

## Company announcement 09/2021 November 3, 2021

### Financial report for the first nine months of 2021

### Revenue increase of 6.1% and an operating profit margin before special items of 3.0% related to Q3 2021

#### Performance highlights for Q3 2021

- Revenue increased to DKK 698m, up 6.1% (-1.5% organic) from Q3 2020, driven by:
  - Life Sciences (excluding Novo Nordisk Group) grew to DKK 246m, up 36% (13% organic). The increase was related to the continued significant growth of the Life Sciences International business, where revenues increased by 53% (20% organic) to DKK 187m, while revenue from Life Sciences Denmark was on par with Q3 2020 at DKK 59m.
  - Novo Nordisk Group revenue declined 12.9% to DKK 142m mainly explained by the Global infrastructure management agreement effective from July 1, 2021.
  - Private & Public business revenue declined by 1.3% to DKK 310m, reductions mainly driven by lower activity level in the Infrastructure Operations business area.
  - Winning Solutions constitute 54% of total revenue, up from 46% in Q3 2020.
- Operating profit margin before special items was 3.0%, down from 3.8% in Q3 2020.
  - To establish visibility and accelerate cost reductions, a process of separating the NNIT Infrastructure activities into a dedicated business unit is initiated.
- Special items amount to DKK 23m. These relate to the continuous efforts in relation to efficiency improvements and restructuring.
- Net result is a loss of DKK 10m, compared to a profit of DKK 9m in Q3 2020.
- Order backlog for 2021 at the beginning of Q4 2021 amounted to DKK 2,790m, an increase of 3.7% compared to the same time last year.
- Outlook for 2021:
  - Guidance as of November 3, 2021:
    - Revenue growth of 1-4%
    - Operating profit margin before special items of around 5%
    - Investment level of 5-7% of total revenue excluding acquisitions

Pär Fors, CEO of NNIT, comments: "Q3 performed below previous quarters, which was in line with expectations and previous years. International Life Sciences continued at high growth rates and is now the largest segment in the Group and Winning Solutions performed satisfactorily. P&P was impacted by a weaker performance within the infrastructure business and focus is now on separation of the infrastructure operations into a dedicated business unit to enhance efficiencies and reduce costs. We are confident in our strategy and maintain our guidance for the year".

## Financial overview

DKK million	Q3 2021	Q3 2020	Pct./pp Change
Revenue	698	658	6.1%
Gross profit margin	10.5%	12.2%	-1,7pp
Operating profit before special items	21	25	-16.0%
Operating profit margin before special items	3.0%	3.8%	-0,8pp
Special items	23	6	283.3%
Operating profit	-2	19	-110.5%
Operating profit margin	-0.3%	2.9%	-3,2pp
Net profit	-10	9	-214.9%
Investments (CAPEX)	24	27	-11.1%
Free cash flow	-145	7	-2171.4%

## Guidance 2021

	Guidance for 2021	Guidance for 2021 at Q2 2021 announcement
<b>Revenue growth</b>		
Revenue growth in reported currencies	1-4%	1-4%
<b>Operating profit margin</b>		
In reported currencies	Around 5% before special items	Around 5% before special items
Investments / Revenue	5-7%	5-7%

**The NNIT Group** provides a wide range of IT and consulting services internationally.

In Denmark, where the Group HQ is based, we are one of the leading IT companies, servicing both private and public sector customers across all industries. In the rest of Europe, Asia and USA, we are solely focused on companies within life sciences.

Supporting the entire supply chain, we help optimize internal company processes, production, sales and customer experiences:

We advise, build, operate and support, enabling digital transformation and customers to reap the full potential of their organizations. Our role is to foster innovation and make the mark our customers and we aspire to.

The NNIT Group consists of group company NNIT A/S and subsidiaries Valiance, SCALES Excellis Health Solutions and SL Controls. Together, these companies employ over 3,000 people in Europe, Asia and USA. Read more at [www.nnit.com](http://www.nnit.com).

### Conference call details

NNIT will host a teleconference on November 3, 2021 at 9:30 CET to present the financial report for the first nine months of 2021. Please visit the NNIT website [www.nnit.com](http://www.nnit.com) to access the teleconference, which can be found under 'Investors – Events & Presentations'. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details:

<https://streams.eventcdn.net/nnit/first-ninemonths-of-2021>

Participant telephone numbers:

Denmark: +45 82333194  
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### Financial calendar 2022

January 25, 2022	Deadline for NNIT shareholders to submit resolutions to be considered by the Annual General Meeting
January 28, 2022	Annual report 2021
March 10, 2022	Annual General Meeting
May 6, 2022	Interim report for the first three months of 2022
August 12, 2022	Interim report for the first six months of 2022
November 2, 2022	Interim report for the first nine months of 2022

### Forward-looking statements

This announcement contains forward-looking statements. Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'outlook', 'guidance', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

Please also refer to the overview of risk factors in the 'risk management' section on page 41-43 of the Annual Report 2020.

### Contacts for further information

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## Financial figures and highlights

DKK million	Q3 2021	Q3 2020	9M 2021	9M 2020	Change 9M	Total 2020
<b>Financial performance</b>						
<b>Revenue</b>						
Life Sciences (excl. NNG)	246	181	708	514	37.7%	717
- Life Sciences (Int.)	187	122	511	320	59.7%	456
- Life Sciences (DK)	59	59	197	194	1.5%	261
Novo Nordisk Group	142	163	452	523	-13.6%	732
<b>Life Sciences</b>	<b>388</b>	<b>344</b>	<b>1,160</b>	<b>1,037</b>	<b>11.9%</b>	<b>1,449</b>
Enterprise	179	164	535	540	-0.9%	712
Public	68	91	241	303	-20.5%	407
Finance	63	59	203	201	1.0%	262
<b>Private &amp; Public</b>	<b>310</b>	<b>314</b>	<b>979</b>	<b>1,044</b>	<b>-6.2%</b>	<b>1,381</b>
<b>Total revenue</b>	<b>698</b>	<b>658</b>	<b>2,139</b>	<b>2,081</b>	<b>2.8%</b>	<b>2,830</b>
EBITDA	75	75	271	285	-4.9%	399
Depreciations and amortizations	54	51	166	176	-5.7%	234
Operating profit before special items <sup>1</sup>	21	25	105	110	-4.5%	165
Special items <sup>1</sup>	23	6	92	25	268.0%	43
Operating profit	-2	19	13	85	-84.7%	122
Net financials	-2	-10	-17	-10	70.0%	-20
Net profit/loss	-10	9	-9	58	-115.5%	76
Investments in tangible assets	10	20	49	80	-38.8%	95
Investments in intangible assets and acquisition in subsidiaries	93	7	107	84	27.4%	228
Total assets	2,881	2,454	2,881	2,454	17.4%	2,662
Equity	1,135	1,134	1,135	1,134	0.1%	1,134
Dividends paid	0	50	25	99	-74.7%	98
Free cash flow	-145	7	-81	184	-144.0%	143
<b>Earnings per share</b>						
Earnings per share (DKK)	0.03	0.35	0.09	2.35	-96.2%	3.07
Diluted earnings per share (DKK)	0.03	0.35	0.09	2.33	-96.1%	3.04
<b>Employees</b>						
Average number of full-time employees	3,130	3,056	3,124	3,083	1.3%	3,083
<b>Financial ratios</b>						
Revenue growth	6.1%	-13.7%	2.8%	-7.8%	10.6pp	-7.5%
Organic growth	-1.5%	-13.1%	-1.7%	-8.5%	6.8pp	-8.2%
Gross profit margin	10.5%	12.2%	12.2%	13.3%	1.1pp	13.7%
EBITDA margin	10.7%	11.4%	12.7%	13.7%	-1.0pp	14.1%
Operating profit margin before special items	3.0%	3.8%	4.9%	5.3%	-0.4pp	5.8%
Operating profit margin	-0.3%	2.9%	0.6%	4.1%	-3.5pp	4.3%
Effective tax rate	n.a	5.5%	n.a	22.8%	n.a	25.5%
Investments/Revenue	3.4%	4.1%	3.6%	5.0%	-1.4pp	4.8%
Return on equity <sup>2</sup>	0.8%	10.4%	0.8%	10.4%	-9.6pp	6.6%
Solvency ratio	42.4%	46.2%	42.6%	46.1%	-3.5pp	42.6%
Return on invested capital (ROIC) <sup>2,3</sup>	2.8%	7.3%	2.8%	7.3%	-4.5pp	6.1%
Cash to earnings <sup>2</sup>	-1344.4%	426.5%	-1344.4%	426.5%	-1770.9pp	188.2%
Cash to earnings (three-year average)	90.7%	98.9%	90.7%	98.9%	-8.2pp	101.2%
<b>Additional numbers<sup>4</sup></b>						
Order entry backlog for the current year	2,790	2,691	2,790	2,691	3.7%	1,999

1) Special items comprise costs that cannot be attributed directly to NNIT's ordinary activities and are non-recurring of nature

2) Financial metrics are moving annual total (MAT), i.e. annualized

3) Net profit/average invested capital

4) The backlog represents anticipated revenue from signed orders not yet completed or performed

## Business highlights

The key highlights for Q3 2021 can be listed as follows:

- The organic growth within International Life Sciences is supplemented through acquisitions and on July 5, 2021 NNIT acquired SL Controls. SL Controls is headquartered in Ireland and is internationally recognized as an industry leader in equipment systems integration and system support. The acquisition will expand the NNIT portfolio of services, competences and manpower to the International Life Sciences market, specifically within the strategic production IT Winning Solution. In addition, SL Controls' production equipment integration services are complementary to NNIT's offerings, providing a full end-to-end service model.
- Winning Solutions is another area of growth, and it is now at 54% of total revenue, up from 46% in Q3 2020. Tailwind was most notable within the solutions areas Dynamics 365, Hybrid Cloud and Cybersecurity (for Private & Public) and within Veeva Powerhouse and Production IT (for Life Sciences).
- In Q3, NNIT secured a large number of contracts with both new and existing customers. For some time, the market trend has been many, smaller transactions relating to shorter engagements rather than big, lump transactions relating to long-term engagements. And that is very much the case for NNIT's Q3.
- The improvement of visibility to accelerate tangible cost reductions is key to the business. To facilitate this, the process of gathering all NNIT Infrastructure activities into a dedicated business unit was initiated in July 2021 and execution has started in Q3.

## Group performance overview

DKK million	Q3 2021	Q3 2020	9M 2021	9M 2020	2020
Revenue	698	658	2,139	2,081	2,830
Cost of goods sold	625	578	1,880	1,805	2,443
<b>Gross profit</b>	<b>73</b>	<b>80</b>	<b>259</b>	<b>276</b>	<b>387</b>
<i>Gross profit margin</i>	<i>10.5%</i>	<i>12.2%</i>	<i>12.1%</i>	<i>13.3%</i>	<i>13.7%</i>
Sales and marketing costs	31	31	92	93	127
Administrative expenses	21	24	62	73	95
<b>Operating profit before special items</b>	<b>21</b>	<b>25</b>	<b>105</b>	<b>110</b>	<b>165</b>
<i>Operating profit margin before special items</i>	<i>3.0%</i>	<i>3.8%</i>	<i>4.9%</i>	<i>5.3%</i>	<i>5.8%</i>
Special items	23	6	92	25	43
<b>Operating profit</b>	<b>-2</b>	<b>19</b>	<b>13</b>	<b>85</b>	<b>122</b>
<i>Operating profit margin</i>	<i>-0.3%</i>	<i>2.9%</i>	<i>0.6%</i>	<i>4.1%</i>	<i>4.3%</i>
Net financials	-2	-10	-17	-10	-20
<b>Profit before tax</b>	<b>-4</b>	<b>9</b>	<b>-4</b>	<b>75</b>	<b>102</b>
Tax	6	0	5	17	26
<i>Effective tax rate</i>	<i>n.a.</i>	<i>5.5%</i>	<i>n.a.</i>	<i>22.8%</i>	<i>25.5%</i>
<b>Net profit/loss</b>	<b>-10</b>	<b>9</b>	<b>-9</b>	<b>58</b>	<b>76</b>

In Q3 revenue increased to DKK 698m, up 6.1% compared with Q3 2020. Revenue from Life Sciences (excl. NNG) increased by 36%, whereas revenues from the Novo Nordisk Group declined 13% and Private & Public declined 1.3% primarily explained by challenges within the Infrastructure part of the business which is impacted by increasingly competitive market conditions.

9M 2021 revenue increased to DKK 2,139m, up 2.8% compared with 9M 2020. Revenue from Life Sciences (excl. NNG) increased by 38%, whereas revenues from the Novo Nordisk Group declined by 14% and Private & Public declined by 6.2%.

In Q3 cost of goods sold increased to DKK 625m, up 8.1% compared with Q3 2020. In 9M 2021 cost of goods sold increased to DKK 1,880m, up 4.2% compared with 9M 2020. The increase in costs relative to revenue is mainly explained by negative organic growth within the infrastructure part of the business and the current inability to match costs.

In Q3 gross profit decreased to DKK 73m leading to a gross profit margin of 10.5%, down 1.7pp from Q3 2020. With regards to 9M gross profit decreased to DKK 259m leading to a gross profit margin of 12.1%, down 1.2pp from 9M 2020.

In Q3 2021 and 9M 2021 sales and marketing costs were on par with Q3 2020 and 9M 2020 respectively.

Administrative expenses decreased 12.5% in Q3 and 15.1% in 9M compared to the same period last year due to additional restructuring work.

In Q3 2021 operating profit before special items ended at DKK 21m. This corresponds to an operating profit margin before special items of 3.0% compared with 3.8% in Q3 2020. With regards to 9M 2021 operating profit before special items ended at DKK 105m. This corresponds to an operating profit margin before special items of 4.9% compared with 5.3% in 9M 2020.

Net financials were negative at DKK 2m in Q3 2021, representing an increase of DKK 8m compared with Q3 2020. Q3 2020 was negatively impacted by exchange rate fluctuations especially from USD receivables. The 9M net financials were negative at DKK 17m, representing a decrease of DKK 7m compared with 9M 2020. The negative development mainly relates to adjustment of earn-out related to the HGP acquisition due to the improved international Life Sciences performance.

In Q3 net loss was DKK 10m compared with a profit of DKK 9m in Q3 2020. The result was negatively impacted by the significant special items in Q3 2021. Reference is made to note 3 for further specification of special items. For 9M 2021 net loss was DKK 9m compared with a profit of DKK 58m in 9M 2020.

## Life Sciences

DKK million	Q3 2021	Q3 2020	9M 2021	9M 2020	2020
Life Sciences (excl. NNG)	246	181	708	514	717
<i>Life Sciences (Int.)</i>	187	122	511	320	456
<i>Life Sciences (DK)</i>	59	59	197	194	261
Novo Nordisk Group	142	163	452	523	732
Revenue	388	344	1,160	1,037	1,449
Cost of goods sold	338	292	987	867	1,205
<b>Gross profit</b>	<b>50</b>	<b>52</b>	<b>173</b>	<b>170</b>	<b>244</b>
<i>Gross profit margin</i>	12.9%	15.1%	14.9%	16.4%	16.8%
Allocated costs	30	31	87	92	123
<b>Operating profit before special items</b>	<b>20</b>	<b>21</b>	<b>86</b>	<b>78</b>	<b>121</b>
<i>Operating profit margin before special items</i>	5.2%	6.1%	7.4%	7.5%	8.4%
Special items	11	3	46	12	22
<b>Operating profit/loss</b>	<b>9</b>	<b>18</b>	<b>40</b>	<b>66</b>	<b>99</b>
<i>Operating profit margin</i>	2.3%	5.2%	3.4%	6.3%	6.8%

### Revenue

In Q3 2021 Life Sciences revenue increased by 13% compared with Q3 2020. Revenue from projects increased by 31% while revenue from service level agreements decreased by 15%. For 9M 2021 Life Sciences revenue increased by 12% compared with 9M 2020. Revenue from projects increased by 29% while revenue from service level agreements decreased by 12%.

#### Life Sciences (excl. NNG):

In Q3 2021 revenue from Life Sciences International increased by 53% (20% organic) compared with Q3 2020 and 60% (34% organic) in 9M 2021 compared with 9M 2020. The increase in both periods is driven by strong organic growth in Europe and US and inorganic growth from Excellis and SL Controls. Growth was mainly driven by the Winning solutions within Quality Management and Production IT. Technologies supporting the growth are primarily Veeva Powerhouse and Tracelink.

In Q3 2021 revenue from Life Sciences Denmark was at the same level as Q3 2020 compared with 9M 2020 revenue from Life Sciences Denmark increased by 1.5%, mainly driven by new contract with Orifarm.

#### Novo Nordisk Group:

In Q3 2021 revenue from the Novo Nordisk Group decreased by 13% compared with Q3 2020 and 14% in 9M 2021 compared with 9M 2020.

Because of the large decline in revenue from the Novo Nordisk Group and high growth from other customers, Novo Nordisk Group now constitutes 37% of total Life Science revenue in Q3 2021 against 47% in Q3 2020 (share of total revenues is 20% against 25% in Q3 2020) and 39% of total Life Science revenue in 9M 2021 against 50% in 9M 2020 (share of total revenues is 21% against 25% in 9M 2020).

### Gross profit and operating profit

In Q3 2021 gross profit margin was 13%, down 2.2pp from Q3 2020 and 15% in 9M 2021, down 1.5pp from 9M 2020.

In Q3 2021 operating profit margin before special items was 5.2% compared with 6.1% in Q3 2020 and 7.4% in 9M 2021 compared with 7.5% in 9M 2020.



## Private & Public

DKK million	Q3 2021	Q3 2020	9M 2021	9M 2020	2020
Enterprise	179	164	535	540	712
Public	68	91	241	303	407
Finance	63	59	203	201	262
Revenue	310	314	979	1,044	1,381
Cost of goods sold	287	286	893	938	1,238
<b>Gross profit</b>	<b>23</b>	<b>28</b>	<b>86</b>	<b>106</b>	<b>143</b>
Gross profit margin	7.4%	8.9%	8.8%	10.2%	10.4%
Allocated costs	22	24	67	74	99
<b>Operating profit before special items</b>	<b>1</b>	<b>4</b>	<b>19</b>	<b>32</b>	<b>44</b>
Operating profit margin before special items	0.3%	1.2%	1.9%	3.1%	3.2%
Special items	12	3	46	13	22
<b>Operating profit/loss</b>	<b>-11</b>	<b>1</b>	<b>-27</b>	<b>19</b>	<b>22</b>
Operating profit margin	-3.5%	0.3%	-2.8%	1.9%	1.6%

### Revenue

In Q3 2021 Private & Public revenue decreased to DKK 310m, down 1.3% from Q3 2020. For 9M 2021 Private & Public revenue decreased to DKK 979m, down 6.2% from 9M 2020. The decrease was mainly due to reduced infrastructure revenue countered by increase in Winning Solutions. The share of revenue related to Winning Solutions increased by 6.1pp from 9M 2020, now constituting 46% of all sales.

#### Enterprise:

In Q3 2021 revenue increased to DKK 179m, up 9.1% from Q3 2020. The increase is due to contracts with new customers, among others Saint-Gobain. For 9M 2021 revenue decreased to DKK 535m, down 0.9% from 9M 2020. The decline was expected due to the phasing out of the Pandora outsourcing agreement.

#### Public:

In Q3 2021 revenue decreased to DKK 68m, down 25% from Q3 2020. The decrease was driven by a reduction in project activity and reduced revenue on SLA. For 9M 2021 revenue decreased to DKK 241m, down 21% from 9M 2020. The revenue decrease was driven by a reduction in project activity.

#### Finance:

In Q3 2021 revenue increased to DKK 63m, up 6.8% from Q3 2020, due to increased project activity. In 9M 2021 revenue increased to DKK 203m, up 1.0% from 9M 2020.

### Gross profit and operating profit

Q3 2021 gross profit margin was 7.4%, down 1.5pp from Q3 2020. Operating profit margin before special items was 0.3% compared with 1.2% in Q3 2020. For 9M 2021 gross profit margin was 8.8%, down 1.4pp from 9M 2020. Operating profit margin before special items was 1.9% compared with 3.1% in 9M 2020.

## Balance sheet

September 30, 2021, total assets increased to DKK 2,881m, up DKK 427m from DKK 2,454m on September 30, 2020. The increase relates to intangible assets following the acquisition of both Excellis in Q4 2020 and SL Controls in Q3 2021, partly countered by decreases in tangible assets and impairment of leased premises in Soeborg.

Net cash and cash equivalents amounted to DKK -332m on September 30, 2021, down DKK 232m from September 30, 2020. The decrease was mainly driven by payments related to acquisition of subsidiaries (DKK 303m) and payment of ordinary dividend for 2020 (DKK 25m), partly countered by cash flows from operating activities.

Equity on September 30, 2021 amounted to DKK 1,135m, up DKK 1m from September 30, 2020. The increase was mainly due to movement in other comprehensive income exceeding payment of ordinary dividend for 2020 (DKK 25m).

## Investments

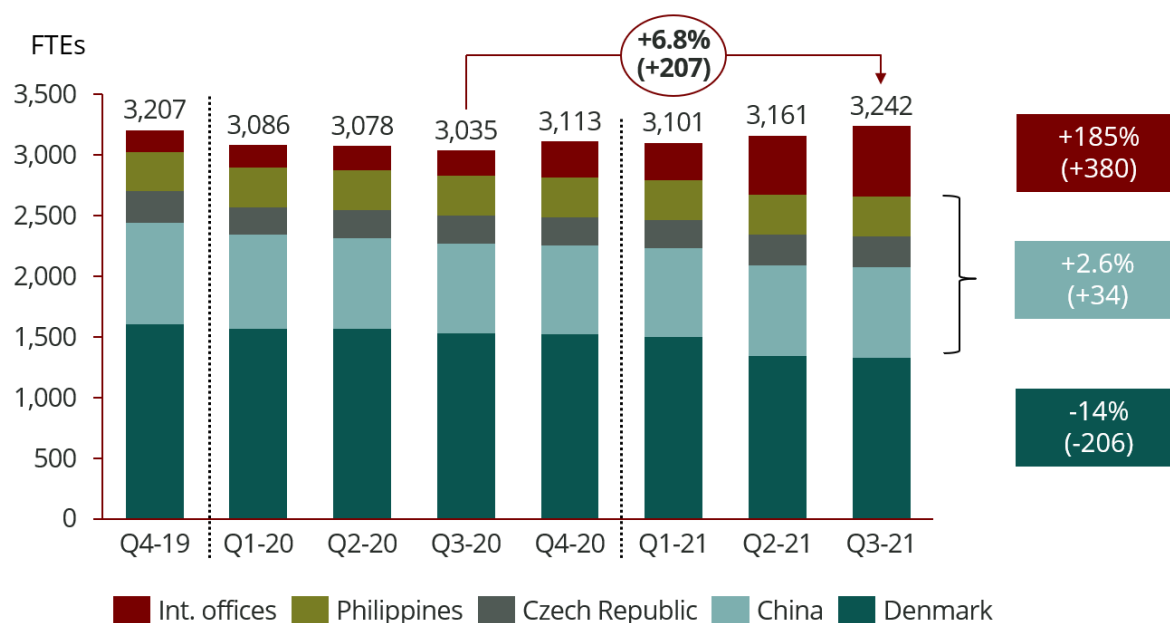
Investments, excluding investments related to acquisition of subsidiaries, amounted to DKK 24m in Q3 2021 compared with DKK 27m in Q3 2020. The decrease is mainly due to timing of investments.

## Free cash flow

Free cash flow for Q3 2021 was negative at DKK 145m which was DKK 152m below Q3 2020. The negative free cash flow was mainly due to the acquisition of SL Controls in July 2021 as well as repayment of Holiday allowances to Feriefonden (DKK 103m) and an increase in trade receivables.

Free cash flow for 9M 2021 was negative at DKK 81m down DKK 265m compared to 9M 2020. The decrease was driven by a lower net profit and repayment of Holiday allowances to Feriefonden (DKK 103m) partly countered by increases in deferred payments of taxes as part of the Danish Covid-19 aid packages, along with higher investing activities driven by the acquisition of SL Controls.

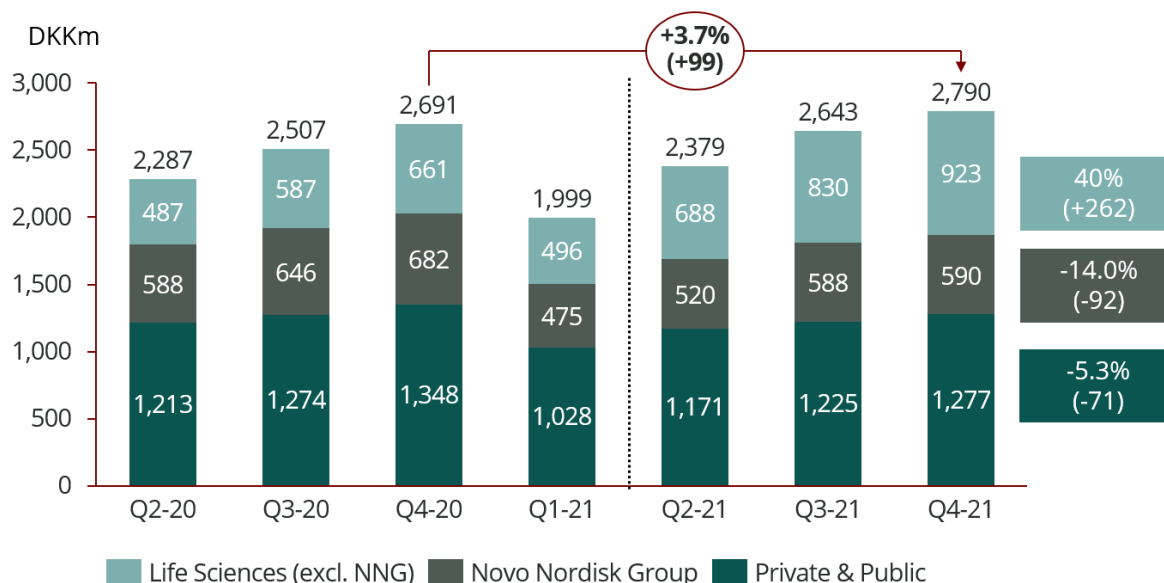
## Employees, end-of-period



Since Q3 2020, the number of employees in NNIT’s international offices increased by 135% (380 FTEs) due to the strong growth in the Life Sciences International segment and especially with the acquisition of Excellis and SL Controls.

In Denmark the number of FTEs decreased by 14% (206 FTEs) and the global sourcing centers saw an increase of 2.6% (34 FTEs).

**Order backlog**  
**Backlog for the year, beginning of Q4 2021**



At the beginning of Q4 2021, NNIT’s order entry backlog for 2021 amounted to DKK 2,790m, up 3.7% from last year.

The backlog from Life Sciences (excl. NNG) customers increased by 40%, driven by Life Sciences International positively impacted by the acquisition of Excellis and SL Controls, while the Novo Nordisk Group declined by 14%. Private & Public decreased by 5.3%.

The high growth forecast within NNIT’s project business, driven by Life Sciences International and Winning Solutions, has a relative low backlog visibility compared to SLA business. The growth in project business combined with a declining multi-year outsourcing business makes the backlog numbers less useful as a predictor for total revenue growth. Therefore, the backlog for the current year should not be used in isolation as a proxy for the upcoming year.

**Events after balance sheet date**

There have been no events after the balance sheet date which would have a significant impact on an assessment of NNIT’s financial position as of September 30, 2021.

## Management statement

### Statement by the Board of Directors and the Executive Management on the unaudited interim consolidated financial statements of NNIT A/S as at and for the nine months ended September 30, 2021

The Board of Directors and Executive Management ("Management") have reviewed and approved the interim consolidated financial statements of NNIT A/S (NNIT A/S, together with its subsidiaries, the "Group") for the first nine months of 2021 with comparative figures for the first nine months of 2020. The interim consolidated financial statements have not been audited or reviewed by the company's independent auditors.

The interim consolidated financial statements for the first nine months of 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and accounting policies set out in the Annual Report 2020 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first nine months of 2021 and Management's review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements for the first nine months of 2021 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at September 30, 2021 and of the results of the Group's operations and cash flow for the nine months ended September 30, 2021. Furthermore, in our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances, of the results for the period, and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Besides what has been disclosed in the interim consolidated financial statements and Management's review for the first nine months of 2021, no changes in the Group's most significant risks and uncertainties have occurred relative to disclosures published in the Annual Report 2020 of NNIT A/S.

Soeborg, November 3, 2021

### Executive management

Pär Fors  
CEO

Pernille Fabricius  
CFO

### Board of Directors

Carsten Dilling  
Chairman

Peter H. J. Haahr  
Deputy Chairman

Anne Broeng

Eivind Kolding

Christian Kanstrup

Caroline Serfass

Anders Vidstrup

Camilla K. K. Christensen

Trine Io Bjerregaard

## Consolidated financial statements

### Income statement and Statement of comprehensive income

DKK million	Note	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
<b>Income statement</b>						
Revenue	2	698	658	2,139	2,081	2,830
Cost of goods sold		625	578	1,880	1,805	2,443
<b>Gross profit</b>		<b>73</b>	<b>80</b>	<b>259</b>	<b>276</b>	<b>387</b>
Sales and marketing costs		31	31	92	93	127
Administrative expenses		21	24	62	73	95
<b>Operating profit before special items</b>		<b>21</b>	<b>25</b>	<b>105</b>	<b>110</b>	<b>165</b>
Special items	3	23	6	92	25	43
<b>Operating profit</b>		<b>-2</b>	<b>19</b>	<b>13</b>	<b>85</b>	<b>122</b>
Financial income		4	1	6	9	11
Financial expenses		6	11	23	19	31
<b>Profit before income taxes</b>		<b>-4</b>	<b>9</b>	<b>-4</b>	<b>75</b>	<b>102</b>
Income taxes		6	0	5	17	26
<b>Net profit/loss for the period</b>		<b>-10</b>	<b>9</b>	<b>-9</b>	<b>58</b>	<b>76</b>

#### Earnings per share

	DKK	DKK	DKK	DKK	DKK
Earnings per share	0.03	0.35	0.09	2.35	3.07
Diluted earnings per share	0.03	0.35	0.09	2.33	3.04

#### Statement of comprehensive income

DKK million					
<b>Net profit/loss for the period</b>	<b>-10</b>	<b>9</b>	<b>-9</b>	<b>58</b>	<b>76</b>
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to the Income statement:</i>					
Remeasurement related to pension obligations	0	-2	2	-2	-5
Tax on other comprehensive income	0	-1	0	0	4
<i>Items that will be reclassified subsequently to the Income statement, when specific conditions are met:</i>					
Currency revaluation related to subsidiaries (net)	13	-2	28	-4	-25
Recycled to financial items	4	1	5	9	10
Unrealized value adjustments	-4	-4	6	-22	-22
Cash flow hedges	0	-3	11	-13	-12
Tax on other comprehensive income related to cash flow hedges	-3	2	-6	2	2
<b>Other comprehensive income, net of tax</b>	<b>10</b>	<b>-6</b>	<b>35</b>	<b>-17</b>	<b>-36</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>3</b>	<b>26</b>	<b>41</b>	<b>40</b>

## Balance sheet

### Assets

	Note	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
<b>DKK million</b>				
Intangible assets	4	934	519	781
Tangible assets		501	558	552
Lease assets		192	245	227
Contract assets		69	60	75
Deferred tax		32	25	32
Deposits		34	32	33
<b>Total non-current assets</b>		<b>1,762</b>	<b>1,439</b>	<b>1,700</b>
Inventories		2	2	2
Contract assets		33	38	36
Trade receivables	5	529	475	497
Work in progress	5	165	199	145
Other receivables		19	23	21
Pre-payments		111	93	87
Tax receivable		41	32	30
Derivative financial instruments		10	3	1
Cash and cash equivalents		209	150	143
<b>Total current assets</b>		<b>1,119</b>	<b>1,015</b>	<b>962</b>
<b>Total assets</b>		<b>2,881</b>	<b>2,454</b>	<b>2,662</b>

### Equity and liabilities

		Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Share capital		250	250	250
Treasury shares		-2	-3	-3
Retained earnings		871	887	855
Other reserves		16	0	-17
Proposed dividends		0	0	49
<b>Total equity</b>		<b>1,135</b>	<b>1,134</b>	<b>1,134</b>
Leasing liability		144	183	171
Employee benefit obligation		42	144	29
Contingent consideration (earn-out)	4	80	42	112
Provisions		25	24	24
Long term loan		36	19	21
Bank overdraft		541	250	304
<b>Total non-current liabilities</b>		<b>868</b>	<b>662</b>	<b>661</b>
Prepayments received, contract assets		35	18	16
Prepayments received, work in progress	5	86	47	111
Leasing liability		86	76	70
Trade payables		67	81	108
Employee cost payable		183	94	277
Tax payables		13	4	4
Other current liabilities		337	313	247
Derivative financial instruments		1	7	5
Contingent consideration (earn-out)	4	70	16	28
Provisions		0	2	1
<b>Total current liabilities</b>		<b>878</b>	<b>658</b>	<b>867</b>
<b>Total equity and liabilities</b>		<b>2,881</b>	<b>2,454</b>	<b>2,662</b>
Contingent liabilities and legal proceedings	6			
Currency hedging	7			

## Statement of cash flow

DKK million		Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
<b>Net profit/loss for the period</b>	Note	<b>-10</b>	<b>9</b>	<b>-9</b>	<b>58</b>	<b>76</b>
Reversal of non-cash items		88	78	256	282	228
Interest paid		-6	-3	-13	-11	-16
Income taxes paid		7	-9	-13	-32	-42
<b>Cash flow before change in working capital</b>		<b>79</b>	<b>75</b>	<b>221</b>	<b>297</b>	<b>246</b>
Changes in working capital		-121	-41	-112	50	282
<b>Cash flow from operating activities</b>		<b>-42</b>	<b>34</b>	<b>109</b>	<b>347</b>	<b>528</b>
Capitalization of intangible assets		-14	-7	-27	-24	-40
Purchase of tangible assets		-10	-25	-33	-70	-95
Change in trade payables related to investments		0	5	-16	-10	0
Payment of deposits		0	0	0	1	0
Adjustment acquisition cost		0	0	-1	0	0
Acquisition of subsidiary	4	-79	0	-79	0	-188
Payment of earn-out		0	0	-34	-60	-62
<b>Cash flow from investing activities</b>		<b>-103</b>	<b>-27</b>	<b>-190</b>	<b>-163</b>	<b>-385</b>
Dividends paid		0	-50	-25	-99	-98
Purchase of treasury shares		0	0	-8	0	0
Installments on lease liabilities		-26	-21	-62	-68	-89
Installments on long term loan		-21	-8	-21	-8	-8
Long term loan		27	0	27	0	0
Bank overdraft		206	102	236	19	73
<b>Cash flow from financing activities</b>		<b>186</b>	<b>23</b>	<b>147</b>	<b>-156</b>	<b>-122</b>
<b>Net cash flow</b>		<b>41</b>	<b>30</b>	<b>66</b>	<b>28</b>	<b>21</b>
Cash and cash equivalents at the beginning of the period		168	120	143	122	122
<b>Cash and cash equivalents at the end of the period</b>		<b>209</b>	<b>150</b>	<b>209</b>	<b>150</b>	<b>143</b>
<b>Additional information<sup>1</sup>:</b>						
Cash and cash equivalents		209	150	209	150	143
Bank overdraft		-541	-250	-541	-250	-304
Committed credit facilities		900	900	900	900	900
<b>Financial resources at the end of the period</b>		<b>568</b>	<b>800</b>	<b>568</b>	<b>800</b>	<b>739</b>
Cash flow from operating activities		-42	34	109	347	528
Cash flow from investing activities		-103	-27	-190	-163	-385
<b>Free cash flow</b>		<b>-145</b>	<b>7</b>	<b>-81</b>	<b>184</b>	<b>143</b>

<sup>1</sup> Additional non-IFRS measures. 'Financial resources at the end of the period' is defined as the sum of cash and cash equivalents at the end of the period and undrawn committed credit facilities. Free cash flow is defined as 'cash flow from operating activities' less 'cash flow from investing activities'.

## Statement of changes in equity

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
<b>September 30, 2021</b>									
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-3</b>	<b>879</b>	<b>-18</b>	<b>-3</b>	<b>4</b>	<b>-17</b>	<b>25</b>	<b>1.134</b>
Net profit for the period	0	0	-9	0	0	0	0	0	-9
Other comprehensive income for the period	0	0	2	28	11	-6	33	0	35
Total comprehensive income for the period	0	0	-7	28	11	-6	33	0	26
Transactions with owners:									
Purchase of treasury shares	0	-1	-7	0	0	0	0	0	-8
Transfer of treasury shares	0	2	-2	0	0	0	0	0	0
Share-based payments	0	0	8	0	0	0	0	0	8
Dividends paid	0	0	0	0	0	0	0	-25	-25
<b>Balance at the end of the period</b>	<b>250</b>	<b>-2</b>	<b>871</b>	<b>10</b>	<b>8</b>	<b>-2</b>	<b>16</b>	<b>0</b>	<b>1.135</b>

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
<b>December 31, 2020</b>									
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-4</b>	<b>860</b>	<b>7</b>	<b>9</b>	<b>-2</b>	<b>14</b>	<b>49</b>	<b>1.169</b>
Net profit for the period	0	0	76	0	0	0	0	0	76
Other comprehensive income for the period	0	0	-5	-25	-12	6	-31	0	-36
Total comprehensive income for the period	0	0	71	-25	-12	6	-31	0	40
Transactions with owners:									
Transfer of treasury shares	0	1	9	0	0	0	0	0	10
Share-based payments	0	0	13	0	0	0	0	0	13
Dividends paid	0	0	0	0	0	0	0	-98	-98
Interim dividend for 2020	0	0	-49	0	0	0	0	49	0
Proposed dividend for 2020	0	0	-25	0	0	0	0	25	0
<b>Balance at the end of the period</b>	<b>250</b>	<b>-3</b>	<b>879</b>	<b>-18</b>	<b>-3</b>	<b>4</b>	<b>-17</b>	<b>25</b>	<b>1.134</b>

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
<b>September 30, 2020</b>									
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-4</b>	<b>860</b>	<b>7</b>	<b>9</b>	<b>-2</b>	<b>14</b>	<b>49</b>	<b>1.169</b>
Net profit for the period	0	0	58	0	0	0	0	0	58
Other comprehensive income for the period	0	0	-2	-4	-13	2	-15	0	-17
Total comprehensive income for the period	0	0	56	-4	-13	2	-15	0	41
Transactions with owners:									
Transfer of treasury shares	0	1	9	0	0	0	0	0	10
Share-based payments	0	0	11	0	0	0	0	0	11
Deferred tax on share-based payments	0	0	2	0	0	0	0	0	2
Dividends paid	0	0	0	0	0	0	0	-99	-99
Adjustment to proposed dividend	0	0	-1	0	0	0	0	1	0
Proposed interim dividend for 2020	0	0	-49	0	0	0	0	49	0
<b>Balance at the end of the period</b>	<b>250</b>	<b>-3</b>	<b>888</b>	<b>3</b>	<b>-4</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>1.134</b>



## Notes

### Note 1

#### Accounting policies

The consolidated financial statements for the first nine months of 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies for recognition and measurement as were applied in the Annual Report 2020.

The financial reporting including the consolidated financial statements for the first nine months of 2021 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

See pages 63 to 68 of the Annual Report 2020 for a comprehensive description of the accounting policies applied for recognition and measurement.

### Note 2

#### Quarterly numbers

DKK million	2021			2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Revenue</b>	<b>698</b>	<b>710</b>	<b>731</b>	<b>749</b>	<b>658</b>	<b>701</b>	<b>722</b>
Cost of goods sold	625	624	631	638	578	608	619
<b>Gross profit</b>	<b>73</b>	<b>86</b>	<b>100</b>	<b>111</b>	<b>80</b>	<b>93</b>	<b>103</b>
Sales and marketing costs	31	30	31	34	31	31	31
Administrative expenses	21	20	21	22	24	24	25
<b>Operating profit before special items</b>	<b>21</b>	<b>36</b>	<b>48</b>	<b>55</b>	<b>25</b>	<b>38</b>	<b>47</b>
Special items	23	63	6	18	6	12	7
<b>Operating profit</b>	<b>-2</b>	<b>-27</b>	<b>42</b>	<b>37</b>	<b>19</b>	<b>26</b>	<b>40</b>
Net financials	-2	-11	-4	-10	-10	-6	6
<b>Profit before income taxes</b>	<b>-4</b>	<b>-38</b>	<b>38</b>	<b>27</b>	<b>9</b>	<b>20</b>	<b>46</b>
Income taxes	6	-8	7	9	0	6	11
<b>Net profit/loss for the period</b>	<b>-10</b>	<b>-30</b>	<b>31</b>	<b>18</b>	<b>9</b>	<b>14</b>	<b>35</b>

## Note 2 - continued

### Segment disclosures

DKK million	2021				2020		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Revenue by customer group</b>							
Life Sciences (excl. NNG)	246	234	228	203	181	174	159
- Life Sciences (Int.)	187	165	159	136	122	106	92
- Life Sciences (DK)	59	69	69	67	59	68	67
Novo Nordisk Group	142	151	159	209	163	175	185
<b>Life Sciences</b>	<b>388</b>	<b>385</b>	<b>387</b>	<b>412</b>	<b>344</b>	<b>349</b>	<b>344</b>
Enterprise	179	182	174	172	164	170	206
Public	68	75	98	104	91	107	105
Finance	63	68	72	61	59	75	67
<b>Private &amp; public</b>	<b>310</b>	<b>325</b>	<b>344</b>	<b>337</b>	<b>314</b>	<b>352</b>	<b>378</b>
<b>Total revenue</b>	<b>698</b>	<b>710</b>	<b>731</b>	<b>749</b>	<b>658</b>	<b>701</b>	<b>722</b>
<b>Gross profit by business unit</b>							
Life Sciences	50	58	65	74	52	56	62
Private & public	23	28	35	37	28	37	41
<b>Total Gross profit</b>	<b>73</b>	<b>86</b>	<b>100</b>	<b>111</b>	<b>80</b>	<b>93</b>	<b>103</b>
<b>Operating profit before special items by business unit</b>							
Life sciences	20	29	37	44	21	26	31
Private & public	1	7	11	11	4	12	16
<b>Total operating profit before special items</b>	<b>21</b>	<b>36</b>	<b>48</b>	<b>55</b>	<b>25</b>	<b>38</b>	<b>47</b>

The Danish operations generated 72% of NNIT's revenue in the first nine months of 2021 and 79% in the same period last year based on the location of customer purchase orders. As a consequence of the predominantly Danish revenue, we will not disclose a geographical revenue split.

## Note 3

### Special items

DKK million	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
<b>Special items relates to:</b>					
Impairment of assets	0	0	27	0	0
Change of members of Executive Management	1	0	21	0	1
Restructuring cost	20	6	38	25	33
Cost regarding acquisition and disposal of subsidiaries	2	0	6	0	9
<b>Total special items</b>	<b>23</b>	<b>6</b>	<b>92</b>	<b>25</b>	<b>43</b>
<b>If special items had been recognized in operating profit before special items, they would have been included in the following line items:</b>					
Cost of goods sold	20	6	65	25	28
Sales and marketing costs	0	0	0	0	4
Administrative expenses	3	0	27	0	11
<b>Total special items</b>	<b>23</b>	<b>6</b>	<b>92</b>	<b>25</b>	<b>43</b>

Restructuring costs mainly comprise redundancies related to the negative organic growth. Impairment of assets of DKK 27m relates to impairment in Q2 2021 on Søborg headquarter building.

## Note 4

### Acquisition of subsidiaries

The fair value of nets assets acquired and goodwill at the date of acquisition is summarized below:

DKK million	9M 2021	9M 2020
<b>Acquisition cost</b>		
Cash paid	92	-
Contingent consideration (earn out)	30	-
<b>Total acquisition cost</b>	<b>122</b>	<b>0</b>
<b>Fair value of net assets acquired</b>		
Intangible assets	1	-
Other non-current assets	3	-
Trade receivables and work in progress	12	-
Cash and cash equivalents	13	-
Non-current liabilities	-10	-
Employee costs payable	-8	-
Other current liabilities	-9	-
<b>Net assets acquired</b>	<b>2</b>	<b>0</b>
Goodwill	120	-
<b>Acquisition cost</b>	<b>122</b>	<b>0</b>
Of which cash and cash equivalents	-13	-
Contingent consideration (earn out)	-30	-
<b>Paid acquisition cost, net</b>	<b>79</b>	<b>0</b>

On July 5, 2021, NNIT acquired full ownership and control of SL Controls (SLC), a company focusing on Life Sciences manufacturing. The acquisition of SLC will strengthen NNIT's solutions within Production IT and is yet another step towards consolidating the NNIT Group as one of the foremost suppliers of IT services to the global life sciences industry.

Goodwill relates to expected synergies regarding additional revenue in NNIT and know-how accumulated by the workforce in SLC.

Transaction cost of DKK 3.4m has been recognized in special items.

Earn-out target is DKK 31m (EUR 4.2m) with an earn-out range of DKK 0-38m depending on performance on three KPIs: EBITDA in SLC, Revenue in SLC and unmanaged attrition. The KPI's are weighted with EBITDA having the highest weight and with revenue having the second highest weight. The earn-out period ends 2023 and the yearly earn-out payments are settled annually after approval of the annual report. The earn-out weights are highest at the end of the period.

There have been no changes to the carrying amount of the contingent consideration since the date of the acquisition.

### Earnings impact

Revenue and EBITDA comprise DKK 18m and DKK 3.5m, respectively, reported by SLC since the date of acquisition July 5, 2021.

On a pro forma basis, if the acquisition had been effective from January 1, 2021 SLC would have contributed DKK 55m to revenue and DKK 7.0m to EBITDA as of September 30, 2021.

### Note 5

#### Related party transactions

DKK million	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
<b>Assets</b>			
Receivables from related parties	160	110	194
Work in progress related parties	28	55	55
<b>Liabilities</b>			
Liabilities to related parties	1	2	2
Prepayments from related parties	21	7	45

### Note 6

#### Contingent liabilities and legal proceedings

The group is occasionally involved in legal, customer and tax disputes in certain countries. Such disputes are by nature subject to considerable uncertainty. None of these cases are expected to have a material impact on the financial position of NNIT.

### Note 7

#### Currency hedging

NNIT's objective is at any time to limit the company's financial risks.

NNIT is exposed to exchange rate risks in the countries where NNIT has its main activities. The majority of NNIT's sales are in DKK and EUR, implying limited foreign exchange risk, due to the parent company's functional currency being DKK and Denmark's fixed-rate policy towards EUR. NNIT's foreign exchange risk therefore stem from transactions carried out in the currencies of countries outside of the EU, primarily the US dollar, the Chinese yuan, and, to a lesser extent, the Czech koruna, the Philippine peso and the Swiss franc.

US dollar risk relates to subsidiaries in the US, and is as such a translation reserve, and therefore not hedged.

NNIT's sales in Chinese yuan, Czech koruna, and Swiss franc are not sufficient to balance the currency risks of the delivery center costs held in these currencies. To manage these foreign exchange rate risks, NNIT has entered into hedging contracts to hedge major foreign currency balances in Chinese yuan, Czech koruna and the Philippine peso. Due to the size of the exposure Swiss franc is not hedged.

Cumulative profit on derivative financial instruments regarding future cash flow per September 30, 2021 is recognized in equity (other comprehensive income) with an amount of DKK 11m before tax (DKK 9m after tax in Q3 2021).

## Note 8

### Currency sensitivities

Estimated annual impact on NNIT's operating profit of a 10% increase in the outlined currencies against DKK*		Hedging period (months)
EUR	DKK 23 million	-
CNY	DKK -16 million	14
CZK	DKK -11 million	14
PHP	DKK -7 million	14
USD	DKK 7 million	-
CHF	DKK 0 million	-

Hedging gains and losses do not impact operating profit as they are recognized under net financials.  
\*The above sensitivities address hypothetical situations and are provided for illustrative purposes only.

### Key currency assumptions

DKK per 100	2019 average exchange rates	2020 average exchange rates	2021 average exchange rates	Current exchange rates at October 7, 2021
CNY	96.53	94.70	96.14	99.99
EUR	746.60	745.43	743.68	743.98
CZK	29.08	28.22	28.90	29.27
PHP	12.88	13.17	12.71	12.65
CHF	671.37	696.32	682.12	694.34
USD	667.03	653.36	621.77	644.58

### Currency development

NNIT has a net cost exposure in the Chinese yuan, the Czech koruna, the Philippine peso, the US dollar and the Swiss franc. Therefore, a depreciation of these currencies versus Danish kroner has a positive impact on reported operating profit, whereas an increase will have the reverse effect.

NNIT has hedged 90% of its net exposure in Chinese yuan (CNY hedged with CNH (CNY offshore)), Philippine peso (PHP) and Czech koruna (CZK) for the coming 14 months.