical fact) relating to future events and Netcompany's anticipated or planned financial and operational performance.

The words 'may', 'will', 'will continue', 'should', 'expect', 'foresee', 'anticipate', 'believe', 'estimate', 'plan', 'predict', 'intend' or variations of these words, including negatives thereof, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements.

Netcompany has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of Netcompany.

Although Netcompany believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Netcompany in particular, including those described in Netcompany Group A/S' Annual Report 2022 and other information made available by Netcompany.

Factors that may affect future results include, but are not limited to, global and economic conditions, including currency exchange rate and interest rate fluctuations, delay or failure of projects related to research and/or development, unexpected contract breaches or terminations, unplanned loss of patents, government-mandated or market-driven price decreases for Netcompany's products, introduction of competing products, reliance on information technology, Netcompany's ability to successfully market current and new products, exposure to product liability, litigation and investigations, regulatory developments, actual or perceived failure to adhere to ethical mar-

keting practices, unexpected growth in costs and expenses, failure to recruit and retain the right employees, and failure to maintain a culture of compliance.

As a result, forward-looking statements should not be relied on as a prediction of actual results. Netcompany undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The Annual Report 2022 of Netcompany Group A/S is available at our website [www.netcompany.com](http://www.netcompany.com)

## About Netcompany

Netcompany delivers business critical IT solutions and consultancy that help our customers to achieve significant business benefits in a digitised world. Netcompany also helps our customers to manage and operate IT solutions both on location and in the cloud.