

Adjusted supplementary information to the Annual Report 2021

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Background for the adjusted supplementary information to the annual report 2021

The Danish Business Authority has conducted a compliance review of NNIT A/S' annual reports as stated in company announcement 12/2022 and 2/2023.

In a letter dated 27 January 2023 to the Board of Directors of NNIT A/S, the Danish Business Authority required NNIT A/S to change the applied accounting treatment of the earn-out payment related to the acquisition of Excellis Health Solutions. The decision is that earn-out payments should not be included in the cost price of the acquisition and consequently goodwill, but instead expensed as remuneration over a period as the earn-out is in part subject to the selling shareholders' continued employment during a specified period.

In consequence, NNIT is required to update its accounting treatment of earn-out payment in the annual reports from goodwill to special items as outlined in this report. Earn-out payments for other acquisitions, including SCALES, Valiance Partner, HGP Group and SL Controls comprise similar terms as Excellis Health Solutions earn-out and are

consequently subject to the same amendment of the accounting treatment.

The technical changes to historical accounting policies will have no impact on total cash flow or the planned divestment of NNIT's Infrastructure Operation Business.

The adjusted supplementary information is to be seen in conjunction with the Annual report 2021, which was approved by the Board of Directors and Executive management on 28 January 2022.

Consequently, Management of NNIT A/S hereby discloses the adjusted supplementary information to the annual report 2021.

NNIT A/S disagrees with the decision and considers it to be of principled nature for strategic acquisitions in the Danish IT service industry, hence has made an appeal of the decision to the Danish Commerce and Companies Appeals Board.

Five-Year Performance highlights

DKK million	2017			2018			2019			2020			2021		
	Reported	Adjustment	Restated	Reported	Adjustment	Restated	Reported	Adjustment	Restated	Reported	Adjustment	Restated	Reported	Adjustment	Restated
Financial performance															
Novo Nordisk Group	1,185	-	1,185	1,124	-	1,124	955	-	955	732	-	732	605	-	605
Life sciences International	153	-	153	212	-	212	361	-	361	456	-	456	711	-	711
Life sciences Denmark	222	-	222	222	-	222	230	-	230	261	-	261	259	-	259
Life sciences	1,560	-	1,560	1,558	-	1,558	1,546	-	1,546	1,449	-	1,449	1,575	-	1,575
Enterprice	684	-	684	794	-	794	802	-	802	712	-	712	725	-	725
Public	354	-	354	399	-	399	392	-	392	407	-	407	309	-	309
Finance	253	-	253	256	-	256	318	-	318	262	-	262	268	-	268
Private & Public	1,291	-	1,291	1,449	-	1,449	1,512	-	1,512	1,381	-	1,381	1,302	-	1,302
Total revenue	2,851	-	2,851	3,007	-	3,007	3,058	-	3,058	2,830	-	2,830	2,877	-	2,877
EBITDA before special items	494	1	495	554	2	556	498	3	501	399	2	401	361	2	363
Depreciation, amortisation and impairment	232	-	232	247	-	247	259	-	259	234	-	234	275	-	275
Operating profit (EBIT) before special items	262	1	263	307	2	309	239	3	242	165	2	167	142	2	144
Special items, cost	-	12	12	-	22	22	24	44	68	43	47	90	153	55	208
Operating profit (EBIT)	262	-11	251	307	-20	287	215	-41	174	122	-45	77	-11	-53	-64
Net financials	-10	-	-10	-2	-2	-4	16	-9	7	-20	13	-7	-14	2	-12
Net profit/loss for the year	199	-11	188	236	-21	215	183	-45	138	76	-29	47	-7	-42	-49
Investment in tangible assets	-327	-	-327	-146	-	-146	-134	-	-134	-95	-	-95	-62	-	-62
Investment in intangible assets incl. acquisition of subsidiary	-108	54	-54	-177	60	-117	-87	20	-67	-228	69	-159	-113	39	-74
Total assets	2,322	-54	2,268	2,545	-113	2,432	2,613	-128	2,485	2,662	-194	2,468	2,797	-223	2,574
Equity	974	-11	963	1,085	-32	1,053	1,169	-77	1,092	1,134	-104	1,030	1,142	-149	993
Dividends proposed/paid	-105	-	-105	-113	-	-113	-98	-	-98	-74	-	-74	-	-	-
Free cash flow	-13	-	-13	116	-	116	242	-	242	143	-	143	34	-	34
Interest-bearing debt, net	398	-	398	518	-	518	466	-	466	398	-	398	513	-	513

Five-Year Performance highlights (continued)

	2017			2018			2019			2020			2021		
	Reported	Adjustment	Restated	Reported	Adjustment	Restated	Reported	Adjustment	Restated	Reported	Adjustment	Restated	Reported	Adjustment	Restated
Earnings per share (DKK)															
Earnings per share (DKK)	8.17	-0.45	7.72	9.60	-0.85	8.75	7.43	-1.83	5.60	3.07	-1.17	1.90	-0.30	-1.68	-1.98
Diluted earnings per share (DKK)	7.97	-0.44	7.53	9.52	-0.85	8.67	7.36	-1.81	5.55	3.04	-1.15	1.89	-0.30	-1.66	-1.96
Employees															
Average number of full-time employees	2,937	-	2,937	3,129	-	3,129	3,237	-	3,237	3,083	-	3,083	3,162	-	3,162
Financial ratios															
Revenue growth	3.1%	0.0%	3.1%	5.5%	0.0%	5.5%	1.7%	0.0%	1.7%	-7.5%	0.0%	-7.5%	1.7%	0.0%	1.7%
Gross profit margin	18.0%	0.0%	18.0%	18.0%	0.1%	18.1%	15.5%	0.1%	15.6%	13.7%	0.1%	13.7%	12.0%	0.1%	12.0%
EBITDA margin	17.3%	0.0%	17.4%	18.5%	0.0%	18.5%	16.3%	0.1%	16.4%	14.1%	0.1%	14.2%	12.5%	0.1%	12.6%
Operating profit margin before special items	9.2%	0.0%	9.2%	10.2%	0.1%	10.3%	7.8%	0.1%	7.9%	5.8%	0.1%	5.9%	4.9%	0.1%	5.0%
Operating profit margin	9.2%	-0.4%	8.8%	10.2%	-0.7%	9.5%	7.0%	-1.3%	5.7%	4.3%	-1.6%	2.7%	-0.4%	-1.8%	-2.2%
Effective tax rate	21.2%	0.8%	22.0%	22.8%	1.2%	24.0%	20.8%	3.0%	23.8%	25.5%	7.4%	32.9%	72.0%	-36.5%	35.5%
Investments/Revenue	11.8%	0.0%	11.8%	5.3%	0.0%	5.3%	5.3%	0.0%	5.3%	4.8%	0.0%	4.8%	3.3%	0.0%	3.3%
Return on equity	21.8%	-1.0%	20.8%	22.9%	-1.6%	21.3%	16.2%	-3.4%	12.9%	6.6%	-2.2%	4.4%	-0.6%	-4.2%	-4.8%
Solvency ratio	41.9%	0.5%	42.5%	42.6%	0.7%	43.3%	44.7%	-0.8%	43.9%	42.6%	-0.9%	41.7%	40.8%	-2.3%	38.6%
Return on invested capital (ROIC)	20.8%	-1.0%	19.8%	16.1%	-1.1%	15.0%	10.4%	-2.0%	8.4%	6.1%	-2.5%	3.6%	0.5%	-3.6%	-3.1%
Cash to earnings	-6.3%	-0.6%	-6.9%	49.3%	4.7%	54.0%	132.2%	43.1%	175.4%	188.2%	116.1%	304.3%	-485.7%	416.3%	-69.4%
Cash to earnings (three-year average)	61.7%	1.0%	62.7%	44.9%	2.1%	47.0%	55.8%	7.9%	63.8%	101.2%	24.0%	125.3%	166.3%	141.8%	308.1%

Management statement

The Danish Business Authority conducted a compliance review of the Annual Report 2021 for NNIT A/S. NNIT A/S has received the enforcement decision from the Danish Business Authority on 27 January 2023.

According to the enforcement decision the earn-out payment related to acquisitions should not form part of the cost price for the acquired business and consequently goodwill but instead expensed as remuneration over a period of time as the earn-out is in part subject to the shareholders' continued employment for a specified period of time. The impact is an increase in Operating profit before special items of DKK 2 million, a

decrease in profit before tax of DKK 51 million and a decrease in Equity of DKK 149 million at 31 December 2021.

Based on the conclusion, Management has chosen to publish Adjusted Supplementary Information to the Annual Report 2021.

The Board of Directors and the Executive Management have today considered and approved the Adjusted Supplementary Information to the Annual Report 2021.

In our opinion, the Adjusted Supplementary Information to the Annual Report 2021 is prepared in accordance with the enforcement decision made by the Danish Business Authority on 27 January 2023.

Soeborg, 15 March 2023

Executive management

Pär Fors
President and CEO

Carsten Ringius
Executive Vice President and CFO

Board of Directors

Carsten Dilling
Chairman

Eiving Kolding
Deputy chairman

Anne Broeng

Caroline Serfass

Christian Kanstrup

Nigel Govett

Trine Iø Bjerregard
*Employee-elected
representative*

Kenn Kikkenborg Jensen
*Employee-elected
representative*

Anders Vidstrup
*Employee-elected
representative*

Independent auditor's report on the adjusted supplementary information to the annual report 2021

To the Shareholders of NNIT A/S

Opinion

In our opinion, the adjusted supplementary information to the Annual Report 2021 is prepared, in all material respects, in accordance with the requirements in the conclusion made by the Danish Business Authority on 27 January 2023.

What we have audited

The adjusted supplementary information to the Annual Report 2021 of NNIT A/S comprises the Consolidated Income Statement, the Consolidated statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated changes in Equity and the notes (page 11-34). Further, the adjusted supplementary information to the Annual Report 2021 comprises the Income Statement, the Balance Sheet, the Statement of changes in Equity and the notes for the Parent Company (page 35-43).

Collectively referred to as the "adjusted supplementary information to the Annual Report 2021."

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the adjusted supplementary information to the Annual Report 2021* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Emphasis of matter to the adjusted supplementary information to the Annual Report 2021 - basis for preparation

The adjusted supplementary information to the Annual Report 2021 is prepared in order to fulfil the requirements in accordance with the conclusion made by the Danish Business Authority on 27 January 2023.

The adjusted supplementary Information to the Annual Report 2021 is to be seen in conjunction with the Annual Report 2021, which has been approved by the Board of Directors and the registered Executive Management on 28 January 2022. Refer to Note 1 in the adjusted supplementary information to the Annual Report 2021.

Our conclusion is not modified regarding this matter.

Other matter

We have audited the consolidated financial statements and the parent company financial statements for 2021 and issued our Independent Auditor's Report hereon on 28 January 2022. This Independent Auditor's Report therefore only covers audit procedures performed on the adjusted supplementary information to the Annual Report 2021 and not audit procedures performed on the Consolidated Financial Statements and the Parent Company Financial Statements for 2021 as a whole including subsequent events.

Management's Responsibilities for the adjusted supplementary information to the Annual Report 2021

Management is responsible for the preparation of the adjusted supplementary information to the Annual Report 2021 that is prepared in accordance with the requirements in the conclusion made by the Danish Business Authority on 27 January 2023 and for such internal controls as Management determines necessary to enable the preparation of the adjusted supplementary information to the Annual Report 2021 that is free from material misstatement, whether due to fraud or errors.

In preparing the adjusted supplementary information to the Annual Report 2021, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the adjusted supplementary information to the Annual Report 2021.

Auditor's Responsibilities for the adjusted supplementary information to the Annual Report 2021

Our objectives are to obtain reasonable assurance about whether the adjusted supplementary information to the Annual Report 2021 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these adjusted supplementary information to the Annual Report 2021.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the adjusted supplementary information to the Annual Report 2021, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the adjusted supplementary information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Hellerup, 15 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

mne33226

Kim Danstrup

State Authorised Public Accountant

mne32201

Consolidated financial statements

Consolidated income statement

DKK million	Note	2021			2020		
		As reported	Adjustments	Restated	As reported	Adjustments	Restated
Revenue	2.1	2,877	-	2,877	2,830	-	2,830
Cost of goods sold	2.2, 2.3, 2.4, 5.1	2,533	-2	2,531	2,443	-2	2,441
Gross profit		344	2	346	387	2	389
Sales and marketing costs	2.2, 2.4, 5.1	122	-	122	127	-	127
Administrative expenses	2.2, 2.4, 5.1	80	-	80	95	-	95
Operating profit before special items		142	2	144	165	2	167
Special items	2.5	153	55	208	43	47	90
Operating profit		-11	-53	-64	122	-45	77
Financial income	4.1	15	-3	12	11	-	11
Financial expenses	4.1	29	-5	24	31	-13	18
Profit before income taxes		-25	-51	-76	102	-32	70
Income taxes	2.6	-18	-9	-27	26	-3	23
Net profit for the year		-7	-42	-49	76	-29	47
Earnings per share							
Earnings per share (DKK)	4.2	-0.30	-1.68	-1.98	3.07	-1.17	1.90
Diluted earnings per share (DKK)	4.2	-0.30	-1.66	-1.96	3.04	-1.15	1.89

Consolidated statement of comprehensive income

DKK million	Note	2021			2020		
		As reported	Adjustments	Restated	As reported	Adjustments	Restated
Net profit for the year		-7	-42	-49	76	-29	47
Other comprehensive income:							
<i>Items that will not subsequently be reclassified to the income statement:</i>							
Remeasurement related to post employment benefit obligations	3.7	3	-	3	-5	-	-5
Tax related to post employment benefit obligations	2.6	-	-	-	-	-	-
<i>Items that may be reclassified subsequently to the income statement, when specific conditions are met:</i>							
Exchange rate adjustment related to subsidiaries (net)		42	-3	39	-25	2	-23
Tax related to exchange rate adjustments related to subsidiaries (net)		-5	-	-5	4	-	4
<i>Recycled to financial items</i>		<i>11</i>	<i>-</i>	<i>11</i>	<i>10</i>	<i>-</i>	<i>10</i>
<i>Unrealised value adjustment</i>		<i>3</i>	<i>-</i>	<i>3</i>	<i>-22</i>	<i>-</i>	<i>-22</i>
<i>Cash flow hedges</i>		<i>14</i>	<i>-</i>	<i>14</i>	<i>-12</i>	<i>-</i>	<i>-12</i>
Tax related to cash flow hedges	2.6	-3	-	-3	2	-	2
Other comprehensive income, net of tax		51	-3	48	-36	2	-34
Total comprehensive income		44	-45	-1	40	-27	13

Consolidated balance sheet - Assets

DKK million	Note	2021			2020		
		As reported	Adjustment	Restated	As reported	Adjustment	Restated
Intangible assets	3.1, 5.5	945	-242	703	781	-203	578
Tangible assets	3.3	483	-	483	552	-	552
Lease assets	4.3	173	-	173	227	-	227
Transition cost	3.4	39	-	39	75	-	75
Deferred tax	2.6	13	13	26	32	8	40
Deposits	3.5	34	-	34	33	-	33
Trade receivables		-	-	-	-	-	-
Other receivables		-	-	-	-	-	-
Total non-current assets		1,687	-229	1,458	1,700	-195	1,505
Inventories		3	-	3	2	-	2
Transition cost	3.4	31	-	31	36	-	36
Trade receivables	3.6, 5.7	578	-	578	497	-	497
Work in progress	3.4	107	-	107	145	-	145
Other receivables		11	-	11	21	-	21
Pre-payments		101	-	101	87	-	87
Tax receivables	2.6	36	6	42	30	1	31
Derivative financial instruments	4.5	13	-	13	1	-	1
Cash and cash equivalents	4.4	230	-	230	143	-	143
Total current assets		1,110	6	1,116	962	1	963
Total assets		2,797	-223	2,574	2,662	-194	2,468

Consolidated balance sheet – Equity & Liabilities

DKK million	Note	2021			2020		
		As reported	Adjustment	Restated	As reported	Adjustment	Restated
Share capital	4.2	250	-	250	250	-	250
Treasury shares	4.2	-2	-	-2	-3	-	-3
Retained earnings		863	-149	714	879	-104	775
Other reserves		31	-	31	-17	-	-17
Proposed dividends	4.2	-	-	-	25	-	25
Total equity		1,142	-149	993	1,134	-104	1,030
Lease liabilities	4.3	123	-	123	171	-	171
Employee benefit obligations	3.7	18	7	25	29	18	47
Contingent consideration	3.8	82	-82	-	112	-112	-
Provisions	3.9	25	-	25	24	-	24
Long term loan		40	-	40	21	-	21
Bank overdraft	4.4	496	-	496	304	-	304
Total non-current liabilities		784	-75	709	661	-94	567
Prepayments received, transition cost	3.4	30	-	30	16	-	16
Prepayments received, work in progress	3.4,5.7	116	-	116	111	-	111
Lease liabilities	4.3	84	-	84	70	-	70
Trade payables	5.7	86	-	86	108	-	108
Employee costs payable		208	-4	204	277	-	277
Tax payables	2.6	2	-	2	4	-	4
Other current liabilities		281	-	281	247	-	247
Derivative financial instruments	4.4	-	-	-	5	-	5
Employee benefit obligations		-	69	69	-	32	32
Contingent considerations	3.8	64	-64	-	28	-28	-
Provisions	3.9	-	-	-	1	-	1
Total current liabilities		871	1	872	867	4	871
Total equity and liabilities		2,797	-223	2,574	2,662	-194	2,468

Consolidated statement of cash flows

DKK million	Note	2021			2020		
		As reported	Adjustments	Restated	As reported	Adjustments	Restated
Net profit for the year		-7	-42	-49	76	-29	47
Reversal of non-cash items	5.3	335	-11	324	228	-24	204
Interest paid/received	4.1	-17	-	-17	-16	-	-16
Income taxes paid	2.6	4	-	4	-42	-	-42
Cash flow before change in working capital		315	-53	262	246	-53	193
Changes in working capital ¹	5.4	-72	19	-53	282	-9	273
Cash flow from operating activities		243	-34	209	528	-62	466
Capitalization of intangible assets	3.1	-34	-	-34	-40	-	-40
Purchase of tangible assets	3.3, 5.4	-62	-	-62	-95	-	-95
Acquisition of subsidiary	5.5	-79	-	-79	-188	-	-188
Payment of earn-out	3.8	-34	34	-	-62	62	-
Cash flow from investing activities		-209	34	-175	-385	62	-323
Dividends paid		-25	-	-25	-98	-	-98
Purchase of treasury shares		-8	-	-8	-	-	-
Payment of deposit	3.5	-1	-	-1	-	-	-
Instalments on lease liabilities	4.3, 4.4	-82	-	-82	-89	-	-89
Instalment on long term loan		-23	-	-23	-8	-	-8
Bank overdraft		192	-	192	73	-	73
Cash flow from financing activities		53	-	53	-122	-	-122
Net cash flow		87	-	87	21	-	21
Cash and cash equivalents at the beginning of the year		143	-	143	122	-	122
Cash and cash equivalents at the end of the year	5.4	230	-	230	143	-	143

¹ Of which DKK -8 million relates to factoring (2020: DKK 45 million). Please refer to note 3.6 in the annual report for more details

Consolidated statement of changes in equity

DKK million

2021	Note	Share capital	Treasury share	Retained earnings	Total other reserves	Proposed dividends	Total
Balance at the beginning of the year		250	-3	879	-17	25	1,134
Adjustment				-104			-104
Restated balance at the beginning of the year		250	-3	775	-17	25	1,030
Net profit for the year		-	-	-7	-	-	-7
Adjustment		-	-	-42	-	-	-42
Restated net profit for the year		-	-	-49	-	-	-49
Other comprehensive income for the year		-	-	3	48	-	51
Adjustment		-	-	-3	-	-	-3
Restated other comprehensive income for the year		-	-	-	48	-	48
Restated total comprehensive income for the year		-	-	-49	48	-	-1
Adjustment related to previous years ¹		-	-	-11	-	-	-11
Transactions with owners:							-
Purchase of treasury shares		-	-1	-7	-	-	-8
Transfer of treasury shares		-	2	-2	-	-	-
Share-based payments	5.1	-	-	8	-	-	8
Dividends paid		-	-	-	-	-25	-25
Total dividend for 2021		-	-	-	-	-	-
Balance at the end of the year	4.2	250	-2	714	31	-	993

Consolidated statement of changes in equity (continued)

DKK million

2020	Note	Share capital	Treasury share	Retained earnings	Total other reserves	Proposed dividends	Total
Balance at the beginning of the year		250	-4	860	14	49	1,169
Adjustment				-77			-77
Restated balance at the beginning of the year		250	-4	783	14	49	1,092
Net profit for the year		-	-	76	-	-	76
Adjustment		-	-	-29	-	-	-29
Restated net profit for the year		-	-	47	-	-	47
Other comprehensive income for the year		-	-	-5	-31	-	-36
Adjustment		-	-	2	-	-	2
Restated other comprehensive income for the year		-	-	-3	-31	-	-34
Restated Total comprehensive income for the year		-	-	44	-31	-	13
Transactions with owners:							
Transfer of treasury shares		-	1	9	-	-	10
Share-based payments	5.1	-	-	13	-	-	13
Dividends paid		-	-	-	-	-98	-98
Interim dividend for 2020		-	-	-49	-	49	-
Proposed dividends for 2020		-	-	-25	-	25	-
Total dividend for 2020				-98		98	-
Balance at the end of the year	4.2	250	-3	775	-17	25	1,030

Consolidated notes

Note 1

Accounting policies

The Adjusted Supplementary Information to the Annual Report 2021 is prepared in order to fulfill the requirements in accordance with the conclusion made by the Danish Business Authority on 27 January 2023.

The adjusted Supplementary Information to the Annual Report 2021 is to be seen in conjunction with the Annual Report 2021, which has been approved by the Board of Directors and the registered Executive Management on 28 January 2022

The 2021 consolidated Financial Statements are prepared in accordance with IFRS standards and interpretations applicable to the 2021 financial year. The basis of preparation is unchanged in the supplementary information except the accounting treatment of contingent considerations (earn-out).

Contingent consideration (earn-out)

The Danish Business Authority required NNIT A/S to change the applied accounting treatment of the earn-out payment related to the acquisition of Excellis Health Solutions. The decision is that earn-out payments should not be included in the cost price of the acquisition and consequently goodwill, but instead expensed as remuneration over a period of time in accordance with IFRS 3, section B55(a), as the earn-out is in part subject to the selling shareholders' continued employment during a specified period of time according to the Danish Business Authority. Other acquisitions, including SCALES, Valiance Partner, HGP Group and SL Controls comprise similar terms as Excellis Health Solutions earn-out and are consequently subject to the same amendment of the accounting treatment.

In consequence NNIT has changed the accounting treatment of the earn-out and restated the annual report for 2021 and comparison figures. The contingent consideration liability and the acquisition date fair value of the earn-out included in the cost price of the acquisitions have been reversed along with the related subsequent fair value adjustments reported as financial expenses/income in the income statement.

Employee benefit obligation (earn-out)

The Earn-out for Excellis Health Solutions, SCALES, Valiance Partner, HGP Group and SL Controls has been accrued over the period from the acquisition date until the payment is unconditional based on expected achieved performance. The cost has been recognized as wages and salaries under special items in the income statement. As a minor part of the earn-out was already recognized as wages and salaries under production costs before the restatement this part has been reclassified to special items.

Taxes

Income taxes related to the restatement of earn-out has been adjusted, impacting both deferred tax and current income tax.

Note 2.1

Segment information

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Revenue by customer group						
Novo Nordisk Group	605	-	605	732	-	732
Life sciences international	711	-	711	456	-	456
Life sciences Denmark	259	-	259	261	-	261
Life sciences	1,575	-	1,575	1,449	-	1,449
Enterprise	725	-	725	712	-	712
Public	309	-	309	407	-	407
Finance	268	-	268	262	-	262
Private & Public	1,302	-	1,302	1,381	-	1,381
Total revenue	2,877	-	2,877	2,830	-	2,830
Gross profit by business unit						
Life sciences	233	2	235	244	2	246
Private & Public	111	-	111	143	-	143
Total Gross profit	344	2	346	387	2	389
Operating profit before special items by business unit ¹						
Life sciences	119	2	121	122	2	124
Private & Public	23	-	23	43	-	43
Total operating profit before special items	142	2	144	165	2	167

¹ When deducting special items and net financials consolidated profit before income taxes is obtained.

Note 2.2

Employee costs

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Employee costs comprise:						
Wages and salaries	1,711	53	1,764	1,563	45	1,608
Share-based payments	8	-	8	14	-	14
Pensions - defined contribution plans	119	-	119	106	-	106
Pensions - defined benefit obligations (note 3.7)	17	-	17	23	-	23
Other employee costs	133	-	133	109	-	109
Total employee costs	1,988	53	2,041	1,815	45	1,860
Included in the income statement under the following headings:						
Cost of goods sold	1,761	-2	1,759	1,617	-2	1,615
Sales and marketing costs	102	-	102	105	-	105
Administrative expenses	52	-	52	58	-	58
Special items	73	55	128	35	47	82
Total employee costs	1,988	53	2,041	1,815	45	1,860
Average number of full-time employees	3,162	-	3,162	3,083	-	3,083

Note 2.5

Special items

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Special items relates to:						
Impairment of assets	56	-	56	-	-	-
Redundancy cost related to Group Management	25	-	25	1	-	1
Restructuring cost	65	-	65	33	-	33
Cost regarding acquisition and disposal of subsidiaries	7	-	7	9	-	9
Employee benefit cost (contingent consideration agreements)	-	55	55	-	47	47
Total special items	153	55	208	43	47	90

If special items had been recognized in operating profit before special items, they would have been included in the following line items:

Cost of goods sold	118	55	173	28	47	75
Sales and marketing costs	2	-	2	4	-	4
Administrative expenses	33	-	33	11	-	11
Total special items	153	55	208	43	47	90

Note 2.6

Income taxes

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Current tax	8	-4	4	33	-1	32
Deferred tax	-17	-5	-22	-10	-2	-12
Adjustments recognized for current tax of prior periods	-29	-	-29	-11	-	-11
Adjustments recognized for deferred tax of prior periods	20	-	20	12	-	12
Withholding tax not deductible	-	-	-	2	-	2
Income taxes in the income statement	-18	-9	-27	26	-3	23
Computation of effective tax rate:						
Statutory corporate income tax rate in Denmark	22.0%	0.0%	22.0%	22.0%	0.0%	22.0%
Deviation in foreign subsidiaries' tax rates compared to Danish tax rate	21.0%	-17.9%	3.1%	-0.1%	-0.8%	-0.9%
Other adjustments to taxable income	-6.0%	-18.6%	-24.6%	1.4%	8.2%	9.6%
Adjustment of current and deferred tax regarding previous years	36.0%	0.0%	36.0%	0.4%	0.0%	0.4%
Withholding tax not deductible	-1.0%	0.0%	-1.0%	1.8%	0.0%	1.8%
Effective tax rate	72.0%	-36.5%	35.5%	25.5%	7.4%	32.9%
Tax on other comprehensive income for the year	8	-	8	6	-	6
DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Tax payable/receivable						
Tax payable/receivable at the beginning of the year	22	1	23	2	-	2
Income tax paid during the year	39	-	39	46	-	46
Tax paid related to previous years	-44	-	-44	-6	-	-6
Withholding taxes paid during the year	1	-	1	2	-	2
Current tax on profit for the year	-8	5	-3	-33	1	-32
Adjustments related to previous years	29	-	29	11	-	11
Tax payable/receivable at the end of the year	39	6	45	22	1	23
Tax payable/receivables are recognized in the balance sheet as follows:						
Tax receivables	36	6	42	30	1	31
Tax payables	-2	-	-2	-4	-	-4
Tax on other comprehensive income	5	-	5	-4	-	-4
Total tax	39	6	45	22	1	23

Note 2.6 (continued)

Deferred taxes

DKK million	Intangible assets	Tangible assets	Current assets	Lease receivables and liabilities	Share based programs	Cash Flow hedges	Provisions	Total
2021								
Deferred tax asset								
At the beginning of the year	-19	52	-44	8	-3	1	37	32
Adjustment	-	-	-	-	-	-	8	8
Restated at the beginning of the year	-19	52	-44	8	-3	1	45	40
Adjustments related to previous years	-1	-8	6	-	-	-	-17	-20
Adjustments related to previous years booked on equity ¹	-	-	-10	-3	-	-	-	-13
Movements within the year	-8	-4	18	5	2	-	4	17
Adjustment	1	-	-	-	-	-	4	5
Movements within the year (restated)	-7	-4	18	5	2	-	8	22
Movements in other comprehensive income	-	-	-	-	-	-3	-	-3
At the end of the year	-27	40	-30	10	-1	-2	36	26

¹ Adjustments related to previous years is regarding an adjustment of the opening balance for pre-payments transition cost (IFRS 15) and refurbishment obligation (IFRS 16)

DKK million	Intangible assets	Tangible assets	Current assets	Lease receivables and liabilities	Share based programs	Cash Flow hedges	Provisions	Total
2020								
Deferred tax asset								
At the beginning of the year	-14	44	-30	14	-4	-1	23	32
Adjustment	-	-	-	-	-	-	6	6
Restated at the beginning of the year	-14	44	-30	14	-4	-1	29	38
Adjustments related to previous years	-	7	-11	-7	-	-	-1	-12
Movements within the year	-5	1	-3	1	1	-	15	10
Adjustment	-	-	-	-	-	-	2	2
Movements within the year (restated)	-5	1	-3	1	1	-	17	12
Movements in other comprehensive income	-	-	-	-	-	2	-	2
At the end of the year	-19	52	-44	8	-3	1	45	40

Note 3.1

Intangible assets

DKK million	Goodwill			Other intangible assets	IT development projects	IT development projects under construction	2021
	As reported	Adjustment	Restated				
2021							
Costs at the beginning of the year	690	-203	487	33	95	62	677
Additions	120	-30	90	1	7	27	125
Transfer	-	-	-	-	62	-62	-
Exchange rate adjustment	32	-9	23	3	-	-	26
Cost at the end of the year	842	-242	600	37	164	27	828
Amortization and impairment loss at the beginning of the year	-	-	-	31	68	-	99
Amortization	-	-	-	3	22	-	25
Exchange rate adjustment	-	-	-	1	-	-	1
Amortization and impairment loss at the end of the year	-	-	-	35	90	-	125
Carrying amount at the end of the year	842	-242	600	2	74	27	703

DKK million	Goodwill			Other intangible assets	IT development projects	IT development projects under construction	2020
	As reported	Adjustment	Restated				
2020							
Costs at the beginning of the year	448	-134	314	34	105	28	481
Additions from business combinations	266	-77	189	2	-	-	191
Additions	-	-	-	-	-	40	40
Transfer	-	-	-	-	6	-6	-
Disposals	-	-	-	-	-16	-	-16
Exchange rate adjustment	-24	8	-16	-3	-	-	-19
Cost at the end of the year	690	-203	487	33	95	62	677
Amortization and impairment loss at the beginning of the year	-	-	-	21	70	-	91
Amortization	-	-	-	12	14	-	26
Amortization reversed on disposals	-	-	-	-	-16	-	-16
Exchange rate adjustment	-	-	-	-2	-	-	-2
Amortization and impairment loss at the end of the year	-	-	-	31	68	-	99
Carrying amount at the end of the year	690	-203	487	2	27	62	578

Note 3.2

Impairment goodwill

DKK million	CGU	Busines unit	Carrying amount			Annual revenue growth rate	Discount rate pre-tax	Discount rate	Terminal period growth rate
			AS reported	Adjustment	Restated				
2021									
SCALES	SCALES	P&P	168	-54	114	10-20%	10.9%	8.5%	2%
Valiance Partners	Valiance Partners	LS	193	-60	133	10-20%	11.4%	8.5%	2%
	LS EU outside DK								
HGP Group	ex. Valiance	LS	85	-19	66	7-20%	10.9%	8.5%	2%
Excellis	Excellis	LS	277	-79	198	10-15%	11.4%	8.5%	2%
SL Controls	SL Controls	LS	119	-30	89	10-20%	10.3%	9.0%	2%
2020									
SCALES	SCALES	P&P	168	-54	114	10-20%	10.9%	8.5%	2%
Valiance Partners	Valiance Partners	LS	182	-56	126	10-20%	11.4%	8.5%	2%
	LS EU outside DK								
HGP Group	ex. Valiance	LS	85	-19	66	5-20%	10.9%	8.5%	2%
Excellis	Excellis	LS	256	-74	182	10-32%	12.1%	9.0%	2%

Note 3.7

Employee benefit obligations

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Defined benefit pension obligations	17	-	17	23	-	23
Jubilee benefit obligations	-	-	-	2	-	2
Employee benefit obligations (contingent consideration agreements)	1	76	77	4	50	54
Total employee benefit obligation	18	76	94	29	50	79

Employee benefit obligation is recognized in the balance sheet as follows:

Non-current liabilities (1-5 years)	18	7	25	29	18	47
Current liabilities	-	69	69	-	32	32
Total employee benefit obligation	18	76	94	29	50	79

Note 3.8

Contingent considerations

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Contingent consideration						
At the beginning of the year	140	-140	-	124	-124	-
Additions from business combinations	30	-30	-	77	-77	-
Payout cash	-34	34	-	-62	62	-
Payout shares	-	-	-	-4	4	-
Fair value adjustments	10	-10	-	5	-5	-
At the end of the year	146	-146	-	140	-140	-

Contingent considerations relates to acquisition of subsidiaries.

Contingent consideration are recognized in the balance sheet as follows:

Non-current liabilities (below 5 years)	82	-82	-	112	-112	-
Current liabilities	64	-64	-	28	-28	-
Total liability	146	-146	-	140	-140	-

Note 4.1

Financial income & expenses

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Financial income						
Fair value adjustments of cash flow hedges (net) recycled from other comprehensive income	11	-	11	10	-	10
Realized/unrealized gain on currency	3	-3	-	-	-	-
Tax related interests	1	-	1	-	-	-
Other financial income	-	-	-	1	-	1
Total financial income	15	-3	12	11	-	11
Financial expenses						
Realized/unrealized loss on currency	-	5	5	10	-8	2
Interest expenses lease liability	6	-	6	7	-	7
Interest expenses - other external	4	-	4	3	-	3
Bank charges and other fees	4	-	4	4	-	4
Guarantee commission	1	-	1	1	-	1
Value adjustment contingent consideration	10	-10	-	5	-5	-
Other financial expenses	4	-	4	1	-	1
Total financial expenses	29	-5	24	31	-13	18

Note 4.2

Earnings per share

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Net profit for the year	-7	-42	-49	76	-29	47
Number'000						
Average number of shares outstanding	24,779	-	24,779	24,694	-	24,694
Dilutive effect of share-based payments	158	-	158	236	-	236
Average number of shares outstanding, including dilutive effect of share-based payments	24,937	-	24,937	24,930	-	24,930
Earnings per share DKK	-0.30	-1.68	-1.98	3.07	-1.17	1.90
Diluted earnings per share DKK	-0.30	-1.66	-1.96	3.04	-1.15	1.89

Note 4.4

Financial liabilities

DKK million	Financial liabilities as fair value through Profit and loss			Financial liabilities measured at amortized cost	Total
	As reported	Adjustments	Restated		
2021					
Financial liabilities by category					
Lease liability	-		-	207	207
Bank overdraft	-		-	496	496
Trade payables	-		-	86	86
Other current liabilities	-		-	281	281
Contingent consideration	146	-146	-	-	-
Total financial liabilities at the end of the year	146	-146	-	1,070	1,070

DKK million	Financial liabilities as fair value through Profit and loss			Financial liabilities measured at amortized cost	Total
	As reported	Adjustments	Restated		
2020					
Financial liabilities by category					
Lease liability	-		-	241	241
Bank overdraft	-		-	304	304
Trade payables	-		-	108	108
Derivative financial instruments	5		5	-	5
Other current liabilities	-		-	247	247
Contingent consideration	140	-140	-	-	-
Total financial liabilities at the end of the year	145	-140	5	900	905

Note 5.3

Reversal of non-cash items

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Income taxes	-18	-9	-27	26	-3	23
Amortization, depreciation and impairment losses	275		275	234		234
Gain/loss from sale of tangible assets	-1		-1	2		2
Increase/(decrease) in provisions, non-current transition cost and employee benefits	-2		-2	-63		-63
Value adjustment contingent consideration	10	-10	0	13	-13	0
Provision share-based payments NNIT shares	8		8	13		13
Allowances for bad debt	1		1	2		2
Third party financing agreement	32		32	0		0
Interest paid/received	17		17	16		16
Other adjustments for non-cash items	13	8	21	-15	-8	-23
Total	335	-11	324	228	-24	204

Note 5.4

Statement of cash flows – specifications

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Changes in working capital						
Increase/(decrease) in current receivables less tax receivables	-33	-	-33	156	-	156
Increase/(decrease) in current liabilities less provisions and tax payabl	-54	19	-35	126	-9	117
- herof change in trade payables related to investments	15	-	15	-	-	-
Total	-72	19	-53	282	-9	273
Purchase of tangible assets						
Purchase of tangible assets	-47	-	-47	-95	-	-95
Change in trade payables related to purchase of tangible assets	-15	-	-15	-	-	-
Total	-62	-	-62	-95	-	-95
Additional cash flow information¹						
Cash and equivalents, assets	230	-	230	143	-	143
Bank overdraft	-496	-	-496	-304	-	-304
Undrawn committed credit facilities	900	-	900	900	-	900
Financial resources at the end of the year	634	-	634	739	-	739
Cash flow from operating activities	243	-34	209	528	-62	466
Cash flow from investing activities	-209	34	-175	-385	62	-323
Free cash flow	34	-	34	143	-	143

¹ Additional non-IFRS measures. 'Financial resources at the end of the year' is defined as the sum of cash and cash equivalents at the end of the year (net) and undrawn committed credit facilities. Free cash flow is defined as 'cash flow from operating activities' less 'cash flow from investing activities'.

Note 5.5

Acquisition of subsidiaries

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Acquisition cost						
Cash paid	92	-	92	190	-	190
Contingent consideration (earn out)	30	-30	-	77	-77	-
Total acquisition cost	122	-30	92	267	-77	190
Fair value of net assets acquired						
Intangible assets	1	-	1	2	-	2
Other non-current assets	3	-	3	-	-	-
Trade receivables and work in progress ¹⁾	12	-	12	22	-	22
Other receivables and pre-payments	-	-	-	4	-	4
Cash and cash equivalents	13	-	13	2	-	2
Non-current liabilities	-10	-	-10	-3	-	-3
Prepayments received	-	-	-	-12	-	-12
Employee costs payable	-8	-	-8	-8	-	-8
Other current liabilities	-9	-	-9	-6	-	-6
Net assets acquired	2	-	2	1	-	1
Goodwill	120	-30	90	266	-77	189
Acquisition cost	122	-30	92	267	-77	190
Of which cash and cash equivalents	-13	-	-13	-2	-	-2
Contingent consideration (earn out)	-30	30	-	-77	77	-
Paid acquisition cost, net	79	-	79	188	-	188

¹⁾ All contractual receivables are expected to be collected

Financial statement of the parent company

Income statement

DKK million	Note	2021			2020		
		As reported	Adjustments	Restated	As reported	Adjustments	Restated
Revenue		2,039	-	2,039	2,255	-	2,255
Cost of goods sold	2.1	1,969	-1	1,968	2,014	-1	2,013
Gross profit		70	1	71	241	1	242
Sales and marketing costs	2.1	95	-	95	127	-	127
Administrative expenses	2.1	62	-	62	99	-	99
Operating profit before special items		-87	1	-86	15	1	16
Special items	2.2	143	-	143	31	-	31
Operating profit		-230	1	-229	-16	1	-15
Financial income	4.1	88	1	89	94	-	94
Financial expenses	4.1	20	-4	16	33	-	33
Profit before income taxes		-162	6	-156	45	1	46
Income taxes		-46	-	-46	-4	-	-4
Net profit for the year	4.2	-116	6	-110	49	1	50

Balance sheet – assets

DKK million	Note	2021			2020		
		As reported	Adjustments	Restated	As reported	Adjustments	Restated
Intangible assets	3.1	101	-	101	89	-	89
Tangible assets	3.2	477	-	477	548	-	548
Lease assets	4.3	136	-	136	182	-	182
Transition cost		39	-	39	76	-	76
Financial assets	3.3	555	-19	536	432	-11	421
Financial assets - related parties	3.3	305	-	305	281	-	281
Total fixed assets		1,613	-19	1,594	1,608	-11	1,597
Inventories		3	-	3	2	-	2
Trade receivables		254	-	254	252	-	252
Trade receivables - related parties		146	-	146	97	-	97
Work in progress		49	-	49	68	-	68
Work in progress - related parties		16	-	16	54	-	54
Contract assets		31	-	31	36	-	36
Other receivables		1	-	1	14	-	14
Pre-payments		86	-	86	76	-	76
Deferred taxes		11	-	11	31	-	31
Tax receivables		36	-	36	30	-	30
Financial assets - related parties		17	-	17	1	-	1
Derivative financial instruments	4.4	13	-	13	1	-	1
Total current assets		663	-	663	662	-	662
Total assets		2,276	-19	2,257	2,270	-11	2,259

Balance sheet – equity & liabilities

DKK million	Note	2021			2020		
		As reported	Adjustments	Restated	As reported	Adjustments	Restated
Share capital		250	-	250	250	-	250
Retained earnings		515	7	522	643	1	644
Reserve IT-development projects		79	-	79	69	-	69
Proposed dividends		-	-	-	25	-	25
Total equity		844	7	851	987	1	988
Lease liabilities	4.3	102	-	102	143	-	143
Employee benefit obligations		-	-	-	4	3	7
Contingent consideration		25	-25	-	18	-18	-
Provisions		23	-	23	23	-	23
Loan external party		37	-	37	18	-	18
Bank overdraft		496	-	496	304	-	304
Total non-current liabilities		683	-25	658	510	-15	495
Prepayments received		58	-	58	34	-	34
Prepayments received - related parties		32	-	32	34	-	34
Lease liabilities		65	-	65	50	-	50
Trade payables		69	-	69	85	-	85
Trade payables - related parties		114	-	114	115	-	115
Employee costs payable		148	-1	147	226	-	226
Other current liabilities		241	-	241	213	-	213
Derivative financial instruments	4.4	-	-	-	5	-	5
Contingent consideration		22	-22	-	10	-10	-
Employee benefit obligations		-	22	22	-	13	13
Provisions		-	-	-	1	-	1
Total current liabilities		749	-1	748	773	3	776
Total equity and liabilities		2,276	-19	2,257	2,270	-11	2,259

Statement of changes in equity

DKK million

2021	Note	Share capital	Treasury share	Retained earnings	Reserve IT development projects	Reserve cash flow hedges	Proposed dividends	Total
Balance at the beginning of the year		250	-3	649	69	-3	25	987
Adjustment		-	-	1	-	-	-	1
Restated balance at the beginning of the year		250	-3	650	69	-3	25	988
Net profit for the year		-	-	-116	-	-	-	-116
Adjustment		-	-	6	-	-	-	6
Restated net profit for the year		-	-	-110	-	-	-	-110
Capitalized IT development projects		-	-	-10	10	-	-	-
Adjustment related to previous years ¹		-	-	-13	-	-	-	-13
Purchase of treasury shares		-	-1	-7	-	-	-	-8
Transfer of treasury shares		-	2	-2	-	-	-	-
Share-based payments		-	-	8	-	-	-	8
Cash flow hedges		-	-	-	-	14	-	14
Tax on cash flow hedges		-	-	-	-	-3	-	-3
Dividends paid		-	-	-	-	-	-25	-25
Proposed dividends for 2021		-	-	-	-	-	-	-
Balance at the end of the year	4.3	250	-2	516	79	8	-	851

Statement of changes in equity (continued)

DKK million

2020	Note	Share capital	Treasury share	Retained earnings	Reserve IT development projects	Reserve cash flow hedges	Proposed dividends	Total
Balance at the beginning of the year		250	-4	675	46	7	49	1,023
Adjustment				-				-
Restated balance at the beginning of the year		250	-4	675	46	7	49	1,023
Net profit for the year		-	-	49	-	-	-	49
Adjustment		-	-	1	-	-	-	1
Restated net profit for the year		-	-	50	-	-	-	50
Capitalized IT development projects		-	-	-23	23	-	-	-
Transfer of treasury shares		-	1	9	-	-	-	10
Share-based payments		-	-	13	-	-	-	13
Cash flow hedges		-	-	-	-	-12	-	-12
Tax on cash flow hedges		-	-	-	-	2	-	2
Dividends paid		-	-	-	-	-	-98	-98
Interim dividend		-	-	-49	-	-	49	-
Proposed dividends for 2020		-	-	-25	-	-	25	-
Balance at the end of the year	4.3	250	-3	650	69	-3	25	988

Parent company notes

Note 1

Accounting policies

The parent company financial statements are presented in accordance with The Danish Financial Statements Act (class D) and other accounting regulations for companies listed on NASDAQ Copenhagen.

Special items are shown separately in the parent company to give a true and fair presentation of the company's ordinary operations and to facilitate a better understanding of the financial statement.

The parent company financial statements are continuously presented according to the same practice as the consolidated financial statements, except for the following deviations.

Investments in subsidiaries

The earn-out for Excellis Health Solutions, SCALES, Valiance Partner, HGP Group and SL Controls has been recognized as an employee benefit obligation and has been accrued over the period from the acquisition date until the payment is unconditional based on expected achieved performance. The cost has been recognized as an addition in investment in subsidiaries.

Note 2.1

Employee costs

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Wages and salaries	1,054	-1	1,053	1,068	-1	1,067
Pensions	97	-	97	99	-	99
Other employee costs	25	-	25	25	-	25
Total employee costs	1,176	-1	1,175	1,192	-1	1,191
Included in the income statement:						
Cost of goods sold	930	-1	929	957	-1	956
Capitalized under IT development projects	32	-	32	39	-	39
Sales and marketing costs	76	-	76	84	-	84
Administrative expenses	43	-	43	50	-	50
Special items	63	-	63	23	-	23
Total employee costs	1,144	-1	1,143	1,153	-1	1,152

Note 3.3

Financial assets

DKK million	Deposits	Investments in subsidiaries			2021
		As reported	Adjustment	Restated	
Cost at the beginning of the year	26	406	-11	395	421
Additions	1	122	-8	114	115
Adjustment	-	-	-	-	-
Cost at the end of the year	27	528	-19	509	536
Carrying amount at the end of the year	27	528	-19	509	536

DKK million	Deposits	Investments in subsidiaries			2020
		As reported	Adjustment	Restated	
Cost at the beginning of the year	26	364	-26	338	364
Additions	0	12	15	27	27
Adjustment	0	30	-	30	30
Cost at the end of the year	26	406	-11	395	421
Carrying amount at the end of the year	26	406	-11	395	421

Note 4.1

Financial income

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Dividens from subsidiaries	52	-	52	81	-	81
Realized/Unrealized income on currency	20	1	21	-	-	-
Fair value adjustments of financial instruments (net)	11	-	11	10	-	10
Interest income from related parties	4	-	4	3	-	3
Interest related to tax	1	-	1	-	-	-
Total financial income	88	1	89	94	-	94

Note 4.2

Financial expenses

DKK million	2021			2020		
	As reported	Adjustments	Restated	As reported	Adjustments	Restated
Interest expense - other related parties	4	-	4	-	-	-
Value adjustment contingent consideration	4	-4	-	1	-1	-
Interest expenses lease liability	4	-	4	5	-	5
Bank charges and other fees	4	-	4	3	-	3
Realized/Unrealized loss on currency	-	-	-	18	1	19
Guarantee commision	1	-	1	1	-	1
Other financial expenses	3	-	3	5	-	5
Total financial expenses	20	-4	16	33	-	33